Madison County, Georgia

Financial Statements

For the Year Ended December 31, 2011

Madison County, Georgia
Financial Report
For the Year Ended December 31, 2011

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Commissioners of
Madison County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Madison County, Georgia as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Madison County Health Department, which represent 3% and 48%, respectively, of the assets and revenues of the component unit columns. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the financial statements, insofar as it relates to the amounts included in the Madison County Health Department, is based on the report of other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our report 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, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information for Madison County, Georgia as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 2012 on our consideration of Madison County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not

to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund and the Retirement Plan – Schedule of Funding Progress information on pages i through vii, 31-32 and 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Madison County, Georgia's financial statements as a whole. The supplementary information, the Schedule of Projects Constructed with Special Sales Tax Proceeds, and the Certification of 9-1-1 Expenditures, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements. The supplementary information, the Schedule of Projects Constructed with Special Sales Tax Proceeds, and the Certification of 9-1-1 Expenditures, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Treadwell, Tamplin & Co.

Athens, Georgia
June 29, 2012

MADISON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2011

Management's Discussion and Analysis of Madison County ("the County") provides a narrative overview and analysis of the County's financial activities for the year ended December 31, 2011. This information is to be considered in conjunction with the County's financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities at December 31, 2011 by $278,260,198 presented as "net assets". Of this amount, $12,069,730 was reported as "unrestricted net assets". Unrestricted net assets represent the amount available to meet the County's obligations to citizens and creditors.

- The County's combined net assets decreased from $288,498,076 to $278,260,198.

- The County's General Fund unassigned fund balance was $10,761,074, assigned fund balance was $404,006, restricted fund balances was $23,050, and nonspendable fund balance was $141,995.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements

The government-wide financial statements provide a broad overview of the County's finances, in a manner similar to a private-sector business. The government-wide financial statements consist of the Statement of Net Assets and the Statement of Activities.

The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused annual leave).

The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development. The business-type activity of the County is Solid Waste Management.

The government-wide financial statements include not only the County itself, but also the Madison County Industrial Development Authority and the Madison County Health Department. These are legally separate entities that are component units of the County due to the significance of their operational or financial relationships with the County. Financial information for these component units is reported separately from the financial information presented for the primary government.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories – governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable sources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities.

The County maintains governmental funds to account for the following activities: General, Special Revenue, and SPLOST.

Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General and SPLOST funds, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements.

Proprietary funds

Services for which the government charges customers a fee are generally reported in proprietary funds. The Solid Waste Management Fund is an enterprise fund and its business-like activities are reported with detail including cash flows.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. The County has five fiduciary funds, Tax Commissioner, Sheriff, Clerk of Superior Court, Probate Court, and Magistrate Court.

Notes to the financial statements

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

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by $278,260,198 at the close of the fiscal year on December 31, 2011.

The largest portion of the County's net assets reflects its investments in capital assets (such as land, buildings, equipment, and vehicles); less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Madison County's Net Assets - Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 17,226,803	$ 18,212,893	$ 1,959	$ 4,205	$ 17,228,762	$ 18,217,098
Capital assets	263,971,759	273,613,553	181,271	104,428	264,153,030	273,717,981
Total assets	281,198,562	291,826,446	183,230	108,633	281,381,792	291,935,079
Long-term liabilities	1,471,425	1,812,544	318,894	363,851	1,790,319	2,176,395
Other liabilities	1,298,313	1,226,924	32,962	33,684	1,331,275	1,260,608
Total liabilities	2,769,738	3,039,468	351,856	397,535	3,121,594	3,437,003
Net assets:						
Invested in capital assets, net of related debt	263,971,759	273,362,420	181,271	103,641	264,153,030	273,466,061
Restricted	2,037,438	2,599,123	-	-	2,037,438	2,599,123
Unrestricted	12,419,627	12,825,435	(349,897)	(392,543)	12,069,730	12,432,892
Total net assets	$ 278,428,824	$ 288,786,978	$ (168,626)	$ (288,902)	$ 278,260,198	$ 288,498,076

Unrestricted net assets of $12,069,730 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the fiscal year, Madison County is able to report a positive balance in total net assets.

The following table provides a summary of the County's operations.

Madison County's Changes in Net Assets - Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	$ 2,832,805	$ 3,035,218	$ 171,369	$ 175,309	$ 3,004,174	$ 3,210,527
Operating grants and Contributions	310,347	377,505	-	-	310,347	377,505
Capital grants and Contributions	49,602	866,733	-	-	49,602	866,733
General revenues:						
Taxes	12,544,359	12,862,205	-	-	12,544,359	12,862,205
Grants and contributions	-	-	-	-	-	-
Investment revenue	66,265	85,424	-	-	66,265	85,424
Other	59,973	76,406	-	-	59,973	76,406
Total Revenues	15,863,351	17,303,491	171,369	175,309	16,034,720	17,478,800
Expenses:						
General government	2,262,401	2,259,686			2,262,401	2,259,686
Judicial	1,162,961	1,197,191			1,162,961	1,197,191
Public safety	6,735,788	6,596,004			6,735,788	6,596,004
Public works	13,881,365	13,404,817			13,881,365	13,404,817
Health and welfare	606,103	531,717			606,103	531,717
Culture and recreation	756,879	733,014			756,879	733,014
Housing and development	320,534	304,940			320,534	304,940
Interest	62,576	25,904			62,576	25,904
Solid waste	-	-	483,991	474,050	483,991	474,050
Total Expenses	25,788,607	25,053,273	483,991	474,050	26,272,598	25,527,323
Change in net assets before transfers	(9,925,256)	(7,749,782)	(312,622)	(298,741)	(10,237,878)	(8,048,523)
Transfers	(432,898)	(336,221)	432,898	336,221	-	-
Change in nets assets after transfers	(10,358,154)	(8,086,003)	120,276	37,480	(10,237,878)	(8,048,523)
Beginning Nets Assets, restated	288,786,978	296,872,981	(288,902)	(326,382)	288,498,076	296,546,599
Ending Net Assets	$ 278,428,824	$ 288,786,978	$ (168,626)	$ (288,902)	$ 278,260,198	$ 288,498,076

FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

Governmental Funds

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

General Fund

The General Fund is the County's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the General Fund was $10,761,074, while the total fund balance was $11,330,125. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures.

SPLOST Fund

Proceeds of special purpose local option sales tax will fund multiple capital projects. At the end of the current fiscal year, expenditures were $2,646,865, revenues were $2,003,279, and fund balance was $1,764,332.

Proprietary Fund

The County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The County's only proprietary fund is the Solid Waste Fund.

At the end of the current fiscal year, total net assets for the Solid Waste Fund were ($168,628) as this fund operates with a deficit each year requiring transfers from the General Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, amendments were made to the budget. The most substantial amounts were due to the following:

purchase of buildings
purchase of patrol vehicles
renovation of buildings
debt retirement
receipts and expenditures of grant funds

CAPITAL ASSETS

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2011 amounts to $264,153,030 net of depreciation. This investment in capital assets includes land, buildings and improvements, equipment, furniture, vehicles, and infrastructure.

Madison County's Capital Assets - Primary Government
(net of accumulated depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	$ 643,445	$ 618,546	$ -	$ -	$ 643,445	$ 618,546
Construction in progress	1,550,495	502,640	-	-	1,550,495	502,640
Buildings and improvements	10,047,893	9,511,313	83,260	83,260	10,131,153	9,594,573
Equipment, furniture, and vehicles	6,192,447	6,206,939	168,696	75,000	6,361,143	6,281,939
Land improvements	463,956	463,956	-	-	463,956	463,956
Infrastructure	427,849,137	427,849,137	-	-	427,849,137	427,849,137
Accumulated depreciation	(182,775,614)	(171,538,978)	(70,685)	(53,832)	(182,846,299)	(171,592,810)
Total	$ 263,971,759	$ 273,613,553	$ 181,271	$ 104,428	$ 264,153,030	$ 273,717,981

Additional information regarding the County's capital assets can be found in note 5 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the County had $1,790,319 in outstanding debt consisting of capital leases, notes payable, landfill postclosure costs, and compensated absences.

Madison County's Outstanding Debt - Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Notes payable	$ -	$ -	$ 165,536	$ 195,153	$ 165,536	$ 195,153
Capital lease	1,150,910	1,497,224	-	6,311	1,150,910	1,503,535
Landfill postclosure	-	-	133,360	141,695	133,360	141,695
Compensated absences	320,515	315,320	19,998	20,692	340,513	336,012
Total	$ 1,471,425	$ 1,812,544	$ 318,894	$ 363,851	$ 1,790,319	$ 2,176,395

Additional information regarding the County's long term debt activity can be found in note 7 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2012 General Fund budget was balanced by using $404,006 from fund balance.

REQUEST FOR INFORMATION

This report is designed to provide a general overview of the County's primary government finances. Questions concerning any of the information provided in this report or requests for additional information can be addressed to the Finance Director, Madison County, PO Box 147, Danielsville, Georgia 30633.

Madison County, Georgia
Statement of Net Assets
December 31, 2011

	Governmental Activities	Business-type Activities	Total	Industrial Development Authority	June 30 Health Department
ASSETS					
Cash and cash equivalents	$ 12,740,781	$ 400	$ 12,741,181	$ 441,132	$ 484,017
Receivables	2,394,122	1,559	2,395,681	240,980	89,066
Due from other governments	369,624	-	369,624	114,752	44,039
Inventories	125,725	-	125,725	-	-
Deferred pension benefit	174,844	-	174,844	-	-
Capital lease receivables	1,405,437	-	1,405,437	-	-
Other assets	16,270	-	16,270	281,956	-
Capital assets					
Capital assets not being depreciated	2,193,940	-	2,193,940	2,697,709	-
Capital assets, net of depreciation	261,777,819	181,271	261,959,090	14,057,544	-
Other capital assets, net	-	-	-	-	15,368
Total assets	281,198,562	183,230	281,381,792	17,834,073	632,490
LIABILITIES					
Accounts payable and accrued expenses	1,043,787	30,645	1,074,432	52,031	44,011
Deferred lease income	254,526	-	254,526	-	5,364
Accrued interest	-	2,317	2,317	-	-
Customer deposits	-	-	-	45,120	-
Long-term liabilities					
Due within one year					
Note payable	-	31,312	31,312	385,237	-
Capital lease obligations	202,302	-	202,302	-	-
Compensated absences	-	-	-	-	9,178
Landfill postclosure costs	-	8,335	8,335	-	-
Due in more than one year					
Note payable	-	134,224	134,224	7,932,188	-
Capital lease obligations	948,608	-	948,608	-	-
Compensated absences	320,515	19,998	340,513	-	32,417
Landfill postclosure costs	-	125,025	125,025	-	-
Total liabilities	2,769,738	351,856	3,121,594	8,414,576	90,970
NET ASSETS					
Invested in capital assets, net of related debt	263,971,759	181,271	264,153,030	8,437,828	15,368
Restricted for:					
Capital projects	1,764,332	-	1,764,332	67,145	-
Judicial	54,425		54,425	-	-
Health and welfare	23,050	-	23,050	-	-
Public safety	195,631	-	195,631	-	-
Debt service	-	-	-	135,154	-
Unrestricted	12,419,627	(349,897)	12,069,730	779,370	526,152
Total net assets	$ 278,428,824	$ (168,626)	$ 278,260,198	$ 9,419,497	$ 541,520

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

Madison County, Georgia
Statement of Activities
For the Year Ended December 31, 2011

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Industrial Development Authority	June 30 Health Department
Primary government									
Governmental Activities									
General Government	$ 2,262,401	$ 403,955	$ 19,400	$ -	$ (1,839,046)	$ -	$ (1,839,046)		
Judicial	1,162,961	630,637	85,000	-	(447,324)	-	(447,324)		
Public Safety	6,735,788	1,623,216	24,159	-	(5,088,413)	-	(5,088,413)		
Public Works	13,881,365	-	-	31,059	(13,850,306)	-	(13,850,306)		
Health and Welfare	606,103	-	177,996	18,543	(409,564)	-	(409,564)		
Culture and Recreation	756,879	126,656	3,792	-	(626,431)	-	(626,431)		
Housing & Development	320,534	48,341	-	-	(272,193)	-	(272,193)		
Interest on Long-term debt	62,576	-	-	-	(62,576)	-	(62,576)		
Total governmental activities	25,788,607	2,832,805	310,347	49,602	(22,595,853)	-	(22,595,853)		
Business-type activities:									
Solid Waste Fund	483,991	171,369	-	-		(312,622)	(312,622)		
Total business-type activities	483,991	171,369	-	-		(312,622)	(312,622)		
Total primary government	26,272,598	3,004,174	310,347	49,602	(22,595,853)	(312,622)	(22,908,475)		
Component Units									
Industrial Development Authority	1,432,147	526,566	-	210,569				(695,012)	-
Health Department	615,905	208,167	482,166	-				-	74,428
Total component units	$ 2,048,052	$ 734,733	$ 482,166	$ 210,569				$ (695,012)	$ 74,428
General revenues:									
Taxes:									
Property taxes, levied for general purposes					$ 7,739,475	$ -	$ 7,739,475	$ 643,345	$ -
Sales taxes					3,433,011	-	3,433,011	-	-
Franchise and other business taxes					1,371,873	-	1,371,873	6,398	-
Interest revenue					66,265	-	66,265	3,662	687
Miscellaneous					44,187	-	44,187	22,687	-
Gain on disposal of asset					15,786	-	15,786	-	-
Special item - forgiveness of debt on GEFA notes					-	-	-	503,327	-
Transfers					(432,898)	432,898	-	-	-
Total general revenues, special item, and transfers					12,237,699	432,898	12,670,597	1,179,419	687
Change in net assets					(10,358,154)	120,276	(10,237,878)	484,407	75,115
Net assets - beginning, as previously reported					288,786,978	(288,902)	288,498,076	8,935,090	478,989
Prior period adjustment					-	-	-	-	(12,584)
Net assets - beginning, as restated					288,786,978	(288,902)	288,498,076	8,935,090	466,405
Net assets - ending					$ 278,428,824	$ (168,626)	$278,260,198	$ 9,419,497	$ 541,520

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

Madison County, Georgia
Balance Sheet
Governmental Funds
December 31, 2011

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 10,705,318	$ 1,819,755	$ 215,708	$ 12,740,781
Accounts receivable, net	-	-	82,034	82,034
Taxes receivable, net	2,156,163	-	-	2,156,163
Due from other funds	-	-	10,813	10,813
Receivable from other governments	191,827	180,281	-	372,108
Other receivables	153,441	-	-	153,441
Capital lease receivable	1,405,437	-	-	1,405,437
Inventories	125,725	-	-	125,725
Prepaid expenses	16,270	-	-	16,270
Total assets	14,754,181	2,000,036	308,555	17,062,772
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	54,966	235,704	7,201	297,871
Accrued salaries and benefits	647,275	-	51,298	698,573
Due to other funds	10,813	-	-	10,813
Deferred revenue - property taxes	1,258,219	-	-	1,258,219
Deferred revenue - lease	1,405,438	-	-	1,405,438
Tax sale proceeds held for others	47,345	-	-	47,345
Total liabilities	3,424,056	235,704	58,499	3,718,259
Fund balances:				
Nonspendable	141,995	-	-	141,995
Restricted				
Capital projects	-	1,764,332	-	1,764,332
Judicial	-	-	54,425	54,425
Health and welfare	23,050	-	-	23,050
Public safety	-	-	195,631	195,631
Assigned				
Subsequent years' budget	404,006	-	-	404,006
Unassigned	10,761,074	-	-	10,761,074
Total fund balances	11,330,125	1,764,332	250,056	13,344,513
Total liabilities and fund balances	$ 14,754,181	$ 2,000,036	$ 308,555	$ 17,062,772

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

Madison County, Georgia
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
December 31, 2011

Total fund balance, governmental funds (Exhibit 3)	$	13,344,513
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.		263,971,759
Some liabilities, (such as Notes Payable, Capital Lease Obligations, and Compensated Absences), are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Assets.		(1,471,425)
The County's cumulative contributions to the defined benefit retirement plan exceed the cumulative annual pension costs resulting in a deferred pension benefit on the Statement of Net Assets. Because the deferred pension benefit is not a current financial resource it is not reported in the funds.		174,844
Deferred revenue is recorded in the funds to offset the principal and interest payments due under the capital lease receivable until the payments are available. However, in the Statement of Net Assets deferred revenue is only necessary for the portion of the receivable that represents implied interest payments to be received.		1,150,914
Some of the County's taxes will be collected after year-end, but are not available soon enough to be used to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.		1,258,219
Net Assets of Governmental Activities in the Statement of Net Assets (Exhibit 1)	$	278,428,824

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

Madison County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 10,547,095	$ 1,972,220	$ -	$ 12,519,315
Licenses and permits	59,791	-	-	59,791
Intergovernmental	263,937	-	11,700	275,637
Charges for services	1,381,306	-	491,934	1,873,240
Fines and forfeitures	762,550	-	78,625	841,175
Investment earnings	65,255	31,059	1,009	97,323
Contributions and donations	53,253	-	-	53,253
Miscellaneous	252,154	-	309	252,463
Total revenues	13,385,341	2,003,279	583,577	15,972,197
EXPENDITURES				
Current:				
General government	2,767,242	-	-	2,767,242
Judicial	1,123,281	-	21,127	1,144,408
Public safety	5,690,099	-	857,552	6,547,651
Public works	1,786,618	-	-	1,786,618
Health and welfare	556,861	-	-	556,861
Culture and recreation	699,935	-	-	699,935
Housing and development	316,816	-	-	316,816
Debt Service:				
Principal	400,814	-	-	400,814
Interest and other charges	62,638	-	-	62,638
Intergovernmental	-	421,068	-	421,068
Capital Outlay:				
Public safety	-	5,738	-	5,738
Public works	-	1,705,629	-	1,705,629
Culture and recreation	-	514,430	-	514,430
Total expenditures	13,404,304	2,646,865	878,679	16,929,848
Deficiency of revenues under expenditures	(18,963)	(643,586)	(295,102)	(957,651)
OTHER FINANCING SOURCES (USES)				
Proceeds from capital leases	54,500	-	-	54,500
Proceeds from governmental asset dispositions	344,000	-	-	344,000
Transfers in	38,764	-	430,395	469,159
Transfers (out)	(797,398)	(65,895)	(38,764)	(902,057)
Total other financing sources and (uses)	(360,134)	(65,895)	391,631	(34,398)
Net change in fund balances	(379,097)	(709,481)	96,529	(992,049)
Fund balances - beginning	11,709,222	2,473,813	153,527	14,336,562
Fund balances - ending	$ 11,330,125	$ 1,764,332	$ 250,056	$ 13,344,513

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

Madison County, Georgia
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2011

Net change in fund balances - total governmental funds (Exhibit 4)	$	(992,049)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which depreciation $11,323,325 exceeded capital outlays $2,009,775 in the current period.		(9,313,550)
Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain on the sale of the assets. Thus, the change in net assets differs from the change in fund balance by the cost of the asset sold.		(328,214)
Changes in net pension benefits or obligations are not reporting the governmental funds because they do not represent the receipt or consumption of a current financial asset or liability. The changes in pension benefits or obligations are reported as an increase or decrease in the associated expense account on the Statement of Activities.		4,702
Governmental funds defer all tax revenues that are not collected soon enough to be used to pay for the current period's expenditures (within 60 days of year-end). However, the Statement of Activities reports results under the full accrual method which requires that all taxes that have been levied be reported as revenue irrespective of the collection date.		25,014
The change in the value of compensated absences that are not due and payable as of year-end is not reported as an increase or decrease in expenditures in the fund-level financial statements. The Statement of Activities recognizes this change in the compensated absence liability as an increase or decrease in expense.		(5,195)
Governmental funds reported the receipt of amounts due under a capital lease receivable as a revenue because the amount became available. The Statement of Activities reports the revenue from a sales lease in the period that the entity agrees to sell an item under a capital lease. This adjustment represents the principal received under the lease.		(149,676)
Governmental funds report repayment of capital lease obligations as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities.		400,814
Change in net assets of governmental activities (Exhibit 2)	$	(10,358,154)

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

Madison County, Georgia
Statement of Net Assets
Proprietary Fund
December 31, 2011

	Solid Waste Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 400
Accounts receivable	1,559
Total current assets	1,959
Non-current assets:	
Capital assets, net of depreciation	181,271
Total non-current assets	181,271
Total assets	183,230
LIABILITIES	
Current Liabilities:	
Accounts payable	14,262
Salaries and benefits payable	16,383
Accrued interest payable	2,317
Current portion of postclosure liability	8,335
Current portion of note payable	31,312
Total current liabilities	72,609
Non-current liabilities:	
Compensated absences	19,998
Postclosure liability	125,025
Note payable	134,224
Total non-current liabilities	279,247
Total liabilities	351,856
NET ASSETS	
Invested in capital assets, net of related debt	181,271
Unrestricted	(349,897)
Total net assets	$ (168,626)

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

Madison County, Georgia
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2011

	Solid Waste Fund
REVENUES	
Charges for services	$ 169,362
Miscellaneous	2,007
Total operating revenues	171,369
OPERATING EXPENSES	
Cost of sales - waste disposal fees	110,935
Personal services	202,131
Contractual services	101,219
Other supplies and expenses	42,868
Depreciation	16,854
Total operating expenses	474,007
Operating loss	(302,638)
NON-OPERATING REVENUES (EXPENSES)	
Interest expense	(9,984)
Total non-operating expense	(9,984)
Loss before transfers	(312,622)
Transfers in	432,898
Change in net assets	120,276
Total net assets - beginning	(288,902)
Total net assets - ending	$ (168,626)

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

Madison County, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2011

	Solid Waste Fund
Cash flows from operating activities:	
Cash sales to customers	$ 172,193
Cash payments to employees for services	(201,576)
Cash payments to suppliers	(264,913)
Net cash used by operating activities	(294,296)
Cash flows from noncapital financing activities:	
Due from other funds	1,422
Transfers in	432,898
Net cash provided by noncapital financing activities	434,320
Cash flows from capital and related financing activities:	
Purchases of capital assets	(93,697)
Principal paid on note payable	(35,928)
Interest paid on notes payable	(10,399)
Net cash used by capital and related financing activities	(140,024)
Net change in cash and cash equivalents	-
Cash and cash equivalents - beginning	400
Cash and cash equivalents - ending	$ 400
Reconciliation of operating loss to net cash provided (used) by operating activities:	
Operating loss	$ (302,638)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	16,854
Change in landfill postclosure liability	(8,335)
Changes in assets and liabilities:	
Accounts receivable	824
Accounts payable	(1,556)
Salaries and benefits payable	1,249
Compensated absences	(694)
Net cash used by operating activities	$ (294,296)

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

Madison County, Georgia
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2011

ASSETS		
Cash	$	152,457
Total assets		152,457
LIABILITIES		
Due to others		152,457
Total liabilities	$	152,457

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

Notes to the Financial Statements

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

Madison County was incorporated under the laws of the State of Georgia in 1811. The County is governed by a five-member Board of Commissioners. Each commissioner is elected to a four-year term. The Chairman serves as the full-time Chief Executive Officer. The other five commissioners serve on a part-time basis. The Chairman is responsible for the daily operations of the County.

The financial statements of Madison County, Georgia (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

In conformity with generally accepted accounting principles, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, the financial statements of the reporting entity include those of Madison County (the primary government) and its component units. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in its own name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County

Discretely Presented Component Units – The component unit columns in the government-wide financial statements include the financial data of the County's component units. They are included because, if excluded, the County's financial statements would be misleading. They are reported in separate columns in the government-wide financial statements to emphasize their legal separation from the County. The following component units are included in the statements:

Madison County Industrial Development and Building Authority – The County appoints all members of the Development Authority's Board of Directors. The Authority has a December 31 fiscal year end.

Madison County Health Department – The County appoints all members of the Health Department's Board of Directors. The Health Department has a June 30 fiscal year end.

Each discretely presented component unit issues separate financial statements. Complete financial statements of the individual component units can be obtained from their respective administrative offices:

Madison County Industrial Development and Building Authority
Post Office Box 381
Danielsville, GA 30633

Madison County Health Department
Post Office Box 26
Danielsville, GA 30633

Blended Component Units - Based on the GASB criteria, the County has no entities that qualify as blended component units.

Note 1: Summary of Significant Accounting Policies, continued

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities of the primary government or its component units. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes except for the special purpose sales tax, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Nonoperating expenses are the result of expenses that are ancillary to the primary purpose of the fund. Interest costs are currently the only nonoperating expenses incurred in the proprietary fund.

Proprietary fund operating expenses are the necessary costs incurred to provide the good or service that are the primary activity of the fund. Expenses which do not meet these criteria, such as interest expense, are considered non-operating and are reported as such.

When both restricted and unrestricted resources are available to pay a cost, the County's policy is to use restricted assets first, and then use unrestricted assets.

The County reports the following major governmental funds:

General Fund – This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

SPLOST Capital Projects Fund – This is a capital projects fund established to account for all special local options sales tax revenues as well as the specifically identified projects for which the SPLOST tax was established.

Note 1: Summary of Significant Accounting Policies, continued

The County reports the following major enterprise fund:

Solid Waste Fund – This fund accounts for the postclosure care of the County's landfill and the operation and maintenance of the County's solid waste transfer station.

The County reports the following fiduciary fund type:

Agency Funds – These funds account for monies held by the County in a trustee capacity or as an agent on behalf of individuals, private organizations, other governments and/or other funds. All of the County's fiduciary funds are agency funds, which are custodial in nature. Accordingly, the County presents a statement of fiduciary assets and liabilities rather than a statement of fiduciary net assets. Agency funds do not include a measurement of the results of operations, so a statement of changes in fiduciary net assets is not presented by the County. Following are the agency funds of the County at December 31, 2011: Tax Commissioner, Sheriff, Clerk of Superior Court, Probate Court, and Magistrate Court.

Measurement Focus, Basis of Accounting

Government-wide, Proprietary and Fiduciary Fund Financial Statements – The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus. The governmental activities in the government-wide financial statements, the proprietary fund financial statements, and the fiduciary fund statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

All business-type activities and enterprise funds of the County follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

C. Budgets and Budgetary Accounting

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

1. Normally, prior to August 31, the Chairman submits to the Commission a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

2. A public hearing is conducted at the county courthouse to obtain taxpayer comments.

Note 1: Summary of Significant Accounting Policies, continued

3. The budget is legally enacted through passage of an ordinance. For 2011, the budget was legally adopted in December 2010.

4. The Finance Director is authorized to transfer budgeted amounts within a division, with the exception of personnel amendments. The Finance Director is also authorized to transfer amounts between divisions to cover insurance reimbursements and to implement actions of the governing authority. Any other amendments between divisions or amendment to personnel budgets are approved by the Commission.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds and Enterprise Funds.

6. The budget is prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP).

D. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of moneys are recorded in order to reserve that portion of the applicable appropriation, is not used by the County.

E. Deposits and Investments

Cash consists of demand and interest-bearing deposits held in banks. All bank deposits must be collateralized by an amount equal to 110% of uninsured deposits of the State of Georgia or U.S. obligations or direct loans to the County.

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

Investments are recorded at cost plus accrued interest, which approximates market value.

F. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectible receivables, when material.

G. Property Tax Calendar

Property taxes attach as an enforceable lien on property as of January 1. The County bills and collects its own property taxes and also collects taxes for the County School District as well as the Industrial Development and Building Authority. County property tax revenues are recognized when levied to the extent that they result in current receivables.

Property taxes, for property owned at January 1, 2011, were levied on September 6, 2011 with a payment period from October 5, 2011 to December 20, 2011. A local option sales tax is in force. Proceeds for this tax are remitted to the County monthly and are used to give property tax owners tax relief. Taxes receivable at December 31, 2011 amounted to $2,156,163 and deferred property tax revenue totaled $1,258,219.

Note 1: Summary of Significant Accounting Policies, continued

H. Inventory

Inventory is valued at cost on a first-in, first-out basis. Inventory consists principally of expendable supplies held for consumption by the County's public works department. The County uses a periodic inventory system, where inventory totals are determined by periodically performing complete inventory counts. The cost of the supplies is originally recorded as an expenditure at the time individual inventory items are purchased. The County then increases or decreases expenditures based on whether inventory levels have risen or fallen from the previous inventory total. Reported inventories are reported as a portion of the nonspendable fund balance in the fund level financial statements, which indicates that the inventories do not constitute available spendable resources.

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant and equipment with initial, individual costs that equal or exceed $5,000 are recorded as capital assets. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. For infrastructure assets, the County has adopted the policy of capitalizing costs which add additional service utility to the asset. Maintenance of infrastructure assets is expensed in the government-wide financial statements.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, net of related interest earned, is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	15-99
Building and improvements	20-50
Water & sewer distribution	20-50
Heavy machinery & vehicles	3-15
Equip, furniture & fixtures	5-10
Computer equipment	5-7

The County was required to implement the retroactive infrastructure reporting requirements of GASB No. 34 beginning with the year ended December 31, 2007. Accordingly, all of the infrastructure assets reported in these financial statements are assets that the County obtained after 1980. The infrastructure the County has retroactively reported was principally highways and roads.

J. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation and comp time balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. In accordance with the provisions of GASB Statement 11, concerning Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Governmental activities compensated absences balances are liquidated through the General Fund.

Note 1: Summary of Significant Accounting Policies, continued

K. Restricted Revenues

The County receives certain taxes, grants and contributions that must be used for a specific purpose outlined in either taxing legislation or grantor contracts. These amounts are reported as restricted net assets in the government wide financial statements until the restriction has been met either through the expenditure of the money or the passage of time. Expenses incurred by the County for which both unrestricted and restricted monies are available are applied to restricted resources first.

L. Fund Equity

As of December 31, 2011, the County adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* in an effort to improve the consistency in reporting fund balance components, enhance fund balance presentation, improve the usefulness of fund balance information, and clarify the definitions of the governmental fund types. As a result of the implementation, the governmental funds now report the following five categories of fund balance: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of Board of Commissioners. Madison County Board of Commissioners is the highest level of decision-making authority for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by Madison County Board of Commissioners.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board of Commissioners has not delegated the authority to assign fund balance. Consequently, an assignment of fund balance requires board action.

Unassigned – all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the County has provided otherwise in its commitment or assignment actions.

Note 2: Stewardship, Compliance and Accountability

A. Deficit Fund Balance:

The following lists the County's funds which reported negative net assets as well as the magnitude of that deficit as of December 31:

Solid Waste Fund	$ 168,626

The deficit in the solid waste fund is partially funded by a note payable. Of the $168,626 deficit in the solid waste fund, $133,360 is the result of an accrued liability for postclosure monitoring costs for the County's landfill.

Note 2: Stewardship, Compliance and Accountability, continued

B. Excess expenditures over appropriations:

The following departments had excess expenditures over appropriations for December 31, 2011:

General Fund:

Law Enforcement $88,731
Vehicle Maintenance $145,011

Note 3: Cash

The carrying amount of the County's deposits with financial institutions was $12,930,925 and the bank balance was $14,992,604. All of the County's deposits are insured or collateralized by assets not held by the pledging institution. Because all of the deposits are either insured or collateralized by assets not held by the pledging financial institution, the County does not have exposure to custodial credit risk.

State law requires that all bank deposits be insured or collateralized up to 110% of the balances maintained in each financial institution. All of the County's deposits are insured or collateralized sufficiently to meet this requirement.

Georgia law authorizes local governments to invest in the following types of obligations:

- Obligations of the State of Georgia or any other states;
- Obligations issued by the United States;
- Obligations fully insured or guaranteed by the United States government or governmental agency;
- Obligations of any corporation of the United States Government;
- Prime bankers' acceptances;
- The State of Georgia Local Government Investment Pool;
- Repurchase agreements; and
- Obligations of other political subdivisions of the State of Georgia.

The County had no investments at December 31, 2011. Accordingly, it has no significant exposure to credit risk, interest rate risk, or foreign currency risk.

Note 4: Other Receivables

Receivables as reported in the Governmental Activities on the Statement of Net Assets consist of the following:

Taxes receivable	$ 2,156,163
Ambulance service receivable	207,276
E911 surcharge receivable	82,027
Other receivables	28,656
	2,474,122
Less: allowances for doubtful accounts related to ambulance service receivables	(80,000)
	$ 2,394,122

Note 4: Other Receivables, continued

Other receivables as reported in the General Fund consist of the following:

Ambulance service receivable	$ 207,276
Franchise tax receivable	11,116
Alcoholic beverage excise tax receivable	14,090
Other receivables	959
	233,441
Less: allowances for doubtful accounts related to ambulance service receivables	(80,000)
	$ 153,441

Note 5: Capital Assets

Capital asset activity for the year ended December 31, 2011 was as follows:

Primary Government: Governmental Activities:	**Beginning**	**Increases**	**Decreases**	**Ending**
Capital assets not being depreciated:				
Land	$ 618,546	$ 24,899	$ -	$ 643,445
Construction in progress	502,640	1,047,885	30	1,550,495
Total capital assets not being depreciated	1,121,186	1,072,784	30	2,193,940
Capital assets being depreciated:				
Buildings and improvements	9,511,313	536,580	-	10,047,893
Equipment, furniture and vehicles	6,206,939	400,411	414,903	6,192,447
Land improvement	463,956	-	-	463,956
Infrastructure	5,735,492	-	-	5,735,492
Prior years' infrastructure	422,113,645	-	-	422,113,645
Total capital assets being depreciated	444,031,345	936,991	414,903	444,553,433
Less accumulated depreciation for:				
Buildings and improvements	2,703,200	254,420	-	2,957,620
Equipment, furniture and vehicles	4,623,426	354,807	86,689	4,891,544
Land improvement	290,775	21,123	-	311,898
Infrastructure	377,667	140,134	-	517,801
Prior years' infrastructure	163,543,910	10,552,841	-	174,096,751
Total accumulated depreciation	171,538,978	11,323,325	86,689	182,775,614
Total capital assets being depreciated, net	272,492,367	(10,386,334)	328,214	261,777,819
Governmental acitvities capital assets, net	$ 273,613,553	$ (9,313,550)	$ 328,244	$ 263,971,759

Note 5: Capital Assets, continued

Depreciation expense was charged to governmental activities as follows:

General Government	$ 82,870
Judicial	2,017
Public Safety	369,426
Public Works	10,762,258
Health & Welfare	49,810
Culture & Recreation	56,944
	$ 11,323,325

Business type Activities:	**Beginning**	**Increases**	**Decreases**	**Ending**
Solid Waste Fund:				
Capital assets being depreciated:				
Buildings and improvements	$ 83,260	$ -	$ -	$ 83,260
Equipment	75,000	93,696	-	168,696
Total capital assets being depreciated	158,260	93,696	-	251,956
Less accumulated depreciation for:				
Buildings and improvements	24,814	3,196	-	28,010
Equipment	29,018	13,657	-	42,675
Total accumulated depreciation	53,832	16,853	-	70,685
Total Solid Waste being depreciated, net	104,428	76,843	-	181,271
Total Business type activities capital assets, net	$ 104,428	$ 76,843	$ -	$ 181,271

The above capital assets do not include any capitalized interest amounts. All interest costs incurred during the year have been recorded as an expense in the activities statement.

Note 5: Capital Assets, continued

Discretely Presented Component Unit
Madison County Industrial Development and Building Authority

Governmental Activities:	**Beginning**	**Increases**	**Decreases**	**Ending**
Capital assets not being depreciated:				
Land	$ 337,190	$ -	$ -	$ 337,190
Total capital assets not being depreciated	337,190	-	-	337,190

Business type Activities:	**Beginning**	**Increases**	**Decreases**	**Ending**
Water fund:				
Capital assets not being depreciated:				
Construction in progress	$ 462,601	$ 1,618,788	$ -	$ 2,081,389
Land	279,130	-	-	279,130
Total capital assets not being depreciated	741,731	1,618,788	-	2,360,519
Capital assets being depreciated:				
Water systems	13,692,545	-	-	13,692,545
Wastewater plant/system	2,495,327	-	-	2,495,327
Vehicles and equipment	116,466	10,395	-	126,861
Total capital assets being depreciated	16,304,338	10,395	-	16,314,733
Less accumulated depreciation for:				
Water systems	1,768,021	334,845	-	2,102,866
Wastewater plant/system	5,199	62,383	-	67,582
Vehicles and equipment	71,751	14,990	-	86,741
Total accumulated depreciation	1,844,971	412,218	-	2,257,189
Total capital assets being depreciated, net	14,459,367	(401,823)	-	14,057,544
Component unit capital assets, net	$ 15,201,098	$ 1,216,965	$ -	$ 16,418,063

Note 6: Interfund Balances and Activity

Interfund balances
Internal balances at December 31, 2011 consist of the following:

Due to the Jail Fund (a nonmajor fund) from General Fund	$ 10,813
Internal balances	$ 10,813

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which the transactions are executed. The balances result from the lagtime between the date the reimburseable transaction occurs and when the payments between funds are made. Due to the Jail Fund from the General Fund represents assessments collected but not expended at year end. All costs were incurred within the current fiscal year. All interfund balances are expected to be repaid within one year.

Note 6: Interfund Balances and Activity, continued

Interfund transfer activity

Interfund transfers for the year ended December 31, 2011 were as follows:

	Transfers In			
Transfers Out	**Nonmajor Gov't Funds**	**Solid Waste Fund**	**General Fund**	**Total**
Governmental Funds:				
General	$ 430,395	$ 367,003	$ -	$ 797,398
SPLOST	-	65,895	-	65,895
Nonmajor Gov't Funds	-	-	38,764	38,764
	$ 430,395	$ 432,898	$ 38,764	902,057

The County routinely transfers unrestricted monies that are collected in its General Fund into funds that have either a statutory or budgetary requirement to expend funds used for certain purposes. The transfers to nonmajor governmental funds consist of transfers to the E-911 fund. The E-911 fund expends all funds required to operate the County's E-911 system. The transfer from the general fund represents the amount of funding needed to operate the system beyond the amount collected from the E-911 surcharge. The transfer to the Solid Waste Fund from General Fund represents the amount of funding needed to operate the County's transfer station beyond the tipping fees collected at the transfer station. The SPLOST Fund transferred $65,895 to the Solid Waste Fund to assist in equipment purchases approved by the SPLOST referendum. The transfers from nonmajor governmental funds to General Fund represent the following funds that were combined into General Fund because of the implementation of GASB 54: Bicentennial Fund, Sheriff's Commission, and Food Bank Fund. The funds were combined into the General Fund because they do not meet the criteria to be reported as a special revenue fund as described in GASB 54.

Note 7: Long-term Obligations

Governmental activities

Categories of debt

Capital Leases

The County has entered into a master equipment lease agreement to finance the acquisition of buildings, machinery and equipment. The lease is for period of four years at 3.33% interest rate and it is divided into two components: governmental and business. The County entered into a lease agreement on February 2, 2010 to purchase three Sheriff vehicles. The lease is for three years at 4.02% interest rate. Both of these leases qualify as capital leases and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception. The lessor in this lease has retained a security interest in the related property. These leases were paid off during fiscal year 2011.

The County is obligated under capital leases that it executed to purchase fire trucks that were subsequently subleased to volunteer fire departments in the county. Because the lease between the County and the volunteer fire departments qualified as a capital lease, the County removed the fire trucks from its capital asset records. The County still has rights to payments totaling $1,150,910 under the lease. See Note 8 for a more complete description of this leasing activity.

Note 7: Long-term Obligation, continued

Business-type activities

Categories of debt

Notes payable

Note payable to Georgia Environmental Facilities Authority with an original principal of $465,185 to fund landfill closure, which accrues interest at a fixed rate of 5.6% per annum. The note is payable in 76 quarterly installments of $9,983 and matures July 1, 2016.	$ 165,536

The annual debt service requirements to retire the above note payable are as follows:

	Business-type Activities		
Year Ending December 31,	**Principal**	**Interest**	**Total**
2012	31,312	8,620	39,932
2013	33,102	6,829	39,931
2014	34,995	4,936	39,931
2015	36,997	2,935	39,932
2016	29,130	820	29,950
	$ 165,536	$ 24,140	$ 189,676

Changes in long-term obligations for the year ended December 31, 2011 are as follows:

	Beginning	Increases	Decreases	Ending	Due within one year
Governmental activities:					
Capital lease obligations	$ 1,497,224	$ 54,500	$ 400,814	$ 1,150,910	$ 202,302
Compensated absences	315,320	66,217	61,022	320,515	-
	$ 1,812,544	$ 120,717	$ 461,836	$ 1,471,425	$ 202,302

The General Fund has typically been used to liquidate long-term liabilities reported in governmental activities in the government-wide financial statements.

	Beginning	Increases	Decreases	Ending	Due within one year
Business-type activities:					
GEFA note payable	$ 195,153	$ -	$ 29,618	$ 165,535	$ 31,312
Capital lease obligations	6,311	-	6,311	-	-
Landfill postclosure costs	141,695	-	8,335	133,360	8,335
Compensated absences	20,692	8,070	8,764	19,998	-
	$ 363,851	$ 8,070	$ 53,028	$ 318,893	$ 39,647

Note 7: Long-term Obligation, continued

Discretely Presented Component Unit – Madison County Industrial Development and Building Authority

Long-term Obligations – Notes Payable

The Authority has various notes with the Georgia Environmental Facilities Authority (GEFA). These notes bear interest rates ranging from non-interest bearing to 5.05%. Two of the notes require quarterly payments of principal and interest of $5,059 and $9,024 and mature in 2020 and 2023, respectively. Five of the notes require monthly payments of principal or principal and interest between $1,887 and $7,860 and mature between 2026 and 2031.

Debt Service Requirements

The annual requirements to amortize the GEFA notes at December 31, 2011 are as follows:

Year Ending December 31,	Principal	Interest	Total
2012	$ 385,237	$ 195,046	$ 580,283
2013	434,683	217,466	652,149
2014	449,526	209,457	658,983
2015	460,605	198,077	658,682
2016	472,334	186,348	658,682
2017-2021	2,529,849	738,257	3,268,106
2022-2026	2,632,149	392,627	3,024,776
2027-2031	1,644,282	104,566	1,748,848
2032-2036	77,107	1,259	78,366
	$ 9,085,772	$ 2,243,103	$ 11,328,875

Note 7: Long-term Obligation, continued

Discretely Presented Component Unit, continued

Long-term Obligation Activity

Changes in long-term obligations for the year ended December 31, 2011 are as follows:

	Beginning	Increases	Decreases	Ending	Due within one year
GEFA notes payable - business-type activity	$ 8,018,187	$ 1,915,871	$ 848,286	$ 9,085,772	$ 385,237
	$ 8,018,187	$ 1,915,871	$ 848,286	$ 9,085,772	$ 385,237

Two of the GEFA notes above are non-interest bearing. These notes have been adjusted to their net present value based on the interest rates paid on other debts of the IDBA. The calculation of the net present value is as follows:

GEFA notes outstanding	$ 9,085,772
Less: current portion of GEFA notes	(385,237)
Non-current portion of note payable	8,700,535
Less: discount on non-interest bearing notes	(768,347)
Net present value of non-current notes payable	$ 7,932,188

The IDBA issued a note payable with GEFA for water/sewer improvements of which GEFA then forgave, and will continue to forgive, 70% of the debt, until all monies are borrowed or drawn down. For the year ended December 31, 2011, the amount forgiven and reported as a special item on the financial statements was $503,327.

Note 8: Equipment Leased to Volunteer Fire Department

During 2006, the County leased a fire truck, which it then was leased to a volunteer fire department in the County. During 2010, the County leased six additional fire trucks, which were also leased to other volunteer fire departments in the County. During 2011, the County leased one additional fire truck. The leases are accounted for as capital leases because the volunteer fire departments will take title of the fire trucks upon making the final payments called for in the leases. The leases that the County signed for the trucks require the County to make all lease payments irrespective of whether it receives its lease payments from the volunteer fire departments. The County's lessors retain a security interest in the fire trucks.

The total value of all lease payments is recorded as a receivable in the general fund. The leases do not include a provision for the payment of contingent rentals. An amount corresponding to the total lease receivable is recorded as deferred revenue in the general fund as the amounts payable under the lease are not considered to be available by the County. In the government-wide financial statements, the capital lease is treated as a sale of the fire truck. Consequently, only the interest portion of the lease receivable is shown as deferred revenue.

Note 8: Equipment Leased to Volunteer Fire Department, continued

Future minimum lease payments at December 31, 2011 are as follows:

2012	202,302
2013	201,302
2014	200,302
2015	189,302
2016	156,356
2017-2020	455,873
Total minimum lease payments	1,405,436
Less: interest portion of minimum lease payments	(254,526)
Present value minimum lease payments	$ 1,150,910

The leases call for the volunteer fire department to pay all costs associated with operating the fire truck, including maintaining insurance coverage, during the lease term. Further, management expects that all lease payments will be made and that no allowance for uncollectible minimum lease payments is necessary. Finally, no residual value of the leased equipment will accrue to the County upon the expiration of the lease. Because expected future costs, allowances for uncollectibles, and residual value accruing to the County are all zero; the County's investment in the lease is equivalent to the present value of the minimum lease payments.

Note 9: Retirement Benefits

Defined Benefit Pension Plan

The County provides a defined benefit retirement program for its employees.

Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Madison County Employees (The Plan). The Plan, through execution of an adoption agreement, is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp.

The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan. The County has the authority to amend the adoption agreement, which defines the specific operational provisions of The Plan.

Complete financial statements for The Plan can be obtained directly from the plan administrator at:
GEBCorp
400 Galleria Parkway, Suite 1250
Atlanta, Georgia 30339

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits are fully vested after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.0% of average annual compensation up to $10,000 plus 1.5% of average annual compensation in excess of $10,000 plus $36 for each year of service, up to 35 years of service, payable as a life annuity. Service Compensation is averaged over a five year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report.

Note 9: Retirement Benefits, continued

Plan Asset Mix and 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 the Plan and increments in cash value of death benefits.

Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties.

Plan Membership

Retirees and beneficiaries receiving benefits	41
Terminated plan members entitled to but not receiving benefits	67
Disabled and in Pay Status	1
Active plan members	131
Total	240

Contributions

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans. Administrative expenses are based on total covered payroll of plan members and are added to the annual funding requirement.

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

As of January 1, 2011 (the most recent actuarial valuation date), the County's total covered payroll for employees was $4,239,735. The required contribution for the 2011 plan year is $200,661, which represents 4.7% of covered payroll.

Annual Pension Cost

The County's recommended employer contribution and actual employer contribution was $463,039 and $447,869 for the 2011 Plan Year.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2011. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2011
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percent of Pay (Closed)
Amortization period	10 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return	7.75%
Projected salary increases	4.0-6.5%
Includes inflation at	3.0%

Note 9: Retirement Benefits, continued

Net Pension Obligation

During the 1997 Plan Year, the County implemented GASB Statements 25 and 27. The pension liability was determined at the time of transition to these new standards in accordance with Statement No. 27. Historically, the County has always made the actuarially determined employer contribution, so that the County had no pension liability or asset at the point of transition to the new standards.

Three Year Trend Information

Fiscal Year Beginning	Annual Pension Cost	Net of APC Contributed	Net Pension Obligation (Benefit)
1/1/2011	$ 464,247	N/A	$ (174,844)
1/1/2010	443,167	101%	(170,142)
1/1/2009	475,800	103%	(153,622)

The components of the County's annual pension cost that reconcile the beginning net pension obligation to the ending net pension obligation are as follows:

Net Pension Obligation - beginning	$ (170,142)
Annual Required Contribution (ARC)	442,244
Interest on Net Pension Obligation	(13,186)
Amortization of Net Pension Obligation	14,109
Contribution to Plan	(447,869)
Net Pension Obligation - ending	$ (174,844)

The schedule of funding progress presented as required supplementary information (RSI) immediately following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	(c) Covered Payroll	UAAL as a percentage of covered payroll (b - a) / c
1/1/2011	4,152,514	5,628,791	1,476,277	73.8%	4,239,735	34.8%

In addition, other pension and retirement plans are in effect, but are not under the direct control of the County. These elected officials are specifically excluded from the Defined Benefit Plan for County employees.

Probate Judge's Retirement Fund of Georgia

The Probate Judge is covered under a pension plan that requires that certain sums from marriage licenses and fines or forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Note 9: Retirement Benefits, continued

Clerk of Superior Court Retirement Fund

The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund

The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans before the payment of any costs or other claims.

Defined Contribution Plan

The County offers a Section 457 defined contribution retirement plan. The County makes no contributions to this plan. The plan is entirely funded through employee salary reduction. Employee contributions totaled $30,632.

Note 10: 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; natural disasters; and job-related illnesses or injuries to employees. The County carries commercial insurance for these various risk with deductibles of $2,500 on property loss and $25,000 on employment and related claims.

The Government has joined together with other municipalities in the state as part of the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of this risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, 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 fund is to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The fund is to pay all cost 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.

Settled claims in the past three years have not exceeded the coverages.

Note 11: Landfill Costs

State and federal regulations require that Madison County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site. The landfill was closed as of April 9, 1994 and converted to a transfer station. The percentage of landfill capacity used to date was 100% (full). The Closure Certificate was issued by the State of Georgia Department of Natural Resources with an effective date of August 22, 1997. All closure costs were incurred prior to the Closure Certificate date.

A provision and related liability are being recognized in the Solid Waste Fund based on the postclosure care costs estimated to be incurred in the remaining years of postclosure monitoring. The recognition of these landfill postclosure care costs is based on 100% usage of the landfill.

Note 11: Landfill Costs, continued

During 2011, the County expended 2,133 on postclosure costs, which included various monitoring and remediation activities. Engineering consultants provided Madison County with estimated costs of $8,335 per year for the remaining postclosure costs. Therefore, the estimated liability for the remaining 16 years as shown on Madison County's financial statements for landfill postclosure costs is $133,360 as of December 31, 2011. Postclosure financial assurance requirements are being met through continually maintaining certain finance ratios.

The County expects to fund the costs of postclosure care from the Solid Waste Fund each year. The County expects that the Solid Waste Fund will report operating losses that will have to be funded through transfers from the General Fund for the foreseeable future.

The estimated total cost of the landfill postclosure care is based on the amount that would be paid if all remaining equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2011. However, the actual costs of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

Note 12: Commitments and Contingencies

Contingent Liabilities

The County participates in a number of federal and state assisted grant programs. Expenditures financed by grants are subject to audit by the appropriate grant or government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. The amount, if any, of disallowed expenditures discovered in future audits is expected to be immaterial.

Litigation

The County is a defendant in several lawsuits, which arose in the ordinary course of its activities. The County records liabilities resulting from such claims and litigation only when they become probable and measurable. No liability has been recorded for any of the lawsuits currently in process.

Note 13: Joint Venture

Northeast Georgia Regional Commission (RC)

Madison County, Georgia, along with cities and counties in the 12 county Northeast Georgia area is a member of the Northeast Georgia Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The Official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The Board is comprised of not less than two (2) or more than five (5) representatives of each member county served by the RC. The manner of selecting such representatives from each member county is as follows:

- The chief elected official or the chair of the board of commissioners of each county served by the Center shall be a member (or a designated government official).
- One elected or appointed municipal government official from each county served by the Center. The mayors of the municipalities in such county shall select the municipal representative of that county.
- Not less than ten (10) or more than twenty (20) public members.
- A minority representation, the percentage of which is at least equal to the minority population of the geographical region served by the Board, as established by the latest United States Census.

The Georgia Planning Act of 1989 (OCGA 50-8-34) defines RCs as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources. (OCGA 50-8-39.1)

Note 13: Joint Venture, continued

Complete financial statements of the Northeast Georgia Regional Commission can be obtained directly from the RC's administrative office at 305 Research Drive, Athens, Georgia 30610. The only transactions between the County and the RC in the current year were payment of the County's membership fee.

Note 14: Related Party

The County gives an annual appropriation to the Madison County Health Department to help fund their yearly operations. For the fiscal year ending December 31, 2011, the County funded the Health Department $154,109.

Note 15: Assets Restricted by Enabling Legislation

The County maintains several special revenue funds and a capital project fund to account for activities that are required by Georgia law. These funds have restrictions on the use of the remaining fund balance in the funds as follows:

SPLOST capital projects	$ 1,764,332
Judicial	54,425
Public safety	195,631
	$ 2,014,388

Note 16: Invested in Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt reported on the government-wide statement of net assets as of December 31, 2011 are as follows:

Invested in capital assets, net of related debt

Governmental Assets:	
Capital assets not being depreciated	$ 2,193,940
Capital assets, net of depreciation	261,777,819
	$ 263,971,759

As described in Note 8, the County signed a capital lease for fire trucks and subsequently sold fire trucks through sub-lease, which also qualifies as a capital lease. The fire trucks have been removed from the County's assets and have been replaced by a capital lease receivable on the Statement of Net Assets. Capital lease receivables do not qualify as capital assets. Therefore, the related lease obligation is not a capital lease obligation. Both the capital lease receivable and related capital lease obligation have been excluded from the County's calculation of invested in capital assets, net of related debt. None of the County's capital lease obligations are related to the County's capital assets.

Required Supplementary Information

Madison County, Georgia
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget (GAAP Basis) and Actual - General Fund
For the year ended December 31, 2011

REVENUES	Original Budget	Final Budget	Actual	Variance with Final Budget
Taxes	$10,475,375	$10,475,375	$10,547,095	$ 71,720
Licenses and permits	69,050	69,050	59,791	(9,259)
Intergovernmental	137,459	241,859	263,937	22,078
Charges for services	1,311,842	1,322,391	1,381,306	58,915
Fines and forfeitures	819,000	827,789	762,550	(65,239)
Investment earnings	50,365	50,365	65,255	14,890
Contributions and donations	61,199	58,991	53,253	(5,738)
Miscellaneous	43,114	238,483	252,154	13,671
Total revenues	12,967,404	13,284,303	13,385,341	101,038
EXPENDITURES				
Current:				
General government				
General government	1,054,948	1,821,287	1,255,533	565,754
Governing body	174,210	177,933	142,951	34,982
Financial administration	395,559	389,316	377,396	11,920
Elections administration	27,184	27,184	25,306	1,878
Registrar's Office	76,612	72,777	72,655	122
Information technology	177,179	176,822	171,118	5,704
Tax Commissioner	305,322	301,690	262,622	39,068
Tax Assessor	324,991	323,572	314,924	8,648
Building and plant	136,781	155,552	144,737	10,815
Judicial				
Superior Court	290,711	379,073	370,619	8,454
Clerk of Superior Court	343,744	334,269	330,957	3,312
Magistrate Court	204,461	201,826	200,252	1,574
Probate Court	223,097	220,611	221,453	(842)
Public Safety				
Law enforcement	3,074,029	3,151,396	3,240,127	(88,731)
Emergency management	690,448	744,948	744,745	203
Emergency medical service	1,662,483	1,632,838	1,608,378	24,460
Coroner	23,700	23,700	18,849	4,851
Animal Control	78,000	78,000	78,000	-
Highways and Roads				
Highways and Streets	1,031,115	1,291,044	1,149,957	141,087
Vehicle Maintenance	491,650	491,650	636,661	(145,011)
Health and welfare				
Food Bank	65,992	65,992	57,545	8,447
Senior Citizens Center	254,890	265,351	235,617	29,734
Public Education	32,902	31,512	30,521	991
Extension Office	17,721	17,721	13,442	4,279
Health	218,514	219,904	219,736	168
Culture and recreation				
Recreation	544,065	536,001	512,075	23,926
Bicentennial committee	6,550	14,885	14,665	220
Library administration	173,215	173,215	173,195	20
Housing and development				
Planning, zoning and inspections	330,040	321,675	303,481	18,194
Chamber of Commerce	4,500	4,500	3,934	566
Forest Resources	9,401	9,401	9,401	-

Debt Service:				
Principal	207,746	398,442	400,814	(2,372)
Interest and other charges	12,022	65,009	62,638	2,371
Total Expenditures	12,663,782	14,119,096	13,404,304	714,792
Excess (deficiency) of revenues over over expenditures	303,622	(834,793)	(18,963)	(613,754)
OTHER FINANCING SOURCES (USES)				
Proceeds from capital leases	-	54,500	54,500	-
Proceeds from governmental asset dispositions	-	344,000	344,000	-
Transfers in	-	-	38,764	38,764
Transfers out	-	-	(797,398)	(797,398)
Total other financing sources and uses	-	398,500	(360,134)	(758,634)
Net change in fund balances	303,622	(436,293)	(379,097)	(1,372,388)
Fund balances - beginning	11,709,222	11,709,222	11,709,222	-
Fund balances - ending	$12,012,844	$11,272,929	$11,330,125	$ (1,372,388)

Madison County, Georgia
Required Supplementary Information
December 31, 2011

RETIREMENT PLAN
Schedule of Funding Progress

Measurement Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	(c) Covered Payroll	UAAL as a percentage of covered payroll (b - a) / c
12/31/2010	4,152,514	5,585,275	1,432,761	74.3%	4,037,140	35.5%
12/31/2009	3,764,221	5,330,471	1,566,250	70.6%	4,376,751	35.8%
12/31/2008	3,304,421	4,726,228	1,421,807	69.9%	4,042,631	35.2%
12/31/2007	3,057,181	4,483,153	1,425,972	68.2%	4,060,238	35.1%
12/31/2006	2,579,786	3,939,783	1,359,997	65.5%	3,460,804	39.3%
12/31/2005	2,164,640	3,605,478	1,440,838	60.0%	3,189,909	45.2%
12/31/2004	1,760,934	3,250,145	1,489,211	54.2%	2,928,389	50.9%
12/31/2003	1,495,857	2,810,094	1,314,237	53.2%	2,694,886	48.8%
12/31/2002	1,158,374	2,326,398	1,168,024	49.8%	2,439,572	47.9%
12/31/2001	1,104,524	2,064,882	960,298	53.5%	2,159,287	44.5%
12/31/2000	999,473	1,848,195	848,722	54.1%	1,548,539	54.8%
12/31/1999	896,773	1,702,905	806,132	52.7%	1,492,883	54.0%
12/31/1998	739,053	1,533,922	794,869	48.2%	1,382,597	57.5%

NOTE A: BASIS OF PRESENTATION

The budget is prepared and adopted on a basis consistent with generally accepted accounting principles (GAAP).

NOTE B: EXCESS OVER APPROPRIATIONS IN INDIVIDUAL FUNDS

Individual departments within the General Fund reported expenditures in excess of appropriations of:

General Fund:		
Probate Court	$	842
Law Enforcement	$	88,731
Vehicle Maintenance	$	145,011

Combining and Individual Fund Statements and Schedules

Madison County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Clerk Deed Fund	PEPI & Seized Drug	E-911	Sheriff Commission	Law Library	Food Bank	Bicentennial Committee	Jail Fund	Total Special Revenue Funds
ASSETS									
Cash and cash equivalents	$ 39,141	$ 7,943	$ 153,340	$ -	$ 15,284	$ -	$ -	$ -	$ 215,708
Accounts receivable	-	-	82,034	-	-	-	-	-	82,034
Due from other funds	-	-	-	-	-	-	-	10,813	10,813
Total assets	39,141	7,943	235,374	-	15,284	-	-	10,813	308,555
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	-	-	7,201	-	-	-	-	-	7,201
Accrued salaries and benefits	-	-	51,298	-	-	-	-	-	51,298
Total liabilities	-	-	58,499	-	-	-	-	-	58,499
Fund balances:									
Restricted									
Judicial	39,141	-	-	-	15,284	-	-	-	54,425
Public safety	-	7,943	176,875	-	-	-	-	10,813	195,631
Total fund balances	39,141	7,943	176,875	-	15,284	-	-	10,813	250,056
Total liabilities and fund balances	$ 39,141	$ 7,943	$ 235,374	$ -	$ 15,284	$ -	$ -	$ 10,813	$ 308,555

Madison County, Georgia
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011

	Clerk Deed Fund	PEPI & Seized Drug	E-911	Sheriff Commission	Law Library	Food Bank	Bicentennial Committee	Jail Fund	Total Special Revenue Funds
REVENUES									
Intergovernmental	$ -	$ -	$ 11,700	$ -	$ -	$ -	$ -	$ -	$ 11,700
Charges for services	13,280	-	469,741	-	8,913	-	-	-	491,934
Fines and forfeitures	-	24,214	-	-	-	-	-	54,411	78,625
Investment earnings	400	37	400	-	172	-	-	-	1,009
Miscellaneous	-	-	309	-	-	-	-	-	309
Total revenues	13,680	24,251	482,150	-	9,085	-	-	54,411	583,577
EXPENDITURES									
Current:									
Judicial	10,277	-	-	-	10,850	-	-	-	21,127
Public Safety	-	32,323	825,229	-	-	-	-	-	857,552
Total Expenditures	10,277	32,323	825,229	-	10,850	-	-	-	878,679
Excess (deficiency) of revenues over (under) expenditures	3,403	(8,072)	(343,079)	-	(1,765)	-	-	54,411	(295,102)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	430,395	-	-	-		-	430,395
Transfers (out)	-	-	-	(2,687)	-	(32,628)	(3,449)	-	(38,764)
Total other financing sources and uses	-	-	430,395	(2,687)	-	(32,628)	(3,449)	-	391,631
Net change in fund balances	3,403	(8,072)	87,316	(2,687)	(1,765)	(32,628)	(3,449)	54,411	96,529
Fund balances - beginning	35,738	16,015	89,559	2,687	17,049	32,628	3,449	(43,598)	153,527
Fund balances - ending	$ 39,141	$ 7,943	$ 176,875	$ -	$ 15,284	$ -	$ -	$ 10,813	$ 250,056

Madison County, Georgia
Clerk's Deed Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ 11,500	$ 11,500	$ 13,280	$ 1,780
Investment income	-	-	400	400
Total revenues	11,500	11,500	13,680	2,180
EXPENDITURES				
Current:				
Judicial	11,500	11,500	10,277	1,223
Total expenditures	11,500	11,500	10,277	1,223
Net change in fund balances	-	-	3,403	3,403
Fund balances - beginning	35,738	35,738	35,738	-
Fund balances - ending	$ 35,738	$ 35,738	$ 39,141	$ 3,403

Madison County, Georgia
Seized and Forfeited Funds Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines and forfeitures	$ 46,000	$ 46,000	$ 24,214	$ (21,786)
Investment income	-	-	37	37
Total revenues	46,000	46,000	24,251	(21,749)
EXPENDITURES				
Current:				
Public safety	46,000	46,000	32,323	13,677
Total expenditures	46,000	46,000	32,323	13,677
Net change in fund balances	-	-	(8,072)	(8,072)
Fund balances - beginning	16,015	16,015	16,015	-
Fund balances - ending	$ 16,015	$ 16,015	$ 7,943	$ (8,072)

Madison County, Georgia
E-911 Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	$ -	$ 11,700	$ 11,700	$ -
Charges for services	454,500	454,500	469,741	15,241
Investment income	3,000	3,000	400	(2,600)
Miscellaneous	150	150	309	159
Total revenues	457,650	469,350	482,150	12,800
EXPENDITURES				
Current:				
Public safety	841,963	835,663	825,229	10,434
Total expenditures	841,963	835,663	825,229	10,434
Deficiency of revenues under expenditures	(384,313)	(366,313)	(343,079)	23,234
OTHER FINANCING SOURCES				
Transfers	384,313	366,613	430,395	63,782
Total other financing sources	384,313	366,613	430,395	63,782
Net change in fund balances	-	300	87,316	87,016
Fund balances - beginning	89,559	89,559	89,559	-
Fund balances - ending	$ 89,559	$ 89,859	$ 176,875	$ 87,016

Madison County, Georgia
Sheriff's Commission Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
OTHER FINANCING SOURCES				
Transfers	$ -	$ -	$ (2,687)	$ (2,687)
Total other financing sources	-	-	(2,687)	(2,687)
Net change in fund balances	-	-	(2,687)	(2,687)
Fund balances - beginning	2,687	2,687	2,687	-
Fund balances - ending	$ 2,687	$ 2,687	$ -	$ (2,687)

Exhibit G

Madison County, Georgia
Law Library Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ 12,000	$ 12,000	$ 8,913	$ (3,087)
Investment income	-	-	172	172
Total revenues	12,000	12,000	9,085	(2,915)
EXPENDITURES				
Current:				
Judicial	12,000	12,000	10,850	1,150
Total expenditures	12,000	12,000	10,850	1,150
Net change in fund balance	-	-	(1,765)	(1,765)
Fund balances - beginning	17,049	17,049	17,049	-
Fund balances - ending	$ 17,049	$ 17,049	$ 15,284	$ (1,765)

Exhibit H

Madison County, Georgia
Food Bank Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
OTHER FINANCING (USES)				
Transfers (out)	$ -	$ -	$ (32,628)	$ (32,628)
Total other financing (uses)	-	-	(32,628)	(32,628)
Net change in fund balance	-	-	(32,628)	(32,628)
Fund balances - beginning	32,628	32,628	32,628	-
Fund balances - ending	$ 32,628	$ 32,628	$ -	$ (32,628)

Exhibit I

Madison County, Georgia
Bicentennial Committee Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
OTHER FINANCING (USES)				
Transfers (out)	$ -	$ -	$ (3,449)	$ (3,449)
Total other financing (uses)	-	-	(3,449)	(3,449)
Net change in fund balance	-	-	(3,449)	-
Fund balances - beginning	3,449	3,449	3,449	-
Fund balances - ending	$ 3,449	$ 3,449	$ -	$ -

Exhibit J

Madison County, Georgia
Jail Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2011

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines and forfeitures	$ -	$ -	$ 54,411	$ 54,411
Total revenues	-	-	54,411	54,411
Excess of revenues over expenditures	-	-	54,411	54,411
Net change in fund balance	-	-	54,411	54,411
Fund balances - beginning	(43,598)	(43,598)	(43,598)	-
Fund balances - ending	$ (43,598)	$ (43,598)	$ 10,813	$ 54,411

Exhibit K

Madison County, Georgia
Fiduciary Funds
Combining Schedule of Fiduciary Assets and Liabilities
December 31, 2011

	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court	Magistrate Court	Total Fiduciary Funds
ASSETS						
Cash	$ 4,204	$ 22,168	$ 122,379	$ -	$ 3,706	$ 152,457
Total Assets	$ 4,204	$ 22,168	$ 122,379	$ -	$ 3,706	$ 152,457
LIABILITIES						
Due to others	4,204	22,168	122,379	-	3,706	152,457
Total Liabilities	$ 4,204	$ 22,168	$ 122,379	$ -	$ 3,706	$ 152,457

Compliance Section

Treadwell, Tamplin & Co.
Certified Public Accountants
A Limited Liability Partnership

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

To the Honorable Commissioners of
Madison County, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Madison County, Georgia, as of and for the year ended December 31, 2011, and have issued our report thereon dated June 29, 2012. We did not audit the financial statements of the Madison County Health Department. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for the Madison County Health Department, is based on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Madison County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Madison County, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of audit findings and responses, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of audit findings and responses at *2011-1* to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item *2011-2*.

We noted certain matters that we reported to management of Madison County, Georgia in a separate letter dated June 29, 2012.

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

This report is intended solely for the information and use of the Board of Commissioners, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Braswell, Tamplin & Co.

Athens, Georgia
June 29, 2012

Madison County, Georgia
Schedule of Audit Findings and Responses
For the Year Ended December 31, 2011

2011-1

Criteria: One of the assertions that management makes in its financial statements is that the transactions reported in the financial statements occurred in the period that management is reporting on. The accounting literature refers to this assertions as "cutoff". Therefore, in order for the City's financial statements to fairly present the results for the year, proper cutoffs are critical under both the modified accrual basis and the full accrual basis of accounting.

Condition: We noted in our testing of the cutoff of expenditures that there was one invoice in the SPLOST fund in the amount of $143,296 that should have been included in the current period. The County does have procedures in place to achieve proper cutoff. However, with this particular situation, there were two invoices paid with one check. The invoices were stapled together and the invoice on top was a 2012 invoice and was properly excluded from accounts payable. However, the second invoice was a 2011 invoice and was overlooked from being accrued in 2011.

Effect: Accounts payable and expenditures were understated in the SPLOST fund.

Recommendation: We suggest that the County look through the documents more closely when completing its year end closeout procedures.

Views of Officials: Management concurs with this finding and will implement the auditor's suggestion.

2011-2

Criteria: Section 36-81-3(b)(1) of the Official Code of Georgia Annotated requires that the general fund and each special revenue fund of the County adopt an annual balanced budget approved by the county's governing authority. State law also requires that the total expenditures of these funds not exceed the appropriation approved by the governing authority.

Condition: The General Fund had two departments in which the expenditures exceeded the appropriation approved by the governing authority by a material amount.

Effect: In the Law Enforcement Department, expenditures exceeded appropriations by $88,731 and in the Vehicle Maintenance Department expenditures exceeded the appropriations by $145,011.

Recommendation: We recommend that all supervisors regularly compare actual expenditures to the budget to ensure that they comply with state law. When actual expenditures approach budgeted totals we recommend that budget amendments be considered.

Views of Officials: Management concurs with this finding and will implement the auditor's suggestion.

Madison County, Georgia
Schedule of Projects Constructed
With Special Sales Tax Proceeds
For the Year Ended December 31, 2011

2008 Referendum	Original Estimated Cost	Expenditures: Prior Years	Expenditures: Current Year	Expenditures: Total	Estimated Percentages of Completion
Expansion of County Jail	$ 3,300,000	$ -		$ -	0%
Recreation	1,000,000	198,415	150,981	349,396	35%
Library	750,000	-	363,449	363,449	48%
E-911	424,400	200,104	5,738	205,842	49%
EMS	270,000	83,395		83,395	31%
Transfer Station	124,800	-	65,895	65,895	53%
Old Courthouse	90,000	7,895		7,895	9%
Road and bridge improvements	3,950,800	1,116,143	1,705,629	2,821,772	71%
Payments to Industrial Development and Building Authority for water and sewer projects	1,190,000	454,028	186,256	640,284	54%
Payments to cities for capital projects					
City of Carlton	128,587	49,086	20,136	69,222	54%
City of Colbert	269,316	102,738	42,146	144,884	54%
City of Comer	580,574	221,533	90,880	312,413	54%
City of Danielsville	252,208	96,249	39,484	135,733	54%
City of Hull	88,300	33,698	13,825	47,523	54%
City of Ila	181,015	69,086	28,341	97,427	54%
Totals	$ 12,600,000	$ 2,632,370	$ 2,712,760	$ 5,345,130	

Total costs reported in the SPLOST fund are reported as:	
Total expenditures	$ 2,646,865
Total transfers	65,895
Total expenditures and transfers	$ 2,712,760

Madison County

Certification of 9-1-1 Expenditures

For the Year Ended 2011

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)	
	Sprint		$ 341.63
	AT&T		$ 32,930.40
			$
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)	$ 61,323.48
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)	$ 439,002.31
5b	Employee benefits	46-5-134(f)(1)(C)	$ 126,395.27
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	$ 699.51
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)	$ 3,973.18
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)	$ 2,400.23
9c	Maintenance costs	46-5-134(f)(1)(G)	$ 26,759.20

Madison County

Certification of 9-1-1 Expenditures

For the Year Ended 2011

Line No.		O.C.G.A. Reference:		
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)	$	38,044.13
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)	$	1,200.00
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)	$	23,400.00
16b	Purchase costs	46-5-134(f)(2(B)(v)	$	
16c	Maintenance costs	46-5-134(f)(2(B)(v)	$	68,760.64

Madison County

Certification of 9-1-1 Expenditures

For the Year Ended 2011

Line No.		OCGA Reference	
17	Other expenditures not included in Lines 2 through 16 above. Identify by object and purpose.		
	_____		$ _____
	_____		$ _____
	_____		$ _____
	_____		$ _____
	_____		$ _____
	_____		$ _____
	_____		$ _____
	_____		$ _____
18	Total Expenditures (total of all amounts reported on Lines 2 through 17 above)		$ 825,229.98

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 Anthony Dove Date 6/28/2012

Print Name of Chief Elected Official Anthony Dove

Title of Chief Elected Official Chairman, Board of Commissioners

Signature of Chief Financial Officer Kathy Clark Date 6/29/12

Print Name of Chief Financial Officer Kathy Clark