Madison County, Georgia

Financial Statements

For the Year Ended December 31, 2017

Madison County, Georgia
Financial Report
For the Year Ended December 31, 2017

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Treadwell, Tamplin & Co.
Certified Public Accountants
A Limited Liability Partnership
157 West Jefferson Street
Madison, Georgia 30650
Ph: 706-342-1040
Fax: 706-342-1041

INDEPENDENT AUDITOR'S REPORT

To the Honorable Commissioners of
Madison County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activity, 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, 2017, and the related notes to the financial statements, which collectively comprise Madison County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Madison County Health Department, which represent 4%, 1%, and 29%, respectively, of the assets, net position, 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our 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 activity, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Madison County, Georgia as of December 31, 2017, and the respective changes in financial position and where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of County Pension Contributions, and Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund on pages 32, 33 and 34-35 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.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Madison County, Georgia's basic financial statements. The combining 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 combining and individual nonmajor fund schedules and the Schedule of Projects Constructed with Special Sales Tax Proceeds, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules and the Schedule of Projects Constructed with Special Sales Tax Proceeds is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Certification of 9-1-1 Expenditures has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 21, 2019 on our consideration of Madison County, Georgia'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison County, Georgia's internal control over financial reporting and compliance.

Treadwell Tamplin + Co.

Madison, Georgia
February 21, 2019

Basic Financial Statements

Madison County, Georgia
Statement of Net Position
December 31, 2017

	Governmental Activities	Business-type Activities	Total	Industrial Development Authority	June 30 Health Department
ASSETS					
Cash and cash equivalents (Note 3)	$ 9,856,838	$ 494	$ 9,857,332	$ 319,143	$ 530,883
Receivables, net (Note 4)	1,499,981	382	1,500,363	174,301	34,026
Due from other governments	363,895	-	363,895	326,520	28,187
Inventories	133,164	-	133,164	-	-
Restricted cash	365,068	-	365,068	135,119	-
Capital lease receivables	292,837	-	292,837	-	-
Prepaids	319,551	10,323	329,874	21,278	-
Capital assets (Note 5)					
Capital assets not being depreciated	813,184	-	813,184	1,023,357	-
Capital assets, net of depreciation	202,975,181	146,920	203,122,101	16,418,125	18,159
Total assets	216,619,699	158,119	216,777,818	18,417,843	611,255
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount related to pensions (Note 9)	1,552,166	38,618	1,590,784	-	108,608
Total assets and deferred outflows	218,171,865	196,737	218,368,602	18,417,843	719,863
LIABILITIES					
Accounts payable and accrued expenses	861,551	30,310	891,861	51,973	34,694
Tax sale proceeds held for others	363,753	-	363,753	-	-
Customer deposits	-	-	-	59,116	-
Long-term liabilities: (Note 7)					
Due within one year					
Note payable	-	-	-	595,887	-
Capital lease obligations	109,667	-	109,667	-	-
Landfill postclosure costs	-	8,335	8,335	-	-
Due in more than one year					
Note payable, net	-	-	-	7,393,053	-
Capital lease obligations	160,705	-	160,705	-	-
Compensated absences	276,894	7,798	284,692	12,972	31,118
Net pension liability (Note 9)	2,789,060	70,213	2,859,273	-	439,030
Landfill postclosure costs	-	75,015	75,015	-	-
Total liabilities	4,561,630	191,671	4,753,301	8,113,001	504,842
DEFERRED INFLOWS OF RESOURCES					
Deferred amount related to pensions (Note 9)	89,851	2,244	92,095	-	57,071
Unearned revenue - grant proceeds	-	-	-	-	5,012
Unearned lease income	22,467	-	22,467	-	-
	112,318	2,244	114,562	-	62,083
NET POSITION					
Net investment in capital assets (Note 16)	203,788,365	146,920	203,935,285	9,452,542	18,159
Restricted for: (Note 15)					
Capital projects	798,344	-	798,344	59,375	-
Judicial	92,643	-	92,643	-	-
Health and welfare	83,056	-	83,056	-	-
Public safety	276,695	-	276,695	-	-
Public works	731,703	-	731,703	-	-
Debt service	-	-	-	135,119	-
Unrestricted	7,727,111	(144,098)	7,583,013	657,806	134,779
Total net position	$ 213,497,917	$ 2,822	$ 213,500,739	$ 10,304,842	$ 152,938

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

Madison County, Georgia
Statement of Activities
For the Year Ended December 31, 2017

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: Governmental Activities	Net (Expense) Revenue and Changes in Net position: Business-type Activities	Net (Expense) Revenue and Changes in Net position: Total	Component Units: Industrial Development Authority	Component Units: June 30 Health Department
Primary government									
Governmental Activities:									
General Government	$ 2,358,565	$ 478,138	$ 49,663	$ -	$ (1,830,764)	$ -	$ (1,830,764)		
Judicial	1,372,229	566,070	100,032	-	(706,127)	-	(706,127)		
Public Safety	8,627,342	1,669,872	64,383	420	(6,892,667)	-	(6,892,667)		
Public Works	13,283,065	380	-	734,784	(12,547,901)	-	(12,547,901)		
Health and Welfare	700,034	-	230,076	23,825	(446,133)	-	(446,133)		
Culture and Recreation	864,866	133,877	-	250	(730,739)	-	(730,739)		
Housing & Development	313,985	109,785	-	-	(204,200)	-	(204,200)		
Interest on Long-term debt	18,612	-	-	-	(18,612)	-	(18,612)		
Total governmental activities	27,538,698	2,958,122	444,154	759,279	(23,377,143)	-	(23,377,143)		
Business-type activities:									
Solid Waste Fund	460,161	191,395	10,000	-		(258,766)	(258,766)		
Total business-type activities	460,161	191,395	10,000	-		(258,766)	(258,766)		
Total primary government	27,998,859	3,149,517	454,154	759,279		(258,766)	(23,635,909)		
Component Units									
Industrial Development Building Authority	1,682,877	859,113	-	355,162				(468,602)	-
Health Department	662,440	301,237	465,013	-				-	103,810
Total component units	$ 2,345,317	$ 1,160,350	$ 465,013	$ 355,162				$ (468,602)	$ 103,810
General revenues:									
Taxes:									
Property taxes, levied for general purposes					$ 9,940,436	$ -	$ 9,940,436	$ 670,815	$ -
Sales taxes					3,306,637	-	3,306,637	-	-
Franchise and other business taxes					1,897,639	-	1,897,639	12,196	-
Grants and contributions not restricted to specific programs					-	-	-	17,818	-
Interest revenue					1,293	-	1,293	1,481	39
Miscellaneous					113,954	-	113,954	-	-
Transfers					(257,410)	257,410	-	-	-
Total general revenues and transfers					15,002,549	257,410	15,259,959	702,310	39
Change in net position					(8,374,594)	(1,356)	(8,375,950)	233,708	103,849
Net position - beginning					221,872,511	4,178	221,876,689	10,071,134	49,089
Net position - ending					$ 213,497,917	$ 2,822	$ 213,500,739	$ 10,304,842	$ 152,938

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

Madison County, Georgia
Balance Sheet
Governmental Funds
December 31, 2017

	General Fund	SPLOST 2014 Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 8,433,071	$ 1,016,544	$ 407,223	$ 9,856,838
Accounts receivable, net	-	-	81,664	81,664
Taxes receivable, net	1,220,301	-	-	1,220,301
Due from other funds	433,947	-	-	433,947
Receivable from other governments	184,054	179,841	-	363,895
Other receivables, net	198,016	-	-	198,016
Restricted cash	365,068	-	-	365,068
Capital lease receivable	292,837	-	-	292,837
Prepaid items	296,898	-	22,653	319,551
Inventories	133,164	-	-	133,164
Total assets	11,557,356	1,196,385	511,540	13,265,281
LIABILITIES				
Accounts payable	76,713	43,299	7,932	127,944
Accrued salaries and benefits	678,536	-	55,065	733,601
Due to other funds	-	433,947	-	433,947
Tax sale proceeds held for others	363,753	-	-	363,753
Total liabilities	1,119,002	477,246	62,997	1,659,245
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	672,631	-	-	672,631
Unavailable grant proceeds	8,416	-	-	8,416
Unavailable lease reimbursements	292,837	-	-	292,837
Total deferred inflows	973,884	-	-	973,884
FUND BALANCES				
Nonspendable				
Prepaid items	296,898	-	22,653	319,551
Inventories	133,164	-	-	133,164
Restricted				
Capital projects	-	719,139	79,205	798,344
Judicial	-	-	92,643	92,643
Health and welfare	83,056	-	-	83,056
Public safety	-	-	254,042	254,042
Public works	731,703	-	-	731,703
Unassigned	8,219,649	-	-	8,219,649
Total fund balances	9,464,470	719,139	448,543	10,632,152
Total liabilities, deferred inflows of resources, and fund balances	$ 11,557,356	$ 1,196,385	$ 511,540	$ 13,265,281

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, 2017

Total fund balance, governmental funds (Exhibit 3)	$	10,632,152
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.		203,788,365
Current obligations to pay pension contributions are reported as a liability in the funds. Pension contributions made between the County's measurement date and year-end are reported as deferred outflows on the Statement of Net Position.		579,054
Deferred outflows and deferred inflows of resources related to pensions represent differences between actual and projected results that accounts standards require be amortized into income over future periods. These deferrals do not constitute current financial resources and are not reported in the funds.		883,255
Grant reimbursements are recorded as revenue once the costs for the grant are incurred under the accrual basis of accounting used on the Statement of Net Position. The reimbursements must be received in time to liquidate current obligations to be considered available and reported in the funds. This adjustment represents revenue not received in time to be considered available.		8,416
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.		(547,266)
The County's net pension liability represents a liability under the full accrual basis of accounting. Because current financial resources will not be used to satisfy the liability it is not reported in the funds.		(2,789,060)
Unavailable 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 Position unavailable revenue is only necessary for the portion of the receivable that represents implied interest payments to be received.		270,370
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 unavailable revenue in the funds.		672,631
Net Position of Governmental Activities in the Statement of Net Position (Exhibit 1)	$	213,497,917

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, 2017

	General Fund	SPLOST 2014 Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 13,796,385	1,900,367	$ -	$ 15,696,752
Licenses and permits	129,385	-	-	129,385
Intergovernmental	1,024,319	-	18,990	1,043,309
Charges for services	1,598,865	-	518,526	2,117,391
Fines and forfeitures	612,183	-	90,858	703,041
Investment earnings	698	5,082	1,084	6,864
Contributions and donations	120,308	-	12,375	132,683
Miscellaneous	237,269	-	1,740	239,009
Total revenues	17,519,412	1,905,449	643,573	20,068,434
EXPENDITURES				
Current:				
General government	2,376,806	-	-	2,376,806
Judicial	1,358,358	-	22,099	1,380,457
Public safety	7,017,327	-	1,002,007	8,019,334
Public works	1,669,380	-	-	1,669,380
Health and welfare	707,748	-	-	707,748
Culture and recreation	742,213	-	-	742,213
Housing and development	310,038	-	-	310,038
Debt Service:				
Principal	103,842	-	-	103,842
Interest and other charges	18,612	-	-	18,612
Intergovernmental	-	448,341	-	448,341
Capital Outlay:				
Public safety	-	174,710	-	174,710
Public works	-	426,316	-	426,316
Culture and recreation	-	11,542	-	11,542
Total expenditures	14,304,324	1,060,909	1,024,106	16,389,339
Deficiency of revenues under expenditures	3,215,088	844,540	(380,533)	3,679,095
OTHER FINANCING SOURCES (USES)				
Proceeds from governmental asset dispositions	58,329	-	-	58,329
Transfers in	111,067	-	515,559	626,626
Transfers (out)	(772,969)	-	(111,067)	(884,036)
Total other financing sources and (uses)	(603,573)	-	404,492	(199,081)
Net change in fund balances	2,611,515	844,540	23,959	3,480,014
Fund balances - beginning	6,852,955	(125,401)	424,584	7,152,138
Fund balances - ending	$ 9,464,470	$ 719,139	$ 448,543	$ 10,632,152

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, 2017

Net change in fund balances - total governmental funds (Exhibit 4)	$	3,480,014
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, $11,556,361, exceeded capital outlays, $366,845, in the current period.		(11,189,516)
Governmental funds do not recognize certain other revenues not collected in time to liquidate current obligations. However, the Statement of Activities uses the accrual basis and , thus, the entire amount is recognized as revenue, regardless of the collection date. This is the net difference between the accrual basis used in the government-wide statements and the modified accrual basis used in the funds.		8,416
In the Statement of Activities, only the loss on the sale/disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold/disposed (net of accumulated depreciation).		(15,557)
The Statement of Activities reports pension expense using the full accrual basis of accounting. The funds report pension expenditures based on the amount of current financial resources that are used to finance the County's pension obligations.		(109,133)
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.		(552,040)
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.		3,224
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.		(114,151)
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.		114,149
Change in net position of governmental activities (Exhibit 2)	$	(8,374,594)

Madison County, Georgia
Statement of Net Position
Proprietary Fund
December 31, 2017

	Solid Waste Fund
ASSETS	
Current assets:	
Cash	$ 494
Accounts receivable	382
Prepaid Expenses	10,323
Total current assets	11,199
Non-current assets:	
Capital assets, net of depreciation	146,920
Total assets	158,119
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount related to pensions	38,618
Total assets and deferred outflows	196,737
LIABILITIES	
Current liabilities:	
Accounts payable	12,155
Salaries and benefits payable	18,155
Current portion of postclosure liability	8,335
Total current liabilities	38,645
Non-current liabilities:	
Compensated absences	7,798
Postclosure liability	75,015
Net pension liability	70,213
Total non-current liabilities	153,026
Total liabilities	191,671
DEFERRED INFLOWS OF RESOURCES	
Deferred amount related to pensions	2,244
Total liabilities and deferred inflows	193,915
NET POSITION	
Investment in capital assets	146,920
Unrestricted	(144,098)
Total net position	$ 2,822

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 Fund
For the Year Ended December 31, 2017

	Solid Waste Fund
REVENUES	
Charges for services	$ 191,382
Miscellaneous	13
Total operating revenues	191,395
OPERATING EXPENSES	
Cost of sales - waste disposal fees	139,648
Personal services	243,399
Contractual services	45,828
Other supplies and expenses	18,275
Depreciation	13,011
Total operating expenses	460,161
Operating loss	(268,766)
NON-OPERATING REVENUES (EXPENSES)	
Grants and contributions	10,000
Total non-operating revenues (expenses)	10,000
Loss before transfers	(258,766)
Transfers in	257,410
Change in net position	(1,356)
Net positions - beginning	4,178
Net position - ending	$ 2,822

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, 2017

	Solid Waste Fund
Cash flows from operating activities:	
Cash sales to customers	$ 191,045
Cash payments to employees for services	(247,019)
Cash payments to suppliers	(211,342)
Net cash used by operating activities	(267,316)
Cash flows from noncapital financing activities:	
Noncapital grants	10,000
Transfers in	257,410
Net cash provided by noncapital financing activities	267,410
Net change in cash and cash equivalents	94
Cash - beginning	400
Cash - ending	$ 494
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (268,766)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation	13,011
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Accounts receivable	(350)
Prepaids	525
Accounts payable	220
Salaries and benefits payable	95
Pension deferrals	(361)
Pension liability	3,022
Compensated absences	(6,377)
Landfill post closure liability	(8,335)
Net cash used by operating activities	$ (267,316)

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

Madison County, Georgia
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2017

ASSETS		
Cash	$	536,147
Total assets		536,147
LIABILITIES		
Due to others		536,147
Total liabilities	$	536,147

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, as amended by GASB Statement No. 61, *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 (MCIDBA) – 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 non-exchange 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 non-exchange 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 2014 Fund – This is a capital projects fund established to account for all special local options sales tax revenues from the 2014 referendum as well as the specifically identified projects for which the SPLOST tax was established.

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.

Note 1: Summary of Significant Accounting Policies, continued

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 position. Agency funds do not include a measurement of the results of operations, so a statement of changes in fiduciary net position is not presented by the County. Following are the agency funds of the County at December 31, 2017: 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. Non-exchange 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.

3. The budget is legally enacted through passage of an ordinance. For 2017, the budget was legally adopted in December 2016.

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.

Note 1: Summary of Significant Accounting Policies, continued

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 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, 2017, were levied on August 30, 2017 with a payment period from September 14, 2017 to December 20, 2017. 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, 2017 amounted to $1,220,301 and deferred property tax revenue totaled $672,631.

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.

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 (such as road signs, parts, and fuel) 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.

Note 1: Summary of Significant Accounting Policies, continued

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.

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 position 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.

Note 1: Summary of Significant Accounting Policies, continued

M. Fund Equity

The County's governmental funds 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. Expenditures in Excess of Appropriations:

There were departments in the General Fund that had expenditures in excess of appropriations that the County considers a significant violation of the adopted budget. These are as follows:

General Fund:	
Law enforcement	$ 429,474

The County did not adopt an annual budget for the Seized and Forfeited Fund and Sheriff Donation Fund,

The County has met with all of its department heads and constitutional officers and reviewed Georgia law regarding how a budget is a legal control of the spending in each department.

Note 3: Deposits and Investments

The carrying amount of the County's deposits with financial institutions was $10,758,547 and the bank balance was $16,979,185. The County deposits its funds with two local banks and those deposits are insured up to limits set by the FDIC. The County had uninsured deposits in the amount of $123,082 that were not collateralized at year-end thus subjecting the County to custodial credit risk with respect to the uninsured and under collateralized deposits.

Note 3: Deposits and Investments, continued

The County has not adopted any formal policies related to custodial credit risk other than the requirements found in state law.

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 year-end. Accordingly, it has no significant exposure to credit risk, interest rate risk, or foreign currency risk.

Note 4: Receivables

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

Taxes receivable	$ 1,220,301
Ambulance service receivable	1,371,407
E911 surcharge receivable	81,664
Other receivables-General Fund	86,566
	2,759,938
Less: allowances for doubtful accounts related to ambulance service receivables	(1,259,957)
	$ 1,499,981

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

Ambulance service receivable	$ 1,371,407
Other receivables	86,566
	1,457,973
Less: allowances for doubtful accounts related to ambulance service receivables	(1,259,957)
	$ 198,016

Note 5: Capital Assets

Capital asset activity for the year was as follows:

Primary Government: Governmental Activities:	**Restated Beginning**	**Increases**	**Decreases**	**Ending**
Capital assets not being depreciated:				
Land	$ 813,184	$ -	$ -	$ 813,184
Total capital assets not being depreciated	813,184	-	-	813,184
Capital assets being depreciated:				
Buildings and improvements	14,348,558	14,252	-	14,362,810
Equipment, furniture and vehicles	7,992,121	352,593	205,510	8,139,204
Land improvement	1,449,193	-	-	1,449,193
Infrastructure	429,935,208	-	-	429,935,208
Total capital assets being depreciated	453,725,080	366,845	205,510	453,886,415
Less accumulated depreciation for:				
Buildings and improvements	4,383,795	365,690	-	4,749,485
Equipment, furniture and vehicles	6,424,529	369,152	189,953	6,603,728
Land improvement	579,773	70,184	-	649,957
Infrastructure	228,156,729	10,751,335	-	238,908,064
Total accumulated depreciation	239,544,826	11,556,361	189,953	250,911,234
Total capital assets being depreciated, net	214,180,254	(11,189,516)	15,557	202,975,181
Governmental acitvities capital assets, net	$ 214,993,438	$ (11,189,516)	$ 15,557	$ 203,788,365

Business type Activities:	**Beginning**	**Increases**	**Decreases**	**Ending**
Solid Waste Fund:				
Capital assets being depreciated:				
Buildings and improvements	$ 83,260	$ -	$ -	$ 83,260
Equipment	236,771	-	-	236,771
Total capital assets being depreciated	320,031	-	-	320,031
Less accumulated depreciation for:				
Buildings and improvements	43,995	3,197	-	47,192
Equipment	116,105	9,814	-	125,919
Total accumulated depreciation	160,100	13,011	-	173,111
Total Solid Waste being depreciated, net	159,931	(13,011)	-	146,920
Total Business type activities capital assets, net	$ 159,931	$ (13,011)	$ -	$ 146,920

Interest costs of $25,503 and $412 were incurred and expensed during the year in the general fund and the solid waste fund, respectively. No interest costs were capitalized during the year.

Note 5: Capital Assets, continued

Depreciation expense was charged to governmental activities as follows:

General Government	$ 95,777
Judicial	7,023
Public Safety	456,711
Public Works	10,826,826
Health & Welfare	50,882
Culture & Recreation	119,142
	$ 11,556,361

Discretely Presented Component Unit
Madison County Industrial Development and Building Authority
Governmental Activities:

	Beginning	Increases	Decreases	Ending
Capital assets not being depreciated:				
Land	$ 335,321	$ -	$ -	$ 335,321
Total capital assets not being depreciated	335,321	-	-	335,321

Business type Activities:	Beginning	Increases	Decreases	Ending
Water fund:				
Capital assets not being depreciated:				
Construction in progress	$ 402,503	$ -	$ -	$ 402,503
Land	285,533	-	-	285,533
Total capital assets not being depreciated	688,036	-	-	688,036
Capital assets being depreciated:				
Water systems	18,844,659	142,714	-	18,987,373
Wastewater plant/system	2,495,327	-	-	2,495,327
Vehicles and equipment	126,861	-	-	126,861
Total capital assets being depreciated	21,466,847	142,714	-	21,609,561
Less accumulated depreciation for:				
Water systems	4,165,149	458,155	-	4,623,304
Wastewater plant/system	379,497	62,383	-	441,880
Vehicles and equipment	126,101	151	-	126,252
Total accumulated depreciation	4,670,747	520,689	-	5,191,436
Total capital assets being depreciated, net	16,796,100	(377,975)	-	16,418,125
Component unit capital assets, net	$ 17,484,136	$ (377,975)	$ -	$ 17,106,161

Note 6: Interfund Balances and Transfers Activity

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General	SPLOST 2014	$ 433,947

The interfund receivable represents money advanced by the General Fund that will be reimbursed by the SPLOST 2014 Fund in the subsequent year.

Note 6: Interfund Balances and Transfers Activity, continued

Interfund transfers for the year were as follows:

	Transfers In			
Transfers Out	Nonmajor Gov't Funds	Solid Waste Fund	General Fund	Total
Governmental Funds:				
General	$ 515,559	$ 257,410	$ -	$ 772,969
Nonmajor Gov't Funds	-	-	111,067	111,067
	$ 515,559	$ 257,410	$ 111,067	$ 884,036

The County routinely transfers unrestricted monies that are collected in its General Fund into funds that have either a statutory or a budgetary requirement to expend funds used for certain purposes. The transfers to nonmajor governmental funds consist of transfers to the E-911 fund and to the D.A.T.E. fund. The E-911 fund expends all funds required to operate the County's E-911 system. The transfer from the general fund in the amount of $466,800 represents the amount of funding needed to operate the system beyond the amount collected from the E-911 surcharge. The transfer from the General fund to the D.A.T.E. fund was $48,759 and was required to supplement the activities of the D.A.T.E. fund. The transfer to the Solid Waste Fund from General Fund in the amount of $257,410 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 fund to the general fund in the amount of $38,218 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. The 2008 SPLOST fund transferred $72,849 into the General fund. These funds are the proceeds in excess of the actual cost of the 2008 SPLOST projects. In accordance with state law, the County used these excess funds to reduce the amount of necessary property taxes.

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 $292,839 under the lease. See Note 8 for a more complete description of this leasing activity.

Changes in long-term obligations for the year are as follows:

	Beginning	Increases	Decreases	Ending	Due within one year
Governmental activities:					
Capital lease obligations	$ 384,521	$ -	$ 114,149	$ 270,372	$ 109,667
Compensated absences	280,121	289,731	292,958	276,894	-
Net pension liability	2,665,128	1,106,112	982,180	2,789,060	-
	$ 3,329,770	$ 1,395,843	$ 1,389,287	$ 3,336,326	$ 109,667

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

Note 7: Long-term Obligation, continued

	Beginning	Increases	Decreases	Ending	Due within one year
Business-type activities:					
Landfill postclosure costs	$ 91,685	$ -	$ 8,335	$ 83,350	$ 8,335
Compensated absences	14,175	1,054	7,431	7,798	-
Net pension liability	67,191	26,967	23,945	70,213	-
	$ 173,051	$ 28,021	$ 39,711	$ 161,361	$ 8,335

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 Finance 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. Ten of the notes require monthly payments of principal or principal and interest between $1,887 and $7,860 and mature between 2026 and 2036.

Debt Service Requirements

Year Ending December 31,	Principal	Interest	Total
2018	$ 595,887	$ 205,231	$ 801,118
2019	611,410	189,708	801,118
2020	622,377	173,676	796,053
2021	623,280	157,600	780,880
2022	639,484	141,396	780,880
2023-2027	3,091,701	458,602	3,550,303
2028-2032	1,919,054	129,547	2,048,601
2033-2036	264,115	8,741	272,856
	$ 8,367,308	$ 1,464,501	$ 9,831,809

Long-term Obligation Activity

Changes in long-term obligations for the year are as follows:

	Beginning	Increases	Decreases	Ending	Due within one year
GEFA notes payable - business-type activity	$ 8,948,067	$ -	$ 580,759	$ 8,367,308	$ 595,887
Discount on notes	(435,553)	-	57,185	(378,368)	-
Notes payable, net	8,512,514	-	637,944	7,988,940	595,887
Compensated absences	12,972	9,874	9,874	12,972	-
	$ 8,525,486	$ 9,874	$ 647,818	$ 8,001,912	$ 595,887

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 unearned lease income in the Statement of Net Position.

Future minimum lease payments are as follows:

2018	$	122,456
2019		122,456
2020		47,927
Total minimum lease payments		292,839
Less: interest portion of minimum lease payments		(22,467)
Present value minimum lease payments	$	270,372

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 uncollectables, 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

Note 9: Retirement Benefits, continued

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

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

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 member contributions are recognized when due and the County has made a formal commitment to provide the contributions.

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

Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties except for current receivables of plan contributions due from the County.

Plan Membership

Retirees, beneficiaries and disabled receiving benefits	64
Terminated plan members entitled to but not receiving benefits	108
Active plan members	129
Total	301
Covered compensation for active participants	$ 4,544,200

Contributions

The County is required to contribute at an actuarially determined amount. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans. The ACCG Board of Trustees reports to the County the amount of both the required contribution (as calculated based on Georgia law) and the recommended contribution (as calculated by the Plan's actuaries). Administrative expenses are based on total covered payroll of plan members and are added to the annual funding requirement. The County's legally required contribution was $158,418 and its recommended and actual contribution was $549,219. The actual contribution represents 346% of the legally required contribution and 12.08% of the covered payroll. The County recorded this amount as a liability at December 31, 2016 and paid this contribution during 2017 and the plan recognized the contribution as an increase to the fiduciary net position for the County's participants during the 2016 plan year. Therefore, the County reports no payable and the plan reports no receivable for amounts due for the 2016 plan year. Because of the necessity of receiving actuarial reports from the pension plan administrators, the County has determined that it will use the immediately preceding calendar year as its measurement period for reporting its pension activity. The County's contribution for the 2017 plan year of $592,576 was outstanding and reported as a liability in the County's funds-level statements at year-end, but this amount is not reflected in the calculation of the pension plan's total pension liability or its net pension liability.

Note 9: Retirement Benefits, continued

Net Pension Liability

The County's *total pension liability* was determined based on an actuarial valuation as of December 31, 2016 and the *net pension liability* was measured as of the same date. The December 31, 2016 actuarial valuation determined the total pension liability using assumptions that were applied to all periods included in the measurement as follows:

Actuarial Methods and Assumptions

Investment return	7.50%	revised to 7.25% as of December 31, 2016
Salary increases	3.50%	with an age based scale as follows:

Age	Salary increase
Under 30	3.5% plus 1.5%
30-39	3.5% plus 1.0%
40-49	3.5% less 0.5%
50+	3.5% less 1.0%

The salary increase assumptions are based on the results of February 2014 experience study.

Future payroll growth	4.75% per year

No cost of living adjustments are awarded after retirement.

Mortality:	RP-2000, Combined with Scale AA

The actuarial assumptions used in the calculation of the total pension liability have been changed in two respects since the prior measurement date. First, the expected long-term investment return has been reduced from 7.50% to 7.25%. Second, the assumed future payroll growth rate decreased from 5.50% to 4.75%.

The long-term expected rate of return on pension plan investments is used as the discount rate in calculating the County's total pension liability. The County uses a building-block method for calculating the long-term expected rate of return in which the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed by each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rate real rates of return by the target asset allocation percentage and by adding expected inflation. The County uses 20-year benchmarks (33.33% weighting), 30-year benchmarks (33.33% weighting), and forward-looking capital market assumptions for moderate asset allocations as determined by UBS (33.34% weighting). The discount rate is rounded to the nearest 0.25%.

Note 9: Retirement Benefits, continued

The discount rate is calculated as follows:

	Expected return	Weighting	Weighted return
20-year benchmark weighted average return	6.82%	33.33%	2.27%
30-year benchmark weighted average return	8.28%	33.33%	2.76%
UBS capital market moderate asset allocation assumption	6.30%	33.34%	2.10%
Calculated discount rate			7.13%
Rounded to the nearest 0.25% and used as the discount rate			**7.25%**

The 20 and 30 year benchmark weighted average returns are calculated using the following asset allocation and historical returns based on their compounded annual growth rate (CAGR):

Benchmark	Allocation	Average 20 Year Return	Average 30 Year Return
S&P 500	30%	7.91%	10.22%
Barclay's Agg.	30%	5.60%	6.56%
MCSE EAFE	15%	4.29%	5.73%
Citi Non US WEBI	5%	4.66%	5.98%
NAREIT Equity	5%	10.79%	10.44%
Russell 2000	5%	8.06%	9.33%
Russell 3000	5%	8.03%	10.14%
S&P Mid-cap	5%	11.22%	11.53%
	100%		
Weighted average return		6.82%	8.28%

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statement schedules by employer issued by the Association of County Commissioners of Georgia Pension Trust.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, which represents a reduction from the 7.50% rate used at the prior measurement date. The average contribution made to the plan and distributions made from the plan over the last 5 years were used to project plan assets. The projected plan assets are projected to be sufficient to pay all projected benefits promised to current plan participants. Because projected plan assets are sufficient to pay all projected promised benefits, the expected long-term rate of return was used to discount all projected benefit payments.

Note 9: Retirement Benefits, continued

Because of the sensitivity of the calculation of the total pension liability to relatively small changes in the discount rate, the total pension liability calculated using the current discount rate and discount rates one percentage point higher and lower than the discount rate actually used to calculate the total pension liability follows:

	Discount Rate Senstivity Analysis		
	6.25%	7.25%	8.25%
Total Pension Liability	$11,585,542	$ 10,129,348	$ 8,934,079
Fiduciary Net Position	7,270,075	7,270,075	7,270,075
Net Pension Liability	$ 4,315,467	$ 2,859,273	$ 1,664,004

Summary of Changes in Total Pension Liability, Fiduciary Net Position and Net Pension Liability

The changes in the total pension liability from the beginning to the ending of the year are as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Beginning of year	$ 9,441,307	$ 6,708,988	$ 2,732,319
Service cost	189,468	-	189,468
Interest on total pension liability	693,026	-	693,026
Experience gain	(113,511)	-	(113,511)
Change in assumptions	320,970	-	320,970
Employer contributions	-	549,129	(549,129)
Net investment income	-	456,996	(456,996)
Benefit payments	(401,912)	(401,912)	-
Administrative expenses	-	(28,414)	28,414
Other expense	-	(14,712)	14,712
End of year	$ 10,129,348	$ 7,270,075	$ 2,859,273

The beginning and ending net pension liability is calculated as follows:

	Beginning	Ending
Total Pension Liability	$ 9,441,307	$ 10,129,348
Fiduciary Net Position	6,708,988	7,270,075
Net Pension Liability	$ 2,732,319	$ 2,859,273

Note 9: Retirement Benefits, continued

Pension Expense, Deferred Outflows Related to Pension Items and Deferred Inflows Related to Pension Items

The following schedule reconciles the pension contributions to the total pension expense reported by the County in the government-wide statements:

Pension contributions	$ 549,129
Change in net pension liability	126,954
Deferred outflow related to investment results	(23,591)
Deferred inflow related to experience losses	92,094
Deferred outflow related to assumption changes	(260,410)
Amortization of deferred outflows	220,193
Pension expense	$ 704,369

The unamortized deferred outflows and inflows related to pension items are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 183,777	$ 92,095
Change of assumptions	473,359	-
Net difference between projected and actual earnings on Plan investments	341,072	-
Employer contributions made after measurement date but before year-end	592,576	-
	$ 1,590,784	$ 92,095

The County amortizes the differences between projected and actual investment returns into pension expense equally over a closed five-year amortization period. The experience difference and assumption change are amortized over an actuarially determined period. The contributions made after the measurement date will be recognized as a reduction of net pension liability next year. The amortization of the deferred outflows will result in an increase to pension expense and the amortization of deferred inflows will result in a decrease to pension expense. The expected increase (decrease) to the County's pension expense related to the amortization of the County's current deferred outflows and inflows over the next five years is:

Year ended December 31,	Experience Difference	Assumption Change	Investment Results Difference
2018	$ 29,632	$ 119,713	$ 115,890
2019	29,632	119,713	115,890
2020	29,632	119,713	103,394
2021	9,212	96,052	5,898
2022	(6,426)	18,168	-
	$ 91,682	$ 473,359	$ 341,072

Note 9: Retirement Benefits, continued

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 $61,223.

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.

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 2017, the County expended $265 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 10 years as shown on Madison County's financial statements for landfill postclosure costs is $83,350 as of December 31, 2017. 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, 2017. 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.

Note 13: Joint Venture, continued

The manner of selecting such representatives from each member county is as follows:

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

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

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, 2017, the County funded the Health Department $158,732. The SPLOST referendum includes a provision requiring that a portion of the SPLOST will be spent pursuant to a contract with the Madison County Industrial Development and Building Authority (MCIDBA). The County remitted $218,225 to the MCIDBA during the year out of the 2014 SPLOST funds. In addition, the County appropriated $17,818 to the MCIDBA from the General Fund to compensate for the revenue reductions that the MCIDBA incurred as a result of Georgia's adoption of the Title Ad Valorem Tax.

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	$ 798,344
Judicial	92,643
Public safety	267,503
	$ 1,158,490

Note 16: Net Investment in Capital Assets

Net investment in capital assets is reported on the government-wide statement of net position as of year-end are as follows:

Governmental Assets:	
Capital assets not being depreciated	$ 813,184
Capital assets, net of depreciation	202,975,181
	$ 203,788,365

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-leases, which also qualify as capital leases. 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 Position. 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 net investment in capital assets. None of the County's capital lease obligations are related to the County's capital assets.

Note 17: Subsequent Events

During June 2018, the Madison County Industrial Building Development Authority (Authority) issued $4.415 million in its Series 2018 Revenue Refunding Bonds at a $320 thousand premium. The proceeds from the sale of the bonds were used to refund eight of its notes with Georgia Environmental Finance Authority (GEFA) that had an outstanding balance at the date of refunding of $4.575 million. The bonds require semiannual interest payments and annual principal payments that will retire potions of the bonds until the final bonds are retired in 2038. The Series 2018 bonds do not represent a general obligation of the County, but they are secured by certain contract payments due from the County.

During September 2018, the Madison County Industrial Building Development Authority signed a $4.7 million note with Georgia Environmental Finance Authority (GEFA) to finance the expansion of the Authority's water system. The Authority will draw on this note as construction progresses. The note bears interest at 2.25% and principal and interest are payable in monthly installments for 20 years upon the earlier of i) the completion of the project ii) the complete disbursement of all available note proceeds or iii) April 1, 2020. Interest is payable monthly until the amortization begins.

Required Supplementary Information

Madison County, Georgia
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability and Related Ratios

	Year Ended December 31,		
Changes in Total Pension Liability	**2015**	**2016**	**2017**
Total Pension Liability - beginning of year	$ 7,925,326	$ 8,386,495	$ 9,441,307
Service cost	197,980	187,164	189,468
Interest on total pension liability	582,428	615,307	693,026
Assumption change	-	331,254	320,970
Experience gain / loss	-	285,873	(113,511)
Benefit payments (adjusted for interest)	(319,239)	(364,786)	(401,912)
Total Pension Liability - end of year	8,386,495	9,441,307	10,129,348
Changes in Fiduciary Net Position			
Fiduciary Net Position - beginning of year	6,023,949	6,584,881	6,708,988
Employer contributions	530,214	537,605	549,129
Net investment income	395,521	10,638	456,996
Benefit payments	(319,239)	(364,786)	(401,912)
Administrative expense	(26,147)	(26,457)	(28,414)
Other	(19,417)	(32,893)	(14,712)
Fiduciary Net Position - end of year	6,584,881	6,708,988	7,270,075
Net Pension Liability	$ 1,801,614	$ 2,732,319	$ 2,859,273
Plan Fiduciary Net Position as a % of Total Pension Liability	78.52%	71.06%	71.77%
Covered payroll	$ 4,921,444	$ 4,786,794	$ 4,544,200
Net Pension Liability as % of Covered Payroll	36.61%	57.08%	62.92%

Note: As information becomes available it will be added to this schedule until a 10 year history is presented.

Madison County, Georgia
Required Supplementary Information
Schedule of County Pension Contributions

	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as Percentage of Covered Employee Payroll
2017	$ 549,129	$ 549,129	$ -	$ 4,544,200	12.08%
2016	537,210	537,605	(395)	4,786,794	11.23%
2015	519,956	530,214	(10,258)	4,921,444	10.77%

Unavailable historical information is not required to be reported in the implementation year under GASB Statement No. 68. The information will be reported as it becomes available.

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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	$10,627,310	$ 10,627,313	$ 13,796,385	$ 3,169,072
Licenses and permits	114,750	114,750	129,385	14,635
Intergovernmental	236,991	1,023,870	1,024,319	449
Charges for services	1,444,065	1,466,815	1,598,865	132,050
Fines and forfeitures	624,000	645,957	612,183	(33,774)
Investment earnings	1,300	1,300	698	(602)
Contributions and donations	71,000	73,720	120,308	46,588
Miscellaneous	25,210	175,475	237,269	61,794
Total revenues	13,144,626	14,129,200	17,519,412	3,390,212
EXPENDITURES				
Current:				
General government				
General government	1,903,410	1,055,784	980,425	75,359
Governing body	131,938	160,148	172,206	(12,058)
Financial administration	118,843	124,953	116,476	8,477
Elections administration	-	200	365	(165)
Board of Elections/Registrations	163,444	171,952	156,326	15,626
Board of Equalization	13,626	14,026	12,086	1,940
Information technology	167,500	167,500	139,404	28,096
Tax Commissioner	298,469	317,404	303,352	14,052
Tax Assessor	321,353	347,808	341,898	5,910
Buildings and grounds	127,749	154,651	154,268	383
Judicial				
Superior Court	375,443	394,755	374,137	20,618
Clerk of Superior Court	410,683	437,788	433,195	4,593
District Attorney	38,830	41,353	51,603	(10,250)
Magistrate Court	220,052	235,580	231,372	4,208
Probate Court	241,604	271,696	268,051	3,645
Public Safety				
Law enforcement	3,479,366	3,771,704	4,201,178	(429,474)
Emergency management	683,842	740,435	747,405	(6,970)
Emergency medical service	1,742,588	1,919,338	1,908,052	11,286
Coroner	46,007	47,331	69,298	(21,967)
Animal Shelter	91,390	91,390	91,394	(4)
Public Works				
Highways and Streets	882,927	1,875,135	1,108,897	766,238
Vehicle Maintenance	501,550	509,555	542,665	(33,110)
Industrial Dev. and Building Authority	-	-	17,818	(17,818)
Health and welfare				
Food Bank	96,193	96,363	76,316	20,047
Senior Citizens Center	315,098	351,305	343,485	7,820
Public Education	32,520	32,520	31,773	747
Extension Office	19,916	19,916	18,248	1,668
Health	238,192	238,192	237,926	266
Culture and recreation				
Recreation	510,449	550,548	524,584	25,964
Ga Dept of Natural Resources	21,700	21,700	16,268	5,432
Library administration	201,376	201,376	201,361	15

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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Housing and development				
Planning, zoning and inspections	269,985	290,721	297,209	(6,488)
Chamber of Commerce	3,750	3,750	3,390	360
Forest Resources	9,439	9,439	9,439	-
Debt Service:				
Principal	-	103,842	103,842	-
Interest and other charges	-	18,612	18,612	-
Total Expenditures	13,679,232	14,788,770	14,304,324	484,446
Excess (deficiency) of revenues over expenditures	(534,606)	(659,570)	3,215,088	3,874,658
OTHER FINANCING SOURCES (USES)				
Proceeds from governmental asset dispositions	-	-	58,329	58,329
Transfers in	-	72,849	111,067	38,218
Transfers out	(565,214)	(465,063)	(772,969)	307,906
Total other financing sources and uses	(565,214)	(392,214)	(603,573)	404,453
Net change in fund balances	(1,099,820)	(1,051,784)	2,611,515	4,279,111
Fund balances - beginning	6,852,955	6,852,955	6,852,955	-
Fund balances - ending	$ 5,753,135	$ 5,801,171	$ 9,464,470	$ 4,279,111

Madison County, Georgia
Notes to Required Supplementary Information
For the Year Ended December 31, 2017

Related to the Pension Data

NOTE A: VALUATION DATE

The actuarially determined contribution rates are calculated as of January 1 of each year presented. The contributions are recorded during that year by the pension plan and the County and are paid using current financial resources directly following that year.

NOTE B: METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES

Actuarial cost method	Entry age
Asset valuation method	5-year smoothed market
Amortization method	Level percentage compensation
Future payroll growth	4.75%
Investment rate of return	7.25%

NOTE C: CHANGES IN ASSUMPTIONS

The mortality table used by the actuaries to project the benefits that will be paid under the Plan was changed from RP-2000, combined to RP-2000 with Scale AA. Both mortality tables were produced by the Society of Actuaries. The Scale AA contains a longer life expectancy.

The expected investment return was changed from 7.50% to 7.25% as of December 31, 2016. The interst on the total pension liability and the expected return on the fiduciary net position during the year were calculated using the previous expected investment return of 7.50%. The total pension liability as of the December 31, 2016 measurement date (used for financial reporting for the year ended December 31, 2017) was calculated using a discount rate of 7.25%, which resulted in a deferred outflow. This change was made based on an analysis performed by the ACCG Board of Trustees in 2014. The investment return was changed from 7.75% to 7.50% in 2014. The investment return was changed from 8.0% to 7.75% in 2009. All other years assumed an 8.0% investment return.

The assumed future payroll growth rate decreased from 5.50% to 4.75% during the 2016 measurement period.

Age and service based employee termination rates were updated to more closely reflect actual experience in 2014. The mortality table was changed from the 1983 GAM, sex distinct table to the RP-2000 combined table in 2014. Retirement rates were updated in 2014. The funding method was changed from Projected Unit Credit to Entry Age Normal in 2014.

NOTE D: HISTORICAL DATA

The adoption on GASB Statement No. 68 resulted in a number of new definitions and concepts regarding measuring pension liabilities. Statement 68 introduced the concept of a total pension liability and a fiduciary net position. While the County has historical data that might be similar to these two amounts, the calculation of the amounts that the County has differs enough that presenting this information might be misleading. Accordingly, the County has not presented historical information about the changes in the total pension liability or the fiduciary net position. Statement 68 also requires the County to present historical contribution data of its pension plan if the plan has calculated an "actuarially determined contribution". The accompanying RSI presents the annual required contribution, as determined by the pension plan's actuaries, and the County's actual contribution for the 2014-2016 plan years, which correspond to the County's 2015-2017 fiscal years. Additional historical information will be added as the information becomes available.

Related to the Budget to Actual Comparison

NOTE E: BASIS OF PRESENTATION

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

NOTE F: EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

General Fund:

The County evaluated these expenditures in excess of appropriation in the General Fund and determined that they do not represent a *significant* violation of the budget and they are not reported in the footnotes to the financial statements:

Governing body	12,058
Elections administration	165
District Attorney	10,250
Emergency management	6,970
Coroner	21,967
Animal shelter	4
Vehicle maintenance	33,110
Industrial Dev. and Building Authority	17,818
Planning, zoning and inspections	6,488

The County determined that the following expenditures in excess of appropriation in the General Fund do represent a *significant* violation of the budget and has included this violation of the budget in the footnotes to the financial statements:

Law Enforcement	429,474

Combining and Individual Fund Schedules

Madison County, Georgia
All Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2017

	Total Nonmajor Special Revenue Funds	SPLOST 2008 Capital Project Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 328,018	$ 79,205	$ 407,223
Accounts receivable, net	81,664	-	81,664
Prepaid expenses	22,653	-	22,653
Total assets	432,335	79,205	511,540
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	7,932	-	7,932
Accrued salaries and benefits	55,065	-	55,065
Total liabilities	62,997	-	62,997
Fund balances:			
Nonspendable	22,653	-	22,653
Restricted			
Capital Projects	-	79,205	79,205
Judicial	92,643	-	92,643
Public safety	254,042	-	254,042
Total fund balances	369,338	79,205	448,543
Total liabilities and fund balances	$ 432,335	$ 79,205	$ 511,540

Madison County, Georgia
All Nonmajor Governmental Funds
Combined Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2017

	Total Nonmajor Special Revenue Funds	SPLOST 2008 Capital Project Fund	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	$ 18,990	$ -	$ 18,990
Charges for services	518,526	-	518,526
Fines and forfeitures	90,858	-	90,858
Investment earnings	598	486	1,084
Contribution and donations	12,375	-	12,375
Miscellaneous	1,740	-	1,740
Total revenues	643,087	486	643,573
EXPENDITURES			
Current:			
Judicial	22,099	-	22,099
Public Safety	1,002,007	-	1,002,007
Total Expenditures	1,024,106	-	1,024,106
Excess (deficiency) of revenues over (under) expenditures	(381,019)	486	(380,533)
OTHER FINANCING SOURCES (USES)			
Transfers in	515,559	-	515,559
Transfers (out)	(38,218)	(72,849)	(111,067)
Total other financing sources and uses	477,341	(72,849)	404,492
Net change in fund balances	96,322	(72,363)	23,959
Fund balances - beginning	273,016	151,568	424,584
Fund balances - ending	$ 369,338	$ 79,205	$ 448,543

Madison County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017

	Clerk Deed Fund	PEPI & Seized Drug	Sheriff Donation Fund	Drug Abuse Treatment Fund	E-911	Law Library	Jail Fund	Total Nonmajor Special Revenue Funds
ASSETS								
Cash and cash equivalents	$ 80,390	$ 6,456	$ 9,193	$ 5,966	$ 213,760	$ 12,253	$ -	$ 328,018
Accounts receivable	-	-	-	-	81,664	-	-	81,664
Prepaid expenses	-	-	-	1,105	21,548	-	-	22,653
Total assets	80,390	6,456	9,193	7,071	316,972	12,253	-	432,335
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	-	-	-	935	6,997	-	-	7,932
Accrued salaries and benefits	-	-	-	4,060	51,005	-	-	55,065
Total liabilities	-	-	-	4,995	58,002	-	-	62,997
Fund balances:								
Nonspendable	-	-	-	1,105	21,548	-	-	22,653
Restricted								
Judicial	80,390	-	-	-	-	12,253	-	92,643
Public safety	-	6,456	9,193	971	237,422	-	-	254,042
Total fund balances	80,390	6,456	9,193	2,076	258,970	12,253	-	369,338
Total liabilities and fund balances	$ 80,390	$ 6,456	$ 9,193	$ 7,071	$ 316,972	$ 12,253	$ -	$ 432,335

Madison County, Georgia
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017

	Clerk Deed Fund	PEPI & Seized Drug	Sheriff Donation Fund	Drug Abuse Treatment Fund	E-911	Law Library	Jail Fund	Total Nonmajor Special Revenue Funds
REVENUES								
Intergovernmental	$ -	$ -	$ 18,990	$ -	$ -	$ -	$ -	$ 18,990
Charges for services	18,963	-	675	-	486,735	12,153	-	518,526
Fines and forfeitures	-	32,867	-	19,773	-	-	38,218	90,858
Investment earnings	431	-	-	-	120	47	-	598
Contributions and donations	-	-	12,375		-	-	-	12,375
Miscellaneous	-	-	785	-	955	-	-	1,740
Total revenues	19,394	32,867	32,825	19,773	487,810	12,200	38,218	643,087
EXPENDITURES								
Current:								
Judicial	1,975	-	-	-	-	20,124	-	22,099
Public Safety	-	30,617	23,632	64,485	883,273	-	-	1,002,007
Total Expenditures	1,975	30,617	23,632	64,485	883,273	20,124	-	1,024,106
Excess (deficiency) of revenues over (under) expenditures	17,419	2,250	9,193	(44,712)	(395,463)	(7,924)	38,218	(381,019)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	48,759	466,800	-	-	515,559
Transfers (out)	-	-	-	-	-	-	(38,218)	(38,218)
Total other financing sources and uses	-	-	-	48,759	466,800	-	(38,218)	477,341
Net change in fund balances	17,419	2,250	9,193	4,047	71,337	(7,924)	-	96,322
Fund balances - beginning	62,971	4,206	-	(1,971)	187,633	20,177	-	273,016
Fund balances - ending	$ 80,390	$ 6,456	$ 9,193	$ 2,076	$ 258,970	$ 12,253	$ -	$ 369,338

Exhibit E

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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ 15,000	$ 15,000	$ 18,963	$ 3,963
Investment income	-	-	431	431
Total revenues	15,000	15,000	19,394	4,394
EXPENDITURES				
Current:				
Judicial	27,000	27,000	1,975	25,025
Total expenditures	27,000	27,000	1,975	25,025
Net change in fund balances	(12,000)	(12,000)	17,419	29,419
Fund balances - beginning	62,971	62,971	62,971	-
Fund balances - ending	$ 50,971	$ 50,971	$ 80,390	$ 29,419

Exhibit F

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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines and forfeitures	$ -	$ -	$ 32,867	$ 32,867
Total revenues	-	-	32,867	32,867
EXPENDITURES				
Current:				
Public safety	-	-	30,617	(30,617)
Total expenditures	-	-	30,617	(30,617)
Net change in fund balances	-	-	2,250	2,250
Fund balances - beginning	4,206	4,206	4,206	-
Fund balances - ending	$ 4,206	$ 4,206	$ 6,456	$ 2,250

Exhibit G

Madison County, Georgia
Sheriff Donation Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental revenue	$ -	$ -	$ 18,990	$ 18,990
Charges for services	-	-	675	675
Contributions and donations	-	-	12,375	12,375
Miscellaneous	-	-	785	785
Total revenues	-	-	32,825	32,825
EXPENDITURES				
Current:				
Public safety	-	-	23,632	(23,632)
Total expenditures	-	-	23,632	(23,632)
Net change in fund balances	-	-	9,193	9,193
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ 9,193	$ 9,193

Exhibit H

Madison County, Georgia
Drug Abuse Treatment Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget (GAAP Basis) and Actual
For the Year Ended December 31, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines and forfeitures	$ 20,000	$ 20,000	19,773	$ (227)
Total revenues	20,000	20,000	19,773	(227)
EXPENDITURES				
Current:				
Public safety	54,786	67,869	64,485	3,384
Total expenditures	54,786	67,869	64,485	3,384
OTHER FINANCING SOURCES (USES)				
Transfers in	34,786	47,869	48,759	890
Net change in fund balances	-	-	4,047	4,047
Fund balances - beginning	(1,971)	(1,971)	(1,971)	(1,971)
Fund balances - ending	$ (1,971)	$ (1,971)	$ 2,076	$ 2,076

Exhibit I

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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ 499,000	$ 499,000	$ 486,735	$ (12,265)
Investment income	25	25	120	95
Miscellaneous	2,000	2,000	955	(1,045)
Total revenues	501,025	501,025	487,810	(13,215)
EXPENDITURES				
Current:				
Public safety	776,217	931,302	883,273	48,029
Total expenditures	776,217	931,302	883,273	48,029
OTHER FINANCING SOURCES				
Transfers	275,192	430,277	466,800	36,523
Total other financing sources	275,192	430,277	466,800	36,523
Net change in fund balances	-	-	71,337	71,337
Fund balances - beginning	187,633	187,633	187,633	-
Fund balances - ending	$ 187,633	$ 187,633	$ 258,970	$ 71,337

Exhibit J

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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ 9,000	$ 9,000	$ 12,153	$ 3,153
Investment income	-	-	47	47
Total revenues	9,000	9,000	12,200	3,200
EXPENDITURES				
Current:				
Judicial	12,000	12,000	20,124	(8,124)
Total expenditures	12,000	12,000	20,124	(8,124)
Net change in fund balance	(3,000)	(3,000)	(7,924)	(4,924)
Fund balances - beginning	20,177	20,177	20,177	-
Fund balances - ending	$ 17,177	$ 17,177	$ 12,253	$ (4,924)

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, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines and forfeitures	$ 40,000	$ 40,000	$ 38,218	$ (1,782)
Total revenues	40,000	40,000	38,218	(1,782)
Excess of revenues over expenditures	40,000	40,000	38,218	(1,782)
OTHER FINANCING (USES)				
Transfers (out)	(40,000)	(40,000)	(38,218)	1,782
Total other financing (uses)	(40,000)	(40,000)	(38,218)	1,782
Net change in fund balance	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -

Madison County, Georgia
Fiduciary Funds
Combining Schedule of Fiduciary Assets and Liabilities
December 31, 2017

	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court	Magistrate Court	Total Fiduciary Funds
ASSETS						
Cash	$ 81,004	$ 301,869	$ 149,536	$ 1,053	$ 2,685	$ 536,147
Total Assets	$ 81,004	$ 301,869	$ 149,536	$ 1,053	$ 2,685	$ 536,147
LIABILITIES						
Due to others	$ 81,004	$ 301,869	$ 149,536	$ 1,053	$ 2,685	$ 536,147
Total Liabilities	$ 81,004	$ 301,869	$ 149,536	$ 1,053	$ 2,685	$ 536,147

Compliance Section

Treadwell, Tamplin & Co.
Certified Public Accountants
A Limited Liability Partnership
157 West Jefferson Street
Madison, Georgia 30650
Ph: 706-342-1040
Fax: 706-342-1041

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, 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, the financial statements of the governmental activities, the business-type activity, 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, 2017, and the related notes to the financial statements, which collectively comprise Madison County, Georgia's basic financial statements and have issued our report thereon dated February 21, 2019. 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 basic 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.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Madison County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Madison County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Madison County, Georgia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items ***2017-001, 2017-002 and 2013-002.***

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 and responses. 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.

We noted certain matters that we reported to management of Madison County, Georgia in a separate letter dated February 21, 2019.

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 Tamplin + Co.

Madison, Georgia
February 21, 2019

2017-001: Collateralization in accordance with O.C.G.A. § 45-8-12

Criteria:	O.C.G.A. § 45-8-12 requires that the uninsured bank deposits of political subdivisions of the state of Georgia be collateralized at 110 percent of the balance of the uninsured deposits.
Condition:	We noted that deposits at one bank were under collateralized by $123,082.
Effect:	The County did not comply with the requirements of state law because it did not ensure that one of the banks that held its uninsured deposits posted sufficient collateral.
Cause:	The bank in question did not monitor the collateral that it pledged for public funds closely enough to ensure that its posted collateral was sufficient. The County's monitoring and follow up of the bank's pledged collateral was not sufficient to prevent the error.
Recommendation:	We recommend the County regularly review the accounts that each bank reports as insured by the FDIC. The County should regularly receive a listing of assets pledged as collateral for any uninsured deposits to ensure that the collateral is adequate. If the County finds that nay deposits are not adequately collateralized, we recommend that the County take the necessary steps to ensure that the error is corrected.
Views of Officials:	Management concurs with the finding. This finding has already been corrected by the bank obtaining an additional letter of credit causing all of the County's uninsured deposits to be collateralized.

2017-002: Budget not adopted for Special Revenue Funds

Criteria:	O.C.G.A. § 36-81-3 requires an annual balanced budget for the general fund, each special revenue fund and each debt service fund in use by the local government.
Condition:	The County did not adopt an annual balanced budget for the Seized and Forfeited Special Revenue Fund and the Sheriff Donation Special Revenue Fund.
Effect:	The County did not comply with Georgia law.
Cause:	The Sheriff was not aware of the law for special revenue fund types.
Recommendation:	We recommend the Board of Commissioners require all special revenue funds to submit an annual balanced budget and follow the process for adoption consistent with County policies.
Views of Officials:	Management concurs with the finding. Management has met with the newly elected Sheriff to discuss the County's budget process for special revenue funds.

2013-002: Expenditures in excess of appropriations

Criteria:	Georgia law requires that expenditures not exceed the amount approved in the budget at the County's legal level of control.
Condition:	The County's legal level of control is the department level. The expenditures of the Law Enforcement Department exceeded appropriations such that a significant violation of the budget requirement was reported.
Effect:	The County did not comply with Georgia law requiring that expenditures not exceed budgeted amounts.
Cause:	The expenditures exceeded budget because the department heads approved expenditure of funds that were not included in the budget without requesting a budget amendment from the Board of Commissioners before doing so.
Recommendation:	We recommend the Board of Commissioners monitor actual expenditures in comparison to the budget. We recommend that management put policies in place to ensure that the budget is not overspent. Possible policies that management could implement include requesting budget amendments when it becomes clear that a department is likely to overspend its budget or putting in place procedures to limit the expenditures of departments when it becomes clear that the department's expenditures will likely exceed the budgeted amounts.
Views of Officials:	Management concurs with the finding. Management has met with the affected departments and has come to an agreement that the budget to actual comparisons will be more closely monitored.

Madison County, Georgia
Schedule of Projects Constructed
With Special Sales Tax Proceeds
For the Year Ended December 31, 2017

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage to Complete
			Prior Years	Current Year	Total	
2008 Referendum						
Expansion of County Jail	$ 3,300,000	$ 3,115,108	$ 3,115,108	$ -	$ 3,115,108	100%
Recreation	1,000,000	951,374	951,374	-	951,374	100%
Library	750,000	581,486	581,486	-	581,486	100%
E-911	424,400	432,383	432,383	-	432,383	100%
EMS	270,000	240,957	240,957	-	240,957	100%
Transfer Station	124,800	117,422	117,411	-	117,411	100%
Old Courthouse	90,000	86,633	7,895	-	7,895	9%
Road and bridge improvements	3,950,800	3,995,094	3,995,094	-	3,995,094	100%
Industrial Development & Building Authority for water & sewer projects	1,190,000	1,101,812	1,101,812	-	1,101,812	100%
Payments to cities for capital projects						
City of Carlton	128,587	119,118	119,118	-	119,118	100%
City of Colbert	269,316	249,319	249,319	-	249,319	100%
City of Comer	580,574	537,605	537,605	-	537,605	100%
City of Danielsville	252,208	233,570	233,570	-	233,570	100%
City of Hull	88,300	81,781	81,781	-	81,781	100%
City of Ila	181,015	167,653	167,653	-	167,653	100%
Totals	$ 12,600,000	$ 12,011,315	$ 11,932,566	$ -	$ 11,932,566	
Transferred to General fund ***				$ 72,849		

***Excess funds transferred to General Fund used for purposes of reducing taxes.

2014 Referendum						
Road and bridge improvements	$ 6,487,500	$ 6,487,500	$ 2,374,782	426,316	$ 2,801,098	43%
Recreation	227,500	227,500	59,802	11,542	71,344	31%
Sheriff	681,667	681,667	378,915	115,215	494,130	72%
E-911	153,000	153,000	72,361	-	72,361	47%
EMS	755,833	755,833	407,562	-	407,562	54%
Transfer Station	84,167	84,167	22,298	-	22,298	26%
Old Courthouse	42,000	42,000	-	-	-	0%
Firefighting	1,033,333	1,033,333	239,568	59,495	299,063	29%
Industrial Development & Building Authority for water & sewer projects	1,422,500	1,422,500	514,768	218,225	732,993	52%
Payments to cities for capital projects						
City of Carlton	126,900	126,900	45,922	19,467	65,389	52%
City of Colbert	289,050	289,050	104,600	44,343	148,943	52%
City of Comer	549,600	549,600	198,887	84,314	283,201	52%
City of Danielsville	273,300	273,300	98,903	41,928	140,831	52%
City of Hull	96,600	96,600	34,957	14,819	49,776	52%
City of Ila	164,550	164,550	59,548	25,245	84,793	52%
Totals	$ 12,387,500	$ 12,387,500	$ 4,612,873	$ 1,060,909	$ 5,673,782	

Madison County

Certification of 9-1-1 Expenditures

For the Year Ended 2017

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		$	6,491.49
	Sprint		$	847.20
	Southern Linc		$	12.15
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)	$	59,892.36
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)	$	464,938.31
5b	Employee benefits	46-5-134(f)(1)(C)	$	188,695.77
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	$	2,264.07
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)	$	4,031.55
8	Building used as a public safety answering point:			
8a	Lease costs	46-5-134(f)(1)(F)	$	
8b	Purchase costs	46-5-134(f)(1)(F)	$	
9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:			
9a	Lease costs	46-5-134(f)(1)(G)	$	
9b	Purchase costs	46-5-134(f)(1)(G)	$	2,738.74
9c	Maintenance costs	46-5-134(f)(1)(G)	$	21,426.78

Madison County

Certification of 9-1-1 Expenditures

For the Year Ended 2017

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)	$	27,580.56
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)	$	7,200.00
15b	Purchase costs	46-5-134(f)(2(B)(iv)	$	7,300.00
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)	$	
16c	Maintenance costs	46-5-134(f)(2(B)(v)	$	89,853.80

Madison County

Certification of 9-1-1 Expenditures

For the Year Ended 2017

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)		$ 883,272.78

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 John D Scarborough Date 4/11/18

Print Name of Chief Elected Official John D. Scarborough

Title of Chief Elected Official Chairman

Signature of Chief Financial Officer Kathy Figueroa Date 4/11/18

Print Name of Chief Financial Officer Kathy Figueroa