Grady County, Georgia

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2015



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December 31, 2015

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Grady County, Georgia
Principal Officials
December 31, 2015

ELECTED

LaFaye Copeland, Chairman

Charlie Norton, Vice Chairperson

Ray Prince, County Commissioner

Elwyn Childs, County Commissioner

T.D. David, County Commissioner

Staff

Carlos Tobar, County Administrator

Donna Johnson, Accounting Manager

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, 2015, 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 $379,943 in assets and $841,437 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, 2015, 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 November 4, 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.

July 22, 2016
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, 2015. We encourage readers to read the information presented here in conjunction with the County's financial statements, which follow this narrative.

The County implemented GASB 68 in 2015. Comparative amounts for 2014 have not been restated to reflect the effect of GASB 68.

FINANCIAL HIGHLIGHTS

- The County has $74.88 million in total assets of which $53.75 million are capital assets.
- The County has $26.83 million in total liabilities of which $25.51 are long term.
- The assets of the County exceeded its liabilities as of December 31, 2015 by $48.35 million.
- The County's total net position decreased $3.01 million after prior period adjustments of $2.99 million.
- As of December 31, 2015, the County's governmental funds reported combined ending fund balances of $19.21 million, an increase of $6.58 million in comparison to the prior year. Approximately 53% of the combined fund balances, $10.23 million is considered unassigned and is available for spending at the County's discretion. A total of $5.96 million is reserved for the completion of the Tired Creek Lake Capital Project. The dam was completed in 2015 and as of December 31, 2015 only United States Army Corps of Engineers (USACE) required construction remained. As of the publishing of this audit all the required construction has been completed, and Grady County has authorization to fill the lake and has started inundation.
- As of December 31, 2015, unassigned fund balance of the general fund was $10.23 million, which was a decrease of $480 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, 2015 and 2014.

Table 2
Condensed Statement of Net Position

	Total Primary Government	
	2015	**2014**
Assets		
Current and other assets	21,130,585	15,099,531
Capital assets	53,753,144	50,605,612
Total assets	74,883,729	65,705,143
Deferred outflows of resources	324,122	-
Liabilities		
Other liabilities	1,320,115	1,923,940
Long-term liabilities	25,514,413	15,406,156
Total liabilities	26,834,528	17,330,096
Deferred inflows of resources	25,798	-
Net Position		
Net investment in capital assets	29,462,913	35,304,586
Restricted	2,726,433	3,262,926
Unrestricted	16,158,179	9,807,535
Total net position	48,347,525	48,375,047

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, 2015 and 2014. 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

	2015	2014
Revenues		
Program revenues:		
Charges for services	2,093,626	2,067,919
Operating grants and contributions	69,102	1,018,531
Capital grants and contributions	115,581	117,611
General revenues:		
Property taxes	7,058,681	7,152,705
Sales taxes	4,043,011	3,982,912
Business taxes	809,747	774,246
Grants and contributions not restricted to specific programs	-	-
Investment income	55,389	26,277
Gain on sale of capital assets	1,791	33,329
Other revenues	142,023	104,516
Total revenues	14,388,951	15,278,046
Expenses		
General government	4,978,190	4,361,512
Public safety	4,568,228	4,347,268
Court system	896,985	880,401
Public works	3,810,169	2,776,768
Public health and welfare	172,554	169,764
Public education	34,826	53,159
Recreation	808,765	2,426,811
Library	100,000	100,000
Housing and development	2,450	3,863
Code enforcement	-	571
Economic development	76,548	73,895
Intergovernmental	918,544	631,741
Interest - long-term debt	1,035,730	693,435
Total expenses	17,402,989	16,519,188
Increse (decrease) in net assets before transfers	(3,014,038)	(1,241,142)
Transfers	-	-
Change in net position	(3,014,038)	(1,241,142)

During the year ended December 31, 2015, the net position of the County decreased $3.01 million. Total revenues for 2015 decreased $.89 million compared with 2014 due primarily to a delay in receipt of a .50 million state road grant decrease in property tax collections.

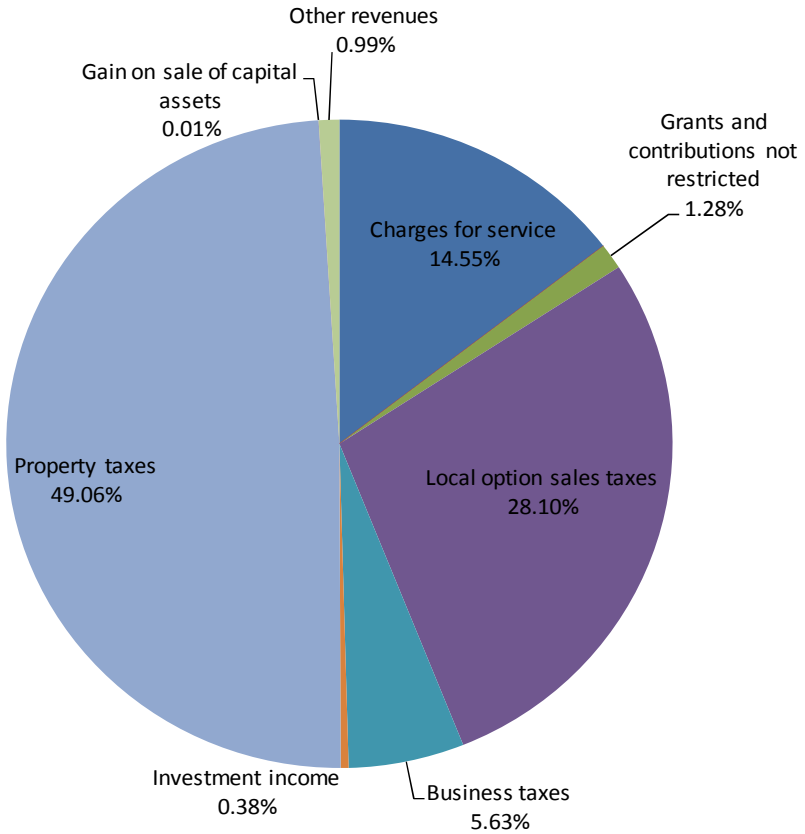
Additionally, because of the timing of that same state road grant, two years' receipts were received in 2014. Expenses increased by $0.88 million. Primarily four main expenditures led to the increase. The county began to build the roads to Tired Creek Lake. Also the interest expense increased to pay for both the 2010 and 2015 series bonds. Health care costs, reflected in General Government, increased 25% because of three catastrophic illnesses. E-911 expenditures increased by $0.18 million. Depreciation expense of $2.2 million was allocated to the various functions of governmental activities.

Program Expenses and Revenues for Governmental Activities

Governmental Activities - Revenues by Source

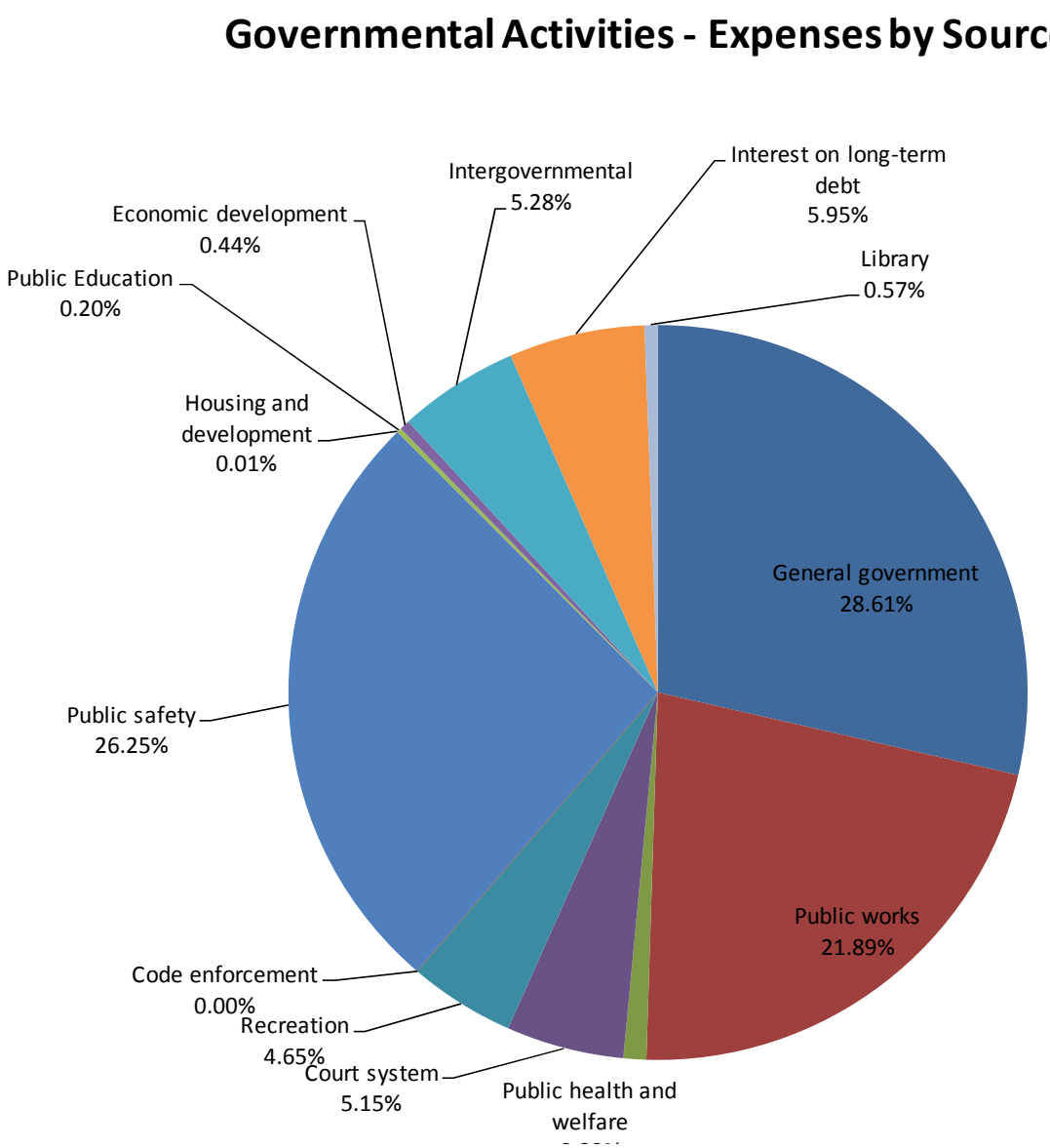
The following chart shows the governmental activities revenues by major source. Approximately 14.55% of the County's revenues were derived from charges for services and approximately 28.10% came from sales taxes. The largest portion of the County's revenue, 49.06%, came from property taxes.

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 28.61%. The next largest funding was for public safety at 26.25% and public works at 21.89%.



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, 2015, the County's governmental funds reported a combined ending fund balance of $19.22 million. Of that amount $10.23 million was unassigned fund balance, $7.96 million was restricted for specific purposes, and $1.02 million was for public services. A total of $5.92 million of the restricted amount was for Tired Creek.

The general fund is the operating fund of the County. As of December 31, 2015 unassigned and total fund balance of the general fund was $10.23 million. The net change in the general fund's fund balance for the year ended December 31, 2015 was a decrease of $549 thousand or 5.09%.

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 2015 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 $152 thousand for the year ended December 31, 2015. Total revenues for 2015 decreased $.89 million compared to 2014 due primarily to a delay in receipt of a $0.50 million state road grant. Additionally, because of the timing of that same state road grant, two years' receipts were received in 2014.

The actual expenditures of the general fund were less than original budgeted amounts by $147 thousand for the year ended December 31, 2015. Expenses increased by $0.88 million compared to 2014. Primarily four main expenditures led to the increase. The county began to build the roads to Tired Creek Lake. Interest expense increased to pay for both the 2010 and 2015 series bonds. Health care costs, reflected in General Government, increased 25% because of three catastrophic illnesses. E-911 expenditures increased by $0.18 million. Depreciation expense of $2.2 million was allocated to the various functions of governmental activities.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2015, the County had capital assets of $53.75 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, 2015, The County reported long term debt of $23.51 million. Outstanding principal balance on 2010 Series revenue bonds is $14,240,000. Outstanding principal balance on the 2015 Series revenue bonds is $8,795,000. 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, 2015

	Primary Government		Component Units	
	Governmental Activities	Total	Hospital Authority	Health Department
Assets				
Cash and cash equivalents	$ 16,090,106	$ 16,090,106	$ 93,111	$ 319,980
Accounts receivable, net	136,710	136,710	-	1,047
Taxes receivable, net	1,036,030	1,036,030	-	-
Prepaid items	67,527	67,527	-	-
Due from other governments	426,851	426,851	-	54,520
Interfund balances	-	-	-	-
Restricted assets:				
Cash and cash equivalents	2,729,233	2,729,233	-	-
Sales tax receivable	644,128	644,128	-	-
Capital assets:				
Land	5,546,090	5,546,090	58,592	-
Construction in progress	23,380,100	23,380,100	-	-
Other capital assets, net of accumulated depreciation	24,826,954	24,826,954	708,195	4,196
Total assets	74,883,729	74,883,729	859,898	379,743
Deferred Outflows of Resources				
Deferred pension cost	324,122	324,122	-	98,041
Deferred charge on refunding	-	-	-	-
Total deferred outflows of resources	324,122	324,122	-	98,041
Liabilities				
Accounts payable	$ 256,416	$ 256,416	$ -	$ 34,433
Accrued expenses	1,063,699	1,063,699	-	3,206
Long-term liabilities				
Net pension liability	1,111,525	1,111,525	-	632,279
Due within one year	730,000	730,000	-	-
Due in more than one year	23,560,231	23,560,231	-	-
Compensated absences	112,657	112,657	-	28,853
Total liabilities	26,834,528	26,834,528	-	698,771
Deferred Inflows of Resources				
Pensions	25,798	25,798	-	165,250
Total deferred inflows of resources	25,798	25,798	-	165,250
Net Position				
Net investment in capital assets	29,462,913	29,462,913	766,787	4,196
Restricted for:				
Capital projects	2,634,125	2,634,125	-	-
Public services	92,308	92,308	-	280,808
Unrestricted	16,158,179	16,158,179	93,111	(671,241)
Total net position	$ 48,347,525	$ 48,347,525	$ 859,898	$ (386,237)

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

Grady County, Georgia
Statement of Activities
For the Year Ended December 31, 2015

	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary Government:					
Governmental activities:					
General government	$ 4,978,190	$ 478,821	$ 69,102	$ 115,581	$ (4,314,686)
Public safety	4,568,228	1,109,467	-	-	(3,458,761)
Court system	896,985	464,724	-	-	(432,261)
Public works	3,810,169	-	-	-	(3,810,169)
Public health and welfare	172,554	40,614	-	-	(131,940)
Public education	34,826	-	-	-	(34,826)
Recreation	808,765	-	-	-	(808,765)
Library	100,000	-	-	-	(100,000)
Housing and development	2,450	-	-	-	(2,450)
Code enforcement	-	-	-	-	-
Economic development	76,548	-	-	-	(76,548)
Intergovernmental	918,544	-	-	-	(918,544)
Interest on long-term debt	1,035,730	-	-	-	(1,035,730)
Total governmental activities	17,402,989	2,093,626	69,102	115,581	(15,124,680)
Total primary government	17,402,989	2,093,626	69,102	115,581	(15,124,680)
Component Units:					
Grady County Hospital Authority	82,158	13,900	-	-	(68,258)
Grady County Health Department	860,556	383,290	458,147	-	(19,119)
Total component units	$ 942,714	$ 397,190	$ 458,147	$ -	$ (87,377)

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

Grady County, Georgia
Statement of Activities
For the Year Ended December 31, 2015

	Primary Government		Component Units	
	Governmental Activities	Total	Hospital Authority	Health Department
Change in net position:				
Net (expense) revenue	$ (15,124,680)	$ (15,124,680)	$ (68,258)	$ (19,119)
General revenues:		-		
Taxes:		-		
Property taxes	7,058,681	7,058,681	-	-
Sales taxes	4,043,011	4,043,011	-	-
Business taxes	809,747	809,747	-	-
Other taxes	-	-	-	-
Grants and contributions not restricted to specific programs	-	-	-	-
Investment income	55,389	55,389	103	-
Gain on sale of capital assets	1,791	1,791	-	-
Other revenues	142,023	142,023	-	-
Transfers	-	-	-	-
Total general revenues and transfers	12,110,642	12,110,642	103	-
Change in net position	(3,014,038)	(3,014,038)	(68,155)	(19,119)
Net position, beginning of year (restated)	51,361,563	51,361,563	928,053	(367,118)
Net position, end of year	$ 48,347,525	$ 48,347,525	$ 859,898	$ (386,237)

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

Grady County, Georgia
Balance Sheet
Governmental Funds
December 31, 2015

	General Fund	Tired Creek Capital Projects Fund
Assets		
Cash and cash equivalents	$ 8,993,240	$ 5,964,375
Accounts receivable, net	64,639	-
Taxes receivable, net	1,036,030	-
Prepaid items	67,527	-
Due from other governments	426,851	-
Due from other funds	118,980	-
Restricted assets:		
Cash and cash equivalents	817,685	-
Sales tax receivable	240,844	-
Total assets	11,765,796	5,964,375
Liabilites, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 147,061	$ 21,248
Accrued expenses	355,379	-
Due to other funds	373,042	18,980
Total liabilities	875,482	40,228
Deferred Inflows of Resources		
Unavailable revenue	655,451	-
Nonspenable prepaid items	-	-
Fund balances restricted for:		
Public services	-	-
Specific purposes	-	5,924,147
Unassigned, reported in:		
General fund	10,234,863	-
Total fund balances	10,234,863	5,924,147
Total liabilities, deferred inflows of resources and fund balances	$ 11,765,796	$ 5,964,375

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

Grady County, Georgia
Balance Sheet
Governmental Funds
December 31, 2015

	SPLOST 2012 Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ -	$ 2,324,969	$ 17,282,584
Accounts receivable, net	-	72,071	136,710
Taxes receivable, net	403,284	-	1,439,314
Prepaid items	-	-	67,527
Due from other governments	-	-	426,851
Due from other funds	-	-	118,980
Restricted assets:			
Cash and cash equivalents	681,447	15	1,499,147
Sales tax receivable	-	-	240,844
Total assets	1,084,731	2,397,055	21,211,957
Liabilites, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	$ -	$ 88,107	$ 256,416
Accrued expenses	237,508		592,887
Due to other funds	-	100,000	492,022
Total liabilities	237,508	188,107	1,341,325
Deferred Inflows of Resources			
Unavailable revenue	-	-	655,451
Nonspenable prepaid items	-	-	-
Fund balances restricted for:			
Public services	-	1,018,648	1,018,648
Specific purposes	847,223	1,190,300	7,961,670
Unassigned, reported in:			-
General fund	-	-	10,234,863
Total fund balances	847,223	2,208,948	19,215,181
Total liabilities, deferred inflows of resources and fund balances	$ 1,084,731	$ 2,397,055	$ 21,211,957

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, 2015

Total governmental fund balances	$	19,215,181
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.		53,753,144
Certain property tax revenues are not available to pay for current-period expenditures and therefore are deferred in the funds.		655,451
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore are not reported in the funds.		(1,111,525)
Deferred inflows and outflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds.		
Deferred outflows		324,122
Deferred inflows		(25,798)
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.		37,608
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)		(24,290,231)
Compensated absences		(112,657)
Net position of governmental activities	$	48,347,525

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, 2015

	General Fund	Tired Creek Capital Projects Fund
Revenues		
Property taxes	$ 7,028,077	$ -
Sales taxes	1,461,539	-
Selective sales and use taxes	133,871	-
Business taxes	809,742	-
Licenses and permits	114,831	-
Intergovernmental	137,620	-
Charges for services	1,035,312	-
Fines and forfeitures	464,724	-
Interest income	19,025	28,291
Other revenues	166,445	-
Total revenues	11,371,186	28,291
Expenditures		
Current:		
General government	4,099,984	334,060
Court system	902,228	-
Public safety	3,798,211	-
Public works	2,047,155	164,714
Health and welfare	172,554	-
Public education	-	-
Housing and development	2,450	-
Recreation	429,659	-
Parks	82,487	62,089
Library	100,000	-
Economic development	76,548	-
Intergovernmental	-	-
Capital projects	-	1,223,352
Debt service, principal	-	-
Debt service, interest	639	-
Total expenditures	11,711,915	1,784,215
Excess (Deficiency) of Revenues Over Expenditures	(340,729)	(1,755,924)
Other Financing Sources (Uses)		
Transfers	(210,000)	-
Sale of capital assets	1,791	-
Premiums on bonds issued		929,000
Long - term debt issued	-	8,795,000
Total other financing sources (uses)	(208,209)	9,724,000
Net change in fund balances	(548,938)	7,968,076
Fund balances, beginning of year	10,783,801	(2,043,929)
Fund balances, end of year	$ 10,234,863	$ 5,924,147

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, 2015

	SPLOST 2012 Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues			
Property taxes	$ -	$ 984	$ 7,029,061
Sales taxes	2,447,601	-	3,909,140
Selective sales and use taxes	-	-	133,871
Business taxes	-	-	809,742
Licenses and permits	-		114,831
Intergovernmental	-	22,641	160,261
Charges for services	-	445,638	1,480,950
Fines and forfeitures	-	33,126	497,850
Interest income	426	7,642	55,384
Other revenues	-	5	166,450
Total revenues	2,448,027	510,036	14,357,540
Expenditures			
Current:			
General government	-	-	4,434,044
Court system	-	-	902,228
Public safety	-	592,135	4,390,346
Public works	-	379,930	2,591,799
Health and welfare	-	-	172,554
Public education	-	34,826	34,826
Housing and development	-	-	2,450
Recreation	-	171,096	600,755
Parks	-		144,576
Library	-	-	100,000
Economic development	-	-	76,548
Intergovernmental	918,544	-	918,544
Capital projects	-	136,190	1,359,542
Debt service, principal	700,000	-	700,000
Debt service, interest	1,068,656	-	1,069,295
Total expenditures	2,687,200	1,314,177	17,497,507
Excess (Deficiency) of Revenues Over Expenditures	(239,173)	(804,141)	(3,139,967)
Other Financing Sources (Uses)			
Transfers	-	210,000	-
Sale of capital assets	-	-	1,791
Premiums on bonds issued			929,000
Long - term debt issued	-	-	8,795,000
Total other financing sources (uses)	-	210,000	9,725,791
Net change in fund balances	(239,173)	(594,141)	6,585,824
Fund balances, beginning of year	1,086,396	2,803,089	12,629,357
Fund balances, end of year	$ 847,223	$ 2,208,948	$ 19,215,181

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

Grady County, Georgia
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2015

Net change in fund balances - total governmental funds	$ 6,585,824
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	1,943,659
Depreciation expense	(2,204,159)
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	700,000
Amortization of bond premiums	34,795
Debt proceeds	(8,795,000)
Bond premum	(929,000)
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	29,620
An internal service fund is used by management to charge the costsof 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.	10,001
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	
Change in pension liability	(382,251)
Compensated absences	(7,527)
Change in net position of governmental activities	$ (3,014,038)

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

Grady County, Georgia
Statement of Revenues, Expenditure and Changes in Fund Balances
Budget and Actual – General Fund
December 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ 7,329,428	$ 7,608,801	$ 7,028,077	$ (580,724)
Sales taxes	1,475,000	1,475,000	1,461,539	(13,461)
Selective sales and use taxes	69,000	136,034	133,871	(2,163)
Business taxes	693,000	809,742	809,742	-
Licenses and permits	82,500	114,018	114,831	813
Intergovernmental	107,705	137,581	137,620	39
Charges for services	985,300	1,088,722	1,035,312	(53,410)
Fines and forfeitures	613,000	464,724	464,724	-
Interest income	10,000	12,166	19,025	6,859
Other revenues	158,183	228,407	166,445	(61,962)
Total revenues	11,523,116	12,075,195	11,371,186	(704,009)
Expenditures				
General government				
County commissioners	378,683	432,661	428,519	4,142
Registrar	40,565	42,852	42,904	(52)
Tax assessor	278,990	260,833	261,204	(371)
Tax commissioner	245,067	244,537	243,242	1,295
Buildings and grounds	390,213	355,700	355,988	(288)
County agent	115,760	123,166	123,232	(66)
Building inspection	221,016	216,745	214,356	2,389
General adminstration	2,359,620	2,296,371	2,430,539	(134,168)
Total general government	4,029,914	3,972,865	4,099,984	(127,119)
Court system				
Superior court	187,130	191,273	191,445	(172)
Clerk of superior court	278,082	251,081	251,555	(474)
State court	94,930	92,869	92,728	141
District attorney	35,316	35,444	35,444	-
Juvenile court	44,238	53,303	53,303	-
Probate court	146,089	132,435	132,600	(165)
Magistrate court	153,481	147,912	145,153	2,759
Total court system	939,266	904,317	902,228	2,089
Public safety				
Sheriff	1,194,784	1,255,951	1,258,165	(2,214)
Jail	1,290,282	1,283,978	1,284,776	(798)
Fire fighting	261,318	230,878	230,831	47
Ambulance services	876,840	898,394	897,132	1,262
Emergency management	11,470	8,483	8,483	-
Coroner	29,750	23,805	23,805	-
Animal control	103,736	94,039	95,019	(980)
Total public safety	3,768,180	3,795,528	3,798,211	(2,683)

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

Grady County, Georgia
Statement of Revenues, Expenditure and Changes in Fund Balances
Budget and Actual – General Fund
December 31, 2015

	Final Budget	Final Budget	Actual	Variance Positive (Negative)
Expenditures				
Public works				
Roads and bridges	1,118,283	1,128,449	1,128,775	(326)
Road contracts	-	-	-	-
Solid waste	500,512	670,957	671,233	(276)
Shop	245,550	246,932	247,147	(215)
Total public works	1,864,345	2,046,338	2,047,155	(817)
Public health and welfare				
Health	145,749	144,989	144,989	-
Welfare	40,500	27,565	27,565	-
Total health and welfare	186,249	172,554	172,554	-
Housing and development	1,240	2,450	2,450	-
Recreation	415,305	430,980	429,659	1,321
Parks	477,660	82,487	82,487	
Library	100,000	100,000	100,000	-
Economic development	76,915	76,548	76,548	-
Capital projects	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	640	639	1
Total expenditures	11,859,074	11,584,707	11,711,915	(127,208)
Excess (Deficiency) of Revenues Over Expenditures	(335,958)	490,488	(340,729)	(831,217)
Other Financing Sources (Uses)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	(210,000)	(210,000)
Sale of capital assets	7,500	1,791	1,791	-
Capital leases	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	7,500	1,791	(208,209)	(210,000)
Net change in fund balances	(328,458)	492,279	(548,938)	(1,041,217)
Fund balances, beginning of year	10,783,801	10,783,801	10,783,801	-
Fund balances, end of year	$ 10,455,343	$ 11,276,080	$ 10,234,863	$ (1,041,217)

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

Grady County, Georgia
Statement of Net Position
Internal Service Fund
December 31, 2015

	Internal Service Fund
Assets	
Cash and cash equivalents	$ 37,608
Due from other funds	373,042
Total assets	$ 410,650
Liabilities	
Accrued expenses	$ 373,042
Total liabilities	$ 373,042
Net Position	
Restricted	$ 37,608

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, 2015

	Internal Service Fund
Operating Revenues	
Employee contributions	$ 54,965
Employer contributions	1,493,618
Reinsurance payments	1,619,433
Total operating revenues	3,168,016
Operating Expenses	
Claims expenses	3,158,196
Administrative expenses	-
Total operating expenses	3,158,196
Non-operating Revenues (Expenses)	
Interest income	181
Change in net position	10,001
Net position, beginning of year	27,607
Net position, end of year	$ 37,608

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

Grady County, Georgia
Statement of Cash Flows
Internal Service Fund
For the Year Ended December 31, 2015

		Internal Service Fund
Cash Flows from Operating Activities		
Cash received from customers and users	$	3,168,016
Claims and premiums paid		(2,972,533)
Net cash provided (used) by operating activities		195,483
Cash Flows from Noncapital Financing Activities		
Net change in due from other funds		(373,042)
Net cash provided (used) by noncapital financing activities		(373,042)
Cash Flows from Investing Activities		
Interest received		181
Net cash provided (used) by investing activities		181
		(177,378)
Cash and cash equivalents, beginning of year		214,986
Cash and cash equivalents, end of year	$	37,608
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$	9,820
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in assets and liabilities:		
Increase (decrease) in:		
Accrued expenses		185,663
Net cash provided by operating activities	$	195,483

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

Grady County, Georgia
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2015

	Recreation Fund	Total Agency Funds
Assets		
Cash and cash equivalents	$ -	$ 2,367,589
Property tax receivable	-	2,547,310
Total assets	-	4,914,899
Liabilities		
Due to others	$ -	$ 387,109
Due to state	-	-
Uncollected taxes	-	4,527,790
Total liabilities	-	4,914,899
Net Position	$ -	$ -

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, 2015

	Recreation Fund
Additions	
Contributions and donations	-
Total additions	-
Deductions	
Administrative expenses	18,794
Total deductions	18,794
Change in net position	(18,794)
Net position, beginning of year	18,794
Net position, end of year	-

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. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government. Based upon the application of these criteria, the following is a brief review of each component unit included in the County's reporting unit.

Blended Component Units

The *Grady County Lake Authority* is a blended component unit. The data from this unit is combined with the data of the primary government and reported as the Tired Creek Capital Projects Fund. Separate financial statements are not issued.

Discretely Presented Component Units

*T*he *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, 2015. Separate audited financial statements may be obtained from:

Grady County Health Department
250 North Broad Street
Cairo, Georgia

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, 2015, 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 2012 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 2012 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 the South Georgia Governmental Services Authority Revenue Bonds and the Grady County Lake 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

Capital Projects Funds are 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.

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 Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future periods and thus, will not be recognized as an outflow of resources (expense) until then. The County has one tem that qualifies for reporting in this category which consists of outflows from changes in the net pension liability.

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 governmental funds and government-wide statement of net position report unavailable revenues from property taxes, grants and fees. The government-wide statement of net position also reports deferred inflows of resources consisting of inflows from changes in the net pension liability. 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 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, 2015, 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 July 22, 2016, which is the date the financial statements were available to be issued.

Adoption of Accounting Pronouncement

The County adopted *GASB Statement No. 68 Accounting and Financial Reporting of Pensions* – an amendment to *GASB Statement No. 27.* The objective of this statement is to improve decision-usefulness of information in employer entity financial reports and will enhance its value for assessing accountability and inter-period equity by requiring the recognition of the entire net pension liability and a more comprehensive measure of pension expense. Decision-usefulness and accountability will also be enhanced through new note disclosures and required supplementary information.

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 July 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 September 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, 2015:

Department		Excess of Expenditures Over Budgeted Amounts
Registrar	$	52
Tax assessor		371
Buildings and grounds		288
County agent		66
General administration		134,168
Superior Court		172
Clerk of Superior Court		474
Probate Court		165
Sheriff		2,214
Jail		798
Animal control		980
Roads and bridges		326
Solid waste		276
Shop		215
Transfers		210,000

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, 2015:

Fund	Excess of Expenditures Over Budgeted Amounts
E-911	$1,580

NOTE 3 - DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2015 are summarized as follows:

Primary Government		
Amounts as presented on the entity-wide Statement of Net Position:		
Cash and cash equivalents	$	16,090,106
Restricted cash and cash equivalents		2,729,233
Amounts as presented on the Statement of Fiduciary Assets and Liabilities:		
Cash and cash equivalents		2,367,589
Total	$	21,186,928
Deposits with financial institutions	$	21,186,928
Component Unit - Hospital Authority		
Cash and cash equivalents	$	93,111
Deposits with financial institutions	$	93,111
Component Unit - Health Department		
Cash and cash equivalents	$	319,980
Deposits with financial institutions	$	319,980

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, 2015 the bank balance was $18,344,623. Of the bank balance, $18,344,623 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 2015 fiscal year tax levy, was mailed in October 2015. 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, 2015 for the County's individual major funds, nonmajor funds, and fiduciary funds in the aggregate are as follows:

	General Fund	SPLOST 2012 Capital Projects Fund	Nonmajor Governmental Funds	Total
Property tax receivable	$ 1,036,030	$ -	$ -	$ 1,036,030
Sales tax receivable	240,844	403,284	-	644,128
Accounts receivable	64,639	-	72,071	136,710
Gross receivables	1,341,513	403,284	72,071	1,816,868
Less:				
Allowance for uncollectibles	-	-	-	-
Net total receivables	$ 1,341,513	$ 403,284	$ 72,071	$ 1,816,868

NOTE 5 – DUE FROM OTHER GOVERNMENTS

Due from other governments on the General Fund as of December 31, 2015 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	2015
Grady County Joint Development Authority	$ 426,851
City of Cairo	-
Total due from other governments	426,851

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, 2015 is as follows:

Fund	Due From	Due To
General Fund	$ 373,042	$ 118,980
Tired Creek Fund	18,980	--
Internal Service Fund	--	373,042-
Nonmajor Governmental Funds	100,000	--
	$ 492,022	$ 492,022

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. Transfers from the General Fund to the Non-major Governmental Funds were $210,000 for the year ended December 31, 2015.

NOTE 7 – CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended December 31, 2015:

Primary Government

Governmental activities:	Beginning Balance Restated	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 5,546,090	$ -	$ -	$ -	$ 5,546,090
Construction in progress	19,086,115	1,166,815	-	3,127,170	23,380,100
Total capital assets not being depreciated	24,632,205	1,166,815	-	3,127,170	28,926,190
Other capital assets:					
Buildings	13,638,042	-	-	(286,025)	13,352,017
Machinery and equipment	8,509,490	590,193		(1,283,136)	7,816,547
Roads and bridges	94,068,716	186,651		(1,558,009)	92,697,358
Total other capital assets at cost	116,216,248	776,844	-	(3,127,170)	113,865,922
Less accumulated depreciation for:					
Buildings	(6,389,560)	(373,612)	-	-	(6,763,172)
Machinery and equipment	(5,422,586)	(379,546)	-	-	(5,802,132)
Roads and bridges	(75,022,663)	(1,451,001)	-	-	(76,473,664)
Total accumulated depreciation	(86,834,809)	(2,204,159)	-	-	(89,038,968)
Other capital assets, net	29,381,439	(1,427,315)	-	(3,127,170)	24,826,954
Governmental activities capital assets, net	$ 54,013,644	$ (260,500)	$ -	$ -	$ 53,753,144

Depreciation Expense was charged to functions as follows:

Governmental Activities	
General Government	$ 186,289
Public safety	363,671
Public works	1,572,291
Public health and welfare	-
Recreation	81,908
Total governmental activities depreciation expense	$ 2,204,159

Component Units

Capital asset activity for the Grady County Health Department, a discretely presented component unit, for the year ended December 31, 2015 is as follows:

	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	(69,273)	(4,347)	-	-	(73,620)
Total accumulated depreciation	(69,273)	(4,347)	-	-	(73,620)
Other capital assets, net	8,543	(4,347)	-	-	4,196
Total capital assets, net	$ 8,543	$ (4,347)	$ -	$ -	$ 4,196

Capital asset activity for the Grady County Hospital Authority, a discretely presented component unit, for the year ended December 31, 2015 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	(3,023,627)	(72,646)	-	-	(3,096,273)
Total accumulated depreciation	(3,023,627)	(72,646)	-	-	(3,096,273)
Other capital assets, net	780,841	(72,646)	-	-	708,195
Total capital assets, net	$ 839,433	$ (72,646)	$ -	$ -	$ 766,787

NOTE 8 – LONG TERM DEBT

South Georgia Governmental Services Authority and Grady County Lake 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 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.

On February 3, 2015, the County issued $8,795,000 in Grady County Lake Authority Revenue Bonds, Series 2015 with interest rates from 4.00% to 4.25%. The bonds have annual principal installments beginning on October 1, 2031 and semiannual interest installments due on April 1 and October 1 beginning October 1, 2015.

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.

A summary of the terms of the bonds as of December 31, 2015 is as follows:

Fund and Description	Original Amount	Interest Rate	Maturity Date	Amount
South Georgia Governmental Services Authority Revenue Bond, Series 2010	$ 14,940,000	various	2030	$ 14,240,000
Grady County Lake Authority Revenue Bond, Series 2015	$ 8,795,000	various	2040	8,795,000
Bond premiums				1,255,231
			Less current portion	(730,000)
				$ 23,560,231

The annual debt service requirement to maturity of the bonds at December 31, 2015 is as follows:

Year Ending December 31	Principal	Interest	Total
2016	$ 730,000	$ 950,030	$ 1,680,030
2017	750,000	926,306	1,676,306
2018	775,000	900,056	1,675,056
2019	800,000	876,806	1,676,806
2020	835,000	844,806	1,679,806
2021-2025	4,635,000	3,756,004	8,391,004
2026-2030	5,715,000	2,680,391	8,395,391
2031-2035	3,955,000	1,618,060	5,573,060
2036-2040	4,840,000	725,035	5,565,035
	$ 23,035,000	$ 13,277,494	$ 36,312,494

Changes in Long-Term Liabilities

The following is a summary of the activity in long term-liabilities for the year ended December 31, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue Bonds:					
SGGSA Revenue Bond Series 2010	14,940,000	-	(700,000)	14,240,000	730,000
GCLA Revenue Bond Series 2015	-	8,795,000	-	8,795,000	-
Plus deferred amounts for issuance premiums	361,026	929,000	(34,795)	1,255,231	-
Total bonds payable	15,301,026	9,724,000	(734,795)	24,290,231	730,000
Compensated absenses	105,130	7,527	-	112,657	-
Governmental activities long-term liabilities	15,406,156	9,731,527	(734,795)	24,402,888	730,000

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, 2015 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component Unit					
Health Department					
Governmental Activities					
Compensated absences	25,188	6,871	-	32,059	-
Long-term Liabilities	25,188	6,871	-	32,059	-

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, 2015 include:

Special Revenue Funds	
Reserved for public services	$ 1,018,648
Capital Projects Funds	
Reserved for specific purposes to reflect Resources funded by Special Purpose Local Option Sales Tax , Federal grants and capital projects	7,961,670

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.

As of December 31, 2015, employee membership data related to the plan was as follows:

Retirees, beneficiaries and disables receiving benefits	26
Terminated plan participants entitled to but not yet receiving benefits	40
Active employees participating in the plan	90
Total number of plan participants	156

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.

Implementation of new accounting standards

Effective January 1, 2015, the County implemented the provisions of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – and Amendment of GASB Statement No. 27* which changed the County's accounting for pension amounts. The following information is presented in accordance with GASB No. 68.

Actuarial assumptions

The total pension liability as of December 31, 2015 was determined by an actuarial valuation as of January 1, 2015 using the following actuarial assumptions, applied to all periods included in the measurement:

Fiscal Year Ending December 30,	**2015**
Valuation date	January 1, 2015
Measurement date	December 31, 2015
Inflation	N/A
Salary increases including inflation	3.0%-5.5%
Actuarial cost method	Entry Age Normal

Mortality rates were based on the RP-2000 Mortality Table.
Disability rates were based on Social Security standard rates.

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

The Trustees shall rebalance the portfolio at least annually for asset allocation purposes. The guidelines for allocation are: equities shall not exceed 70% of total plan assets, valued at cost. Fixed income shall be targeted at 30% of total plan assets, valued at cost. The guidelines for asset allocation are as follows:

Asset Class	**Target Allocation**	**Range**
Fixed income	30%	25%-35%
Equities:		
Large cap	30%	25%-35%
Mid cap	5%	2.5%-10%
Small cap	5%	2.5%-10%
REIT	5%	2.5%-10%
International	15%	10%-20%
Multi cap	5%	2.5%-10%
Global allocation	5%	2.5%-10%
Total	100%	

Discount rate

The discount rate used to measure the total pension liability was 7.50%. The discount rate is determined through a blend of using a building blocks approach based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as the forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in net pension liability

Changes in the net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (TPL) (a)	**Fiduciary Net Position (FNP) (b)**	**Net Pension Liability (NPL) (a) - (b)**
Balances at December 31, 2014	$ 3,827,758	$ 3,029,546	$ 798,212
Changes for the year:			
Service cost	115,172		115,172
Interest	282,021		282,021
Liability experience (gain)/Loss	(30,405)		(30,405)
Assumption change	148,999		148,999
Employer contributions	-	144,282	(144,282)
Employee contributions	-	83,706	(83,706)
Net investment income	-	19,214	(19,214)
Benefit payments	(134,961)	(134,961)	-
Administrative expense		(16,465)	16,465
Other	-	(28,263)	28,263
Net changes	380,826	67,513	313,313
Balances at December 31, 2015	$ 4,208,584	$ 3,097,059	$ 1,111,525

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the County, calculated using the discount rate of 7.50%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Total pension liability	$ 4,826,354	$ 4,208,584	$ 3,698,771
Fiduciary net position	3,097,059	3,097,059	3,097,059
Net pension liability	1,729,295	1,111,525	601,712

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued GEBCorp financial report.

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

For the year ended December 31, 2015, the County recognized pension expense of $183,980 consisting of the following:

Service cost	$ 115,172
Interest on TPL	282,021
Amortization of:	
Liability experience (gain)/loss	(4,607)
Change in assumption	22,576
Asset (gain)/loss	50,969
Employee contributions	(83,706)
Projected earnings on plan investments	(229,539)
Administration expense	16,465
Other change in FNP	14,629
Total expense	$ 183,980

At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Asset (gain)/loss	$ 197,699	$ -
Liability (gain)/loss	-	(25,798)
(Gain)/loss due to assumption change	126,423	-
Total	$ 324,122	$ (25,798)

The County's gains and losses subsequent to the measurement date of $298,324 are reported as deferred inflows and outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. There were no other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension.

Sheriff's Retirement Fund of Georgia

Plan Description

The Sheriff's Retirement Fund of Georgia (SRFG) is a cost-sharing multiple employer defined benefit created in 1963 by the General Assembly of Georgia to provide retirement benefits to qualifying sheriffs. The State of Georgia provides nonemployer contributions to the SRFG through the collection of court fines and forfeitures. Detailed information about the benefits provided to members is available in the separately issued SRFG financial report which is publicly available.

Actuarial Assumptions

The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of that date. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	n/a
Investment rate of return	6.50%
Mortality rates	1983 Group Annuity Mortality Table

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

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumes revenues will remain level. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability

At June 30, 2016, the County did not have a liability for a proportionate share of the net pension liability (asset) of the SRFG because of the related support from the State of Georgia. The amount of the State's proportionate share of the net pension liability (asset) associated with the County was $124,539 as of June 30, 2016.

Pension Expense

For the year ended June 30, 2016, the County recognized pension expense related to the SRFG of $13,029 and revenue of $13,029 for support provided by the State of Georgia.

Peace Officers' Annuity and Benefit Fund of Georgia

Plan Description

The Peace Officers' Annuity and Benefit Fund of Georgia (POABFG) is a cost-sharing multiple employer defined benefit created in 1950 by the General Assembly of Georgia to provide retirement benefits to peace officers. Members of the POABFG are employed by units of government throughout the State of Georgia. The employers of the POABFG's members do not make contributions to the POABFG. The State of Georgia provides nonemployer contributions to the POABFG through the collection of court fines and forfeitures. Detailed information about the benefits provided to members is available in the separately issued POABFG financial report which is publicly available.

Actuarial Assumptions

The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was based on an actuarial valuation as of that date. The total pension liability in the actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	n/a
Investment rate of return	7.00%
Mortality rates	RP-2000, Combined

The long-term expected rate of return on pension plan investments was calculated by the POABFG's investment manager as 6.66% using a Monte Carlo simulation in which best estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The POABFG's administrator determined that 7.00% was a reasonable assumption for the long-term rate of return on plan assets based on the calculation by the POABFG's investment manager.

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumes revenues will remain level. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Net Pension Liability

At December 31, 2015, the County did not have a liability for a proportionate share of the net pension liability (asset) of the POABFG because of the related support from the State of Georgia. The amount of the State's proportionate share of the net pension liability (asset) associated with the County was $(33,226) as of December 31, 2015.

Pension Expense

For the year ended December 31, 2015, the County recognized pension expense related to the POABFG of $362 and revenue of $362 for support provided by the State of Georgia.

Component Units

Grady County Health Department

Plan Description

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

Benefits provided

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

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

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, post-retirement cost-of-living adjustments may also be made to members' benefits provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions

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

The employees of the Grady County Health Department are covered by the Employees' Retirement System of the State of Georgia. Total retirement contributions for the year ended June 30, 2015 were $61,802 based on qualifying salaries of$263,434.

GASB 68 Implementation

Effective July 1, 2014, Grady County Health Department implemented the provisions of GASB 68, as required by the Governmental Accounting Standard Board. In conjunction with the implementation of Government Accounting Standards Board (GASB) No. 68, *Accounting and Financial Reporting for Pensions-*

an amendment of GASB Statement No. 27, as well as Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - and amendment of GASB Statement No. 68, the health department is required to change its accounting treatment of pensions. The new standard establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. The following schedules reflect the implementation of GASB Statement No. 68 and information concerning this implementation:

Contributions made during the measurement period (fiscal year ended June 30, 2014) were $70,072.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

Employer's proportionate share of net pension liability	$	632,279
Employer's proportion of net pension liability		0.0169%
Increase/(Decrease) from proportion measured as of June 30, 2013		-0.0004%
Employer's recognized pension expense	$	31,781

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	154,320
Changes in proportion and differences between Employer contributions and proportionate share of contributions	-	10,930
Employer contributions subsequent to the measurement date	98,041	-
	98,041	165,250

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

Year Ended June 30:		
2016	$	(45,411)
2017		(42,679)
2018		(38,580)
2019		(38,580)
2020	$	-
Thereafter		-

Actuarial Assumptions

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

Inflation	3.0%
Salary Increases	5.45-9.25%, including inflation
Investment rate of return	7.50% net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the period after service retirement, for dependent beneficiaries, and for deaths in active services, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement. The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004-June 30, 2009.

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

Discount Rate

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

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net liability	$ 921,988	$ 632,279	$ 385,669

Pension Plan Fiduciary Net Position

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

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, 2015, 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, 2013, 2014, and 2015.

NOTE 13 – JOINT VENTURES

Southwest Georgia Regional Commission

Under Georgia law, the County is a member of the Southwest Georgia Regional Commission (SWGRC) along with surrounding counties and municipalities and is required to pay dues thereto. The SWGRC is a multi-funded organization receiving funds from federal, state, and local agencies, plus member governments. Its purpose is to further the orderly growth, economic prosperity, and well-being of the people of the Southwest Georgia area. During the year ended December 31, 2015, the County paid dues to the SWGRC of approximately $16,625. Membership in a regional commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organization structure of the regional commission in Georgia. The regional commission board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that member governments are liable for any debts or obligations of a regional commission. Separate financial statements may be obtained from:

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

E - 911 System

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

Sanitary Landfill

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

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

NOTE 14 – JOINTLY GOVERNED ORGANIZATIONS

Grady County Joint Development Authority

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

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

Multi-County Development Authority

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

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

NOTE 15 – RELATED ORGANIZATIONS

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

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

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

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Litigation

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

NOTE 17 – PRIOR PERIOD ADJUSTMENT

Primary Government

A prior period adjustment was made to increase the governmental activities' beginning net position. The adjustment was made to reflect the prior period costs related to the implementation of the net pension liability and to restate beginning accumulated depreciation for depreciable capital assets.

	Net Position as Previously Reported	Prior Period Adjustment	Net Position as Restated
Governmental Activities	$ 48,375,047	$ 2,986,516	$ 51,361,563
Total Government-wide	$ 48,375,047	$ 2,986,516	$ 51,361,563

NOTE 17 – PRIOR PERIOD ADJUSTMENT (Continued)

Grady County Health Department

A prior period adjustment was made to decrease the governmental activities' beginning net position. The adjustment was made to reflect the prior period costs related to the implementation of the net pension liability.

Government activities net position, as previously reported	$	398,630
Adjustment needed to properly report net pension liability		(835,820)
Adjustment needed to properly report the health department's contributions as deferred outflows of resources		70,072
Governmental activities net position, as restated for the fiscal year ended June 30, 2014	$	(367,118)

Grady County, Georgia
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
December 31, 2015

		2015
Total pension liability		
Service cost	$	115,172
Interest		282,021
Liability experience (gain)/loss		(30,405)
Assumption changes		148,999
Benefit payments		(134,961)
Net change in pension liability		380,826
Total pension liability - beginning		3,827,758
Total pension liability - ending (a)		4,208,584
Plan fiduciary net position		
Employer contributions		144,282
Employee contributions		83,706
Net investment income		19,214
Benefit payments		(134,961)
Administrative expenses		(16,465)
Other changes		(28,263)
Net change in fiduciary net position		67,513
Plan fiduciary net position - beginning		3,029,546
Plan fiduciary net position - ending (b)		3,097,059
Net pension liability (a) - (b)	$	1,111,525
Plan fiduciary net position as a percentage of the total pension liability		73.59%
Covered-employee payroll	$	2,675,452
Net pension liability as a percentage of covered-employee payroll		41.55%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

Grady County, Georgia
Required Supplementary Information
Schedule of Employer Contributions – Pension Plan
December 31, 2015

		2015
Actuarially determined contribution	$	144,282
Contributions in relation to the actuarially determined contribution		144,282
Contribution deficiency (excess)		-
Covered-employee payroll	$	2,675,452
Contributions as a percentage of covered-employee payroll		5.39%

Notes to the Schedule

(1) Actuarial assumptions

Valuation date	January 1, 2014
Actuarial cost method	Entry Age Normal
Actuarial asset valuation method	Smoothed market value
Assumed rate of return on investments	7.50%
Projected salary increases	3.5%-5.5%
Inflation rate	N/A

(2) The schedule will present 10 years of information once it is accumulated.

Grady County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015

	Special Revenue Funds	SPLOST 2002 Capital Projects Fund	SPLOST 2007 Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	$ 1,132,491	$ -	$ 1,192,478	$ 2,324,969
Accounts receivable, net	72,071	-	-	72,071
Taxes receivable, net	-	-	-	-
Notes receivable	-	-	-	-
Restricted cash	15	-	-	15
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Total assets	1,204,577	-	1,192,478	2,397,055
Liabilites, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 85,929	$ -	$ 2,178	$ 88,107
Due to other funds	100,000	-	-	100,000
Total liabilities	185,929	-	2,178	188,107
Deferred Inflows of Resources				
Unavailable revenue	-	-		-
Fund balances restricted for:				
Public services	1,018,648	-	-	1,018,648
Debt service	-	-	-	-
Specific purposes	-	-	1,190,300	1,190,300
Unassigned	-	-	-	-
Total fund balances	1,018,648	-	1,190,300	2,208,948
Total liabilities, deferred inflows of resources and fund balances	$ 1,204,577	$ -	$ 1,192,478	$ 2,397,055

Grady County, Georgia
Combining Statement of Revenues Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
December 31, 2015

	Special Revenue Funds	SPLOST 2002 Capital Projects Fund	SPLOST 2007 Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues				
Property taxes	$ -	$ -	$ 984	$ 984
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	22,641	-	-	22,641
Charges for services	445,638	-	-	445,638
Fines and forfeitures	33,126	-	-	33,126
Interest income	5,862	24	1,756	7,642
Other revenues	-	5	-	5
Total revenues	507,267	29	2,740	510,036
Expenditures				
Current:				
Court system	-	-	-	-
Public safety	585,788	-	6,347	592,135
Roads and bridges	136,372	67,552	176,006	379,930
Intergovernmental	-	-	-	-
Health and welfare	-	-	-	-
Public education	34,826	-	-	34,826
Recreation	100,000	71,096	-	171,096
Capital outlay	57,918	-	78,272	136,190
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	914,904	138,648	260,625	1,314,177
Excess (Deficiency) of Revenues Over Expenditures	(407,637)	(138,619)	(257,885)	(804,141)
Other Financing Sources (Uses)				
Transfers from other funds	210,000	-	-	210,000
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Capital leases	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	210,000	-	-	210,000
Net change in fund balances	(197,637)	(138,619)	(257,885)	(594,141)
Fund Balances, beginning of year	1,216,285	138,619	1,448,185	2,803,089
Fund Balances, end of year	$ 1,018,648	$ -	$ 1,190,300	$ 2,208,948

Grady County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Special Revenue Funds			
	E-911 Fund	Law Library Fund	Confiscated Assets Fund	Multiple Grants Fund
Assets				
Cash and cash equivalents	$ 55,503	$ 17,411	$ 30,650	$ 921,834
Accounts receivable, net	72,071	-	-	-
Taxes receivable, net	-	-	-	-
Notes receivable	-	-	-	-
Restricted cash	-	-	-	15
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Total assets	127,574	17,411	30,650	921,849
Liabilites, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$ 78,961	$ 632	$ 136	$ 6,200
Due to other funds	-	-	-	100,000
Total liabilities	78,961	632	136	106,200
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Fund balances restricted for:				
Public services	48,613	16,779	30,514	815,649
Debt service	-	-	-	-
Specific purposes	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	48,613	16,779	30,514	815,649
Total liabilities, deferred inflows of resources and fund balances	$ 127,574	$ 17,411	$ 30,650	$ 921,849

Grady County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Special Revenue Funds	
	Drug Abuse and Treatment Fund	Total
Assets		
Cash and cash equivalents	$ 107,093	$ 1,132,491
Accounts receivable, net	-	72,071
Taxes receivable, net	-	-
Notes receivable	-	-
Restricted cash	-	15
Due from other governments	-	-
Due from other funds	-	-
Total assets	107,093	1,204,577
Liabilites, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 85,929
Due to other funds	-	100,000
Total liabilities	-	185,929
Deferred Inflows of Resources		
Unavailable revenue	-	-
Fund balances restricted for:		
Public services	107,093	1,018,648
Debt service	-	-
Specific purposes	-	-
Unassigned	-	-
Total fund balances	107,093	1,018,648
Total liabilities, deferred inflows of resources and fund balances	$ 107,093	$ 1,204,577

Grady County, Georgia
Combining Statement of Revenues
Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
December 31, 2015

	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	-	-	-	22,641
Charges for services	401,763	-	-	-
Fines and forfeitures	-	-	33,126	-
Interest income	39	-	75	5,676
Other revenues	-	-	-	-
Total revenues	401,802	-	33,201	28,317
Expenditures				
Current:				
Court system	-	-	-	-
Public safety	583,684	-	2,104	-
Roads and bridges	-	-	-	136,372
Intergovernmental	-	-	-	-
Health and welfare	-	-	-	-
Public education	-	-	-	-
Recreation	-	-	-	100,000
Capital outlay	-	-	52,512	5,406
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	583,684	-	54,616	241,778
Excess (Deficiency) of Revenues Over Expenditures	(181,882)	-	(21,415)	(213,461)
Other Financing Sources (Uses)				
Transfers from other funds	210,000	-	-	-
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Capital leases	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	210,000	-	-	-
Net change in fund balances	28,118	-	(21,415)	(213,461)
Fund Balances, beginning of year	20,495	16,779	51,929	1,029,110
Fund Balances, end of year	$ 48,613	$ 16,779	$ 30,514	$ 815,649

Grady County, Georgia
Combining Statement of Revenues Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
December 31, 2015

	Special Revenue Funds	
	Drug Abuse and Treatment Fund	Total
Revenues		
Property taxes	$ -	$ -
Selective sales and use taxes	-	-
Business taxes	-	-
Intergovernmental	-	22,641
Charges for services	43,875	445,638
Fines and forfeitures	-	33,126
Interest income	72	5,862
Other revenues	-	-
Total revenues	43,947	507,267
Expenditures		
Current:		
Court system	-	-
Public safety	-	585,788
Roads and bridges	-	136,372
Intergovernmental	-	-
Health and welfare	-	-
Public education	34,826	34,826
Recreation	-	100,000
Capital outlay	-	57,918
Debt service, principal	-	-
Debt service, interest	-	-
Total expenditures	34,826	914,904
Excess (Deficiency) of Revenues Over Expenditures	9,121	(407,637)
Other Financing Sources (Uses)		
Transfers from other funds	-	210,000
Transfers to other funds	-	-
Sale of capital assets	-	-
Capital leases	-	-
Long - term debt issued	-	-
Total other financing sources (uses)	-	210,000
Net change in fund balances	9,121	(197,637)
Fund Balances, beginning of year	97,972	1,216,285
Fund Balances, end of year	$ 107,093	$ 1,018,648

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – E-911 Fund
December 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	357,000	357,000	401,763	44,763
Fines and forfeitures	-	-	-	-
Interest income	39	39	39	-
Other revenues	60,000	60,000	-	(60,000)
Total revenues	417,039	417,039	401,802	(15,237)
Expenditures				
Current:				
Court system	-	-	-	-
Public safety	582,104	582,104	583,684	(1,580)
Roads and bridges	-	-	-	-
Intergovernmental	-	-	-	-
Health and welfare	-	-	-	-
Public education	-	-	-	-
Recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	582,104	582,104	583,684	(1,580)
Excess (Deficiency) of Revenues Over Expenditures	(165,065)	(165,065)	(181,882)	(16,817)
Other Financing Sources (Uses)				
Transfers from other funds	148,420	148,420	210,000	(61,580)
Transfers to other funds	-	-	-	-
Sale of capital assets	-	-	-	-
Capital leases	-	-	-	-
Long - term debt issued	-	-	-	-
Total other financing sources (uses)	148,420	148,420	210,000	(61,580)
Net change in fund balances	(16,645)	(16,645)	28,118	(78,397)
Fund Balances, beginning of year	20,495	20,495	20,495	-
Fund Balances, end of year	$ 3,850	$ 3,850	$ 48,613	$ (78,397)

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Law Library Fund
December 31, 2015

	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				
Current:				
Court system	-	-	-	-
Public safety	-	-	-	-
Roads and bridges	-	-	-	-
Intergovernmental	-	-	-	-
Health and welfare	-	-	-	-
Public education	-	-	-	-
Recreation	-	-	-	-
Capital outlay	-	-	-	-
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-	-	-
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	-	-	-	-
Fund Balances, beginning of year	16,779	16,779	16,779	-
Fund Balances, end of year	$ 16,779	$ 16,779	$ 16,779	$ -

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Confiscated Assets Fund
December 31, 2015

	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	5,773	5,773	33,126	27,353
Interest income	-	75	75	-
Other revenues	-	-	-	-
Total revenues	5,773	5,848	33,201	27,353
Expenditures				
Current:				
Court system	-	-	-	-
Public safety	1,952	1,952	2,104	(152)
Roads and bridges	-	-	-	-
Intergovernmental	-	-	-	-
Health and welfare	-	-	-	-
Public education	-	-	-	-
Recreation	-	-	-	-
Capital outlay	55,512	55,512	52,512	3,000
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	57,464	57,464	54,616	2,848
Excess (Deficiency) of Revenues Over Expenditures	(51,691)	(51,616)	(21,415)	30,201
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	(51,691)	(51,616)	(21,415)	30,201
Fund Balances, beginning of year	51,929	51,929	51,929	-
Fund Balances, end of year	$ 238	$ 313	$ 30,514	$ 30,201

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual – Multiple Grants Fund
December 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	-	995,961	22,641	(973,320)
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest income	200	5,600	5,676	76
Other revenues	-	-	-	-
Total revenues	200	1,001,561	28,317	(973,244)
Expenditures				
Current:				
Court system	-	-	-	-
Public safety	-	5,406	-	5,406
Roads and bridges	608,400	736,372	136,372	600,000
Intergovernmental	-	-	-	-
Health and welfare	-	-	-	-
Public education	-	-	-	-
Recreation	100,000	100,000	100,000	-
Capital outlay	-	-	5,406	(5,406)
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	708,400	841,778	241,778	600,000
Excess (Deficiency) of Revenues Over Expenditures	(708,200)	159,783	(213,461)	(373,244)
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	(708,200)	159,783	(213,461)	(373,244)
Fund Balances, beginning of year	1,029,110	1,029,110	1,029,110	-
Fund Balances, end of year	$ 320,910	$ 1,188,893	$ 815,649	$ (373,244)

Grady County, Georgia
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget to Actual –Drug Abuse Treatment Fund
December 31, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Property taxes	$ -	$ -	$ -	$ -
Selective sales and use taxes	-	-	-	-
Business taxes	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	50,000	50,000	43,875	(6,125)
Fines and forfeitures	-	-	-	-
Interest income	-	-	72	72
Other revenues	-	-	-	-
Total revenues	50,000	50,000	43,947	(6,053)
Expenditures				
Current:				
Court system	-	-	-	-
Public safety	-	-	-	-
Roads and bridges	-	-	-	-
Intergovernmental	-	-	-	-
Health and welfare	-	-	-	-
Public education	34,826	34,826	34,826	-
Housing and development	-	-	-	-
Capital outlay	-	-	-	-
Debt service, principal	-	-	-	-
Debt service, interest	-	-	-	-
Total expenditures	34,826	34,826	34,826	-
Excess (Deficiency) of Revenues Over Expenditures	15,174	15,174	9,121	(6,053)
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	15,174	15,174	9,121	(6,053)
Fund Balances, beginning of year	97,972	97,972	97,972	-
Fund Balances, end of year	$ 113,146	$ 113,146	$ 107,093	$ (6,053)

Grady County, Georgia
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2015

	Clerk of Superior Court	Probate Court	Tax Commissioner	Magistrate Court	Sheriff's Department	Total Agency Funds
Assets						
Restricted assets:						
Cash and cash equivalents	$ 328,857	$ 18,377	$ 1,980,480	$ 24,547	$ 15,328	$ 2,367,589
Property tax receivable	-	-	2,547,310	-	-	2,547,310
Total assets	$ 328,857	$ 18,377	$ 4,527,790	$ 24,547	$ 15,328	$ 4,914,899
Liabilities						
Due to others	$ 328,857	$ 18,377	$ -	$ 24,547	$ 15,328	$ 387,109
Due to other governments	-	-	-	-	-	-
Uncollected taxes	-	-	4,527,790	-	-	4,527,790
Total liabilities	$ 328,857	$ 18,377	$ 4,527,790	$ 24,547	$ 15,328	$ 4,914,899

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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, 2015, and the related notes to the financial statements, which collectively comprise Grady County, Georgia's basic financial statements and have issued our report thereon dated July 22, 2016. 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. [2015-1, 2015-2, 2015-3, 2015-4, 2015-5, 2015-6, 2015-7, 2015-8, 2015-9, 2015-10.].

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.

July 22, 2016
Tifton, Georgia

2015-1

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.

2015-2

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.

.

2015-3

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.

2015-4

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.

.

2015-5

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.

2015-6

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.

.

2015-7

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.

2015-8

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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2015-9

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.

2015-10

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, 2015

	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	$ 5,511,932	$ -	$ 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	-	204,281	-	204,281	100%
Total expenditures	$ 8,000,000	$ 8,581,936	$ -	$ 8,581,936	
Special Purpose Local Option Sales Tax - 2002					
County roads, streets and bridges	$ 5,850,000	$ 7,435,381	$ 67,552	$ 7,502,933	100%
Grady County Volunteer Fire Department	600,000	505,000	-	505,000	84%
Recreation facilities Barber Park	360,000	288,905	71,096	360,001	100%
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	$ 13,719,868	$ 138,648	$ 13,858,516	
Special Purpose Local Option Sales Tax - 2007					
County roads, streets and bridges	$ 6,032,550	$ 13,085,994	$ 234,007	$ 13,320,001	100%
Grady County Volunteer Fire Department	250,000	98,229	26,618	124,847	50%
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	$ 20,374,552	$ 260,625	$ 20,635,177	
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	1,768,656	2,061,965	34%
City of Cairo	6,912,000	601,957	875,238	1,477,195	21%
City of Whigham	342,000	29,784	43,306	73,090	21%
Total expenditures	$ 18,000,000	$ 925,307	$ 2,687,200	$ 3,612,507	

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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, 2015, 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, 2015 is fairly stated in all material respects.

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

July 22, 2016
Tifton, Georgia

Grady County, Georgia
State of Georgia Grant Certification Form
Local Government Recipient (with no subrecipient)
December 31, 2015

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 ……..…….	November 6, 2001
F	Grant Amount ……..……	$15,000

		COLUMN 1 **Current Year Activity** For the Year Ended:		COLUMN 2 **Cumulative Grant Activity** Through the Year Ended:
G		12/31/2015		12/31/2015
H	(Cash or Accrued or Deferred	$2,460		
I	Recognized	$0		$15,000
J	Expenditures EXCLUDING AUDIT	$2,460		$15,000
K	for Audit Fees	$0		$0
L	(Cash or Accrued or Deferred	$0		$0

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, 2015

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

		COLUMN 1 **Current Year Activity** For the Year Ended:		COLUMN 2 **Cumulative Grant Activity** Through the Year Ended:
G		12/31/2015		12/31/2015
H	(Cash or Accrued or Deferred	$1,735		
I	Recognized	$0		$5,000
J	Expenditures EXCLUDING AUDIT	$1,735		$5,000
K	for Audit Fees	$0		$0
L	(Cash or Accrued or Deferred	$0		$0

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, 2015

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 ……..……	July 2, 2001
F	Grant Amount ……..……	$5,000

		COLUMN 1 **Current Year Activity** For the Year Ended: 12/31/2015	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: 12/31/2015
G			
H	(Cash or Accrued or Deferred	$3,875	
I	Recognized	$0	$5,000
J	Expenditures EXCLUDING AUDIT	$3,875	$5,000
K	for Audit Fees	$0	$0
L	(Cash or Accrued or Deferred	$0	$0

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, 2015

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 ……..…….	July 2, 2001
F	Grant Amount ……..……	$25,000

		COLUMN 1 **Current Year Activity** For the Year Ended: 12/31/2015		COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: 12/31/2015
G				
H	(Cash or Accrued or Deferred	$9,079		
I	Recognized	$0		$25,000
J	Expenditures EXCLUDING AUDIT	$9,079		$25,000
K	for Audit Fees	$0		$0
L	(Cash or Accrued or Deferred	$0		$0

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, 2015

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 ……..……	June 23, 1997
F	Grant Amount ……..……	$10,000

		COLUMN 1 **Current Year Activity** For the Year Ended: 12/31/2015		COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: 12/31/2015
G				
H	(Cash or Accrued or Deferred	$48		
I	Recognized	$0		$10,000
J	Expenditures EXCLUDING AUDIT	$48		$10,000
K	for Audit Fees	$0		$0
L	(Cash or Accrued or Deferred	$0		$0

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 _____