Grady County, Georgia

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2014



Grady County, Georgia
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December 31, 2014

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Grady County, Georgia
Principal Officials
December 31, 2014

ELECTED

T.D. David, Chairman

LaFaye Copeland, Vice Chairperson

Billy Poitevint, County Commissioner

Elwyn Childs, County Commissioner

Charlie Norton, County Commissioner

Staff

Carlos Tobar, County Administrator

Carrie K. Kines, County Clerk

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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 units, each major fund, and the aggregate remaining fund information of Grady County, Georgia, as of and for the year ended December 31, 2014, 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 did not audit the financial statements of the Grady County Health Department, which represent approximately $471,000 in assets and $864,000 in revenues. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Grady County Health Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grady County, Georgia, as of December 31, 2014, 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's 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.

Other Information

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, State of Georgia Grant Certification Forms, and Report of 911 Collections and Expenditures 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, State of Georgia Grant Certification Forms and Report of 911 Collections and Expenditures 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. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The accompanying schedule of Special Purpose Local Option Sales Tax Expenditures is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2015, 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.

June 25, 2015
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, 2014. 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 $65.71 million in total assets of which $50.61 million are capital assets.
- The County has $17.33 million in total liabilities of which $15.41 are long term.
- The assets of the County exceeded its liabilities as of December 31, 2014 by $48.38 million.
- The County's total net position decreased by $1.24 million.
- As of December 31, 2014, the County's governmental funds reported combined ending fund balances of $12.63 million, a decrease of $8.19 million in comparison to the prior year. Approximately 69% of the combined fund balances, $8.67 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 $10.71 million, which was an increase of $398 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, 2014 and 2013.

Table 2
Condensed Statement of Net Position

	Total Primary Government	
	2014	2013
Assets		
Current and other assets	15,099,531	23,732,392
Capital assets	50,605,612	44,456,706
Total assets	65,705,143	68,189,098
Liabilities		
Other liabilities	1,923,940	2,127,274
Long-term liabilities	15,406,156	16,430,920
Total liabilities	17,330,096	18,558,194
Net Position		
Net investment in capital assets	35,304,586	28,034,878
Restricted	3,262,926	14,941,680
Unrestricted	9,807,535	6,639,631
Total net position	48,375,047	49,616,189

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, 2014 and 2013. 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	
	2014	2013
Revenues		
Program revenues:		
Charges for services	2,067,919	2,594,864
Operating grants and contributions	1,018,531	249,669
Capital grants and contributions	117,611	194,119
General revenues:		
Property taxes	7,152,705	8,571,789
Sales taxes	3,982,912	4,111,932
Business taxes	774,246	693,517
Grants and contributions not restricted to specific programs	-	-
Investment income	26,277	31,017
Gain on sale of capital assets	33,329	-
Other revenues	104,516	210,075
Total revenues	15,278,046	16,656,982
Expenses		
General government	4,361,512	5,357,496
Public safety	4,347,268	4,485,995
Court system	880,401	877,824
Public works	2,776,768	3,373,153
Public health and welfare	169,764	183,198
Public Education	53,159	11,637
Recreation	2,426,811	398,093
Library	100,000	100,000
Housing and development	3,863	-
Code enforcement	571	-
Economic development	73,895	75,541
Intergovernmental	631,741	-
Interest - long-term debt	693,435	684,641
Total expenses	16,519,188	15,547,578
Increse (decrease) in net assets before transfers	(1,241,142)	1,109,404
Transfers	-	-
Change in net position	(1,241,142)	1,109,404

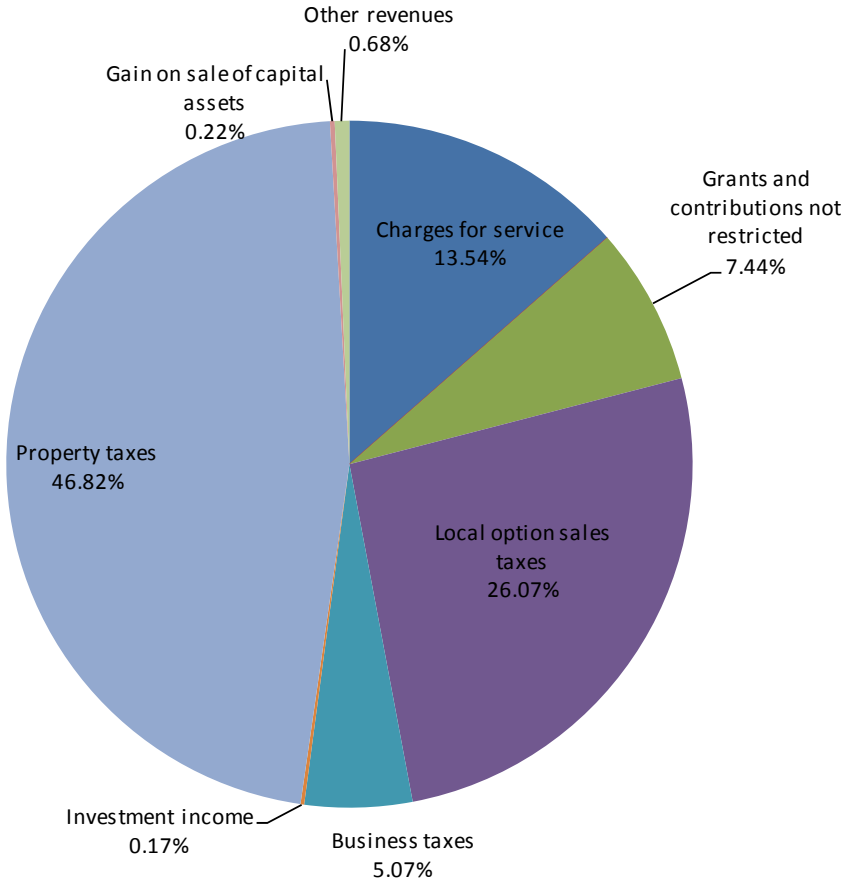
During the year ended December 31, 2013, the net position of the County decreased $1.24 million. Total revenues for 2014 decreased $1.38 million compared with 2013 due primarily to a decrease in property tax collections. Depreciation expense of $2.3 million was allocated to the various functions of governmental activities.

Program Expenses and Revenues for Governmental Activities

Governmental Activities - Revenues by Source

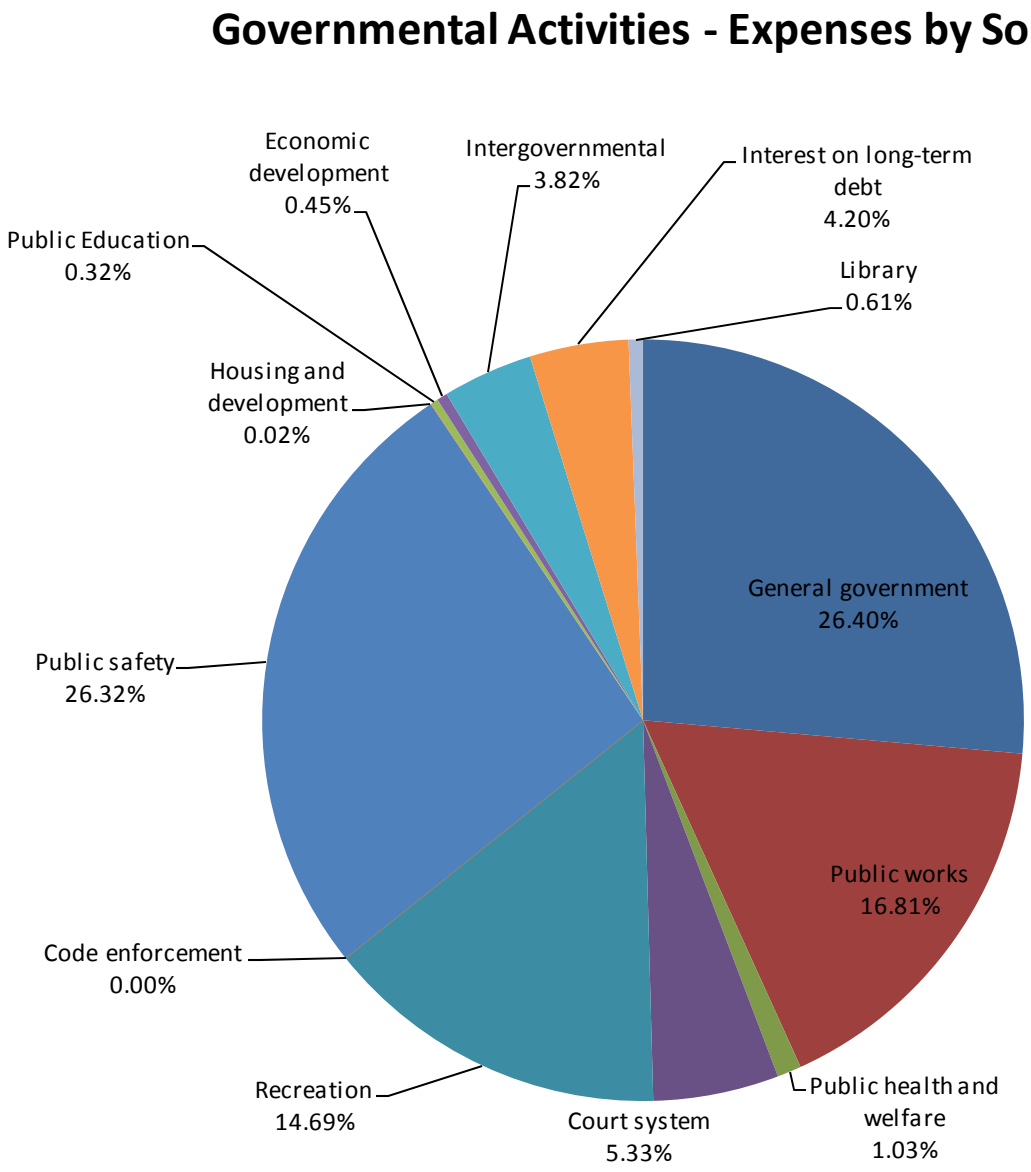
The following chart shows the governmental activities revenues by major source. Approximately 13.54% of the County's revenues were derived from charges for services and approximately 26.07% came from sales taxes. The largest portion of the County's revenue, 46.82%, came from property taxes.

Governmental Activities - Revenues by Source



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 general government at 26.40%. The next largest funding was for public safety at 26.32% and public works at 16.81%.



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, 2014, the County's governmental funds reported a combined ending fund balance of $12.63 million. Of that amount $8.67 million was unassigned fund balance, $2.67 million was restricted for specific purposes, and $1.22 million was for public services.

The general fund is the operating fund of the County. As of December 31, 2014, unassigned and total fund balance of the general fund was $10.71 million. The net change in the general fund's fund balance for the year ended December 31, 2014 was an increase of $398 thousand or 3.83%.

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 2014 related to the transfer of budgeted amounts between departments and did not result in additional appropriations.

The actual revenues of the general fund were less than original budgeted amounts by $426 thousand for the year ended December 31, 2014. Total revenues for 2014 decreased $165 thousand compared to 2013 due primarily to a decrease in property tax collections.

The actual expenditures of the general fund were less than original budgeted amounts by $249 thousand for the year ended December 31, 2014. General administration expenditures were $230 thousand less than the budgeted amount.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2014, the County had capital assets of $50.61 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, 2014, The County reported long term debt of $15.41 million including 2010 Series revenue bonds in the amount of $14.94 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
For the Year Ended December 31, 2014

	Primary Government		Component Units	
	Governmental Activities	Total	Hospital Authority	Health Department
Assets				
Cash and cash equivalents	$ 9,928,316	$ 9,928,316	$ 88,620	$ 379,693
Investments	-	-	-	-
Accounts receivable, net	71,093	71,093	-	-
Taxes receivable, net	1,116,354	1,116,354	-	-
Prepaid items	70,462	70,462	-	-
Due from other governments	517,761	517,761	-	82,901
Interfund balances	-	-	-	-
Inventories	-	-	-	-
Other assets	-	-	-	-
Restricted assets:				
Cash and cash equivalents	2,686,291	2,686,291	-	-
Sales tax receivable	709,254	709,254	-	-
Capital assets:				
Land	5,546,090	5,546,090	58,592	-
Construction in progress	19,086,115	19,086,115	-	-
Other capital assets, net of accumulated depreciation	25,973,407	25,973,407	780,841	8,543
Total assets	$ 65,705,143	$ 65,705,143	$ 928,053	$ 471,137
Liabilities				
Accounts payable	$ 1,012,783	$ 1,012,783	$ -	$ 20,659
Accrued expenses	901,723	901,723	-	-
Other payables	-	-	-	-
Due to other governments	-	-	-	26,660
Due to component unit	-	-	-	-
Other liabilities	9,434	9,434	-	-
Short-term debt	-	-	-	-
Long-term liabilities				
Due within one year	700,000	700,000	-	-
Due in more than one year	14,601,026	14,601,026	-	-
Compensated absences	105,130	105,130	-	25,188
Total liabilities	$ 17,330,096	$ 17,330,096	$ -	$ 72,507
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Net Position				
Net nvestment in capital assets	35,304,586	35,304,586	912,078	8,543
Restricted for:				
Capital projects	3,030,899	3,030,899	-	-
Public services	232,027	232,027	-	297,256
Unrestricted	9,807,535	9,807,535	15,975	92,831
Total net position	$ 48,375,047	$ 48,375,047	$ 928,053	$ 398,630

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

Grady County, Georgia
Statement of Activities
For the Year Ended December 31, 2014

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary Government:					
Governmental activities:					
General government	$ 4,361,512	$ 425,298	$ 1,018,531	$ 117,611	$ (2,800,072)
Public safety	4,347,268	967,480	-	-	(3,379,788)
Court system	880,401	595,808	-	-	(284,593)
Public works	2,776,768	-	-	-	(2,776,768)
Public health and welfare	169,764	55,864	-	-	(113,900)
Public education	53,159	-	-	-	(53,159)
Recreation	2,426,811	23,469	-	-	(2,403,342)
Library	100,000	-	-	-	(100,000)
Housing and development	3,863	-	-	-	(3,863)
Code enforcement	571	-	-	-	(571)
Economic development	73,895	-	-	-	(73,895)
Intergovernmental	631,741	-	-	-	(631,741)
Interest on long-term debt	693,435	-	-	-	(693,435)
Total governmental activities	$ 16,519,188	$ 2,067,919	$ 1,018,531	$ 117,611	$ (13,315,127)
Total primary government	$ 16,519,188	$ 2,067,919	$ 1,018,531	$ 117,611	$ (13,315,127)
Component Units:					
Grady County Hospital Authority	$ 79,124	$ 15,050	$ -	$ -	$ (64,074)
Grady County Health Department	817,481	420,386	438,510	-	41,415
Total component units	$ 896,605	$ 435,436	$ 438,510	$ -	$ (22,659)

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

Grady County, Georgia
Statement of Activities
For the Year Ended December 31, 2014

	Primary Government		Component Units	
	Governmental Activities	Total	Hospital Authority	Health Department
Change in net position:				
Net (expense) revenue	$ (13,315,127)	$ (13,315,127)	$ (64,074)	$ 41,415
General revenues:		-		
Taxes:		-		
Property taxes	7,152,705	7,152,705	-	-
Sales taxes	3,982,912	3,982,912	-	-
Business taxes	774,246	774,246	-	-
Other taxes	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-
Investment income	26,277	26,277	233	-
Gain on sale of capital assets	33,329	33,329	-	-
Other revenues	104,516	104,516	-	5,030
Transfers	-	-	-	-
Total general revenues and transfers	12,073,985	12,073,985	233	5,030
Change in net position	(1,241,142)	(1,241,142)	(63,841)	46,445
Net position, beginning of year	49,616,189	49,616,189	991,894	352,185
Net position, end of year	$ 48,375,047	$ 48,375,047	$ 928,053	$ 398,630

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

Grady County, Georgia
Balance Sheet
Governmental Funds
December 31, 2014

	General Fund	Tired Creek Capital Projects Fund	SPLOST 2007 Capital Projects Fund
Assets			
Cash and cash equivalents	$ 8,593,374	$ -	$ -
Investments	-	-	-
Accounts receivable, net	44,093	-	-
Taxes receivable, net	1,116,354	-	-
Notes receivable	-	-	-
Prepaid items	70,462	-	-
Due from other governments	517,761	-	-
Due from other funds	852,722	-	146,821
Restricted assets:			
Cash and cash equivalents	525,690	1,819	1,301,364
Sales tax receivable	265,190	-	-
Total assets	$ 11,985,646	$ 1,819	$ 1,448,185
Liabilites, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	$ 106,095	$ 899,550	$ -
Accrued expenses	469,919	146,655	-
Due to other funds	-	999,543	-
Total liabilities	576,014	2,045,748	-
Deferred Inflows of Resources			
Unavailable revenue	625,831	-	-
Nonspenable prepaid items	70,462	-	-
Fund balances restricted for:			
Public services	-	-	-
Debt service	-	-	-
Specific purposes	-	-	1,448,185
Unassigned, reported in:			
General fund	10,713,339	-	-
Special revenue funds	-	-	-
Capital projects fund	-	(2,043,929)	-
Total fund balances	10,783,801	(2,043,929)	1,448,185
Total liabilities, deferred inflows of resources and fund balances	$ 11,985,646	$ 1,819	$ 1,448,185

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

Grady County, Georgia
Balance Sheet
Governmental Funds
December 31, 2014

	Other Governmental Funds	Total Governmental Funds
Assets		
Cash and cash equivalents	$ 1,334,942	$ 9,928,316
Investments	-	-
Accounts receivable, net	27,000	71,093
Taxes receivable, net	444,064	1,560,418
Notes receivable	-	-
Prepaid items	-	70,462
Due from other governments	-	517,761
Due from other funds	-	999,543
Restricted assets:		
Cash and cash equivalents	642,432	2,471,305
Sales tax receivable	-	265,190
Total assets	$ 2,448,438	$ 15,884,088
Liabilites, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 7,138	$ 1,012,783
Accrued expenses		616,574
Due to other funds	-	999,543
Total liabilities	7,138	2,628,900
Deferred Inflows of Resources		
Unavailable revenue	-	625,831
Nonspenable prepaid items	-	70,462
Fund balances restricted for:		
Public services	1,216,285	1,216,285
Debt service	-	-
Specific purposes	1,225,015	2,673,200
Unassigned, reported in:		-
General fund	-	10,713,339
Special revenue funds	-	-
Capital projects fund	-	(2,043,929)
Total fund balances	2,441,300	12,629,357
Total liabilities, deferred inflows of resources and fund balances	$ 2,448,438	$ 15,884,088

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

Grady County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2014

Total governmental fund balances	$ 12,629,357
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.	50,605,612
Certain property tax revenues are not available to pay for current-period expenditures and therefore are deferred in the funds.	625,831
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.	(9,434)
An internal service fund is used by management to charge the costs of the County's medical benefit plan to individual funds. The assets and liabilities of the internal service fund are included governmental activities in the statement of net position.	27,607
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest	(97,770)
Bonds payable (net of unamortized premiums)	(15,301,026)
Compensated absences	(105,130)
Net position of governmental activities	$ 48,375,047

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

Grady County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
For the Year Ended December 31, 2014

	General Fund	Tired Creek Capital Projects Fund	SPLOST 2007 Capital Projects Fund
Revenues			
Property taxes	$ 7,267,834	$ -	38,171
Sales taxes	1,452,684	-	421,345
Selective sales and use taxes	85,833	-	-
Business taxes	774,246	-	-
Licenses and permits	80,817	21,500	-
Intergovernmental	125,614	-	-
Charges for services	986,199	-	-
Fines and forfeitures	594,723	-	-
Interest income	26,037	8,036	2,855
Other revenues	59,838	-	-
Total revenues	11,453,825	29,536	462,371
Expenditures			
Current:			
General government	3,861,840	268,259	141,273
Court system	887,991	-	-
Public safety	3,836,648	-	-
Public works	1,611,265	-	68,358
Health and welfare	164,259	-	-
Public education	-	-	-
Housing and development	3,863	-	-
Code enforcement	571	-	-
Recreation	350,165	2,031,040	-
Library	100,000	-	-
Economic development	76,522	-	-
Intergovernmental	-	-	-
Capital projects	-	6,878,799	154,944
Debt service, principal	-	-	1,000,000
Debt service, interest	293,900	-	29,320
Total expenditures	11,187,024	9,178,098	1,393,895
Excess (Deficiency) of Revenues Over Expenditures	266,801	(9,148,562)	(931,524)
Other Financing Sources (Uses)			
Transfers	-	-	-
Sale of capital assets	33,329	-	-
Long - term debt issued	98,000	-	-
Total other financing sources (uses)	131,329	-	-
Net change in fund balances	398,130	(9,148,562)	(931,524)
Fund balances, beginning of year	10,385,671	7,104,633	2,379,709
Fund balances, end of year	$ 10,783,801	$ (2,043,929)	$ 1,448,185

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

Grady County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds
For the Year Ended December 31, 2014

	Other Governmental Funds	Total Governmental Funds
Revenues		
Property taxes	$ -	$ 7,306,005
Sales taxes	-	1,874,029
Selective sales and use taxes	2,011,661	2,097,494
Business taxes	-	774,246
Licenses and permits		102,317
Intergovernmental	1,010,028	1,135,642
Charges for services	377,304	1,363,503
Fines and forfeitures	7,376	602,099
Interest income	738	37,666
Other revenues	45,178	105,016
Total revenues	3,452,285	15,398,017
Expenditures		
Current:		
General government	-	4,271,372
Court system	1,920	889,911
Public safety	450,269	4,286,917
Public works	11,818	1,691,441
Health and welfare	-	164,259
Public education	53,159	53,159
Housing and development	-	3,863
Code enforcement	-	571
Recreation	-	2,381,205
Library	-	100,000
Economic development	-	76,522
Intergovernmental	631,741	631,741
Capital projects	419,123	7,452,866
Debt service, principal	98,000	1,098,000
Debt service, interest	295,247	618,467
Total expenditures	1,961,277	23,720,294
Excess (Deficiency) of Revenues Over Expenditures	1,491,008	(8,322,277)
Other Financing Sources (Uses)		
Transfers	-	-
Sale of capital assets	-	33,329
Long - term debt issued	-	98,000
Total other financing sources (uses)	-	131,329
Net change in fund balances	1,491,008	(8,190,948)
Fund balances, beginning of year	950,292	20,820,305
Fund balances, end of year	$ 2,441,300	$ 12,629,357

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

Grady County, Georgia
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2014

Net change in fund balances - total governmental funds	$ (8,190,948)
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	8,437,673
Depreciation expense	(2,288,767)
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	(153,300)
An internal service fund is used by management to charge the costs of the County's medical benefit plan to individual funds. The net revenues (expenses) the internal service fund is reported with governmental activities in the statement of net position.	27,607
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	(97,770)
Change in pension liability	(401)
Compensated absences	1,962
Change in net position of governmental activities	$ (1,241,142)

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

Grady County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ 7,573,513	7,573,513	7,267,834	(305,679)
Sales taxes	1,400,300	1,400,300	1,452,684	52,384
Selective sales and use taxes	85,833	85,833	85,833	-
Business taxes	774,247	774,247	774,246	(1)
Licenses and permits	82,200	82,200	80,817	(1,383)
Intergovernmental	129,164	129,164	125,614	(3,550)
Charges for services	987,162	987,162	986,199	(963)
Fines and forfeitures	598,550	598,550	594,723	(3,827)
Interest income	16,575	16,575	26,037	9,462
Other revenues	232,504	232,504	59,838	(172,666)
Total revenues	11,880,048	11,880,048	11,453,825	(426,223)
Expenditures				
General government				
County commissioners	397,548	397,548	390,335	7,213
Registrar	70,144	70,144	66,508	3,636
Tax assessor	271,253	271,253	282,643	(11,390)
Tax commissioner	252,128	252,128	248,394	3,734
Buildings and grounds	385,706	385,706	386,440	(734)
County agent	112,490	112,490	111,973	517
Building inspection	195,213	195,213	192,460	2,753
General adminstration	2,413,510	2,413,510	2,183,087	230,423
Total general government	4,097,992	4,097,992	3,861,840	236,152
Court system				
Superior court	180,114	180,114	179,686	428
Clerk of superior court	241,337	241,337	236,935	4,402
State court	96,996	96,996	96,378	618
District attorney	35,316	35,316	36,043	(727)
Juvenile court	48,391	48,391	48,391	-
Probate court	142,876	142,876	141,786	1,090
Magistrate court	153,341	153,341	148,772	4,569
Total court system	898,371	898,371	887,991	10,380
Public safety				
Sheriff	1,323,472	1,323,472	1,336,083	(12,611)
Drug task force	-	-	-	-
Jail	1,250,419	1,250,419	1,236,309	14,110
Fire fighting	249,393	249,393	262,923	(13,530)
Ambulance services	871,998	871,998	859,945	12,053
E-911 services	3,375	3,375	3,377	(2)
Emergency management	14,875	14,875	14,866	9
Coroner	26,639	26,639	26,641	(2)
Animal control	97,375	97,375	96,504	871
Total public safety	3,837,546	3,837,546	3,836,648	898

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

Grady County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual – General Fund
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES				
Public works				
Roads and bridges	999,855	999,855	982,691	17,164
Road contracts	-	-	-	-
Solid waste	435,920	435,920	457,146	(21,226)
Shop	174,051	174,051	171,428	2,623
Total public works	1,609,826	1,609,826	1,611,265	(1,439)
Public health and welfare				
Health	139,287	139,287	139,287	-
Welfare	24,972	24,972	24,972	-
Total health and welfare	164,259	164,259	164,259	-
Housing and development	3,863	3,863	3,863	-
Code enforcement	571	571	571	-
Recreation	353,140	353,140	350,165	2,975
Library	100,000	100,000	100,000	-
Economic development	76,495	76,495	76,522	(27)
Capital projects	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	293,906	293,906	293,900	6
Total expenditures	11,435,398	11,435,969	11,187,024	248,945
Excess (deficiency) of revenues over expenditures	444,650	444,079	266,801	(177,278)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	33,300	33,300	33,329	29
Capital leases	-	-	-	-
Long - term debt issued	-	-	98,000	98,000
Total other financing sources (uses)	33,300	33,300	131,329	98,029
Net change in fund balances	477,950	477,379	398,130	(79,249)
Fund balances, beginning of year	10,385,671	10,385,671	10,385,671	-
Fund balances, end of year	$ 10,863,621	$ 10,863,050	$ 10,783,801	$ (79,249)

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

Grady County, Georgia
Statement of Net Position
Internal Service Fund
For the Year Ended December 31, 2014

		Internal Service Fund
ASSETS		
Cash and cash equivalents	$	214,986
Total assets	$	214,986
LIABILITIES		
Accrued expenses	$	187,379
Total liabilities	$	187,379
Net Position		
Restricted	$	27,607

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

Grady County, Georgia
Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Fund
For the Year Ended December 31, 2014

		Internal Service Fund
OPERATING REVENUES		
Employee contributions	$	19,246
Employer contributions		1,457,492
Reinsurance payments		340,517
Interest income		247
Total operating revenues	$	1,817,502
OPERATING EXPENSES		
Claims expenses	$	1,644,406
Administrative expenses		145,489
Total operating expenses	$	1,789,895
Change in net position		27,607
Net position, beginning of year		-
Net position, end of year	$	27,607

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

Grady County, Georgia
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2014

	Recreation Fund	Total Agency Funds
ASSETS		
Cash and cash equivalents	$ 18,794	$ 921,813
Property tax receivable	-	2,876,018
Total assets	$ 18,794	$ 3,797,831
LIABILITIES		
Due to others	$ -	$ 921,813
Due to state	-	-
Uncollected taxes	-	2,876,018
Total liabilities	$ -	$ 3,797,831
Net Position		
Restricted	$ 18,794	$ -

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

Grady County, Georgia
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2014

	Recreation Fund
Additions	
Contributions and donations	$ 20,548
Total additions	20,548
Deductions	
Administrative expenses	1,754
Total deductions	1,754
Change in net position	18,794
Net position, beginning of year	-
Net position, end of year	$ 18,794

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

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, 2014. 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, 2014, 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

Internal Service Funds are used to report an activity that provides services or goods to other funds on a cost-reimbursement basis.

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, 2014, 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 June 25, 2015, 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, 2014:

Department	Excess of Expenditures Over Budgeted Amounts
Tax assessor	11,390
Buildings and grounds	734
District attorney	727
Sheriff	12,611
Fire fighting	15,530
E-911	2
Coroner	2
Solid waste	21,226
Economic development	27

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, 2014:

Fund	Excess of Expenditures Over Budgeted Amounts
Law Library	$ 1,920
Grant Fund	817
Drug Abuse and Treatment	159
Wolf Creek	1,793

NOTE 3 - DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2014 are summarized as follows:

Primary Government		
Amounts as presented on the entity-wide Statement of Net Position:		
Cash and cash equivalents	$	9,928,316
Restricted cash and cash equivalents		2,686,291
Amounts as presented on the Statement of Fiduciary Assets and Liabilities:		
Cash and cash equivalents		940,607
Total	$	13,555,214
Deposits with financial institutions	$	13,555,214
Component Unit - Hospital Authority		
Cash and cash equivalents	$	88,620
Deposits with financial institutions	$	88,620
Component Unit - Health Department		
Cash and cash equivalents	$	379,693
Deposits with financial institutions	$	379,693

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, 2014 the bank balance was $13,805,908. Of the bank balance, $13,805,908 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 2014 fiscal year tax levy, was mailed October 20, 2014. 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, 2014 for the County's individual major funds, nonmajor funds, and fiduciary funds in the aggregate are as follows:

	General Fund	Nonmajor Governmental Funds	Total
Property tax receivable	$ 1,116,354	$ -	$ 1,116,354
Sales tax receivable	265,190	444,064	709,254
Accounts receivable	44,093	27,000	71,093
Gross receivables	1,425,637	471,064	1,896,701
Less:			
Allowance for uncollectibles	-	-	-
Net total receivables	$ 1,425,637	$ 471,064	$ 1,896,701

NOTE 5 – DUE FROM OTHER GOVERNMENTS

Due from other governments on the General Fund as of December 31, 2014 consisted of inmate fees due from the City of Cairo and a note receivable from the Grady County Joint Development Authority. The note receivable bears an interest rate of 1%. Principal and interest is due on August 1, 2017.

Due From	2014
Grady County Joint Development Authority	$ 465,336
City of Cairo	52,425
Total due from other governments	517,761

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, 2014 is as follows:

Fund	Due From	Due To
General Fund	$ -	$ 852,722
SPLOST 2007	-	146,821
Tired Creek Fund	999,543	-
Nonmajor Governmental Funds	-	-
	$ 999,543	$ 999,543

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. There were no interfund transfers during the year ended December 31, 2014.

NOTE 7 – CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended December 31, 2014:

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	11,394,905	7,691,210	-	-	19,086,115
Total capital assets not being depreciated	16,940,995	7,691,210	-	-	24,632,205
Other capital assets:					
Buildings	13,638,042	-	-	-	13,638,042
Machinery and equipment	7,931,959	577,531	-	-	8,509,490
Roads and bridges	93,899,784	168,932	-	-	94,068,716
Total other capital assets at cost	115,469,785	746,463	-	-	116,216,248
Less accumulated depreciation for:					
Buildings	(6,019,854)	(369,706)	-	-	(6,389,560)
Machinery and equipment	(4,971,021)	(451,565)	-	-	(5,422,586)
Roads and bridges	(76,963,199)	(1,467,496)	-	-	(78,430,695)
Total accumulated depreciation	(87,954,074)	(2,288,767)	-	-	(90,242,841)
Other capital assets, net	27,515,711	(1,542,304)	-	-	25,973,407
Governmental activities capital assets, net	$ 44,456,706	$ 6,148,906	$ -	$ -	$ 50,605,612

Depreciation Expense was charged to functions as follows:

Governmental Activities	
General Government	$ 351,110.00
Public safety	416,944
Public works	1,440,297
Public health and welfare	7,252
Recreation	73,164
Total governmental activities depreciation expense	$ 2,288,767

Component Units

Capital asset activity for the Grady County Health Department, a discretely presented component unit, for the year ended December 31, 2014 is as follows:

Board of Health

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated	$ -	$ -	$ -	$ -	$ -
Other capital assets:					
Machinery and equipment	77,816	-	-	-	77,816
Total other capital assets at cost	77,816	-	-	-	77,816
Less accumulated depreciation for:					
Machinery and equipment	(66,273)	(3,000)	-	-	(69,273)
Total accumulated depreciation	(66,273)	(3,000)	-	-	(69,273)
Other capital assets, net	11,543	(3,000)	-	-	8,543
Total capital assets, net	$ 11,543	$ (3,000)	$ -	$ -	$ 8,543

Capital asset activity for the Grady County Hospital Authority, a discretely presented component unit, for the year ended December 31, 2014 is as follows:

Hospital Authority

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 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	(2,950,981)	(72,646)	-	-	(3,023,627)
Total accumulated depreciation	(2,950,981)	(72,646)	-	-	(3,023,627)
Other capital assets, net	853,487	(72,646)	-	-	780,841
Total capital assets, net	$ 912,079	$ (72,646)	$ -	$ -	$ 839,433

NOTE 8 – LONG TERM DEBT

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, 2014 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	(700,000)
				$ 14,240,000

The annual debt service requirement to maturity of the bonds at December 31, 2014 is as follows:

Year Ending December 31	Principal	Interest	Total
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	800,000	492,394	1,292,394
2020-2024	4,470,000	1,997,356	6,467,356
2025-2029	5,470,000	1,005,514	6,475,514
2030	1,245,000	49,800	1,294,800
	$ 14,940,000	$ 5,754,838	$ 20,694,838

Changes in Long-Term Liabilities

The following is a summary of the activity in long term-liabilities for the year ended December 31, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue Bonds:					
General obligation bond	$ 1,000,000	$ -	$ (1,000,000)	$ -	$ -
SGGSA revenue bond	14,940,000	-	-	14,940,000	700,000
Plus deferred amounts for issuance premiums	383,828	-	(22,802)	361,026	-
Total bonds payable	16,323,828	-	(1,022,802)	15,301,026	700,000
Compensated absenses	107,092	-	(1,962)	105,130	-
Governmental activities long-term liabilities	$ 16,430,920	$ -	$ (1,024,764)	$ 15,406,156	$ 700,000

Compensated absences are generally liquidated by the General Fund.

Component Units

The activity in long-term liabilities for the Grady County Health Department, a discretely presented component unit, for the year ended December 31, 2014 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component Unit					
Health Department					
Governmental Activities					
Compensated absences	$ 22,653	$ 2,535	$ -	$ 25,188	$ -
Long-term Liabilities	$ 22,653	$ 2,535	$ -	$ 25,188	$ -

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, 2014 include:

Special Revenue Funds	
Reserved for public services	$1,216,285
Capital Projects Funds	
Reserved for specific purposes to reflect Resources funded by Special Purpose Local Option Sales Tax and Federal grants	2,673,200

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:

	2014	2013
Net pension obligation as of beginning of prior year	$ 9,033	$ 9,321
Annual pension cost for prior year	141,863	129,308
Actual contributions to plan for prior year	141,462	129,596
Increase (decrease) in net pension obligation	401	(288)
Net pension obligaiton as of beginning of the year	$ 9,434	$ 9,033

Derivation of Annual Pension Cost:

	2014	2013
Annual required contribution	$ 139,137	$ 141,912
Interest on net pension obligation	708	700
Amortization of net pension obligation	(769)	(749)
Annual pension cost	$ 139,076	$ 141,863

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)
2014	$ 139,076	N/A	N/A	$ 9,434
2013	141,863	141,462	100%	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)

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

Basis of Valuation

Current valuation date	January 1, 2014
Annual return on invested plan assets	7.50%
Projected annual salary increases	3.0%-5.5% based on age
Expected annual inflation	3%
Actuarial value of assets	Market value
Actuarial cost method	Projected unit credit
Amortization period	15-30 years
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, 2014 were $73,466 based on qualifying salaries of $419,696. 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, 2014, 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, 2012, 2013, and 2014.

NOTE 14 – 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, 2014, the County paid dues to the SWGRC of approximately $16,620. 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 13 – 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 14 – 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 15 – 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, 2014

	Special Revenue Funds	SPLOST Capital Projects Fund	SPLOST 2002 Capital Projects Fund
Assets			
Cash and cash equivalents	$ 1,196,323	$ -	$ 138,619
Accounts receivable, net	27,000	-	-
Taxes receivable, net	-	-	-
Notes receivable	-	-	-
Restricted cash	100	-	-
Due from other governments	-	-	-
Due from other funds	-	-	-
Total assets	$ 1,223,423	$ -	$ 138,619
Liabilites, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	$ 7,138	$ -	$ -
Due to other funds	-	-	-
Total liabilities	7,138	-	-
Deferred Inflows of Resources			
Unavailable revenue	-	-	-
Fund balances restricted for:			
Public services	1,216,285	-	-
Debt service	-	-	-
Specific purposes	-	-	138,619
Unassigned	-	-	-
Total fund balances	1,216,285	-	138,619
Total liabilities, deferred inflows of resources and fund balances	$ 1,223,423	$ -	$ 138,619

Grady County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	SPLOST 2012 Capital Projects Fund	Total Nonmajor Governmental Funds
Assets		
Cash and cash equivalents	$ -	$ 1,334,942
Accounts receivable, net	-	27,000
Taxes receivable, net	444,064	444,064
Notes receivable	-	-
Restricted cash	642,332	642,432
Due from other governments	-	-
Due from other funds	-	-
Total assets	$ 1,086,396	$ 2,448,438
Liabilites, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 7,138
Due to other funds	-	-
Total liabilities	-	7,138
Deferred Inflows of Resources		
Unavailable revenue	-	-
Fund balances restricted for:		
Public services	-	1,216,285
Debt service	-	-
Specific purposes	1,086,396	1,225,015
Unassigned	-	-
Total fund balances	1,086,396	2,441,300
Total liabilities, deferred inflows of resources and fund balances	$ 1,086,396	$ 2,448,438

Grady County, Georgia
Combining Statement of Revenues Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
December 31, 2014

	Special Revenue Funds	SPLOST Capital Projects Fund	SPLOST 2002 Capital Projects Fund
Revenues			
Property taxes	$ -	$ -	$ -
Selective sales and use taxes	-	-	-
Business taxes	-	-	-
Intergovernmental	1,010,028	-	-
Charges for services	377,304	-	-
Fines and forfeitures	7,376	-	-
Interest income	240	15	441
Other revenues	45,178	-	-
Total revenues	1,440,126	15	441
Expenditures			
Court system	1,920	-	-
Public safety	400,789	-	49,223
Roads and bridges	-	-	11,818
Intergovernmental	-	-	-
Health and welfare	-	-	-
Public education	53,159	-	-
Housing and development	-	-	-
Capital outlay	49,997	12,901	356,225
Debt service, principal	-	12,455	85,545
Debt service, interest	-	-	1,938
Total expenditures	505,865	25,356	504,749
Excess (Deficiency) of Revenues Over Expenditures	934,261	(25,341)	(504,308)
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	934,261	(25,341)	(504,308)
Fund Balances, beginning of year	282,024	25,341	642,927
Fund Balances, end of year	$ 1,216,285	$ -	$ 138,619

Grady County, Georgia
Combining Statement of Revenues Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
December 31, 2014

	SPLOST 2012 Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues		
Property taxes	$ -	$ -
Selective sales and use taxes	2,011,661	2,011,661
Business taxes	-	-
Intergovernmental	-	1,010,028
Charges for services	-	377,304
Fines and forfeitures	-	7,376
Interest income	42	738
Other revenues	-	45,178
Total revenues	2,011,703	3,452,285
Expenditures		
Court system	-	1,920
Public safety	257	450,269
Roads and bridges	-	11,818
Intergovernmental	631,741	631,741
Health and welfare	-	-
Public education	-	53,159
Housing and development	-	-
Capital outlay	-	419,123
Debt service, principal	-	98,000
Debt service, interest	293,309	295,247
Total expenditures	925,307	1,961,277
Excess (Deficiency) of Revenues Over Expenditures	1,086,396	1,491,008
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	1,086,396	1,491,008
Fund Balances, beginning of year	-	950,292
Fund Balances, end of year	$ 1,086,396	$ 2,441,300

Grady County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Special Revenue Funds			
	E-911 Fund	Law Library Fund	Confiscated Assets Fund	Multiple Grants Fund
Assets				
Cash and cash equivalents	$ -	$ 17,412	$ 51,929	$ 1,029,010
Accounts receivable, net	27,000	-	-	-
Taxes receivable, net	-	-	-	-
Notes receivable	-	-	-	-
Restricted cash	-	-	-	100
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Total assets	$ 27,000	$ 17,412	$ 51,929	$ 1,029,110
Liabilites, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 6,505	$ 633	$ -	$ -
Due to other funds	-	-	-	-
Total liabilities	6,505	633	-	-
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Fund balances restricted for:				
Public services	20,495	16,779	51,929	1,029,110
Debt service	-	-	-	-
Specific purposes	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	20,495	16,779	51,929	1,029,110
Total liabilities, deferred inflows of resources and fund balances	$ 27,000	$ 17,412	$ 51,929	$ 1,029,110

Grady County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Special Revenue Funds			
	Grant Fund	Wolf Creek Fund	Drug Abuse and Treatment Fund	Total
Assets				
Cash and cash equivalents	$ -	$ -	$ 97,972	$ 1,196,323
Accounts receivable, net	-	-	-	27,000
Taxes receivable, net	-	-	-	-
Notes receivable	-	-	-	-
Restricted cash	-	-	-	100
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Total assets	$ -	$ -	$ 97,972	1,223,423
Liabilites, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ -	$ -	$ -	$ 7,138
Due to other funds	-	-	-	-
Total liabilities	-	-	-	7,138
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Fund balances restricted for:				
Public services	-	-	97,972	1,216,285
Debt service	-	-	-	-
Specific purposes	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	-	-	97,972	1,216,285
Total liabilities, deferred inflows of resources and fund balances	$ -	$ -	$ 97,972	$ 1,223,423

Grady County, Georgia
Combining Statement of Revenues Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
December 31, 2014

	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	-	-	-	1,008,648
Charges for services	321,358	-	-	-
Fines and forfeitures	-	1,085	6,291	-
Interest income	106	-	16	-
Other revenues	45,178	-	-	-
Total revenues	366,642	1,085	6,307	1,008,648
Expenditures				
Current:				
Court system	-	1,920	-	-
Public safety	400,489	-	300	-
Roads and bridges	-	-	-	-
Intergovernmental	-	-	-	-
Health and welfare	-	-	-	-
Public education	-	-	-	-
Housing and development	-	-	-	-
Capital outlay	-	-	47,387	-
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	400,489	1,920	47,687	-
Excess (Deficiency) of Revenues Over Expenditures	(33,847)	(835)	(41,380)	1,008,648
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	(33,847)	(835)	(41,380)	1,008,648
Fund Balances, beginning of year	54,342	17,614	93,309	20,462
Fund Balances, end of year	$ 20,495	$ 16,779	$ 51,929	$ 1,029,110

Grady County, Georgia
Combining Statement of Revenues Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
December 31, 2014

	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	-	1,380	-	1,010,028
Charges for services	-	-	55,946	377,304
Fines and forfeitures	-	-	-	7,376
Interest income	-	5	113	240
Other revenues	-	-	-	45,178
Total revenues	-	1,385	56,059	1,440,126
Expenditures				
Current:				
Court system	-	-	-	1,920
Public safety	-	-	-	400,789
Roads and bridges	-	-	-	-
Intergovernmental	-	-	-	-
Health and welfare	-	-	-	-
Public education	-	-	53,159	53,159
Housing and development	-	-	-	-
Capital outlay	817	1,793	-	49,997
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	817	1,793	53,159	505,865
Excess (Deficiency) of Revenues Over Expenditures	(817)	(408)	2,900	934,261
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	(817)	(408)	2,900	934,261
Fund Balances, beginning of year	817	408	95,072	282,024
Fund Balances, end of year	$ -	$ -	$ 97,972	$ 1,216,285

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – E-911 Fund
December 31, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	330,000	330,000	321,358	(8,642)
Fines and forfeitures	-	-	-	-
Interest income	100	100	106	6
Other revenues	-	80,000	45,178	(34,822)
Total revenues	330,100	410,100	366,642	(43,458)
Expenditures				
Court system	-	-	-	-
Public safety	401,100	401,100	400,489	611
Roads and bridges	-	-	-	-
Intergovernmental	-	-	-	-
Health and welfare	-	-	-	-
Public education	-	-	-	-
Housing and development	-	-	-	-
Capital outlay	-	-	-	-
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	401,100	401,100	400,489	611
Excess (Deficiency) of Revenues Over Expenditures	(71,000)	9,000	(33,847)	(42,847)
Other Financing Sources (Uses)				
Transfers from other funds	-	14,000	-	14,000
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Capital leases	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	-	14,000	-	14,000
Net change in fund balances	(71,000)	23,000	(33,847)	(28,847)
Fund Balances, beginning of year	54,342	54,342	54,342	-
Fund Balances, end of year	$ (16,658)	$ 77,342	$ 20,495	$ (28,847)

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Law Library Fund
December 31, 2014

	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	-	-	1,085	1,085
Interest income	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	1,085	1,085
Expenditures				
Court system	-	-	1,920	(1,920)
Public safety	-	-	-	-
Roads and bridges	-	-	-	-
Intergovernmental	-	-	-	-
Health and welfare	-	-	-	-
Public education	-	-	-	-
Housing and development	-	-	-	-
Capital outlay	-	-	-	-
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	-	-	1,920	(1,920)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(835)	(835)
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	-	-	(835)	(835)
Fund Balances, beginning of year	17,614	17,614	17,614	-
Fund Balances, end of year	$ 17,614	$ 17,614	$ 16,779	$ (835)

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Confiscated Assets Fund
December 31, 2014

	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	-	-	6,291	6,291
Interest income	-	20	16	(4)
Other revenues	-	-	-	-
Total revenues	-	20	6,307	6,287
Expenditures				
Court system	-	-	-	-
Public safety	-	300	300	-
Roads and bridges	-	-	-	-
Intergovernmental	-	-	-	-
Health and welfare	-	-	-	-
Public education	-	-	-	-
Housing and development	-	-	-	-
Capital outlay	48,000	48,000	47,387	613
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	48,000	48,300	47,687	613
Excess (Deficiency) of Revenues Over Expenditures	(48,000)	(48,280)	(41,380)	6,900
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	(48,000)	(48,280)	(41,380)	6,900
Fund Balances, beginning of year	93,309	93,309	93,309	-
Fund Balances, end of year	$ 45,309	$ 45,029	$ 51,929	$ 6,900

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Multiple Grants Fund
December 31, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	1,029,010	1,029,010	1,008,648	(20,362)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	-	-
Other revenues	-	-	-	-
Total revenues	1,029,010	1,029,010	1,008,648	(20,362)
Expenditures				
Court system	-	-	-	-
Public safety	-	-	-	-
Roads and bridges	-	-	-	-
Intergovernmental	-	-	-	-
Health and welfare	-	-	-	-
Public education				
Housing and development	-	-	-	-
Capital outlay	-	-	-	-
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	1,029,010	1,029,010	1,008,648	(20,362)
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	1,029,010	1,029,010	1,008,648	(20,362)
Fund Balances, beginning of year	20,462	20,462	20,462	-
Fund Balances, end of year	$ 1,049,472	$ 1,049,472	$ 1,029,110	$ (20,362)

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual –Grant Fund
December 31, 2014

	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	-	-	-	-
Other revenues	-	-	-	-
Total revenues	-	-	-	-
Expenditures				
Court system	-	-	-	-
Public safety	-	-	-	-
Roads and bridges	-	-	-	-
Intergovernmental	-	-	-	-
Health and welfare	-	-	-	-
Public education	-	-	-	-
Housing and development	-	-	-	-
Capital outlay	-	-	817	(817)
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	-	-	817	(817)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(817)	(817)
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	-	-	(817)	(817)
Fund Balances, beginning of year	817	817	817	-
Fund Balances, end of year	$ 817	$ 817	$ -	$ (817)

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual –Wolf Creek Fund
December 31, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	-	-	-	-
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	-	-	1,380	1,380
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	-	-	5	5
Other revenues	-	-	-	-
Total revenues	-	-	1,385	1,385
Expenditures				
Court system	-	-	-	-
Public safety	-	-	-	-
Roads and bridges	-	-	-	-
Intergovernmental	-	-	-	-
Health and welfare	-	-	-	-
Public education	-	-	-	-
Housing and development	-	-	-	-
Capital outlay	-	-	1,793	(1,793)
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	-	-	1,793	(1,793)
Excess (Deficiency) of Revenues Over Expenditures	-	-	(408)	(408)
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	-	-	(408)	(408)
Fund Balances, beginning of year	408	408	408	-
Fund Balances, end of year	$ 408	$ 408	$ -	$ (408)

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual –Drug Abuse Treatment Fund
December 31, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	-	-	-	-
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	56,000	56,000	55,946	(54)
Fines and forfeitures	-	-	-	-
Interest income	-	-	113	113
Other revenues	-	-	-	-
Total revenues	56,000	56,000	56,059	59
Expenditures				
Court system	-	-	-	-
Public safety	-	-	-	-
Roads and bridges	-	-	-	-
Intergovernmental	-	-	-	-
Health and welfare	-	-	-	-
Public education	53,000	53,000	53,159	(159)
Housing and development	-	-	-	-
Capital outlay	-	-	-	-
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	53,000	53,000	53,159	(159)
Excess (Deficiency) of Revenues Over Expenditures	3,000	3,000	2,900	(100)
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	3,000	3,000	2,900	(100)
Fund Balances, beginning of year	95,072	95,072	95,072	-
Fund Balances, end of year	$ 98,072	$ 98,072	$ 97,972	$ (100)

Grady County, Georgia
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2014

	Clerk of Superior Court	Probate Court	Tax Commissioner
ASSETS			
Restricted assets:			
Cash and cash equivalents	$ 344,005	$ 7,181	$ 525,690
Property tax receivable	-	-	2,876,018
Total assets	$ 344,005	$ 7,181	$ 3,401,708
LIABILITIES			
Due to others	$ 344,005	$ 7,181	525,690
Due to other governments	-	-	-
Uncollected taxes	-	-	2,876,018
Total liabilities	$ 344,005	$ 7,181	$ 3,401,708

Grady County, Georgia
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2014

	Magistrate Court	Sheriff's Department	Total Agency Funds
ASSETS			
Restricted assets:			
Cash and cash equivalents	$ 36,626	$ 8,311	$ 921,813
Property tax receivable	-	-	2,876,018
Total assets	$ 36,626	$ 8,311	$ 3,797,831
LIABILITIES			
Due to others	$ 36,626	$ 8,311	$ 921,813
Due to state	-	-	-
Uncollected taxes	-	-	2,876,018
Total liabilities	$ 36,626	$ 8,311	$ 3,797,831

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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, 2014, 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 June 25, 2015. Our report includes a reference to other auditors who audited the financial statements of the Grady County Health Department, as described in our report on Grady County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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. [2014-1, 2014-2, 2014-3, 2014-4, 2014-5, 2014-6, 2014-7, 2014-8, 2014-9, 2014-10.].

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.

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

June 25, 2015
Tifton, Georgia

2014-1

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.

2014-2

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.

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2014-3

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.

2014-4

Criteria:

Fund balances should be reconciled and rolled forward from the prior year balance.

Condition:

Reconciliations and roll forwards of fund balances were not properly performed.

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 the fund balances.

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2014-5

Criteria:

Bank accounts should be reconciled to the general ledger balances.

Condition:

Bank reconciliations were not properly or timely performed during the year.

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 the reconciliation of cash balances.

2014-6

Criteria:

Property tax receivables and deferred inflows should be reconciled to the general ledger balances.

Condition:

Reconciliations of property tax receivables and deferred inflows were not properly performed.

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 the reconciliation of property tax receivables and deferred inflows.

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2014-7

Criteria:

Accounts payable and accrued expenses should be reconciled to the general ledger balances.

Condition:

Reconciliations of accounts payable and accrued expenses were not properly performed.

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 the reconciliation of accounts payable and accrued expenses.

2014-8

Criteria:

Interfund activity and balances should be reconciled to the general ledger balances.

Condition:

Reconciliations of interfund activity and balances were not properly performed.

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 the reconciliation of interfund activity and balances.

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2014-9

Criteria:

Journal entries posted to the general ledger should be properly documented as to purpose and approval.

Condition:

Certain journal entries to the general ledger during the year were not properly documented as to purpose and approval.

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 the proper documentation for the purpose and approval of journal entries posted to the general ledger.

2014-10

Criteria:

The accounting software system should not allow one-sided journal entries to be recorded in the system.

Condition:

Certain one-sided journal entries to the general ledger during the year were allowed to be posted by the accounting software.

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 the proper settings in its software and the recording of journal entries.

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Grady County, Georgia
Schedule of Special Purpose Local Option Sales Tax Expenditures
December 31, 2014

	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	$ 5,499,031	$ 12,901	$ 5,511,932	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	12,455	204,281	100%
Total expenditures	$ 8,000,000	$ 8,556,580	$ 25,356	$ 8,581,936	
Special Purpose Local Option Sales Tax - 2002					
County roads, streets and bridges	$ 5,850,000	$ 6,930,632	$ 504,749	$ 7,435,381	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	$ 13,215,119	$ 504,749	$ 13,719,868	
Special Purpose Local Option Sales Tax - 2007					
County roads, streets and bridges	$ 6,032,550	$ 11,776,817	$ 1,309,177	$ 13,085,994	100%
Grady County Volunteer Fire Department	250,000	13,511	84,718	98,229	39%
Hospital Authority imaging center	1,500,000	1,585,174	-	1,585,174	100%
Grady County Library	120,000	123,779	-	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	208,912	-	208,912	100%
City of Cairo	4,272,450	4,505,125	-	4,505,125	100%
City of Whigham	325,000	341,675	-	341,675	100%
Total expenditures	$ 14,000,000	$ 18,980,657	$ 1,393,895	$ 20,374,552	
Special Purpose Local Option Sales Tax - 2012					
County roads, streets and bridges	$ 3,246,000	$ -	$ -	$ -	0%
Public safety equipment	1,500,000	-	257	257	0%
Retirement for existing indebtedness	6,000,000	-	293,309	293,309	5%
City of Cairo	6,912,000	-	601,957	601,957	9%
City of Whigham	342,000	-	29,784	29,784	9%
Total expenditures	$ 18,000,000	$ -	$ 925,307	$ 925,307	

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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, 2014, 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, 2014 is fairly stated in all material respects.

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

June 25, 2015
Tifton, Georgia

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Grady County, Georgia
State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)
December 31, 2014

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		12/31/2014		12/31/2014
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, 2014

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: 12/31/2014	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: 12/31/2014
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, 2014

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**		COLUMN 2 **Cumulative Grant Activity**
		For the Year Ended:		Through the Year Ended:
G		12/31/2014		12/31/2014
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, 2014

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**		COLUMN 2 **Cumulative Grant Activity**
		For the Year Ended:		Through the Year Ended:
G		12/31/2014		12/31/2014
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, 2014

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** For the Year Ended: 12/31/2014		COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: 12/31/2014
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_____

Grady County, Georgia
Annual Report of 911 Collections and Expenditures
December 31, 2014

Line No.		O.C.G.A. Reference:	
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one): __X__ Special Revenue Fund _____ Enterprise Fund		
	Expenditures (UCOA Activity 3800)		
2	Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)	
	_____		$ _____
	_____		$ _____
	_____		$ _____
3	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:		
3a	Lease costs	46-5-134(f)(1)(A)	$ _____
3b	Purchase costs	46-5-134(f)(1)(A)	$ _____
3c	Maintenance costs	46-5-134(f)(1)(A)	$ _____
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(1)(B)	$ _____
5	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2		
5a	Salaries and wages	46-5-134(f)(1)(C)	$ _____
5b	Employee benefits	46-5-134(f)(1)(C)	$ _____
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	$ _____
7	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(1)(E)	$ _____

8	Building used as a public safety answering point:		
8a	Lease costs	46-5-134(f)(1)(F)	$ _____
8b	Purchase costs	46-5-134(f)(1)(F)	$ _____
9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:		
9a	Lease costs	46-5-134(f)(1)(G)	$ _____
9b	Purchase costs	46-5-134(f)(1)(G)	$ _____
9c	Maintenance costs	46-5-134(f)(1)(G)	$ _____
10	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(1)(H)	$ _____
11	Logging recorders used at a public safety answering point to record telephone and radio traffic:		
11a	Lease costs	46-5-134(f)(1)(I)	$ _____
11b	Purchase costs	46-5-134(f)(1)(I)	$ _____
11c	Maintenance costs	46-5-134(f)(1)(I)	$ _____
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(f)(2)(B)(i)	$ _____
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center		
13a	Lease costs	46-5-134(f)(2(B)(ii)	$ _____
13b	Purchase costs	46-5-134(f)(2(B)(ii)	$ _____
13c	Maintenance costs	46-5-134(f)(2(B)(ii)	$ _____
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(f)(2)(B)(ii	$ _____

15	Mobile public safety voice and data equipment, geo-targeted test messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations		
15a	Lease costs	46-5-134(f)(2(B)(iv)	$
15b	Purchase costs	46-5-134(f)(2(B)(iv)	$
15c	Maintenance costs	46-5-134(f)(2(B)(iv)	$
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems		
16a	Lease costs	46-5-134(f)(2(B)(v)	$
16b	Purchase costs	46-5-134(f)(2(B)(v)	$
16c	Maintenance costs	46-5-134(f)(2(B)(v)	$

17 Other expenditures not included in Lines 2 through 16 above.
Identify by object and purpose.

Reimbursement to Decatur County, Georgia for operating costs incurred for joint	$ 400,489
911 system	$
	$
	$
	$
	$
	$
	$

18 Total Expenditures (total of all amounts reported on Lines 2 through 17 above) $ 400,489

Grady County, Georgia
Annual Report of 911 Collections and Expenditures
December 31, 2014

Certification of Local Government Officials

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

Signature of Chief Elected Official _____ Date_____

Print Name of Chief Elected Official _____

Title of Chief Elected Official _____

Signature of Chief Financial Officer_____ Date_____

Print Name of Chief Financial Officer _____