Grady County, Georgia

Financial Statements

For the Year Ended

December 31, 2019

Grady County, Georgia
For the Year Ended December 31, 2019
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GRADY COUNTY, GEORGIA

List of Elected and Appointed Officials

December 31, 2019

Elected

LaFaye Copeland, Chairwoman

Keith Moye, Vice-Chairman

Ray Prince, County Commissioner

June Knight, County Commissioner

Phillip Drew, County Commissioner

Staff

Buddy Johnson, County Administrator

Mary Griffin, Administrative Assistant

Holly Murkerson, Accounting Manager

John White, County Clerk

Perry L. Henry, LLC

Certified Public Accountant and Consultant

Perry L. Henry, CPA, CGFM, CFS

Members
American Institute of Certified Public Accountants
Georgia Society of Certified Public Accountants

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

INDEPENDENT AUDITORS' REPORT

Honorable Chairperson and
Members of the Board of Commissioners of
Grady County, 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, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Grady County Health Department, which represent 47%, 0%, and 99%, respectively, of the assets, net position, and revenues of the discretely presented component units. 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 from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Grady County, Georgia as of December 31, 2019, and the respective changes in financial position, where applicable, cash flows thereof, 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 on pages i-viii, the Budgetary Comparison Schedule – General Fund on pages 49-50, the schedule of changes in net pension liability and related ratios on page 53, the schedule of employer contributions on page 54 and the schedule of proportionate share of net pension liabilities on page 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express and opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express and opinion 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's basic financial statements. The supplementary information, including the combining and individual non-major governmental fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund statements and schedules, the combining statement of fiduciary assets and liabilities, the annual report of 911 collections and expenditures, the schedules of expenditures of special purpose local option sales tax proceeds and the community development block grant source and applications of funds schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and individual non-major governmental fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 17, 2020 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 and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part on an audit performed in accordance with *Government Auditing Standards* in considering Grady County, Georgia's internal control over financial reporting and compliance.

Perry L. Henry, LLC

Perry L. Henry, LLC
Bainbridge, Georgia
August 17, 2020

Grady County, Georgia
Management's Discussion and Analysis
For the Year Ended December 31, 2019

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, 2019. We encourage readers to read the information presented here in conjunction with the County's financial statements, which follow this narrative.

FINANCIAL HIGHLIGHTS

- The County has $79.06 million in total assets of which $65.00 million are capital assets.
- The County has $24.39 million in total liabilities of which $21.53 million are long term.
- The assets of the County exceeded its liabilities as of December 31, 2019 by $54.67 million.
- The County's total net position increased by $5.01 million.
- As of December 31, 2019, the County's governmental funds reported combined ending fund balances of $12.06 million, a decrease of $0.17 million in comparison to the prior year. Approximately 83% of the combined fund balances, $9.99 million is considered unassigned and is available for spending at the County's discretion.
- As of December 31, 2019 the unassigned fund balance of the general fund was $10.08 million, which was an increase of $1.29 million 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 non-major 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, 2019 and 2018.

Table 2
Condensed Statement of Net Position

	Total Primary Government	
	2019	2018
Assets		
Current and other assets	$ 14,055,764	$ 13,239,344
Capital assets	65,003,569	60,723,257
Total assets	79,059,333	73,962,601
Deferred outflows of resources	278,029	419,452
Liabilties		
Other liabilities	1,508,148	713,614
Long-term liabilites	22,878,541	24,064,945
Total liabilites	24,386,689	24,778,559
Deferred inflows of resources	493,893	161,627
Net Position		
Invested in capital assets, net of related debt	43,645,289	38,462,903
Restricted	1,986,991	2,951,886
Unrestricted	8,824,500	8,027,078
Total net position	$ 54,456,780	$ 49,441,867

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, 2019 and 2018. 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

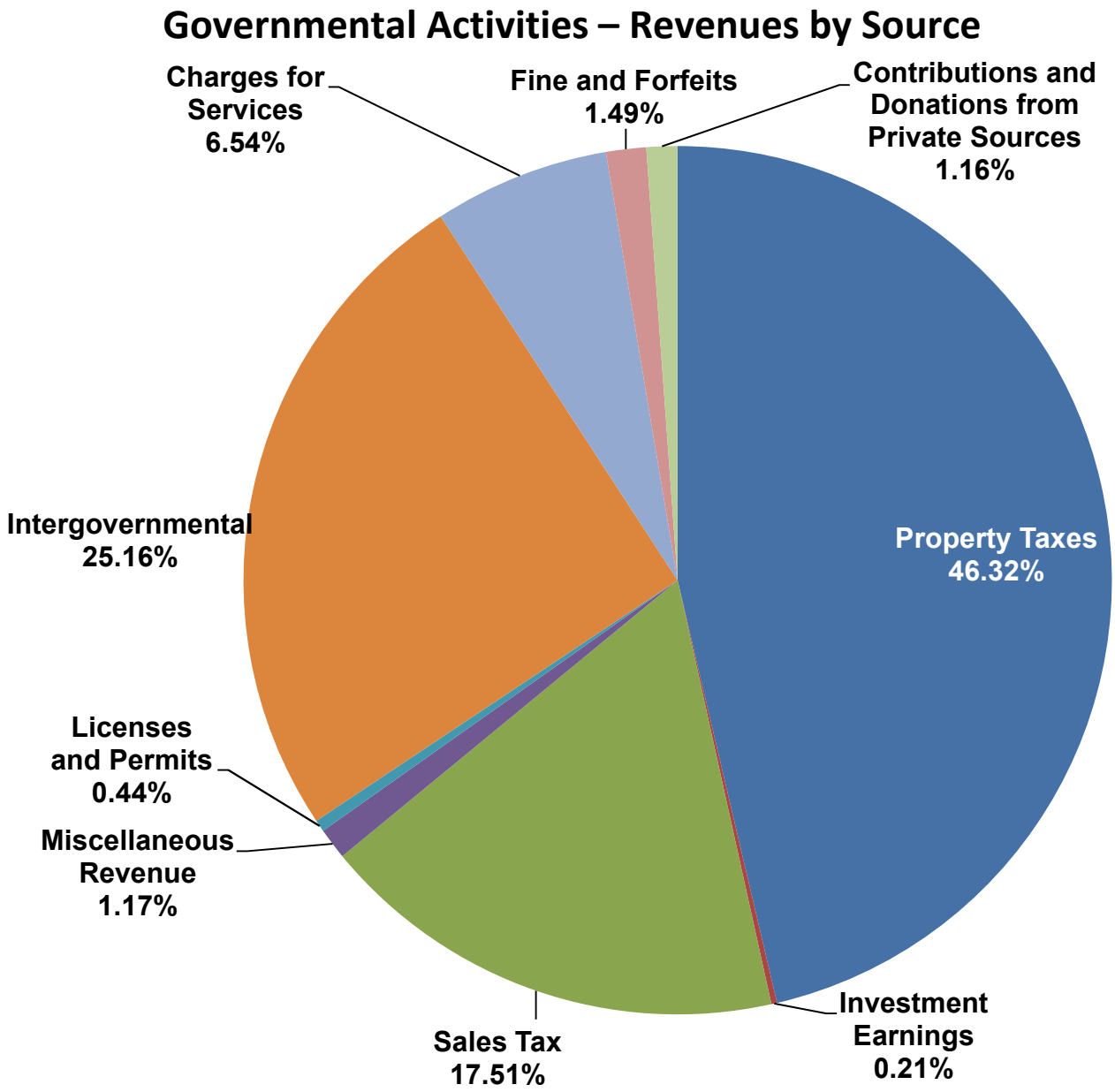
	Total Primary Government	
	2019	2018
Revenues		
Program Revenues:		
Charges for Services	$ 2,022,851	$ 2,377,172
Operating Grants and Contributions	482,204	491,040
Capital Grants and Contributions	6,083,247	285,138
General Revenues:		
Property Taxes	10,709,319	9,289,632
Local Option Sales Taxes	4,323,506	3,835,358
Other Taxes and Licenses	1,272,939	1,275,200
Investment Income	51,827	26,788
Gain (loss) on sale of capital asets	58,965	892,314
Other Revenues	165,062	219,042
Total Revenues	25,169,920	18,691,684
Expenses		
General Government	5,914,506	5,526,528
Public Safefy	5,693,764	5,681,983
Court System	1,495,239	1,308,016
Public Works	4,237,000	4,112,819
Public Health and Welfare	106,576	101,896
Recreation	644,937	630,748
Housing and Development	1,235,280	452,135
Interest on Long-Term Debt	827,705	838,677
Total Expenses	20,155,007	18,652,802
Change in Net Position	$ 5,014,913	$ 38,882

During the year ended December 31, 2019, the net position of the County increased $5.01 million. Total revenues for 2019 increased $6.48 million. Expenses increased by $1.50 million. The County continued building and repairing roads in 2019 thanks in large part to the competitive state and federal grants awarded to Grady County. Principal and interest expenses for both the 2010 and 2015 series bonds continued. Depreciation expense of $2.22 million was allocated to the various functions of governmental activities.

Program Expenses and Revenues for Governmental Activities

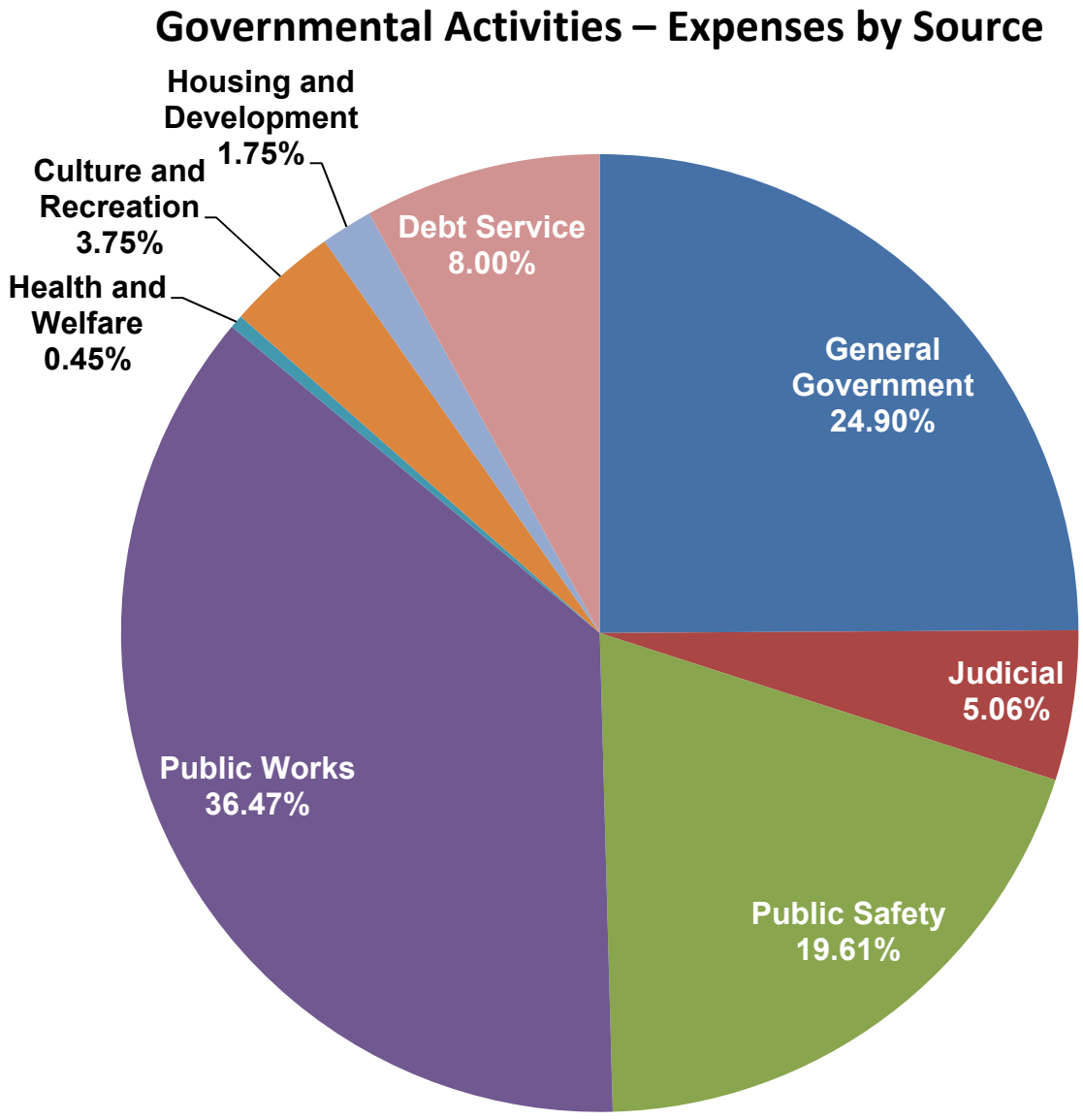
Governmental Activities - Revenues by Source

The following chart shows the governmental activities revenues by major source. Approximately 6.54% of the County's revenues were derived from charges for services, 25.16% from Intergovernmental, and approximately 17.51% came from sales taxes. The largest portion of the County's revenue, 46.32%, came from property taxes.



Governmental Activities – Expenses by Source

The following chart shows the governmental activities expenses by source. The County spent the greatest amount of its available funding on public works at 36.47%. The next largest expenditures were for general government at 24.90% and public safety at 19.61%.



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, 2019, the County's governmental funds reported a combined ending fund balance of $12.06 million. Of that amount $9.99 million was unassigned, $.08 million was nonspendable, and $1.99 million was restricted.

The general fund is the operating fund of the County. As of December 31, 2019, total fund balance of the general fund was $10.16 million. The net change in the general fund's total fund balance for the year ended December 31, 2019 was an increase of $1.11 million or 1.3%.

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 2019 related to the transfer of budgeted amounts between departments and did not result in additional appropriations.

The actual revenues of the general fund were more than the final budgeted amounts by $1.85 million for the year ended December 31, 2019. Total general fund revenues for 2019 increased by $.12 million compared to 2018.

The actual expenditures of the general fund were less than the final budgeted amounts by $.91 million for the year ended December 31, 2019. Expenses decreased by $.79 million compared to 2018.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At December 31, 2019, the County had capital assets, net of accumulated depreciation of $65.00 million invested in land, site improvements, construction in progress, buildings and building improvements, equipment, and infrastructure assets. This includes the value of the recreational fishing lake built at Tired Creek. Also, the county's financial health should take into account the state of the county's various facilities.

Since 2013 the county has remodeled, upgraded or updated 14 different facilities/office spaces:

Agricultural Building-USDA and FSA office space	Probate Judge flooring
Barber Park Softball Complex Lights	Recreation Department office space
EMS Building	Registrars Building-repurposed duplex
Family Learning Center	Shop/Road Departments office space
Historical Society roof	Superior Court office space
Livestock Pavilion exterior paint	Tax Commissioner/Tax Assessor Building
Sheriff's Office flooring	Volunteer Fire Department Training Facility-repurposed old jail

Refer to Note 7 of the Notes to Financial Statements for additional information on capital assets.

Long-term Debt

At December 31, 2019, The County reported long term debt of $21.53 million. Outstanding principal balance on 2010 Series revenue bonds is $11,985,000. Outstanding principal balance on the 2015 Series revenue bonds is $8,795,000. Outstanding principal balance on capital leases is $307,481. Refer to Note 8 of the Notes to Financial Statements for additional information on long-term debt.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT TEAM

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

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

Grady County, Georgia
Statement of Net Position
December 31, 2019

	Governmental Activities	Total	Component Units
ASSETS			
Cash and cash equivalents	$ 7,591,894	$ 7,591,894	$ 568,325
Receivables (net, where applicable, of allowances for uncollectible):			
Taxes	5,065,980	5,065,980	-
Accounts	85,103	85,103	-
Due from other governments	86,166	86,166	116,708
Prepaid expenses	80,384	80,384	-
Restricted assets:			
Cash and cash equivalents	1,146,237	1,146,237	-
Capital assets:			
Land	5,546,090	5,546,090	-
Construction in progress	37,274,379	37,274,379	-
Other capital assets, net of depreciation	22,183,100	22,183,100	589,281
Total Assets	79,059,333	79,059,333	1,274,314
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow of resources-pension	278,029	278,029	253,623
Total Deferred Outflows of Resources	278,029	278,029	253,623
LIABILITIES			
Accounts payable	1,187,733	1,187,733	33,656
Accrued liabilities	320,415	320,415	-
Due to other governments	-	-	27,279
Long-term liabilities:			
Portion due and payable within one year:			
Bonds	835,000	835,000	-
Capital leases	144,029	144,029	-
Notes	18,368	18,368	-
Portion due and payable after one year:			
Bonds	20,160,875	20,160,875	-
Capital leases	163,452	163,452	-
Notes	36,556	36,556	-
Net pension obligation liability	1,347,070	1,347,070	1,016,266
Compensated absences payable	173,191	173,191	43,933
Total Liabilities	24,386,689	24,386,689	1,121,134
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow of resources-pension	493,893	493,893	253,672
Total Deferred Inflows of Resources	493,893	493,893	253,672
NET POSITION			
Net investment in capital assets	43,645,289	43,645,289	589,281
Restricted for:			
Capital projects	739,525	739,525	-
Legal Reference Materials	25,941	25,941	-
Public Safety	66,199	66,199	-
Public Works	796,487	796,487	-
Recreation	358,838	358,838	-
Other Purposes	250	250	-
Public Health Programs	-	-	311,324
Unrestricted	8,824,251	8,824,251	(747,474)
Total Net Position	$ 54,456,780	$ 54,456,780	$ 153,131

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

Grady County, Georgia
Statement of Activities
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Total	Component Units
Governmental:							
General Government	$ 5,914,506	$ 353,508	$ 119,777	$ 6,083,247	$ 642,026	$ 642,026	
Judicial	1,495,239	819,459	-	-	(675,780)	(675,780)	
Public Safety	5,693,764	816,649	146,721	-	(4,730,394)	(4,730,394)	
Public Works	4,237,000	-	-	-	(4,237,000)	(4,237,000)	
Health and Welfare	106,576	14,510	-	-	(92,066)	(92,066)	
Culture and Recreation	644,937	18,725	215,706	-	(410,506)	(410,506)	
Housing and Development	1,235,280	-	-	-	(1,235,280)	(1,235,280)	
Interest on long-term debt	827,705	-	-	-	(827,705)	(827,705)	
Total governmental activities	$ 20,155,007	$ 2,022,851	$ 482,204	$ 6,083,247	(11,566,705)	(11,566,705)	
Component units:							
Hospital Authority	$ 35,025	$ 11,400	$ -	$ -			$ (23,625)
Health Department	747,326	420,209	526,536	-			199,419
Total component units	$ 782,351	$ 431,609	$ 526,536	$ -			175,794

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

Grady County, Georgia
Statement of Activities
For the Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Total	Component Units
Changes in Net position:							
Net (expenses) revenue (Page 3)					(11,566,705)	(11,566,705)	175,794
General revenues:							
Taxes							
Property taxes, levied for general purposes					10,709,319	10,709,319	-
Sales taxes					4,323,506	4,323,506	-
Alcoholic beverages taxes					76,751	76,751	-
Business taxes					37,200	37,200	-
Penalties and interest on delinquent taxes					112,399	112,399	-
Insurance premium tax					1,030,398	1,030,398	-
Franchise taxes					16,191	16,191	-
Investment earnings					51,827	51,827	203
Miscellaneous					165,062	165,062	-
Special item - sale of capital assets					58,965	58,965	-
Total general revenues, special items, and transfers					16,581,618	16,581,618	203
Change in net position					5,014,913	5,014,913	175,997
Net position - beginning					49,441,867	49,441,867	(22,866)
Net position - ending					$ 54,456,780	$ 54,456,780	$ 153,131

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

Grady County, Georgia
Balance Sheet
Governmental Funds
December 31, 2019

	General Fund	SPLOST 2012 Capital Projects Fund	E-911 Fund	Drug Abuse & Treatment Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash on hand and in banks	$ 6,672,705	$ -	$ -	$ -	$ -	$ 6,672,705
Receivables (net, where applicable, of allowances for uncollectible):						
Taxes, including interest, penalties & liens	4,556,487	-	-	-	-	4,556,487
Accounts	85,103	-	71,778	-	-	156,881
Due from other funds	184,100	-	-	-	-	184,100
Due from other governments	86,166	-	-	-	-	86,166
Prepaid expenses	80,384	-	-	-	-	80,384
Restricted assets:						
Cash in bank	-	447,944	53,793	209,935	1,222,653	1,934,325
Sales tax receivable	-	437,715	-	-	-	437,715
Total Assets	$ 11,664,945	$ 885,659	$ 125,571	$ 209,935	$ 1,222,653	$ 14,108,763
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities						
Accounts payable	$ 384,823	$ -	$ 211,384	$ -	$ 800	$ 597,007
Accrued liabilities	174,281	146,134	-	-	-	320,415
Due to other funds	-	-	-	184,000	100	184,100
Other payable	36,208	-	-	-	-	36,208
Total Liabilities	595,312	146,134	211,384	184,000	900	1,137,730
Deferred Inflows of Resources						
Unavailable Revenues-Property Taxes	910,633	-	-	-	-	910,633
Total Deferred Inflows of Resources	910,633	-	-	-	-	910,633
Fund Balances						
Nonspendable prepaid items	80,384	-	-	-	-	80,384
Restricted for:						
Capital projects	-	739,525	-	-	-	739,525
Legal Reference Materials	-	-	-	-	25,941	25,941
Public Safety	-	-	-	25,935	40,264	66,199
Public Works	-	-	-	-	796,487	796,487
Recreation	-	-	-	-	358,838	358,838
Other Purposes	-	-	-	-	250	250
Unassigned	10,078,616	-	(85,813)	-	(27)	9,992,776
Total Fund Balances	10,159,000	739,525	(85,813)	25,935	1,221,753	12,060,400
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 11,664,945	$ 885,659	$ 125,571	$ 209,935	$ 1,222,653	$ 14,108,763

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

Grady County, Georgia
Reconciliation of the Governmental Funds Balance Sheet to the Statements of Net Position
December 31, 2019

Total *fund* balances for governmental funds		$ 12,060,400
Total *net position* reported for governmental activities in the Statement of Net Position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	5,546,090	
Infrastructure	96,694,129	
Buildings	13,588,212	
Machinery	9,411,641	
Construction in progress	37,274,379	
Total capital assets	162,514,451	
Accumulated depreciation	(97,510,882)	
Total assets - net	65,003,569	65,003,569
Certain property tax revenues are not available to pay for current-period expenditures and therefore are deferred in the funds.		910,633
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore are not reported in the funds.		(1,347,070)
Deferred inflows and outflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds.		
Deferred outflows		278,029
Deferred inflows		(493,893)
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.		(423,418)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable (net of unamortized premiums)		(20,995,875)
Lease payable		(307,481)
Notes payable		(54,924)
Compensated absences		(173,191)
Total net position of governmental activities		$ 54,456,779

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

Grady County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2019

	General Fund	SPLOST 2012 Capital Projects Fund	E-911 Fund	Drug Abuse & Treatment Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	$ 13,060,207	$ 2,703,834	$ -	$ -	$ -	$ 15,764,041
Licenses & Permits	108,184	-	-	-	-	108,184
Intergovernmental	4,231,971	-	-	349,090	1,633,419	6,214,480
Charges for Services	1,178,455	2	428,609	9,177	-	1,616,243
Fines & Forfeitures	358,734	-	-	-	9,881	368,615
Investment Income	49,214	542	320	2,061	463	52,600
Contributions	90	-	-	-	285,362	285,452
Miscellaneous	237,920	-	-	40,608	9,339	287,867
Total Revenues	19,224,775	2,704,378	428,929	400,936	1,938,464	24,697,482
EXPENDITURES						
Current Operating						
General Government	4,454,359	242,997	-	-	4,918	4,702,274
Judicial	1,155,690	-	-	-	-	1,155,690
Public Safety	3,946,807	-	-	315,162	55,299	4,317,268
Public Works	2,581,637	-	-	-	80,965	2,662,602
Health and Welfare	99,176	-	-	-	6,250	105,426
Cultural & Recreation	647,700	-	-	-	103,943	751,643
Housing and Development	403,553	-	-	-	-	403,553
Capital Outlay						
General Government	13,203	-	1,061,424	-	-	1,074,627
Judicial	18,668	-	-	-	-	18,668
Public Safety	233,343	-	-	-	-	233,343
Public Works	4,329,173	667,741	-	-	802,558	5,799,472
Cultural and Recreation	118,224	-	-	-	-	118,224
Housing and Development	1,500	-	-	-	-	1,500
Debt Service						
Principal	39,663	800,000	-	-	126,243	965,906
Interest	6,604	876,806	-	-	7,662	891,072
Intergovernmental	-	993,175	-	-	807,568	1,800,743
Total Expenditures	18,049,300	3,580,719	1,061,424	315,162	1,995,406	25,002,011
Excess (Deficiency) of Revenues Over Expenditures	1,175,475	(876,341)	(632,495)	85,774	(56,942)	(304,529)
OTHER FINANCING SOURCES (USES)						
Proceeds from Debt Agreements	123,670	-	-	-	-	123,670
Transfers In	263,204	-	444,308	-	22,757	730,269
Transfers Out	(467,065)	-	-	(170,389)	(92,815)	(730,269)
Sale of Captial Assets	14,980	-	-	-	-	14,980
Total Other Financing Sources (Uses)	(65,211)	-	444,308	(170,389)	(70,058)	138,650
Net Change in Fund Balances	1,110,264	(876,341)	(188,187)	(84,615)	(127,000)	(165,879)
Fund balances - beginning	9,048,736	1,615,866	102,374	110,550	1,348,753	12,226,279
Fund balances - ending	$ 10,159,000	$ 739,525	$ (85,813)	$ 25,935	$ 1,221,753	$ 12,060,400

The accompanying notes 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 Net Activities
For the Year Ended December 31, 2019

Net change in fund balances - total governmental funds	$ (165,879)
The change in net position reported for governmental activities in the Statement of Activities is 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 purchase capitalized	6,499,555
Depreciation expense	(2,219,243)
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.	
Loan Proceeds	(123,670)
Debt payments made	965,906
Amortization of bond premiums	59,839
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	457,358
An internal service fund is used by management to charge the costs of the County's medical benefit plan to individual funds. The net revenues (expenses) the internal service fund is reported with governmental activities in the statement of net position.	(269,594)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditure in governmental funds.	
Change in pension liability	(180,723)
Compensated absences	(8,637)
Change in net position of governmental activities	$ 5,014,912

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

Grady County, Georgia
Statement of Net Position
Internal Service Fund
December 31, 2019

ASSETS	
Cash and cash equivalents	$ 131,102
Total Assets	131,102
LIABILITIES	
Accrued expenses	554,518
Total Liabilities	554,518
NET POSITION	
Restricted for:	
Employee Health Program	(423,416)
Total Net Position	$ (423,416)

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

Grady County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Net Position
Internal Service Fund
For the Year Ended December 31, 2019

	Internal Service Fund
OPERATING REVENUES	
Employee contributions	$ 136,428
Employer contributions	1,855,778
Reinsurance payments	836,132
Total operating revenues	2,828,338
OPERATING EXPENDITURES	
Claims expenses	3,099,046
Total operating expenditures	3,099,046
Net (Expense) Revenue and Changes in Net Position	(270,708)
NON-OPERATING REVENUES (EXPENSES)	
Interest Income	1,114
Total non-operating revneues (expenses)	1,114
Change in net position	(269,594)
Net position - beginning	(153,822)
Net position - ending	$ (423,416)

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

Grady County, Georgia
Statement of Cash Flows
Internal Service Fund
For the Year Ended December 31, 2019

	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and users	$ 2,828,338
Claims and premiums paid	(2,697,147)
Net cash provided (used) by operating activities	131,191
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	1,114
Net cash provided (used) by investing activities	1,114
Net increase in cash and cash equivalents	132,305
Cash and cash equivalents, beginning of year	(1,203)
Cash and cash equivalents, end of year	$ 131,102
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVIES:	
Operating income	$ (270,708)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Increase (decrease) in:	
Accrued expenses	401,899
Net cash provided by operating activities	$ 131,191

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

Grady County, Georgia
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2019

ASSETS	
Cash and cash equivalents	$ 3,248,633
Property tax receivable	8,319,992
Total Assets	$ 11,568,625
LIABILITIES	
Due to others	$ 3,248,633
Uncollected taxes	8,319,992
Total Liabilities	$ 11,568,625

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

Grady County, Georgia
Statement of Net Position
Component Units
December 31, 2019

	Hospital Authority	Health Department	Totals
Assets			
Current Assets			
Cash	$ 101,494	$ 466,831	$ 568,325
Due from other governments	-	116,708	116,708
Total Current Assets	101,494	583,539	685,033
Capital Assets - Net	575,339	13,942	589,281
Total Assets	676,833	597,481	1,274,314
Deferred Outflows of Resources			
Deferred pension cost	-	162,297	162,297
OPEB Related	-	91,326	91,326
Total deferred outflows of resources	-	253,623	253,623
Total assets and deferred outflows	$ 676,833	$ 851,104	$ 1,527,937
Liabilities			
Accounts payable	$ -	$ 33,656	$ 33,656
Due to other governments	-	27,279	27,279
Long-term liabilities			
Net pension liability	-	668,577	668,577
Net OPEB liability	-	347,689	347,689
Compensated absences	-	43,933	43,933
Total liabilities	-	1,121,134	1,121,134
Deferred inflows of resources			
Pensions	-	35,167	35,167
OPEB Related	-	218,505	218,505
Total deferred inflows of resources	-	253,672	253,672
Net position:			
Net investment in capital assets	575,339	13,942	589,281
Restricted for:			
Public services	-	311,324	311,324
Unrestricted	101,494	(848,968)	(747,474)
Total net position	676,833	(523,702)	153,131
Total liabilities, deferred inflows, and net position	$ 676,833	$ 851,104	$ 1,527,937

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

Grady County, Georgia
Statement of Activities
Component Units
For the Year Ended December 31, 2019

Activities:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Hospital Authority	Net (Expenses) Revenues and Changes in Net Position: Health Department	Total
Component units:						
Hospital Authority	$ 35,025	$ 11,400	$ -	$ (23,625)	$ -	$ (23,625)
Health Department	747,326	420,209	526,536	-	199,419	199,419
Total component units	$ 782,351	$ 431,609	$ 526,536	(23,625)	199,419	175,794
General Revenues:						
Investment				203	-	203
Total General Revenues				203	-	203
Change in Net Position				(23,422)	199,419	175,997
Net position - beginning				700,255	(723,121)	(22,866)
Net position - ending				$ 676,833	$ (523,702)	$ 153,131

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

NOTES TO THE 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.

Discretely Presented Component Units

The Grady County Board of Health administers the operations of the Grady County Health Department, which provides public health services to the citizens of Grady County. The Georgia Department of Audits, Local Government Audit Section, has ruled that county boards of health should be considered component units of the county government for financial reporting purposes. The County appoints a majority of the members of the Grady County Board of Health and provides funding annually in an amount sufficient to satisfy the local matching funds as required by the Georgia Department of Human Resources. The entity is reported as a governmental fund type component unit. The Grady County Health Department's year end is June 30, 2019. 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 statement

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, 2019, 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 *E-911 Special Revenue Fund* is used to account for all of its activities.

The *Drug Abuse & Treatment Special Revenue Fund* is used to account for of its activities.

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 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 item 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.

Pension Plan

The County's defined benefit pension plan is accounted for under *GASB Statement No. 68 Accounting and Financial Reporting of Pensions* – an amendment to *GASB Statement No. 27* which requires the recognition of the entire net pension liability along with specific note disclosures and required supplementary information.

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 No. 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, 2019, 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.

Impact of Recently Issued Accounting Pronouncements

New Accounting Standards Adopted

As of January 1, 2019, there were no new statements issued by GASB.

Accounting Standards Issued But Not Yet Effective

GASB Statement No. 83, *Certain Asset Retirement Obligations* ("GASB 83"), addresses accounting and financial reporting for certain asset retirement obligations. GASB 83 will be effective for the fiscal years beginning after June 15, 2019. The County has not completed the process of evaluating the impact of GASB 83 on its financial statements.

GASB Statement No. 87, *Leases* ("GASB 87"), establishes criteria to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB 87 will be effective for the fiscal years beginning after June 15, 2021. The County has not completed the process of evaluating the impact of GASB 87 on its financial statements.

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements* ("GASB 88"), establishes criteria to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. GASB 88 will be effective for the fiscal years beginning after June 15, 2019. The County has not completed the process of evaluating the impact of GASB 87 on its financial statements.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* ("GASB 89"), addresses issues regarding (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB 89 will be effective for the fiscal years beginning after December 15, 2020. The County has not completed the process of evaluating the impact of GASB 87 on its financial statements.

GASB Statement No. 90, *Majority Equity Interest-an amendment of GASB Statements No. 14 and No. 61* ("GASB 90"), establishes criteria to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. GASB 90 will be effective for the fiscal years beginning after December 15, 2019. The County has not completed the process of evaluating the impact of GASB 90 on its financial statements.

GASB Statement No. 91, *Conduit Debt Obligations* ("GASB 91"), addresses accounting and financial reporting for conduit debt obligations. GASB 91 will be effective for the fiscal years beginning after

December 15, 2021. The County has not completed the process of evaluating the impact of GASB 91 on its financial statements.

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 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 the cash basis.

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 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.

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NOTE 3 - DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2019 are summarized as follows:

Primary Government		
Amounts as presented on the entity-wide Statement of Net Position:		
Cash and cash equivalents	$	7,591,894
Restricted cash and cash equivalents		1,146,237
Amounts as presented on the Statement of Fiduciary Assets and Liabilities:		
Cash and cash equivalents		2,552,462
Total	$	11,290,593
Deposits with financial institutions	$	11,429,148

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, 2019, the bank balance was $11,429,148. Of the bank balance, $10,060,351 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 2019 year tax levy, was mailed in October 2019. 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.

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Receivables

Receivables as of December 31, 2019 for the County's individual major funds, non-major funds, and fiduciary funds in the aggregate are as follows:

	General Fund	Other Governmental Funds	Total
Property tax receivable	$ 4,290,467	$ -	$ 4,290,467
Sales tax receivable	266,020	-	266,020
Accounts receivable	85,103	71,778	156,881
Net total receivables	$ 4,641,590	$ 71,778	$ 4,713,368

NOTE 5 – DUE FROM OTHER GOVERNMENTS

Due from other governments on the General Fund as of December 31, 2019 consisted of a note receivable from the Grady County Joint Development Authority. The note receivable bears an interest rate of 1%. Principal and interest is due the first of every month.

Due from	2019
Grady County Joint Development Authority	$ 86,166
Total due from other governments	$ 86,166

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, 2019 is as follows:

Fund	Due From	Due To
General Fund	$ 184,100	$ -
Drug Abuse & Treatment Fund	-	184,000
CDBG Capital Projects Fund	-	100
	$ 184,100	$ 184,100

During the course of normal operations, numerous transactions take place between funds such as expenditures or transfers of resources to provide services, service debt or construct assets. These inter-fund transactions are eliminated and no interest is charged on such transfers.

	TRANSFERS IN				
TRANSFERS OUT	General Fund	E-911	Recreation	CDBG Fund	Total
General Fund	$ -	$444,308	$ 21,347	$ 1,410	$ 467,065
Road Construction Fund	92,800	-	-	-	92,800
Drug Abuse & Treatment Fund	170,389	-	-	-	170,389
CDBG 14 Capital Project Fund	15	-	-	-	15
	$ 263,204	$444,308	$ 21,347	$ 1,410	$ 730,269

$444,308 was transferred from the general fund to the E-911 Special revenue fund to cover cash short-falls.

$1,410 was to transfer expenditures from the general fund to the CDBG fund.

$92,800 was transferred from the road construction fund to the general fund for reimbursement of road projects paid from that account.

$170,389 was transferred from drug abuse & treatment fund to the general fund to cover salaries that were budgeted in the general fund.

$21,347 was transferred from general fund to the recreation fund for donations collected in the prior year.

$15 was transferred from CDBG 14 capital project fund to general fund to close out bank account and fund.

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NOTE 7 – CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended December 31, 2019:

Primary Government

Governmental activities:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balances
Capital assets, not being depreciated:				
Land	$ 5,546,090	$ -	$ -	$ 5,546,090
Construction in Progress	31,254,145	6,020,234	-	37,274,379
Total capital assets, not being depreciated	36,800,235	6,020,234	-	42,820,469
Capital assets being depreciated:				
Buildings	13,588,213	-	-	13,588,213
Machinery and Equipment	9,050,528	479,322	(118,208)	9,411,642
Roads and Bridges	96,694,128	-	-	96,694,128
Total capital assets being depreciated	119,332,869	479,322	(118,208)	119,693,983
Less accumulated depreciation:				
Buildings	(8,322,426)	(372,360)	-	(8,694,786)
Machinery and Equipment	(6,088,233)	(498,879)	118,208	(6,468,904)
Roads and Bridges	(80,999,188)	(1,348,005)	-	(82,347,193)
Total accumulated depreciation	(95,409,847)	(2,219,244)	118,208	(97,510,883)
Total capital assets, being depreciated, net	23,923,022	(1,739,922)	-	22,183,100
Governmental activities capital assets, net	$ 60,723,257	$ 4,280,312	$ -	$ 65,003,569

Depreciation Expense was charged to functions as follows: Governmental Activities

General Government	$ 138,292
Public Safety	389,694
Public Works	1,589,525
Recreation	96,031
Housing and Development	5,702
Total Governmental Activities Depreciation Expense	$ 2,219,244

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, 2019 are as follows:

Fund and Description	Orginal Amount	Interest Rate	Maturity Date	Amount
South Georgia Governmental Services Authority Revenue Bond, Series 2010	$ 14,940,000	various	2030	$ 11,185,000
Grady County Lake Authority Revenue Bond, Series 2015	8,795,000	various	2040	8,795,000
Bond premiums				1,015,875
Less current portion				(835,000)
Total	$ 23,735,000			$ 20,160,875

The annual debt service requirement to maturity of the bonds at December 31, 2019 is as follows:

Year Ending December 31	Principal	Interest	Total
2020	$ 835,000	$ 844,806	$ 1,679,806
2021	855,000	819,756	1,674,756
2022	885,000	791,968	1,676,968
2023	930,000	747,719	1,677,719
2024	965,000	715,169	1,680,169
2025-2029	5,470,000	2,927,575	8,397,575
2030-2034	4,345,000	1,791,863	6,136,863
2035-2039	4,635,000	932,438	5,567,438
2040	1,060,000	53,000	1,113,000
Total	$ 19,980,000	$ 9,624,294	$ 29,604,294

Capital Leases

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

Debt service requirements on capital leases as of December 31, 2019 are as follows:

Year	Principal	Interest	Total
2020	$ 144,029	$ 7,441	$ 151,470
2021	100,624	3,709	104,333
2022	34,124	1,632	35,756
2023	26,454	625	27,079
2024	2,250	7	2,257
Total	$ 307,481	$ 13,414	$ 320,895

The following is a summary of capitalized lease obligations:

Purpose	Original Amounts	Payment Amounts	Interest Rate	Payments	Minimum Lease Payments	Net Present Value
Santander Bank N.A. Capital lease purchase contract for purchase of 2018 International Dump Truck	$ 107,373	$ 2,375	2.95%	48	$ 54,625	$ 53,010
Caterpillar Financial Service Corp Capital lease purchase contract for purchase of 12M Motor Grader F9F00823	101,000	2,948	3.25%	36	26,587	26,230
BancorpSouth Equipment Financial Capital lease purchase contract for purchase of RoadHog RH48200 Cold Planer	122,425	2,685	2.54%	48	51,015	49,951
BancorpSouth Equipment Financial Capital lease purchase contract for purchase of 2014 John Deere 670G Motor Grader	163,200	$ 2,892	2.44%	60	78,095	75,915
John Deere Financial Capital lease purchase contract for purchase of 2018 Hitachi ZX210LCS6 Excavator	123,670	$ 2,257	3.75%	60	110,573	102,375
Totals	$ 617,668				$ 320,895	$ 307,481

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Machinery and Equipment	$ 632,668
Less: accumulated depreciation	(137,634)
Total	$ 495,034
Current FY Depreciation	$ 60,956

Notes Payable

The County entered into a note on February 5, 2018 with Zoll Medical Corporation for the purchase of three Defibrillators and Monitors for $91,661 bearing interest at 1.74%. At December 31, 2019, the outstanding balance was $54,924.

Changes in Long-Term Liabilities

The following is a summary of the activity in long term-liabilities for the year ended December 31, 2019:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Revenue Bonds:					
SGGSA Revenue Bond Series 2010	$ 11,985,000	$ -	$ (800,000)	$ 11,185,000	$ 835,000
GCLA Revenue Bond Series 2015	8,795,000	-	-	8,795,000	-
Plus deferred amounts for issuance premiums	1,075,714	-	(59,839)	1,015,875	-
Total bonds payable	21,855,714	-	(859,839)	20,995,875	835,000
Capital leases payable	331,348	123,670	(147,537)	307,481	144,029
Notes payable	73,292	-	(18,368)	54,924	18,368
Compensated absences	164,555	127,488	(118,852)	173,191	-
Governmental activities long-term liabilities	$ 22,424,909	$ 251,158	$ (1,144,596)	$ 21,531,471	$ 997,397

Compensated absences are generally liquidated by the General Fund.

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, 2019 include:

Capital Projects Funds	
Reserved for specific purposes to reflect Resources funded by Special Purpose Local Option Sales Tax, Federal grants and capital projects	$ 739,525
Legal Reference Materials	$ 25,941
Public Safety	$ 66,199
Public Works	$ 796,487
Recreation	$ 358,838
Other Purposes	$ 250

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

Effective January 1, 1991, amended February 22, 1995, amended and restated January 1, 2000 and July 1, 2012. Amended and restated January 1, 2015, the County participates in the following

Defined Benefit Pension Plan:

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 from GEBCorp, 191 Peachtree Street NE, Suite 700, 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 .50% of average annual compensation up to $6,600 plus 1.00% 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 January 1, 2019, employee membership data related to the plan was as follows:

Retirees, beneficiaries and disables receiving benefits	33
Terminated plan participants entitled to but not yet receiving benefits	47
Active employees participating in the plan	85
Total number of plan partifipants	165

Statement of Net Fiduciary Net Position

Market Value of Assets		
Cash & Cash Equivalent.	$	275,929
Bonds		-
Fixed Interest Insurance Account		24,770
Marketable Securities		3,916,704
Total	$	4,217,403
Receivable		
Employer Contributions	$	175,874
Employee Contributions		2,990
Due From Insurance Pool		-
Accrued Interest Income		6,016
Total	$	184,880
Liabilities		
Administrative Expenses	$	18,383
Accrued Investment Fee		4,202
Accrued Auditing Fees		-
Payable to Insurance Pool		-
Total	$	22,585
Fiduciary Net Position	$	4,379,698

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Statement of Changes in Fiduciary Net Position

Additions	
Asset Transfer	$ -
Service Credit Transfer In	$ -
Employer Contributions	175,874
Employee Contributions	100,862
Net Investment Income	748,785
Employee Contribution - BuyBack	-
Total Additions	$ 1,025,521
Deductions	
Investment Expense	$ 18,762
Administrative Expenses	31,378
Benefit Payments	147,133
Post-Reitrement Death Benefit Expense	-
Pre-Reitrement Death Benefit Expense	-
Transfer to Successor Plans	-
Refund of Employee Contributions	41,803
Total Deductions	$ 239,076
Net Increase (Decrease) in Fiduciary Net Position	$ 786,445
Net Position Held in Trust for Pension Benefits	
Beginning of year	$ 3,593,253
End of year	$ 4,379,698
Money weighted rates of return	21.34%

Net Position Restricted for Pensions

Fiduciary Net Position	$ 4,379,698
Deferred Outflow of Resources	858,394
Deferred Inflow of Resources	(753,202)
Net Position Restricted for Pensions	$ 4,274,506

Summary of Significant Accounting Policies

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by this Plan.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis.

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. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement.

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

Actuarial assumptions

The total pension liability as of December 31, 2019 was determined by an actuarial valuation as of January 1, 2019 using the following actuarial assumptions, applied to all periods included in the measurement:

Year Ending December 31	2019
Valuation date	January 1, 2019
Measurement date	December 31, 2019
Inflation	N/A
Salary increases including inflation	5.5% Actuarial
Actuarial cost method	Entry Age Normal

Future salary increase is based on results of February, 2019 experience study.

The mortality table was changed from RP-2000 mortality table projected with Scale AA to 2018 to the Pub-2010 Amount weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees with Scale AA to 2019. The table was changed to adopt the mortality tables developed specifically for governmental employees by the Society of Actuaries which were released late in 2018. The tables were projected to 2019 to reflect that mortality rates in Georgia are in the highest quartile in the nation. Disability rates were based on Social Security standard rates derived from the 1985 CIDA Table Class 1.

- Projected assets are sufficient to pay all projected benefits promised to current plan participants.
- In projecting plan assets, the assumed contribution was based on the average contribution made to the plan over the prior five years.
- Effective December 31, 2018, the expected long-term rate of return used to discount all projected benefit payments was revised from 7.25% to 7.00%.

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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

Effective December 31, 2019, the expected long-term rate of return used to discount all projected benefit payments was revised from 7.25% to 7.00%.

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 as of December 31, 2018	$ 5,233,289	$ 3,593,253	$ 1,640,036
Changes for the year:			
Service cost	161,235	-	161,235
Interest	359,717	-	359,717
Liabiltiy experience (gain)/Loss	(111,316)	-	(111,316)
Assumption change	272,779	-	272,779
Employer contributions	-	175,874	(175,874)
Employee contributions	-	100,862	(100,862)
Net investment income	-	748,785	(748,785)
Benefit payments*	(188,936)	(188,936)	-
Administrative expense		(31,378)	31,378
Other		(18,762)	18,762
Net changes	493,479	786,445	(292,966)
Balance as of December 31 , 2019	$ 5,726,768	$ 4,379,698	$ 1,347,070

*Includes refunds of employee contributions totaling $41,803

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 revised discount rate of 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Current Discount Rate 7.0%	1% Increase 8.00%
Total pension liability	$ 6,550,294	$ 5,233,289	$ 5,044,657
Fiduciary net position	4,379,698	3,593,253	4,379,698
Net pension liability	$ 2,170,596	$ 1,640,036	$ 664,959

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, 2018, the County recognized pension expense of $273,960 consisting of the following:

Service cost	$ 161,235
Interest on TPL	359,717
Amortization of:	
Liability experience (gain)/loss	(106,843)
Change in assumption	185,660
Assets (gain)/loss	(8,978)
Employee contributions	(100,862)
Projected earnings on plan investments	(247,347)
Administration expense	31,378
Other change in FNP	-
Total expense	$ 273,960

At December 31, 2019, 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
Demographic gain / loss	$ 493,893	$ -
Net difference in projected and actual earnings on pension plan investments	-	(278,020)
Total	$ 493,893	$ (278,020)

Pensions with Special Funding Situations

The following pension plans are all cost-sharing, multiple employer defined benefit plans. These plans are considered to be special funding situations. Below is a list of the plans presented:

Name of Pension Plan	Plan Website
Employees Retirement System – (ERS)	ers.ga.gov
Georgia Judicial Retirement System – (GJRS)	ers.ga.gov
Sheriffs' Retirement Fund of Georgia – (SRFG)	georgiasheriffs.org
Judges of the Probate Courts Retirement Fund of Georgia – (JPCRF)	pjrf.georgia.gov
Peace Officers' Annuity and Benefit Fund of Georgia – (POAB)	poab.georgia.gov
Superior Court Clerks' Retirement Fund of Georgia – (SCCRF)	sccrf.com
Georgia Firefighters' Pension Fund – (GFPF)	gfpf.org

The employer contributions are funded by the State on behalf of the local county employer. Since the County does not contribute directly to the plans, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the County. The following table summarizes the proportional share of the collective net pension liability for each of the plans.

	ERS	GJRS	SRFG	JPCRF	POAB	SCCRF	GFPF	**Total**
County's proportionate share of the collective net pension liability	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	**$ 0**
State's proportionate share of the collective net pension liability (asset) associated with the County	51,417	(74,447)	333,053	190,947	5,369	(87,281)	675,526	**754,456**
Total Net Pension Liability (Asset)	$51,417	$(74,447)	$333,053	$190,947	$5,369	$(87,281)	$675,526	**$754,456**
Pension revenue and expense for State support	$(25,354)	$5,424	$42,111	$133,758	$4,934	$26,264	$193,125	**$229,163**

Pension plan descriptions, assumptions, and related disclosures may be found in separately issued reports as of December 31, 2019 for each of these plans, and are available at the websites listed above.

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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, 2019, 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, 2014, 2015, 2016, 2017, 2018, and 2019.

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, 2019, the County paid dues to the SWGRC of approximately $16,344. 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 - SPECIAL ITEM – SALE OF CAPITAL ASSETS

During the fiscal year ended December 31, 2019, the County sold a capital asset, which is a transaction the County considers infrequent in occurrence. The County has reported the transaction as special item in the government-wide financial statements as required by GASB 34, paragraph 56.

The transaction consisted of the disposition of a CAT Excavator.

NOTE 18 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 17, 2020, the date on which the financial statements were available to be issued.

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, as of April 2, 2020, Georgia Governor Brian P. Kemp issued a statewide Shelter in Place Executive Order to help slow the spread of COVID-19. He issued the closure of the physical location of every "non-life sustaining" ["non-essential"] business for what may be an extended period of time. There has been no immediate impact to our operations. Future potential impacts may include continued disruptions or restrictions on our employees' ability to work. The future effects of these issues are unknown. The order was lifted on April 30, 2020.

Congress passed the Coronavirus Aid, Relief, and Economic Security Act ("CARES" Act) on March 27, 2020 to provide vital resources to governments, businesses, and individuals in combating COVID-19. President Trump signed the Act into law, and his administration continues to provide guidance on the many federal funding streams included in the legislation.

Title V of the CARES Act created the Coronavirus Relief Fund ("CRF") to provide financial resources to state and local governments. The U.S. Treasury (Treasury) provided Georgia approximately $4.1 billion for coronavirus-related expenses based on the funding formula provided in the CARES Act. Treasury provided that up to 45% of Georgia's funding could be transferred to local governments if the transfer qualifies as a necessary expenditure incurred due to the public health emergency.

The first phase of funding will allocate 30% of the $1.23 billion to local governments that did not receive a direct allocation and are not located in a county that received a direct allocation established on a per capita basis using U.S. Census Bureau's vintage 2019 sub-county population ("Phase One"). Grady County's allocation is $774,746. As of the audit report date, the County has received $232,424 of these funds. The remaining 70% will be available on a reimbursement basis. Phase One funding should be used by September 1, 2020, or it may be recalled and reallocated for other uses.

NOTE 19 – DISCRETELY PRESENTED COMPONENT UNIT – GRADY COUNTY HEALTH DEPARTMENT

A. Deposits and Investments

Total deposits and investments as of June 30, 2019, are summarized as follows:

As reported in the Statement of Net Position:

Cash and cash equivalents	$ 466,831
Cash deposited with financial institutions	$ 514,709

Interest rate risk. The Health Department does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk -deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2019, the Health Department did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

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B. Capital Assets

Capital asset activity for the Grady County Health Department for the year ended June 30, 2019 is as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balances
Other capital assets:				
Machinery and Equipment	$ 100,416	$ -	$ -	$ 100,416
Total other capital assets at cost	100,416	-	-	100,416
Less accumulated depreciation for:				
Machinery and Equipment	(81,961)	(4,513)	-	(86,474)
Total accumulated depreciation	(81,961)	(4,513)	-	(86,474)
Other capital assets, net				
Total capital assets, net	18,455	(4,513)	-	13,942
Governmental activities capital assets, net	$ 18,455	$ (4,513)	$ -	$ 13,942

Long-Term Liabilities

The activity in long-term liabilities for the Grady County Health Department, a discretely presented component unit, for the year ended June 30, 2019 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities				
Compensated absences	$ 38,062	$ 5,871	$ -	$ 43,933
Long-term liabilities	$ 38,062	$ 5,871	$ -	$ 43,933

C. Due To/From

As of June 30, 2019, the Grady County Health Department has amounts receivable and payable to the Georgia Department of Public Health as follows:

	Due From	Due To	Net
Grant-in-Aid	$ 54,568	$ 27,279	$ 27,289
Administrative Claiming	38,911	-	38,911
Total	$ 93,479	$ 27,279	$ 66,200

D. Retirement Plan

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. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov.

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 Grady County Health Department's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2019 was 24.78% of annual covered payroll for old and new plan members and 21.78% for GSEPS members. The rates include the annual actuarially determined employer contribution of rate of 24.66% of annual covered payroll for old and new plan members and 21.66% for GSEPS members, plus 0.12% adjustment for the HB 751 one-time benefit adjustment of 3% to retired state employees. The Agency's contributions to ERS totaled $110,004 for the year ended June 30, 2019. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The retirement contributions, under the Georgia State Employee Retirement System Plan, for the year ended June 30, 2019 were $110,004, based on salaries of $462,058. Contributions in the Georgia State Employee Retirement System Plan are fully vested to employees after ten (10) years of continuous service.

For the year ended June 30, 2019, the Grady County Health Department recognized pension expenses of $49,752. At June 30, 2019, the Grady County Health Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

The following schedules reflect GASB Statement No. 68 reporting information:

Contributions made during the measurement period (fiscal year ended June 30, 2018): $102,917

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

Employer's proportionate share of net pension liability	$ 668,577
Employer's proportion of net pension liability	0.016263%
Increase/(Decrease) from proportion measured as of June 30, 2017	-0.002990%
Employer's recognized expense	$ 49,752

	Deferred Outflows of Resources	Deferred Inflows of Resources
Diffeences between expected and actual experience	$ 20,794	$ -
Changes of assumptions	31,499	-
Net difference between projected and actual earnings on pension plan investments	-	15,407
Changes in proportion and differences between Employer contributions and proportionate share of contributions	-	19,760
Employer Contributions subsequent to the measurement date	110,004	-
	$ 162,297	$ 35,167

Agency contributions subsequent to the measurement date of $110,004 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other 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:	
2020	$ 33,271
2021	16,350
2022	(25,612)
2023	(6,883)
2024	-
Thereafter	-

Actuarial Assumptions

The total pension liability as of June 30, 2018, was determined by an actuarial valuation as of June 30, 2017. Based on the funding policy adopted by the Board on March 15, 2018, the investment rate of return assumption will be changed to 7.30% in the June 30, 2018 actuarial valuation. Therefore, the investment rate of return used in the roll-forward of the total pension liability is 7 .30% using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	3.25-7.00%, including inflation
Investment rate of return	7.30% net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward two (2) years for both males and females for service retirements and dependent beneficiaries. The RP-2000 Disability Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set back seven (7) years for males and set forward three (3) years for females was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-12% less than the actual number of deaths that occurred during the study period for service retirements and beneficiaries and for disability retirements. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.
The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period July I, 2009-June 30, 2014.

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 7.30%. 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 State of Georgia 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 (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
Employer's proportionate share of the net pension liability	$ 950,953	$ 668,577	$ 427,986

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/financials.**

E. OPEB Liabilities, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the Grady County Health Department reported a liability (asset) of $(43,263) for its proportionate share of the OPEB liability (asset). The net OPEB liability (asset) was measured as of June 30, 2018. The total OPEB liability (asset) used to calculate the net OPEB liability (asset) was based on an

actuarial valuation as of June 30, 2017. An expected total OPEB liability (asset) as of June 30, 2018 was determined using standard roll-forward techniques. The Grady County Health Department's proportion of the net OPEB liability (asset) was based on actual member salaries reported to the SEADOPEB plan during the fiscal year ended June 30, 2018. At June 30, 2018, the Grady County Health Department's proportion was 0.015985%, which was an increase (decrease) of (0.000285%) from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the Grady County Health Department's recognized OPEB expense of $(2,436). At June 30, 2019, the Grady County Health Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Contributions made during the measurement period (fiscal year ended June 30, 2018):	$ 0

Other Post-Employment Benefits (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs:

Employer's proportionate share of net OPEB liability (asset)	$ (43,263)
Employer's proportion of net OPEB liability	0.015985%
Increase/(Decrease) from proportion meansured as of June 30, 2017	(0.000285%)
Employer's recognized OPEB expense	$ (2,436)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 473	$ -
Changes of assumptions	2,223	-
Net difference between projected and actual earnings on OPEB plan investments	-	7,152
Changes in proportion and difference between employer contributions and proportionate share of contributions	1,336	-
Employer contributions subsequent to the measurement date	-	-
Total	$ 4,032	$ 7,152

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

Year ended June 30:	
2020	$ 575
2021	(913)
2022	(2,185)
2023	(597)
2024	-
Thereafter	-

Grady County Health Department contributions subsequent to the measurement date of $0 are reported as deferred outflows of resources and will recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Inflation	2.75%
Salary Increases	Includes inflation
ERS	3.25-7.00%
GJRS	4.50%
LRS	N/A
Investment rate of return	7.30% net of OPEB plan investment expense, including inflation
Healthcare cost trend rate	N/A

Postretirement rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and for dependent beneficiaries. There is a margin for future mortality improvement in the tables used by the plan.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period for the period July 1, 2009-June 30, 2014.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of plan investment expenses 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 total OPEB liability was 7.30%. 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 State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Grady County Health Department's proportionate share of the net OPEB liability calculated using the discount rate of 7.30%, as well as what the Grady County Health Department's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percent-point lower (6.30%) or 1-percent-point higher (8.30%) than the current rate:

	1% Decrease (6.30%)	Current Discount Rate (7.30%)	1% Increase (8.30%)
Employer's proportionate share of the net OPEB liability	$ (23,310)	$ (43,263)	$ (59,617)

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ERS comprehensive annual financial report which is publically available at www.ers.ga.gov/financials.

State Health Benefits Plan

At June 30, 2019, the Grady County Health Department reported a liability of $390,952 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2018. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2017. An expected total OPEB liability as ofJune 30, 2018 was determined using standard roll-forward techniques. The Grady County Health Department's proportion of the net OPEB liability was based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2018. At June 30, 2018, the Grady County Health Department's proportion was 0.014947%, which was an increase (decrease) of (0.000198%) from its proportion measured as ofJune 30, 2017.

For the year ended June 30, 2019, the Grady County Health Department's recognized OPEB expense of $(37,002). At June 30, 2019, the Grady County Health Department reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Contributions made during the measurement period (fiscal year ended June 30, 2018):	$ 74,969

Other Post-Employment Benefits (OPEB) Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs:

Employer's proportionate share of net OPEB liability (asset)	$ 390,952
Employer's proportion of net OPEB liability	0.014947%
Increase/(Decrease) from proportion meansured as of June 30, 2017	(0.000198%)
Employer's recognized OPEB expense	$ (37,002)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 30,749
Changes of assumptions	-	141,714
Net difference between projected and actual earnings on OPEB plan investments	9,037	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	-	38,891
Employer contributions subsequent to the measurement date	78,257	-
Total	$ 87,294	$ 211,354

Grady County Health Department contributions subsequent to the measurement date of $78,257 are reported as deferred outflows of resources and will recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

Year ended June 30:	
2020	$ (69,026)
2021	(69,026)
2022	(50,538)
2023	(13,726)
2024	-
Thereafter	-

Discount Rate

The discount rate has changed since the prior measurement date from 3 .09% to 3 .60%. In order to measure the total OPEB liability for the State OPEB Fund, a single equivalent interest rate of 3 .60% was used as the discount rate. This comprised mainly of the yield or index rate for 20 year tax-exempt general obligations municipal bonds with an average rating of AA or higher. The projection of cash flows used to determine the discount rate assumed that contributions from members and from the employer will be made at the current level as averaged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2115. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make OPEB payments for inactive employees through 2029. Therefore, the calculated discount rate of 3 .60% was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Grady County Health Department's share of the collective net OPEB liability to changes in the discount rate:

	1% Decrease (4.22%)	Current Discount Rate (5.220%)	1% Increase (6.22%)
Employer's proportionate share of the net OPEB liability	$ 464,465	$ 390,952	$ 330,217

Sensitivity of the Grady County Health Department's share of the collective net OPEB liability to changes in the healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Employer's proportionate share of the net OPEB liability	$ 322,508	$ 390,952	$ 474,661

Detailed information about the OPEB plan's fiduciary net position is available in the Comprehensive annual Financial Report (CAFR) which is publicly available at www.sao.georgia.gov/comprehensiveannual-financial-reports.

F. SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through December 5, 2019, the date on which the financial statements were available to be issued.

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NOTE 20 – DISCRETELY PRESENTED COMPONENT UNIT – GRADY COUNTY HOSPITAL AUTHORITY

A. Deposits and Investments

Total deposits and investments as of December 31, 2019 are summarized as follows:

Cash and cash equivalents	$ 101,494
Deposits with financial institutions	$ 101,494

B. Capital Assets

Capital asset activity for the Grady County Hospital Authority for the year ended December 31, 2019 is as follows:

Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balances
Capital assets, not being depreciated:				
Land	$ 58,592	$ -	$ -	$ 58,592
Total capital assets, not being depreciated	58,592	-	-	58,592
Other capital assets:				
Buildings	3,804,468	-	-	3,804,468
Total other capital assets at cost	3,804,468	-	-	3,804,468
Less accumulated depreciation for:				
Machinery and Equipment	(3,262,661)	(25,060)	-	(3,287,721)
Total accumulated depreciation	(3,262,661)	(25,060)	-	(3,287,721)
Other capital assets, net				
Total capital assets, net	541,807	(25,060)	-	516,747
Governmental activities capital assets, net	$ 600,399	$ (25,060)	$ -	$ 575,339

REQUIRED SUPPLEMENTARY INFORMATION

Grady County, Georgia
Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
REVENUES				
Taxes	$ 11,743,538	$ 11,971,043	$ 13,060,207	$ 1,089,164
Licenses & Permits	107,000	107,000	108,184	1,184
Intergovernmental	138,323	138,323	932,272	793,949
Fines, Forfeitures & Penalties	402,200	402,200	358,734	(43,466)
Charges for Services	1,369,644	1,370,644	1,178,455	(192,189)
Investment Income	5,000	5,000	49,214	44,214
Miscellaneous	82,750	82,750	238,010	155,260
Total Revenues	13,848,455	14,076,960	15,925,076	1,848,116
EXPENDITURES				
General Government				
County commissioners	539,340	456,230	453,877	2,353
Registrar	61,139	55,700	55,031	669
Tax Assessor	324,330	279,300	278,304	996
Tax Commissioner	278,986	277,600	275,738	1,862
Buildings and Grounds	356,597	348,500	338,828	9,672
General administration	2,255,477	2,547,400	2,465,278	82,122
Interagency	397,981	1,094,700	355,701	738,999
Total General Government	4,213,850	5,059,430	4,222,757	836,673
Judicial				
Courts	444,780	531,400	530,534	866
Clerk of superior court	285,894	270,900	267,239	3,661
Probate court	194,526	178,200	176,508	1,692
Magistrate court	177,573	172,900	171,775	1,125
Total Judicial	1,102,773	1,153,400	1,146,056	7,344
Public Safety				
Sheriff	1,490,314	1,436,200	1,433,212	2,988
Jail	1,335,297	1,355,600	1,339,886	15,714
Fire fighting	454,605	387,300	380,774	6,526
Ambulance services	949,451	911,900	890,047	21,853
Total Public Safety	4,229,667	4,091,000	4,043,919	47,081
Public Works				
Roads and bridges	1,577,736	2,334,600	2,330,101	4,499
Solid waste	510,285	875,800	874,255	1,545
Shop	227,989	234,750	232,316	2,434
Total Public Works	2,316,010	3,445,150	3,436,672	8,478
Health and Welfare				
Health	108,770	95,000	94,854	146
Total Health and Welfare	108,770	95,000	94,854	146
Housing and development	406,218	390,200	390,069	131

Grady County, Georgia
Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget- Positive (Negative)
Culture and Recreation				
Recreation	377,809	384,000	378,626	5,374
Parks	744,510	378,000	374,730	3,270
Total Culture and Recreation	1,122,319	762,000	753,356	8,644
Total Expenditures - All Departments	13,499,607	14,996,180	14,087,683	908,497
Net Excess	348,848	(919,220)	1,837,393	2,756,613
OTHER FINANCING SOURCES (USES)				
Proceeds from Debt Agreements	84,000	84,000	-	(84,000)
Transfers In (Out)	-	-	(204,933)	(204,933)
Total Other Financing Sources (Uses)	84,000	84,000	(204,933)	(288,933)
Net Excess after Transfers	432,848	(835,220)	1,632,460	2,467,680
Fund balances - beginning	9,091,042	9,091,042	9,091,042	-
Fund balances - ending	$ 9,523,890	$ 8,255,822	$ 10,723,502	$ 2,467,680

Grady County, Georgia
Budgetary Basis Comparison Schedule
E-911 - Special Revenue Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Charges for Services	$ -	$ 994,000	$ 428,609	$ (565,391)
Interest	-	1,000	320	(680)
Total Revenues	-	995,000	428,929	(566,071)
Expenditures				
Public Safety	-	1,143,155	1,061,424	81,731
Total Expenditures	-	1,143,155	1,061,424	81,731
Excess (Deficiency) of Revenues Over Expenditures	-	(148,155)	(632,495)	(484,340)
Other Financing Sources				
Transfers In	-	-	444,308	444,308
Total Other Financing Sources	-	-	444,308	444,308
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	(148,155)	(188,187)	(40,032)
Fund balance - beginning	102,374	102,374	102,374	-
Fund balance - ending	$ 102,374	$ (45,781)	$ (85,813)	$ (40,032)

Grady County, Georgia
Budgetary Basis Comparison Schedule
Drug Abuse & Treatment - Special Revenue Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Charges for services	$ -	$ -	$ 9,177	$ 9,177
Intergovernmental	-	172,480	349,090	176,610
Interest	-	-	2,061	2,061
Miscellaneous	-	23,520	40,608	17,088
Total Revenues	-	196,000	400,936	204,936
Expenditures				
Public Safety	-	325,557	315,162	10,395
Total Expenditures	-	325,557	315,162	10,395
Excess (Deficiency) of Revenues Over Expenditures	-	(129,557)	85,774	215,331
Other Financing Sources				
Operating Transfers In (Out)	-	-	(170,389)	(170,389)
Total Other Financing Sources	-	-	(170,389)	(170,389)
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	(129,557)	(84,615)	44,942
Fund balance - beginning	110,550	110,550	110,550	-
Fund balance - ending	$ 110,550	$ (19,007)	$ 25,935	$ 44,942

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

Financial Statements General Fund:	General Fund
Revenues	
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule	$ 15,925,076
Reclassifications:	
The county reports the reimbursement of certain expenditlures separately for GAAP purposes but nets the amounts for budgetary purposes.	3,299,699
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	$ 19,224,775
Expenditures	
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedules	$ 14,087,683
Adjustments:	
The County records expenditures on the cash basis of accounting for budgetary purposes.	538,248
The county financed some equipment using capital leases and other debt agreements. For GAAP purposes the net present value of these debt agreements were reported as capital expenditures. The county only budgets for the actual cash paid out.	123,670
The county reports the reimbursement of certain expenditlures separately for GAAP purposes but nets the amounts for budgetary purposes.	3,299,698
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances	$ 18,049,299
Other financing sources	
Actual amounts (budgetary basis) "other financing sources and uses" from the budgetary comparison schedule	$ (204,933)
Adjustments:	
The County budgets for administrative expenditures/expenses in the general fund. Administrative expenditures/expenses are allocated to other funds for GAAP basis.	1,072
The county financed some equipment using capital leases and other debt agreements. For GAAP purposes the net present value of these debt agreements were reported as capital expenditures. The county only budgets for the actual cash paid out.	123,670
The county sold a piece of equipment and paid off the outstanding debt. The county did not budget for this payoff or the sales proceeds. This transaction was considered a wash for budgetary purposes.	14,980
Total other financing sources and uses as reported on the statement of revenues, expenditures and changes in fund balance - general fund.	$ (65,211)

Grady County, Georgia
Budgetary Comparison
For the Year Ended December 31, 2019

Note B to Required Supplementary Information

Budget and Budgetary Accounting

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

At least three months prior to year-end the County Finance Director and budget managers begin work on the proposed operating budget for the coming fiscal year;

Commissioners. The budget was adopted on August 14, 2018. The budget was amended several times throughout the fiscal year. The budget includes proposed expenditures and the means of financing them;

Public Hearings are conducted to obtain taxpayer comments;

The budget is legally enacted through passage of a resolution;

Budget managers are restricted to budgeted amounts by department;

The County adopts a General Fund budget that provides for most of the appropriations of the governmental activities of the County. The County adopts budgets for Special Revenue and Debt Service funds as required by Georgia law. These budgets are not adopted on a basis consistent with generally accepted accounting principles. Budgets for Capital Projects are prepared for the project life rather than for the current fiscal year. Project appropriations for these budgets do not lapse at the end of each fiscal year but rather at the conclusion of the project.

All appropriations (except Capital Project Funds' appropriations) lapse at year-end. There were no material purchase orders, contracts or other commitments which were encumbered.

Capital Projects Funds use project budgeting.

Fiduciary type funds are agency funds and budgets are not prepared for these funds.

The legal level of budgetary control is at the department level with the exception of the salaries and benefits line items. Transfers between departments require approval of County Commissioners.

Grady County, Georgia
Required Supplementary Information - Pension Plan
December 31, 2019

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

	2019	2018	2017	2016	2015
Total Pension Liability as of beginning of year	$ 5,233,289	$ 4,600,423	$ 4,767,653	$ 4,208,584	$ 3,827,758
Service cost	161,235	121,496	98,299	115,821	115,172
Interest	366,330	333,531	339,615	315,644	282,021
Plan change	-	-	-	-	-
Assumption change	272,779	392,880	9,327	150,365	148,999
Benefit payments (adjusted for interest)	(195,549)	(202,840)	(166,634)	(144,305)	(134,961)
Experience (gain)/(loss)	(111,316)	(12,201)	(447,837)	121,544	(30,405)
Total Pension Liability as of December 31, 2019	$ 5,726,768	$ 5,233,289	$ 4,600,423	$ 4,767,653	$ 4,208,584
Fiduciary Net Position as of beginning of year	$ 3,593,253	$ 3,821,182	$ 3,339,513	$ 3,097,059	$ 3,029,546
Employer contributions	175,874	97,992	97,441	158,395	144,282
Employee contributions (including buyback)	100,862	91,990	87,778	80,436	83,706
Net investment income	748,785	(167,870)	520,980	215,740	19,214
Benefit payments	(147,133)	(149,146)	(166,634)	(139,089)	(134,961)
Employee contribution refunds	(41,803)	(46,598)	-	-	-
Administrative expense	(31,378)	(19,392)	(15,391)	(19,886)	(16,465)
Other	(18,762)	(34,905)	(42,505)	(53,142)	(28,263)
Fiduciary Net Position as of December 31, 2019	$ 4,379,698	$ 3,593,253	$ 3,821,182	$ 3,339,513	$ 3,097,059
Net position liability as of beginning of year	$ 1,640,036	$ 779,241	$ 1,428,140	$ 1,111,525	$ 798,212
Net pension liability as of end of year	$ 1,347,070	$ 1,640,036	$ 779,241	$ 1,428,140	$ 1,111,525
Fiduciary Net Position as a percentage of Total Pension Liability	76.5%	68.7%	83.1%	70.0%	73.6%
Covered-employee payroll	$ 3,196,324	$ 2,960,313	$ 2,492,519	$ 2,703,699	$ 2,675,452
Net pension liability as a percentage of covered-employee payroll	42.1%	55.4%	31.3%	52.8%	41.5%

Note: This schedule will present 10 years of information once the data is available.

Grady County, Georgia
Required Supplementary Information - Pension Plan
December 31, 2019

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLAN

	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 168,466	$ 95,313	$ 101,955	$ 158,395	$ 144,282	$ 139,137
Contribution in relation to the actuarially determined contribution	175,874	97,992	97,441	158,395	144,282	139,137
Contribution deficiency (excess)	$ (7,408)	$ (2,679)	$ 4,514	$ -	$ -	$ -
Covered-employee payroll	$ 3,196,324	$ 2,960,313	$ 2,492,519	$ 2,703,699	$ 2,675,452	$ 3,089,928
Contributions as a percentage of covered-employee payroll	5.5%	3.3%	3.9%	5.9%	5.4%	4.5%

Notes to Schedule:

Valuation date	January 1, 2019
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal
Asset valuation method	Smoothed market value
Salary increases	5.50%
Investment rate of return	7.00%
Retirement:	Probability of Retirement
age 60	10%
ages 61 to 64	20%
ages 65 to 69	30%
age 70	100%
Mortality	Pub-2010 GE (50%) & PS (50%) Amt-Weighted with Scale AA to 2019

Grady County, Georgia
Required Supplementary Information - Pension Plan
December 31, 2019

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITIES - COST-SHARING MULTIPLE-EMPLOYER PENSION PLANS

	2019	2018	2017	2016	2015
Sheriff's Retirement Fund of Georgia					
County's proportion of the net pension liability (asset)	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability (asset) associated with the County	$ 360,080	$ 308,677	$ 308,677	$ 402,696	$ 124,539
County's covered-employee payroll	n/a	n/a	n/a	n/a	n/a
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	n/a	n/a	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability (asset)	62.89%	65.34%	65.34%	56.67%	80.25%
Peace Officers' Annuity and Benefit Fund of Georgia					
County's proportion of the net pension liability	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of the net pension liability associated with the County	$ 5,369	$ 4,630	$ 4,630	$ 17,973	$ (33,226)
County's covered-employee payroll	n/a	n/a	n/a	n/a	n/a
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	n/a	n/a	n/a	n/a	n/a
Plan fiduciary net pension as a percentage of the total pension liability	3.84%	101.62%	101.62%	92.18%	103.75%

Note: This schedule will present 10 years of information once the data is available.

SUPPLEMENTAL INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Grady County, Georgia

For the Year Ended December 31, 2019

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

Law Library – This fund provides for the operation and maintenance of the County's Law Library.

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

Confiscated Assets – This fund is used to account for the government's share of monies that have been forfeited through the court system that are legally restricted for law enforcement purposes.

Drug Abuse – This fund is used to account for the drug abuse fees that are restricted for specific purposes.

Friends Against Drugs Squad Fund – This fund is used to account for revenues and expenditures of the Fund.

Recreation Fund – This fund is used to account for revenues and expenditures of the Fund.

Grady County, Georgia
Combining Balance Sheet
Non-Major - Governmental Funds
December 31, 2019

	Special Revenue Funds	CDBG 14 Capital Projects Fund	LMIG Capital Projects Fund	CDBG Capital Projects Fund	Road Construction Capital Project Fund	SPLOST 2007 Capital Projects Fund	Totals
Assets							
Restricted cash	$ 425,293	$ -	$ 788,088	$ 73	$ 9,199	$ -	$ 1,222,653
Total Assets	$ 425,293	$ -	$ 788,088	$ 73	$ 9,199	$ -	$ 1,222,653
Liabilities & Fund Balances							
Liabilities							
Accounts payable	$ -	$ -	$ -	$ -	$ 800	$ -	$ 800
Due to other funds	-	-	-	100	-	-	100
Total Liabilities	-	-	-	100	800	-	900
Fund Balances							
Restricted for:							
Legal Reference Materials	25,941	-	-	-	-	-	25,941
Public Safety	40,264	-	-	-	-	-	40,264
Public Works	-	-	788,088	-	8,399	-	796,487
Recreation	358,838	-	-	-	-	-	358,838
Other Purposes	250	-	-	-	-	-	250
Unassigned	-	-	-	(27)	-	-	(27)
Total Fund Balances	425,293	-	788,088	(27)	8,399	-	1,221,753
Total Liabilities and Fund Balance	$ 425,293	$ -	$ 788,088	$ 73	$ 9,199	$ -	$ 1,222,653

Grady County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major - Governmental Funds
For the Year Ended December 31, 2019

	Special Revenue Funds	CDBG 14 Capital Projects Fund	LMIG Capital Projects Fund	CDBG Capital Projects Fund	Road Construction Capital Project Fund	SPLOST 2007 Capital Projects Fund	Totals
Revenues							
Fines	$ 9,881	$ -	$ -	$ -	$ -	$ -	$ 9,881
Intergovernmental	-	-	1,506,996	100,923	25,500	-	1,633,419
Donations	285,362	-	-	-	-	-	285,362
Interest	161	-	-	-	108	194	463
Miscellaneous	9,339	-	-	-	-	-	9,339
Total Revenues	304,743	-	1,506,996	100,923	25,608	194	1,938,464
Expenditures							
Current							
General Government	4,918	-	-	-	-	-	4,918
Public Safety	55,299	-	-	-	-	-	55,299
Public Works	705	-	26	80,234	-	-	80,965
Health	6,250	-	-	-	-	-	6,250
Culture and Recreation	103,943	-	-	-	-	-	103,943
Debt Service							
Principal	-	-	-	-	126,243	-	126,243
Interest	-	-	-	-	7,662	-	7,662
Capital Outlay							
Public roads & bridges	-	-	718,882	22,126	61,550	-	802,558
Intergovernmental	-	-	-	-	-	807,568	807,568
Total Expenditures	171,115	-	718,908	102,360	195,455	807,568	1,995,406
Excess (deficiency) of revenues over expenditures	133,628	-	788,088	(1,437)	(169,847)	(807,374)	(56,942)
Other Financing Sources							
Transfers in	21,347	-	-	1,410	-	-	22,757
Transfers out	-	(15)	-	-	(92,800)	-	(92,815)
Total other financing sources	21,347	(15)	-	1,410	(92,800)	-	(70,058)
Net Change in Fund Balance	154,975	(15)	788,088	(27)	(262,647)	(807,374)	(127,000)
Fund balance - beginning	270,318	15	-	-	271,046	807,374	1,348,753
Fund balance - ending	$ 425,293	$ -	$ 788,088	$ (27)	$ 8,399	$ -	$ 1,221,753

Grady County, Georgia
Combining Balance Sheet
Non-Major - Special Revenue Funds
December 31, 2019

	Law Library Fund	Confiscated Assets Fund	Friends Against Drugs Squad Fund	Recreation Donation Fund	Jail Construction & Staffing Fund	Misc Donation Fund	Drug Court Participant Fund	Totals
Assets								
Restricted cash	$ 25,941	$ 8,878	$ 6,664	$ 358,838	$ 8,827	$ 250	$ 15,895	$ 425,293
Total Assets	$ 25,941	$ 8,878	$ 6,664	$ 358,838	$ 8,827	$ 250	$ 15,895	$ 425,293
Liabilities & Fund Balances								
Fund Balances								
Restricted for:								
Legal Reference Materials	$ 25,941	$ -	$ -	$ -	$ -	$ -	$ -	$ 25,941
Public Safety	-	8,878	6,664	-	8,827	-	15,895	40,264
Recreation	-	-	-	358,838	-	-	-	358,838
Other Purposes	-	-	-	-	-	250	-	250
Total Fund Balances	25,941	8,878	6,664	358,838	8,827	250	15,895	425,293
Total Liabilities and Fund Balance	$ 25,941	$ 8,878	$ 6,664	$ 358,838	$ 8,827	$ 250	$ 15,895	$ 425,293

Grady County, Georgia
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
Non-Major - Special Revenue Funds
For the Year Ended December 31, 2019

	Law Library Fund	Confiscated Assets Fund	Friends Against Drugs Squad Fund	Recreation	Jail Construction & Staffing Fund	Misc Donation Fund	Drug Court Participant Fund	Totals
Revenues								
Fines	$ 9,881	$ -	$ -	$ -	$ -	$ -	$ -	$ 9,881
Donations	-	-	-	215,666	46,598	6,500	16,598	285,362
Interest	35	13	-	111	-	-	2	161
Miscellaneous	-	6,339	3,000	-	-	-	-	9,339
Total Revenues	9,916	6,352	3,000	215,777	46,598	6,500	16,600	304,743
Expenditures								
Current								
General Government	4,918	-	-	-	-	-	-	4,918
Public Safety	-	14,213	3,315	-	37,771	-	-	55,299
Public Works	-	-	-	-	-	-	705	705
Health	-	-	-	-	-	6,250	-	6,250
Recreation	-	-	-	103,943	-	-	-	103,943
Total Expenditures	4,918	14,213	3,315	103,943	37,771	6,250	705	171,115
Excess (deficiency) of revenues over expenditures	4,998	(7,861)	(315)	111,834	8,827	250	15,895	133,628
Other Financing Sources								
Transfers in	-	-	-	21,347	-	-	-	21,347
Total other financing sources	-	-	-	21,347	-	-	-	21,347
Net Change in Fund Balance	4,998	(7,861)	(315)	133,181	8,827	250	15,895	154,975
Fund balance - beginning	20,943	16,739	6,979	225,657	-	-	-	270,318
Fund balance-ending	$ 25,941	$ 8,878	$ 6,664	$ 358,838	$ 8,827	$ 250	$ 15,895	$ 425,293

Grady County, Georgia
Budgetary Basis Comparison Schedule
Law Library - Special Revenue Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Fines & forfeitures	$ -	$ 32,000	$ 9,881	$ (22,119)
Interest	-	-	35	35
Total Revenues	-	32,000	9,916	(22,084)
Expenditures				
Court System	-	32,000	4,918	27,082
Total Expenditures	-	32,000	4,918	27,082
Excess (Deficiency) of Revenues Over Expenditures	-	-	4,998	4,998
Fund balance - beginning	20,943	20,943	20,943	-
Fund balance - ending	$ 20,943	$ 20,943	$ 25,941	$ 4,998

Grady County, Georgia
Budgetary Basis Comparison Schedule
Confiscated Assets - Special Revenue Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Interest	$ -	$ 100	$ 13	$ (87)
Miscellaneous	-	9,900	6,339	(3,561)
Total Revenues	-	10,000	6,352	(3,648)
Expenditures				
Public Safety	-	14,213	14,213	-
Total Expenditures	-	14,213	14,213	-
Excess (Deficiency) of Revenues Over Expenditures	-	(4,213)	(7,861)	(3,648)
Fund balance - beginning	16,740	16,740	16,740	-
Fund balance - ending	$ 16,740	$ 12,527	$ 8,879	$ (3,648)

Grady County, Georgia
Budgetary Basis Comparison Schedule
Friends Against Drugs Squad Fund - Special Revenue Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Miscellaneous	$ -	$ 3,315	$ 3,000	$ (315)
Total Revenues	-	3,315	3,000	(315)
Expenditures				
Public Safety	-	10,000	3,315	6,685
Total Expenditures	-	10,000	3,315	6,685
Excess (Deficiency) of Revenues Over Expenditures	-	(6,685)	(315)	6,370
Fund balance - beginning	6,979	6,979	6,979	-
Fund balance - ending	$ 6,979	$ 294	$ 6,664	$ 6,370

Grady County, Georgia
Budgetary Basis Comparison Schedule
Recreation - Special Revenue Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Donations	$ -	$ 170,300	$ 215,666	$ 45,366
Interest	-	-	111	111
Total Revenues	-	170,300	215,777	45,477
Expenditures				
Recreation	-	141,605	103,942	37,663
Total Expenditures	-	141,605	103,942	37,663
Excess (Deficiency) of Revenues Over Expenditures	-	28,695	111,835	83,140
Other Financing Sources				
Operating Transfers In (Out)	-	-	21,347	21,347
Total Other Financing Sources	-	-	21,347	21,347
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	-	28,695	133,182	104,487
Fund balance - beginning	225,656	225,656	225,656	-
Fund balance - ending	$ 225,656	$ 254,351	$ 358,838	$ 104,487

Grady County, Georgia
Budgetary Basis Comparison Schedule
Jail Construction & Staffing - Special Revenue Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Donations	$ -	$ 50,000	$ 46,598	$ (3,402)
Total Revenues	-	50,000	46,598	(3,402)
Expenditures				
Public Safety	-	37,771	37,771	-
Total Expenditures	-	37,771	37,771	-
Excess (Deficiency) of Revenues Over Expenditures	-	12,229	8,827	(3,402)
Fund balance - beginning	-	-	-	-
Fund balance - ending	$ -	$ 12,229	$ 8,827	$ (3,402)

Grady County, Georgia
Budgetary Basis Comparison Schedule
Misc Donations - Special Revenue Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Donations	$ -	$ -	$ 6,500	$ 6,500
Interest	-	-	-	-
Total Revenues	-	-	6,500	6,500
Expenditures				
Public Works	-	6,250	6,250	-
Total Expenditures	-	6,250	6,250	-
Excess (Deficiency) of Revenues Over Expenditures	-	(6,250)	250	6,500
Fund balance - beginning	-	-	-	-
Fund balance - ending	$ -	$ (6,250)	$ 250	$ 6,500

Grady County, Georgia
Budgetary Basis Comparison Schedule
Drug Court Participant Fund - Special Revenue Fund
For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues				
Donations	$ -	$ -	$ 16,598	$ 16,598
Interest	-	-	2	2
Total Revenues	-	-	16,600	16,600
Expenditures				
Public Safety	-	705	705	-
Total Expenditures	-	705	705	-
Excess (Deficiency) of Revenues Over Expenditures	-	(705)	15,895	16,600
Fund balance - beginning	-	-	-	-
Fund balance - ending	$ -	$ (705)	$ 15,895	$ 16,600

Grady County, Georgia
For the Year Ended December 31, 2019

FIDUCIARY FUNDS

Grady County, Georgia
Combining Statement of Changes in Fiduciary Assets and Liabilities
Fiduciary Funds
For the Year Ended December 31, 2019

	Clerk of Superior Court	Probate Court	Tax Commissioner	Magistrate Court	Sheriff's Department	Totals
Assets						
Restricted assets:						
Cash and cash equivalents	$ 76,548	$ 7,691	$ 3,082,368	$ 15,855	$ 66,171	$ 3,248,633
Property tax receivable	-	-	8,319,992	-	-	8,319,992
Total assets	$ 76,548	$ 7,691	$ 11,402,360	$ 15,855	$ 66,171	$ 11,568,625
Liabilities						
Due to others	$ 76,548	$ 7,691	$ 3,082,368	$ 15,855	$ 66,171	$ 3,248,633
Uncollected taxes	-	-	8,319,992	-	-	8,319,992
Total liabilities	$ 76,548	$ 7,691	$ 11,402,360	$ 15,855	$ 66,171	$ 11,568,625

STATE REPORTING REQUIREMENTS

Grady County, Georgia
Annual Report of 9-1-1 Expenditures
For the Year Ended December 31, 2019

Line No.		O.C.G.A. Reference:	
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one):		
	_X_ Special Revenue Fund ____ Enterprise Fund		
	Expenditures (UCOA Activity 3800)		
2	Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)	46-5-134(e)	
	_____		$ _____
	_____		$ _____
	_____		$ _____
3	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:		
3a	Lease costs	46-5-134(f)(1)(A)	$ _____
3b	Purchase costs	46-5-134(f)(1)(A)	$ _____
3c	Maintenance costs	46-5-134(f)(1)(A)	$ _____
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(1)(B)	$ _____
5	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2		
5a	Salaries and wages	46-5-134(f)(1)(C)	$ _____
5b	Employee benefits	46-5-134(f)(1)(C)	$ _____
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	$ _____
7	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services	46-5-134(f)(1)(E)	$ _____
8	Building used as a public safety answering point:		
8a	Lease costs	46-5-134(f)(1)(F)	$ _____
8b	Purchase costs	46-5-134(f)(1)(F)	$ _____
9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:		
9a	Lease costs	46-5-134(f)(1)(G)	$ _____
9b	Purchase costs	46-5-134(f)(1)(G)	$ _____
9c	Maintenance costs	46-5-134(f)(1)(G)	$ _____

Grady County, Georgia
Annual Report of 9-1-1 Expenditures
For the Year Ended December 31, 2019

10	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(1)(H)	$	
11	Logging recorders used at a public safety answering point to record telephone and radio traffic:			
11a	Lease costs	46-5-134(f)(1)(I)	$	
11b	Purchase costs	46-5-134(f)(1)(I)	$	
11c	Maintenance costs	46-5-134(f)(1)(I)	$	
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(f)(2)(B)(i)	$	
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center			
13a	Lease costs	46-5-134(f)(2(B)(ii)	$	
13b	Purchase costs	46-5-134(f)(2(B)(ii)	$	
13c	Maintenance costs	46-5-134(f)(2(B)(ii)	$	
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(f)(2)(B)(iii)	$	
15	Mobile public safety voice and data equipment, geo-targeted test messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations			
15a	Lease costs	46-5-134(f)(2(B)(iv)	$	
15b	Purchase costs	46-5-134(f)(2(B)(iv)	$	
15c	Maintenance costs	46-5-134(f)(2(B)(iv)	$	
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems			
16a	Lease costs	46-5-134(f)(2(B)(v)	$	5,000
16b	Purchase costs	46-5-134(f)(2(B)(v)	$	
16c	Maintenance costs	46-5-134(f)(2(B)(v)	$	
17	Other expenditures not included in Lines 2 through 16 above. Identify by object and purpose.			
	Intergovernmental Contract		$	1,056,413
	General Supplies and Materials		$	11

Grady County, Georgia
Annual Report of 9-1-1 Expenditures
For the Year Ended December 31, 2019

	Repairs	$	-
		$	
		$	
		$	
		$	
		$	
18	Total Expenditures (total of all amounts reported on Lines 2 through 17 above)	$	1,061,424

Reconciling Note:

Non-Allowable Items		
Professional Fees		
Total Expenditures on Combining Statement of Revenues, Expenditures & Changes in Fund Balance	$	1,061,424

Non-allowable expenditures were paid with funds transferred into the E-911 Fund from the General Fund.

Certification of Local Government Officials

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

Signature of Chief Elected Official _____ Date 8/17/20

Print Name of Chief Elected Official Keith Moye

Title of Chief Elected Official Chairman

Signature of Chief Financial Officer Holly Murkerson Date 8/17/20

Print Name of Chief Financial Officer Holly Murkerson

Grady County, Georgia
Community Development Block Grant Program
Source and Application of Funds Schedule

Grant # 17p-y-065-1-6002

December 31, 2019

Total Program Funds Allocated to Recipient	$ 685,461
Less: Total Program Year 2019 Funds Drawn Down by Recipient	(100,923)
Funds still available from Grant Resources	$ 584,538
Total Program funds held at beginning of year	$ -
Total Program Year 2019 Funds Drawn Down & Received by Recipient	100,923
Less: Funds applied and expended to Program Year 2019 Cost	(100,923)
TOTAL PROGRAM YEAR 2019 FUNDS HELD BY RECIPIENT	$ -

Grady County, Georgia
Community Development Block Grant Program
Budget to Actual Funds Schedule

Grant # **17p-y-065-1-6002**

December 31, 2019

Program Activity	Activity Number	Latest Approved Budget CDBG Funds	Current Period Expenditures	Prior Period Expenditures	Grand Total Expenditures to Date	Questioned Costs
Acquisition of Property	P-001-01	$ 40,000	$ 36,696	$ -	$ 36,696	**$ -**
Contingencies	C-022-00	38,988	-	-	-	-
Street Improvements	P-03K-01	437,158	-	-	-	-
Engineering - Street Improvements	T-03K-01	45,151	34,083	-	34,083	-
Flood and Drainage Facilities	P-03K-02	74,823	-	-	-	-
Engineering - Flood & Drainage	T-03K-02	8,231	2,144	-	2,144	-
Administration	A-21A-00	41,110	28,000	-	28,000	-
TOTAL		$ 685,461	$ 100,923	$ -	$ 100,923	$ -

Grady County, Georgia
Schedule of Special Purpose
Local Option Sales Tax - 2013-2019
For the Year Ended December 31, 2019

Project	Original Estimated Cost	Expenditure			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
Special Purpose Local Option Sales Tax - 2007					
County roads, streets and bridges	$ 6,032,550	$ 13,427,788	$ -	$ 13,427,788	222.59%
Grady County Volunteer Fire Department	250,000	250,000	-	250,000	100.00%
Hospital Authority Imaging Center	1,500,000	1,585,174	-	1,585,174	105.68%
Grady County Library	120,000	125,139	-	125,139	104.28%
Aquatic Center Recreational Facility	900,000	116,663	807,568	924,231	102.69%
Grady County Administrative Office Space	400,000	399,892	-	399,892	99.97%
Historical Society	200,000	208,912	-	208,912	104.46%
City of Cairo	4,272,450	4,649,302	-	4,649,302	108.82%
City of Whigham	325,000	341,675	-	341,675	105.13%
Total capital expenditures	$ 14,000,000	$ 21,104,545	$ 807,568	$ 21,912,113	

Reconciliation of the SPLOST Schedule above to expenditures reported in the the SPLOST Capital Projects Fund on Page 59

Project	Original Estimated Revenues	Revenues			Estimated Percentage Collected
		Prior Year	Current Year	Total	
Special Purpose Local Option Sales Tax - 2012					
County roads, streets and bridges	$ 3,246,000	$ 10,554	$ 242,997	$ 253,551	7.81%
Public Safety Equipment	1,500,000	257	667,741	667,998	44.53%
Retirement of existing indebtedness	6,000,000	5,229,406	876,806	6,106,212	101.77%
City of Cairo	6,912,000	4,425,524	946,351	5,371,875	77.72%
City of Whigham	342,000	213,850	46,824	260,674	76.22%
Total expenditures	$ 18,000,000	$ 9,879,591	$ 2,780,719	$ 12,660,310	

Reconciliation of the SPLOST Schedule above to expenditures reported in the the SPLOST Capital Projects Fund on Page 6

Expenditures from SPLOST schedule (above)	$ 2,780,719
Principal paid on debt	800,000
Total expenditures per SPLOST Capital Projects Fund on Page 7	$ 3,580,719

GOVERNMENTAL AUDITING STANDARDS REQUIREMENTS

Perry L. Henry, LLC

Certified Public Accountant and Consultant

Perry L. Henry, CPA, CGFM, CFS

Members

American Institute of Certified Public Accountants

Georgia Society of Certified Public Accountants

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

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

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

We have audited, in accordance with audit 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, 2019, and the related notes to the financial statements, which collectively comprise Grady County, Georgia's basic financial statements, and have issued our report dated thereon August 17, 2020. 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 includes our consideration of the results of the other auditor's testing on internal control over financial reporting and compliance and other matters that are reported on separately by those auditors. However, this report, insofar as it related to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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.

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

that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we and the other auditors did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We and the other auditors did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item *2017-M* that we consider to be a significant deficiency.

Compliance and Other Matters

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

The results of our tests and those of the other auditors disclosed no instance 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 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.

Perry L. Henry, LLC
Perry L. Henry, LLC
Bainbridge, Georgia

August 17, 2020

2017-M

Condition:

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

Criteria:

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

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

Cause:

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

Effect:

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

Recommendation:

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

Management's Response:

Management (Board of Commissioners and/or Elected Constitutional Officers) agree and will continue to seek out new ways to compensate for the lack of segregation of duties.