Madison County, Georgia

Financial Statements

For the Year Ended December 31, 2018

Madison County, Georgia
Financial Report
For the Year Ended December 31, 2018

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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, 2018, 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 1%, -1%, and 32%, 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, 2018, 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 August 2, 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
August 2, 2019

Basic Financial Statements

Madison County, Georgia
Statement of Net Position
December 31, 2018

	Governmental Activities	Business-type Activities	Total	Industrial Development Authority	June 30 Health Department
ASSETS					
Cash and cash equivalents (Note 3)	$ 11,986,442	$ 500	$ 11,986,942	$ 616,594	$ 643,121
Receivables, net (Note 4)	2,218,740	117	2,218,857	228,654	16,569
Due from other governments	512,028	13,363	525,391	263,635	-
Inventories	106,539	-	106,539	-	-
Restricted cash	272,673	-	272,673	1,139,532	-
Capital lease receivables	170,383	-	170,383	-	-
Prepaids	281,220	8,279	289,499	16,143	-
Capital assets (Note 5)					
Capital assets not being depreciated	834,919	-	834,919	1,254,658	-
Capital assets, net of depreciation	192,060,263	133,909	192,194,172	15,918,690	12,654
Total assets	208,443,207	156,168	208,599,375	19,437,906	672,344
DEFERRED OUTFLOWS OF RESOURCES					
Deferred amount related to pensions (Note 9)	1,169,481	29,213	1,198,694	-	159,668
Total assets and deferred outflows	209,612,688	185,381	209,798,069	19,437,906	832,012
LIABILITIES					
Accounts payable					
and accrued expenses	1,005,959	24,599	1,030,558	641,319	33,239
Cash held in escrow	271,118	-	271,118	1,003,780	-
Customer deposits	-	-	-	67,090	-
Long-term liabilities: (Note 7)					
Due within one year					
Notes and bonds payable	20,512	-	20,512	309,178	-
Capital lease obligations	114,519	-	114,519	-	-
Landfill postclosure costs	-	8,335	8,335	-	-
Due in more than one year					
Notes and Bonds payable, net	47,705	-	47,705	7,706,823	-
Capital lease obligations	46,804	-	46,804	-	-
Compensated absences	300,058	6,490	306,548	12,972	37,539
Net pension liability (Note 9)	2,299,878	58,287	2,358,165	-	402,153
Net OPEB liability	-	-	-	-	385,327
Landfill postclosure costs	-	66,680	66,680	-	-
Total liabilities	4,106,553	164,391	4,270,944	9,741,162	858,258
DEFERRED INFLOWS OF RESOURCES					
Deferred amount related to pensions (Note 9)	294,051	7,149	301,200	-	39,024
Unearned revenue - grant proceeds	-	-	-	-	5,012
Unearned lease income	9,060	-	9,060	-	-
	303,111	7,149	310,260	-	44,036
NET POSITION					
Net investment in capital assets (Note 16)	192,826,965	133,909	192,960,874	9,157,347	12,654
Restricted for: (Note 15)					
Capital projects	1,806,143	-	1,806,143	112,849	-
Judicial	98,143	-	98,143	-	-
Health and welfare	92,462	-	92,462	-	-
Public safety	412,962	-	412,962	-	-
Public works	768,496	-	768,496	-	-
Debt service	-	-	-	35,000	-
Unrestricted	9,197,853	(120,068)	9,077,785	391,548	(82,936)
Total net position	$ 205,203,024	$ 13,841	$ 205,216,865	$ 9,696,744	$ (70,282)

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

Madison County, Georgia
Statement of Activities
For the Year Ended December 31, 2018

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	$ 2,432,706	$ 447,362	$ 110,934	$ -	$ (1,874,410)	$ -	$ (1,874,410)		
Judicial	1,476,264	571,032	107,532	-	(797,700)	-	(797,700)		
Public Safety	9,357,579	2,040,765	33,136	100	(7,283,578)	-	(7,283,578)		
Public Works	13,934,427	310	-	774,066	(13,160,051)	-	(13,160,051)		
Health and Welfare	730,658	-	224,096	10,767	(495,795)	-	(495,795)		
Culture and Recreation	874,820	130,553	-	2,600	(741,667)	-	(741,667)		
Housing & Development	313,235	121,087	-	-	(192,148)	-	(192,148)		
Interest on Long-term debt	13,406	-	-	-	(13,406)	-	(13,406)		
Total governmental activities	29,133,095	3,311,109	475,698	787,533	(24,558,755)	-	(24,558,755)		
Business-type activities:									
Solid Waste Fund	428,963	194,849	13,363	-		(220,751)	(220,751)		
Total business-type activities	428,963	194,849	13,363	-		(220,751)	(220,751)		
Total primary government	29,562,058	3,505,958	489,061	787,533		(220,751)	(24,779,506)		
Component Units									
Industrial Development Building Authority	1,912,421	914,580	-	256,034				(741,807)	-
Health Department	703,357	377,448	487,993	-				-	162,084
Total component units	$ 2,615,778	$ 1,292,028	$ 487,993	$ 256,034				$ (741,807)	$ 162,084
General revenues:									
Taxes:									
Property taxes, levied for general purposes					$ 10,444,805	$ -	$ 10,444,805	$ 640,051	$ -
Sales taxes					3,855,077	-	3,855,077	-	-
Franchise and other business taxes					2,065,807	-	2,065,807	19,465	-
Interest revenue					2,438	-	2,438	1,904	43
Gain on sale of capital asset					11,800		11,800	-	-
Miscellaneous					115,705	-	115,705	-	-
Special item - abandonment of projec					-	-	-	(402,503)	-
Transfers					(231,770)	231,770	-	-	-
Total general revenues, special item, and transfers					16,263,862	231,770	16,495,632	258,917	43
Change in net position					(8,294,893)	11,019	(8,283,874)	(482,890)	162,127
Net position - beginning					213,497,917	2,822	213,500,739	10,304,842	152,938
Prior period adjustment					-	-	-	(125,208)	-
Change in accounting principle - implementation of GASB 75					-	-	-	-	(385,347)
Net position - beginning, as restated					213,497,917	2,822	213,500,739	10,179,634	(232,409)
Net position - ending					$ 205,203,024	$ 13,841	$ 205,216,865	$ 9,696,744	$ (70,282)

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

Madison County, Georgia
Balance Sheet
Governmental Funds
December 31, 2018

	General Fund	SPLOST 2014 Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 9,908,004	$ 1,554,581	$ 523,857	$ 11,986,442
Accounts receivable, net	-	-	114,436	114,436
Taxes receivable, net	2,012,946	-	-	2,012,946
Receivable from other governments	288,991	223,037	-	512,028
Other receivables, net	91,358	-	-	91,358
Restricted cash	272,673	-	-	272,673
Capital lease receivable	170,383	-	-	170,383
Prepaid items	264,742	-	16,478	281,220
Inventories	106,539	-	-	106,539
Total assets	13,115,636	1,777,618	654,771	15,548,025
LIABILITIES				
Accounts payable	146,751	51,077	9,757	207,585
Accrued salaries and benefits	744,056	-	54,307	798,363
Tax sale proceeds held for others	271,118	-	-	271,118
Total liabilities	1,161,925	51,077	64,064	1,277,066
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	656,631	-	-	656,631
Unavailable lease reimbursements	170,383	-	-	170,383
Total deferred inflows	827,014	-	-	827,014
FUND BALANCES				
Nonspendable				
Prepaid items	264,742	-	16,478	281,220
Inventories	106,539	-	-	106,539
Restricted				
Capital projects	-	1,726,541	79,602	1,806,143
Judicial	-	-	98,143	98,143
Health and welfare	92,462	-	-	92,462
Public safety	-	-	400,712	400,712
Public works	768,496	-	-	768,496
Committed	90,000	-	-	90,000
Unassigned	9,804,458	-	(4,228)	9,800,230
Total fund balances	11,126,697	1,726,541	590,707	13,443,945
Total liabilities, deferred inflows of resources, and fund balances	$ 13,115,636	$ 1,777,618	$ 654,771	$ 15,548,025

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, 2018

Total fund balance, governmental funds (Exhibit 3)	$	13,443,945
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.		192,895,182
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.		599,011
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.		276,410
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.		(529,598)
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.		(2,299,878)
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.		161,321
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.		656,631
Net Position of Governmental Activities in the Statement of Net Position (Exhibit 1)	$	205,203,024

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, 2018

	General Fund	SPLOST 2014 Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 14,166,172	2,215,517	$ -	$ 16,381,689
Licenses and permits	142,187	-	-	142,187
Intergovernmental	1,159,643	-	13,645	1,173,288
Charges for services	1,572,288	-	605,782	2,178,070
Fines and forfeitures	603,053	-	374,392	977,445
Investment earnings	1,689	6,833	1,146	9,668
Contributions and donations	67,588	-	14,966	82,554
Miscellaneous	241,358	-	5,378	246,736
Total revenues	17,953,978	2,222,350	1,015,309	21,191,637
EXPENDITURES				
Current:				
General government	2,570,189	-	-	2,570,189
Judicial	1,452,593	-	25,368	1,477,961
Public safety	7,512,686	-	1,390,338	8,903,024
Public works	2,239,183	-	-	2,239,183
Health and welfare	671,417	-	-	671,417
Culture and recreation	743,735	-	-	743,735
Housing and development	310,881	-	-	310,881
Debt Service:				
Principal	109,049	25,702	-	134,751
Interest and other charges	13,406	-	-	13,406
Intergovernmental	-	522,692	-	522,692
Capital Outlay:				
Public safety	-	29,773	-	29,773
Public works	-	593,253	-	593,253
Culture and recreation	-	43,528	-	43,528
Total expenditures	15,623,139	1,214,948	1,415,706	18,253,793
Deficiency of revenues under expenditures	2,330,839	1,007,402	(400,397)	2,937,844
OTHER FINANCING SOURCES (USES)				
Proceeds from issuance of note payable	93,919		-	93,919
Proceeds from governmental asset dispositions	11,800	-	-	11,800
Transfers in	39,060	-	581,621	620,681
Transfers (out)	(813,391)	-	(39,060)	(852,451)
Total other financing sources and (uses)	(668,612)	-	542,561	(126,051)
Net change in fund balances	1,662,227	1,007,402	142,164	2,811,793
Fund balances - beginning	9,464,470	719,139	448,543	10,632,152
Fund balances - ending	$ 11,126,697	$ 1,726,541	$ 590,707	$ 13,443,945

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, 2018

Net change in fund balances - total governmental funds (Exhibit 4)	$	2,811,793
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, $11,580,124 exceeded capital outlays, $686,941, in the current period.		(10,893,183)
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)
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.		(97,704)
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.		(16,000)
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.		(23,166)
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.		(109,049)
Loan proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. However, in the Statement of Net Position, issuing debt increases long-term liabilities and does not affect the Statement of Activities.		(93,919)
Debt principal payments are reported as expenditures in the governmental funds, but reduce the liability in the Statement of Net Position.		134,751
Change in net position of governmental activities (Exhibit 2)	$	(8,294,893)

Madison County, Georgia
Statement of Net Position
Proprietary Fund
December 31, 2018

	Solid Waste Fund
ASSETS	
Current assets:	
Cash	$ 500
Accounts receivable	117
Receivables from other governments	13,363
Prepaid Expenses	8,279
Total current assets	22,259
Non-current assets:	
Capital assets, net of depreciation	133,909
Total assets	156,168
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount related to pensions	29,213
Total assets and deferred outflows	185,381
LIABILITIES	
Current liabilities:	
Accounts payable	10,771
Salaries and benefits payable	13,828
Current portion of postclosure liability	8,335
Total current liabilities	32,934
Non-current liabilities:	
Compensated absences	6,490
Net pension liability	58,287
Postclosure liability	66,680
Total non-current liabilities	131,457
Total liabilities	164,391
DEFERRED INFLOWS OF RESOURCES	
Deferred amount related to pensions	7,149
Total liabilities and deferred inflows	171,540
NET POSITION	
Investment in capital assets	133,909
Unrestricted	(120,068)
Total net position	$ 13,841

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, 2018

	Solid Waste Fund
REVENUES	
Charges for services	$ 194,278
Miscellaneous	571
Total operating revenues	194,849
OPERATING EXPENSES	
Cost of sales - waste disposal fees	141,345
Personal services	230,023
Contractual services	17,296
Other supplies and expenses	27,288
Depreciation	13,011
Total operating expenses	428,963
Operating loss	(234,114)
NON-OPERATING REVENUES (EXPENSES)	
Grants and contributions	13,363
Total non-operating revenues (expenses)	13,363
Loss before transfers	(220,751)
Transfers in	231,770
Change in net position	11,019
Net positions - beginning	2,822
Net position - ending	$ 13,841

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, 2018

	Solid Waste Fund
Cash flows from operating activities:	
Cash sales to customers	$ 195,114
Cash payments to employees for services	(233,274)
Cash payments to suppliers	(193,604)
Net cash used by operating activities	(231,764)
Cash flows from noncapital financing activities:	
Transfers in	231,770
Net cash provided by noncapital financing activities	231,770
Net change in cash and cash equivalents	6
Cash - beginning	494
Cash - ending	$ 500
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (234,114)
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	265
Prepaids	2,044
Accounts payable	(1,384)
Salaries and benefits payable	(4,327)
Pension deferrals	14,310
Pension liability	(11,926)
Compensated absences	(1,308)
Landfill post closure liability	(8,335)
Net cash used by operating activities	$ (231,764)

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

Madison County, Georgia
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2018

ASSETS		
Cash	$	425,322
Total assets		425,322
LIABILITIES		
Due to others		425,322
Total liabilities	$	425,322

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 MCIDBA and the County entered into an agreement whereby the County is obligated to make contract payments when the MCIDBA has insufficient funds to meet debt service requirements on the Series 2018 Bonds. The contract represents a general obligation of the County to which its full faith and credit are pledged. 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, 2018: 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 2018, the budget was legally adopted in July 2017.

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, 2018, were levied on August 27, 2018 with a payment period from September 11, 2018 to December 20, 2018. 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, 2018 amounted to $2,012,946 and deferred property tax revenue totaled $656,631.

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. Deficit Fund Balance:

The following lists the County's fund which reported a deficit fund balance:

Drug Abuse Treatment Fund	$	2,931

The deficit in the Drug Abuse Treatment Fund is a result of year-end accruals and will be funded by a transfer from the General Fund.

Note 1: Summary of Significant Accounting Policies, continued

B. Expenditures in Excess of Appropriations:

There were departments 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	$ 243,903
Vehicle maintenance	91,302
Special Revenue Fund:	
Seized and Forfeited Funds	231,151
Drug Abuse Treatment Fund	7,817
Law Library	2,144
Jail Special Revenue Fund	3,940

The County did not adopt an annual budget for the 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 $12,684,937 and the bank balance was $17,913,454. 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 $108,716 that were not collateralized at year-end thus subjecting the County to custodial credit risk with respect to the uninsured and under collateralized deposits.

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	$ 2,012,946
Ambulance service receivable	1,564,307
E911 surcharge receivable	114,436
Other receivables-General Fund	31,724
	3,723,413
Less: allowances for doubtful accounts related to ambulance service receivables	(1,504,673)
	$ 2,218,740

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

Ambulance service receivable	$ 1,564,307
Other receivables	31,724
	1,596,031
Less: allowances for doubtful accounts related to ambulance service receivables	(1,504,673)
	$ 91,358

Note 5: Capital Assets

Capital asset activity for the year was as follows:

Primary Government: Governmental Activities:	**Beginning**	**Increases**	**Decreases**	**Ending**
Capital assets not being depreciated:				
Land	$ 813,184	$ 21,735	$ -	$ 834,919
Total capital assets not being depreciated	813,184	21,735	-	834,919
Capital assets being depreciated:				
Buildings and improvements	14,362,810	-	-	14,362,810
Equipment, furniture and vehicles	8,139,204	658,710	241,675	8,556,239
Land improvement	1,449,193	6,496	-	1,455,689
Infrastructure	429,935,208	-	-	429,935,208
Total capital assets being depreciated	453,886,415	665,206	241,675	454,309,946
Less accumulated depreciation for:				
Buildings and improvements	4,749,485	365,338	-	5,114,823
Equipment, furniture and vehicles	6,603,728	400,053	241,675	6,762,106
Land improvement	649,957	63,398	-	713,355
Infrastructure	238,908,064	10,751,335	-	249,659,399
Total accumulated depreciation	250,911,234	11,580,124	241,675	262,249,683
Total capital assets being depreciated, net	202,975,181	(10,914,918)	-	192,060,263
Governmental acitvities capital assets, net	$ 203,788,365	$ (10,893,183)	$ -	$ 192,895,182

Note 5: Capital Assets, continued

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	47,192	3,197	-	50,389
Equipment	125,919	9,814	-	135,733
Total accumulated depreciation	173,111	13,011	-	186,122
Total Solid Waste being depreciated, net	146,920	(13,011)	-	133,909
Total Business type activities capital assets, net	$ 146,920	$ (13,011)	$ -	$ 133,909

Interest costs of $13,406 was incurred and expensed during the year in the general fund. No interest costs were capitalized during the year.

Depreciation expense was charged to governmental activities as follows:

General Government	$ 93,955
Judicial	6,438
Public Safety	462,029
Public Works	10,847,247
Health & Welfare	55,888
Culture & Recreation	114,567
	$ 11,580,124

Note 5: Capital Assets, continued

Discretely Presented Component Unit
Madison County Industrial Development and Building Authority

Governmental Activities:	**Restated Beginning**	**Increases**	**Decreases**	**Ending**
Capital assets not being depreciated:				
Land	$ 210,113	$ -	$ -	$ 210,113
Total capital assets not being depreciated	210,113	-	-	210,113

Business type Activities:	**Beginning**	**Increases**	**Decreases**	**Ending**
Water fund:				
Capital assets not being depreciated:				
Construction in progress	402,503	733,523	402,503	733,523
Land	285,533	25,489	-	311,022
Total capital assets not being depreciated	688,036	759,012	402,503	1,044,545
Capital assets being depreciated:				
Water systems	18,987,373	-	-	18,987,373
Wastewater plant/system	2,495,327	-	-	2,495,327
Vehicles and equipment	126,861	26,036	-	152,897
Total capital assets being depreciated	21,609,561	26,036	-	21,635,597
Less accumulated depreciation for:				
Water systems	4,623,304	459,837	-	5,083,141
Wastewater plant/system	441,880	62,383	-	504,263
Vehicles and equipment	126,252	3,251	-	129,503
Total accumulated depreciation	5,191,436	525,471	-	5,716,907
Total capital assets being depreciated, net	16,418,125	(499,435)	-	15,918,690
Total capital assets, net	17,106,161	259,577	402,503	16,963,235
Total component unit capital assets, net	$ 17,316,274	$ 259,577	$ 402,503	$ 17,173,348

Note 6: Interfund Balances and Transfers Activity

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	$ 581,621	$ 231,770	$ -	$ 813,391
Nonmajor Gov't Funds	-	-	39,060	39,060
	$ 581,621	$ 231,770	$ 39,060	$ 852,451

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 $540,386 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 $41,235 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 $231,770 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 $39,060 were made to reimburse costs incurred in the general fund that met the legal restrictions of certain revenues collected by the County and accounted for in a special revenue fund.

Note 7: Long-term Obligations

Governmental activities

Categories of debt

Notes Payable

During fiscal year 2018, the County entered into a loan agreement with Flex Financial with a principal amount of $93,919 to purchase ambulance stretchers. The County made an initial payment in fiscal year 2018 of $25,702 and will make three annual payments of $24,002 on the note until its maturity at the rate of 5.0% per annum.

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 $170,383 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	$ 270,372	$ -	$ 109,049	$ 161,323	$ 114,519
Notes payable	-	93,919	25,702	68,217	20,512
Compensated absences	276,894	299,507	276,343	300,058	-
Net pension liability	2,789,060	1,141,240	1,630,422	2,299,878	-
	$ 3,336,326	$ 1,534,666	$ 2,041,516	$ 2,829,476	$ 135,031

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

	Beginning	Increases	Decreases	Ending	Due within one year
Business-type activities:					
Landfill postclosure costs	$ 83,350	$ -	$ 8,335	$ 75,015	$ 8,335
Compensated absences	7,798	4,539	5,847	6,490	-
Net pension liability	70,213	27,824	39,750	58,287	-
	$ 161,361	$ 32,363	$ 53,932	$ 139,792	$ 8,335

Debt Service Requirements:

Governmental activities

The annual requirements to amortize the note payable at year-end:

Year Ending December 31,	Principal	Interest	Total
2019	$ 20,512	$ 3,490	$ 24,002
2020	23,803	199	24,002
2021	23,902	100	24,002
	$ 68,217	$ 3,789	$ 72,006

Note 7: Long-term Obligation, continued

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

Long-term Obligations

Notes Payable

The Authority has various notes with the Georgia Environmental Finance Authority (GEFA). These notes bear interest rates ranging from non-interest bearing to 2.31%. The notes require monthly payments of principal or principal and interest between $5,207 and $6,354 and mature between 2026 and 2039. The Authority has a new note payable with GEFA with an original principal balance of $4,700,000 of which $228,960 has been advanced by GEFA through year-end. This leaves an additional $4,471,040 of additional available borrowing capacity under this note.

Bonds Payable

The Authority issued Series 2018 Revenue Refunding Bonds in June 2018 with interest rates ranging from 3% to 4% maturing between 2019 and 2038. Interest is payable semiannually on January 1 and July 1 and principal is payable in annual installments ranging from $75,000 to $515,000 on July 1 of each year. The bond proceeds were used to refund several notes payable. The bonds are secured by the proceeds of the Authority's tax collections, which the bond documents describe as "contract payments" between Madison County and the Authority.

Debt Service Requirements

	Notes Payable		Bonds Payable		
Year Ending December 31,	**Principal**	**Interest**	**Principal**	**Interest**	**Total**
2019	$ 234,178	37,326	$ 75,000	181,608	$ 528,112
2020	242,307	45,253	90,000	169,800	547,360
2021	247,592	38,185	90,000	167,100	542,877
2022	249,903	35,874	100,000	164,400	550,177
2023	252,264	33,513	100,000	161,400	547,177
2024-2028	1,298,655	130,232	545,000	750,000	2,723,887
2029-2033	863,459	62,696	1,180,000	607,000	2,713,155
2034-2038	207,555	9,789	2,235,000	282,400	2,734,744
2039-2040	17,578	264	-	-	17,842
	$ 3,613,491	393,132	$ 4,415,000	2,483,708	$ 10,905,331

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	$ 8,367,308	$ 228,960	$ 4,982,777	$ 3,613,491	$ 234,178
Discount on notes	(378,368)	-	53,769	(324,599)	-
Notes payable, net	7,988,940	228,960	5,036,546	3,288,892	234,178
Series 2018 Bonds	-	4,415,000		4,415,000	75,000
Series 2018 Bond premium	-	320,112	8,003	312,109	-
Bonds payable, net	-	4,735,112	8,003	4,727,109	75,000
Compensated absences	12,972	9,874	9,874	12,972	-
	$ 8,001,912	$ 4,973,946	$ 5,054,423	$ 8,028,973	$ 309,178

Note 8: Equipment Leased to Volunteer Fire Department

During 2010, the County leased three fire trucks, which were leased to other volunteer fire departments in the County. 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:

2019	$	122,456
2020		47,927
Total minimum lease payments		170,383
Less: interest portion of minimum lease payments		(9,060)
Present value minimum lease payments	$	161,323

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 County employees working at least 30 hours per week 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	$ 4,726,098

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 for the reporting period is $96,088 and its recommended and actual contribution are $599,011. The actual contribution represents 623% of the legally required contribution and 12.9% of the covered payroll. The County recorded this amount as a liability at its fiscal year-end and paid this contribution during 2019. The plan recognized the contribution as an increase to the fiduciary net position for the County's participants during the 2018 plan year. Therefore, the County reports no payable and the plan reports no receivable for amounts due for the 2017 plan year (the measurement period). 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 recorded as an expenditure on the County's 2017 financial statement and was paid during 2018.

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, 2017 and the *net pension liability* was measured as of the same date. The December 31, 2017 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	7.25%
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, projected with Scale AA to 2017

The actuarial assumptions related to mortality were changed from the last valuation by changing the projection of Scale AA on the RP-2000 mortality table from 2016 to 2017. This change resulted in a difference in the calculation of the total pension liability that is being amortized into pension expense over the expected remaining service period of the plan participants.

Discount Rate

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 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.

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	6.40%	33.34%	2.13%
Calculated discount rate			7.16%
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.

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	$12,243,688	$ 10,771,023	$ 9,588,071
Fiduciary Net Position	8,412,858	8,412,858	8,412,858
Net Pension Liability	$ 3,830,830	$ 2,358,165	$ 1,175,213

Note 9: Retirement Benefits, continued

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	$ 10,129,348	$ 7,270,075	$ 2,859,273
Service cost	216,888	-	216,888
Interest on total pension liability	718,383	-	718,383
Experience loss	115,896	-	115,896
Change in assumptions	31,751	-	31,751
Employer contributions	-	592,576	(592,576)
Net investment income	-	1,113,370	(1,113,370)
Benefit payments	(441,243)	(441,243)	-
Administrative expenses	-	(25,644)	25,644
Other expense	-	(96,276)	96,276
End of year	$ 10,771,023	$ 8,412,858	$ 2,358,165

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

	Beginning	Ending
Total Pension Liability	$ 10,129,348	$ 10,771,023
Fiduciary Net Position	7,270,075	8,412,858
Net Pension Liability	$ 2,859,273	$ 2,358,165

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	$ 592,576
Change in net pension liability	(501,108)
Deferred inflow related to investment results	455,706
Deferred inflow related to experience losses	(88,943)
Deferred outflow related to assumption changes	(24,367)
Amortization of deferred outflows	265,235
Pension expense	$ 699,099

Note 9: Retirement Benefits, continued

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	$ 221,670	$ 70,677
Change of assumptions	378,013	-
Net difference between projected and actual earnings on Plan investments	-	230,523
Employer contributions made after measurement date but before year-end	599,011	-
	$ 1,198,694	$ 301,200

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
2019	$ 56,584	$ 127,097	$ 1,964
2020	56,584	127,097	(10,532)
2021	36,165	103,436	(108,030)
2022	1,660	20,383	(113,925)
2023	-	-	-
	$ 150,993	$ 378,013	$ (230,523)

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.

Note 9: Retirement Benefits, continued

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 $72,983.

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 2018, 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 9 years as shown on Madison County's financial statements for landfill postclosure costs is $75,015 as of December 31, 2018. 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.

Note 11: Landfill Costs, continued

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, 2018. However, the actual costs of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

Note 12: Commitments and Contingencies

Contingent Liabilities

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

Litigation

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

Note 13: Joint Venture

Northeast Georgia Regional Commission (RC)

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

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

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

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

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, 2018, 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 $254,414 to the MCIDBA during the year out of the 2014 SPLOST funds.

Note 15: Assets Restricted by Enabling Legislation

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

SPLOST capital projects	$ 1,806,143
Judicial	98,143
Public safety	384,015
	$ 2,288,301

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	$ 834,919
Capital assets, net of depreciation	192,060,263
	192,895,182
Less Debt:	
Note Payable	(68,217)
Net investment in capital net of debt	$ 192,826,965

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.

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**	**2018**
Total Pension Liability - beginning of year	$ 7,925,326	$ 8,386,495	$ 9,441,307	$ 10,129,348
Service cost	197,980	187,164	189,468	216,888
Interest on total pension liability	582,428	615,307	693,026	718,383
Assumption change	-	331,254	320,970	31,751
Experience gain / loss	-	285,873	(113,511)	115,896
Benefit payments (adjusted for interest)	(319,239)	(364,786)	(401,912)	(441,243)
Total Pension Liability - end of year	8,386,495	9,441,307	10,129,348	10,771,023
Changes in Fiduciary Net Position				
Fiduciary Net Position - beginning of year	6,023,949	6,584,881	6,708,988	7,270,075
Employer contributions	530,214	537,605	549,129	592,576
Net investment income	395,521	10,638	456,996	1,113,370
Benefit payments	(319,239)	(364,786)	(401,912)	(441,243)
Administrative expense	(26,147)	(26,457)	(28,414)	(25,644)
Other	(19,417)	(32,893)	(14,712)	(96,276)
Fiduciary Net Position - end of year	6,584,881	6,708,988	7,270,075	8,412,858
Net Pension Liability	$ 1,801,614	$ 2,732,319	$ 2,859,273	$ 2,358,165
Plan Fiduciary Net Position as a % of Total Pension Liability	78.52%	71.06%	71.77%	78.11%
Covered payroll	$ 4,921,444	$ 4,786,794	$ 4,544,200	$ 4,726,098
Net Pension Liability as % of Covered Payroll	36.61%	57.08%	62.92%	49.90%

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
2018	$ 592,576	$ 592,576	$ -	$ 4,726,098	12.54%
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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	$13,013,983	$13,013,983	$14,166,172	$ 1,152,189
Licenses and permits	110,600	110,600	142,187	31,587
Intergovernmental	236,959	1,037,171	1,159,643	122,472
Charges for services	1,477,235	1,545,889	1,572,288	26,399
Fines and forfeitures	598,620	621,576	603,053	(18,523)
Investment earnings	540	540	1,689	1,149
Contributions and donations	72,000	75,600	67,588	(8,012)
Miscellaneous	55,200	194,898	241,358	46,460
Total revenues	15,565,137	16,600,257	17,953,978	1,353,721
EXPENDITURES				
Current:				
General government				
General government	3,728,653	1,394,120	1,170,310	223,810
Governing body	109,844	182,699	178,872	3,827
Financial administration	104,046	128,913	110,825	18,088
Board of Elections/Registrations	156,803	219,688	219,680	8
Board of Equalization	13,655	14,088	13,221	867
Information technology	174,250	174,250	127,612	46,638
Tax Commissioner	258,129	311,380	291,616	19,764
Tax Assessor	280,087	342,356	339,623	2,733
Buildings and grounds	125,422	135,726	118,430	17,296
Judicial				
Superior Court	425,360	430,205	415,271	14,934
Clerk of Superior Court	352,380	448,057	479,603	(31,546)
District Attorney	31,597	43,622	41,665	1,957
Magistrate Court	196,318	245,298	238,742	6,556
Probate Court	210,628	286,149	277,312	8,837
Public Safety				
Law enforcement	3,302,823	4,288,020	4,531,923	(243,903)
Emergency management	807,590	818,150	785,190	32,960
Emergency medical service	1,711,147	2,044,449	2,042,855	1,594
Coroner	48,128	61,409	61,328	81
Animal Shelter	91,390	91,390	91,390	-
Public Works				
Highways and Streets	745,287	2,447,829	1,600,825	847,004
Vehicle Maintenance	501,550	547,056	638,358	(91,302)
Health and welfare				
Food Bank	98,355	98,890	76,313	22,577
Senior Citizens Center	233,325	308,565	308,755	(190)
Public Education	32,855	32,855	31,453	1,402
Extension Office	20,158	20,158	17,265	2,893
Health	238,192	238,192	237,631	561
Culture and recreation				
Recreation	498,880	566,723	536,104	30,619
Ga Dept of Natural Resources	21,700	-	-	-
Library administration	207,646	207,646	207,631	15
Housing and development				

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
Planning, zoning and inspections	236,130	299,893	298,721	1,172
Chamber of Commerce	3,750	3,750	3,293	457
Forest Resources	9,439	9,439	8,867	572
Debt Service:				
Principal	-	109,049	109,049	-
Interest and other charges	-	13,406	13,406	-
Total Expenditures	14,975,517	16,563,420	15,623,139	940,281
Excess (deficiency) of revenues over expenditures	589,620	36,837	2,330,839	2,294,002
OTHER FINANCING SOURCES (USES)				
Proceeds from capital leases	-	-	93,919	(93,919)
Proceeds from governmental asset dispositions	-	-	11,800	11,800
Transfers in	-	-	39,060	39,060
Transfers out	(589,620)	(36,837)	(813,391)	776,554
Total other financing sources and uses	(589,620)	(36,837)	(668,612)	733,495
Net change in fund balances	-	-	1,662,227	3,027,497
Fund balances - beginning	9,464,470	9,464,470	9,464,470	-
Fund balances - ending	$ 9,464,470	$ 9,464,470	$ 11,126,697	$ 3,027,497

Madison County, Georgia
Notes to Required Supplementary Information
For the Year Ended December 31, 2018

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 to 2017. 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 interest 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. 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:

Clerk of Superior Court	31,546
Senior Citizens Center	190

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	243,903
Vehicle maintenance	91,302

Combining and Individual Fund Schedules

Madison County, Georgia
All Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2018

	Total Nonmajor Special Revenue Funds	SPLOST 2008 Capital Project Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 444,255	$ 79,602	$ 523,857
Accounts receivable, net	114,436	-	114,436
Prepaid expenses	16,478	-	16,478
Total assets	575,169	79,602	654,771
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	9,757	-	9,757
Accrued salaries and benefits	54,307	-	54,307
Total liabilities	64,064	-	64,064
Fund balances:			
Nonspendable	16,478	-	16,478
Restricted			
Capital Projects	-	79,602	79,602
Judicial	98,143	-	98,143
Public safety	400,712	-	400,712
Unassigned	(4,228)	-	(4,228)
Total fund balances	511,105	79,602	590,707
Total liabilities and fund balances	$ 575,169	$ 79,602	$ 654,771

Madison County, Georgia
All Nonmajor Governmental Funds
Combined Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2018

	Total Nonmajor Special Revenue Funds	SPLOST 2008 Capital Project Fund	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	$ 13,645	$ -	$ 13,645
Charges for services	605,782	-	605,782
Fines and forfeitures	374,392	-	374,392
Investment earnings	749	397	1,146
Contribution and donations	14,966	-	14,966
Miscellaneous	5,378	-	5,378
Total revenues	1,014,912	397	1,015,309
EXPENDITURES			
Current:			
Judicial	25,368	-	25,368
Public Safety	1,390,338	-	1,390,338
Total Expenditures	1,415,706	-	1,415,706
Excess (deficiency) of revenues over (under) expenditures	(400,794)	397	(400,397)
OTHER FINANCING SOURCES (USES)			
Transfers in	581,621	-	581,621
Transfers (out)	(39,060)	-	(39,060)
Total other financing sources and uses	542,561	-	542,561
Net change in fund balances	141,767	397	142,164
Fund balances - beginning	369,338	79,205	448,543
Fund balances - ending	$ 511,105	$ 79,602	$ 590,707

Madison County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018

	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	$ 87,875	$ 79,244	$ 16,697	$ 2,164	$ 248,007	$ 10,268	$ -	$ 444,255
Accounts receivable	-	-	-	-	114,436	-	-	114,436
Prepaid expenses	-	-	-	1,297	15,181	-	-	16,478
Total assets	87,875	79,244	16,697	3,461	377,624	10,268	-	575,169
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	-	-	-	6,392	3,365	-	-	9,757
Accrued salaries and benefits	-	-	-	-	54,307	-	-	54,307
Total liabilities	-	-	-	6,392	57,672	-	-	64,064
Fund balances:								
Nonspendable	-	-	-	1,297	15,181	-	-	16,478
Restricted								
Judicial	87,875	-	-	-	-	10,268	-	98,143
Public safety	-	79,244	16,697	-	304,771	-	-	400,712
Unassigned	-	-	-	(4,228)	-	-	-	(4,228)
Total fund balances	87,875	79,244	16,697	(2,931)	319,952	10,268	-	511,105
Total liabilities and fund balances	$ 87,875	$ 79,244	$ 16,697	$ 3,461	$ 377,624	$ 10,268	$ -	$ 575,169

Madison County, Georgia
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018

	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	$ -	$ -	$ 13,645	$ -	$ -	$ -	$ -	$ 13,645
Charges for services	18,193	-	31,950	-	543,511	12,128	-	605,782
Fines and forfeitures	-	313,939	-	21,393	-	-	39,060	374,392
Investment earnings	516	-	-	-	202	31	-	749
Contributions and donations	-	-	14,966		-	-	-	14,966
Miscellaneous	-	-	4,525	-	853	-	-	5,378
Total revenues	18,709	313,939	65,086	21,393	544,566	12,159	39,060	1,014,912
EXPENDITURES								
Current:								
Judicial	11,224	-	-	-	-	14,144	-	25,368
Public Safety	-	241,151	57,582	67,635	1,023,970	-	-	1,390,338
Total Expenditures	11,224	241,151	57,582	67,635	1,023,970	14,144	-	1,415,706
Excess (deficiency) of revenues over (under) expenditures	7,485	72,788	7,504	(46,242)	(479,404)	(1,985)	39,060	(400,794)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	41,235	540,386	-	-	581,621
Transfers (out)	-	-	-	-	-	-	(39,060)	(39,060)
Total other financing sources and uses	-	-	-	41,235	540,386	-	(39,060)	542,561
Net change in fund balances	7,485	72,788	7,504	(5,007)	60,982	(1,985)	-	141,767
Fund balances - beginning	80,390	6,456	9,193	2,076	258,970	12,253	-	369,338
Fund balances - ending	$ 87,875	$ 79,244	$ 16,697	$ (2,931)	$ 319,952	$ 10,268	$ -	$ 511,105

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ 17,000	$ 17,000	$ 18,193	$ 1,193
Investment income	-	-	516	516
Total revenues	17,000	17,000	18,709	1,709
EXPENDITURES				
Current:				
Judicial	32,000	32,000	11,224	20,776
Total expenditures	32,000	32,000	11,224	20,776
Net change in fund balances	(15,000)	(15,000)	7,485	22,485
Fund balances - beginning	80,390	80,390	80,390	-
Fund balances - ending	$ 65,390	$ 65,390	$ 87,875	$ 22,485

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines and forfeitures	$ 10,000	$ 10,000	$ 313,939	$ 303,939
Total revenues	10,000	10,000	313,939	303,939
EXPENDITURES				
Current:				
Public safety	10,000	10,000	241,151	(231,151)
Total expenditures	10,000	10,000	241,151	(231,151)
Net change in fund balances	-	-	72,788	72,788
Fund balances - beginning	6,456	6,456	6,456	-
Fund balances - ending	$ 6,456	$ 6,456	$ 79,244	$ 72,788

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental revenue	$ -	$ -	$ 13,645	$ 13,645
Charges for services	-	-	31,950	31,950
Contributions and donations	-	-	14,966	14,966
Miscellaneous	-	-	4,525	4,525
Total revenues	-	-	65,086	65,086
EXPENDITURES				
Current:				
Public safety	-	-	57,582	(57,582)
Total expenditures	-	-	57,582	(57,582)
Net change in fund balances	-	-	7,504	7,504
Fund balances - beginning	-	-	9,193	-
Fund balances - ending	$ -	$ -	$ 16,697	$ 7,504

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines and forfeitures	$ 16,000	$ 16,000	$ 21,393	$ 5,393
Total revenues	16,000	16,000	21,393	5,393
EXPENDITURES				
Current:				
Public safety	47,808	59,818	67,635	(7,817)
Total expenditures	47,808	59,818	67,635	(7,817)
OTHER FINANCING SOURCES (USES)				
Transfers in	31,808	43,818	41,235	(2,583)
Total other financing sources	31,808	43,818	41,235	(2,583)
Net change in fund balances	-	-	(5,007)	(5,007)
Fund balances - beginning	2,076	2,076	2,076	2,076
Fund balances - ending	$ 2,076	$ 2,076	$ (2,931)	$ (2,931)

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ 502,000	$ 502,000	$ 543,511	$ 41,511
Investment income	100	100	202	102
Miscellaneous	1,500	1,500	853	(647)
Total revenues	503,600	503,600	544,566	40,966
EXPENDITURES				
Current:				
Public safety	835,222	1,073,040	1,023,970	49,070
Total expenditures	835,222	1,073,040	1,023,970	49,070
OTHER FINANCING SOURCES				
Transfers	331,622	569,440	540,386	(29,054)
Total other financing sources	331,622	569,440	540,386	(29,054)
Net change in fund balances	-	-	60,982	60,982
Fund balances - beginning	258,970	258,970	258,970	-
Fund balances - ending	$ 258,970	$ 258,970	$ 319,952	$ 60,982

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ 11,000	$ 11,000	$ 12,128	$ 1,128
Investment income	-	-	31	31
Total revenues	11,000	11,000	12,159	1,159
EXPENDITURES				
Current:				
Judicial	12,000	12,000	14,144	(2,144)
Total expenditures	12,000	12,000	14,144	(2,144)
Net change in fund balance	(1,000)	(1,000)	(1,985)	(985)
Fund balances - beginning	12,253	12,253	12,253	-
Fund balances - ending	$ 11,253	$ 11,253	$ 10,268	$ (985)

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, 2018

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Fines and forfeitures	43,000	43,000	$ 39,060	$ (3,940)
Total revenues	43,000	43,000	39,060	(3,940)
Excess of revenues over expenditures	43,000	43,000	39,060	(3,940)
OTHER FINANCING (USES)				
Transfers (out)	(43,000)	(43,000)	(39,060)	3,940
Total other financing (uses)	(43,000)	(43,000)	(39,060)	3,940
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, 2018

	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court	Magistrate Court	Total Fiduciary Funds
ASSETS						
Cash	$ 160,827	$ 223,262	$ 38,553	$ -	$ 2,680	$ 425,322
Total Assets	$ 160,827	$ 223,262	$ 38,553	$ -	$ 2,680	$ 425,322
LIABILITIES						
Due to others	$ 160,827	$ 223,262	$ 38,553	$ -	$ 2,680	$ 425,322
Total Liabilities	$ 160,827	$ 223,262	$ 38,553	$ -	$ 2,680	$ 425,322

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, 2018, 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 August 2, 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 ***2018-001, 2018-002 and 2018-003.***

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 August 2, 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
August 2, 2019

2018-001: 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 of the County at one bank were under collateralized by $108,716.
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. A public unit is insured through its official custodian. The Sheriff is an official custodian and is separately insured for the funds which he has custody of. The bank had issued a letter of credit to the Sheriff's Office to secure the public funds. However, the Letter of Credit expired on December 21, 2018 and was not resolved until May 1, 2019. Monitoring and follow up of the bank's pledged collateral was not sufficient to prevent the error.
Recommendation:	We recommend the County including all official custodians regularly review the accounts that each bank reports as insured by the FDIC. They 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 any 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 as the bank has merged with a larger bank who has a department designated to monitor public funds.

2018-002: 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 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.

2018-003: 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 and Vehicle Maintenance Department exceeded appropriations such that a significant violation of the budget requirement was reported. In addition, the expenditures of the Seized and Forfeited Special Revenue Fund exceeded appropriations by a significant amount.
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, 2018

	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	
2014 Referendum						
Road and bridge improvements	$ 6,487,500	$ 6,487,500	$ 2,801,098	593,253	$ 3,394,351	52%
Recreation	227,500	227,500	71,344	43,528	114,872	50%
Sheriff	681,667	681,667	494,130	13,370	507,500	74%
E-911	153,000	153,000	72,361	8,250	80,611	53%
EMS	755,833	755,833	407,562	25,702	433,264	57%
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	299,063	8,153	307,216	30%
Industrial Development & Building Authority for water & sewer projects	1,422,500	1,422,500	732,993	254,414	987,407	69%
Payments to cities for capital projects						
City of Carlton	126,900	126,900	65,389	22,696	88,085	69%
City of Colbert	289,050	289,050	148,943	51,697	200,640	69%
City of Comer	549,600	549,600	283,201	98,296	381,497	69%
City of Danielsville	273,300	273,300	140,831	48,881	189,712	69%
City of Hull	96,600	96,600	49,776	17,277	67,053	69%
City of Ila	164,550	164,550	84,793	29,431	114,224	69%
Totals	$ 12,387,500	$ 12,387,500	$ 5,673,782	$ 1,214,948	$ 6,888,730	

Madison County

Certification of 9-1-1 Expenditures

For the Year Ended 2018

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		$	4,566.79
	Sprint		$	1,081.05
			$	
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)	$	113,750.00
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)	$	60,275.42
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)	$	473,968.17
5b	Employee benefits	46-5-134(f)(1)(C)	$	201,070.56
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	$	1,802.72
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)	$	4,542.83
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)	$	4,766.84
9c	Maintenance costs	46-5-134(f)(1)(G)	$	20,816.95

Madison County

Certification of 9-1-1 Expenditures

For the Year Ended 2018

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)	$	28,375.99
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)	$	1,065.66
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)	$	12,875.34
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)	$	87,812.05

Madison County

Certification of 9-1-1 Expenditures

For the Year Ended 2018

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)		$ 1,023,970.27

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 6-3-2019

Print Name of Chief Elected Official: John D. Scarborough

Title of Chief Elected Official: Chairman

Signature of Chief Financial Officer Kathy Figueroa Date 6/3/2019

Print Name of Chief Financial Officer: Kathy Figueroa