# *Grady County, Georgia*

## *Financial Statements*

## *For the Year Ended*
## *December 31, 2022*

# Grady County, Georgia
# For the Year Ended December 31, 2022
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**GRADY COUNTY, GEORGIA**

List of Elected and Appointed Officials

December 31, 2022

## Elected

Phillip Drew, Chairman

Keith Moye, Vice-Chair

June Knight, County Commissioner

LaFaye Copeland, County Commissioner

Ray Prince, County Commissioner

## Staff

Buddy Johnson, County Administrator

Holly Murkerson, Finance Director

John White, HR Director

# 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

### Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

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, 2022, and the respective changes in financial position, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Grady County Health Department, which represent 61%, 27%, and 97%, 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.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Grady County, Georgia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Grady County, Georgia ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Grady County, Georgia's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Grady County, Georgia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages i-viii) and budgetary comparison information (pages 53-59) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained

during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grady County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is 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. The 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Perry L. Henry, LLC*

Perry L. Henry, LLC
Bainbridge, Georgia

November 6, 2023

# Grady County, Georgia
# Management's Discussion and Analysis
# For the Year Ended December 31, 2022

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, 2022. 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 $102.59 million in total assets of which $73.89 million are capital assets.
- The County has $29.22 million in total liabilities of which $25.98 million are long term.
- The assets of the County exceeded its liabilities as of December 31, 2022 by $73.37 million.
- The County's total net position increased by $9.55 million.
- As of December 31, 2022, the County's governmental funds reported combined ending fund balances of $24.62 million, an increase of $6.14 million in comparison to the prior year. Approximately 62% of the combined fund balances, $15.15 million is considered unassigned and is available for spending at the County's discretion.
- As of December 31, 2022 the unassigned fund balance of the general fund was $15.19 million, which was an increase of $.52 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<br>Statement of Activities | Balance Sheet<br>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, 2022 and 2021.

***Table 2***
**Condensed Statement of Net Position**

| | Total Primary Government | |
|---|---|---|
| | 2022 | 2021 |
| Assets | | |
| Current and other assets | $ 28,697,505 | $ 22,456,956 |
| Capital assets | 73,894,921 | 71,825,962 |
| Total assets | 102,592,426 | 94,282,918 |
| Deferred outflows of resources | 1,030,940 | 290,955 |
| Liabilties | | |
| Other liabilities | 3,234,855 | 3,480,721 |
| Long-term liabilites | 25,983,698 | 25,929,773 |
| Total liabilites | 29,218,553 | 29,410,494 |
| Deferred inflows of resources | 830,015 | 1,142,128 |
| Net Position | | |
| Invested in capital assets, net of related debt | 49,360,161 | 46,412,668 |
| Restricted | 9,377,919 | 3,869,868 |
| Unrestricted | 14,836,718 | 13,738,715 |
| Total net position | $ 73,574,798 | $ 64,021,251 |

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, 2022 and 2021. 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**

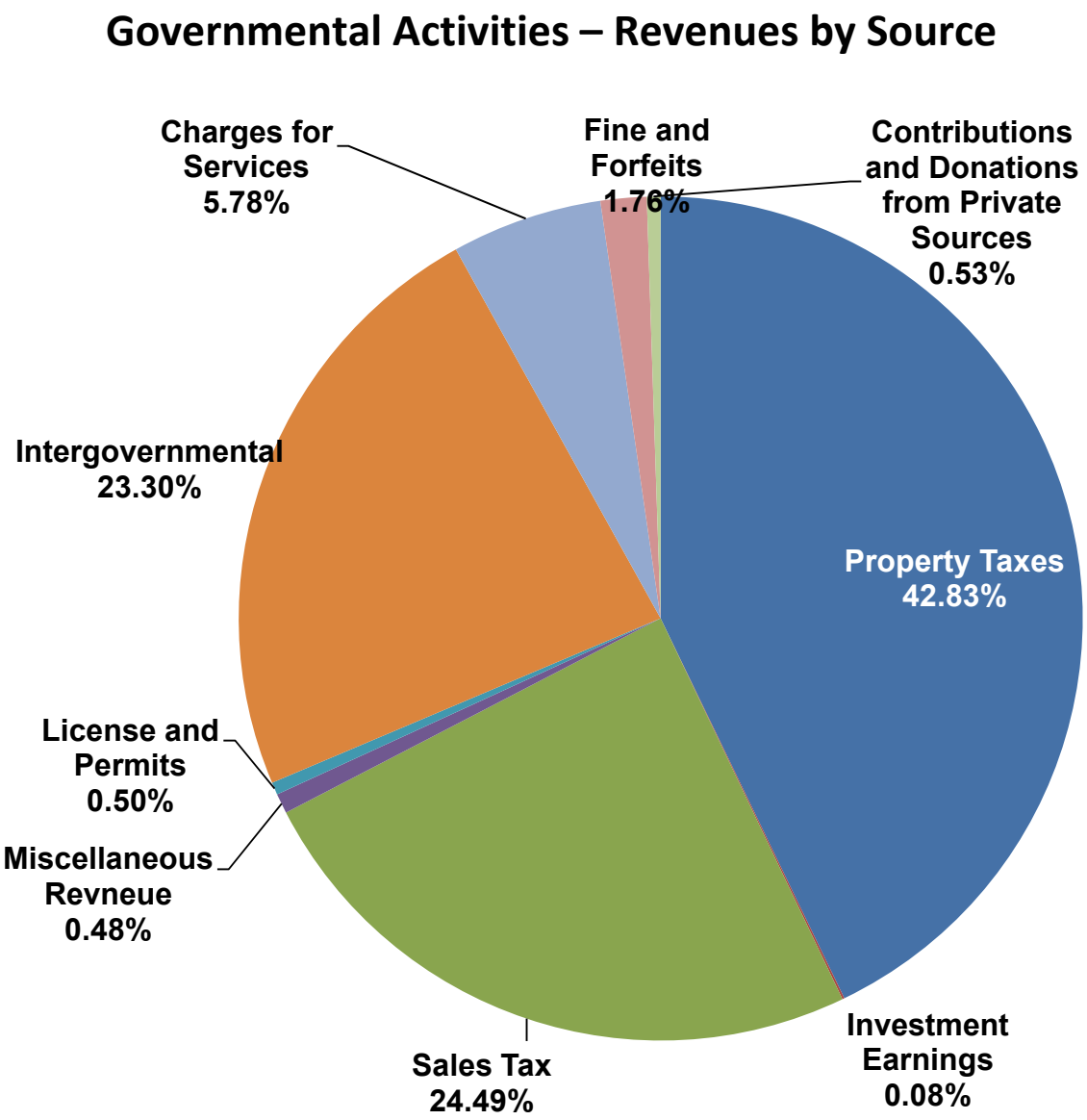
| | Total Primary Government | |
|---|---|---|
| | 2022 | 2021 |
| Revenues | | |
| Program Revenues: | | |
| Charges for Services | $ 2,450,493 | $ 2,401,607 |
| Operating Grants and Contributions | 466,375 | 286,588 |
| Capital Grants and Contributions | 6,634,435 | 1,877,802 |
| General Revenues: | | |
| Property Taxes | 11,872,857 | 11,532,368 |
| Local Option Sales Taxes | 7,266,061 | 6,923,169 |
| Other Taxes and Licenses | 1,336,188 | 1,361,386 |
| Investment Income | 13,911 | 8,328 |
| Gain (loss) on Sale of Capital Assets | 129,694 | 118,894 |
| Other Revenues | 133,969 | 159,581 |
| Total Revenues | 30,303,983 | 24,669,723 |
| Expenses | | |
| General Government | 5,446,404 | 4,609,799 |
| Public Safety | 7,548,275 | 1,310,496 |
| Court System | 1,350,376 | 7,116,805 |
| Public Works | 4,527,419 | 4,459,219 |
| Public Health and Welfare | 124,673 | 128,447 |
| Culture and Recreation | 599,922 | 580,939 |
| Housing and Development | 480,179 | 485,832 |
| Interest on Long-Term Debt | 673,188 | 617,755 |
| Total Expenses | 20,750,436 | 19,309,292 |
| Change in Net Position | $ 9,553,547 | $ 5,360,431 |

During the year ended December 31, 2022, the net position of the County increased $9.55 million. Total revenues for 2022 increased $5.63 million. Expenses increased by $1.44 million. The County continued building and repairing roads in 2022 thanks in large part to the competitive state and federal grants awarded to Grady County. Depreciation and amortization expense of $2.57 million was allocated to the various functions of governmental activities.

**Program Expenses and Revenues for Governmental Activities**

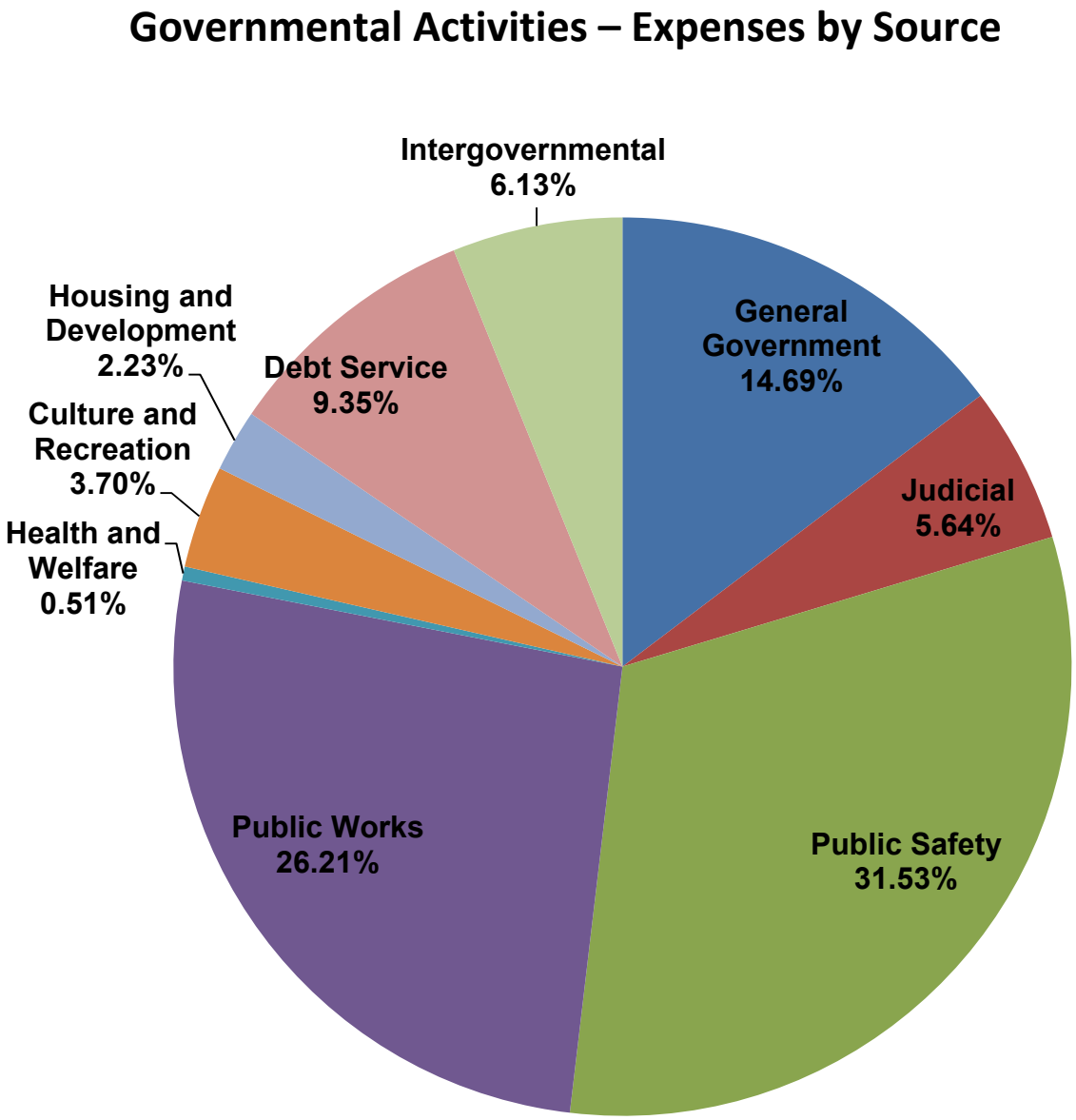
Governmental Activities - Revenues by Source

The following chart shows the governmental activities revenues by major source. Approximately 5.78% of the County's revenues were derived from charges for services, 23.30% from Intergovernmental, and approximately 24.49% came from sales taxes. The largest portion of the County's revenue, 42.83%, came from property taxes.



Governmental Activities – Expenses by Source

The following chart shows the governmental activities expenses by source. The County spent the greatest amount of its available funding on Public Safety at 31.53%. The next largest expenditures were for Public Works at 26.21% and General Governments at 14.69%.



## 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, 2022, the County's governmental funds reported a combined ending fund balance of $24.62 million. Of that amount $15.15 million was unassigned, $.09 million was nonspendable, and $9.38 million was restricted.

The general fund is the operating fund of the County. As of December 31, 2022, total fund balance of the general fund was $19.57 million. The net change in the general fund's total fund balance for the year ended December 31, 2022 was a decrease of $4.89 million or (.33%).

## 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 2022 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 $.66 million for the year ended December 31, 2022. Total general fund revenues for 2022 increased by $.04 million compared to 2021.

The actual expenditures of the general fund were less than the final budgeted amounts by $3.94 million for the year ended December 31, 2022. Expenses increased by $1.21 million compared to 2021.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At December 31, 2022, the County had capital assets, net of accumulated depreciation and amortization of $73.89 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 and the Energy Enhancement Program. 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 6 of the Notes to Financial Statements for additional information on capital assets.

Long-term Debt

At December 31, 2022, The County reported long term debt of $25.98 million. Outstanding principal balance on 2015 Series revenue bonds is $8,795,000. Outstanding principal balance on the 2020 Series revenue bonds is $7,395,000. Outstanding principal on notes is $5,836,819. Outstanding balances on leases is $248,975. Refer to Note 7 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
33 17th Ave NW
Cairo, Georgia 39827
Telephone: (229) 377-1512

# Grady County, Georgia
# Statement of Net Position
# December 31, 2022

| | Governmental Activities | Total | Component Units |
|---|---|---|---|
| **ASSETS** | | | |
| Cash & cash equivalents | $ 19,465,227 | $ 19,465,227 | $ 1,057,477 |
| Receivables (net, where applicable, of allowances for uncollectible): | | | |
| Taxes | 3,271,787 | 3,271,787 | - |
| Accounts | 126,949 | 126,949 | - |
| Due from other governments | - | - | 17,440 |
| Prepaid expenses | 86,188 | 86,188 | - |
| Net OPEB assets | - | - | 98,698 |
| Restricted assets: | | | |
| Cash & cash equivalents | 5,747,354 | 5,747,354 | - |
| Capital assets: | | | |
| Land | 5,556,128 | 5,556,128 | 58,592 |
| Construction in progress | 35,446,656 | 35,446,656 | - |
| Right to use leased assets (net) | 248,044 | 248,044 | - |
| Other capital assets (net) | 32,644,093 | 32,644,093 | 441,944 |
| **Total Assets** | 102,592,426 | 102,592,426 | 1,674,151 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | |
| Deferred outflow of resources-pension | 1,030,940 | 1,030,940 | 331,342 |
| **Total Deferred Outflows of Resources** | 1,030,940 | 1,030,940 | 331,342 |
| **LIABILITIES** | | | |
| Accounts payable | 2,864,647 | 2,864,647 | 26,250 |
| Accrued liabilities | 370,208 | 370,208 | - |
| Long-term liabilities: | | | |
| Portion due & payable within one year: | | | |
| Bonds | 800,000 | 800,000 | - |
| Notes payable | 462,852 | 462,852 | - |
| Lease payable | 146,959 | 146,959 | - |
| Portion due & payable after one year: | | | |
| Bonds | 17,400,922 | 17,400,922 | - |
| Notes payable | 5,373,967 | 5,373,967 | - |
| Lease payable | 102,016 | 102,016 | - |
| Net OPEB liability | - | - | 44,565 |
| Net pension liability | 1,465,936 | 1,465,936 | 406,338 |
| Compensated absences payable | 231,046 | 231,046 | 44,528 |
| **Total Liabilities** | 29,218,553 | 29,218,553 | 521,681 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Deferred inflow of resources-pension | 830,015 | 830,015 | 594,769 |
| **Total Deferred Inflows of Resources** | 830,015 | 830,015 | 594,769 |
| **NET POSITION** | | | |
| Net investment in capital assets | 49,608,205 | 49,608,205 | 500,536 |
| Restricted for: | | | |
| Capital projects | 4,517,760 | 4,517,760 | - |
| Legal reference materials | 13,123 | 13,123 | - |
| Public safety | 156,189 | 156,189 | - |
| Recreation | 400,165 | 400,165 | - |
| Public services | - | - | 436,925 |
| Unrestricted | 18,879,356 | 18,879,356 | (48,418) |
| **Total Net Position** | $ 73,574,798 | $ 73,574,798 | $ 889,043 |

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

# Grady County, Georgia
# Statement of Activities
# For the Year Ended December 31, 2022

| 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 | Net (Expenses) Revenues and Changes in Net Position: Primary Government: Total | Component Units |
|---|---|---|---|---|---|---|---|
| **Governmental:** | | | | | | | |
| General Government | $ 5,446,404 | $ 415,875 | $ 221,913 | $ 6,634,435 | $ 1,825,819 | $ 1,825,819 | |
| Judicial | 1,350,376 | 961,281 | - | - | (389,095) | (389,095) | |
| Public Safety | 7,548,275 | 1,052,279 | 138,325 | - | (6,357,671) | (6,357,671) | |
| Public Works | 4,527,419 | - | - | - | (4,527,419) | (4,527,419) | |
| Health and Welfare | 124,673 | 1,338 | - | - | (123,335) | (123,335) | |
| Culture and Recreation | 599,922 | 19,720 | 106,137 | - | (474,065) | (474,065) | |
| Housing and Development | 480,179 | - | - | - | (480,179) | (480,179) | |
| Interest on Long-Term Debt | 673,188 | - | - | - | (673,188) | (673,188) | |
| Total governmental activities | $ 20,750,436 | $ 2,450,493 | $ 466,375 | $ 6,634,435 | (11,199,133) | (11,199,133) | |
| **Component units:** | | | | | | | |
| Hospital Authority | $ 29,822 | $ 32,900 | $ - | $ - | | | $ 3,078 |
| Health Department | 866,697 | 598,173 | 651,741 | - | | | 383,217 |
| Total Component Units | $ 896,519 | $ 631,073 | $ 651,741 | $ - | | | 386,295 |

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

# Grady County, Georgia
# Statement of Activities
# For the Year Ended December 31, 2022

| 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 2) | | | | | (11,199,133) | (11,199,133) | 386,295 |
| General Revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes, Levied for General Purposes | | | | | 11,872,857 | 11,872,857 | - |
| Sales Taxes | | | | | 7,266,061 | 7,266,061 | - |
| Alcoholic Beverages Taxes | | | | | 70,024 | 70,024 | - |
| Business Taxes | | | | | 40,488 | 40,488 | - |
| Penalties & Interest on Delinquent Taxes | | | | | 33,474 | 33,474 | - |
| Insurance Premium Tax | | | | | 1,170,774 | 1,170,774 | - |
| Franchise Taxes | | | | | 21,428 | 21,428 | - |
| Investment Earnings | | | | | 13,911 | 13,911 | 343 |
| Miscellaneous | | | | | 133,969 | 133,969 | - |
| Special Item - Sale of Capital Assets | | | | | 129,694 | 129,694 | - |
| Total General Revenues, Special Items, & Transfers | | | | | 20,752,680 | 20,752,680 | 343 |
| **Change in Net Position** | | | | | 9,553,547 | 9,553,547 | 386,638 |
| **Net Position - Beginning** | | | | | 64,021,251 | 64,021,251 | 502,405 |
| **Net Position - Ending** | | | | | $ 73,574,798 | $ 73,574,798 | $ 889,043 |

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

**Grady County, Georgia**
**Balance Sheet**
**Governmental Funds**
**December 31, 2022**

| | General Fund | SPLOST 2019 | TSPLOST 2020 | American Rescue Plan Act SRF | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Cash on hand and in banks | $ 19,277,260 | $ - | $ - | $ - | $ - | $ 19,277,260 |
| Receivables (net, where applicable, of allowances for uncollectible): | | | | | | |
| Taxes, including interest & penalties | 2,314,402 | 585,836 | 300,174 | - | - | 3,200,412 |
| Accounts | 126,949 | - | - | - | 71,374 | 198,323 |
| Due from other funds | 200 | - | - | - | - | 200 |
| Prepaid expenses | 86,188 | - | - | - | - | 86,188 |
| Restricted assets: | | | | | | |
| Cash in bank | - | 1,536,082 | 2,129,343 | - | 2,080,956 | 5,746,381 |
| **Total Assets** | $ 21,804,999 | $ 2,121,918 | $ 2,429,517 | $ - | $ 2,152,330 | $ 28,508,764 |
| **LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES** | | | | | | |
| **Liabilities** | | | | | | |
| Accounts payable | $ 772,447 | $ - | $ 1,414,459 | $ - | $ 120,752 | $ 2,307,658 |
| Accrued liabilities | 249,506 | 120,702 | - | - | - | 370,208 |
| Due to other funds | - | - | 100 | - | 100 | 200 |
| Other payable | 17,829 | - | - | - | - | 17,829 |
| **Total Liabilities** | 1,039,782 | 120,702 | 1,414,559 | - | 120,852 | 2,695,895 |
| **Deferred Inflows of Resources** | | | | | | |
| Unavailable revenues-property taxes | 1,196,921 | - | - | - | - | 1,196,921 |
| **Total Deferred Inflows of Resources** | 1,196,921 | - | - | - | - | 1,196,921 |
| **Fund Balances** | | | | | | |
| Nonspendable prepaid items | 86,188 | - | - | - | - | 86,188 |
| Restricted for: | | | | | | |
| Capital projects | - | 2,001,216 | 1,014,958 | - | 1,501,586 | 4,517,760 |
| Legal reference materials | - | - | - | - | 13,123 | 13,123 |
| Public safety | - | - | - | - | 156,189 | 156,189 |
| Recreation | - | - | - | - | 400,165 | 400,165 |
| Unassigned | 19,482,108 | - | - | - | (39,585) | 19,442,523 |
| **Total Fund Balances** | 19,568,296 | 2,001,216 | 1,014,958 | - | 2,031,478 | 24,615,948 |
| **Total Liabilities, Deferred Inflows, and Fund Balances** | $ 21,804,999 | $ 2,121,918 | $ 2,429,517 | $ - | $ 2,152,330 | $ 28,508,764 |

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

# Grady County, Georgia
# Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
# December 31, 2022

| | | |
|---|---|---|
| Total *fund* balances for governmental funds | | $ 24,615,948 |
| 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 | 5,556,128 | |
| Infrastructure | 105,813,316 | |
| Buildings | 19,550,730 | |
| Machinery | 11,301,841 | |
| Construction in progress | 35,446,656 | |
| RTU leased assets | 408,353 | |
| Total capital assets | 178,077,024 | |
| Accumulated depreciation | (104,021,794) | |
| Accumulated amortization | (160,309) | |
| Total assets - net | 73,894,921 | 73,894,921 |
| Certain property tax revenues are not available to pay for current-period expenditures and therefore are deferred in the funds. | | 1,196,921 |
| Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore are not reported in the funds. | | (1,465,936) |
| Deferred inflows and outflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds. | | |
| Deferred outflows | | 1,030,940 |
| Deferred inflows | | (830,015) |
| 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. | | (350,219) |
| 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) | | (18,200,922) |
| Lease payable | | (248,975) |
| Notes payable | | (5,836,819) |
| Compensated absences | | (231,046) |
| Total net position of governmental activities | | $ 73,574,798 |

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, 2022

| | General Fund | SPLOST 2019 | TSPLOST 2020 | American Rescue Plan Act SRF | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | |
| Taxes | $ 14,755,033 | $ 3,427,142 | $ 1,791,296 | $ - | $ - | $ 19,973,471 |
| Licenses & Permits | 143,092 | - | - | - | - | 143,092 |
| Intergovernmental | 244,718 | - | - | 4,502,244 | 2,166,386 | 6,913,348 |
| Charges for Services | 1,269,567 | - | - | - | 444,393 | 1,713,960 |
| Fines & Forfeitures | 481,936 | - | - | - | 39,385 | 521,321 |
| Investment Income | 13,457 | 750 | 8,153 | - | 454 | 22,814 |
| Contributions | - | - | - | - | 157,155 | 157,155 |
| Miscellaneous | 199,598 | - | - | - | 27,894 | 227,492 |
| Total Revenues | 17,107,401 | 3,427,892 | 1,799,449 | 4,502,244 | 2,835,667 | 29,672,653 |
| **EXPENDITURES** | | | | | | |
| Current Operating: | | | | | | |
| General Government | 3,184,985 | - | - | - | 32,833 | 3,217,818 |
| Judicial | 1,319,788 | - | - | - | - | 1,319,788 |
| Public Safety | 5,829,287 | - | - | - | 1,037,681 | 6,866,968 |
| Public Works | 3,091,332 | - | - | - | - | 3,091,332 |
| Health & Welfare | 120,897 | - | - | - | - | 120,897 |
| Cultural & Recreation | 641,058 | - | - | - | 1,350 | 642,408 |
| Housing & Development | 443,114 | - | - | - | - | 443,114 |
| Capital Outlay: | | | | | | |
| General Government | 335,326 | - | - | - | - | 335,326 |
| Judicial | 45,684 | - | - | - | - | 45,684 |
| Public Safety | 604,847 | 139,231 | - | - | 17,018 | 761,096 |
| Public Works | 166,750 | 23,850 | 2,320,705 | - | 737,428 | 3,248,733 |
| Health & Welfare | 2,037 | - | - | - | - | 2,037 |
| Cultural & Recreation | 155,716 | - | - | - | 96,760 | 252,476 |
| Housing & Development | 97,147 | - | - | - | - | 97,147 |
| Debt Service: | | | | | | |
| Principal | 607,518 | 775,000 | - | - | - | 1,382,518 |
| Interest | 171,083 | 708,289 | - | - | - | 879,372 |
| Intergovernmental | - | 1,482,952 | - | - | - | 1,482,952 |
| Total Expenditures | 16,816,568 | 3,129,322 | 2,320,705 | - | 1,923,070 | 24,189,665 |
| Excess (Deficiency) of Revenues Over Expenditures | 290,833 | 298,570 | (521,256) | 4,502,244 | 912,597 | 5,482,988 |
| **OTHER FINANCING SOURCES (USES)** | | | | | | |
| Proceeds from Debt Agreements | 53,771 | - | - | - | - | 53,771 |
| Transfers In | 4,506,314 | - | - | - | 557,300 | 5,063,614 |
| Transfers Out | (557,300) | - | - | (4,502,244) | (4,070) | (5,063,614) |
| Lease Liabilities Issued | 408,353 | - | - | - | - | 408,353 |
| Sale of Captial Assets | 191,434 | - | - | - | - | 191,434 |
| Total Other Financing Sources (Uses) | 4,602,572 | - | - | (4,502,244) | 553,230 | 653,558 |
| Net Change in Fund Balances | 4,893,405 | 298,570 | (521,256) | - | 1,465,827 | 6,136,546 |
| Fund Balances - Beginning | 14,674,891 | 1,702,646 | 1,536,214 | - | 565,651 | 18,479,402 |
| Fund Balances - Ending | $ 19,568,296 | $ 2,001,216 | $ 1,014,958 | $ - | $ 2,031,478 | $ 24,615,948 |

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, 2022

| | |
|---|---|
| Net change in fund balances - total governmental funds | $ 6,136,546 |
| 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 | 4,642,637 |
| Depreciation & amoritzation expense | (2,573,677) |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | |
| Debt payments made | 1,382,518 |
| Amortization of bond premiums | 206,184 |
| Loan proceeds | (53,771) |
| Lease proceeds | (408,353) |
| 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 | 501,635 |
| 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. | (151,768) |
| 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 | (68,968) |
| Compensated absences | (59,436) |
| Change in net position of governmental activities | $ 9,553,547 |

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

# Grady County, Georgia
# Statement of Net Position
# Internal Service Fund
# December 31, 2022

| | |
|---|---|
| **ASSETS** | |
| Cash & Cash Equivalents | $ 188,937 |
| Total Assets | 188,937 |
| **LIABILITIES** | |
| Accrued Expenses | 539,156 |
| Total Liabilities | 539,156 |
| **NET POSITION** | |
| Restricted for: | |
| Employee Health Program | (350,219) |
| Total Net Position | $ (350,219) |

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, 2022

| | Internal Service Fund |
|---|---|
| **OPERATING REVENUES** | |
| Employee contributions | $ 281,227 |
| Employer contributions | 1,910,448 |
| Reinsurance payments | 772,649 |
| Total operating revenues | 2,964,324 |
| **OPERATING EXPENDITURES** | |
| Claims expenses | 3,117,163 |
| Total operating expenditures | 3,117,163 |
| Net (Expense) Revenue and Changes in Net Position | (152,839) |
| **NON-OPERATING REVENUES (EXPENSES)** | |
| Interest Income | 1,071 |
| Total non-operating revneues (expenses) | 1,071 |
| Change in net position | (151,768) |
| Net position - beginning | (198,451) |
| Net position - ending | $ (350,219) |

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, 2022

| | Internal Service Fund |
|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Cash received from customers and users | $ 2,964,324 |
| Claims and premiums paid | (2,931,427) |
| Net cash provided (used) by operating activities | 32,897 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Interest received | 1,071 |
| Net cash provided (used) by investing activities | 1,071 |
| Net increase in cash and cash equivalents | 33,968 |
| Cash and cash equivalents, beginning of year | 154,970 |
| Cash and cash equivalents, end of year | $ 188,938 |
| **RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVIES:** | |
| Operating income | $ (152,839) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Changes in assets and liabilities: | |
| Increase (decrease) in: | |
| Accrued expenses | 185,736 |
| Net cash provided by operating activities | $ 32,897 |

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

# Grady County, Georgia
# Statement of Fiduciary Net Position
# Custodial Funds
# December 31, 2022

| | |
|---|---|
| **Assets** | |
| Cash & Cash Equivalents | $ 6,035,359 |
| Tax Receivable | 3,736,619 |
| Total Assets | $ 9,771,979 |
| **Net Position** | |
| Net Position - Held For Others | $ 9,771,979 |
| Total Net Position | $ 9,771,979 |

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

# Grady County, Georgia
# Statement of Changes in Fiduciary Net Position
# Custodial Funds
# December 31, 2022

| | |
|---|---|
| **Addtions** | |
| Taxes | $ 26,819,831 |
| Fees | 2,450,154 |
| Total Additions | 29,269,985 |
| **Deductions** | |
| Payment of Taxes to Other Agencies | 21,445,449 |
| Payment of Fees to Other Agencies | 2,191,986 |
| Total Deductions | 23,637,435 |
| **Change in Net Position** | 5,632,550 |
| **Net Position - Beginning** | 4,139,429 |
| **Net Position - Ending** | $ 9,771,979 |

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

# Grady County, Georgia
# Statement of Net Position
# Component Units
# December 31, 2022

| | Hospital Authority | Health Department | Totals |
|---|---|---|---|
| **Assets** | | | |
| Current assets: | | | |
| Cash | $ 152,586 | $ 904,891 | $ 1,057,477 |
| Due from other governments | - | 17,440 | 17,440 |
| Capital assets: | | | |
| Land | 58,592 | - | 58,592 |
| Other capital assets, net of depreciation | 441,567 | 377 | 441,944 |
| Non-current assets: | | | |
| Net OPEB asset | - | 98,698 | 98,698 |
| Total assets | 652,745 | 1,021,406 | 1,674,151 |
| **Deferred Outflows of Resources** | | | |
| Pension related | - | 274,935 | 274,935 |
| OPEB related | - | 56,407 | 56,407 |
| Total deferred outflows of resources | - | 331,342 | 331,342 |
| Total assets and deferred outflows | $ 652,745 | $ 1,352,748 | $ 2,005,493 |
| **Liabilities** | | | |
| Accounts payable | $ - | $ 26,250 | $ 26,250 |
| Long-term liabilities: | | | |
| Net pension liability | - | 406,338 | 406,338 |
| Net OPEB liability | - | 44,565 | 44,565 |
| Compensated absences | - | 44,528 | 44,528 |
| Total liabilities | - | 521,681 | 521,681 |
| **Deferred Inflows of Resources** | | | |
| Pension related | - | 376,953 | 376,953 |
| OPEB related | - | 217,816 | 217,816 |
| Total deferred inflows of resources | - | 594,769 | 594,769 |
| **Net Position** | | | |
| Net investment in capital assets | 500,159 | 377 | 500,536 |
| Restricted for: | | | |
| Public services | - | 436,925 | 436,925 |
| Unrestricted | 152,586 | (201,004) | (48,418) |
| Total net position | 652,745 | 236,298 | 889,043 |
| Total liabilities, deferred inflows, and net position | $ 652,745 | $ 1,352,748 | $ 2,005,493 |

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, 2022

| 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 | Net (Expenses) Revenues and Changes in Net Position: Total |
|---|---|---|---|---|---|---|
| **Component units:** | | | | | | |
| Hospital Authority | $ 29,822 | $ 32,900 | $ - | $ 3,078 | $ - | $ 3,078 |
| Health Department | 866,697 | 598,173 | 651,741 | - | 383,217 | 383,217 |
| **Total component units** | $ 896,519 | $ 631,073 | $ 651,741 | 3,078 | 383,217 | 386,295 |
| General Revenues: | | | | | | |
| Investment | | | | 343 | - | 343 |
| Total General Revenues | | | | 343 | - | 343 |
| **Change in Net Position** | | | | 3,421 | 383,217 | 386,638 |
| **Net Position - Beginning** | | | | 649,324 | (146,919) | 502,405 |
| **Net Position - Ending** | | | | $ 652,745 | $ 236,298 | $ 889,043 |

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, 2022. 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, 2022, 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 2019 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 debt agreements. The County's SPLOST 2019 Capital Projects Fund is used to account for the collection and disbursement of the 1% Special Purpose Local Option Sales Tax (SPLOST).

The T*SPLOST 2020 Capital Projects Fund* is used to account for all Transportation Special Purpose Local Option Sales Tax revenues as well as the specifically identified transportation projects for which the TSPLOST tax was established.

The *American Rescue Plan Special Revenue Fund* is used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

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 debt agreements.

*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:

*Custodial 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* 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.

***Lease Receivable***

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the County may receive variable lease payments that are dependent upon the lessee's revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

***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 |
| RTU Machinery and Equipment | 10-15 years |

***Leases***

The determination of whether an arrangement is a lease is made at the lease's inception. Under GASB Statement No. 87, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Right to use lease assets and the related lease liabilities are recorded on the statement of financial position.

The County recognizes right to use lessee asset and related lease liability at the commencement of the lease term unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The right to use lease asset is measured at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

The County reduces the lease liability as payments are made and recognize interest on the lease liability. The County amortizes the right to use lease asset over the shorter of the lease term or the useful life of the underlying asset.

***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, 2022, 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*

GASB Statement 87, *Leases.* This statement was issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. 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 Statement 87 will be effective for the fiscal year ending December 31, 2022.

GASB Statement 89, *Accounting for Interest Cost Incurred Before the end of a Construction period.* This statement was issued June 2018 to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement 89 was implemented for the fiscal year ended December 31, 2022.

GASB Statement 92, *Omnibus 2020.* This statement was issued January 2020 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB Statement 92 will be effective for the fiscal year ending December 31, 2022.

GASB Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements 14 and 84, and a supersession of GASB Statement 32.* This statement was issued June 2020 to provide for more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The statement will also enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. The requirements in (1) paragraph 4 of Statement 97 as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of Statement 97 are effective immediately. The other requirement of GASB Statement 97 will be effective for the fiscal year ending December 31, 2022.

## 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) In August, the County Administrator submits to the Board of Commissioners a tentative 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 January 1, the budget is formally adopted.
5) In December, 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.

## NOTE 3 - DEPOSITS AND INVESTMENTS

Total deposits and investments as of December 31, 2022 are summarized as follows:

| | |
|---|---|
| Primary Government | |
| Amounts as presented on the entity-wide Statement of Net Position: | |
| Cash and cash equivalents | $ 19,465,227 |
| Restricted cash and cash equivalents | 5,747,354 |
| Amounts as presented on the Statement of Fiduciary Net Position: | |
| Cash and cash equivalents | 6,035,359 |
| Total | $ 31,247,940 |
| Deposits with financial institutions | $ 25,027,145 |

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, 2022, the bank balance was $25,027,145. Of the bank balance, $23,777,145 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 2022 year tax levy, was mailed in October 2022. The billings are considered past due 60 days after the billing date and penalties and interest are assessed. The applicable property is subject to lien after the billings are 90 days delinquent.

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

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

### *Receivables*

Receivables as of December 31, 2022 for the County's individual major funds, non-major funds, and fiduciary funds in the aggregate are as follows:

| | General Fund | E-911 SRF | SPLOST 2019 CPF | TSPLOST 2020 CPF | Total |
|---|---|---|---|---|---|
| Property tax receivable | $ 1,965,526 | $ - | $ - | $ - | $ 1,965,526 |
| Sales tax receivable | 348,876 | - | 585,836 | 300,174 | 1,234,886 |
| Accounts receivable | 126,949 | 71,374 | - | - | 198,323 |
| Net total receivables | $ 2,441,351 | $ 71,374 | $ 585,836 | $ 300,174 | $ 3,398,735 |

## NOTE 5 – 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, 2022 is as follows:

| Fund | Due From | Due To |
|---|---|---|
| General Fund | $ - | $ 200 |
| GOHS Grant SRF | 100 | - |
| TSPLOST CPF | 100 | - |
| | $ 200 | $ 200 |

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 SRF | EMA Grant SRF | Total |
| General Fund | $ - | $ 545,897 | $ 11,403 | $ 557,300 |
| ARPA SRF | 4,502,244 | - | - | 4,502,244 |
| EMS Trauma Grant SRF | 4,070 | - | - | 4,070 |
| | $ 4,506,314 | $ 545,897 | $ 11,403 | $ 5,063,614 |

$11,403 was transferred from the General Fund to the EMA Grant Special Revenue Fund to match funds as stated in grant agreement.

$545,897 was transferred from the General Fund to the E-911 Special Revenue Fund to cover cash short-falls.

$4,502,244 was transferred from the ARPA Special Revenue Fund to the General Fund for lost revenue during covid, payroll and other qualified expenditures.

$4,070 was transferred from the EMS Trauma Grant Special Revenue Fund to the General Fund for qualified expenditures.

All other transfers were for normal general operating purposes.

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## NOTE 6 – CAPITAL ASSETS

The following is a summary of capital asset activity for the year ended December 31, 2022:

Primary Government

*Governmental activities:*

| Governmental activities: | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Capital assets, not being depreciated: | | | | |
| Land | $ 5,556,128 | $ - | $ - | $ 5,556,128 |
| Construction in Progress | 32,215,907 | 3,230,749 | - | 35,446,656 |
| Total capital assets, not being depreciated | 37,772,035 | 3,230,749 | - | 41,002,784 |
| Capital assets being depreciated and amortized: | | | | |
| Buildings | 19,522,125 | 120,366 | - | 19,642,491 |
| Machinery and Equipment | 10,696,919 | 771,602 | (161,681) | 11,306,840 |
| Roads and Bridges | 105,543,251 | 173,305 | - | 105,716,556 |
| Right-To-Use Equipment | - | 408,353 | - | 408,353 |
| Total capital assets being depreciated and amortized | 135,762,295 | 1,473,626 | (161,681) | 137,074,240 |
| Less accumulated depreciation: | | | | |
| Buildings | (9,402,945) | (622,635) | - | (10,025,580) |
| Machinery and Equipment | (7,486,926) | (602,485) | 99,941 | (7,989,470) |
| Roads and Bridges | (84,818,497) | (1,188,247) | - | (86,006,744) |
| Less accumulated amortization: | | | | |
| Right-To-Use Equipment | - | (160,309) | - | (160,309) |
| Total accumulated depreciation and amortiized: | (101,708,368) | (2,573,676) | 99,941 | (104,182,103) |
| Total capital assets, being depreciated and amortized, net | 34,053,927 | (1,100,050) | (61,740) | 32,892,137 |
| Governmental activities capital assets, net | $ 71,825,962 | $ 2,130,699 | $ (61,740) | $ 73,894,921 |

| Depreciation Expense was charged to functions as follows: | Governmental Activities |
|---|---|
| General Government | $ 602,327 |
| Public Safety | 468,444 |
| Public Works | 1,439,605 |
| Recreation | 59,484 |
| Housing and Development | 3,816 |
| Total Governmental Activities Depreciation Expense | $ 2,573,676 |

*This space intentionally left blank.*

## NOTE 7 – 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.

On October 20, 2020, the County issued $8,940,000 in Grady County Lake Authority Revenue Bonds, Series 2020 with interest rates from 3.00% to 5.00%. The proceeds were used to pay off (refund) the existing bond series 2010. The bonds have annual principal installments beginning on October 1, 2021 and semiannual interest installments due on April 1 and October 1 beginning April 1, 2021.

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, 2022 are as follows:

| Fund and Description | Orginal Amount | Interest Rate | Maturity Date | Amount |
|---|---|---|---|---|
| Grady County Lake Authority Revenue Bond, Series 2015 | $ 8,795,000 | various | 2040 | $ 8,795,000 |
| Grady County Lake Authority Revenue Bond, Series 2020 | 8,940,000 | various | 2030 | 7,395,000 |
| Bond premiums | | | | 2,010,922 |
| Less current portion | | | | (800,000) |
| Total | | | | $ 17,400,922 |

The annual debt service requirement to maturity of the bonds at December 31, 2022 is as follows:

| Year Ending December 31 | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 800,000 | $ 700,963 | $ 1,500,963 |
| 2024 | 835,000 | 668,963 | 1,503,963 |
| 2025 | 870,000 | 635,563 | 1,505,563 |
| 2026 | 900,000 | 600,763 | 1,500,763 |
| 2027 | 935,000 | 564,763 | 1,499,763 |
| 2028-2032 | 4,545,000 | 2,192,813 | 6,737,813 |
| 2033-2037 | 4,275,000 | 1,295,463 | 5,570,463 |
| 2038-2040 | 3,030,000 | 260,000 | 3,290,000 |
| Total | $ 16,190,000 | $ 6,919,291 | $ 23,109,291 |

***Notes Payable***

Grady County, Georgia has eight note agreements for financing the acquisition of various equipment.

Debt service requirements on notes payable in repayment as of December 31, 2022 are as follows:

| Year | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 462,852 | $ 153,456 | $ 616,308 |
| 2024 | 398,022 | 142,157 | 540,179 |
| 2025 | 371,802 | 131,684 | 503,486 |
| 2026 | 343,086 | 122,386 | 465,472 |
| 2027 | 353,703 | 113,344 | 467,047 |
| 2028-2032 | 1,996,304 | 417,711 | 2,414,015 |
| 2033-2036 | 1,911,050 | 129,634 | 2,040,684 |
| Total | $ 5,836,819 | $ 1,210,372 | $ 7,047,191 |

The following is a summary of note obligations in repayment:

| Purpose | Original Amounts | Payment Amounts | Interest Rate | Payments | Minimum Lease Payments | Net Present Value |
|---|---|---|---|---|---|---|
| Zoll Medical Corporation - purchase of three defilbrillators and monitors | $ 91,661 | $ 19,950 | 1.74% | 4 | $ - | $ - |
| BancorpSouth Equipment Financial - for purchase of 2014 John Deere 670G Motor Grader | 163,200 | 2,892 | 2.44% | 60 | - | - |
| John Deere Financial - purchase of John Deere 5100 Utilitiy Tractor | 63,261 | 1,054 | 0.00% | 60 | 41,119 | 41,119 |
| John Deere Financial - purchase of 2018 Hitachi ZX210LCS6 Excavator | 123,670 | 2,257 | 3.75% | 60 | 29,336 | 28,705 |
| ACC of GA - purchase contract for purchase of 2018 Dodge Ram 3500 Ambulance | 171,126 | 16,530 | 2.47% | 11 | 99,182 | 95,027 |
| Leasing 2 Inc - purchase contract for purchase of Pac-Mac Grapple Truck | 138,261 | 2,847 | 4.59% | 37 | 55,468 | 54,868 |
| Leasing 2 Inc - purchase contract for purchase of MowerMax Boom Mower | 178,350 | 38,776 | 3.56% | 5 | 77,553 | 73,603 |
| First Security Finance - Energy Enhancement Program | 5,833,615 | Various | 2.66% | 16 | 6,744,533 | 5,543,497 |
| Totals | $ 6,763,144 | | | | $ 7,047,191 | $ 5,836,819 |

*This space intentionally left blank.*

***Lease Payable***

The County has entered into 38 copier lease agreements ranging from two to five years. As of December 31, 2022 in accordance with GASB Statement No. 87 – Leases, the Right-To-Use Lease asset estimated future liabilities are as follows:

| Year End | Principal | Interest | Payment |
|---|---|---|---|
| 2023 | $ 146,959 | $ 399 | $ 147,358 |
| 2024 | 55,012 | 147 | 55,159 |
| 2025 | 22,701 | 76 | 22,777 |
| 2026 | 14,707 | 37 | 14,744 |
| 2027 | 9,596 | 8 | 9,604 |
| | $ 248,975 | $ 667 | $ 249,642 |

***Changes in Long-Term Liabilities***

The following is a summary of the activity in long term-liabilities for the year ended December 31, 2022:

Compensated absences are generally liquidated by the General Fund.

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| Revenue Bonds: | | | | | |
| GCLA Revenue Bond Series 2015 | $ 8,795,000 | $ - | $ - | $ 8,795,000 | $ - |
| GCLA Revenue Bond Series 2020 | 8,170,000 | - | (775,000) | 7,395,000 | 800,000 |
| Plus deferred amounts for issuance premiums | 2,217,106 | - | (121,610) | 2,010,922 | - |
| Total bonds payable | 19,182,106 | - | (896,610) | 18,200,922 | 800,000 |
| Leases payable | - | 408,353 | (159,378) | 248,975 | 146,959 |
| Notes payable | 6,231,188 | - | (394,369) | 5,836,819 | 462,852 |
| Compensated absences | 171,609 | 125,705 | (66,268) | 231,046 | - |
| Governmental activities long-term liabilities | $ 25,584,903 | $ 534,058 | $ (1,516,625) | $ 24,517,762 | $ 1,409,811 |

**NOTE 8 – RESTRICTIONS OF FUND BALANCES**

In the governmental fund financial statements, fund balances consist of nonspendable prepaid items, 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 nonspendable prepaid items and restrictions at December 31, 2022 include:

| | |
|---|---|
| Nonspendable Prepaid Items | $ 86,188 |
| Restricted for: | |
| Capital Projects | $ 4,517,760 |
| Legal Reference Materials | $ 13,123 |
| Public Safety | $ 156,189 |
| Recreation | $ 400,165 |

## NOTE 9 - 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 April 1, 2020. The referendum will raise $18,000,000 for various capital outlay projects.

## NOTE 10 - TRANSPORTATION 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 September 1, 2020. The referendum will raise $15,000,000 for various transportation capital outlay projects.

## NOTE 11 – PENSION PLAN

***Primary Government***

Effective January 1, 1991, amended February 22, 1995, amended and restated January 1, 2000, July 1, 2012, and January 1, 2015. Amended May 1, 2020 and July 7, 2020, the County participates in the following defined benefit pension plan.

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 five 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.

As of January 1, 2022, employee membership data related to the plan was as follows:

| | | |
|---|---|---|
| Retirees, beneficiaries and disables receiving benefits | | |
| Terminated plan participants entitled to but not yet receiving benefits | | 52 |
| Active employees participating in the plan | | 81 |
| Total number of plan partifipants | | 133 |
| Part-time active employees not participating in the Plan | | 22 |
| Covered compensation for active participants | $ | 3,180,763 |
| Average remaining future service for active participants | | 9.63 |

## Statement of Net Fiduciary Net Position

| | | |
|---|---|---|
| Market Value of Assets | | |
| Cash & Cash Equivalent. | $ | 251,427 |
| Bonds | | - |
| Fixed Interest Insurance Account | | 23,269 |
| Marketable Securities | | 4,310,042 |
| Total | $ | 4,584,738 |
| Receivable | | |
| Employer Contributions | $ | 168,570 |
| Employee Contributions | | 2,551 |
| Due From Insurance Pool | | - |
| Accrued Interest Income | | 5,475 |
| Total | $ | 176,596 |
| Liabilities | | |
| Administrative Expenses | $ | 18,313 |
| Accrued Investment Fee | | 4,593 |
| Accrued Auditing Fees | | - |
| Payable to Insurance Pool | | - |
| Total | $ | 22,906 |
| Fiduciary Net Position | $ | 4,738,428 |

## Statement of Changes in Fiduciary Net Position

| | | |
|---|---|---|
| Additions | | |
| Asset Transfer | $ | - |
| Service Credit Transfer In | | - |
| Employer Contributions | | 168,570 |
| Employee Contributions | | 90,136 |
| Net Investment Income | | (788,978) |
| Employee Contribution - BuyBack | | - |
| Total Additions | $ | (530,272) |
| Deductions | | |
| Investment Expense | $ | 19,979 |
| Administrative Expenses | | 34,445 |
| Benefit Payments | | 210,875 |
| Post-Retirement Death Benefit Expense | | 3,060 |
| Pre-Retirement Death Benefit Expense | | - |
| Asset Transfer to Successor Plan | | - |
| Service Credit Transfer Out | | - |
| Refund of Employee Contributions | | 53,758 |
| Total Deductions | $ | 322,117 |
| Net Increase (Decrease) in Fiduciary Net Position | $ | (852,389) |
| Net Position Held in Trust for Pension Benefits | | |
| Beginning of Year | $ | 5,590,817 |
| End of Year | $ | 4,738,428 |
| Money Weighted Rates of Return | | -13.93% |

**Net Position Restricted for Pensions**

| | |
|---|---|
| Fiduciary Net Position | $ 4,738,428 |
| Deferred Outflow of Resources | 1,030,940 |
| Deferred Inflow of Resources | (830,015) |
| Net Position Restricted for Pensions | $ 4,537,503 |

*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.

*Contributions*

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. Certain 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 contributions rates for the County and its plan participants.

*Board of Trustees*

The Trustees for the Association County Commissioners of Georgia (ACCG) Pension Plan and Trust oversees the administration, investment and funding of the Association County Commissioners of Georgia Retirement Program for member employers.

*Actuarial assumptions*

The total pension liability as of December 31, 2022 was determined by an actuarial valuation as of January 1, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

| Year Ending December 31 | 2022 |
|---|---|
| Valuation date | January 1, 2022 |
| Measurement date | December 31, 2022 |
| Inflation | N/A |
| Salary increases including inflation | 5.5% Actuarial |
| Investment return | 7.0% per year |
| Actuarial cost method | Entry Age Normal |

The mortality table is the Pub-2010 GE (50%) & PS (50%) Amount weighted with Scale AA to 2020. 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%.

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

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

*Discount rate*

The expected long-term rate of return used to discount all projected benefit payments is 7.00%.

*Changes in net pension liability*

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total Pension Liability (TPL) (a) | Fiduciary Net Position (FNP) (b) | Net Pension Liability (NPL) (a) - (b) |
| Balance as of December 31, 2021 | $ 5,935,687 | $ 5,590,817 | $ 344,870 |
| Changes for the year: | | | |
| Service cost | 190,428 | - | 190,428 |
| Interest | 406,236 | - | 406,236 |
| Liabiltiy experience (gain)/Loss | (73,537) | - | (73,537) |
| Assumption change | 10,183 | - | 10,183 |
| Employer contributions | - | 168,570 | (168,570) |
| Employee contributions | - | 90,136 | (90,136) |
| Net investment income | - | (788,978) | 788,978 |
| Benefit payments* | (264,633) | (264,633) | - |
| Administrative expense | - | (34,445) | 34,445 |
| Other | - | (23,039) | 23,039 |
| Net changes | 268,677 | (852,389) | 1,121,066 |
| Balance as of December 31 , 2022 | $ 6,204,364 | $ 4,738,428 | $ 1,465,936 |

*Includes refunds of employee contributions totaling $53,758.
**Other changes include Post-Retirement Death Benefit Expense of $3,060 and Investment Expense of $19,979.

*Pension plan fiduciary net position*

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

*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:

| | Current Discount | | |
|---|---|---|---|
| | 1% Decrease 6.00% | Current Discount Rate 7.00% | 1% Increase 8.00% |
| Total Pension Liability | $ 7,047,423 | $ 6,204,364 | $ 5,500,919 |
| Fiduciary Net Position | 4,738,428 | 4,738,428 | 4,738,428 |
| Net Pension Liability | $ 2,308,995 | $ 1,465,936 | $ 762,491 |

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

For the year ended December 31, 2022, the County recognized pension expense of $237,538 consisting of the following:

| | |
|---|---|
| Service Cost | $ 190,428 |
| Plan Change | - |
| Interest on TPL | 406,236 |
| Amortization of: | |
| Liability Experience (Gain)/Loss | (147,816) |
| Change in assumption | 128,471 |
| Asset (Gain)/Loss | 96,787 |
| Employee Contributions | (90,136) |
| Projected earnings on plan investments | (383,937) |
| Administration Expense | 34,445 |
| Other Change in FNP (Post-Retirement Death Benefit Expense) | 3,060 |
| Total Pension Expense | $ 237,538 |

*This space intentionally left blank.*

At December 31, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Demographic gain / loss | $ 1,030,940 | $ - |
| Net difference in projected and actual earnings on pension plan investments | - | (830,015) |
| Total | $ 1,030,940 | $ (830,015) |
| | | |
| Asset (Gain) / Loss | $ 954,315 | $ (446,724) |
| Liability (Gain) / Loss | 6,046 | (383,291) |
| (Gain) / Loss due to Assumption Change | 70,579 | - |
| Total | $ 1,030,940 | $ (830,015) |
| | | |
| Year: | | |
| 2021 | $ 962,235 | $ (57,195) |
| 2020 | 4,300 | (538,715) |
| 2019 | 9,850 | (115,305) |
| 2018 | 54,555 | (118,800) |
| 2017 | - | - |
| 2016 | - | - |

*This space intentionally left blank.*

**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 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| State's proportionate share of the collective net pension liability (asset) associated with the County | 32,838 | 262,696 | 495,121 | 291,343 | 1,022 | 220,883 | 187,381 | 1,491,284 |
| Total Net Pension Liability (Asset) | $ 32,838 | $ 262,696 | $ 495,121 | $ 291,343 | $ 1,022 | $ 220,883 | $ 187,381 | $ 1,491,284 |
| Pension revenue and expense for State support | $ 6,653 | $ 36,259 | $ 90,077 | $ 33,538 | $ 39,054 | $ 10,988 | $ 112,193 | $ 328,762 |

Pension plan descriptions, assumptions, and related disclosures may be found in separately issued reports as of December 31, 2022 for each of these plans, and are available at the websites listed above.

*This space intentionally left blank.*

## 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, 2022, 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, 2022 or the previous six years.

## 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, 2022, 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.

*This space intentionally left blank.*

## 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 – DEFINED CONTRIBUTION PLAN

The County participates in the ACCG 457 Deferred Compensation Plan for the Grady County, Georgia (the Plan), a defined contribution plan created in accordance with Internal Revenue Code Section 457. The Plan is administered by the Public Employees Benefit Services Corporation (PEBSCO) on behalf of Grady County employees. The Plan is available to all full-time County employees, and permits them to defer a portion of their salary until future years. Employees may contribute up to $15,000 each years, and the employees pays all contributions. Plan assets are held in trust for the benefit of the plan participants and their beneficiaries, and will not be diverted to any other purpose.

For the year ended December 31, 2022, actual contributions by the Plan participants was $39,998.

## NOTE 18 - SPECIAL ITEM – SALE OF CAPITAL ASSETS

During the fiscal year ended December 31, 2022, 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 transactions consisted of the sale of various pieces of equipment.

## NOTE 19 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

### Excess of expenditures over appropriations

Section 1200.112 and 2300.106L of GASB Standards requires that material violations of finance – related and contractual provisions be disclosed. The County was in violation of the following State statute during the year ending December 31, 2022:

**Law Section - O.C.G.A. 36-81-3 & 36-81-5**
The County exceeded its budget at the “legal level of control” in the following department(s):

| Department | Fund | Balance Over Budget |
|---|---|---|
| Law Library | Special Revenue | $ 7,737 |

*This space intentionally left blank.*

## NOTE 20 – IMPACT OF THE COVID-19 PANDEMIC

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the organization. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain. The County has taken several measures to monitor and mitigate the effects of the COVID-19 virus, such as safety and health measures for its people (such as social distancing and working from home). The County will continue to follow the various government policies and advice and, in parallel, the County will do its utmost to continue its operations in the best and safest way possible without jeopardizing the health of its people

## NOTE 21 – SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 6, 2023, the date on which the financial statements were available to be issued.

*This space intentionally left blank.*

## NOTE 22 – DISCRETELY PRESENTED COMPONENT UNIT – GRADY COUNTY HEALTH DEPARTMENT

### A. Deposits and Investments

Total deposits and investments as of June 30, 2022, are summarized as follows:

As reported in the Statement of Net Position:

| | |
|---|---|
| Cash and cash equivalents | $ 904,891 |
| Cash deposited with financial institutions | $ 930,596 |

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, 2022, the Health Department did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

### B. Capital Assets

Capital asset activity for the Grady County Health Department for the year ended June 30, 2022 is as follows:

| Governmental activities: | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| 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 | (95,518) | (4,521) | - | (100,039) |
| Total accumulated depreciation | (95,518) | (4,521) | - | (100,039) |
| Total capital assets, net | 4,898 | (4,521) | - | 377 |
| Governmental activities capital assets, net | $ 4,898 | $ (4,521) | $ - | $ 377 |

### C. Right of Use Assets/Liabilities

Leases - In conjunction with the implementation of GASB 87, *Leases,* the Organization has set a threshold for capitalizing leases with a liability of $5,000 or more. Lease expenses for the year ended December 31, 2022 for noncapitalized leases amounted to $3,817.

Lessee - The Health Department is a lessee for a non-cancellable lease of equipment. The Health Department recognizes a lease liability and an intangible Right of Use lease asset (lessee asset) in the

government-wide financial statement. The Health Department recognizes lease liabilities with an initial value of $5,000 or more.

At the commencement of a lease, the Health Department initially measures the lease liability at the present value of payments expected to be made during the lease terms. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life, or the term of the lease, whichever is shorter.

Key estimates and judgements related to leases include how the Health Department determines: 1) the discount rate it uses to discount the expected lease payments to present value, 2) lease term, and 3) lease payments The Health Department uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the health department generally uses its estimated incremental borrowing rate as the discount rate for the leases.

The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed-payments and purchase option price that the health department is reasonably certain to exercise.

The Board of Health monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease assets and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as Right of Use assets and lease liabilities are reported as Right of Use liabilities on the Statement of Net Position, when applicable.

**D. 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, 2022 is as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance |
|---|---|---|---|---|
| Governmental activities | | | | |
| Compensated absences | $ 50,537 | $ - | $ (6,009) | $ 44,528 |
| Long-term liabilities | $ 50,537 | $ - | $ (6,009) | $ 44,528 |

**E. Due To/From**

As of June 30, 2022, the Grady County Health Department has amounts receivable and payable to the Georgia Department of Public Health as follows:

| | Due From | Due To | Net |
|---|---|---|---|
| Administrative Claiming | $ 15,940 | $ - | $ 15,940 |
| Total | $ 15,940 | $ - | $ 15,940 |

**F. Retirement Plan**

*Grady County Health Department Plan Description*

The Employees' Retirement System (ERS) is a cost-sharing multiple-employer defined benefit pension plan 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. ERS is directed by a 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/financials.

*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 Agency's total required contribution rate for the year ended June 30, 2022 was 24.63% of annual covered payroll for old and New Plan members and 21.57% for GSEPS members. The Agency's contribution to ERS total $124,700 for the year ended June 30, 2022. 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.

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

At June 30, 2022, the Agency reported a liability of $406,338 for its proportionate share of the net liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021 was determined using standard roll-forward techniques. The Agency's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June

30, 2021. At June 30, 2021, the Employer's proportion was 0.017373%, which was an increase (decrease) of 0.000986% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Agency recognized pension expenses of $61,681. At June 30, 2022, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 9,616 | $ - |
| Changes of assumptions | 117,014 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 375,553 |
| Changes in proportion and differences between Employer contributions and proportionate share of contributions | 23,605 | 1,400 |
| Employer Contributions subsequent to the measurement date | 124,700 | - |
| | $ 274,935 | $ 376,953 |

Agency contributions subsequent to the measurement date of $124,700 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, 2023. 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: | |
|---|---|
| 2023 | $ (10,503) |
| 2024 | (45,641) |
| 2025 | (91,267) |
| 2026 | (100,313) |
| 2027 | - |
| Thereafter | - |

*Actuarial Assumptions*

The total pension liability as of June 30, 2021, was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 2.50% |
| Salary Increases | 3.00-6.75%, including inflation |
| Investment rate of return | 7.00% net of pension plan investment expense, including inflation |

Mortality rates are as follows:

- The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.
- The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for post-retirement mortality assumptions as follows:

| Participant Type | Membership Table | Set Forward (+) Set Back (-) | Adjustments to Rates |
|---|---|---|---|
| Service Retirees | Generaly Healthy Annuitant | Male: +1; Female: +1 | Male: 105%; Female: 108% |
| Disability Retirees | General Disabled | Male: -3; Female: 0 | Male: 103%; Female: 106% |
| Beneficiaries | General Contingent Survivors | Male: +2; Female: +2 | Male: 106%; Female: 105% |

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July I, 2014-June 30, 2019, with the exception of the assumed investment rate of return.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and 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 7.00%. 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:*

The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.00% as well as what the Agency's proportionate share of the 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 Rate (7.00%) | 1% Increase (8.00%) |
|---|---|---|---|
| Employer's proportionate share of the net pension liability | $ 744,605 | $ 406,338 | $ 120,258 |

*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**.**

### G. OPEB Asset, OPEB Liabilities, , OPEB Income, and OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

**SEAD-OPEB - TERM LIFE INSURANCE - GASB 75**

Plan Description

SEAD-OPEB was created in 2007 by the Georgia General Assembly to amend Title 47 of the O.C.G.A., relating to retirement, so as to establish a fund for the provision of term life insurance to retired and vested inactive members of the Employees' Retirement System of Georgia (ERS), the Legislative Retirement System (LRS), and the Georgia Judicial Retirement System (GJRS). The plan is a costsharing multiple-employer defined benefit other postemployment benefit plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plan other than OPEB Plans.* The SEAD-OPEB trust fund accumulates the premiums received from the aforementioned retirement plans, including interest earned on deposits and investment of such payments.

Benefits Provided

The amount of insurance for a retiree with creditable service prior to April 1, 1964 is the full amount of insurance in effect of the date of retirement. The amount of insurance for a service retiree with no creditable service prior to April 1, 1964 is 70% of the amount of insurance in effect at age 60 or at termination, if earlier. Life insurance proceeds are paid in a lump sum to the beneficiary upon the death of the retiree.

Contributions

Georgia law provides that employee contributions to the plan shall be in an amount established by the Board of Trustees not to exceed one-half of 1% of the member's earnable compensation. There were no employer contributions required for the fiscal year ended June 30, 2022.

At June 30, 2022, the Employer reported an asset of $98,698 for its proportionate share of the OPEB asset. The net OPEB asset was measured as of June 30, 2021. The total OPEB asset used to calculate the net OPEB asset was based on an actuarial valuation as of June 30, 2020. An expected total OPEB asset as of June 30, 2021 was determined using standard roll-forward techniques. The Employer's proportion of the net OPEB asset was based on actual member salaries reported to the SEAD-OPEB plan during the fiscal year ended June 30, 2021. At June 30, 2021, the Employer's proportion was 0.001563%, which was an increase of 0.001563% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Employer's recognized OPEB income of $18,137. At June 30, 2022, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 11 | $ 382 |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on OPEB plan investments | 728 | - |
| Changes in proportion and difference between employer contributions and proportionate share of contributions | 933 | 600 |
| Employer contributions subsequent to the measurement date | - | - |
| Total | $ 1,672 | $ 982 |

Employer 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, 2023. 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: | |
|---|---|
| 2023 | $ (13,740) |
| 2024 | (8,306) |
| 2025 | (7,999) |
| 2026 | (8,746) |
| 2027 | - |
| Thereafter | - |

Actuarial Assumptions

The total OPEB liability as of June 30, 2022, was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 2.50% |
| Salary Increases | Includes inflation |
| ERS | 3.00-6.75% |
| GJRS | 3.75% |
| LRS | N/A |
| Investment rate of return | 7.00% net of OPEB plan investment expense, including inflation |
| Healthcare cost trend rate | N/A |

Mortality rates are as follows:

- The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.
- The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for post-retirement mortality assumptions as follows:
-

| Participant Type | Membership Table | Set Forward (+) Set Back (-) | Adjustments to Rates |
|---|---|---|---|
| Service Retirees | Generaly Healthy Annuitant | Male: +1; Female: +1 | Male: 105%; Female: 108% |
| Disability Retirees | General Disabled | Male: -3; Female: 0 | Male: 103%; Female: 106% |
| Beneficiaries | General Contingent Survivors | Male: +2; Female: +2 | Male: 106%; Female: 105% |

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period for the period July 1, 2014-June 30, 2019.

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 returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates by the target asset allocation percentage and by adding expected inflation.

*Discount Rate*

The discount rate used to measure the total OPEB asset was 7.00%. 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 asset.

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

The following presents the Employer's proportionate share of the net OPEB asset calculated using the discount rate of 7.00%, as well as what the Employer's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percent-point lower (6.00%) or 1-percent-point higher (8.00%) than the current rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|---|---|---|
| Employer's proportionate share of the net OPEB liability | $ 77,625 | $ 98,698 | $ 115,905 |

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.

**SHBP-OPEB - STATE HEALTH BENEFITS PLAN - GASB 75**

Plan Benefits

Employees of State organizations defined in §45-18-25 of the *Official Code of Georgia Annotated* (O.C.G.A) are provided OPEB through the State OPEB Fund-a cost-sharing multiple-employer defined benefit postemployment healthcare plan, reported as an employee trust fund and administered by a Board of Community Health (Board). Title 45 of the O.C.G.A. assigns the authority to establish and amend the benefit terms of the group health plan to the Board.

Benefits Provided

The State OPEB Fund provides healthcare benefits for retirees and their dependents due under the group health plan for employees of State organizations (including technical colleges) and other entities authorized by law to contract with the Department of Community Health (DCH) for inclusion in the plan. Retiree medical eligibility is attained when an employee retires and is immediately eligible to draw a retirement annuity from Employee' Retirement System (ERS), Georgia Judicial Retirement System (JRS), Legislative Retirement System (LRS), Teachers Retirement System (TRS) or Public School Employees. Medicare-eligible retirees re offered Standard and Premium Medicare Advantage plan options. Non-Medicare eligible retiree plan options include Health Reimbursement Arrangement (HRA), Health Maintenance Organization (HMO) and High Deductible Health Plan (HDHP). The State OPEB Fund also payment for administrative expenses of the fund. By law, no other use of the assets of the State OPEB Fund is permitted.

Contributions

As established by the Board, the State OPEB Fund is substantially funded on a pay-as-you-go basis; that is, annual cost of provided benefits will be financed in the same year as claims occur. Contributions to the

State OPEB Fund from the Employer Agency were $29,340 for the year ended June 30, 2022. Active employees are not required to contribute to the State OPEB Fund.

OPEB Liabilities, OPEB Income, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

At June 30, 2022, the Employer Agency reported a liability of $44,565 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2020. An expected total OPEB liability as of June 30, 2021 was determined using standard roll-forward techniques. The Employer Agency's proportion of the net OPEB liability was actuarially determined based on employer contributions during the fiscal year ended June 30, 2021. At June 30, 2021, the Employer Agency's proportion was 0.016214%, which was an increase of 0.0001040% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the Employer Agency's recognized OPEB income of $101,414.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ - | $ 119,995 |
| Changes of assumptions | 2,303 | 46,979 |
| Net difference between projected and actual earnings on OPEB plan investments | - | 7,790 |
| Changes in proportion and difference between employer contributions and proportionate share of contributions | 24,764 | 4,261 |
| Employer contributions subsequent to the measurement date | 29,340 | - |
| Total | $ 56,407 | $ 179,025 |

Employer Agency contributions subsequent to the measurement date of $29,340 are reported as deferred outflows of resources and will recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. 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: | |
|---|---|
| 2023 | $ (80,145) |
| 2024 | (37,722) |
| 2025 | (23,306) |
| 2026 | (10,785) |
| 2027 | - |
| Thereafter | - |

Actuarial Assumptions

The total OPEB liability as of June 30, 2021, was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2020:

| | |
|---|---|
| Inflation | 2.50% |
| Salary Increases | 3.00-6.75%, including inflation |
| Long-term expected rate Investment of return | 7.00%, compounded annually, net of expense, and including inflation |
| Healthcare cost trend rate Pre-Medicare Eligible | 6.750% |

| | |
|---|---|
| Medicare Eligible | 5.125% |
| Ultimate trend rate | |
| Pre-Medicare Eligible | 4.50% |
| Medicare Eligible | 4.50% |
| Year of Ultimate trend rate | |
| Pre-Medicare Eligible | 2029 |
| Medicare Eligible | 2023 |

Mortality rates were based on the Pub-2010 General Employee Mortality Table for Males or Females, as appropriate, with no adjustments and with the MP-2019 Projected scale applied generationally as follows:

For ERS, JRS and LRS members: Post-retirement mortality rates for service retirements were based on the Pub-2010 General Healthy Annuitant Mortality Table (ages set forward one year and adjusted 105% for males and 108% for females) with the MP-2019 Projected scale applied generationally. Post-retirement mortality rates for disability retirements were based on the Pub-2010 General Disabled Mortality Table (ages set back three years and adjusted 103% for males and 106% for females) with the MP-2019 Projected scale applied generationally. Post-retirement mortality rates for beneficiaries were based on the Pub-2010 General Contingent Survivor Mortality Table (ages set forward two years and adjusted 106% for males and 108% for females) with the MP-2019 Projected scale applied generationally.

The actuarial assumptions used in the June 30, 2020 valuation are based on the results of the most recent actuarial experience studies for the pension systems, which covered the five-year period ending June 30, 2019, and adopted by the pension Board on December 17, 2020.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculation.

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 investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for the major asset class is summarized in the following table:

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return * |
|---|---|---|
| Fixed Income | 30.00% | 0.01% |
| Equities | 70.00% | 9.20% |
| | 100.00% | |

**Rates shown are net of inflation*

Discount Rate

In order to measure the total OPEB liability, as of June 30, 2021, for the State OPEB Fund, a single equivalent interest rate of 7.00% was used, as compared with last year's discount rate of 7.06%. This is comprised of the yield or index rate for 20 year tax-exempt general obligation bonds with an average rating of AA or higher (2.16% per the Municipal Bond Index Rate) along with other factors. 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 leveraged over the last five years, adjusted for annual projected changes in headcount. Projected future benefit payments for all current plan members were projected through 2145.

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

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|---|---|---|
| Employer's proportionate share of the net OPEB liability | $ 214,042 | $ 170,768 | $ 133,872 |

Sensitivity of the Employer Agency's proportionate share of the 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 | $ 10,403 | $ 44,565 | $ 84,623 |

Detailed information about the OPEB plan's fiduciary net position is available in the 2021State of Georgia Comprehensive annual Financial Report (CAFR) which is publicly available at www.sao.georgia.gov/comprehensiveannual- financial-reports.

**H. SUBSEQUENT EVENTS:**

The Organization has evaluated subsequent events through January 27, 2023, the date on which the financial statements were available to be issued.

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## NOTE 23 – DISCRETELY PRESENTED COMPONENT UNIT – GRADY COUNTY HOSPITAL AUTHORITY

### A. Deposits and Investments

Total deposits and investments as of December 31, 2022 are summarized as follows:

| | |
|---|---|
| Cash and cash equivalents | $ 102,586 |
| Deposits with financial institutions | $ 102,586 |

### B. Capital Assets

Capital asset activity for the Grady County Hospital Authority for the year ended December 31, 2022 is as follows:

| Governmental activities: | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| 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 | (3,337,841) | (25,060) | - | (3,362,901) |
| Total accumulated depreciation | (3,337,841) | (25,060) | - | (3,362,901) |
| Other capital assets, net | | | | |
| Total capital assets, net | 466,627 | (25,060) | - | 441,567 |
| Governmental activities capital assets, net | $ 525,219 | $ (25,060) | $ - | $ 500,159 |

### SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through June 22, 2022, the date on which the financial statements were available to be issued.

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# REQUIRED SUPPLEMENTARY INFORMATION

# Grady County, Georgia
# Budgetary Comparison Schedule - General Fund
# For the Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Taxes | $ 14,353,400 | $ 14,353,400 | $ 14,755,033 | $ 401,633 |
| Licenses & Permits | 117,000 | 117,000 | 143,092 | 26,092 |
| Intergovernmental | 111,000 | 111,000 | 244,718 | 133,718 |
| Fines, Forfeitures, & Penalties | 378,600 | 378,600 | 481,936 | 103,336 |
| Charges for Services | 1,365,500 | 1,365,500 | 1,269,567 | (95,933) |
| Investment Income | 7,000 | 7,000 | 13,457 | 6,457 |
| Miscellaneous | 111,600 | 111,600 | 199,598 | 87,998 |
| Total Revenues | 16,444,100 | 16,444,100 | 17,107,401 | 663,301 |
| **EXPENDITURES** | | | | |
| General Government | | | | |
| County Commissioners | 1,235,600 | 1,192,000 | 1,188,414 | 3,586 |
| Registrar | 92,600 | 92,600 | 88,633 | 3,967 |
| Tax Assessor | 453,300 | 453,300 | 445,647 | 7,653 |
| Tax Commissioner | 430,600 | 430,600 | 380,318 | 50,282 |
| Buildings & Grounds | 801,200 | 801,200 | 721,337 | 79,863 |
| General Administration | 664,000 | 664,000 | 647,218 | 16,782 |
| Interagency | 407,800 | 407,800 | 383,981 | 23,819 |
| Total General Government | 4,085,100 | 4,041,500 | 3,855,548 | 185,952 |
| Judicial | | | | |
| Courts | 516,600 | 540,100 | 523,488 | 16,612 |
| Clerk of Superior Court | 426,100 | 426,100 | 383,926 | 42,174 |
| Probate Court | 271,400 | 271,400 | 266,526 | 4,874 |
| Magistrate Court | 230,800 | 230,800 | 222,806 | 7,994 |
| Total Judicial | 1,444,900 | 1,468,400 | 1,396,746 | 71,654 |
| Public Safety | | | | |
| Sheriff | 2,229,300 | 2,291,000 | 2,286,878 | 4,122 |
| Jail | 1,912,100 | 1,850,400 | 1,677,588 | 172,812 |
| Fire Department | 633,000 | 633,000 | 554,239 | 78,761 |
| Ambulance Services | 1,977,800 | 1,977,800 | 1,704,643 | 273,157 |
| Emergency Management | 3,500 | 3,500 | - | 3,500 |
| Coroner | 40,000 | 40,000 | 32,545 | 7,455 |
| Total Public Safety | 6,795,700 | 6,795,700 | 6,255,893 | 539,807 |
| Public Works | | | | |
| Roads & Bridges | 3,910,900 | 3,910,900 | 1,866,194 | 2,044,706 |
| Solid Waste | 1,411,300 | 1,411,300 | 1,195,762 | 215,538 |
| Shop | 320,500 | 324,500 | 317,005 | 7,495 |
| Total Public Works | 5,642,700 | 5,646,700 | 3,378,961 | 2,267,739 |
| Health & Welfare | | | | |
| Health | 129,100 | 129,100 | 121,308 | 7,792 |
| Total Health & Welfare | 129,100 | 129,100 | 121,308 | 7,792 |
| Housing & Development | | | | |
| Housing | 538,500 | 538,500 | 511,975 | 26,525 |
| Total Housing & Development | 538,500 | 538,500 | 511,975 | 26,525 |

# Grady County, Georgia
# Budgetary Comparison Schedule - General Fund
# For the Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual Amounts | Variance with Final Budget- Positive (Negative) |
|---|---|---|---|---|
| Culture & Recreation | | | | |
| Recreation | 458,100 | 474,200 | 469,358 | 4,842 |
| Parks | 498,500 | 498,500 | 323,373 | 175,127 |
| Total Culture & Recreation | 956,600 | 972,700 | 792,731 | 179,969 |
| Total Expenditures - All Departments | 19,592,600 | 19,592,600 | 16,313,162 | 3,279,438 |
| Net Excess | (3,148,500) | (3,148,500) | 794,239 | 3,942,739 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Proceeds from Debt Agreements | - | - | 53,771 | 53,771 |
| Transfers In (Out) | 1,249,100 | 1,249,100 | 3,949,014 | 2,699,914 |
| Sale of Capital Assets | 10,000 | 10,000 | 191,434 | 181,434 |
| Total Other Financing Sources (Uses) | 1,259,100 | 1,259,100 | 4,194,219 | 2,935,119 |
| Net Excess after Other Financing Sources | (1,889,400) | (1,889,400) | 4,988,458 | 6,877,858 |
| Fund Balances - Beginning | 15,152,745 | 15,152,745 | 15,152,745 | - |
| Fund Balances - Ending | $ 13,263,345 | $ 13,263,345 | $ 20,141,203 | $ 6,877,858 |

## 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 |
|---|---|
| **Expenditures** | |
| Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedules | $ 16,313,162 |
| Adjustments: | |
| The County records expenditures on the cash basis of accounting for budgetary purposes. | 503,406 |
| Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances | $ 16,816,568 |
| **Other financing sources** | |
| Actual amounts (budgetary basis) "other financing sources and uses" from the budgetary comparison schedule | $ 4,194,219 |
| Adjustments: | |
| The County financed some assets using leases and other debt agreements. For GAAP purposes the net present value of these agreements were reported as capital expenditures. The County only budgets for the actual cash paid out. | 408,353 |
| Total other financing sources and uses as reported on the statement of revenues, expenditures and changes in fund balance - general fund | $ 4,602,572 |

# Grady County, Georgia
# Budgetary Comparison
# For the Year Ended December 31, 2022

## 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;

Approximately thirty days prior to year-end, the proposed operating budget is submitted to the County Commissioners. The budget was adopted on December 21, 2021. The budget was amended once during 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, 2022

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---|---|---|---|---|---|---|---|
| Total Pension Liability as of beginning of year | $ 5,935,687 | $ 6,082,374 | $ 5,726,768 | $ 5,233,289 | $ 4,600,423 | $ 4,767,653 | $ 4,208,584 | $ 3,827,758 |
| Service cost | 190,428 | 182,067 | 198,348 | 161,235 | 121,496 | 98,299 | 115,821 | 115,172 |
| Interest | 415,498 | 425,766 | 400,874 | 366,330 | 333,531 | 339,615 | 315,644 | 282,021 |
| Plan change | - | - | - | - | - | - | - | - |
| Assumption change | 10,183 | 7,486 | 10,146 | 272,779 | 392,880 | 9,327 | 150,365 | 148,999 |
| Benefit payments (adjusted for interest) | (273,895) | (233,114) | (269,882) | (195,549) | (202,840) | (166,634) | (144,305) | (134,961) |
| Experience (gain)/(loss) | (73,537) | (528,892) | 16,120 | (111,316) | (12,201) | (447,837) | 121,544 | (30,405) |
| Total Pension Liability as of December 31, 2021 | $ 6,204,364 | $ 5,935,687 | $ 6,082,374 | $ 5,726,768 | $ 5,233,289 | $ 4,600,423 | $ 4,767,653 | $ 4,208,584 |
| | | | | | | | | |
| Fiduciary Net Position as of beginning of year | $ 5,590,817 | $ 4,974,743 | $ 4,379,698 | $ 3,593,253 | $ 3,821,182 | $ 3,339,513 | $ 3,097,059 | $ 3,029,546 |
| Employer contributions | 168,570 | 172,246 | 214,677 | 175,874 | 97,992 | 97,441 | 158,395 | 144,282 |
| Employee contributions (including buyback) | 90,136 | 92,017 | 97,373 | 100,862 | 91,990 | 87,778 | 80,436 | 83,706 |
| Net investment income | (788,978) | 751,929 | 606,644 | 748,785 | (167,870) | 520,980 | 215,740 | 19,214 |
| Benefit payments | (210,875) | (196,601) | (174,801) | (147,133) | (149,146) | (166,634) | (139,089) | (134,961) |
| Employee contribution refunds | (53,758) | (28,630) | (85,955) | (41,803) | (46,598) | - | - | - |
| Administrative expense | (34,445) | (32,512) | (33,840) | (31,378) | (19,392) | (15,391) | (19,886) | (16,465) |
| Other | (23,039) | (142,375) | (29,053) | (18,762) | (34,905) | (42,505) | (53,142) | (28,263) |
| Fiduciary Net Position as of December 31, 2022 | $ 4,738,428 | $ 5,590,817 | $ 4,974,743 | $ 4,379,698 | $ 3,593,253 | $ 3,821,182 | $ 3,339,513 | $ 3,097,059 |
| | | | | | | | | |
| Net position liability as of beginning of year | $ 344,870 | $ 1,107,631 | $ 1,347,070 | $ 1,640,036 | $ 779,241 | $ 1,428,140 | $ 1,111,525 | $ 798,212 |
| | | | | | | | | |
| Net pension liability as of end of year | $ 1,465,936 | $ 344,870 | $ 1,107,631 | $ 1,347,070 | $ 1,640,036 | $ 779,241 | $ 1,428,140 | $ 1,111,525 |
| | | | | | | | | |
| Fiduciary Net Position as a percentage of Total Pension Liability | 76.4% | 94.2% | 81.8% | 76.5% | 68.7% | 83.1% | 70.0% | 73.6% |
| | | | | | | | | |
| Covered-employee payroll | $ 3,180,763 | $ 3,181,355 | $ 3,562,904 | $ 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 | 46.1% | 10.8% | 31.1% | 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, 2022

**SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION PLAN**

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|
| Actuarially determined contribution | $ 164,142 | $ 167,247 | $ 207,473 | $ 168,466 | $ 95,313 | $ 101,955 | $ 158,395 | $ 144,282 | $ 139,137 |
| Contribution in relation to the actuarially determined contribution | 168,570 | 172,246 | 214,677 | 175,874 | 97,992 | 97,441 | 158,395 | 144,282 | 139,137 |
| Contribution deficiency (excess) | $ (4,428) | $ (4,999) | $ (7,204) | $ (7,408) | $ (2,679) | $ 4,514 | $ - | $ - | $ - |
| Covered-employee payroll | $ 3,180,763 | $ 3,181,355 | $ 3,562,904 | $ 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 | 5.3% | 5.4% | 6.0% | 5.5% | 3.3% | 3.9% | 5.9% | 5.4% | 4.5% |

**Notes to Schedule:**

| | |
|---|---|
| Valuation date | January 1, 2022 |
| Methods and assumptions used to determine contribution rates: | |
| Actuarial cost method | Entry Age Normal |
| Asset valuation method | Market value as of measurement date |
| 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 2022 |

# Grady County, Georgia
# Required Supplementary Information - Pension Plan
# December 31, 2022

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

| | 2022 | 2021 | 2020 | 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 | $ 495,121 | $ 495,121 | $ 360,080 | $ 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 | 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 | n/a | n/a | n/a |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 62.89% | 62.89% | 62.89% | 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 | $ 1,022 | $ 1,022 | $ 5,378 | $ 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 | 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 | n/a | n/a | n/a |
| Plan fiduciary net pension as a percentage of the total pension liability | 3.00% | 3.00% | 2.29% | 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, 2022

## *NON-MAJOR GOVERNMENTAL FUNDS*

# Grady County, Georgia
# Combining Balance Sheet
# Non-Major - Governmental Funds
# December 31, 2022

| | Special Revenue Funds | Capital Projects Funds | Totals |
|---|---|---|---|
| **Assets** | | | |
| Accounts Receivable | $ 71,374 | $ - | $ 71,374 |
| Restricted Cash | 579,370 | 1,501,586 | 2,080,956 |
| Total Assets | $ 650,744 | $ 1,501,586 | $ 2,152,330 |
| **Liabilities & Fund Balances** | | | |
| Liabilities | | | |
| Accounts Payable | $ 120,752 | $ - | $ 120,752 |
| Due to Other Funds | 100 | - | 100 |
| Total Liabilities | 120,852 | - | 120,852 |
| Fund Balances | | | |
| Restricted for: | | | |
| Capital Projects Funds | - | 1,501,586 | 1,501,586 |
| Legal Reference Materials | 13,123 | - | 13,123 |
| Public Safety | 156,189 | - | 156,189 |
| Recreation | 400,165 | - | 400,165 |
| Unassigned | (39,585) | - | (39,585) |
| Total Fund Balances | 529,892 | 1,501,586 | 2,031,478 |
| Total Liabilities & Fund Balance | $ 650,744 | $ 1,501,586 | $ 2,152,330 |

# Grady County, Georgia
# Combining Statement of Revenues, Expenditures and Changes in Fund Balances
# Non-Major - Governmental Funds
# For the Year Ended December 31, 2022

| | Special Revenue Funds | Capital Projects Funds | Totals |
|---|---|---|---|
| **Revenues** | | | |
| Fines | $ 39,385 | $ - | $ 39,385 |
| Charges for Services | 444,393 | - | 444,393 |
| Intergovernmental | 43,125 | 2,123,261 | 2,166,386 |
| Donations | 157,155 | - | 157,155 |
| Interest | 454 | - | 454 |
| Miscellaneous | 27,867 | 27 | 27,894 |
| Total Revenues | 712,379 | 2,123,288 | 2,835,667 |
| **Expenditures** | | | |
| Current: | | | |
| General Government | 32,833 | - | 32,833 |
| Public Safety | 1,037,681 | - | 1,037,681 |
| Culture & Recreation | 1,350 | - | 1,350 |
| Capital Outlay: | | | |
| Public Safety | 17,018 | - | 17,018 |
| Public Roads & Bridges | - | 737,428 | 737,428 |
| Culture and Recreation | 96,760 | - | 96,760 |
| Total Expenditures | 1,185,642 | 737,428 | 1,923,070 |
| Excess (Deficiency) of Revenues Over Expenditures | (473,263) | 1,385,860 | 912,597 |
| **Other Financing Sources** | | | |
| Transfers In | 557,300 | - | 557,300 |
| Transfers Out | (4,070) | - | (4,070) |
| Total Other Financing Sources | 553,230 | - | 553,230 |
| Net Change in Fund Balance | 79,967 | 1,385,860 | 1,465,827 |
| Fund Balance - Beginning | 449,925 | 115,726 | 565,651 |
| Fund Balance - Ending | $ 529,892 | $ 1,501,586 | $ 2,031,478 |

# Grady County, Georgia

## For the Year Ended December 31, 2022

## *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.**

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

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

**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.**

**Recreation – This fund is used to account for revenues and expenditures that are restricted for specific recreation purposes.**

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

**Friends Against Drugs Squad – This fund is used to account for revenues and expenditures that are restricted for specific purposes.**

**Jail Construction & Staffing – This fund is used to account for revenues and expenditures that are restricted for specific purposes.**

**SWAT Donations – This fund is used to account for revenues and expenditures that are restricted for specific purposes.**

**Drug Court – This fund is used to account for revenues and expenditures that are restricted for specific purposes.**

**Victim/Witness Protection – This fund is used to account for revenues and expenditures that are restricted for specific purposes.**

**County Supplement Junvenile Services – This fund is used to account for revenues and expenditures that are restricted for specific purposes.**

**GOHS Grant – This fund is used to account for revenues and expenditures that are restricted for specific purposes.**

**EMA Grant – This fund is used to account for revenues and expenditures that are restricted for specific purposes.**

**EMS Trauma – This fund is used to account for revenues and expenditures that are restricted for specific purposes.**

# Grady County, Georgia
# Combining Balance Sheet
# Non-Major - Special Revenue Funds
# December 31, 2022

| | E-911 | Drug Abuse & Treatment | Confiscated Assets | Recreation | Law Library | Friends Against Drugs Squad | Jail Construction & Staffing |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Accounts receivable | $ 71,374 | $ - | $ - | $ - | $ - | $ - | $ - |
| Restricted cash | 994 | 62,726 | 1,825 | 402,590 | 13,123 | 2,181 | 10,758 |
| Total Assets | $ 72,368 | $ 62,726 | $ 1,825 | $ 402,590 | $ 13,123 | $ 2,181 | $ 10,758 |
| **Liabilities & Fund Balances** | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable | $ 111,953 | $ - | $ - | $ 2,425 | $ - | $ - | $ - |
| Due to other funds | - | - | - | - | - | - | - |
| Total Liabilities | 111,953 | - | - | 2,425 | - | - | - |
| Fund Balances | | | | | | | |
| Restricted for: | | | | | | | |
| Legal reference materials | - | - | - | - | 13,123 | - | - |
| Public safety | - | 62,726 | 1,825 | - | - | 2,181 | 10,758 |
| Recreation | - | - | - | 400,165 | - | - | - |
| Unassigned | (39,585) | - | - | - | - | - | - |
| Total Fund Balances | (39,585) | 62,726 | 1,825 | 400,165 | 13,123 | 2,181 | 10,758 |
| Total Liabilities and Fund Balance | $ 72,368 | $ 62,726 | $ 1,825 | $ 402,590 | $ 13,123 | $ 2,181 | $ 10,758 |

| SWAT Donations | Drug Court Participant | Victim/ Witness Protection | County Supplement Juvenile Services | GOHS Grant | EMA Grant | EMS Trauma Grant | Totals |
|---|---|---|---|---|---|---|---|
| $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 71,374 |
| 50 | 24,858 | 3,064 | 1,332 | 100 | 47,230 | 8,539 | 579,370 |
| $ 50 | $ 24,858 | $ 3,064 | $ 1,332 | $ 100 | $ 47,230 | $ 8,539 | $ 650,744 |
| $ - | $ - | $ - | $ - | $ - | $ 6,374 | $ - | $ 120,752 |
| - | - | - | - | 100 | - | - | 100 |
| - | - | - | - | 100 | 6,374 | - | 120,852 |
| - | - | - | - | - | - | - | 13,123 |
| 50 | 24,858 | 3,064 | 1,332 | - | 40,856 | 8,539 | 156,189 |
| - | - | - | - | - | - | - | 400,165 |
| - | - | - | - | - | - | - | (39,585) |
| 50 | 24,858 | 3,064 | 1,332 | - | 40,856 | 8,539 | 529,892 |
| $ 50 | $ 24,858 | $ 3,064 | $ 1,332 | $ 100 | $ 47,230 | $ 8,539 | $ 650,744 |

# Grady County, Georgia
# Combining Statement of Revenues, Expenditures and Changes in Fund Balances
# Non-Major - Special Revenue Funds
# For the Year Ended December 31, 2022

| | E-911 | Drug Abuse & Treatment | Confiscated Assets | Recreation | Law Library | Friends Against Drugs Squad |
|---|---|---|---|---|---|---|
| **Revenues** | | | | | | |
| Fines | $ - | $ 18,376 | $ 2,250 | $ - | $ 10,924 | $ - |
| Charges for Services | 432,467 | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - |
| Donations | - | - | - | 106,137 | - | - |
| Interest | 130 | 113 | - | 163 | 2 | - |
| Miscellaneous | 12,154 | - | - | - | - | 3,000 |
| Total Revenues | 444,751 | 18,489 | 2,250 | 106,300 | 10,926 | 3,000 |
| **Expenditures** | | | | | | |
| Current: | | | | | | |
| General Government | - | - | - | - | 17,737 | - |
| Public Safety | 965,778 | 11,648 | 4,815 | - | - | 4,023 |
| Culture & Recreation | - | - | - | 1,350 | - | - |
| Capital Outlay: | | | | | | |
| Public Safety | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | 96,760 | - | - |
| Total Expenditures | 965,778 | 11,648 | 4,815 | 98,110 | 17,737 | 4,023 |
| Excess (Deficiency) of Revenues Over Expenditures | (521,027) | 6,841 | (2,565) | 8,190 | (6,811) | (1,023) |
| **Other Financing Sources** | | | | | | |
| Transfers In | 545,897 | - | - | - | - | - |
| Transfers Out | - | - | - | - | - | - |
| Total Other Financing Sources | 545,897 | - | - | - | - | - |
| Net Change in Fund Balance | 24,870 | 6,841 | (2,565) | 8,190 | (6,811) | (1,023) |
| Fund Balance - Beginning | (64,455) | 55,885 | 4,390 | 391,975 | 19,934 | 3,204 |
| Fund Balance - Ending | $ (39,585) | $ 62,726 | $ 1,825 | $ 400,165 | $ 13,123 | $ 2,181 |

| Jail Construction & Staffing | SWAT Donations | Drug Court Participant | Victim/ Witness Protection | County Supplement Juvenile Services | GOHS Grant | EMA Grant | EMS Trauma Grant | Totals |
|---|---|---|---|---|---|---|---|---|
| $ - | $ - | $ 7,835 | $ - | $ - | $ - | $ - | $ - | $ 39,385 |
| - | - | - | 11,551 | 375 | - | - | - | 444,393 |
| - | - | - | - | - | - | 37,136 | 5,989 | 43,125 |
| 43,518 | 7,500 | - | - | - | - | - | - | 157,155 |
| - | - | 44 | - | 2 | - | - | - | 454 |
| - | - | - | - | - | 12,713 | - | - | 27,867 |
| 43,518 | 7,500 | 7,879 | 11,551 | 377 | 12,713 | 37,136 | 5,989 | 712,379 |
| - | - | - | - | - | 15,096 | - | - | 32,833 |
| 32,760 | 11 | 5,583 | 7,612 | - | - | - | 5,451 | 1,037,681 |
| - | - | - | - | - | - | - | - | 1,350 |
| - | 7,439 | - | - | - | - | 9,579 | - | 17,018 |
| - | - | - | - | - | - | - | - | 96,760 |
| 32,760 | 7,450 | 5,583 | 7,612 | - | 15,096 | 9,579 | 5,451 | 1,185,642 |
| 10,758 | 50 | 2,296 | 3,939 | 377 | (2,383) | 27,557 | 538 | (473,263) |
| - | - | - | - | - | - | 11,403 | - | 557,300 |
| - | - | - | - | - | - | - | (4,070) | (4,070) |
| - | - | - | - | - | - | 11,403 | (4,070) | 553,230 |
| 10,758 | 50 | 2,296 | 3,939 | 377 | (2,383) | 38,960 | (3,532) | 79,967 |
| - | - | 22,562 | (875) | 955 | 2,383 | 1,896 | 12,071 | 449,925 |
| $ 10,758 | $ 50 | $ 24,858 | $ 3,064 | $ 1,332 | $ - | $ 40,856 | $ 8,539 | $ 529,892 |

# Grady County, Georgia
# Budgetary Basis Comparison Schedule
# E-911 - Special Revenue Fund
# For the Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Positive (Negative) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Charges for Services | $ 389,900 | $ 168,100 | $ 432,467 | $ 264,367 |
| Interest | 200 | 200 | 130 | (70) |
| Miscellaneous | 100 | 100 | 12,154 | 12,054 |
| Total Revenues | 390,200 | 168,400 | 444,751 | 276,351 |
| **Expenditures** | | | | |
| Public Safety | 1,216,200 | 965,800 | 965,778 | 22 |
| Total Expenditures | 1,216,200 | 965,800 | 965,778 | 22 |
| Excess (Deficiency) of Revenues Over Expenditures | (826,000) | (797,400) | (521,027) | 276,373 |
| **Other Financing Sources** | | | | |
| Transfers In | 826,000 | 826,000 | 545,897 | (280,103) |
| Total Other Financing Sources | 826,000 | 826,000 | 545,897 | (280,103) |
| Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses | - | 28,600 | 24,870 | (3,730) |
| Fund balance - beginning | (64,455) | (64,455) | (64,455) | - |
| Fund balance - ending | $ (64,455) | $ (64,455) | $ (64,455) | $ - |

# Grady County, Georgia
# Budgetary Basis Comparison Schedule
# Drug Abuse & Treatment - Special Revenue Fund
# For the Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Positive (Negative) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Fines & Forfeitures | $ 10,900 | $ 18,400 | $ 18,376 | $ (24) |
| Interest | 100 | 100 | 113 | 13 |
| Total Revenues | 11,000 | 18,500 | 18,489 | (11) |
| **Expenditures** | | | | |
| Public Safety | 11,000 | 11,700 | 11,648 | 52 |
| Total Expenditures | 11,000 | 11,700 | 11,648 | 52 |
| Excess (Deficiency) of Revenues Over Expenditures | - | 6,800 | 6,841 | 41 |
| Fund balance - beginning | 55,885 | 55,885 | 55,885 | - |
| Fund balance - ending | $ 55,885 | $ 62,685 | $ 62,726 | $ 41 |

# Grady County, Georgia
# Budgetary Basis Comparison Schedule
# Confiscated Assets - Special Revenue Fund
# For the Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Positive (Negative) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Fines & Forfeitures | $ 4,900 | $ 2,200 | $ 2,250 | $ 50 |
| Interest | 100 | 100 | - | (100) |
| Total Revenues | 5,000 | 2,300 | 2,250 | (50) |
| **Expenditures** | | | | |
| Public Safety | 5,000 | 4,900 | 4,815 | 85 |
| Total Expenditures | 5,000 | 4,900 | 4,815 | 85 |
| Excess (Deficiency) of Revenues Over Expenditures | - | (2,600) | (2,565) | 35 |
| Fund balance - beginning | 4,390 | 4,390 | 4,390 | - |
| Fund balance - ending | $ 4,390 | $ 1,790 | $ 1,825 | $ 35 |

# Grady County, Georgia
# Budgetary Basis Comparison Schedule
# Recreation - Special Revenue Fund
# For the Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Positive (Negative) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Donations | $ 391,200 | $ 106,300 | $ 106,137 | $ (163) |
| Interest | 100 | 100 | 163 | 63 |
| Total Revenues | 391,300 | 106,400 | 106,300 | (100) |
| **Expenditures** | | | | |
| Recreation | 391,300 | 98,200 | 98,110 | 90 |
| Total Expenditures | 391,300 | 98,200 | 98,110 | 90 |
| Excess (Deficiency) of Revenues Over Expenditures | - | 8,200 | 8,190 | (10) |
| Fund balance - beginning | 391,975 | 391,975 | 391,975 | - |
| Fund balance - ending | $ 391,975 | $ 400,175 | $ 400,165 | $ (10) |

# Grady County, Georgia
# Budgetary Basis Comparison Schedule
# Law Library - Special Revenue Fund
# For the Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Positive (Negative) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Fines & Forfeitures | $ 10,000 | $ 10,000 | $ 10,924 | $ 924 |
| Interest | - | - | 2 | 2 |
| Total Revenues | 10,000 | 10,000 | 10,926 | 926 |
| **Expenditures** | | | | |
| Court System | 10,000 | 10,000 | 17,737 | (7,737) |
| Total Expenditures | 10,000 | 10,000 | 17,737 | (7,737) |
| Excess (Deficiency) of Revenues Over Expenditures | - | - | (6,811) | (6,811) |
| Fund balance - beginning | 19,934 | 19,934 | 19,934 | - |
| Fund balance - ending | $ 19,934 | $ 19,934 | $ 13,123 | $ (6,811) |

# Grady County, Georgia
# Budgetary Basis Comparison Schedule
# Friends Against Drugs Squad - Special Revenue Fund
# For the Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Positive (Negative) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Miscellaneous | $ 3,000 | $ 3,000 | $ 3,000 | $ - |
| Total Revenues | 3,000 | 3,000 | 3,000 | - |
| **Expenditures** | | | | |
| Public Safety | 3,000 | 4,100 | 4,023 | 77 |
| Total Expenditures | 3,000 | 4,100 | 4,023 | 77 |
| Excess (Deficiency) of Revenues Over Expenditures | - | (1,100) | (1,023) | 77 |
| Fund balance - beginning | 3,204 | 3,204 | 3,204 | - |
| Fund balance - ending | $ 3,204 | $ 2,104 | $ 2,181 | $ 77 |

# Grady County, Georgia
# Budgetary Basis Comparison Schedule
# Jail Construction & Staffing - Special Revenue Fund
# For the Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Positive (Negative) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Donations | $ 50,000 | $ 43,600 | $ 43,518 | $ (82) |
| Total Revenues | 50,000 | 43,600 | 43,518 | (82) |
| **Expenditures** | | | | |
| Public Safety | 50,000 | 32,800 | 32,760 | 40 |
| Total Expenditures | 50,000 | 32,800 | 32,760 | 40 |
| Excess (Deficiency) of Revenues Over Expenditures | - | 10,800 | 10,758 | (42) |
| Fund balance - beginning | - | - | - | - |
| Fund balance - ending | $ - | $ 10,800 | $ 10,758 | $ (42) |

# Grady County, Georgia
# Budgetary Basis Comparison Schedule
# SWAT Donation Fund - Special Revenue Fund
# For the Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Positive (Negative) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Donations | $ - | $ 7,500 | $ 7,500 | $ - |
| Total Revenues | - | 7,500 | 7,500 | - |
| **Expenditures** | | | | |
| Public Safety | - | 7,500 | 7,450 | 50 |
| Total Expenditures | - | 7,500 | 7,450 | 50 |
| Excess (Deficiency) of Revenues Over Expenditures | - | - | 50 | 50 |
| Fund balance - beginning | - | - | - | - |
| Fund balance - ending | $ - | $ - | $ 50 | $ 50 |

# Grady County, Georgia
# Budgetary Basis Comparison Schedule
# Drug Court Participant - Special Revenue Fund
# For the Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Positive (Negative) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Fines & Forfeitures | $ 4,900 | $ 7,800 | $ 7,835 | $ 35 |
| Interest | 100 | 100 | 44 | (56) |
| Total Revenues | 5,000 | 7,900 | 7,879 | (21) |
| **Expenditures** | | | | |
| Public Safety | 5,000 | 5,600 | 5,583 | 17 |
| Total Expenditures | 5,000 | 5,600 | 5,583 | 17 |
| Excess (Deficiency) of Revenues Over Expenditures | - | 2,300 | 2,296 | (4) |
| Fund balance - beginning | 22,562 | 22,562 | 22,562 | - |
| Fund balance - ending | $ 22,562 | $ 24,862 | $ 24,858 | $ (4) |

# Grady County, Georgia
# Budgetary Basis Comparison Schedule
# Victim/Witness Protection - Special Revenue Fund
# For the Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Positive (Negative) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Charges for Services | $ 8,000 | $ 11,600 | $ 11,551 | $ (49) |
| Total Revenues | 8,000 | 11,600 | 11,551 | (49) |
| **Expenditures** | | | | |
| Public Safety | 8,000 | 7,700 | 7,612 | 88 |
| Total Expenditures | 8,000 | 7,700 | 7,612 | 88 |
| Excess (Deficiency) of Revenues Over Expenditures | - | 3,900 | 3,939 | 39 |
| Fund balance - beginning | (875) | (875) | (875) | - |
| Fund balance - ending | $ (875) | $ 3,025 | $ 3,064 | $ 39 |

# Grady County, Georgia
# Budgetary Basis Comparison Schedule
# County Supplement Juvenile Services - Special Revenue Fund
# For the Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Positive (Negative) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Charges for Services | $ 400 | $ 300 | $ 375 | $ 75 |
| Interest | 100 | 100 | 2 | (98) |
| Total Revenues | 500 | 400 | 377 | (23) |
| **Expenditures** | | | | |
| Public Safety | 500 | - | - | - |
| Total Expenditures | 500 | - | - | - |
| Excess (Deficiency) of Revenues Over Expenditures | - | 400 | 377 | (23) |
| Fund balance - beginning | 955 | 955 | 955 | - |
| Fund balance - ending | $ 955 | $ 1,355 | $ 1,332 | $ (23) |

# Grady County, Georgia
# Budgetary Basis Comparison Schedule
# GOHS Grant - Special Revenue Fund
# For the Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Positive (Negative) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Miscellaneous | $ 20,000 | $ 12,800 | $ 12,713 | $ (87) |
| Total Revenues | 20,000 | 12,800 | 12,713 | (87) |
| **Expenditures** | | | | |
| General Government | 20,000 | 15,100 | 15,096 | 4 |
| Total Expenditures | 20,000 | 15,100 | 15,096 | 4 |
| Excess (Deficiency) of Revenues Over Expenditures | - | (2,300) | (2,383) | (83) |
| Fund balance - beginning | 2,383 | 2,383 | 2,383 | - |
| Fund balance - ending | $ 2,383 | $ 83 | $ - | $ (83) |

# Grady County, Georgia
# Budgetary Basis Comparison Schedule
# EMA Grant - Special Revenue Fund
# For the Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Positive (Negative) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Intergovernmental | $ 8,800 | $ 37,200 | $ 37,136 | $ (64) |
| Total Revenues | 8,800 | 37,200 | 37,136 | (64) |
| **Expenditures** | | | | |
| Public Safety | 17,600 | 9,600 | 9,579 | 21 |
| Total Expenditures | 17,600 | 9,600 | 9,579 | 21 |
| Excess (Deficiency) of Revenues Over Expenditures | (8,800) | 27,600 | 27,557 | (43) |
| **Other Financing Sources** | | | | |
| Operating Transfers In (Out) | 8,800 | 8,800 | 11,403 | 2,603 |
| Total Other Financing Sources | 8,800 | 8,800 | 11,403 | 2,603 |
| Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses | - | 36,400 | 38,960 | 2,560 |
| Fund balance - beginning | 1,896 | 1,896 | 1,896 | - |
| Fund balance - ending | $ 1,896 | $ 38,296 | $ 40,856 | $ 2,560 |

# Grady County, Georgia
# Budgetary Basis Comparison Schedule
# EMA Trauma Grant - Special Revenue Fund
# For the Year Ended December 31, 2022

| | Original Budget | Final Budget | Actual | Positive (Negative) |
|---|---|---|---|---|
| **Revenues** | | | | |
| Intergovernmental | $ 12,400 | $ 2,000 | $ 5,989 | $ 3,989 |
| Total Revenues | 12,400 | 2,000 | 5,989 | 3,989 |
| **Expenditures** | | | | |
| Public Safety | 12,400 | 5,500 | 5,451 | 49 |
| Total Expenditures | 12,400 | 5,500 | 5,451 | 49 |
| Excess (Deficiency) of Revenues Over Expenditures | - | (3,500) | 538 | 4,038 |
| **Other Financing Sources** | | | | |
| Operating Transfers In (Out) | - | - | (4,070) | (4,070) |
| Total Other Financing Sources | - | - | (4,070) | (4,070) |
| Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses | - | (3,500) | (3,532) | (32) |
| Fund balance - beginning | 12,071 | 12,071 | 12,071 | - |
| Fund balance - ending | $ 12,071 | $ 8,571 | $ 8,539 | $ (32) |

# Grady County, Georgia

## For the Year Ended December 31, 2022

## *NON-MAJOR GOVERNMENTAL FUNDS*

## CAPITAL PROJECTS FUNDS

**To account for and report fiancial resources that are**
**restricted, committed, or assigned to expenditures for captial projects.**

**LMIG – To account for the proceeds and disbursements related to the LMIG road project.**

**CDBG – This fund is used to account for grant award draws and expenditures for capital projects.**

# Grady County, Georgia
# Combining Balance Sheet
# Non-Major - Capital Projects Funds
# December 31, 2022

| | LMIG | CDBG | Totals |
|---|---|---|---|
| **Assets** | | | |
| Restricted cash | $ 1,501,586 | $ - | $ 1,501,586 |
| Total Assets | $ 1,501,586 | $ - | $ 1,501,586 |
| **Liabilities & Fund Balances** | | | |
| Liabilities | | | |
| Due to other funds | $ - | $ - | $ - |
| Total Liabilities | - | - | - |
| Fund Balances | | | |
| Restricted for: | | | |
| Capital projects funds | 1,501,586 | - | 1,501,586 |
| Total Fund Balances | 1,501,586 | - | 1,501,586 |
| Total Liabilities and Fund Balances | $ 1,501,586 | $ - | $ 1,501,586 |

# Grady County, Georgia
# Combining Statement of Revenues, Expenditures and Changes in Fund Balances
# Non-Major - Capital Projects Funds
# For the Year Ended December 31, 2022

| | LMIG | CDBG | Totals |
|---|---|---|---|
| **Revenues** | | | |
| Intergovernmental | $ 2,123,261 | $ - | $ 2,123,261 |
| Miscellaneous | - | 27 | 27 |
| Total Revenues | 2,123,261 | 27 | 2,123,288 |
| **Expenditures** | | | |
| Capital Outlay: | | | |
| Public Roads & Bridges | 737,428 | - | 737,428 |
| Total Expenditures | 737,428 | - | 737,428 |
| Net Change in Fund Balance | 1,385,833 | 27 | 1,385,860 |
| Fund balance - beginning | 115,753 | (27) | 115,726 |
| Fund balance - ending | $ 1,501,586 | $ - | $ 1,501,586 |

# Grady County, Georgia
# For the Year Ended December 31, 2022

## CUSTODIAL FUNDS

# Grady County, Georgia
# Combining Statement of Fiduciary Net Position
# Custodial Funds
# For the Year Ended December 31, 2022

| | Clerk of Superior Court | Probate Court | Tax Commissioner | Magistrate Court | Sheriff's Department | Totals |
|---|---|---|---|---|---|---|
| **Assets** | | | | | | |
| Cash | $ 90,114 | $ 4,920 | $ 5,835,711 | $ 18,497 | $ 86,117 | $ 6,035,359 |
| Tax Receivable | - | - | 3,736,619 | - | - | 3,736,619 |
| Total Assets | $ 90,114 | $ 4,920 | $ 9,572,331 | $ 18,497 | $ 86,117 | $ 9,771,979 |
| **Net Position** | | | | | | |
| Net Position-Held for Others | $ 90,114 | $ 4,920 | $ 9,572,331 | $ 18,497 | $ 86,117 | $ 9,771,979 |
| Total Net Position | $ 90,114 | $ 4,920 | $ 9,572,331 | $ 18,497 | $ 86,117 | $ 9,771,979 |

# Grady County, Georgia
# Combining Statement of Changes in Fiduciary Net Position
# Custodial Funds
# For the Year Ended December 31, 2022

| | Clerk of Superior Court | Probate Court | Tax Commissioner | Magistrate Court | Sheriff's Department | Totals |
|---|---|---|---|---|---|---|
| Additions | | | | | | |
| Taxes | $ 112,048 | $ - | $ 26,707,783 | $ - | $ - | $ 26,819,831 |
| Fees | 625,268 | 68,316 | 1,495,196 | 190,419 | 70,955 | 2,450,154 |
| Total Additions | 737,316 | 68,316 | 28,202,979 | 190,419 | 70,955 | 29,269,985 |
| Deductions | | | | | | |
| Payment of Taxes to Other Agencies | 112,048 | - | 21,333,401 | - | - | 21,445,449 |
| Payment of Fees to Other Agencies | 670,778 | 73,441 | 1,210,196 | 183,260 | 54,311 | 2,191,986 |
| Total Deductions | 782,826 | 73,441 | 22,543,597 | 183,260 | 54,311 | 23,637,435 |
| Changes in Net Position | (45,510) | (5,125) | 5,659,382 | 7,159 | 16,644 | 5,632,550 |
| Net Position Begnning of Year | 135,624 | 10,045 | 3,912,949 | 11,338 | 69,473 | 4,139,429 |
| Net Position End of Year | $ 90,114 | $ 4,920 | $ 9,572,331 | $ 18,497 | $ 86,117 | $ 9,771,979 |

# STATE REPORTING REQUIREMENTS

# Grady County, Georgia
# Annual Report of 9-1-1 Expenditures
# For the Year Ended December 31, 2022

| 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, 2022

| | | | | |
|---|---|---|---|---|
| 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) | $ | 2,500 |
| 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 | | $ | 963,278 |
| | General Supplies and Materials | | $ | - |

# Grady County, Georgia
# Annual Report of 9-1-1 Expenditures
# For the Year Ended December 31, 2022

| | | | |
|---|---|---|---|
| | Repairs | $ | - |
| | | $ | |
| | | $ | |
| | | $ | |
| | | $ | |
| | | $ | |
| 18 | Total Expenditures (total of all amounts reported on Lines 2 through 17 above) | $ | 965,778 |

Reconciling Note:

| | | |
|---|---|---|
| | Non-Allowable Items | |
| | Professional Fees | |
| | Total Expenditures on Combining Statement of Revenues, Expenditures & Changes in Fund Balance | $ 965,778 |

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_11/6/23_

Print Name of Chief Elected Official Phillip Dozier

Title of Chief Elected Official Chairman

Signature of Chief Financial Officer Holly Murkerson Date_11/6/23_

Print Name of Chief Financial Officer Holly Murkerson

## Grady County, Georgia
## Schedule of Special Purpose
## Local Option Sales Tax - 2019
## For the Year Ended December 31, 2022

| Project | Original Estimated Cost | Expenditure | | | Estimated Percentage of Completion |
|---|---|---|---|---|---|
| | | Prior Years | Current Year | Total | |
| **Special Purpose Local Option Sales Tax - 2019** | | | | | |
| County roads, streets and bridges | $ 1,346,000 | $ - | $ 23,850 | $ 23,850 | 1.77% |
| Parks & recreation facility improvements | 600,000 | - | - | - | 0.00% |
| Public safety equipment | 1,000,000 | 38,077 | 139,231 | 177,308 | 17.73% |
| Retirement of existing indebtedness | 7,800,000 | 915,559 | 708,289 | 1,623,848 | 20.82% |
| City of Cairo | 6,912,000 | 1,975,216 | 1,413,036 | 3,388,252 | 49.02% |
| City of Whigham | 342,000 | 92,767 | 69,916 | 162,683 | 47.57% |
| Total expenditures | $ 18,000,000 | $ 3,021,619 | $ 2,354,322 | $ 5,375,941 | |

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

| | |
|---|---|
| Expenditures from SPLOST schedule (above) | $ 2,354,322 |
| Non-SPLOST Tax Expenditures | |
| Principal paid on debt | 775,000 |
| Total expenditures per SPLOST Capital Projects Fund on Page 6 | $ 3,129,322 |

## Grady County, Georgia
## Schedule of Transportation Special Purpose
## Local Option Sales Tax - 2020
## For the Year Ended December 31, 2022

| Project | Original Estimated Cost | Expenditure | | | Estimated Percentage of Completion |
|---|---|---|---|---|---|
| | | Prior Years | Current Year | Total | |
| **Transportation Special Purpose Local Option Sales Tax - 2020** | | | | | |
| Road and Transportation | $ 8,955,000 | $ 728,522 | $ 2,320,705 | $ 3,049,227 | 34.05% |
| Total expenditures | $ 8,955,000 | $ 728,522 | $ 2,320,705 | $ 3,049,227 | |

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

# 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, 2022, 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 November 6, 2023. 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, and 2022-A* 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 two instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* . and which are described in the accompanying schedule of findings and questioned costs as items *2022-B and 2022-C.*

**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

November 6, 2023

**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.

**2022-A**

**Condition:**

The Tax Commissioner did not timely reconcile bank accounts.

**Criteria:**

Material errors were not detected in a timely manner.

**Cause:**

The exact cause or causes are unclear but a breakdown in management oversight combined with health issues likely contributed to the situation.

**Effect:**

Material errors could easily go undetected in a timely manner.

**Recommendation:**

Reconciliation must be completed every month.

**Management's Response:**

The tax commissioner has taken responsibility for this situation and is committed to never letting it happen again. All accounts are properly reconciled as of the date of this report.

**2022-B**

**Condition:**

The tax commissioner did not remit collections to recipients in a timely manner.

**Criteria:**

The tax collector or tax commissioner in each county having a population of less than 30,000 shall make a report every two weeks to the county governing authority of the aggregate amount of taxes collected during the two-week period. Each report shall separately specify the amount collected for the state and the amount collected for the county.

**Cause:**

The exact cause or causes are unclear but a breakdown in management oversight combined with health issues likely contributed to the situation.

**Effect:**

The Grady County Tax Commissioners office was in violation of O.C.G.A. 48-5-142(b).

**Recommendation:**

The tax commissioner should oversee the payout of funds in accordance with state law.

**Management's Response:**

The tax commissioner has taken responsibility for this situation and is committed to never letting it happen again. Funds are being properly disbursed as of the date of this report.

## 2022-C

### Condition:

The County was in violation of State budget statutes for the year ended December 31, 2022 because the Law Library exceeded their budget at the legal level of control. The Georgia Statutes define the legal level of control, at a minimum, to be at the departmental level. The departments and the budget analysis follow:

| Department | Fund | Balance Over Budget |
|---|---|---|
| Law Library | Special Revenue | $ 7,737 |

### Criteria:

State budget statutes require departmental expenditures to not exceed their budget at the legal level of control.

### Cause:

Expenditures exceeded the budget and were not amended enough to avoid excesses.

### Effect:

The County (Board of Commissioners and/or Elected Constitutional Officers) was in violation of O.C.G.A. 36-81-3.

### Recommendation:

Continue to emphasize management of expenditures and periodic comparison to the budget.

### Management's Response:

Management (Board of Commissioners and/or Elected Constitutional Officers) agrees with finding and will periodically monitor budget and make amendments as necessary. Management will be more diligent in reviewing the budgets as the year proceeds and amend as needed. The updated budget procedures should take effect for the next fiscal year.