Madison County, Georgia

Financial Statements

For the Year Ended December 31, 2012

Madison County, Georgia
Financial Report
For the Year Ended December 31, 2012

TABLE OF CONTENTS

	Exhibit No.	Page No.
FINANCIAL SECTION		
Independent Auditor's Report		
Management's Discussion and Analysis		i-vii
Basic Financial Statements:		
Statement of Net Position	1	1
Statement of Activities	2	2
Balance Sheet - Governmental Funds	3	3
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	3.1	4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	4	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Net Activities	4.1	6
Statement of Net Position - Proprietary Funds	5	7
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	6	8
Statement of Cash Flows - Proprietary Funds	7	9
Statement of Fiduciary Assets and Liabilities	8	10
Notes to the Financial Statements		11-30
Required Supplementary Information:		
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - General Fund		31-32
Retirement Plan - Schedule of Funding Progress		33
Notes to Required Supplementary Information		34
Combining and Individual Fund Schedules		
Balance Sheet - Nonmajor Governmental Funds - Special Revenue Fund Revenue Funds	A	35

Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds	B	36
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Clerk's Deed Special Revenue Fund	C	37
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Seized and Forfeited Funds Special Revenue Fund	D	38
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - E-911 Special Revenue Fund	E	39
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Law Library Special Revenue Fund	F	40
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Jail Special Revenue Fund	G	41
Combining Schedule of Fiduciary Assets and Liabilities	K	42

Page No.

COMPLIANCE SECTION

Independent Auditor'sReport 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* 43-44

Schedule of Findings and Responses 45

Schedule of Projects Constructed with Special Purpose Sales Tax 46

Certification of 9-1-1 Expenditures 47-49

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

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Watkinsville, GA 30677

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, 2012 , 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 28%, 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, 2012, 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 28, 2013 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 combing and individual fund schedules, 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, Tanglin & Co.

Madison, Georgia
June 28, 2013

MADISON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2012

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, 2012. 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, 2012 by $267,656,147 presented as "net assets". Of this amount, $11,571,580 was reported as "unrestricted net position". Unrestricted net position represents the amount available to meet the County's obligations to citizens and creditors.

- The County's combined net position decreased from $278,260,194 to $267,656,147.

- The County's General Fund unreserved fund balance was $9,551,885 and a reserved fund balance of $1,344,710.

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 position and the Statement of Activities.

The Statement of Net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 position may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by $267,656,147 at the close of the fiscal year on December 31, 2012.

The largest portion of the County's net position 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 Position - Primary Government

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	$ 17,467,670	$ 17,226,803	$ 1,459	$ 1,959	$ 17,469,129	$ 17,228,762
Capital assets	253,333,539	263,971,759	164,416	181,271	253,497,955	264,153,030
Total assets	270,801,209	281,198,562	165,875	183,230	270,967,084	281,381,792
Long-term liabilities	1,275,296	1,471,425	270,290	318,894	1,545,586	1,790,319
Other liabilities	976,322	1,298,313	31,897	32,962	1,008,219	1,331,275
Total liabilities	2,251,618	2,769,738	302,187	351,856	2,553,805	3,121,594
Deferred Inflows of resources						
Deferred revenue-grant proceeds	556,173	-	-	-	556,173	-
Deferred lease income	200,959	-	-	-	200,959	-
	757,132	0	0	0	757,132	0
Net position:						
Invested in capital assets, net of related debt	253,333,539	263,971,759	164,416	181,271	253,497,955	264,153,030
Restricted	2,486,612	2,037,438		-	2,486,612	2,037,438
Unrestricted	11,972,308	12,419,627	(300,728)	(349,897)	11,671,580	12,069,730
Total net position	$ 267,792,459	$ 278,428,824	$ (136,312)	$ (168,626)	$ 267,656,147	$ 278,260,198

Unrestricted net position of $11,671,580 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 position.

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

Madison County's Change in Net Position - Primary Government						
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	$ 2,756,674	$ 2,832,805	$ 162,816	$ 171,369	$ 2,919,490	$ 3,004,174
Operating grants and Contributions	322,225	310,347	-	-	322,225	310,347
Capital grants and Contributions	78,136	49,602	-	-	78,136	49,602
General revenues:						
Taxes	11,780,684	12,544,359	-	-	11,780,684	12,544,359
Grants and contributions	-	-	-	-	-	-
Investment revenue	6,188	66,265	-	-	6,188	66,265
Other	63,877	59,973	-	-	63,877	59,973
Total Revenues	15,007,784	15,863,351	162,816	171,369	15,170,600	16,034,720
Expenses:						
General government	2,383,590	2,262,401			2,383,590	2,262,401
Judicial	1,227,816	1,162,961			1,227,816	1,162,961
Public safety	6,803,838	6,735,788			6,803,838	6,735,788
Public works	13,196,682	13,881,365			13,196,682	13,881,365
Health and welfare	600,152	606,103			600,152	606,103
Culture and recreation	711,400	756,879			711,400	756,879
Housing and development	327,905	320,534			327,905	320,534
Interest	49,709	62,576			49,709	62,576
Solid waste	-	-	473,559	483,991	473,559	483,991
Total Expenses	25,301,092	25,788,607	473,559	483,991	25,774,651	26,272,598
Change in net position before transfers	(10,293,308)	(9,925,256)	(310,743)	(312,622)	(10,604,051)	(10,237,878)
Transfers	(343,057)	(432,898)	343,057	432,898	-	-
Change in net position after transfers	(10,636,365)	(10,358,154)	32,314	120,276	(10,604,051)	(10,237,878)
Beginning Net Position	278,428,824	288,786,978	(168,626)	(288,902)	278,260,198	288,498,076
Ending Net Position	$ 267,792,459	$ 278,428,824	$ (136,312)	$ (168,626)	$ 267,656,147	$ 278,260,198

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, unreserved fund balance of the General Fund was $9,551,885 while the total fund balance was $10,896,595. 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 $1,518,147 revenues were $2,095,057 and fund balance was $2,415,634.

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 position for the Solid Waste Fund were ($136,312) 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:

vehicle repair/maintenance
renovation of buildings
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, 2012 amounts to $253,497,955 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	
	2012	2011	2012	2011	2012	2011
Land	$ 653,977	$ 643,445	$ -	$ -	$ 653,977	$ 643,445
Construction in progress	945,522	1,550,495	-	-	945,522	1,550,495
Buildings and improvements	10,647,547	10,047,893	83,260	83,260	10,730,807	10,131,153
Equipment, furniture, and vehicles	6,255,389	6,192,447	168,696	168,696	6,424,085	6,361,143
Land improvements	463,956	463,956	-	-	463,956	463,956
Infrastructure	428,442,334	427,849,137	-	-	428,442,334	427,849,137
Accumulated depreciation	(194,075,186)	(182,775,614)	(87,540)	(70,685)	(194,162,726)	(182,846,299)
Total	$ 253,333,539	$ 263,971,759	$ 164,416	$ 181,271	$ 253,497,955	$ 264,153,030

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 $1,545,586 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	
	2012	2011	2012	2011	2012	2011
Notes payable	$ -	$ -	$ 134,223	$ 165,536	$ 134,223	$ 165,536
Capital lease	1,008,975	1,150,910	-	-	1,008,975	1,150,910
Landfill postclosure	-	-	125,025	133,360	125,025	133,360
Compensated absences	266,321	320,515	11,042	19,998	277,363	340,513
Total	$ 1,275,296	$ 1,471,425	$ 270,290	$ 318,894	$ 1,545,586	$ 1,790,319

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 2013 General Fund budget was balanced by using $1,195,558 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.

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 3063

Madison County, Georgia
Statement of Net Position
December 31, 2012

	Governmental Activities	Business-type Activities	Total	Industrial Development Authority	June 30 Health Department
ASSETS					
Cash and cash equivalents	$ 13,614,083	$ 455	$ 13,614,538	$ 128,003	$ 493,928
Receivables	1,986,183	1,004	1,987,187	232,579	24,828
Due from other governments	358,929	-	358,929	304,764	23,330
Inventories	123,789	-	123,789	-	-
Capital lease receivables	1,209,935	-	1,209,935	-	-
Deferred pension benefit	173,636	-	173,636	-	-
Other assets	1,115	-	1,115	135,117	-
Capital assets					
Capital assets not being depreciated	1,599,499	-	1,599,499	1,023,356	-
Capital assets, net of depreciation	251,734,040	164,416	251,898,456	15,724,859	15,086
Total assets	270,801,209	165,875	270,967,084	17,548,678	557,172
LIABILITIES					
Accounts payable and accrued expenses	976,322	30,020	1,006,342	39,945	30,663
Accrued interest	-	1,879	1,879	-	-
Customer deposits	-	-	-	41,970	-
Long-term liabilities:					
Due within one year					
Note payable	-	33,102	33,102	447,519	-
Capital lease obligations	154,938	-	154,938	-	-
Compensated absences	-	-	-	-	16,104
Landfill postclosure costs	-	8,335	8,335	-	-
Due in more than one year					
Note payable	-	101,121	101,121	7,770,819	-
Capital lease obligations	854,037	-	854,037	-	-
Compensated absences	266,321	11,042	277,363	-	31,296
Landfill postclosure costs	-	116,690	116,690	-	-
Total liabilities	2,251,618	302,189	2,553,807	8,300,253	78,063
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue - grant proceeds	556,173	-	556,173	-	-
Deferred lease income	200,959	-	200,959	-	-
	757,132	-	757,132	-	-
NET POSITION					
Net investment in capital assets	253,333,539	164,416	253,497,955	8,529,877	15,086
Restricted for:					
Capital projects	2,341,242	-	2,341,242	53,897	-
Judicial	61,365	-	61,365	-	-
Health and welfare	24,248	-	24,248	-	-
Public safety	59,757	-	59,757	-	-
Debt service	-	-	-	135,117	-
Unrestricted	11,972,308	(300,730)	11,671,578	529,534	464,023
Total net position	$ 267,792,459	$ (136,314)	$ 267,656,145	$ 9,248,425	$ 479,109

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

Madison County, Georgia
Statement of Activities
For the Year Ended December 31, 2012

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 position: 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	$ 2,383,590	$ 405,412	$ 31,135	$ -	$ (1,947,043)	$ -	$ (1,947,043)		
Judicial	1,227,816	576,209	85,000	-	(566,607)	-	(566,607)		
Public Safety	6,803,838	1,609,854	12,459	12,323	(5,169,202)	-	(5,169,202)		
Public Works	13,196,682	600	-	47,881	(13,148,201)	-	(13,148,201)		
Health and Welfare	600,152	-	193,631	15,832	(390,689)	-	(390,689)		
Culture and Recreation	711,400	112,610	-	2,100	(596,690)	-	(596,690)		
Housing & Development	327,905	51,989	-	-	(275,916)	-	(275,916)		
Interest on Long-term debt	49,709	-	-	-	(49,709)	-	(49,709)		
Total governmental activities	25,301,092	2,756,674	322,225	78,136	(22,144,057)	-	(22,144,057)		
Business-type activities:									
Solid Waste Fund	473,561	162,816	-	-		(310,745)	(310,745)		
Total business-type activities	473,561	162,816	-	-		(310,745)	(310,745)		
Total primary government	25,774,653	2,919,490	322,225	78,136	(22,144,057)	(310,745)	(22,454,802)		
Component Units									
Industrial Development Authority	1,790,210	617,098	-	467,182				(705,930)	-
Health Department	711,063	150,963	496,992	-				-	(63,108)
Total component units	$ 2,501,273	$ 768,061	$ 496,992	$ 467,182				$ (705,930)	$ (63,108)
General revenues:									
Taxes:									
Property taxes, levied for general purposes					$ 6,703,383	$ -	$ 6,703,383	$ 560,827	$ -
Sales taxes					3,612,048	-	3,612,048	-	-
Franchise and other business taxes					1,465,253	-	1,465,253	7,164	-
Interest revenue					6,188	-	6,188	2,194	697
Miscellaneous					57,590	-	57,590	-	-
Gain on disposal of asset					6,287	-	6,287	10,660	-
Special item - forgiveness of debt on GEFA notes					-	-	-	100,915	-
Transfers					(343,057)	343,057	-	-	-
Total general revenues, special item, and transfers					11,507,692	343,057	11,850,749	681,760	697
Change in net position					(10,636,365)	32,312	(10,604,053)	(24,170)	(62,411)
Net position - beginning, as previously reported					278,428,824	(168,626)	278,260,198	9,419,397	541,520
Change in accounting principle - implementation of GASB 65					-	-	-	(146,802)	-
Net position - beginning, as restated					278,428,824	(168,626)	278,260,198	9,272,595	541,520
Net position - ending					$ 267,792,459	$ (136,314)	$267,656,145	$ 9,248,425	$ 479,109

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

Madison County, Georgia
Balance Sheet
Governmental Funds
December 31, 2012

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 11,266,647	$ 2,242,010	$ 105,426	$ 13,614,083
Accounts receivable, net	-	-	78,827	78,827
Taxes receivable, net	1,792,282	-	-	1,792,282
Due from other funds	-	-	-	-
Receivable from other governments	186,547	173,624	-	360,171
Other receivables	113,832	-	-	113,832
Capital lease receivable	1,209,935	-	-	1,209,935
Inventories	124,904	-	-	124,904
Total assets	14,694,147	2,415,634	184,253	17,294,034
LIABILITIES				
Accounts payable	89,232	74,392	6,510	170,134
Accrued salaries and benefits	702,224	-	56,621	758,845
Due to other funds	-	-	-	-
Tax sale proceeds held for others	47,345	-	-	47,345
Total liabilities	838,801	74,392	63,131	976,324
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue - property taxes	1,192,643	-	-	1,192,643
Deferred revenue - grant proceeds	556,173	-	-	556,173
Deferred revenue - lease	1,209,935	-	-	1,209,935
Total deferred inflows	2,958,751	-	-	2,958,751
FUND BALANCES				
Nonspendable	124,904	-	-	124,904
Restricted				
Capital projects	-	2,341,242	-	2,341,242
Judicial	-	-	61,365	61,365
Health and welfare	24,248	-	-	24,248
Public safety	-	-	59,757	59,757
Assigned				
Subsequent years' budget	1,195,558	-	-	1,195,558
Unassigned	9,551,885	-	-	9,551,885
Total fund balances	10,896,595	2,341,242	121,122	13,358,959
Total liabilities, deferred inflows of resources, and fund balances	$ 14,694,147	$ 2,415,634	$ 184,253	$ 17,294,034

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 Position
December 31, 2012

Total fund balance, governmental funds (Exhibit 3)	$	13,358,959
Amounts reported for governmental activities in the Statement of Net position 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 position.		253,333,539
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 position.		(1,275,296)
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.		173,636
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.		1,008,978
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.		1,192,643
Net Assets of Governmental Activities in the Statement of Net Assets (Exhibit 1)	$	267,792,459

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, 2012

	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 9,770,384	$ 2,075,877	$ -	$ 11,846,261
Licenses and permits	63,099	-	-	63,099
Intergovernmental	283,836	-	-	283,836
Charges for services	1,366,955	-	505,000	1,871,955
Fines and forfeitures	676,234	-	83,677	759,911
Investment earnings	5,732	19,180	456	25,368
Contributions and donations	50,104	-	-	50,104
Miscellaneous	279,301	-	475	279,776
Total revenues	12,495,645	2,095,057	589,608	15,180,310
EXPENDITURES				
Current:				
General government	2,401,174	-	-	2,401,174
Judicial	1,120,172	-	16,902	1,137,074
Public safety	5,669,506	-	857,273	6,526,779
Public works	1,500,404	-	-	1,500,404
Health and welfare	549,921	-	-	549,921
Culture and recreation	661,856	-	-	661,856
Housing and development	330,072	-	-	330,072
Debt Service:				
Principal	141,935	-	-	141,935
Interest and other charges	61,731	-	-	61,731
Intergovernmental	-	443,200	-	443,200
Capital Outlay:				
Public safety	-	31,387	-	31,387
Public works	-	503,470	-	503,470
Culture and recreation	-	540,090	-	540,090
Total expenditures	12,436,771	1,518,147	874,175	14,829,093
Deficiency of revenues under expenditures	58,874	576,910	(284,567)	351,217
OTHER FINANCING SOURCES (USES)				
Proceeds from governmental asset dispositions	6,287	-	-	6,287
Transfers in	55,897	-	211,531	267,428
Transfers (out)	(554,588)	-	(55,897)	(610,485)
Total other financing sources and (uses)	(492,404)	-	155,634	(336,770)
Net change in fund balances	(433,530)	576,910	(128,933)	14,447
Fund balances - beginning	11,330,125	1,764,332	250,055	13,344,512
Fund balances - ending	$ 10,896,595	$ 2,341,242	$ 121,122	$ 13,358,959

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, 2012

Net change in fund balances - total governmental funds (Exhibit 4)	$	14,447
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 $11,372,076 exceeded capital outlays $705,155 in the current period.		(10,666,921)
The County accepted contributed assets by other governments into the County's capital asset system. The assets contributed are not current financial resources. Therefore, the contributions are not reflected in the fund-level financial statements.		28,701
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.		(1,208)
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.		(65,578)
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.		54,194
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.		(141,935)
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.		141,935
Change in net assets of governmental activities (Exhibit 2)	$	(10,636,365)

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

Madison County, Georgia
Statement of Net Position
Proprietary Fund
December 31, 2012

	Solid Waste Fund
ASSETS	
Current assets:	
Cash	$ 455
Accounts receivable	1,004
Total current assets	1,459
Non-current assets:	
Capital assets, net of depreciation	164,416
Total assets	165,875
LIABILITIES	
Current Liabilities:	
Accounts payable	12,505
Salaries and benefits payable	17,515
Accrued interest payable	1,879
Current portion of postclosure liability	8,335
Current portion of note payable	33,102
Total current liabilities	73,336
Non-current liabilities:	
Compensated absences	11,042
Postclosure liability	116,690
Note payable	101,121
Total non-current liabilities	228,853
Total liabilities	302,189
NET POSITION	
Net investment in capital assets	164,416
Unrestricted	(300,730)
Total net position	$ (136,314)

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

Madison County, Georgia
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2012

	Solid Waste Fund
REVENUES	
Charges for services	$ 162,754
Miscellaneous	60
Total operating revenues	162,814
OPERATING EXPENSES	
Cost of sales - waste disposal fees	115,314
Personal services	195,021
Contractual services	101,534
Other supplies and expenses	36,547
Depreciation	16,854
Total operating expenses	465,270
Operating loss	(302,456)
NON-OPERATING REVENUES (EXPENSES)	
Interest expense	(8,289)
Total non-operating expense	(8,289)
Loss before transfers	(310,745)
Transfers in	343,057
Change in net assets	32,312
Total net position - beginning	(168,626)
Total net position - ending	$ (136,314)

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, 2012

	Solid Waste Fund
Cash flows from operating activities:	
Cash sales to customers	$ 163,372
Cash payments to employees for services	(263,489)
Cash payments to suppliers	(202,845)
Net cash used by operating activities	(302,962)
Cash flows from noncapital financing activities:	
Transfers in	343,057
Net cash provided by noncapital financing activities	343,057
Cash flows from capital and related financing activities:	
Principal paid on note payable	(31,313)
Interest paid on notes payable	(8,727)
Net cash used by capital and related financing activities	(40,040)
Net change in cash and cash equivalents	55
Cash - beginning	400
Cash - ending	$ 455
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (302,456)
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	558
Accounts payable	(1,759)
Salaries and benefits payable	1,132
Compensated absences	(8,956)
Net cash used by operating activities	$ (302,962)

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

Madison County, Georgia
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2012

ASSETS		
Cash	$	310,852
Total assets		310,852
LIABILITIES		
Due to others		310,852
Total liabilities	$	310,852

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 position 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, 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, 2012: 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.

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 2012, the budget was legally adopted in December 2011.

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, 2012, were levied on August 27, 2012 with a payment period from September 26, 2012 to December 20, 2012. 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, 2012 amounted to $1,792,282 and deferred property tax revenue totaled $1,192,643.

H. Prepaid Expenses

The County uses the purchase method to account for certain costs, such as insurance premiums, which might benefit more than one period. Under the purchase method, such costs are recorded as expenditures in the period that the costs are paid.

Note 1: Summary of Significant Accounting Policies, continued

I. Inventory

Inventory is valued at actual cost on a first-in, first-out basis. The cost of all inventory items on hand is considered to be the cost at which the County last purchased an item. 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.

J. 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.

K. 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

L. 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.

M. 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 net position (in the case of the government-wide or proprietary fund statements) or fund balance (in the case of governmental fund statements) 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	$ 136,314

The deficit in the solid waste fund is partially funded by a note payable. Of the $136,314 deficit in the solid waste fund, $125,025 is the result of an accrued liability for postclosure monitoring costs for the County's landfill.

Note 3: Cash

The carrying amount of the County's deposits with financial institutions was $13,924,935 and the bank balance was $19,170,624. 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 has not formally adopted any policies that restrict its investment option beyond the restrictions found in Georgia law.

The County had no investments at December 31, 2012. 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	$ 1,792,282
Ambulance service receivable	167,907
E911 surcharge receivable	78,827
Other receivables	22,167
	2,061,183
Less: allowances for doubtful accounts related to ambulance service receivables	(75,000)
	$ 1,986,183

Note 4: Other Receivables, continued

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

Ambulance service receivable	$ 167,907
Other receivables	20,925
	188,832
Less: allowances for doubtful accounts related to ambulance service receivables	(75,000)
	$ 113,832

Note 5: Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

Primary Government: Governmental Activities:	**Beginning**	**Increases**	**Decreases**	**Ending**
Capital assets not being depreciated:				
Land	$ 643,445	$ 10,532	$ -	$ 653,977
Construction in progress	1,550,495	555,877	1,160,850	945,522
Total capital assets not being depreciated	2,193,940	566,409	1,160,850	1,599,499
Capital assets being depreciated:				
Buildings and improvements	10,047,893	599,654	-	10,647,547
Equipment, furniture and vehicles	6,192,447	135,446	72,504	6,255,389
Land improvement	463,956	-	-	463,956
Infrastructure	5,735,492	593,197	-	6,328,689
Prior years' infrastructure	422,113,645	-	-	422,113,645
Total capital assets being depreciated	444,553,433	1,328,297	72,504	445,809,226
Less accumulated depreciation for:				
Buildings and improvements	2,957,620	277,818	-	3,235,438
Equipment, furniture and vehicles	4,891,544	381,701	72,504	5,200,741
Land improvement	311,898	21,123	-	333,021
Infrastructure	517,801	138,593	-	656,394
Prior years' infrastructure	174,096,751	10,552,841	-	184,649,592
Total accumulated depreciation	182,775,614	11,372,076	72,504	194,075,186
Total capital assets being depreciated, net	261,777,819	(10,043,779)	-	251,734,040
Governmental acitvities capital assets, net	$ 263,971,759	$ (9,477,370)	$ 1,160,850	$ 253,333,539

Interest costs of $61,731 were incurred and expensed during the year. No governmental activities interest costs were capitalized during the year.

Note 5: Capital Assets, continued

Depreciation expense was charged to governmental activities as follows:

General Government	$ 84,677
Judicial	2,513
Public Safety	386,888
Public Works	10,783,975
Health & Welfare	49,810
Culture & Recreation	64,213
	$ 11,372,076

Business type Activities:	**Beginning**	**Increases**	**Decreases**	**Ending**
Solid Waste Fund:				
Capital assets being depreciated:				
Buildings and improvements	$ 83,260	$ -	$ -	$ 83,260
Equipment	168,696	-	-	168,696
Total capital assets being depreciated	251,956	-	-	251,956
Less accumulated depreciation for:				
Buildings and improvements	28,010	3,197	-	31,207
Equipment	42,675	13,658	-	56,333
Total accumulated depreciation	70,685	16,855	-	87,540
Total Solid Waste being depreciated, net	181,271	(16,855)	-	164,416
Total Business type activities capital assets, net	$ 181,271	$ (16,855)	$ -	$ 164,416

The above capital assets do not include any capitalized interest amounts. Total interest costs of $8,289 were incurred and expensed during the year. No business-type activities interest costs were capitalized.

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	$ -	$ 1,870	$ 335,320
Construction in progress	-			-
Total capital assets not being depreciated	337,190	-	1,870	335,320

Business type Activities:	**Beginning**	**Increases**	**Decreases**	**Ending**
Water fund:				
Capital assets not being depreciated:				
Construction in progress	$ 2,081,389	$ 370,453	$ 2,049,339	$ 402,503
Land	279,130	6,403	-	285,533
Total capital assets not being depreciated	2,360,519	376,856	2,049,339	688,036
Capital assets being depreciated:				
Water systems	13,692,545	2,109,394	-	15,801,939
Wastewater plant/system	2,495,327	-	-	2,495,327
Vehicles and equipment	126,861	-	-	126,861
Total capital assets being depreciated	16,314,733	2,109,394	-	18,424,127
Less accumulated depreciation for:				
Water systems	2,102,866	362,627	-	2,465,493
Wastewater plant/system	67,582	62,383	-	129,965
Vehicles and equipment	86,741	17,069	-	103,810
Total accumulated depreciation	2,257,189	442,079	-	2,699,268
Total capital assets being depreciated, net	14,057,544	1,667,315	-	15,724,859
Component unit capital assets, net	$ 16,418,063	$ 2,044,171	$ 2,049,339	$ 16,412,895

Note 6: Interfund Transfer Activity

Interfund transfers for the year ended December 31, 2012 were as follows:

	Transfers In			
Transfers Out	**Nonmajor Gov't Funds**	**Solid Waste Fund**	**General Fund**	**Total**
Governmental Funds:				
General	$ 211,531	$ 343,057	$ -	$ 554,588
Nonmajor Gov't Funds	-	-	55,897	55,897
	$ 211,531	$ 343,057	$ 55,897	610,485

Note 6: Interfund Transfer Activity, continued

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 transfers from the nonmajor governmental funds to the general fund were made to reimburse costs incurred in the general fund that met the legal restrictions of certain revenues collected by the County and accounted for in a special revenue fund.

Note 7: Long-term Obligations

Governmental activities

Categories of debt

Capital Leases

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 $1,209,935 under the lease. See Note 8 for a more complete description of this leasing activity.

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.	$ 134,223

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

	Business-type Activities		
Year Ending December 31,	**Principal**	**Interest**	**Total**
2013	33,102	6,829	39,931
2014	34,995	4,936	39,931
2015	36,997	2,935	39,932
2016	29,129	820	29,949
	$ 134,223	$ 15,520	$ 149,743

Note 7: Long-term Obligation, continued

Changes in long-term obligations for the year ended December 31, 2012 are as follows:

	Beginning	Increases	Decreases	Ending	Due within one year
Governmental activities:					
Capital lease obligations	$ 1,150,910	$ -	$ 141,935	$ 1,008,975	$ 154,938
Compensated absences	320,515	185,245	239,439	266,321	-
	$ 1,471,425	$ 185,245	$ 381,374	$ 1,275,296	$ 154,938

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	$ 165,535	$ -	$ 31,312	$ 134,223	$ 33,102
Landfill postclosure costs	133,360	-	8,335	125,025	8,335
Compensated absences	19,998	4,480	13,436	11,042	-
	$ 318,893	$ 4,480	$ 53,083	$ 270,290	$ 41,437

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, 2012 are as follows:

Year Ending December 31,	Principal	Interest	Total
2013	$ 447,519	$ 226,594	$ 674,113
2014	459,057	215,358	674,415
2015	470,427	203,689	674,116
2016	482,453	191,660	674,113
2017	495,117	178,998	674,115
2018-2022	2,633,790	691,241	3,325,031
2023-2027	2,579,386	335,901	2,915,287
2028-2032	1,346,522	66,808	1,413,330
	$ 8,914,271	$ 2,110,249	$ 11,024,520

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, 2012 are as follows:

	Beginning	Increases	Decreases	Ending	Due within one year
GEFA notes payable - business-type activity	$ 9,085,772	$ 336,382	$ 507,883	$ 8,914,271	$ 447,519
	$ 9,085,772	$ 336,382	$ 507,883	$ 8,914,271	$ 447,519

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	$ 8,914,271
Less: current portion of GEFA notes	(447,519)
Non-current portion of note payable	8,466,752
Less: discount on non-interest bearing notes	(695,933)
Net present value of non-current notes payable	$ 7,770,819

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 in the year that the lease is executed. 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, 2012 are as follows:

2013	202,663
2014	201,663
2015	190,663
2016	157,717
2017	134,479
2018-2020	322,751
Total minimum lease payments	1,209,935
Less: interest portion of minimum lease payments	(200,960)
Present value minimum lease payments	$ 1,008,975

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.

Note 9: Retirement Benefits, continued

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.

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	45
Terminated plan members entitled to but not receiving benefits	73
Disabled and in Pay Status	1
Active plan members	143
Total	262

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, 2012 (the most recent actuarial valuation date), the County's total covered payroll for employees was $4,817,229. The required contribution for the 2012 plan year is $231,227, which represents 4.8% of covered payroll.

Annual Pension Cost

The County's recommended employer contribution and actual employer contribution was $513,939 and $463,039 for the 2012 Plan Year.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation as of January 1, 2012. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2012
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)
1/1/2012	$ 514,880	N/A	$ (173,636)
1/1/2011	464,247	100%	(174,844)
1/1/2010	443,167	101%	(170,142)

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	$ (174,844)
Annual Required Contribution (ARC)	463,298
Interest on Net Pension Obligation	(13,550)
Amortization of Net Pension Obligation	14,499
Contribution to Plan	(463,039)
Net Pension Obligation - ending	$ (173,636)

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
1/1/2012	4,537,824	6,052,751	1,514,927	75.0%	4,239,735	35.7%

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.

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 plan was established through resolution of the Board of Commissioners and may be amended through a similar action. The County makes no contributions to this plan. The plan is entirely funded through voluntary employee salary reduction. Employee contributions totaled $41,774.

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 County 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.

Note 11: Landfill Costs, continued

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 and is based on an estimate of the postclosure monitoring cost provided by an independent engineer hired by the County. Changes in inflation, technology, or applicable laws and regulations could result in actual costs that differ from the estimate.

During 2012, the County expended 6,016 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 $125,025 as of December 31, 2012. 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, 2012. 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:

Note 13: Joint Venture, continued

- 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)

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, 2012, 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	$ 2,341,242
Judicial	61,365
Public safety	59,757
	$ 2,462,364

Note 16: Net Investment in Capital Assets

Invested in capital assets, net of related debt reported on the government-wide statement of net assets as of December 31, 2012 are as follows:

Net investment in capital assets:

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

Note 16: Net Investment in Capital Assets, continued

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.

Note 17: Change in Accounting Principle

The Governmental Accounting Standards Board (GASB) issued GASB Statements no. 63 and 65 in June 2011 and March 2012, respectively. GASB Statement 63 became effective starting on January 1, 2012 for the County. This statement codifies the use of the new financial statement elements "deferred outflows of resources" and "deferred inflows of resources". A "deferred outflow of resources" describes a consumption of net assets that is applicable to future reporting period. In this respect, it is similar to an asset. A "deferred inflow of resources" describes an acquisition of net assets that is applicable to a future period. In this respect, it is similar to a liability. The County's implementation of GASB 63 required that it begin using these new financial statement elements. Additionally, the statement changed the title of the "Statement of Net Assets" to the "Statement of Net Position" and also changed the name of the residual equity element of accrual basis financial statements from "net assets" to "net position".

GASB 65 is required to be implemented for the County's 2013 financial statements, but the GASB encouraged financial statement issuers to implement its guidance early. The County as well as the Madison County Industrial Development and Building Authority (MCIDBA), a component unit of the County, chose to implement this guidance effective January 1, 2012. Statement 65 provides guidance about the types of transactions that give rise to deferred outflows and deferred inflows of resources. Additionally, the statement provides guidance that requires that any debt issuance costs other than insurance should be reported as an expense in the activities statement in the period the cost is incurred. Previous to the implementation of GASB 65 such costs were reported as assets. Implementing the guidance did not require any changes in the County's beginning net position. The implementation of this guidance required the MCIDBA to restate its beginning net position reducing the total by $146,802. Adopting Statement 65 decreased the MCIDBA's change in net position for calendar year 2012 by $18,141 and would have decreased the change in net position for 2011 by $25,870.

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	$10,300,294	$10,300,294	$ 9,770,384	$ (529,910)
Licenses and permits	57,000	57,000	63,099	6,099
Intergovernmental	162,459	819,966	283,836	(536,130)
Charges for services	1,283,226	1,298,994	1,366,955	67,961
Fines and forfeitures	779,900	784,687	676,234	(108,453)
Investment earnings	60,400	60,400	5,732	(54,668)
Contributions and donations	61,199	65,687	50,104	(15,583)
Miscellaneous	43,539	253,772	279,301	25,529
Total revenues	12,748,017	13,640,800	12,495,645	(1,145,155)
EXPENDITURES				
Current:				
General government				
General government	837,626	944,394	796,615	147,779
Governing body	180,033	145,654	141,246	4,408
Financial administration	390,427	390,103	381,017	9,086
Elections administration	89,505	95,059	94,855	204
Registrar's Office	83,538	84,661	84,660	1
Information technology	175,988	175,777	174,858	919
Tax Commissioner	304,916	300,722	260,705	40,017
Tax Assessor	325,046	324,166	310,720	13,446
Building and plant	136,767	156,504	156,498	6
Judicial				
Superior Court	297,328	385,788	362,817	22,971
Clerk of Superior Court	343,458	338,063	336,950	1,113
Magistrate Court	206,069	203,014	192,463	10,551
Probate Court	236,137	232,566	227,942	4,624
Public Safety				
Law enforcement	3,226,719	3,245,516	3,247,059	(1,543)
Emergency management	683,823	683,823	683,820	3
Emergency medical service	1,649,430	1,634,807	1,631,053	3,754
Coroner	23,700	23,700	24,804	(1,104)
Animal Control	78,000	82,770	82,770	-
Highways and Roads				
Highways and Streets	1,032,456	1,433,492	886,750	546,742
Vehicle Maintenance	491,650	611,726	613,654	(1,928)
Health and welfare				
Food Bank	65,992	67,601	50,475	17,126
Senior Citizens Center	254,703	277,934	235,360	42,574
Public Education	31,402	30,267	29,173	1,094
Extension Office	17,621	17,621	13,484	4,137
Health	220,295	221,430	221,429	1
Culture and recreation				
Recreation	500,100	503,462	477,011	26,451
Bicentennial committee	-	21,700	11,650	10,050
Library administration	173,215	173,215	173,195	20
Housing and development				
Planning, zoning and inspections	331,547	331,006	316,923	14,083
Chamber of Commerce	4,000	4,000	3,748	252
Forest Resources	9,401	9,401	9,401	-

Debt Service:				
Principal	18,462	150,101	141,935	8,166
Interest and other charges	4,777	53,565	61,731	(8,166)
Total Expenditures	12,424,131	13,353,608	12,436,771	916,837
Excess (deficiency) of revenues over over expenditures	323,886	287,192	58,874	(228,318)
OTHER FINANCING SOURCES (USES)				
Proceeds from governmental asset dispositions	-	-	6,287	6,287
Transfers in	-	-	55,897	55,897
Transfers out	-	-	(554,588)	(554,588)
Total other financing sources and uses	-	-	(492,404)	(492,404)
Net change in fund balances	323,886	287,192	(433,530)	(720,722)
Fund balances - beginning	11,330,125	11,330,125	11,330,125	-
Fund balances - ending	$11,654,011	$11,617,317	$10,896,595	$ (720,722)

Madison County, Georgia
Required Supplementary Information
December 31, 2012

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
12/31/2011	4,537,824	6,052,751	1,514,927	75.0%	4,239,735	35.7%
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%

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:		
Law Enforcement	$	1,543
Coroner	$	1,104
Vehicle Maintenance	$	1,928

Combining and Individual Fund Statements and Schedules

Madison County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2012

	Clerk Deed Fund	PEPI & Seized Drug	E-911	Law Library	Jail Fund	Total Special Revenue Funds
ASSETS						
Cash and cash equivalents	$ 47,164	$ 6,702	$ 37,359	$ 14,201	$ -	$ 105,426
Accounts receivable	-	-	78,827	-	-	78,827
Total assets	47,164	6,702	116,186	14,201	-	184,253
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	-	-	6,510	-	-	6,510
Accrued salaries and benefits	-	-	56,621	-	-	56,621
Total liabilities	-	-	63,131	-	-	63,131
Fund balances:						
Restricted						
Judicial	47,164	-	-	14,201	-	61,365
Public safety	-	6,702	53,055	-	-	59,757
Total fund balances	47,164	6,702	53,055	14,201	-	121,122
Total liabilities and fund balances	$ 47,164	$ 6,702	$ 116,186	$ 14,201	$ -	$ 184,253

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	Law Library	Jail Fund	Total Special Revenue Funds
REVENUES						
Charges for services	$ 15,767	$ -	$ 481,517	$ 7,716	$ -	$ 505,000
Fines and forfeitures	-	38,592	-	-	45,085	83,677
Investment earnings	272	19	78	87	-	456
Miscellaneous	-	-	475	-	-	475
Total revenues	16,039	38,611	482,070	7,803	45,085	589,608
EXPENDITURES						
Current:						
Judicial	8,016	-	-	8,886	-	16,902
Public Safety	-	39,852	817,421	-	-	857,273
Total Expenditures	8,016	39,852	817,421	8,886	-	874,175
Excess (deficiency) of revenues over (under) expenditures	8,023	(1,241)	(335,351)	(1,083)	45,085	(284,567)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	211,531	-	-	211,531
Transfers (out)	-	-	-	-	(55,897)	(55,897)
Total other financing sources and uses	-	-	211,531	-	(55,897)	155,634
Net change in fund balances	8,023	(1,241)	(123,820)	(1,083)	(10,812)	(128,933)
Fund balances - beginning	39,141	7,943	176,875	15,284	10,812	250,055
Fund balances - ending	$ 47,164	$ 6,702	$ 53,055	$ 14,201	$ -	$ 121,122

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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ 11,500	$ 11,500	$ 15,767	$ 4,267
Investment income	-	-	272	272
Total revenues	11,500	11,500	16,039	4,539
EXPENDITURES				
Current:				
Judicial	11,500	11,500	8,016	3,484
Total expenditures	11,500	11,500	8,016	3,484
Net change in fund balances	-	-	8,023	8,023
Fund balances - beginning	39,141	39,141	39,141	-
Fund balances - ending	$ 39,141	$ 39,141	$ 47,164	$ 8,023

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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines and forfeitures	$ 60,000	$ 60,000	$ 38,591	$ (21,409)
Investment income	-	-	19	19
Total revenues	60,000	60,000	38,610	(21,390)
EXPENDITURES				
Current:				
Public safety	50,000	50,000	39,852	10,148
Total expenditures	50,000	50,000	39,852	10,148
Net change in fund balances	10,000	10,000	(1,242)	(11,242)
Fund balances - beginning	7,944	7,944	7,944	-
Fund balances - ending	$ 17,944	$ 17,944	$ 6,702	$ (11,242)

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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	$ -	$ -	$ -	$ -
Charges for services	470,000	470,000	481,517	11,517
Investment income	800	800	77	(723)
Miscellaneous	150	150	475	325
Total revenues	470,950	470,950	482,069	11,119
EXPENDITURES				
Current:				
Public safety	846,183	839,306	817,421	21,885
Total expenditures	846,183	839,306	817,421	21,885
Deficiency of revenues under expenditures	(375,233)	(368,356)	(335,352)	33,004
OTHER FINANCING SOURCES				
Transfers	200,000	200,000	211,531	11,531
Total other financing sources	200,000	200,000	211,531	11,531
Net change in fund balances	(175,233)	(168,356)	(123,821)	44,535
Fund balances - beginning	176,876	176,876	176,876	-
Fund balances - ending	$ 1,643	$ 8,520	$ 53,055	$ 44,535

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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ 12,000	$ 12,000	$ 7,716	$ (4,284)
Investment income	-	-	87	87
Total revenues	12,000	12,000	7,803	(4,197)
EXPENDITURES				
Current:				
Judicial	12,000	12,000	8,886	3,114
Total expenditures	12,000	12,000	8,886	3,114
Net change in fund balance	-	-	(1,083)	(1,083)
Fund balances - beginning	15,284	15,284	15,284	-
Fund balances - ending	$ 15,284	$ 15,284	$ 14,201	$ (1,083)

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, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines and forfeitures	$ 63,000	$ 63,000	$ 45,085	$ (17,915)
Total revenues	63,000	63,000	45,085	(17,915)
Excess of revenues over expenditures	63,000	63,000	45,085	(17,915)
OTHER FINANCING (USES)				
Transfers (out)	(63,000)	(63,000)	(55,897)	7,103
Total other financing (uses)	(63,000)	(63,000)	(55,897)	7,103
Net change in fund balance	-	-	(10,812)	(10,812)
Fund balances - beginning	10,812	10,812	10,812	-
Fund balances - ending	$ 10,812	$ 10,812	$ -	$ (10,812)

Exhibit K

Madison County, Georgia
Fiduciary Funds
Combining Schedule of Fiduciary Assets and Liabilities
December 31, 2012

	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court	Magistrate Court	Total Fiduciary Funds
ASSETS						
Cash	$ 1,411	$ 46,804	$ 259,631	$ 1,900	$ 1,106	$ 310,852
Total Assets	$ 1,411	$ 46,804	$ 259,631	$ 1,900	$ 1,106	$ 310,852
LIABILITIES						
Due to others	1,411	46,804	259,631	1,900	1,106	310,852
Total Liabilities	$ 1,411	$ 46,804	$ 259,631	$ 1,900	$ 1,106	$ 310,852

Compliance Section

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

157 West Jefferson Street
Madison, Georgia 30650

1031 Park Drive, Suite #1
Watkinsville, GA 30677

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

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, 2012, and have issued our report thereon dated June 28, 2013. 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 *2012-1* 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Madison County, Georgia in a separate letter dated June 28, 2013.

Madison County, Georgia's Response to Findings

Madison County's response to the findings identified in our audit is described in the accompanying schedule of findings. Madison County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Treadwell, Tanglin + Co.

Madison, Georgia
June 28, 2013

Madison County, Georgia
Schedule of Audit Findings and Responses
For the Year Ended December 31, 2012

2012-1

Criteria:	GASB Statement No. 33 requires that state and local governments record revenue from grant transactions only in the event that all eligibility requirements are met. Revenue from grants can only be recorded in the funds provided that all eligibilty requirements are met and the amounts receivable from the grant are available to pay current financial obligations.
Condition:	The County recorded revenue related to the Local Maintenance and Improvement Grant (LMIG) when the funds were received. The grant requires that the County match 30% of grant expenditures with local funds, which is a contingency eligibility requirement as described in GASB 33. Because the County had not met the 30% match eligiblity requirement during 2012, the County should have recorded the receipt of these funds as a deferred revenue.
Cause:	The accounting for this transaction is complex and requires a nuanced application of the accounting standards. Additionally, the grant program is a newly established grant program within Georgia. These two factors led to the County misapplying the accounting guidance.
Effect:	Revenue and fund balance would have been overstated if an audit adjustment were not recorded to defer the revenue recognition related to this grant.
Recommendation:	We have explained the required accounting for the LMIG program to the County's finance staff. They now understand the requirements of the accounting guidance for revenue recognition related to this grant program. We recommend that management ensure that the accounting guidance is followed.
Views of Officials:	Management concurs with this finding and will implement the auditor's suggestion.
Corrective Action Plan:	The Finance Director has already undergone training on applying the guidance in GASB 33 to the LMIG grant program. This training will ensure that the County recognizes revenue from this program in accordance with GASB 33 in the future.

Madison County, Georgia
Schedule of Projects Constructed
With Special Sales Tax Proceeds
For the Year Ended December 31, 2012

	Original Estimated Cost	Expenditures			Estimated Percentages of Completion
		Prior Years	Current Year	Total	
2008 Referendum					
Expansion of County Jail	$ 3,300,000	$ -	$ -	$ -	0%
Recreation	1,000,000	349,396	322,053	671,449	67%
Library	750,000	363,449	218,037	581,486	78%
E-911	424,400	205,842	-	205,842	49%
EMS	270,000	83,395	31,387	114,782	43%
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	2,821,772	503,470	3,325,242	84%
Payments to Industrial Development and Building Authority for water and sewer projects	1,190,000	640,284	196,046	836,330	70%
Payments to cities for capital projects					
City of Carlton	128,587	69,222	21,195	90,417	70%
City of Colbert	269,316	144,884	44,362	189,246	70%
City of Comer	580,574	312,413	95,656	408,069	70%
City of Danielsville	252,208	135,733	41,559	177,292	70%
City of Hull	88,300	47,523	14,552	62,075	70%
City of Ila	181,015	97,427	29,830	127,257	70%
Totals	$ 12,600,000	$ 5,345,130	$ 1,518,147	$ 6,863,277	

Madison County

Certification of 9-1-1 Expenditures

For the Year Ended 2012

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)	
	AT&T		$ 32,200.80
	SPRINT		$ 335.04
	SOUTHERN LINC		$ 179.10
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)	$ 442,742.95
5b	Employee benefits	46-5-134(f)(1)(C)	$ 136,854.13
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	$ 681.94
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)	$ 3,961.71
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)	$ 682.48
9c	Maintenance costs	46-5-134(f)(1)(G)	$ 27,821.49

Madison County

Certification of 9-1-1 Expenditures

For the Year Ended 2012

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)	$	40,427.00
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)	$	
16b	Purchase costs	46-5-134(f)(2(B)(v)	$	13,282.00
16c	Maintenance costs	46-5-134(f)(2(B)(v)	$	55,730.43

Madison County

Certification of 9-1-1 Expenditures

For the Year Ended 2012

Line No.		O.C.G.A. 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)		$ 817,422.55

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 6-26-13

Print Name of Chief Elected Official Anthony Dove

Title of Chief Elected Official Chairman, Madison County Board of Commissioners

Signature of Chief Financial Officer Kathy Clark Date 6/26/13

Print Name of Chief Financial Officer Kathy Clark