# Madison County, Georgia

## Financial Statements

## For the Year Ended December 31, 2020

**Madison County, Georgia**
**Financial Report**
**For the Year Ended December 31, 2020**

## TABLE OF CONTENTS


| | Exhibit No. | Page No. |
|---|---|---|
| **FINANCIAL SECTION** | | |
| Independent Auditor's Report | | |
| **Basic Financial Statements:** | | |
| Statement of Net Position | 1 | 1 |
| Statement of Activities | 2 | 2 |
| Balance Sheet - Governmental Funds | 3 | 3 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position | 3.1 | 4 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 4 | 5 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 4.1 | 6 |
| Statement of Net Position - Proprietary Fund | 5 | 7 |
| Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund | 6 | 8 |
| Statement of Cash Flows - Proprietary Fund | 7 | 9 |
| Statement of Fiduciary Assets and Liabilities | 8 | 10 |
| Notes to the Financial Statements | | 11-31 |
| **Required Supplementary Information:** | | |
| Schedule of Changes in the County's Net Pension Liability and Related Ratios | | 32 |
| Schedule of County Pension Contributions | | 33 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - General Fund | | 34-35 |
| Notes to Required Supplementary Information | | 36-37 |

**Madison County, Georgia**
**Financial Report**
**For the Year Ended December 31, 2020**


| | Exhibit No. | Page No. |
|---|---|---|
| **Combining and Individual Fund Schedules** | | |
| Nonmajor Governmental Funds: | | |
| All Nonmajor Governmental Funds - Combining Balance Sheet | A | 38 |
| All Nonmajor Governmental Funds - Combining Schedule of Revenues, Expenditures and Changes in Fund Balance | B | 39 |
| Combining Balance Sheet - Nonmajor Special Revenue Funds | C | 40 |
| Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds | D | 41 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Clerk's Deed Special Revenue Fund | E | 42 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Seized and Forfeited Funds Special Revenue Fund | F | 42 |
| Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual - Sheriff Donation Special Revenue Fund | G | 43 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Drug Abuse Treatment Special Revenue Fund | H | 43 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - E-911 Special Revenue Fund | I | 44 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Law Library Special Revenue Fund | J | 44 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual - Jail Special Revenue Fund | K | 45 |
| Combining Balance Sheet - Nonmajor Capital Project Funds | L | 46 |
| Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds | M | 47 |
| Combining Schedule of Fiduciary Assets and Liabilities | N | 48 |
| **COMPLIANCE SECTION** | | |
| 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* | | 49-50 |
| Independent Auditor's Report on Compliance for Each Major Program and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* | | 51-52 |
| Schedule of Expenditures of Federal Awards | | 53 |

**Madison County, Georgia**
**Financial Report**
**For the Year Ended December 31, 2020**


| | Exhibit No. | Page No. |
|---|---|---|
| Notes to the Schedule of Expenditures of Federal Awards | | 54 |
| Schedule of Findings and Questioned Costs | | 55-56 |
| Summary Schedule of Prior Audit Findings | | 57 |
| Current Year Corrective Action Plan | | 58 |
| Schedule of Special Purpose Local Option Sales Tax | | 59-60 |
| Certification of 9-1-1 Expenditures | | 61-63 |

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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, 2020, and the related notes to the financial statements, which collectively comprise Madison County, Georgia's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Madison County Health Department, which represent 4%, 0%, and 24%, 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, 2020, 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund schedules, the schedule of expenditures of federal awards 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, the schedule of expenditures of federal awards and the Schedule of Special Purpose Local Option Sales Tax is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated February 28, 2022 on our consideration of Madison County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison County, Georgia's internal control over financial reporting and compliance.

Treadwell Tamplin + Co.

*Madison, Georgia*
February 28, 2022

# Basic Financial Statements

**Madison County, Georgia**
**Statement of Net Position**
**December 31, 2020**

| | Governmental Activities | Business-type Activities | Total | Industrial Development Authority | June 30 Health Department |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and cash equivalents (Note 3) | $ 29,582,126 | $ 500 | $ 29,582,626 | $ 2,287,732 | $ 575,951 |
| Receivables, net (Note 4) | 2,309,606 | 835 | 2,310,441 | 298,464 | 18,955 |
| Due from other governments | 633,086 | 10,163 | 643,249 | 205,956 | 30,185 |
| Inventories | 128,196 | - | 128,196 | - | - |
| Restricted cash | 179,724 | - | 179,724 | 761,288 | - |
| Capital lease receivables | - | - | - | - | - |
| Prepaids | 236,426 | - | 236,426 | 14,487 | - |
| Capital assets (Note 5) | | | | | |
| Capital assets not being depreciated | 1,682,255 | - | 1,682,255 | 803,788 | - |
| Capital assets, net of depreciation | 170,452,546 | 107,887 | 170,560,433 | 21,491,672 | 49,647 |
| Total assets | 205,203,965 | 119,385 | 205,323,350 | 25,863,387 | 674,738 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | | |
| Deferred amount related to pensions (Note 8) | 1,426,109 | 35,459 | 1,461,568 | - | 311,083 |
| Total assets and deferred outflows | 206,630,074 | 154,844 | 206,784,918 | 25,863,387 | 985,821 |
| **LIABILITIES** | | | | | |
| Accounts payable and accrued expenses | 1,284,639 | 39,359 | 1,323,998 | 165,903 | 44,857 |
| Due to other governments | 123,055 | - | 123,055 | 34,539 | - |
| Cash held in escrow | 177,004 | - | 177,004 | - | - |
| Customer deposits | - | - | - | 94,315 | - |
| Long-term liabilities: (Note 7) | | | | | |
| Due within one year | | | | | |
| Notes, installments and bonds payable | 1,523,337 | - | 1,523,337 | 338,582 | - |
| Compensated absences | 7,806 | - | 7,806 | - | - |
| Landfill postclosure costs | - | 8,335 | 8,335 | - | - |
| Due in more than one year | | | | | |
| Notes, installments and bonds payable, net | 7,740,022 | - | 7,740,022 | 10,440,252 | - |
| Compensated absences | 360,063 | 3,575 | 363,638 | 7,953 | 33,272 |
| Net pension liability (Note 8) | 2,769,704 | 69,741 | 2,839,445 | - | 565,293 |
| Net OPEB liability | - | - | - | - | 135,268 |
| Landfill postclosure costs | - | 50,010 | 50,010 | - | - |
| Total liabilities | 13,985,630 | 171,020 | 14,156,650 | 11,081,544 | 778,690 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Deferred amount related to pensions (Note 8) | 466,627 | 11,346 | 477,973 | - | 236,511 |
| Unearned revenue - grant proceeds | - | - | - | - | 5,022 |
| Total deferred inflows | 466,627 | 11,346 | 477,973 | - | 241,533 |
| Total liabilities and deferred inflows | 14,452,257 | 182,366 | 14,634,623 | 11,081,544 | 1,020,223 |
| **NET POSITION** | | | | | |
| Net investment in capital assets (Note 15) | 162,871,442 | 107,887 | 162,979,329 | 11,516,626 | 49,647 |
| Restricted for: (Note 14) | | | | | |
| Capital projects | 10,604,488 | - | 10,604,488 | 1,016,825 | - |
| Judicial | 96,845 | - | 96,845 | - | - |
| Health and welfare | 157,253 | - | 157,253 | - | - |
| Public safety | 306,721 | - | 306,721 | - | - |
| Public works | 713,509 | - | 713,509 | - | - |
| Debt service | - | - | - | 38,000 | - |
| Unrestricted | 17,427,559 | (135,409) | 17,292,150 | 2,210,392 | (84,049) |
| Total net position | $ 192,177,817 | $ (27,522) | $ 192,150,295 | $ 14,781,843 | $ (34,402) |

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

# Madison County, Georgia
## Statement of Activities
## For the Year Ended December 31, 2020

| 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 | $ 3,215,322 | $ 574,309 | $ 47,921 | $ - | $ (2,593,092) | $ - | $ (2,593,092) | | |
| Judicial | 1,537,224 | 581,467 | 100,000 | - | (855,757) | - | (855,757) | | |
| Public Safety | 9,808,498 | 2,055,218 | 39,746 | - | (7,713,534) | - | (7,713,534) | | |
| Public Works | 14,905,986 | 465 | - | 730,315 | (14,175,206) | - | (14,175,206) | | |
| Health and Welfare | 733,384 | - | 303,035 | 4,691 | (425,658) | - | (425,658) | | |
| Culture and Recreation | 870,203 | 53,663 | - | 56,081 | (760,459) | - | (760,459) | | |
| Housing & Development | 369,017 | 166,754 | - | - | (202,263) | - | (202,263) | | |
| Interest on Long-term debt | 169,962 | - | - | - | (169,962) | - | (169,962) | | |
| Total governmental activities | 31,609,596 | 3,431,876 | 490,702 | 791,087 | (26,895,931) | - | (26,895,931) | | |
| Business-type activities: | | | | | | | | | |
| Solid Waste Fund | 447,047 | 230,302 | 22,215 | - | | (194,530) | (194,530) | | |
| Total business-type activities | 447,047 | 230,302 | 22,215 | - | | (194,530) | (194,530) | | |
| Total primary government | 32,056,643 | 3,662,178 | 512,917 | 791,087 | | (194,530) | (27,090,461) | | |
| **Component Units** | | | | | | | | | |
| Industrial Development Building Authority | 2,476,729 | 2,013,507 | - | 861,837 | | | | 398,615 | - |
| Health Department | 971,851 | 351,632 | 609,160 | - | | | | - | (11,059) |
| Total component units | $ 3,448,580 | $ 2,365,139 | $ 609,160 | $ 861,837 | | | | $ 398,615 | $ (11,059) |
| **General revenues:** | | | | | | | | | |
| Taxes: | | | | | | | | | |
| Property taxes, levied for general purposes | | | | | $ 12,368,841 | $ - | $ 12,368,841 | $ 833,783 | $ - |
| Sales taxes | | | | | 4,562,744 | - | 4,562,744 | - | - |
| Franchise and other business taxes | | | | | 2,451,390 | - | 2,451,390 | 23,284 | - |
| Grants and contributions not restricted to specific programs | | | | | 1,517,263 | - | 1,517,263 | 110,742 | - |
| Interest revenue | | | | | 128,043 | - | 128,043 | 7,470 | 45 |
| Gain on sale of capital asset | | | | | 4,351 | - | 4,351 | - | - |
| Miscellaneous | | | | | 105,092 | - | 105,092 | - | - |
| **Transfers** | | | | | (128,546) | 128,546 | - | - | - |
| Total general revenues, special item, and transfers | | | | | 21,009,178 | 128,546 | 21,137,724 | 975,279 | 45 |
| Change in net position | | | | | (5,886,753) | (65,984) | (5,952,737) | 1,373,894 | (11,014) |
| Net position - beginning | | | | | 198,064,570 | 38,462 | 198,103,032 | 13,407,949 | (23,388) |
| Net position - ending | | | | | $ 192,177,817 | $ (27,522) | $ 192,150,295 | $ 14,781,843 | $ (34,402) |

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

**Madison County, Georgia**
**Balance Sheet**
**Governmental Funds**
**December 31, 2020**

| | General Fund | General Obligation Bond Fund | SPLOST 2020 | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Cash and cash equivalents | $ 18,545,793 | $ 7,840,715 | $ 1,068,604 | $ 2,127,014 | $ 29,582,126 |
| Taxes receivable, net | 2,018,775 | - | - | - | 2,018,775 |
| Due from other funds | 180,863 | - | - | - | 180,863 |
| Receivable from other governments | 281,065 | - | 252,754 | 99,267 | 633,086 |
| Other receivables, net | 290,831 | - | - | - | 290,831 |
| Restricted cash | 179,724 | - | - | - | 179,724 |
| Prepaid items | 184,276 | - | 45,600 | 6,550 | 236,426 |
| Inventories | 128,196 | - | - | - | 128,196 |
| Total assets | 21,809,523 | 7,840,715 | 1,366,958 | 2,232,831 | 33,250,027 |
| **LIABILITIES** | | | | | |
| Accounts payable | 230,431 | 4,103 | - | 46,445 | 280,979 |
| Accrued salaries and benefits | 925,675 | - | - | 77,984 | 1,003,659 |
| Due to other funds | - | - | 168,963 | 11,900 | 180,863 |
| Payable to other governments | - | - | 123,055 | - | 123,055 |
| Tax sale proceeds held for others | 177,004 | - | - | - | 177,004 |
| Total liabilities | 1,333,110 | 4,103 | 292,018 | 136,329 | 1,765,560 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Unavailable property taxes | 561,198 | - | - | - | 561,198 |
| Total deferred inflows | 561,198 | - | - | - | 561,198 |
| **FUND BALANCES** | | | | | |
| Nonspendable | | | | | |
| Prepaid items | 184,276 | - | 45,600 | 6,550 | 236,426 |
| Inventories | 128,196 | - | - | - | 128,196 |
| Restricted | | | | | |
| Capital projects | - | 7,836,612 | 1,029,340 | 1,692,936 | 10,558,888 |
| Judicial | - | - | - | 96,845 | 96,845 |
| Health and welfare | 157,253 | - | - | - | 157,253 |
| Public safety | - | - | - | 309,330 | 309,330 |
| Public works | 713,509 | - | - | - | 713,509 |
| Unassigned | 18,731,981 | - | - | (9,159) | 18,722,822 |
| Total fund balances | 19,915,215 | 7,836,612 | 1,074,940 | 2,096,502 | 30,923,269 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 21,809,523 | $ 7,840,715 | $ 1,366,958 | $ 2,232,831 | $ 33,250,027 |

**Madison County, Georgia**
**Reconciliation of the Governmental Funds Balance Sheet**
**to the Statement of Net Position**
**December 31, 2020**

| | | |
|---|---|---|
| Total fund balance, governmental funds (Exhibit 3) | $ | 30,923,269 |
| 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. | | 172,134,801 |
| 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. | | 959,481 |
| 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. | | (9,631,228) |
| 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. | | (2,769,704) |
| 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. | | 561,198 |
| Net Position of Governmental Activities in the Statement of Net Position (Exhibit 1) | $ | 192,177,817 |

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, 2020**

| | General Fund | General Obligation Bond Fund | SPLOST 2020 | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Taxes | $17,068,669 | $ - | $1,366,025 | $ 1,258,146 | $ 19,692,840 |
| Licenses and permits | 185,754 | - | - | - | 185,754 |
| Intergovernmental | 2,568,255 | - | - | - | 2,568,255 |
| Charges for services | 1,919,036 | - | - | 624,898 | 2,543,934 |
| Fines and forfeitures | 616,302 | - | - | 83,692 | 699,994 |
| Investment earnings | 100,912 | 22,001 | 933 | 20,967 | 144,813 |
| Contributions and donations | 182,514 | - | - | 21,315 | 203,829 |
| Miscellaneous | 155,025 | - | - | 8,155 | 163,180 |
| Total revenues | 22,796,467 | 22,001 | 1,366,958 | 2,017,173 | 26,202,599 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| General government | 3,376,674 | - | - | - | 3,376,674 |
| Judicial | 1,559,390 | - | - | 31,530 | 1,590,920 |
| Public safety | 7,960,637 | - | - | 1,188,301 | 9,148,938 |
| Public works | 2,238,805 | - | - | - | 2,238,805 |
| Health and welfare | 691,215 | - | - | - | 691,215 |
| Culture and recreation | 824,074 | - | - | - | 824,074 |
| Housing and development | 359,627 | - | - | - | 359,627 |
| Debt Service: | | | | | |
| Principal | 153,466 | - | - | - | 153,466 |
| Interest and other charges | 3,462 | 166,500 | - | - | 169,962 |
| Intergovernmental | - | 414,006 | 123,055 | 296,825 | 833,886 |
| Capital Outlay: | | | | | |
| General government | - | 47,974 | 165,872 | 123,244 | 337,090 |
| Public safety | - | 556,909 | 3,091 | 569,405 | 1,129,405 |
| Public works | - | - | - | 954,873 | 954,873 |
| Culture and recreation | - | - | - | 63,110 | 63,110 |
| Total expenditures | 17,167,350 | 1,185,389 | 292,018 | 3,227,288 | 21,872,045 |
| Excess (deficiency) of revenues over (under) expenditures | 5,629,117 | (1,163,388) | 1,074,940 | (1,210,115) | 4,330,554 |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Proceeds from issuance of debt | 325,000 | 9,000,000 | - | - | 9,325,000 |
| Proceeds from governmental asset dispositions | 6,807 | - | - | - | 6,807 |
| Transfers in | 27,690 | - | - | 385,823 | 413,513 |
| Transfers (out) | (514,369) | - | - | (27,690) | (542,059) |
| Total other financing sources | (154,872) | 9,000,000 | - | 358,133 | 9,203,261 |
| Net change in fund balances | 5,474,245 | 7,836,612 | 1,074,940 | (851,982) | 13,533,815 |
| Fund balances - beginning | 14,440,970 | - | - | 2,948,484 | 17,389,454 |
| Fund balances - ending | $19,915,215 | $ 7,836,612 | $1,074,940 | $ 2,096,502 | $ 30,923,269 |

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, 2020**

| | | |
|---|---|---|
| Net change in fund balances - total governmental funds (Exhibit 4) | $ | 13,533,815 |
| 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, $11,595,231 exceeded capital outlays, $1,920,702, in the current period. | | (9,674,529) |
| In the Statement of Activities, only the loss on the sale/disposal of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold/disposed (net of accumulated depreciation). | | (2,420) |
| 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. | | (177,382) |
| 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. | | (309,865) |
| 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. | | (39,105) |
| 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. | | (45,733) |
| 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. | | (9,325,000) |
| Debt principal payments are reported as expenditures in the governmental funds, but reduce the liability in the Statement of Net Position. | | 153,466 |
| Change in net position of governmental activities (Exhibit 2) | $ | (5,886,753) |

**Madison County, Georgia**
**Statement of Net Position**
**Proprietary Fund**
**December 31, 2020**

| | Solid Waste Fund |
|---|---|
| **ASSETS** | |
| Current assets: | |
| Cash | $ 500 |
| Accounts receivable | 835 |
| Receivables from other governments | 10,163 |
| Total current assets | 11,498 |
| Non-current assets: | |
| Capital assets, net of depreciation | 107,887 |
| Total assets | 119,385 |
| **DEFERRED OUTFLOWS OF RESOURCES** | |
| Deferred amount related to pensions | 35,459 |
| Total assets and deferred outflows | 154,844 |
| **LIABILITIES** | |
| Current liabilities: | |
| Accounts payable | 22,270 |
| Salaries and benefits payable | 17,089 |
| Current portion of postclosure liability | 8,335 |
| Total current liabilities | 47,694 |
| Non-current liabilities: | |
| Compensated absences | 3,575 |
| Net pension liability | 69,741 |
| Postclosure liability | 50,010 |
| Total non-current liabilities | 123,326 |
| Total liabilities | 171,020 |
| **DEFERRED INFLOWS OF RESOURCES** | |
| Deferred amount related to pensions | 11,346 |
| Total liabilities and deferred inflows | 182,366 |
| **NET POSITION** | |
| Investment in capital assets | 107,887 |
| Unrestricted | (135,409) |
| Total net position | $ (27,522) |

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, 2020**

| | Solid Waste Fund |
|---|---|
| **REVENUES** | |
| Charges for services | $ 229,788 |
| Miscellaneous | 514 |
| Total operating revenues | 230,302 |
| **OPERATING EXPENSES** | |
| Cost of sales - waste disposal fees | 182,221 |
| Personal services | 195,624 |
| Contractual services | 16,410 |
| Other supplies and expenses | 39,781 |
| Depreciation | 13,011 |
| Total operating expenses | 447,047 |
| Operating loss | (216,745) |
| **NON-OPERATING REVENUES (EXPENSES)** | |
| Grants and contributions | 22,215 |
| Transfers in | 128,546 |
| Change in net position | (65,984) |
| Net positions - beginning | 38,462 |
| Net position - ending | $ (27,522) |

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, 2020**

| | Solid Waste Fund |
|---|---|
| **Cash flows from operating activities:** | |
| Cash sales to customers | $ 267,143 |
| Cash payments to employees for services | (184,468) |
| Cash payments to suppliers | (237,447) |
| **Net cash used by operating activities** | (154,772) |
| **Cash flows from noncapital financing activities:** | |
| Noncapital grants | 26,226 |
| Transfers in | 128,546 |
| **Net cash provided by noncapital financing activities** | 154,772 |
| **Net change in cash and cash equivalents** | - |
| **Cash - beginning** | 500 |
| **Cash - ending** | $ 500 |
| **Reconciliation of operating loss to net cash used by operating activities:** | |
| Operating loss | $ (216,745) |
| 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 | 36,841 |
| Accounts payable | 9,300 |
| Salaries and benefits payable | 5,445 |
| Pension deferrals | 15,031 |
| Pension liability | (10,706) |
| Compensated absences | 1,386 |
| Landfill post closure liability | (8,335) |
| **Net cash used by operating activities** | $ (154,772) |

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

**Madison County, Georgia**
**Statement of Fiduciary Assets and Liabilities**
**Custodial Funds**
**December 31, 2020**

| | | |
|---|---|---|
| **ASSETS** | | |
| Cash | $ | 333,227 |
| **Total assets** | | 333,227 |
| **LIABILITIES** | | |
| Due to others | | 333,227 |
| **Total liabilities** | $ | 333,227 |

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.

*General Obligation Bond Fund* – This is a capital projects fund. This fund accounts for the proceeds from the General Obligation Sales Tax Bond, Series 2020. The bonds will be used to finance various capital outlay projects of Madison County and the participating municipalities within the county.

*SPLOST 2020 Fund* – This is a capital projects fund established to account for all special local options sales tax revenues from the 2020 referendum as well as the specifically identified projects for which the SPLOST tax was established.

**Note 1: Summary of Significant Accounting Policies, continued**

The County reports the following major enterprise fund:

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

The County reports the following fiduciary fund type:

*Agency Funds* – These funds account for monies held by the County in a trustee capacity or as an agent on behalf of individuals, private organizations, other governments and/or other funds. All of the County's fiduciary funds are agency funds, which are custodial in nature. Accordingly, the County presents a statement of fiduciary assets and liabilities rather than a statement of fiduciary net 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, 2020: 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 2020, the budget was legally adopted on August 5, 2019.

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.

**Note 1: Summary of Significant Accounting Policies, continued**

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

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

**D. Encumbrances**

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

**E. Deposits and Investments**

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

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

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

**F. Receivables and Payables**

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

**G. Property Tax Calendar**

Property taxes attach as an enforceable lien on property as of January 1. The County bills and collects its own property taxes and 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, 2020, were levied on August 31, 2020 with a payment period from September 25, 2020 to December 20, 2020. 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, 2020 amounted to $2,018,775 and deferred property tax revenue totaled $561,198.

**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 funds which reported a deficit fund balance:

| | | |
|---|---|---|
| Drug Abuse Treatment Fund | $ | 9,159 |
| Solid Waste Fund | | 27,522 |

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

**Note 2: Stewardship, Compliance and Accountability, 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:** | | |
| Board of Elections/Registrations | $ | 53,819 |
| Emergency medical service | | 19,544 |

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 $30,095,576 and the bank balance was $34,095,576. The County's policy regarding custodial credit risk is to comply with the state law requiring collateralization of uninsured deposits up to 110% of the value of the deposits. As of December 31, 2020, none of the County's deposits was exposed to custodial credit risk.

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 | $ | 2,018,775 |
| Ambulance service receivable | | 232,739 |
| Other receivables-General Fund | | 72,297 |
| | | 2,323,811 |
| Less: allowances for doubtful accounts related to ambulance service receivables | | (14,205) |
| | $ | 2,309,606 |

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

| | | |
|---|---|---|
| Ambulance service receivable | $ | 232,739 |
| Other receivables | | 72,297 |
| | | 305,036 |
| Less: allowances for doubtful accounts related to ambulance service receivables | | (14,205) |
| | $ | 290,831 |

## 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 | $ 853,919 | $ 147,310 | $ - | $ 1,001,229 |
| Construction in progress | - | 681,026 | - | 681,026 |
| Total capital assets not being depreciated | 853,919 | 828,336 | - | 1,682,255 |
| *Capital assets being depreciated:* | | | | |
| Buildings and improvements | 14,368,216 | 309,532 | - | 14,677,748 |
| Equipment, furniture and vehicles | 8,749,959 | 782,834 | 123,544 | 9,409,249 |
| Land improvement | 1,499,136 | - | - | 1,499,136 |
| Infrastructure | 430,106,208 | - | - | 430,106,208 |
| Total capital assets being depreciated | 454,723,519 | 1,092,366 | 123,544 | 455,692,341 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 5,474,013 | 360,410 | - | 5,834,423 |
| Equipment, furniture and vehicles | 7,108,797 | 424,912 | 121,124 | 7,412,585 |
| Land improvement | 770,006 | 54,299 | - | 824,305 |
| Infrastructure | 260,412,872 | 10,755,610 | - | 271,168,482 |
| Total accumulated depreciation | 273,765,688 | 11,595,231 | 121,124 | 285,239,795 |
| Total capital assets being depreciated, net | 180,957,831 | (10,502,865) | 2,420 | 170,452,546 |
| **Governmental acitvities capital assets, net** | $ 181,811,750 | $ (9,674,529) | $ 2,420 | $ 172,134,801 |

**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 | 53,586 | 3,197 | - | 56,783 |
| Equipment | 145,547 | 9,814 | - | 155,361 |
| Total accumulated depreciation | 199,133 | 13,011 | - | 212,144 |
| Total Solid Waste being depreciated, net | 120,898 | (13,011) | - | 107,887 |
| **Total Business type activities capital assets, net** | $ 120,898 | $ (13,011) | $ - | $ 107,887 |

During the year, the General Fund incurred and expensed interest costs of $3,462. The Solid Waste fund incurred and expensed interest cost of $0. No interest costs were capitalized during the year.

Depreciation expense was charged to governmental activities as follows:

| | |
|---|---|
| General Government | $ 92,904 |
| Judicial | 3,550 |
| Public Safety | 459,803 |
| Public Works | 10,867,346 |
| Health & Welfare | 57,408 |
| Culture & Recreation | 109,310 |
| Housing & Development | 4,910 |
| | $ 11,595,231 |

**Note 5: Capital Assets, continued**

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

| | Beginning | Increases | Decreases | Ending |
|---|---|---|---|---|
| *Capital assets not being depreciated:* | | | | |
| Land | $ 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 | - | 229,653 | - | 229,653 |
| Land | 361,022 | 3,000 | - | 364,022 |
| Total capital assets not being depreciated | 361,022 | 232,653 | - | 593,675 |
| | | | | |
| *Capital assets being depreciated:* | | | | |
| Water systems | 25,723,072 | 33,117 | - | 25,756,189 |
| Wastewater plant/system | 2,495,327 | - | - | 2,495,327 |
| Vehicles and equipment | 152,897 | 65,532 | - | 218,429 |
| Total capital assets being depreciated | 28,371,296 | 98,649 | - | 28,469,945 |
| Less accumulated depreciation for: | | | | |
| Water systems | 5,578,601 | 628,817 | - | 6,207,418 |
| Wastewater plant/system | 566,646 | 62,383 | - | 629,029 |
| Vehicles and equipment | 133,543 | 8,283 | - | 141,826 |
| Total accumulated depreciation | 6,278,790 | 699,483 | - | 6,978,273 |
| Total capital assets being depreciated, net | 22,092,506 | (600,834) | - | 21,491,672 |
| Total capital assets, net | 22,453,528 | (368,181) | - | 22,085,347 |
| | | | | |
| **Total component unit capital assets, net** | $ 22,663,641 | $ (368,181) | $ - | $ 22,295,460 |

**Note 6: Interfund Balances and Transfers Activity**

**Due to/from other funds**

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| General | SPLOST 2020 | $ 168,963 |
| General | Nonmajor Gov't Funds | 11,900 |
| | | $ 180,863 |

The receivable represents money advanced by the General Fund to the 2020 SPLOST and 2014 SPLOST Fund so that capital projects could be completed. The money will be reimbursed in the subsequent year.

**Note 6: Interfund Balances and Transfers Activity, continued**

Interfund transfers for the year were as follows:

| | Transfers In | | | |
|---|---|---|---|---|
| Transfers Out | Nonmajor Gov't Funds | Solid Waste Fund | General Fund | Total |
| Governmental Funds: | | | | |
| General | $ 385,823 | $ 128,546 | $ - | $ 514,369 |
| Nonmajor Gov't Funds | - | - | 27,690 | 27,690 |
| | $ 385,823 | $ 128,546 | $ 27,690 | $ 542,059 |

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 $332,440 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 $53,383 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 $128,546 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 $27,690 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**

**General Obligation Bonds – Direct Placements**

In June 2020, the County issued $9,000,000 of General Obligation Sales Tax Bond, Series 2020 (the "Series 2020 Bond). The proceeds were used to provide money for various capital outlay projects of Madison County and the participating municipalities within the County. The Series 2020 Bond was issued at par. Interest shall accrue on the outstanding principal amount from its dated date at the rate of 0.95% per annum, calculated on the basis of a 360-day year of twelve 30-day months. The Series 2020 Bond will be liquidated by the SPLOST 2020 Fund. Principal is due in annual installments on July 1 of each year beginning July 1, 2021 and interest due on January 1 and July 1 of each year.

**Installment Agreement – Private Placements**

In July 2020, the County entered into an installment agreement with a principal amount of $325,000 to purchase a building. The County made an initial payment in fiscal year 2020 of $85,000 and will make three annual payments of $81,200 on the note until its maturity on January 10, 2023 at the rate of 1.50% per annum.

**Notes Payable – Private Placements**

During 2018, the County entered into a loan agreement 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 2.718% per annum.

**Note 7: Long-term Obligation, continued**

**Capital Lease Obligation – Private Placements**

The County was obligated under a capital lease that it executed to purchase a fire truck that was subsequently subleased to a volunteer fire department in the county. Because the lease between the County and the volunteer fire department qualified as a capital lease, the County removed the fire truck from its capital asset records. The lease was paid in full during fiscal year 2020.

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

| | Beginning | Increases | Decreases | Ending | Due within one year |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| General Obligation Bonds - direct placement | $ - | $ 9,000,000 | $ - | $ 9,000,000 | $ 1,420,000 |
| Installment agreement - private placement | - | 325,000 | 85,000 | 240,000 | 79,978 |
| Capital lease obligations - private placement | 45,733 | - | 45,733 | - | - |
| Notes payable - private placement | 46,092 | - | 22,733 | 23,359 | 23,359 |
| Compensated absences | 328,764 | 383,141 | 344,036 | 367,869 | 7,806 |
| | $ 420,589 | $ 9,708,141 | $ 497,502 | $ 9,631,228 | $ 1,531,143 |

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

**Debt Service Requirements:**

| | Beginning | Increases | Decreases | Ending | Due within one year |
|---|---|---|---|---|---|
| **Business-type activities:** | | | | | |
| Landfill postclosure costs | $ 66,680 | $ - | $ 8,335 | $ 58,345 | $ 8,335 |
| Compensated absences | 2,189 | 5,918 | 4,532 | 3,575 | - |
| | $ 68,869 | $ 5,918 | $ 12,867 | $ 61,920 | $ 8,335 |

***Governmental activities***

| | General Obligation Bonds - Direct Placement | | Installment Agreement - Private Placement | | Notes Payable - Private Placement | |
|---|---|---|---|---|---|---|
| **Year Ending December 31,** | **Principal** | **Interest** | **Principal** | **Interest** | **Principal** | **Interest** |
| 2021 | $ 1,420,000 | $ 88,350 | $ 79,978 | $ 1,222 | $ 23,359 | $ 643 |
| 2022 | 1,450,000 | 72,010 | 79,617 | 1,582 | - | - |
| 2023 | 1,480,000 | 58,235 | 80,405 | 795 | - | - |
| 2024 | 1,515,000 | 44,175 | - | - | - | - |
| 2025 | 1,550,000 | 29,782 | - | - | - | - |
| 2026 | 1,585,000 | 15,058 | - | - | - | - |
| | $ 9,000,000 | $ 307,610 | $ 240,000 | $ 3,599 | $ 23,359 | $ 643 |

**Note 7: Long-term Obligation, continued**

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

**Long-term Obligations**

**Notes Payable – Private Placements**

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 2041. The Authority has a new note payable with GEFA with an original principal balance of $4,700,000 of which $3,444,256 had been advanced by GEFA through year-end. This leaves an additional $1,255,744 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.

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

| | Beginning | Increases | Decreases | Ending | Due within one year |
|---|---|---|---|---|---|
| Notes payable - business-type activity - | | | | | |
| Private Placement | $ 6,464,759 | $ 129,849 | $ 118,018 | $ 6,476,590 | $ 248,582 |
| Discount on notes | (274,381) | - | 46,527 | (227,854) | - |
| Notes payable, net | 6,190,378 | 129,849 | 164,545 | 6,248,736 | 248,582 |
| Series 2018 Bonds | 4,340,000 | - | 90,000 | 4,250,000 | 90,000 |
| Series 2018 Bond premium | 296,103 | - | 16,005 | 280,098 | - |
| Bonds payable, net | 4,636,103 | - | 106,005 | 4,530,098 | 90,000 |
| Compensated absences | 17,362 | 7,205 | 16,614 | 7,953 | - |
| | $ 10,843,843 | $ 137,054 | $ 287,164 | $ 10,786,787 | $ 338,582 |

**Debt Service Requirements**

| | Notes Payable - Private Placement | | Bonds Payable | | |
|---|---|---|---|---|---|
| Year Ending December 31, | Principal | Interest | Principal | Interest | Total |
| 2021 | $ 248,582 | 111,866 | $ 90,000 | 167,100 | $ 617,548 |
| 2022 | 377,475 | 108,044 | 100,000 | 164,400 | 749,919 |
| 2023 | 382,738 | 102,781 | 100,000 | 161,400 | 746,919 |
| 2024 | 388,119 | 97,401 | 100,000 | 158,400 | 743,920 |
| 2025 | 393,622 | 91,897 | 105,000 | 154,400 | 744,919 |
| 2026-2030 | 2,029,696 | 372,483 | 650,000 | 705,600 | 3,757,779 |
| 2031-2035 | 1,420,281 | 216,467 | 1,650,000 | 502,000 | 3,788,748 |
| 2036-2040 | 1,042,085 | 80,063 | 1,455,000 | 119,000 | 2,696,148 |
| 2041 | 193,992 | 2,189 | - | - | 196,181 |
| | $ 6,476,590 | 1,183,191 | $ 4,250,000 | 2,132,300 | $ 14,042,081 |

## Note 8: Retirement Benefits

### Defined Benefit Pension Plan

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

### Plan Description

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

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

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

All 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 | 73 |
| Terminated plan members entitled to but not receiving benefits | 119 |
| Active plan members | 181 |
| Total | 373 |
| | |
| Part-time active employees not participating in the Plan | 50 |
| | |
| Covered compensation for active participants | $ 4,939,728 |

**Note 8: Retirement Benefits, continued**

**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 2020 reporting period is $0 and its recommended and actual contribution are $683,112. The actual contribution represents 2276% of the legally required contribution and 12.7% of the covered payroll. The County recorded this amount as a liability at its fiscal year-end and paid this contribution during 2021. The plan recognized the contribution as an increase to the fiduciary net position for the County's participants during the 2020 plan year. Therefore, the County reports no payable and the plan reports no receivable for amounts due for the 2019 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 2019 plan year of $625,461 was recorded as an expenditure on the County's 2019 financial statement and was paid during 2020.

**Net Pension Liability**

The County's *total pension liability* was determined based on an actuarial valuation as of December 31, 2019 and the *net pension liability* was measured as of the same date. The December 31, 2019 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 | 7.00% |
| Salary increases | 2.50% with an age based scale as follows: |

| Age | Salary increase |
|---|---|
| Under 30 | 2.5% plus 1.0% |
| 30-39 | 2.5% plus 0.5% |
| 40-49 | 2.5% less 0.5% |
| 50+ | 2.5% less 1.0% |

The salary increase assumptions are based on the results of February 2019 experience study.

| | |
|---|---|
| Future payroll growth | 4.50% per year |

No cost of living adjustments are awarded after retirement.

| | |
|---|---|
| Mortality: | Pub-2010 (50%0 & PS (50%) Amt-Weighted with Scale AA to 2019 (Pre-Retirement: Employee, Post-Retirement: Retiree) |

**Discount Rate**

The discount rate is determined using a building block approach based on forward-looking capital market assumptions for a moderate asset allocation, defined as a 65$^{th}$ percentile return, as determined by UBS.

**Note 8: Retirement Benefits, continued**

This expected return was then increased by a factor to account for the plan's actual return in excess of its benchmarks as follows:

The discount rate is calculated as follows:

| | Expected return |
|---|---|
| UBS 65th percentile return based on UBS Capital Markets Assumptions | 6.10% |
| Five-year performance in excess of benchmarks | 0.90% |
| Calculated discount rate | 7.00% |

The weighted average returns used by UBS are calculated using the following asset allocation and historical returns based on their compounded growth rate (CAGR):

| Benchmark | Allocation | Expected Return | Weighted Return |
|---|---|---|---|
| Fixed income | 30% | 3.80% | 1.14% |
| Equities: | | | |
| Large cap | 30% | 6.30% | 1.89% |
| Mid cap | 5% | 7.90% | 0.40% |
| Small cap | 5% | 6.30% | 0.32% |
| REIT | 5% | 8.40% | 0.42% |
| International | 15% | 7.90% | 1.19% |
| Multi cap | 5% | 7.50% | 0.38% |
| Global Allocation | 5% | 7.80% | 0.39% |
| | 100% | | 6.11% |

The Plan used a 7.00% discount rate to calculate the ending total pension liability. The average contribution made to the plan over the last 5 years was used to project plan assets. The projected plan assets are sufficient to pay all projected benefits promised to current plan participants. Because projected plan assets are sufficient to pay all promised benefits, the expected long-term rate of return was used to discount all projected benefit payments.

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 Sensitivity Analysis | | |
|---|---|---|---|
| | 6.00% | 7.00% | 8.00% |
| Total Pension Liability | $ 14,105,163 | $ 12,332,473 | $ 10,879,487 |
| Fiduciary Net Position | 9,493,028 | 9,493,028 | 9,493,028 |
| Net Pension Liability | $ 4,612,135 | $ 2,839,445 | $ 1,386,459 |

**Note 8: 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:

**Summary of Changes**

| | Total Pension Liability | Fiduciary Net Position | Net Pension Liability |
|---|---|---|---|
| Beginning of year | $ 11,396,800 | $ 8,107,526 | $ 3,289,274 |
| Service cost | 197,664 | - | 197,664 |
| Interest on total pension liability | 771,592 | - | 771,592 |
| Experience loss | 156,738 | - | 156,738 |
| Change in assumptions | 557,804 | - | 557,804 |
| Employer contributions | - | 625,461 | (625,461) |
| Net investment income | - | 1,570,476 | (1,570,476) |
| Benefit payments | (748,125) | (748,125) | - |
| Administrative expenses | - | (39,683) | 39,683 |
| Other expense | - | (22,627) | 22,627 |
| End of year | $ 12,332,473 | $ 9,493,028 | $ 2,839,445 |

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

| | Beginning | Ending |
|---|---|---|
| Total Pension Liability | $ 11,396,800 | $ 12,332,473 |
| Fiduciary Net Position | 8,107,526 | 9,493,028 |
| Net Pension Liability | $ 3,289,274 | $ 2,839,445 |

**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 | $ 625,461 |
| Change in net pension liability | (449,829) |
| Deferred inflows related to investment results | 825,052 |
| Deferred outflows related to experience losses | (117,553) |
| Deferred outflow related to assumption changes | (418,353) |
| Amortization of deferred ouflows and inflows | 400,037 |
| Pension expense | $ 864,815 |

**Note 8: 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 | $ 212,005 | $ 27,843 |
| Change of assumptions | 566,451 | - |
| Net difference between projected and actual earnings on Plan investments | - | 450,130 |
| Employer contributions made after measurement date but before year-end | 683,112 | - |
| | $ 1,461,568 | $ 477,973 |

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 |
|---|---|---|---|
| 2021 | 90,500 | 255,666 | 115,332 |
| 2022 | 54,481 | 171,335 | 121,231 |
| 2023 | 39,181 | 139,450 | 7,304 |
| 2024 | - | - | 206,263 |
| | $ 184,162 | $ 566,451 | $ 450,130 |

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 8: 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 $121,637.

**Note 9: 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 10: 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 2020, the County expended $7,735 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 8 years as shown on Madison County's financial statements for landfill postclosure costs is $58,345 as of December 31, 2020. 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 10: 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, 2020. 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 11: 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 12: 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 13: 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, 2020, the County funded the Health Department $158,732.

The 2014 SPLOST referendum includes a provision requiring that a portion of the 214 SPLOST will be spent pursuant to a contract with the Madison County Industrial Development and Building Authority (MCIDBA). The County remitted $144,477 to the MCIDBA during the year out of the 2014 SPLOST funds. The County entered into an intergovernmental agreement with the MCIDBA wherein the County agreed to act as a payroll agent for the MCIDBA. During 2020, the MCIDBA paid the County $359,010 in reimbursements of payroll and benefits.

**Note 14: Assets Restricted by Enabling Legislation**

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

| | |
|---|---|
| SPLOST capital projects | $ 2,767,876 |
| Judicial | 96,845 |
| Public safety | 282,422 |
| | $ 3,147,143 |

**Note 15: 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 | $ 1,682,255 |
| Capital assets, net of depreciation | 170,452,546 |
| | 172,134,801 |
| Less: Note Payable | (23,359) |
| Less: Installment agreement payable | (240,000) |
| Less: GO Bonds payable | (9,000,000) |
| Net investment in capital | $ 162,871,442 |

**Note 16: Subsequent Events**

During March 2020, the Authority modified operations as a result of the COVID-19 pandemic and in compliance with state and federal recommendations. The extent of the impact of COVID-19 on the Authority's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak all of which are uncertain. Accordingly, the extent to which COVID-19 may impact the financial condition or results of operations cannot be determined.

The County has evaluated subsequent events through February 28, 2022, the date which the financial statements were available to be issued.

# 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** | **2019** | **2020** |
| Total Pension Liability - beginning of year | $ 7,925,326 | $ 8,386,495 | $ 9,441,307 | $ 10,129,348 | $ 10,771,023 | $ 11,396,800 |
| Service cost | 197,980 | 187,164 | 189,468 | 216,888 | 211,631 | 197,664 |
| Interest on total pension liability | 582,428 | 615,307 | 693,026 | 718,383 | 764,259 | 771,592 |
| Assumption change | - | 331,254 | 320,970 | 31,751 | 49,838 | 557,804 |
| Experience gain / loss | - | 285,873 | (113,511) | 115,896 | 59,089 | 156,738 |
| Benefit payments (adjusted for interest) | (319,239) | (364,786) | (401,912) | (441,243) | (459,040) | (748,125) |
| Total Pension Liability - end of year | 8,386,495 | 9,441,307 | 10,129,348 | 10,771,023 | 11,396,800 | 12,332,473 |
| **Changes in Fiduciary Net Position** | | | | | | |
| Fiduciary Net Position - beginning of year | 6,023,949 | 6,584,881 | 6,708,988 | 7,270,075 | 8,412,858 | 8,107,526 |
| Employer contributions | 530,214 | 537,605 | 549,129 | 592,576 | 599,011 | 625,461 |
| Net investment income | 395,521 | 10,638 | 456,996 | 1,113,370 | (366,391) | 1,570,476 |
| Benefit payments | (319,239) | (364,786) | (401,912) | (441,243) | (459,040) | (748,125) |
| Administrative expense | (26,147) | (26,457) | (28,414) | (25,644) | (27,268) | (39,683) |
| Other | (19,417) | (32,893) | (14,712) | (96,276) | (51,644) | (22,627) |
| Fiduciary Net Position - end of year | 6,584,881 | 6,708,988 | 7,270,075 | 8,412,858 | 8,107,526 | 9,493,028 |
| Net Pension Liability | $ 1,801,614 | $ 2,732,319 | $ 2,859,273 | $ 2,358,165 | $ 3,289,274 | $ 2,839,445 |
| Plan Fiduciary Net Position as a % of Total Pension Liability | 78.52% | 71.06% | 71.77% | 78.11% | 71.14% | 76.98% |
| Covered payroll | $ 4,921,444 | $ 4,786,794 | $ 4,544,200 | $ 4,726,098 | $ 4,631,134 | $ 4,939,728 |
| Net Pension Liability as % of Covered Payroll | 36.61% | 57.08% | 62.92% | 49.90% | 71.03% | 57.48% |

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 |
|---|---|---|---|---|---|
| 2020 | $ 625,461 | $ 625,461 | $ - | $ 4,939,728 | 12.66% |
| 2019 | 599,011 | 599,011 | - | 4,631,134 | 12.93% |
| 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, 2020**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Taxes | $14,907,868 | $14,907,868 | $17,068,669 | $ 2,160,801 |
| Licenses and permits | 129,325 | 129,325 | 185,754 | 56,429 |
| Intergovernmental | 242,459 | 312,551 | 2,568,255 | 2,255,704 |
| Charges for services | 1,500,689 | 1,738,490 | 1,919,036 | 180,546 |
| Fines and forfeitures | 630,720 | 635,079 | 616,302 | (18,777) |
| Investment earnings | 1,400 | 1,400 | 100,912 | 99,512 |
| Contributions and donations | 75,000 | 135,750 | 182,514 | 46,764 |
| Miscellaneous | 68,200 | 136,836 | 155,025 | 18,189 |
| Total revenues | 17,555,661 | 17,997,299 | 22,796,467 | 4,799,168 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General government | | | | |
| General government | 4,448,550 | 1,991,883 | 1,549,182 | 442,701 |
| Governing body | 110,298 | 206,899 | 190,975 | 15,924 |
| Financial administration | 95,311 | 125,157 | 117,927 | 7,230 |
| Board of Elections/Registrations | 228,853 | 303,164 | 356,983 | (53,819) |
| Board of Equalization | 14,733 | 15,254 | 9,950 | 5,304 |
| Information technology | 164,826 | 164,826 | 132,439 | 32,387 |
| Tax Commissioner | 287,332 | 358,832 | 336,935 | 21,897 |
| Tax Assessor | 320,729 | 418,072 | 410,990 | 7,082 |
| Buildings and grounds | 172,534 | 271,602 | 271,293 | 309 |
| Judicial | | | | |
| Superior Court | 449,346 | 454,096 | 392,897 | 61,199 |
| Clerk of Superior Court | 370,620 | 492,835 | 468,922 | 23,913 |
| District Attorney | 86,668 | 105,430 | 105,523 | (93) |
| Magistrate Court | 219,151 | 275,903 | 254,746 | 21,157 |
| Probate Court | 255,921 | 338,249 | 337,302 | 947 |
| Public Safety | | | | |
| Law enforcement | 3,606,823 | 4,803,517 | 4,752,602 | 50,915 |
| Emergency management | 822,849 | 853,408 | 848,741 | 4,667 |
| Emergency medical service | 1,708,092 | 2,171,632 | 2,167,175 | 4,457 |
| Coroner | 80,642 | 96,153 | 95,729 | 424 |
| Animal Shelter | 96,390 | 96,390 | 96,390 | - |
| Public Works | | | | |
| Highways and Streets | 745,838 | 1,791,933 | 1,706,729 | 85,204 |
| Vehicle Maintenance | 567,800 | 596,797 | 527,809 | 68,988 |
| Industrial Dev. and Building Authority | 3,500 | 3,500 | 4,267 | (767) |
| Health and welfare | | | | |
| Food Bank | 102,542 | 106,167 | 37,018 | 69,149 |
| Senior Citizens Center | 257,665 | 358,422 | 355,077 | 3,345 |
| Public Education | 37,831 | 39,331 | 38,399 | 932 |
| Extension Office | 23,818 | 23,818 | 14,948 | 8,870 |
| Health | 246,005 | 246,005 | 245,773 | 232 |
| Culture and recreation | | | | |
| Recreation | 550,768 | 703,325 | 610,472 | 92,853 |
| Library administration | 213,602 | 213,602 | 213,602 | - |
| 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, 2020**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| Planning, zoning and inspections | 253,698 | 345,289 | 335,950 | 9,339 |
| Forest Resources | 9,439 | 9,439 | 8,867 | 572 |
| Debt Service: | | | | |
| Principal | - | 45,732 | 153,466 | (107,734) |
| Interest and other charges | - | 2,195 | 3,462 | (1,267) |
| Total Expenditures | 16,567,174 | 18,043,857 | 17,167,350 | 876,507 |
| Excess (deficiency) of revenues over expenditures | 988,487 | (46,558) | 5,629,117 | 5,675,675 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Proceeds from capital leases | - | 243,600 | 325,000 | (81,400) |
| Proceeds from governmental asset dispositions | - | - | 6,807 | 6,807 |
| Transfers in | - | - | 27,690 | 27,690 |
| Transfers out | (445,824) | (777,045) | (514,369) | 262,676 |
| Total other financing sources and uses | (445,824) | (533,445) | (154,872) | 215,773 |
| Net change in fund balances | 542,663 | (580,003) | 5,474,245 | 5,891,448 |
| Fund balances - beginning | 14,440,970 | 14,440,970 | 14,440,970 | - |
| Fund balances - ending | $ 14,983,633 | $ 13,860,967 | $ 19,915,215 | $ 5,891,448 |

**Madison County, Georgia**
**Notes to Required Supplementary Information**
**For the Year Ended December 31, 2020**

**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 normal |
| Asset valuation method | 5-year smoothed market |
| Amortization method | Level percentage compensation |
| Future payroll growth | 4.50% |
| Investment rate of return | 7.00% |

**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 figures in 2017, then was updated to 2018 figures in 2018 and then updated to 2019 figures in 2019. Both mortality tables were produced by the Society of Actuaries. The Scale AA contains a longer life expectancy.

The expected return was changed from 7.25% to 7.00% as of December 31, 2018 based on an analysis performed during 2019. The 2018 plan year activity was calculated using the 7.25% rate. 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 rate of turnover was changed to the Vaughn Select and Ultimate Table through age 59.

The disability table was changed from the 1977 Social Security Table to the 1985 CIDA Table Class 1 through age 59.

The assumed future payroll growth rate decreased from 5.50% to 4.75% during the 2016 measurement period and then reduced to 4.50% during the 2018 measurement period.

The salary increase assumption was changed for ages under 30 from the base rate of 1.5% to the base rate plus 1.0% and for ages from 30 to 39 changed from the base rate plus 1% to the base rate plus 0.5%. The salary scale base rate was changed from 3.5% to 2.5%

**NOTE C: CHANGES IN ASSUMPTIONS, CONTINUED**

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 2014-2019 plan years, which correspond to the County's 2015-2020 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:

| | |
|---|---|
| District attorney | 93 |
| Industrial Dev. & Building Authority | 767 |

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:

| | |
|---|---|
| Board of Elections/Registrations | 53,819 |
| Emergency medical service | 19,544 |

# Combining and Individual Fund Schedules

**Madison County, Georgia**
**All Nonmajor Governmental Funds**
**Combining Balance Sheet**
**December 31, 2020**

| | Total Nonmajor Special Revenue Funds | Total Nonmajor Capital Project Funds | Total Nonmajor Governmental Funds |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | $ 384,183 | $ 1,742,831 | $ 2,127,014 |
| Receivable from other governments | 99,267 | - | 99,267 |
| Prepaid expenses | 6,550 | - | 6,550 |
| Total assets | 490,000 | 1,742,831 | 2,232,831 |
| **LIABILITIES AND FUND BALANCES** | | | |
| Liabilities: | | | |
| Accounts payable | 8,450 | 37,995 | 46,445 |
| Accrued salaries and benefits | 77,984 | - | 77,984 |
| Due to other funds | - | 11,900 | 11,900 |
| Payable to other governments | - | - | - |
| Total liabilities | 86,434 | 49,895 | 136,329 |
| Fund balances: | | | |
| Nonspendable | 6,550 | - | 6,550 |
| Restricted | | | |
| Capital Projects | - | 1,692,936 | 1,692,936 |
| Judicial | 96,845 | - | 96,845 |
| Public safety | 309,330 | - | 309,330 |
| Unassigned | (9,159) | - | (9,159) |
| Total fund balances | 403,566 | 1,692,936 | 2,096,502 |
| Total liabilities and fund balances | $ 490,000 | $ 1,742,831 | $ 2,232,831 |

**Madison County, Georgia**
**All Nonmajor Governmental Funds**
**Combined Schedule of Revenues, Expenditures and Changes in Fund Balances**
**For the Year Ended December 31, 2020**

| | Total Nonmajor Special Revenue Funds | Total Nonmajor Capital Project Funds | Total Nonmajor Governmental Funds |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ - | $ 1,258,146 | $ 1,258,146 |
| Charges for services | 624,898 | - | 624,898 |
| Fines and forfeitures | 83,692 | - | 83,692 |
| Investment earnings | 5,094 | 15,873 | 20,967 |
| Contribution and donations | 21,315 | - | 21,315 |
| Miscellaneous | 8,155 | - | 8,155 |
| Total revenues | 743,154 | 1,274,019 | 2,017,173 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Judicial | 31,530 | - | 31,530 |
| Public Safety | 1,188,301 | - | 1,188,301 |
| Intergovernmental: | - | 296,825 | 296,825 |
| Capital Outlay: | | | |
| General government | - | 123,244 | 123,244 |
| Public Safety | - | 569,405 | 569,405 |
| Public Works | - | 954,873 | 954,873 |
| Culture and Recreation | - | 63,110 | 63,110 |
| Total Expenditures | 1,219,831 | 2,007,457 | 3,227,288 |
| Excess (deficiency) of revenues over (under) expenditures | (476,677) | (733,438) | (1,210,115) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers in | 385,823 | - | 385,823 |
| Transfers (out) | (27,690) | - | (27,690) |
| Total other financing sources and uses | 358,133 | - | 358,133 |
| Net change in fund balances | (118,544) | (733,438) | (851,982) |
| Fund balances - beginning | 522,110 | 2,426,374 | 2,948,484 |
| Fund balances - ending | $ 403,566 | $ 1,692,936 | $ 2,096,502 |

**Madison County, Georgia**
**Combining Balance Sheet**
**Nonmajor Special Revenue Funds**
**December 31, 2020**

| | 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 | $ 69,551 | $ 8,029 | $ 33,458 | $ 963 | $ 244,888 | $ 27,294 | $ - | $ 384,183 |
| Receivable from other governments | - | - | - | - | 99,267 | - | - | 99,267 |
| Prepaid expenses | - | - | - | - | 6,550 | - | - | 6,550 |
| Total assets | 69,551 | 8,029 | 33,458 | 963 | 350,705 | 27,294 | - | 490,000 |
| **LIABILITIES AND FUND BALANCES** | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | - | - | - | 3,924 | 4,526 | - | - | 8,450 |
| Accrued salaries and benefits | - | - | - | 6,198 | 71,786 | - | - | 77,984 |
| Total liabilities | - | - | - | 10,122 | 76,312 | - | - | 86,434 |
| Fund balances: | | | | | | | | |
| Nonspendable | - | - | - | - | 6,550 | - | - | 6,550 |
| Restricted | | | | | | | | |
| Judicial | 69,551 | - | - | - | - | 27,294 | - | 96,845 |
| Public safety | - | 8,029 | 33,458 | - | 267,843 | - | - | 309,330 |
| Unassigned | - | - | - | (9,159) | - | - | - | (9,159) |
| Total fund balances | 69,551 | 8,029 | 33,458 | (9,159) | 274,393 | 27,294 | - | 403,566 |
| Total liabilities and fund balances | $ 69,551 | $ 8,029 | $ 33,458 | $ 963 | $ 350,705 | $ 27,294 | $ - | $ 490,000 |

**Madison County, Georgia**
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Nonmajor Special Revenue Funds**
**For the Year Ended December 31, 2020**

| | 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** | | | | | | | | |
| Charges for services | $ 23,571 | $ - | $ 2,130 | $ - | $ 588,862 | $ 10,335 | $ - | $ 624,898 |
| Fines and forfeitures | - | 39,285 | - | 16,717 | - | - | 27,690 | 83,692 |
| Investment earnings | 2,140 | - | - | - | 2,802 | 152 | - | 5,094 |
| Contributions and donations | - | - | 21,315 | - | - | - | - | 21,315 |
| Miscellaneous | - | - | 5,972 | - | 2,183 | - | - | 8,155 |
| Total revenues | 25,711 | 39,285 | 29,417 | 16,717 | 593,847 | 10,487 | 27,690 | 743,154 |
| **EXPENDITURES** | | | | | | | | |
| Current: | | | | | | | | |
| Judicial | 28,360 | - | - | - | - | 3,170 | - | 31,530 |
| Public Safety | - | 78,137 | 16,846 | 75,843 | 1,017,475 | - | - | 1,188,301 |
| Total Expenditures | 28,360 | 78,137 | 16,846 | 75,843 | 1,017,475 | 3,170 | - | 1,219,831 |
| Excess (deficiency) of revenues over (under) expenditures | (2,649) | (38,852) | 12,571 | (59,126) | (423,628) | 7,317 | 27,690 | (476,677) |
| **OTHER FINANCING SOURCES (USES)** | | | | | | | | |
| Transfers in | - | - | - | 53,383 | 332,440 | - | - | 385,823 |
| Transfers (out) | - | - | - | - | - | - | (27,690) | (27,690) |
| Total other financing sources and uses | - | - | - | 53,383 | 332,440 | - | (27,690) | 358,133 |
| Net change in fund balances | (2,649) | (38,852) | 12,571 | (5,743) | (91,188) | 7,317 | - | (118,544) |
| Fund balances - beginning | 72,200 | 46,881 | 20,887 | (3,416) | 365,581 | 19,977 | - | 522,110 |
| Fund balances - ending | $ 69,551 | $ 8,029 | $ 33,458 | $ (9,159) | $ 274,393 | $ 27,294 | $ - | $ 403,566 |

**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, 2020**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Charges for services | $ 18,500 | $ 18,500 | $ 23,571 | $ 5,071 |
| Investment income | - | - | 2,140 | 2,140 |
| **Total revenues** | 18,500 | 18,500 | 25,711 | 7,211 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Judicial | 30,500 | 30,500 | 28,360 | 2,140 |
| **Total expenditures** | 30,500 | 30,500 | 28,360 | 2,140 |
| **Net change in fund balances** | (12,000) | (12,000) | (2,649) | 9,351 |
| **Fund balances - beginning** | 72,200 | 72,200 | 72,200 | - |
| **Fund balances - ending** | $ 60,200 | $ 60,200 | $ 69,551 | $ 9,351 |

**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, 2020**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Fines and forfeitures | $ 10,000 | $ 39,500 | $ 39,285 | $ (215) |
| **Total revenues** | 10,000 | 39,500 | 39,285 | (215) |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Public safety | 10,000 | 78,500 | 78,137 | 363 |
| **Total expenditures** | 10,000 | 78,500 | 78,137 | 363 |
| **Net change in fund balances** | - | (39,000) | (38,852) | 148 |
| **Fund balances - beginning** | 46,881 | 46,881 | 46,881 | - |
| **Fund balances - ending** | $ 46,881 | $ 7,881 | $ 8,029 | $ 148 |

**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, 2020**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Charges for services | $ - | $ - | $ 2,130 | $ 2,130 |
| Contributions and donations | 16,000 | 16,000 | 21,315 | 5,315 |
| Miscellaneous | - | - | 5,972 | 5,972 |
| **Total revenues** | 16,000 | 16,000 | 29,417 | 13,417 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Public safety | 11,000 | 11,000 | 16,846 | (5,846) |
| **Total expenditures** | 11,000 | 11,000 | 16,846 | (5,846) |
| **Net change in fund balances** | 5,000 | 5,000 | 12,571 | 7,571 |
| **Fund balances - beginning** | 20,887 | 20,887 | 20,887 | - |
| **Fund balances - ending** | $ 25,887 | $ 25,887 | $ 33,458 | $ 7,571 |

**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, 2020**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Fines and forfeitures | $ 21,000 | $ 21,000 | $ 16,717 | $ (4,283) |
| **Total revenues** | 21,000 | 21,000 | 16,717 | (4,283) |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Public safety | 58,644 | 74,712 | 75,843 | (1,131) |
| **Total expenditures** | 58,644 | 74,712 | 75,843 | (1,131) |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers in | 37,644 | 53,712 | 53,383 | (329) |
| **Total other financing sources** | 37,644 | 53,712 | 53,383 | (329) |
| **Net change in fund balances** | - | - | (5,743) | (5,743) |
| **Fund balances - beginning** | (3,416) | (3,416) | (3,416) | (3,416) |
| **Fund balances - ending** | $ (3,416) | $ (3,416) | $ (9,159) | $ (9,159) |

**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, 2020**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Charges for services | $ 511,200 | $ 511,200 | $ 588,862 | $ 77,662 |
| Investment income | 150 | 150 | 2,802 | 2,652 |
| Miscellaneous | 500 | 500 | 2,183 | 1,683 |
| **Total revenues** | 511,850 | 511,850 | 593,847 | 81,997 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Public safety | 758,513 | 1,022,829 | 1,017,475 | 5,354 |
| **Total expenditures** | 758,513 | 1,022,829 | 1,017,475 | 5,354 |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers in | 246,663 | 510,979 | 332,440 | (178,539) |
| **Total other financing sources** | 246,663 | 510,979 | 332,440 | (178,539) |
| **Net change in fund balances** | - | - | (91,188) | (91,188) |
| **Fund balances - beginning** | 365,581 | 365,581 | 365,581 | - |
| **Fund balances - ending** | $ 365,581 | $ 365,581 | $ 274,393 | $ (91,188) |

**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, 2020**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Charges for services | $ 13,000 | $ 13,000 | $ 10,335 | $ (2,665) |
| Investment income | - | - | 152 | 152 |
| **Total revenues** | 13,000 | 13,000 | 10,487 | (2,513) |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Judicial | 21,500 | 21,500 | 3,170 | 18,330 |
| **Total expenditures** | 21,500 | 21,500 | 3,170 | 18,330 |
| **Net change in fund balance** | (8,500) | (8,500) | 7,317 | 15,817 |
| **Fund balances - beginning** | 19,977 | 19,977 | 19,977 | - |
| **Fund balances - ending** | $ 11,477 | $ 11,477 | $ 27,294 | $ 15,817 |

**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, 2020**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Fines and forfeitures | $ 37,000 | $ 37,000 | $ 27,690 | $ (9,310) |
| **Total revenues** | 37,000 | 37,000 | 27,690 | (9,310) |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Public Safety | - | - | - | - |
| **Total expenditures** | - | - | - | - |
| Excess of revenues over expenditures | 37,000 | 37,000 | 27,690 | (9,310) |
| **OTHER FINANCING (USES)** | | | | |
| Transfers (out) | (37,000) | (37,000) | (27,690) | 9,310 |
| **Total other financing (uses)** | (37,000) | (37,000) | (27,690) | 9,310 |
| **Net change in fund balance** | - | - | - | - |
| **Fund balances - beginning** | - | - | - | - |
| **Fund balances - ending** | $ - | $ - | $ - | $ - |

**Madison County, Georgia**
**Combining Balance Sheet**
**Nonmajor Capital Project Funds**
**December 31, 2020**

| | SPLOST 2008 | SPLOST 2014 | Total Nonmajor Capital Project Funds |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | $ - | $ 1,742,831 | $ 1,742,831 |
| Total assets | - | 1,742,831 | 1,742,831 |
| **LIABILITIES AND FUND BALANCES** | | | |
| Liabilities: | | | |
| Accounts payable | - | 37,995 | 37,995 |
| Due to other funds | - | 11,900 | 11,900 |
| Total liabilities | - | 49,895 | 49,895 |
| Fund balances: | | | |
| Restricted | | | |
| Capital Projects | - | 1,692,936 | 1,692,936 |
| Total fund balances | - | 1,692,936 | 1,692,936 |
| Total liabilities and fund balances | $ - | $ 1,742,831 | $ 1,742,831 |

**Madison County, Georgia**
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**
**Nonmajor Capital Project Funds**
**For the Year Ended December 31, 2020**

| | SPLOST 2008 | SPLOST 2014 | Total Nonmajor Capital Project Funds |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ - | $ 1,258,146 | $ 1,258,146 |
| Investment earnings | 414 | 15,459 | 15,873 |
| Total revenues | 414 | 1,273,605 | 1,274,019 |
| **EXPENDITURES** | | | |
| Intergovernmental | - | 296,825 | 296,825 |
| Capital Outlay: | | | |
| General government | 80,412 | 42,832 | 123,244 |
| Public Safety | - | 569,405 | 569,405 |
| Public Works | - | 954,873 | 954,873 |
| Culture and Recreation | - | 63,110 | 63,110 |
| Total Expenditures | 80,412 | 1,927,045 | 2,007,457 |
| Excess (deficiency) of revenues over (under) expenditures | (79,998) | (653,440) | (733,438) |
| Net change in fund balances | (79,998) | (653,440) | (733,438) |
| Fund balances - beginning | 79,998 | 2,346,376 | 2,426,374 |
| Fund balances - ending | $ - | $ 1,692,936 | $ 1,692,936 |

**Exhibit N**

**Madison County, Georgia**
**Combining Schedule of Fiduciary Assets and Liabilities**
**Fiduciary Funds**
**December 31, 2020**

| | Tax Commissioner | Sheriff | Clerk of Superior Court | Probate Court | Magistrate Court | Total Custodial Funds |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| Cash | $ 90,697 | $ 67,740 | $ 170,877 | $ 2,443 | $ 1,470 | $ 333,227 |
| **Total Assets** | 90,697 | 67,740 | 170,877 | 2,443 | 1,470 | 333,227 |
| **LIABILITIES** | | | | | | |
| Due to others | 90,697 | 67,740 | 170,877 | 2,443 | 1,470 | 333,227 |
| **Total Liabilities** | $ 90,697 | $ 67,740 | $ 170,877 | $ 2,443 | $ 1,470 | $ 333,227 |

# 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, 2020, and the related notes to the financial statements, which collectively comprise Madison County, Georgia's basic financial statements and have issued our report thereon dated February 28, 2022. 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) as a basis for designing 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. 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 financial statements. 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 questioned costs as items ***2020-001.***

**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 questioned costs. Madison County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted certain matters that we reported to management of Madison County, Georgia in a separate letter dated February 28, 2022.

**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.



*Madison, Georgia*
February 28, 2022

Treadwell, Tamplin & Co.
Certified Public Accountants
A Limited Liability Partnership
157 West Jefferson Street
Madison, Georgia 30650
Ph: 706-342-1040
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# INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Commissioners of
Madison County, Georgia

## Report on Compliance for Each Major Federal Program

We have audited Madison County, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Madison County, Georgia's major federal programs for the year ended December 31, 2020. Madison County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of Madison County, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Madison County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Madison County, Georgia's compliance.

### *Opinion on Each Major Federal Program*

In our opinion, Madison County, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

## Report on Internal Control over Compliance

Management of Madison County, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Madison County, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Madison County, Georgia's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



February 28, 2022
*Madison, Georgia*

**Madison County, Georgia**
**Schedule of Expenditures of Federal Awards**
**For the Year Ended December 31, 2020**

| Federal Grantor/Pass-through Grantor/Program or Cluster Title | Federal Assistance Listing Number | Pass-through Entity Identifying Number | Total Federal Expenditures |
|---|---|---|---|
| ***Aging Cluster - Cluster*** | | | |
| **Department of Health and Human Services -** | | | |
| *Passed through:* | | | |
| *Northeast Georgia Regional Commission* | | | |
| Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers | 93.044 | 42700-373-0000083395 | $ 8,231 |
| Special Programs for the Aging, Title III, Part C, Nutrition Services | 93.045 | 42700-373-0000093833 | 102,568 |
| **Total Department of Health and Human Services** | | | 110,799 |
| **Total Aging Cluster - Cluster** | | | 110,799 |
| ***Transit Services Programs Cluster - Cluster*** | | | |
| **Department of Transportation -** | | | |
| *Passed through:* | | | |
| *Northeast Georgia Regional Commission* | | | |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | 5310 | 10,400 |
| **Total Department of Transportation** | | | 10,400 |
| **Total Transit Services Programs Cluster - Cluster** | | | 10,400 |
| **Other Programs** | | | |
| **Department of Homeland Security** | | | |
| *Passed through:* | | | |
| *Georgia Emergency Management Agency* | | | |
| Emergency Management Performance Grant | 97.042 | OEM19-097 | 12,459 |
| **Total Department of Homeland Security** | | | 12,459 |
| **Department of Health and Human Services** | | | |
| COVID-19 Claims Reimbursement to Health Care Providers and Facilities for Testing, Treatment, and Vaccine Administration for the Uninsured | 93.461 | | 27,290 |
| *Passed through:* | | | |
| *Northeast Georgia Regional Commission* | | | |
| Social Services Block Grant | 93.667 | NSIP SSBG | 8,749 |
| **Total Department of Health and Human Services** | | | 36,039 |
| **Department of the Treasury** | | | |
| *Passed through:* | | | |
| *Georgia Governors Office of Planning and Budget* | | | |
| Coronavirus Relief Fund | 21.019 | 14633-CRF | 1,489,972 |
| **Total Department of Treasury** | | | 1,489,972 |
| **Various Agencies - 2** | | | |
| *Passed through:* | | | |
| *Georgia Secretary of State* | | | |
| Help America Vote Act Requirement Payments | 90.401 | HAVA | 12,715 |
| **Total Various Agencies - 2** | | | 12,715 |
| **Total Other Programs** | | | 1,551,185 |
| **Total Expenditures of Federal Awards** | | | $ 1,672,384 |

The accompanying notes are an integral part of this schedule

**Madison County, Georgia**
**Notes to the Schedule of Expenditures of Federal Awards**
**December 31, 2020**

## Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "schedule") includes the federal grant activity of the Madison County Industrial Development & Building Authority under programs of the federal government for the year ended December 31, 2020. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Madison County Industrial Development & Building Authority, it is not intended to and does not present the net position, changes in net position, or cash flows of the Madison County Industrial Development & Building Authority.

## Note B: Summary of Significant Accounting Policies

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments,* or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* , wherein certain types of expenditures are not allowable or are limited as to reimbursement.

## Note C: Subrecipients

The Madison County Industrial Development & Building Authority did not provide any funding to subrecipients during the year ended December 31, 2020.

## Note D: De Minimis Indirect Cost Rate

The Madison County Industrial Development & Building Authority did not use the ten percent de minimis indirect cost rate.

**Madison County, Georgia**
**Schedule of Findings and Questioned Costs**
**December 31, 2020**

**Section I—Summary of Auditor's Results**

***Financial Statements***

| | | | | |
|---|---|---|---|---|
| Type of auditor's report issued: | | *Unmodified* | | |
| Internal control over financial reporting: | | | | |
| Material weakness (es) identified? | | yes | X | no |
| Significant deficiency(ies) identified not considered to be material weakness(es)? | | yes | X | none reported |
| Noncompliance material to financial statements noted? | X | yes | | no |

***Federal Awards***

| | | | | |
|---|---|---|---|---|
| Internal Control over major programs: | | | | |
| Material weakness (es) identified? | | yes | X | no |
| Significant deficiency(ies) identified not considered to be material weakness(es)? | | yes | X | none reported |
| Type of auditor's report issued on compliance for major programs: | | *Unmodified* | | |

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?

yes X no

Identification of major programs:

| Federal Assistance Listing Number(s) | Name of Federal Program or Cluster |
|---|---|
| 21.019 | Coronavirus Relief Fund |

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? yes X no

**Madison County, Georgia**
**Schedule of Findings and Questioned Costs**
**December 31, 2020**

**Section II – Findings and Questioned Costs – Financial Statement Findings**

***Compliance:***

**2020-001** *This finding is a repeat of the finding reported at 2019-001*

**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 Board of Elections/Registrations and Emergency Medical Service department exceeded appropriations such that a significant violation of the budget requirement was reported. In addition, the expenditures of the Sheriff Donation Special Revenue Fund and the Drug Abuse Treatment Special Revenue Fund exceeded appropriations.

**Cause:** The expenditures exceeded the 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

**Effect:** The County did not comply with Georgia law requiring that expenditures not exceed budgeted amounts.

**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 in 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.

**Management response:** 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.

**Section III – Findings and Questioned Costs – Major Federal Awards Findings**

*No findings reported for fiscal year ended December 31, 2020*

**Madison County, Georgia**
**Summary Schedule of Prior Audit Findings**
**December 31, 2020**

**Financial Statement Findings**

**2019-001** **Expenditures in excess of appropriations**

**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 Clerk's Deed Special Revenue Fund, Sheriff Donation Special Revenue Fund and the Jail Special Revenue Fund exceeded appropriations.

**Recommendation:** The auditor recommended that the Board of Commissioners monitor actual expenditures in comparison to the budget. Management concurred with the recommendation and indicated that the procedures would be implemented.

**Current Status:** The recommendation was not fully adopted and the finding was repeated for 2020 as finding 2020-001. The Chairman now understands the importance of requesting an amendment to the budget when needed.

**2019-002** **Adjustment in Solid Waste Fund**

**Condition:** Audit procedures discovered that a receivable had not been recorded in the Solid Waste fund for the sale of scrap metal. The sale took place in December of 2019 and the payment was received by the county in February 2020. An audit adjustment was required to record the receivable and related revenue in December 2019.

**Recommendation:** The auditor recommended the County carefully review transactions occurring just before and shortly after year end to ensure revenue is recorded in the appropriate period.

**Current Status:** The recommendation was adopted. No similar findings were noted in the 2020 audit.

MADISON COUNTY
*BOARD OF COMMISSIONERS*

February 14, 2022

Department of Audits and Accounts
270 Washington Street, S. W., Room 1-156
Atlanta, GA 30334-8400

Dear Sir or Madam:

RE: Finding 2020-001

Management concurs with the finding.

Board of Elections/Registration
While the Chair was aware, that due to the nature of the election year and issues associated with covid, the budget would be exceeded, an amendment was not requested. The Chair has been made aware that an amendment should be requested.

Emergency Medical Service
The amount for a lease payment was budgeted in a facility other than EMS. This department would have had a surplus of $4,457 instead of deficit of $19,544.

Drug Abuse Treatment Special Revenue Fund
Though not material, an amendment for $1,131 should have been requested.

Sheriff Donation Special Revenue Fund
Revenue budgeted exceeded actual and additional expenditures were made in excess of expenditures budgeted. The department has been made aware that an amendment should be requested.

Sincerely,

Kathy Figueroa

Kathy Figueroa
Finance Director

**Madison County, Georgia**
**Schedule of Special Purpose**
**Local Option Sales Tax**
**For the Year Ended December 31, 2020**

| | 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 | 80,412 | 88,307 | 102% |
| 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 | $ 80,412 | $ 12,012,978 | |

| | Original Estimated Cost | Revised Estimated Cost | Expenditures | | | Estimated Percentage to Complete |
|---|---|---|---|---|---|---|
| | | | Prior Years | Current Year | Total | |
| **2014 Referendum** | | | | | | |
| Road and bridge improvements | $ 6,487,500 | $ 6,487,500 | $ 4,290,503 | $ 954,873 | $ 5,245,376 | 81% |
| Recreation | 227,500 | 227,500 | 163,872 | 63,110 | 226,982 | 100% |
| Sheriff | 681,667 | 681,667 | 541,019 | 130,808 | 671,827 | 99% |
| E-911 | 153,000 | 153,000 | 82,824 | 68,597 | 151,421 | 99% |
| EMS | 755,833 | 755,833 | 440,797 | 181,576 | 622,373 | 82% |
| Transfer Station | 84,167 | 84,167 | 22,298 | - | 22,298 | 26% |
| Old Courthouse | 42,000 | 42,000 | - | 42,832 | 42,832 | 102% |
| Firefighting | 1,033,333 | 1,033,333 | 513,105 | 188,424 | 701,529 | 68% |
| Industrial Development & Building Authority for water & sewer projects | 1,422,500 | 1,422,500 | 1,258,600 | 144,477 | 1,403,077 | 99% |
| Payments to cities for capital projects | | | | | | |
| City of Carlton | 126,900 | 126,900 | 112,278 | 12,888 | 125,166 | 99% |
| City of Colbert | 289,050 | 289,050 | 255,746 | 29,358 | 285,104 | 99% |
| City of Comer | 549,600 | 549,600 | 486,276 | 55,820 | 542,096 | 99% |
| City of Danielsville | 273,300 | 273,300 | 241,817 | 27,758 | 269,575 | 99% |
| City of Hull | 96,600 | 96,600 | 85,469 | 9,811 | 95,280 | 99% |
| City of Ila | 164,550 | 164,550 | 145,596 | 16,713 | 162,309 | 99% |
| **Totals** | $ 12,387,500 | $ 12,387,500 | $ 8,640,200 | $ 1,927,045 | $ 10,567,245 | |

**Madison County, Georgia**
**Schedule of Special Purpose**
**Local Option Sales Tax**
**For the Year Ended December 31, 2020**

| | Original Estimated Cost | Revised Estimated Cost | Expenditures | | | Estimated Percentage to Complete |
|---|---|---|---|---|---|---|
| | | | Prior Years | Current Year | Total | |
| **2020 Referendum** | | | | | | |
| Road and bridge improvements | $ 5,455,000 | $ 5,455,000 | $ - | $ - | $ - | 0% |
| Recreation | 365,000 | 365,000 | - | - | - | 0% |
| Sheriff | 885,000 | 885,000 | - | - | - | 0% |
| E-911 | 905,000 | 905,000 | - | 381,142 | 381,142 | 42% |
| EMS | 715,000 | 715,000 | - | - | - | 0% |
| Courthouse | 50,000 | 50,000 | - | 47,974 | 47,974 | 96% |
| Coroner | 60,000 | 60,000 | - | - | - | 0% |
| Firefighting | 1,455,000 | 1,455,000 | - | 178,858 | 178,858 | 12% |
| Facilities acquisition & improvement | 190,000 | 190,000 | - | 165,872 | 165,872 | 87% |
| Industrial Development & Building Authority for water & sewer projects | 1,620,000 | 1,620,000 | - | - | - | 0% |
| Payments to cities for capital projects | | | | | | |
| City of Carlton | 135,783 | 135,783 | - | 13,946 | 13,946 | 10% |
| City of Colbert | 310,172 | 310,172 | - | 310,172 | 310,172 | 100% |
| City of Comer | 591,057 | 591,057 | - | 60,707 | 60,707 | 10% |
| City of Danielsville | 294,197 | 294,197 | - | 30,217 | 30,217 | 10% |
| City of Hull | 103,834 | 103,834 | - | 103,834 | 103,834 | 100% |
| City of Ila | 177,052 | 177,052 | - | 18,185 | 18,185 | 10% |
| **Totals** | $13,312,095 | $13,312,095 | $ - | $1,310,907 | $ 1,310,907 | |

Note: The following represent 2020 SPLOST expenditures that are reported in the GO Bond Fund:

| | |
|---|---|
| E911 | (378,051) |
| Courthouse | (47,974) |
| Firefighting | (178,858) |
| Payments to cities - City of Colbert | (310,172) |
| Payments to cities - City of Hull | (103,834) |
| Total SPLOST expenditures reported in GO Bond Fund | (1,018,889) |
| 2020 SPLOST expenditures reported in 2020 SPLOST Fund | $ 292,018 |

Madison County

Certification of 9-1-1 Expenditures

For the Year Ended 2020

| Line No. | | O.C.G.A. Reference: | |
|---|---|---|---|
| 1 | Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one): | | |
| | __X__ Special Revenue Fund _____ Enterprise Fund | | |
| | Expenditures (UCOA Activity 3800) | | |
| 2 | Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary) | 46-5-134(e) | |
| | _____ | | $ _____ |
| | _____ | | $ _____ |
| | _____ | | $ _____ |
| 3 | Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system: | | |
| 3a | Lease costs | 46-5-134(f)(1)(A) | $ _____ |
| 3b | Purchase costs | 46-5-134(f)(1)(A) | $ 20,000.00 |
| 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) | $ 57,925.64 |
| 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) | $ 545,859.67 |
| 5b | Employee benefits | 46-5-134(f)(1)(C) | $ 227,678.45 |
| 6 | Cost of training of employees who work as dispatchers or directors | 46-5-134(f)(1)(D) | $ 2,510.80 |
| 7 | Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services | 46-5-134(f)(1)(E) | $ 3,501.60 |
| 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) | $ 5,409.05 |
| 9c | Maintenance costs | 46-5-134(f)(1)(G) | $ 22,866.00 |

Madison County

Certification of 9-1-1 Expenditures

For the Year Ended 2020

| 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) | $ | 44,082.58 |
| 11 | Logging recorders used at a public safety answering point to record telephone and radio traffic: | | | |
| 11a | Lease costs | 46-5-134(f)(1)(I) | $ | |
| 11b | Purchase costs | 46-5-134(f)(1)(I) | $ | |
| 11c | Maintenance costs | 46-5-134(f)(1)(I) | $ | |
| 12 | Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors | 46-5-134(f)(2)(B)(i) | $ | |
| 13 | Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center | | | |
| 13a | Lease costs | 46-5-134(f)(2(B)(ii) | $ | |
| 13b | Purchase costs | 46-5-134(f)(2(B)(ii) | $ | |
| 13c | Maintenance costs | 46-5-134(f)(2(B)(ii) | $ | |
| 14 | Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities | 46-5-134(f)(2)(B)(iii) | $ | |
| 15 | Mobile public safety voice and data equipment, geo-targeted test messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations | | | |
| 15a | Lease costs | 46-5-134(f)(2(B)(iv) | $ | 7,200.00 |
| 15b | Purchase costs | 46-5-134(f)(2(B)(iv) | $ | 7,580.00 |
| 15c | Maintenance costs | 46-5-134(f)(2(B)(iv) | $ | |
| 16 | Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems | | | |
| 16a | Lease costs | 46-5-134(f)(2(B)(v) | $ | |
| 16b | Purchase costs | 46-5-134(f)(2(B)(v) | $ | |
| 16c | Maintenance costs | 46-5-134(f)(2(B)(v) | $ | 74,315.30 |

Madison County

Certification of 9-1-1 Expenditures

For the Year Ended 2020

| 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) | | $ 1,018,929.09 |

**Certification of Local Government Officials**

I have reviewed the information presented in this report and certify that it is accurate and correct. I further certify that the 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated (OCGA), Section 46-5-134. I understand that, in accordance with OCGA Section 46-5-134(m)(2), any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Further, the noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by the service providers abating the imposition of the 9-1-1 charges and 9-1-1 wireless enhanced charges until such abatement equals the total amount of the rebate.

Signature of Chief Elected Official _____ Date 3-25-2021

Print Name of Chief Elected Official Todd Higdon

Title of Chief Elected Official Chairman

Signature of Chief Financial Officer Kathy Figueroa Date 3/25/21

Print Name of Chief Financial Officer Kathy Figueroa