



Madison County, Georgia

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2025



MADISON COUNTY, GEORGIA

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2025 AND
INDEPENDENT AUDITOR'S REPORT

MADISON COUNTY, GEORGIA

TABLE OF CONTENTS
DECEMBER 31, 2025

Independent Auditor's Report 1

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position 4
Statement of Activities 6

Fund Financial Statements

Balance Sheet - Governmental Funds 8
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 10
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds 11
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 13
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund and Opioid Settlement Fund 14

Proprietary Funds

Statement of Net Position 17
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds 19
Statement of Cash Flows 20

Fiduciary Funds

Statement of Fiduciary Net Position 22
Statement of Changes in Fiduciary Net Position 23

Notes to the Financial Statements 24

Required Supplementary Information

Schedule of Changes in the County's Net Pension Liability and Related Ratios 48
Schedule of County Contributions 50
Notes to Required Supplementary Information 51

Supplementary Information

Schedule of Nonmajor Governmental Funds 52

Combining and Individual Fund Statements and Schedules

Combining Balance Sheet - Nonmajor Governmental Funds 53
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds 54
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Special Revenue Funds 55

MADISON COUNTY, GEORGIA

TABLE OF CONTENTS
DECEMBER 31, 2025

Custodial Funds
Combining Statement of Fiduciary Net Position 61
Combining Statement of Changes in Fiduciary Net Position 62

Schedules of Project Expenditures with Special Sales Tax Proceeds - 2014 and 2020 63

Schedule of Project Expenditures with Transportation Sales and Use Tax Proceeds - 2022 65

Schedule of Supplemental Income and Related Disbursements of
Constitutional Officers 66

Governmental Reports

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* 67

Schedule of Findings and Responses 69

MCNAIR MCLEMORE MIDDLEBROOKS & CO
CERTIFIED PUBLIC ACCOUNTANTS

389 Mulberry Street | Macon, Georgia 31201
Post Office Box One | Macon, Georgia 31202
478-746-6277 | mmmcpa.com

June 29, 2026

INDEPENDENT AUDITOR'S REPORT

To the Honorable Commissioners of
Madison County, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Madison County, Georgia** (the "County") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison statements for the General Fund and Major Special Revenue Fund – Opioid Settlement Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Madison County Health Department, which represent 23 percent, 100 percent, and 45 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Madison County Health Department, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (GAS),* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 13 to the financial statements, on January 1, 2025, the Madison County Industrial Development and Building Authority, a discretely presented component unit, conveyed all operations of the Water Fund to the County. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *GAS* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *GAS*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in the County's net pension liability and related ratios on pages 48 and 49, the schedule of County contributions on page 50, and the notes to the required supplementary information on page 51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 the 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, the combining custodial fund financial statements, the schedules of project expenditures with special sales tax proceeds, the schedule of project expenditures with transportation sales and use tax proceeds, and the schedule of supplemental income and related disbursements of constitutional officers are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, the combining custodial fund financial statements, the schedules of project expenditures with special sales tax proceeds, the schedule of project expenditures with transportation sales and use tax proceeds, and the schedule of supplemental income and related disbursements of constitutional officers are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 nonmajor fund financial statements, budgetary comparison schedules, the combining custodial fund financial statements, the schedules of project expenditures with special sales tax proceeds, the schedule of project expenditures with transportation sales and use tax proceeds, and the schedule of supplemental income and related disbursements of constitutional officers are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2026, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 the County's internal control over financial reporting and compliance.



McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

(THIS PAGE INTENTIONALLY LEFT BLANK)

BASIC FINANCIAL STATEMENTS

MADISON COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Industrial Development Authority	Health Department
Assets					
Cash and Cash Equivalents	$ 37,280,224	$ 5,148,485	$ 42,428,709	$ 1,813,942	$ 1,030,805
Investments	8,339,261	-	8,339,261	-	-
Receivables, Net of Allowance					
Taxes	2,114,870	-	2,114,870	-	-
Accounts	1,374,375	321,413	1,695,788	-	692
Restricted Cash	325,262	-	325,262	-	-
Due from Other Governments	1,459,317	80,000	1,539,317	849,679	-
Inventories	181,184	-	181,184	-	-
Prepaid Items	28,446	-	28,446	85,448	-
Net OPEB Asset	-	-	-	-	67,638
Capital Assets					
Nondepreciable	1,582,168	1,266,127	2,848,295	945,113	-
Depreciable, Net	121,647,489	21,565,151	143,212,640	-	23,214
Total Assets	174,332,596	28,381,176	202,713,772	3,694,182	1,122,349
Deferred Outflows of Resources					
Pensions	1,548,639	15,643	1,564,282	-	151,678
OPEB	-	-	-	-	51,224
Total Deferred Outflows of Resources	1,548,639	15,643	1,564,282	-	202,902
Liabilities					
Accounts Payable	800,169	56,851	857,020	6,770	61,366
Accrued Interest	-	5,427	5,427	-	-
Retainage Payable	32,975	-	32,975	-	-
Cash Held in Escrow	324,515	-	324,515	-	-
Accrued Salaries and Benefits	144,239	4,478	148,717	-	-
Due to Other Governments	-	-	-	80,000	6,260
Customer Deposits	-	106,140	106,140	-	-
Unearned Grant Revenue	-	-	-	-	5,022

See accompanying notes which are an integral part of these financial statements.

MADISON COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2025
(CONTINUED)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Industrial Development Authority	Health Department
Liabilities (Continued)					
Noncurrent Liabilities					
Due within One Year					
Compensated Absences	$ 856,525	$ 32,137	$ 888,662	$ -	$ 68,849
Lease Liabilities	43,290	-	43,290	-	-
Subscription Liabilities	30,327	-	30,327	-	-
Notes Payable	-	373,779	373,779	-	-
Bonds Payable	1,585,000	-	1,585,000	110,000	-
Postclosure Liability	-	8,335	8,335	-	-
Due in More than One Year					
Lease Liabilities	44,526	-	44,526	-	-
Subscription Liabilities	31,152	-	31,152	-	-
Notes Payable	-	3,190,315	3,190,315	-	-
Bonds Payable	-	-	-	3,845,069	-
Compensated Absences	531,848	10,712	542,560	-	-
Net Pension Liability	4,511,653	45,572	4,557,225	-	581,190
Postclosure Liability	-	8,735	8,735	-	-
Total Liabilities	8,936,219	3,842,481	12,778,700	4,041,839	722,687
Deferred Inflows of Resources					
Pensions	14,403	145	14,548	-	73,051
OPEB	-	-	-	-	47,277
Total Deferred Inflows of Resources	14,403	145	14,548	-	120,328
Net Position					
Net Investment in Capital Assets	121,462,387	19,267,184	140,729,571	945,113	23,214
Restricted for					
Capital Outlay	10,074,497	-	10,074,497	-	-
Law Enforcement	1,163,502	-	1,163,502	-	-
Court Programs	144,738	-	144,738	-	-
Opioid Remediation Program	358,117	-	358,117	-	-
Health and Welfare Programs	-	-	-	-	306,864
Unrestricted (Deficit)	33,727,372	5,287,009	39,014,381	(1,292,770)	152,158
Total Net Position	$ 166,930,613	$ 24,554,193	$ 191,484,806	$ (347,657)	$ 482,236

See accompanying notes which are an integral part of these financial statements.

MADISON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Functions / Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	$ 8,898,386	$ 999,260	$ 52,081	$ -
Judicial	1,704,959	21,837	135,864	184,162
Public Safety	11,993,950	4,288,367	21,359	-
Public Works	18,793,733	-	2,182,147	4,479
Health and Welfare	826,583	77,083	182,368	-
Culture and Recreation	1,329,283	313,327	18,588	-
Economic Development	535,658	-	-	-
Interest on Long-Term Debt	35,968	-	-	-
Total Governmental Activities	44,118,520	5,699,874	2,592,407	188,641
Business-Type Activities				
Water	2,394,587	2,799,579	436,544	1,290,758
Solid Waste	799,080	460,658	82,762	-
Total Business-Type Activities	3,193,667	3,260,237	519,306	1,290,758
Total Primary Government	$ 47,312,187	$ 8,960,111	$ 3,111,713	$ 1,479,399
Component Unit				
Industrial Development Authority	$ 733,424	$ -	$ 1,420,622	$ -
Madison County Health Department	1,012,467	298,289	853,185	-
Total Component Unit	$ 1,745,891	$ 298,289	$ 2,273,807	$ -
General Revenues				
Property Tax				
Sales Tax				
Other Tax				
Interest Revenue				
Miscellaneous				
Gain on Sale of Capital Assets				
Total General Revenues				
Transfers				
Special Item - Conveyance of Water Operations				
Total General Revenues, Transfers, and Special Item				
Change in Net Position				
Net Position (Deficit) - Beginning of Year, as Previously Presented				
Restatements				
Net Position (Deficit) - Beginning of Year, as Restated				
Net Position (Deficit) - End of Year				

See accompanying notes which are an integral part of these financial statements.

MADISON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(CONTINUED)

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Industrial Development Authority	Health Department
$ (7,847,045)	$ -	$ (7,847,045)		
(1,363,096)	-	(1,363,096)		
(7,684,224)	-	(7,684,224)		
(16,607,107)	-	(16,607,107)		
(567,132)	-	(567,132)		
(997,368)	-	(997,368)		
(535,658)	-	(535,658)		
(35,968)	-	(35,968)		
(35,637,598)	-	(35,637,598)		
-	2,132,294	2,132,294		
-	(255,660)	(255,660)		
-	1,876,634	1,876,634		
(35,637,598)	1,876,634	(33,760,964)		
			$ 687,198	$ -
			-	139,007
			687,198	139,007
15,854,715	-	15,854,715	-	-
10,497,317	-	10,497,317	-	-
3,133,340	-	3,133,340	-	-
755,248	1,882	757,130	-	8,575
162,748	-	162,748	3,750	-
29,017	-	29,017	-	-
30,432,385	1,882	30,434,267	3,750	8,575
(1,244,871)	1,244,871	-	-	-
-	21,496,810	21,496,810	(21,496,810)	-
29,187,514	22,743,563	51,931,077	(21,493,060)	8,575
(6,450,084)	24,620,197	18,170,113	(20,805,862)	147,582
173,380,697	(66,004)	173,314,693	20,458,205	368,875
-	-	-	-	(34,221)
173,380,697	(66,004)	173,314,693	20,458,205	334,654
$ 166,930,613	$ 24,554,193	$ 191,484,806	$ (347,657)	$ 482,236

See accompanying notes which are an integral part of these financial statements.

MADISON COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	General Fund	*Formerly Nonmajor* Opioid Settlement Fund	TSPLOST Fund	2020 SPLOST Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets						
Cash and Cash Equivalents	$24,893,039	$ 358,117	$ 3,562,721	$ 7,252,252	$ 1,214,095	$ 37,280,224
Investments	8,339,261	-	-	-	-	8,339,261
Receivables, Net of Allowance						
Taxes	2,114,870	-	-	-	-	2,114,870
Accounts Receivable	334,037	1,039,731	-	-	607	1,374,375
Due from Other Governments	630,158	-	349,751	375,160	104,248	1,459,317
Restricted Cash	325,262	-	-	-	-	325,262
Due from Other Funds	1,004,465	-	-	-	-	1,004,465
Prepaid Items	19,117	-	-	7,529	1,800	28,446
Inventory	181,184	-	-	-	-	181,184
Total Assets	$37,841,393	$ 1,397,848	$ 3,912,472	$ 7,634,941	$ 1,320,750	$ 52,107,404
Liabilities						
Accounts Payable	$ 369,614	$ -	$ 330,623	$ 97,324	$ 2,608	$ 800,169
Retainage Payable	-	-	32,975	-	-	32,975
Accrued Salaries and Benefits	136,137	-	-	-	8,102	144,239
Tax Sale Proceeds Held for Others	324,515	-	-	-	-	324,515
Due to Other Funds	-	-	960,898	43,567	-	1,004,465
Total Liabilities	830,266	-	1,324,496	140,891	10,710	2,306,363

See accompanying notes which are an integral part of these financial statements.

MADISON COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025
(CONTINUED)

	General Fund	*Formerly Nonmajor* Opioid Settlement Fund	TSPLOST Fund	2020 SPLOST Fund	Non-Major Governmental Funds	Total Governmental Funds
Deferred Inflows of Resources						
Unavailable Revenue - Property Taxes	$ 2,106,956	$ -	$ -	$ -	$ -	$ 2,106,956
Unavailable Revenue - Other	-	1,039,731	-	-	-	1,039,731
Total Deferred Inflows of Resources	2,106,956	1,039,731	-	-	-	3,146,687
Fund Balances						
Nonspendable	200,301	-	-	7,529	1,800	209,630
Restricted	-	358,117	2,587,976	7,486,521	1,308,240	11,740,854
Unassigned	34,703,870	-	-	-	-	34,703,870
Total Fund Balances	34,904,171	358,117	2,587,976	7,494,050	1,310,040	46,654,354
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$37,841,393	$ 1,397,848	$ 3,912,472	$ 7,634,941	$ 1,320,750	$ 52,107,404

See accompanying notes which are an integral part of these financial statements.

MADISON COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
DECEMBER 31, 2025

Total Fund Balances - Governmental Funds	$	46,654,354
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital Assets		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of the Assets		466,180,822
Accumulated Depreciation		(342,951,165)
Deferred Outflows of Resources		
Pensions		1,548,639
Revenues		
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		3,146,687
Long-Term Liabilities		
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following:		
Bonds Payable		(1,585,000)
Lease Liabilities		(87,816)
Subscription Liabilities		(61,479)
Compensated Absences		(1,388,373)
Net Pension Liability		(4,511,653)
Deferred Inflows of Resources		
Pensions		(14,403)
Total Net Position of Governmental Activities	$	166,930,613

See accompanying notes which are an integral part of these financial statements.

(THIS PAGE INTENTIONALLY LEFT BLANK)

MADISON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund	*Formerly Nonmajor* Opioid Settlement Fund	TSPLOST Fund	2020 SPLOST Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Taxes						
Property Tax	$ 14,894,738	$ -	$ -	$ -	$ -	$ 14,894,738
Sales Tax	2,936,373	-	3,592,906	3,968,038	-	10,497,317
Other Taxes	3,132,964	-	-	-	376	3,133,340
License and Permits	260,933	-	-	-	-	260,933
Intergovernmental	2,744,061	-	-	-	-	2,744,061
Fines and Forfeitures	642,229	84,710	-	-	64,069	791,008
Charges for Services	2,901,047	-	-	-	635,965	3,537,012
Interest Earnings	754,820	-	967	3,512	428	759,727
Contributions and Donations	103,698	-	-	-	-	103,698
Other Revenues	142,542	-	-	-	20,206	162,748
Total Revenues	28,513,405	84,710	3,593,873	3,971,550	721,044	36,884,582
Expenditures						
Current						
General Government	6,529,658	-	-	-	-	6,529,658
Judicial	1,850,948	-	-	-	-	1,850,948
Public Safety	10,085,616	1,432	-	219,363	1,291,640	11,598,051
Public Works	4,278,928	-	3,079,826	903,023	-	8,261,777
Health and Welfare	826,356	-	-	-	-	826,356
Culture and Recreation	1,283,674	-	-	-	-	1,283,674
Housing and Development	518,300	-	-	-	-	518,300

See accompanying notes which 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, 2025
(CONTINUED)

	General Fund	*Formerly Nonmajor* Opioid Settlement Fund	TSPLOST Fund	2020 SPLOST Fund	Non-Major Governmental Funds	Total Governmental Funds
Expenditures (Continued)						
Debt Service						
Principal	$ 71,612	$ -	$ -	$ 1,550,000	$ -	$ 1,621,612
Interest	6,185	-	-	29,783	-	35,968
Intergovernmental	-	-	435,101	357,123	-	792,224
Capital Outlay	-	61,612	82,975	451,910	-	596,497
Total Expenditures	25,451,277	63,044	3,597,902	3,511,202	1,291,640	33,915,065
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,062,128	21,666	(4,029)	460,348	(570,596)	2,969,517
Other Financing Sources (Uses)						
Transfers from Other Funds	-	-	-	-	1,233,079	1,233,079
Transfers to Other Funds	(2,477,950)	-	-	-	-	(2,477,950)
Proceeds from Sale of Capital Assets	42,837	-	-	-	-	42,837
Total Other Financing Sources (Uses)	(2,435,113)	-	-	-	1,233,079	(1,202,034)
Net Changes in Fund Balances	627,015	21,666	(4,029)	460,348	662,483	1,767,483
Fund Balance - Beginning of Year as Previously Presented	34,277,156	-	2,592,005	7,033,702	984,008	44,886,871
Adjustments	-	336,451	-	-	(336,451)	-
Fund Balance - Beginning of Year as Restated	34,277,156	336,451	2,592,005	7,033,702	647,557	44,886,871
Fund Balance - End of Year	$ 34,904,171	$ 358,117	$ 2,587,976	$ 7,494,050	$ 1,310,040	$ 46,654,354

See accompanying notes which 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, 2025

Net Change in Fund Balances - Total Governmental Funds	$ 1,767,483
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital Assets	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.	
Total Capital Outlays	1,962,881
Total Depreciation	(12,281,834)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.	(13,820)
Deferred outflows of resources related to pensions are not available during the current period and therefore are not reported in the funds.	
Change in Deferred Outflows of Resources - Pensions	(883,449)
Long-Term Debt	
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:	
Bonds Payable	1,550,000
Lease Liabilities	42,089
Subscription Liabilities	29,523
Compensated Absences	(580,373)
Net Pension Liability	(1,183,238)
Revenues	
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	1,999,708
Deferred inflows of resources related to pensions are not available during the current period and therefore are not reported in the funds.	
Change in Deferred Inflows of Resources - Pensions	1,140,946
Change in Net Position of Governmental Activities	$ (6,450,084)

See accompanying notes which are an integral part of these financial statements.

(THIS PAGE INTENTIONALLY LEFT BLANK)

MADISON COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Taxes				
Property Tax	$ 14,749,903	$ 14,749,903	$ 14,894,738	$ 144,835
Sales Tax	2,600,000	2,600,000	2,936,373	336,373
Other Taxes	2,744,000	2,744,000	3,132,964	388,964
License and Permits	194,360	195,635	260,933	65,298
Intergovernmental	1,293,615	2,454,209	2,744,061	289,852
Fines and Forfeitures	629,750	629,750	642,229	12,479
Charges for Services	2,385,772	2,726,117	2,901,047	174,930
Interest Earnings	204,090	204,126	754,820	550,694
Contributions and Donations	29,250	101,980	103,698	1,718
Other Revenues	44,300	125,523	142,542	17,019
Total Revenues	24,875,040	26,531,243	28,513,405	1,982,162
Expenditures				
Current				
General Government				
General Government	4,445,833	4,357,837	4,048,956	308,881
Governing Body	174,283	262,737	260,820	1,917
Financial Administration	211,859	211,859	210,694	1,165
Board of Elections / Registrations	316,374	318,554	295,538	23,016
Board of Equalization	13,555	13,555	7,911	5,644
Information Technology	379,526	379,526	309,317	70,209
Tax Commissioner	430,671	431,791	431,373	418
Tax Assessor	535,895	587,299	587,299	-
Buildings and Grounds	365,418	377,750	377,750	-
Judicial				
Superior Court	303,832	453,067	453,067	-
Clerk of Superior Court	469,251	469,291	443,590	25,701
District Attorney	111,285	111,285	110,875	410
Magistrate Court	310,626	310,626	289,755	20,871
Probate Court	394,255	394,415	389,692	4,723
Juvenile Court	170,610	170,610	163,969	6,641

See accompanying notes which are an integral part of these financial statements.

MADISON COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025
(CONTINUED)

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Public Safety				
Sheriff's Office	$ 2,680,904	$ 2,716,664	$ 2,456,685	$ 259,979
Emergency Management	1,423,404	1,423,404	1,413,646	9,758
Emergency Medical Service	2,709,035	3,017,961	2,602,797	415,164
Coroner	84,994	84,994	74,630	10,364
Animal Shelter	119,500	124,077	124,077	-
Jail	2,869,430	2,950,228	2,859,355	90,873
School Resource Officer	508,902	508,902	451,415	57,487
Animal Control	110,597	112,341	103,011	9,330
Public Works				
Highways and Streets	2,308,662	3,468,319	3,468,319	-
Vehicle Maintenance	958,770	958,770	810,609	148,161
Health and Welfare				
Food Bank	59,835	124,835	113,068	11,767
Senior Citizens Center	524,958	520,458	434,046	86,412
Public Education	44,050	44,050	43,444	606
Extension Office	18,300	18,861	18,861	-
Health	216,175	216,937	216,937	-
Culture and Recreation				
Recreation	1,203,908	1,213,586	1,026,073	187,513
Library Administration	257,658	257,658	257,601	57
Housing and Development				
Planning, Zoning, and Inspections	519,032	539,046	505,452	33,594
Chamber of Commerce	15,000	15,000	3,981	11,019
Forest Resources	8,867	8,867	8,867	-
Debt Service				
Principal	8,525	71,612	71,612	-
Interest and other charges	1,475	6,185	6,185	-
Total Expenditures	25,285,254	27,252,957	25,451,277	1,801,680
Excess Revenue Over (Under) Expenditures	(410,214)	(721,714)	3,062,128	3,783,842
Other Financing Sources (Uses)				
Transfers to Other Funds	-	-	(2,477,950)	(2,477,950)
Proceeds from Sale of Capital Assets	-	-	42,837	42,837
Total Other Financing Sources (Uses)	-	-	(2,435,113)	(2,435,113)
Net Change in Fund Balance	(410,214)	(721,714)	627,015	1,348,729
Fund Balance - Beginning of Year	34,277,156	34,277,156	34,277,156	-
Fund Balance - End of Year	$ 33,866,942	$ 33,555,442	$ 34,904,171	$ 1,348,729

See accompanying notes which are an integral part of these financial statements.

MADISON COUNTY, GEORGIA
OPIOID SETTLEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Fines and Forfeitures	$ 84,710	$ 84,710	$ 84,710	$ -
Total Revenues	84,710	84,710	84,710	-
Expenditures				
Current				
Public Safety	23,098	23,098	1,432	21,666
Capital Outlay	61,612	61,612	61,612	-
Total Expenditures	84,710	84,710	63,044	21,666
Net Changes in Fund Balance	-	-	21,666	21,666
Fund Balance - Beginning of Year	-	-	336,451	336,451
Fund Balance - End of Year	$ -	$ -	$ 358,117	$ 358,117

See accompanying notes which are an integral part of these financial statements.

(THIS PAGE INTENTIONALLY LEFT BLANK)

MADISON COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025

	Water Fund	Solid Waste Fund	Totals
Assets			
Current Assets			
Cash and Cash Equivalents	$ 5,147,785	$ 700	$ 5,148,485
Accounts Receivable, Net	260,863	60,550	321,413
Due from Other Governments	80,000	-	80,000
Total Current Assets	5,488,648	61,250	5,549,898
Noncurrent Assets			
Capital Assets			
Nondepreciable Assets	1,266,127	-	1,266,127
Depreciable Assets, Net	21,519,859	45,292	21,565,151
Total Capital Assets, Net	22,785,986	45,292	22,831,278
Total Noncurrent Assets	22,785,986	45,292	22,831,278
Total Assets	28,274,634	106,542	28,381,176
Deferred Outflows of Resources			
Pensions	-	15,643	15,643
Total Deferred Outflows of Resources	-	15,643	15,643

See accompanying notes which are an integral part of these financial statements.

MADISON COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025
(CONTINUED)

	Water Fund	Solid Waste Fund	Totals
Liabilities			
Current Liabilities			
Accounts Payable	$ 25,320	$ 31,531	$ 56,851
Accrued Salaries and Benefits	3,110	1,368	4,478
Accrued Interest	5,427	-	5,427
Customer Deposits	106,140	-	106,140
Compensated Absences	22,166	9,971	32,137
Notes Payable	373,779	-	373,779
Postclosure Liability	-	8,335	8,335
Total Current Liabilities	535,942	51,205	587,147
Long-Term Liabilities			
Compensated Absences	7,389	3,323	10,712
Notes Payable	3,190,315	-	3,190,315
Net Pension Liability	-	45,572	45,572
Postclosure Liability	-	8,735	8,735
Total Long-Term Liabilities	3,197,704	57,630	3,255,334
Total Liabilities	3,733,646	108,835	3,842,481
Deferred Inflows of Resources			
Pensions	-	145	145
Total Deferred Inflows of Resources	-	145	145
Net Position			
Net Investment in Capital Assets	19,221,892	45,292	19,267,184
Unrestricted (Deficit)	5,319,096	(32,087)	5,287,009
Total Net Position	$ 24,540,988	$ 13,205	$ 24,554,193

See accompanying notes which are an integral part of these financial statements.

(THIS PAGE INTENTIONALLY LEFT BLANK)

MADISON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Water Fund	Solid Waste Fund	Total
Operating Revenues			
Charges for Sales and Services	$ 2,757,213	$ 437,374	$ 3,194,587
Miscellaneous	42,366	23,284	65,650
Total Operating Revenues	2,799,579	460,658	3,260,237
Operating Expenses			
Cost of Sales - Waste Disposal Fees	683,559	397,059	1,080,618
Personnel Services	274,782	268,958	543,740
Contractual Services	8,051	2,606	10,657
Other Supplies and Expenses	362,303	118,291	480,594
Depreciation	969,659	12,166	981,825
Total Operating Expenses	2,298,354	799,080	3,097,434
Operating Income (Loss)	501,225	(338,422)	162,803
Nonoperating Revenues (Expenses)			
Interest Income	1,882	-	1,882
Interest Expense	(96,233)	-	(96,233)
Intergovernmental Revenue	436,544	82,762	519,306
Total Nonoperating Revenues (Expenses)	342,193	82,762	424,955
Income (Loss) Before Contributions, Transfers, and Special Item	843,418	(255,660)	587,758
Transfers from Other Funds	910,002	334,869	1,244,871
Capital Contributions	1,290,758	-	1,290,758
Special Item - Conveyance of Water Fund Operations	21,496,810	-	21,496,810
Change in Net Position	24,540,988	79,209	24,620,197
Total Net Position (Deficit) - Beginning of Year	-	(66,004)	(66,004)
Total Net Position - End of Year	$ 24,540,988	$ 13,205	$ 24,554,193

See accompanying notes which are an integral part of these financial statements.

MADISON COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Water Fund	Solid Waste Fund	Totals
Cash Flows from Operating Activities			
Cash Received from Customers	$ 2,564,856	$ 415,164	$ 2,980,020
Cash Paid to Suppliers for Goods and Services	(1,028,593)	(570,219)	(1,598,812)
Cash Paid to Employees	(242,117)	(262,576)	(504,693)
Net Cash Flows Provided by (Used for) Operating Activities	1,294,146	(417,631)	876,515
Cash Flows from Noncapital Financing Activities			
Conveyance of Water Operations	2,988,855	-	2,988,855
Transfers from Other Funds	910,002	334,869	1,244,871
Net Cash Flows Provided by (Used for) Noncapital Financing Activities	3,898,857	334,869	4,233,726
Cash Flows from Capital and Related Financing Activities			
Intergovernmental Revenue	436,544	82,762	519,306
Principal Paid on Notes Payable	(368,668)	-	(368,668)
Interest Paid on Notes Payable	(90,806)	-	(90,806)
Purchases of Capital Assets	(24,170)	-	(24,170)
Net Cash Flows Provided by (Used for) Capital and Related Financing Activities	(47,100)	82,762	35,662
Cash Flows from Investing Activities			
Interest Income	1,882	-	1,882
Net Cash Flows Provided by (Used for) Investing Activities	1,882	-	1,882
Net Increase (Decrease) in Cash and Cash Equivalents	5,147,785	-	5,147,785
Cash and Cash Equivalents - Beginning of Year	-	700	700
Cash and Cash Equivalents - End of Year	$ 5,147,785	$ 700	$ 5,148,485

See accompanying notes which are an integral part of these financial statements.

MADISON COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025
(CONTINUED)

	Water Fund	Solid Waste Fund	Totals
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Net Operating Income (Loss)	$ 501,225	$ (338,422)	$ 162,803
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Depreciation	969,659	12,166	981,825
Changes in Assets and Liabilities			
(Increase) Decrease in Accounts Receivable	(260,863)	(45,494)	(306,357)
(Increase) Decrease in Due From Other Governments	(80,000)	-	(80,000)
(Increase) Decrease in Deferred Outflows - Pensions	-	8,924	8,924
Increase (Decrease) in Accounts Payable	25,320	(34,471)	(9,151)
Increase (Decrease) in Accrued Salaries and Benefits	3,110	(7,187)	(4,077)
Increase (Decrease) in Customer Deposits	106,140	-	106,140
Increase (Decrease) in Due to Other Funds	-	(8,957)	(8,957)
Increase (Decrease) in Compensated Absences	29,555	4,218	33,773
Increase (Decrease) in Net Pension Liability	-	11,952	11,952
Increase (Decrease) in Deferred Inflows - Pensions	-	(11,525)	(11,525)
Increase (Decrease) in Postclosure Liability	-	(8,835)	(8,835)
Total Adjustments	792,921	(79,209)	713,712
Net Cash Provided by (Used for) Operating Activities	$ 1,294,146	$ (417,631)	$ 876,515
Noncash Capital Financing Activities			
Contributions of Capital Assets and Water Fund Operations	$ 22,787,568	$ -	$ 22,787,568

See accompanying notes which are an integral part of these financial statements.

MADISON COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2025

	Custodial Funds
Assets	
Cash and Cash Equivalents	$ 775,937
Taxes Receivable for Other Governments	5,835,265
Total Assets	$ 6,611,202
Liabilities	
Funds Due to Others	$ 304,639
Uncollected Taxes	5,835,265
Total Liabilities	6,139,904
Net Position	
Restricted for Individuals, Organizations, and Other Governments	471,298
Total Net Position	$ 471,298

See accompanying notes which are an integral part of these financial statements.

MADISON COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2025

	Custodial Funds
Additions	
Taxes Collected for Other Governments	$ 34,637,896
Funds Collected for Others	2,189,319
Total Additions	36,827,215
Deductions	
Taxes Distributed to Other Governments	34,637,896
Funds Distributed to Others	1,956,952
Total Deductions	36,594,848
Changes in Net Position	232,367
Net Position - Beginning of Year	238,931
Net Position - End of Year	$ 471,298

See accompanying notes which are an integral part of these financial statements.

(THIS PAGE INTENTIONALLY LEFT BLANK)

NOTES TO THE FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

Madison County was established under the provisions of an Act of the General Assembly 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.

Reporting Entity

As required by GAAP, the financial statements of the reporting entity include those of Madison County (the primary government) and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. In conformity with GAAP, as set forth in Statement of Governmental Accounting Standards Board (GASB) No. 61 *The Financial Reporting Entity: Omnibus, an amendment of GASB Statement No. 14 and 34*, the County's relationships with other governments and agencies have been examined. The financial statements of the component units have been included as discretely presented component units. The component unit columns in the combined financial statements include the financial data for the Madison County Health Department, as of June 30, 2025, and the Madison County Industrial Development and Building Authority, as of December 31, 2025. The financial information for the component units is reported in columns separate from the County's financial information to emphasize that it is legally separate from the County.

Madison County Health Department (Health Department)

The Health Department is charged with determining the health needs and resources of its jurisdiction, developing programs, activities, and facilities responsive to those needs, and enforcing all laws related to health matters unless they fall under the jurisdiction of other agencies. The Health Department is governed by the Madison County Board of Health (the Board). The Board includes seven members representing government, health professions, and the needy. The County appoints the voting majority of the Board. The County provides significant operating subsidies to the department. The Health Department is presented as a governmental fund type. The Health Department issued separate financial statements that have a June 30 year-end, as required by state statutes. Complete financial statements of the Health Department may be obtained from their administrative office at the following location:

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

(1) Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

Madison County Industrial Development and Building Authority (MCIDBA)

The County appoints all members of the MCIDBA'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 MCIDBA has a December 31 year end.

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

The following is a joint venture.

Under Georgia law, the County, in conjunction with other cities and counties in the eight county east central Georgia areas, is a member of the Northeast Georgia Regional Commission (RC) and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Council membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Northeast Georgia Regional Commission
305 Research Drive
Athens, Georgia 30605-2795

Government-Wide and Fund Financial Statements

The government-wide financial statements (statement of net position and statement of change in net position) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

(1) Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the primary government's Emergency Management services, Water services, and Solid Waste services and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided; 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, local option sales taxes, other taxes, intergovernmental revenues, interest, and charges for services associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the primary government.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the County's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The fund financial statements provide more detailed information about the primary government's most significant funds, not the primary government as a whole. The activities of the primary government are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

(1) Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

The primary government reports the following major governmental funds:

General Fund - The General Fund is the government's primary operating fund. It is used to account for and report all financial resources not accounted for and reported in another fund.

Opioid Settlement Fund -This is a special revenue fund. This fund accounts for Opioid Settlements received and the related Law Enforcement expenditures.

TSPLOST Fund -This is a capital projects fund. This fund was established to account for the proceeds and various projects associated with the Transportation Special Purpose Local Option Sales Tax.

2020 SPLOST 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.

The primary government reports the following major proprietary funds:

Water Fund – This fund accounts for the operation and maintenance of the County's retail water services.

Solid Waste Fund – This fund accounts for the post-closure care of the County's landfill and the operations and maintenance of the County's solid waste transfer station.

Additionally, the primary government reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Project Funds - Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Custodial Funds - Custodial Funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds.

Deposits and Investments

The primary government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

(1) Summary of Significant Accounting Policies (Continued)

Receivables

Receivables and due from other governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Activity between funds that is representative of lending / borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to / from other funds" or "advances to / from other funds." All other outstanding balances between funds are reported as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables have been reduced to their estimated net realizable value and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

Inventories

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.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired subsequent to October 1, 2003) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Property, plant, and equipment capital assets are defined by the primary government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Infrastructure capital assets are defined by the primary government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The County has recorded intangible right-to-use assets as a result of implementing GASB 87 and GASB 96. The intangible right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease / subscription liability plus any lease / subscription payments made prior to the lease / subscription term, less lease / subscription incentives, plus ancillary charges necessary to place the lease / subscription into service. The intangible right-to-use assets are amortized on a straight-line basis over the life of the related lease / subscription.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

(1) Summary of Significant Accounting Policies (Continued)

Capital Assets (Continued)

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	15-99 Years
Building and Improvement	20-50 Years
Water & Sewer Distributions	20-50 Years
Heavy Machinery & Vehicles	3-15 Years
Equipment, Furniture & Fixtures	5-10 Years
Intangible Right-to-Use Assets	5-7 Years

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, sick and compensatory time balances. Compensated absences are recorded (1) when the leave is attributed to services already rendered, (2) when the leave accumulates, and (3) when it is more likely than not to be used or paid.

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense / expenditures) until then. The County has one item that qualifies for reporting in this category. The deferred outflow of resources related to the pension plans. This amount is deferred and will be recognized as a reduction of the net pension liability in future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The primary government has two types of deferred inflows of resources. One type is only reported at the government-wide level for deferred inflows of resources for the net difference between projected and actual earnings on pension plan investments and differences between expected and actual experiences. The second type, which is only reported at the governmental fund level, is for unavailable property tax receivables and other opioid settlements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, lease liabilities, and subscription liabilities are deferred and amortized over their life using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, lease liabilities, and subscription liabilities during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources.

(1) Summary of Significant Accounting Policies (Continued)

Net Position Flow Assumption

Sometimes the primary government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the primary government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance:

Nonspendable - amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted - amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners (the Commissioners) through adoption of a resolution. The Commissioners also may modify or rescind the commitment.

Assigned - amounts that are constrained by the County's intent to be used for specific purposes but are neither restricted nor committed. By resolution, the Commissioners have authorized the County Manager to assign fund balances.

Unassigned - amounts are reported as unassigned as the residual amount when the balances do not meet any of the above criteria. The County reports positive unassigned fund balances only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

The County does not have a formal minimum fund balance policy.

(1) Summary of Significant Accounting Policies (Continued)

Fund Equity (Continued)

The following is a summary of the fund balance classifications as of December 31, 2025:

	General Fund	Opioid Settlement Fund	TSPLOST Fund	2020 SPLOST Fund	Non-Major Governmental	Total
Nonspendable						
Inventory	$ 181,184	$ -	$ -	$ -	$ -	$ 181,184
Prepaids Items	19,117	-	-	7,529	1,800	28,446
Restricted						
Capital Outlay	-	-	2,587,976	7,486,521	-	10,074,497
Law Enforcement	-	-	-	-	1,163,502	1,163,502
Court Programs	-	-	-	-	144,738	144,738
Opioid Remediation Program	-	358,117	-	-	-	358,117
Unassigned	34,703,870	-	-	-	-	34,703,870
Total Fund Balances	$ 34,904,171	$ 358,117	$ 2,587,976	$ 7,494,050	$ 1,310,040	$ 46,654,354

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 risks 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.

(2) Budgets and Budgetary Accounting

Budget Process

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 2025, the budget was legally adopted on July 31, 2024.

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

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

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

(3) Deposits and Investments

Custodial Credit Risk - Deposits

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the government will not be able to recover deposits. The County's bank balances of deposits as of December 31, 2025, are entirely insured or collateralized with securities held by the County's agent in the County's name. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held. The County does not have a formal policy for custodial credit risk.

The Board, a discretely presented component unit, bank balances of deposits as of June 30, 2025 are entirely insured or collateralized with securities held by the Board's agent in the Board's name. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

The MCIDBA, a discretely presented component unit, bank balances of deposits as of December 31, 2025, are entirely insured or collateralized with securities held by the Board's agent in the Board's name. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

(3) Deposits and Investments (Continued)

Investments

Investment Policy – The County's formal investment policy limits investment of public funds in a manner which will provide the highest investment return with the maximum security, while meeting the daily cash flow demands of the County and conforming to all state and local statutes governing the investment of such funds. The investment portfolio shall remain sufficiently liquid to enable the County to meet all operating requirements that might be reasonably anticipated.

Custodial credit risk. For an investment, the custodial risk is the risk that in the event of the failure of the counterparty to a transaction, an entity will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

As of December 31, 2025, the County had the following investments:

		Maturities in Years			
Investment	**Credit Rating**	**Under One**	**One - Three**	**Three - Seven**	**Total**
U.S. Government Agency Notes and Bonds	AA+	$ 8,339,261	$ -	$ -	$ 8,339,261
Total Investments		$ 8,339,261	$ -	$ -	$ 8,339,261

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. All financial institutions (banks) and broker/dealers are pre-qualified and subject to ongoing monitoring to ensure compliance with applicable regulations and requirements. Diversification of the investment portfolio to avoid concentration risk also alleviates some of the credit risk by limiting deposits to any one issuer.

Fair Value Measurements. Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurement and Application establishes a hierarchy of inputs to the valuation techniques of certain assets and liabilities at fair value. This hierarchy consists of three broad levels: Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are quoted market prices for similar assets or liabilities, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable. Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal. The County has the following recurring fair value measurements as of December 31, 2025:

Investment Type	**Total**	**Level 1**	**Level 2**	**Level 3**
Investment at Fair Value				
U.S. Government Agency Notes and Bonds	$ 8,339,261	$ 8,339,261	$ -	$ -
Total	$ 8,339,261	$ 8,339,261	$ -	$ -

(4) Property Taxes

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, 2025, were levied on August 25, 2025 with a due date of December 20, 2025. 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, 2025 amounted to $2,114,870 and deferred property tax revenue totaled $2,106,956.

(5) Receivables

Receivables at December 31, 2025, consist of the following:

	General Fund	Opioid Settlement Fund	Water Fund	Solid Waste Fund	Non-Major Governmental Funds	Total
Taxes	$ 2,114,870	$ -	$ -	$ -	$ -	$ 2,114,870
Accounts	3,665,156	1,039,731	362,216	60,550	607	5,128,260
Gross Receivables	5,780,026	1,039,731	362,216	60,550	607	7,243,130
Allowance for Uncollectible	(3,331,119)	-	(101,353)	-	-	(3,432,472)
Net Total Receivables	$ 2,448,907	$ 1,039,731	$ 260,863	$ 60,550	$ 607	$ 3,810,658

(6) Due from Other Governments

Amounts due from other governments at December 31, 2025, are as follows:

Fund	Federal	State	Other	Total
General Fund	$ 46,965	$ 277,609	$ 305,584	$ 630,158
TSPLOST Fund	-	349,751	-	349,751
2020 SPLOST Fund	-	375,160	-	375,160
Non-Major Governmental Funds	-	-	104,248	104,248
Water Fund	-	-	80,000	80,000
Total	$ 46,965	$1,002,520	$ 489,832	$ 1,539,317

The amounts due from state government are primarily for sales tax and grant funds.

(7) Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2025, is as follows:

Due To / From Other Funds		
Receivable Fund	Payable Fund	Amount
General Fund	TSPLOST Fund	$ 960,898
	SPLOST Fund	43,567
Total		$ 1,004,465

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are used to move unrestricted revenue to finance various programs that the primary government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching fund for various grant programs.

	Transfer In			
	Nonmajor Governmental	Water Fund	Solid Waste Fund	Total
Transfer Out				
General Fund	$ 1,233,079	$ 910,002	$ 334,869	$ 2,477,950
Total	$ 1,233,079	$ 910,002	$ 334,869	$ 2,477,950

(8) Capital Assets

Governmental activities for the year ended December 31, 2025 include the following:

	Beginning Balance	Increase	Decrease	Transfers / Reclassifications	Ending Balance
Capital Assets Not Being Depreciated					
Land	$ 969,316	$ -	$ -	$ -	$ 969,316
Construction in Progress	1,092,844	464,676	-	(944,668)	612,852
Total Capital Assets Not Being Depreciated	2,062,160	464,676	-	(944,668)	1,582,168
Capital Assets Being Depreciated					
Buildings	14,723,819	1,250	-	944,668	15,669,737
Equipment, Furniture & Vehicles	13,053,602	1,221,738	(191,645)	-	14,083,695
Land Improvements	2,586,223	275,217	-	-	2,861,440
Infrastructure	431,788,808	-	-	-	431,788,808
Intangible Right-To-Use Assets (Leases)	56,972	-	-	-	56,972
Intangible Right-To-Use Assets (SBITAs)	123,002	-	-	-	123,002
Intangible Assets (Software Licenses)	15,000	-	-	-	15,000
Total Capital Assets Being Depreciated	462,347,426	1,498,205	(191,645)	944,668	464,598,654
Accumulated Depreciation					
Buildings	(6,988,579)	(385,992)	-	-	(7,374,571)
Equipment, Furniture & Vehicles	(8,514,949)	(1,206,731)	177,825	-	(9,543,855)
Land Improvements	(1,329,244)	(124,016)	-	-	(1,453,260)
Infrastructure	(313,936,238)	(10,528,000)	-	-	(324,464,238)
Intangible Right-To-Use Assets (Leases)	(27,446)	(9,495)	-	-	(36,941)
Intangible Right-To-Use Assets (SBITAs)	(49,200)	(24,600)	-	-	(73,800)
Intangible Assets (Software Licenses)	(1,500)	(3,000)	-	-	(4,500)
Total Accumulated Depreciation	(330,847,156)	(12,281,834)	177,825	-	(342,951,165)
Total Capital Assets Being Depreciated, Net	131,500,270	(10,783,629)	(13,820)	944,668	121,647,489
Governmental Activities Capital Assets, Net	$ 133,562,430	$ (10,318,953)	$ (13,820)	$ -	123,229,657
				Less Related Long-Term Debt Outstanding	(1,734,295)
				Other (Non-Debt) Capital Related Liabilities	(32,975)
				Net Investment in Capital Assets	$ 121,462,387

(8) Capital Assets (Continued)

Business-type activities for the year ended December 31, 2025 include the following:

	Beginning Balance	Increase	Decrease	Transfers / Reclassifications	Ending Balance
Capital Assets Not Being Depreciated					
Land	$ -	$ 364,022	$ -	$ -	$ 364,022
Construction in Progress	-	902,105	-	-	902,105
Total Capital Assets Not Being Depreciated	-	1,266,127	-	-	1,266,127
Capital Assets Being Depreciated					
Buildings and Improvements	83,260	-	-	-	83,260
Plant and Infrastructure	-	22,255,955	-	-	22,255,955
Vehicles and Equipment	-	233,563	-	-	233,563
Furniture, Fixtures, and Equipment	236,771	-	-	-	236,771
Total Capital Assets Being Depreciated	320,031	22,489,518	-	-	22,809,549
Accumulated Depreciation					
Buildings and Improvements	(67,881)	(2,352)	-	-	(70,233)
Plant and Infrastructure	-	(895,282)	-	-	(895,282)
Vehicles and Equipment	-	(74,377)	-	-	(74,377)
Furniture, Fixtures, and Equipment	(194,692)	(9,814)	-	-	(204,506)
Total Accumulated Depreciation	(262,573)	(981,825)	-	-	(1,244,398)
Total Capital Assets Being Depreciated, Net	57,458	21,507,693	-	-	21,565,151
Business-Type Activities Capital Assets, Net	$ 57,458	$ 22,773,820	$ -	$ -	22,831,278
				Less Related Long-Term Debt Outstanding	(3,564,094)
				Net Investment in Capital Assets	$ 19,267,184

Depreciation expense was charged to functions / programs of the primary government as follows:

Governmental Activities	
General Government	$ 178,047
Judicial	38,173
Public Safety	986,515
Public Works	10,796,405
Health and Welfare	57,457
Culture and Recreation	207,879
Housing and Development	17,358
Total Depreciation Expense - Governmental Activities	$ 12,281,834
Business-Type Activities	
Water	$ 969,659
Solid Waste	12,166
Total Depreciation Expense - Business-Type Activities	$ 981,825

(8) Capital Assets (Continued)

Activity for the Madison County Industrial Development and Building Authority for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital Assets Not Being Depreciated				
Land	$ 574,135	$ 735,000	$ (364,022)	$ 945,113
Total Capital Assets Not Being Depreciated	574,135	735,000	(364,022)	945,113
Capital Assets Being Depreciated				
Water System	29,085,779	-	(29,085,779)	-
Wastewater Treatment Plant	2,495,327	-	(2,495,327)	-
Vehicles and Equipment	403,400	-	(403,400)	-
Total Capital Assets Being Depreciated	31,984,506	-	(31,984,506)	-
Accumulated Depreciation				
Water System	(8,852,252)	-	8,852,252	-
Wastewater Treatment Plant	(878,563)	-	878,563	-
Vehicles and Equipment	(176,995)	-	176,995	-
Total Accumulated Depreciation	(9,907,810)	-	9,907,810	-
Total Capital Assets Being Depreciated, Net	22,076,696	-	(22,076,696)	-
Madison County IDBA Capital Assets, Net	$ 22,650,831	$ 735,000	$ (22,440,718)	$ 945,113

Activity for the Board of Health for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital Assets Being Depreciated				
Office and Medical Equipment	$ 168,818	$ 1,499	$ -	$ 170,317
Total Capital Assets Being Depreciated	168,818	1,499	-	170,317
Accumulated Depreciation				
Office and Medical Equipment	(133,000)	(14,103)	-	(147,103)
Total Accumulated Depreciation	(133,000)	(14,103)	-	(147,103)
Total Capital Assets Being Depreciated, Net	35,818	(12,604)	-	23,214
Board of Health Capital Assets, Net	$ 35,818	$ (12,604)	$ -	$ 23,214

Depreciation expense of $14,103 was charged to the governmental activities health function / program.

(9) Long-Term Debt

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended December 31, 2025 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
2020 General Obligation Bonds	$ 3,135,000	$ -	$ (1,550,000)	$ 1,585,000	$ 1,585,000
Lease Liabilities	129,905	-	(42,089)	87,816	43,290
Subscription Liabilities	91,002	-	(29,523)	61,479	30,327
Net Pension Liability	3,328,415	1,183,238	-	4,511,653	-
Compensated Absences	808,000	580,373	-	1,388,373	856,525
Governmental activity					
Long-Term Liabilities	$ 7,492,322	$ 1,763,611	$ (1,621,612)	$ 7,634,321	$ 2,515,142
Business-Type Activities					
Notes Payable	$ -	$ 3,988,677	$ (368,668)	$ 3,620,009	$ 373,779
Less: Discount on Notes Payable	-	(81,674)	25,759	(55,915)	-
Landfill Postclosure Cost	25,905	-	(8,835)	17,070	8,335
Net Pension Liability	33,620	11,952	-	45,572	-
Compensated Absences	8,784	34,065	-	42,849	32,137
Business-Type Activity					
Long-Term Liabilities	$ 68,309	$ 3,953,020	$ (351,744)	$ 3,669,585	$ 414,251

For the governmental activities, net pension liability is generally liquidated by the General Fund. For the business-type activities, net pension liability is liquidated by the Solid Waste Fund. For both governmental activities and business-type activities, the change in compensated absences above is a net change for the year.

Governmental Activities

2020 General Obligation Bond

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 the 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 issuance date at the rate of 0.95 percent 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.

	Governmental Activities	
Year Ending	Principal	Interest
2026	$ 1,585,000	$ 15,058
Total	$ 1,585,000	$ 15,058

(9) Long-Term Debt (Continued)

Governmental Activities (Continued)

Lease Liabilities

The County has entered into two lease liability agreements for the financing of a Turf Tank One Robot and body cams for the police department. The lease liability agreements have been recorded at their present value of the future minimum lease payments as of the date of their inceptions.

The following is an analysis of the annual requirements of principal and interest for the lease liability as of December 31, 2025:

	Governmental Activities	
Year Ending	Principal	Interest
2026	$ 43,290	$ 2,507
2027	44,526	1,271
Total	$ 87,816	$ 3,778

Subscription Liabilities

The County has entered into a subscription liability agreement for the financing of accounting software. The subscription liability agreement has been recorded at the present value of the future minimum subscription payments as of the date of its inception. During 2024, the County modified the agreement for models not implemented and therefore calculated a remeasurement of the subscription liability.

The following is an analysis of the annual requirements of principal and interest for the subscription liability as of December 31, 2025:

	Governmental Activities	
Year Ending	Principal	Interest
2026	$ 30,327	$ 1,673
2027	31,152	848
Total	$ 61,479	$ 2,521

Business-Type Activities

Loans Payable

GEFA Loan Payable DW06-003

In 2007, the Madison County Industrial Development and Building Authority (the "Authority") entered into a contract with the Georgia Environmental Facilities Authority for a Drinking Water State Revolving Loan Fund grant / loan to provide financing for the construction of new water mains to interconnect the Colbert water system and to extend service along Highway 98 West of Danielsville. The total amount the Authority drew down on this loan was $1,525,000. Monthly principal-only payments of $6,354 began in 2007 and will end in 2030. On January 1, 2025, the GEFA Loan was assumed by the County. See Note 13 for additional information.

(9) Long-Term Debt (Continued)

Business-Type Activities (Continued)

Loans Payable (Continued)

GEFA Loan Payable DW07001

In 2008, the Authority entered into a contract with the Georgia Environmental Facilities Authority for a Drinking Water State Revolving Loan Fund grant / loan to construct new water mains to provide an interconnection of the Authority's City of Hull and Madison County systems, construct new water mains to serve additional areas and maintain pressures within the system, as well as new wells to provide additional supply. The total amount the Authority drew down on this loan was $1,365,000. Monthly principal-only payments of $5,688 began in 2008 and will end in 2031. On January 1, 2025, the GEFA Loan was assumed by the County. See Note 13 for additional information.

GEFA Loan Payable DW2017026

In 2018, the Authority entered into a contract with the Georgia Environmental Facilities Authority for a Drinking Water State Revolving Loan Fund grant / loan to construct new water mains to provide an interconnection to the Elberton water system, construct a new elevated storage tank and booster pump station, and related appurtenances. The total amount the Authority drew down on this loan was $4,700,000. Monthly payments of $24,337, including interest at 2.25 percent began in 2018 and will end in 2037. Total interest paid for 2025 was $70,475. On January 1, 2025, the GEFA Loan was assumed by the County. See Note 13 for additional information.

Cash requirements to maturity for these loans are as follows:

	Business-Type Activities	
Year Ending	Principal	Interest
2026	$ 373,779	$ 62,765
2027	378,991	57,553
2028	384,322	52,222
2029	389,774	46,770
2030	369,933	41,194
2031-2035	1,370,863	117,791
2036-2037	352,347	5,202
Total	$ 3,620,009	$ 383,497

Madison County Industrial Development and Building Authority

Bonds Payable

The Series 2018 Revenue Refunding Bonds were issued in June 2018 with interest rates ranging from 3 – 4 percent and maturing between 2019 and 2038. Interest is payable semiannually on January 1 and July 1. 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.

(9) Long-Term Debt (Continued)

Madison County Industrial Development and Building Authority

Bonds Payable (Continued)

Cash requirements for Series 2018 Revenue Refunding Bonds are as follows:

	Madison County IDBA	
Year Ending	Principal	Interest
2026	$ 110,000	$ 150,200
2027	115,000	145,800
2028	115,000	141,200
2029	120,000	136,600
2030	190,000	131,800
2031-2035	1,650,000	502,000
2036-2038	1,455,000	119,000
Total	$ 3,755,000	$ 1,326,600

(10) Landfill Costs

State and federal regulations require that the 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 percent (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 post-closure care costs estimated to be incurred in the remaining years of post-closure monitoring. The recognition of these landfill post-closure care costs is based on 100 percent usage of the landfill and is based on an estimate of the post-closure 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 2025, the County expended $8,835 on post-closure costs, which included various monitoring and remediation activities. Engineering consultants provided the County with estimated costs of $8,335 per year for the remaining post-closure costs. Therefore, the estimated liability for the remaining 3 years as shown on the County's financial statements for landfill post-closure costs is $17,070 as of December 31, 2025. Post-closure financial assurance requirements are being met through continually maintaining certain finance ratios.

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

The estimated total cost of the landfill post-closure 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, 2025. However, the actual costs of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

(11) Retirement Benefits

ACCG Defined Benefit Plan

Plan Description

The County contributes to the Association County Commissioners of Georgia (ACCG) Defined Benefit Plan (the Plan), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating Counties in Georgia. ACCG issues a publicly available financial report that includes financial statements and required supplementary information (RSI) for the Plan. That report may be obtained by writing to GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339 or by calling (800) 736-7166.

Participation and Retirement Benefits

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 percent of average annual compensation up to $10,000 plus 1.5 percent 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 percent equities and 30 percent 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

As of January 1, 2024, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Retirees and Beneficiaries Currently Receiving Benefits	92
Terminated Employees Entitled to Benefits but not yet Receiving Them	105
Current Active Employees	128
Total	325
Covered compensation for active participants	$ 6,538,840

(11) Retirement Benefits (Continued)

ACCG Defined Benefit Plan (Continued)

Contributions

The plan members are not required to contribute to the plan. The County is required to contribute at an actuarially determined rate; the current rate is 10.4 percent of annual covered payroll. The contribution requirements of the County are established and may be amended by the ACCG Board of Trustees.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2025, the County reported a net pension liability. The net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2024. An expected total pension liability as of December 31, 2025, was determined using standard roll-forward techniques.

For the year ended December 31, 2025, the County recognized pension expense relative to ACCG in the amount of $1,664,747. At December 31, 2025, the County reported deferred outflows of resources related to the Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	$ 66,112	$ -
Differences Between Expected and Actual Experience in the Measurement of the Total Pension Liability	574,986	14,548
Changes of Assumptions or Other Inputs	193,529	-
Employer Contributions Subsequent to the Measurement Date	729,655	-
	$ 1,564,282	$ 14,548

County contributions subsequent to the measurement date of December 31, 2024, are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended December 31, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense in the years ended December 31 are as follows:

Year	Amount
2026	$ 469,454
2027	549,248
2028	(113,432)
2029	(85,191)
2030	-

(11) Retirement Benefits (Continued)

ACCG Defined Benefit Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions - The total pension liability as of December 31, 2025, was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary Increases	3.50% per year with an age-based scale
Investment Rate of Return	On-going basis, based on long-term expected rate of return of pension plan investments

Mortality rates were based on the Pub-2010 Amount weighted Mortality Table with a blend of 50.0 percent of the General Employees Table and 50.0 percent of the Public Safety Employees with Scale AA to 2024. The table was changed to adopt the mortality tables developed specifically for governmental employees by the Society of Actuaries.

Net Pension Liability

Changes in net pension liability for the year ended December 31, 2025, are as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance - December 31, 2023	$ 15,508,100	$ 12,146,065	$ 3,362,035
Service Cost	299,759	-	299,759
Interest	1,061,229	-	1,061,229
Liability Experience (Gain) Loss	589,139	-	589,139
Assumption Changes	27,502	-	27,502
Plan Changes	796,265	-	796,265
Employer Contributions	-	353,090	(353,090)
Employee Contributions	-	51,142	(51,142)
Net Investment Income	-	1,301,448	(1,301,448)
Benefit Payments	(695,366)	(695,366)	-
Administrative Expense	-	(55,740)	55,740
Other Changes	-	(71,236)	71,236
Net changes	2,078,528	883,338	1,195,190
Balance - December 31, 2024	$ 17,586,628	$ 13,029,403	$ 4,557,225

The County's net pension liability is recorded in the government-wide statement of net position in the amounts of $4,511,653 related to governmental activities, and $45,572 related to business-type activities.

(11) Retirement Benefits (Continued)

ACCG Defined Benefit Plan (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The investment return assumption is based on the following:

Estimated 50th Percentile Return Based on UBS Capital Market Assumptions:	6.71%
15-Year Performance in Excess of Benchmarks:	1.00%
Assumed Annual Investment Return (Limited to 7.00%):	7.00%

Discount Rate - The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the County's net pension liability calculated using the discount rate of 7.00 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00 %) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	$ 7,081,262	$ 4,557,225	$ 2,480,833

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued ACCG financial report which is publicly available at www.accgretirement.com.

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 $109,835 for the year ending December 31, 2025.

(12) Contingent Liabilities

Litigation

During the course of normal operations of the County, various claims and lawsuits arise. The County attorney has advised that there are no potential liabilities that will impair the position as of the date of this audit report.

(12) Contingent Liabilities (Continued)

Federal Grants

The County participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives, and the audits of these programs for or including the year ended December 31, 2025, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

(13) Special Item – Conveyance of Water Operations

Effective January 1, 2025, all operations of the Madison County Industrial Development and Building Authority's Water Fund were consolidated into and are reported on the financial statements of Madison County, Georgia. The effects of the conveyance are shown as a special item on the financial statements due to the significance and infrequency of the transaction.

The components of the Special Item – Conveyance of Water Operations, on January 1, 2025, are as follows:

	Balances at 12/31/2024
Business-Type Activities Capital Assets, Net	$ 22,440,718
GEFA Loan Payables	(3,907,004)
Cash and Cash Equivalents	2,607,109
Restricted Cash and Cash Equivalents	361,763
Current Year Net Cash Flows before Transfer	82,600
Less Prepaid Interest included in Net Cash Flows Above	(77,200)
Less Bond Insurance Premium included in Net Cash Flows Above	(11,176)
Special Item - Conveyance of Water Operations	$ 21,496,810

(14) Adjustments of Beginning Balances

Based on the quantitative thresholds the Opioid Settlement Fund, previously presented as a nonmajor governmental fund is required to be presented as a major governmental fund for the year ended December 31, 2025.

	Fund Balance December 31, 2024 As Previously Reported	Adjustment - Opioid Settlement Fund as Major Fund	Fund Balance December 31, 2024 As Adjusted
Governmental Funds			
Major Funds			
General Fund	$ 34,277,156	$ -	$ 34,277,156
Opioid Settlement Fund	-	336,451	336,451
TSPLOST Fund	2,592,005	-	2,592,005
2020 SPLOST Fund	7,033,702	-	7,033,702
Nonmajor Funds	984,008	(336,451)	647,557
	$ 44,886,871	$ -	$ 44,886,871

(THIS PAGE INTENTIONALLY LEFT BLANK)

REQUIRED SUPPLEMENTARY INFORMATION

MADISON COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS

	2025	2024	2023
Total Pension Liability			
Service Cost	**$ 299,759**	$ 237,672	$ 235,540
Interest on Total Pension Liability	**1,061,229**	991,846	927,931
Difference between Expected and Actual Experience	**589,139**	95,683	358,058
Changes of Assumptions	**27,502**	324,539	23,140
Plan Changes	**796,265**	-	-
Benefit Payments, Including Refunds of Employee Contributions	**(695,366)**	(621,722)	(641,489)
Net Change in Total Pension Liability	**2,078,528**	1,028,018	903,180
Total Pension Liability - Beginning of Year	**15,508,100**	14,480,082	13,576,902
Total Pension Liability - End of Year	**$ 17,586,628**	$ 15,508,100	$ 14,480,082
Plan Fiduciary Net Position			
Contributions - Employer	**$ 353,090**	$ 786,277	$ 671,394
Contributions - Employee	**51,142**	49,746	53,497
Net Investment Income	**1,301,448**	1,538,247	(1,718,243)
Benefit Payments, Including Refunds of Member Contributions	**(695,366)**	(621,722)	(641,489)
Administrative Expenses	**(55,740)**	(51,049)	(45,391)
Other Expenses	**(71,236)**	(134,710)	(73,845)
Net Change in Plan Fiduciary Net Position	**883,338**	1,566,789	(1,754,077)
Plan Fiduciary Net Position - Beginning of Year	**12,146,065**	10,579,276	12,333,353
Plan Fiduciary Net Position - End of Year	**$ 13,029,403**	$ 12,146,065	$ 10,579,276
Net Pension Liability (Asset) - End of Year	**$ 4,557,225**	$ 3,362,035	$ 3,900,806
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	**74.09%**	78.32%	73.06%
Covered Payroll	**$ 6,538,840**	$ 6,150,108	$ 5,534,643
Net Pension Liability as a Percentage of Covered Payroll	**69.69%**	54.67%	70.48%

The accompanying notes to the required supplementary information are an integral part of this schedule.

MADISON COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025
(CONTINUED)

SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS

2022	2021	2020	2019	2018	2017	2016
$ 206,169	$ 198,702	$ 197,664	$ 211,631	$ 216,888	$ 189,468	$ 187,164
895,319	863,273	771,592	764,259	718,383	693,026	615,307
(305,504)	310,715	156,738	59,089	115,896	(113,511)	285,873
21,529	20,580	557,804	49,838	31,751	320,970	331,254
257,757	-	-	-	-	-	-
(577,267)	(646,844)	(748,125)	(459,040)	(441,243)	(401,912)	(364,786)
498,003	746,426	935,673	625,777	641,675	688,041	1,054,812
13,078,899	12,332,473	11,396,800	10,771,023	10,129,348	9,441,307	8,386,495
$ 13,576,902	$ 13,078,899	$ 12,332,473	$ 11,396,800	$ 10,771,023	$ 10,129,348	$ 9,441,307
$ 673,868	$ 683,112	$ 625,461	$ 599,011	$ 592,576	$ 549,129	$ 537,605
19,894	-	-	-	-	-	-
1,619,777	1,290,793	1,570,476	(366,391)	1,113,370	456,996	10,638
(577,267)	(624,970)	(748,125)	(459,040)	(441,243)	(401,912)	(364,786)
(41,656)	(39,729)	(39,683)	(27,268)	(25,644)	(28,414)	(26,457)
(98,184)	(65,313)	(22,627)	(51,644)	(96,276)	(14,712)	(32,893)
1,596,432	1,243,893	1,385,502	(305,332)	1,142,783	561,087	124,107
10,736,921	9,493,028	8,107,526	8,412,858	7,270,075	6,708,988	6,584,881
$ 12,333,353	$ 10,736,921	$ 9,493,028	$ 8,107,526	$ 8,412,858	$ 7,270,075	$ 6,708,988
$ 1,243,549	$ 2,341,978	$ 2,839,445	$ 3,289,274	$ 2,358,165	$ 2,859,273	$ 2,732,319
90.84%	82.09%	76.98%	71.14%	78.11%	71.77%	71.06%
$ 5,146,665	$ 4,803,973	$ 4,939,728	$ 4,631,134	$ 4,726,098	$ 4,544,200	$ 4,786,794
24.16%	48.75%	57.48%	71.03%	49.90%	62.92%	57.08%

The accompanying notes to the required supplementary information are an integral part of this schedule.

MADISON COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2025

SCHEDULE OF COUNTY CONTRIBUTIONS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contributions	**$ 795,055**	$ 699,097	$ 786,277	$ 671,394	$ 683,112	$ 625,461	$ 599,011	$ 592,576	$ 549,129	$ 537,210
Contributions in Relation to the Actuarially Determined Contributions	**729,655**	653,090	786,277	671,394	683,112	625,461	599,011	592,576	549,129	537,605
Contribution Deficiency (Excess)	**$ 65,400**	$ 46,007	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (395)
County's Covered Payroll	**$ 7,644,760**	$ 6,533,617	$ 6,142,789	$ 5,548,711	$ 4,803,973	$ 4,939,728	$ 4,631,134	$ 4,726,098	$ 4,544,200	$ 4,786,794
Contributions as a Percentage of Covered Payroll	**9.54%**	10.00%	12.80%	12.10%	14.22%	12.66%	12.93%	12.54%	12.08%	11.23%

The accompanying notes to the required supplementary information are an integral part of this schedule.

(1) Pension Plan

***Changes of Assumptions*:**

- The mortality improvements for the Pub-2010 GE (50%) & PS (50%) Amount Weighted mortality table are projected to 2024 instead of 2023 with Scale AA.

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	5-Year Smoothed Market
Net Investment Rate of Return	7.00%
Projected Salary Increases	3.50% per year with an age-based scale
Cost of Living Adjustments	0.00%
Retirement Age	Ages 55-60 rate of 15%, age 61-63 rate of 20%, ages 64-66 rate of 30%, age 67 rate of 50%, age 68-69 rate of 30%, and age 70 and over rate of 100%
Mortality	Pub-2010 GE (50%) & PS (50%) Amt-Weighted with Scale AA to 2024 (Pre-Retirement: Employee, Post-Retirement: Retire)
Disability	Male and female rates derived from the February 2024 experience study.

(THIS PAGE INTENTIONALLY LEFT BLANK)

SUPPLEMENTARY INFORMATION

(THIS PAGE INTENTIONALLY LEFT BLANK)

MADISON COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Law Library Fund - This fund accounts for the resources of a centralized law library per State Law.

Clerk Deed Fund – This fund accounts for the Clerk Deed funds received and disbursed for Law Enforcement expenditures.

PEPI & Seized Drug Fund – This fund accounts for condemned funds received and disbursed for Law Enforcement expenditures.

Drug Abuse Treatment Fund - This fund accounts for fines collected as required by State Law for drug abuse treatment and educational purposes.

Sheriff's Donation Fund – This fund accounts for donations and contributions for the Sheriff's Department and the related Law Enforcement expenditures.

E-911 Fund - This fund accounts for the E-911 fees collected and disbursements for the operation of the E-911 call center.

MADISON COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Special Revenue Funds						
	Law Library Fund	Clerk Deed Fund	PEPI & Seized Drug Fund	Drug Abuse Treatment Fund	Sheriff's Donation Fund	E-911 Fund	Total Nonmajor Governmental Funds
Assets							
Cash and Cash Equivalents	$ 57,266	$ 82,848	$ 3,429	$ 1,197	$ 39,061	$ 1,030,294	$ 1,214,095
Receivables, Net of Allowance							
Accounts	-	-	-	607	-	-	607
Due from Other Governments	-	-	-	-	-	104,248	104,248
Prepaids Items	-	-	-	-	-	1,800	1,800
Total Assets	$ 57,266	$ 82,848	$ 3,429	$ 1,804	$ 39,061	$ 1,136,342	$ 1,320,750
Liabilities							
Accounts Payable	$ -	$ -	$ -	$ -	$ -	$ 2,608	$ 2,608
Accrued Salaries and Benefits	-	-	-	609	-	7,493	8,102
Total Liabilities	-	-	-	609	-	10,101	10,710
Fund Balances							
Nonspendable	-	-	-	-	-	1,800	1,800
Restricted	57,266	82,848	3,429	1,195	39,061	1,124,441	1,308,240
Total Fund Balances	57,266	82,848	3,429	1,195	39,061	1,126,241	1,310,040
Total Liabilities and Fund Balances	$ 57,266	$ 82,848	$ 3,429	$ 1,804	$ 39,061	$ 1,136,342	$ 1,320,750

MADISON COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Special Revenue Funds							
	Law Library Fund	**Clerk Deed Fund**	**PEPI & Seized Drug Fund**	**Drug Abuse Treatment Fund**	**Sheriff's Donation Fund**	**E-911 Fund**	*Formerly Nonmajor* **Opioid Settlement Fund**	**Total Nonmajor Governmental Funds**
Revenues								
Taxes	$ -	$ -	$ -	$ -	$ -	$ 376		$ 376
Charges for Services	-	-	-	-	-	635,965		635,965
Fines and Forfeitures	9,851	23,180	16,074	14,964	-	-		64,069
Interest Earnings	27	42	-	-	-	359		428
Other Revenues	-	-	-	-	17,027	3,179		20,206
Total Revenues	9,878	23,222	16,074	14,964	17,027	639,879		721,044
Expenditures								
Current								
Public Safety	7,079	29,052	26,510	73,361	15,966	1,139,672		1,291,640
Total Expenditures	7,079	29,052	26,510	73,361	15,966	1,139,672		1,291,640
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,799	(5,830)	(10,436)	(58,397)	1,061	(499,793)		(570,596)
Other Financing Sources (Uses)								
Transfers from Other Funds	-	-	-	65,641	-	1,167,438		1,233,079
Total Other Financing Sources (Uses)	-	-	-	65,641	-	1,167,438		1,233,079
Net Changes in Fund Balances	2,799	(5,830)	(10,436)	7,244	1,061	667,645		662,483
Fund Balance (Deficit) - Beginning of Year as Previously Presented	54,467	88,678	13,865	(6,049)	38,000	458,596	336,451	984,008
Adjustments	-	-	-	-	-	-	(336,451)	(336,451)
Fund Balance (Deficit) - Beginning of Year as Restated	54,467	88,678	13,865	(6,049)	38,000	458,596	-	647,557
Fund Balance - End of Year	$ 57,266	$ 82,848	$ 3,429	$ 1,195	$ 39,061	$ 1,126,241	$ -	$ 1,310,040

MADISON COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	$ 18,000	$ 9,851	$ (8,149)
Interest Income	-	27	27
Total Revenues	18,000	9,878	(8,122)
Expenditures			
Current			
Public Safety	18,000	7,079	10,921
Total Expenditures	18,000	7,079	10,921
Net Changes in Fund Balance	-	2,799	2,799
Fund Balance - Beginning of Year	54,467	54,467	-
Fund Balance - End of Year	$ 54,467	$ 57,266	$ 2,799

MADISON COUNTY, GEORGIA
CLERK DEED FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	$ 29,052	$ 23,180	$ (5,872)
Interest Income	-	42	42
Total Revenues	29,052	23,222	(5,830)
Expenditures			
Current			
Public Safety	29,052	29,052	-
Total Expenditures	29,052	29,052	-
Net Changes in Fund Balance	-	(5,830)	(5,830)
Fund Balance - Beginning of Year	88,678	88,678	-
Fund Balance - End of Year	$ 88,678	$ 82,848	$ (5,830)

MADISON COUNTY, GEORGIA
PEPI & SEIZED DRUG FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	$ 26,510	$ 16,074	$ (10,436)
Total Revenues	26,510	16,074	(10,436)
Expenditures			
Current			
Public Safety	26,510	26,510	-
Total Expenditures	26,510	26,510	-
Net Changes in Fund Balance	-	(10,436)	(10,436)
Fund Balance - Beginning of Year	13,865	13,865	-
Fund Balance - End of Year	$ 13,865	$ 3,429	$ (10,436)

MADISON COUNTY, GEORGIA
DRUG ABUSE TREATMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	$ 17,000	$ 14,964	$ (2,036)
Total Revenues	17,000	14,964	(2,036)
Expenditures			
Current			
Public Safety	77,159	73,361	3,798
Total Expenditures	77,159	73,361	3,798
Excess (Deficiency) of Revenues Over (Under) Expenditures	(60,159)	(58,397)	1,762
Other Financing Sources (Uses)			
Transfer from Other Funds	-	65,641	65,641
Total Other Financing Sources (Uses)	-	65,641	65,641
Net Changes in Fund Balance	(60,159)	7,244	67,403
Fund Balance (Deficit) - Beginning of Year	(6,049)	(6,049)	-
Fund Balance - End of Year	$ (66,208)	$ 1,195	$ 67,403

MADISON COUNTY, GEORGIA
SHERIFF'S DONATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues			
Other Revenues	$ 15,966	$ 17,027	$ 1,061
Total Revenues	15,966	17,027	1,061
Expenditures			
Current			
Public Safety	15,966	15,966	-
Total Expenditures	15,966	15,966	-
Net Changes in Fund Balance	-	1,061	1,061
Fund Balance - Beginning of Year	38,000	38,000	-
Fund Balance - End of Year	$ 38,000	$ 39,061	$ 1,061

MADISON COUNTY, GEORGIA
E-911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes	$ 500	$ 376	$ (124)
Charges for Services	614,000	635,965	21,965
Interest Earnings	400	359	(41)
Other Revenues	2,100	3,179	1,079
Total Revenues	617,000	639,879	22,879
Expenditures			
Current			
Public Safety	1,139,672	1,139,672	-
Total Expenditures	1,139,672	1,139,672	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(522,672)	(499,793)	22,879
Other Financing Sources (Uses)			
Transfers from Other Funds	-	1,167,438	1,167,438
Total Other Financing Sources (Uses)	-	1,167,438	1,167,438
Net Changes in Fund Balance	(522,672)	667,645	1,190,317
Fund Balance - Beginning of Year	458,596	458,596	-
Fund Balance - End of Year	$ (64,076)	$ 1,126,241	$ 1,190,317

MADISON COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2025

	Clerk of Superior Court	Magistrate Court	Probate Court	Sheriff's Department	Tax Commissioner's Office	Total
Assets						
Cash and Cash Equivalents	$ 478,878	$ 10,940	$ 18,861	$ 158,582	$ 108,676	$ 775,937
Taxes Receivable for Other Governments	-	-	-	-	5,835,265	5,835,265
Total Assets	478,878	10,940	18,861	158,582	5,943,941	6,611,202
Liabilities						
Funds Due to Others	145,570	10,940	8,357	31,096	108,676	304,639
Uncollected Taxes	-	-	-	-	5,835,265	5,835,265
Total Liabilities	145,570	10,940	8,357	31,096	5,943,941	6,139,904
Net Position						
Restricted for Individuals, Organizations, and Other Governments	333,308	-	10,504	127,486	-	471,298
Total Net Position	$ 333,308	$ -	$ 10,504	$ 127,486	$ -	$ 471,298

MADISON COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Clerk of Superior Court	Magistrate Court	Probate Court	Sheriff's Department	Tax Commissioner's Office	Total
Additions						
Taxes Collected for Other Governments	$ -	$ -	$ -	$ -	$ 34,637,896	$ 34,637,896
Funds Collected for Others	1,401,672	192,688	196,122	398,837	-	2,189,319
Total Additions	1,401,672	192,688	196,122	398,837	34,637,896	36,827,215
Deductions						
Taxes Distributed to Other Governments	-	-	-	-	34,637,896	34,637,896
Funds Distributed to Others	1,207,607	192,688	203,083	353,574	-	1,956,952
Total Deductions	1,207,607	192,688	203,083	353,574	34,637,896	36,594,848
Changes in Net Position	194,065	-	(6,961)	45,263	-	232,367
Net Position - Beginning of Year	139,243	-	17,465	82,223	-	238,931
Net Position - End of Year	$ 333,308	$ -	$ 10,504	$ 127,486	$ -	$ 471,298

MADISON COUNTY, GEORGIA
SCHEDULE OF PROJECT EXPENDITURES WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Project 2014 Special Local Option Sales Tax	Original Estimated Budget	Amended Budget	Expenditures Prior Years	Expenditures Current Year	Total
Road and Bridge Improvements	$ 6,487,500	$ 6,487,500	$ 6,483,342	$ -	$ 6,483,342
Recreation	227,500	227,500	226,982	-	226,982
Sheriff	681,667	681,667	672,943	-	672,943
E-911	153,000	153,000	151,421	-	151,421
EMS	755,833	755,833	745,645	-	745,645
Transfer Station	84,167	84,167	22,298	-	22,298
Old Courthouse	42,000	42,000	42,832	-	42,832
Firefighting	1,033,333	1,033,333	1,034,878	-	1,034,878
Industrial Development & Building Authority for Water & Sewer Projects	1,422,500	1,422,500	1,403,077	-	1,403,077
Payments to Cities for Capital Projects					
City of Carlton	126,900	126,900	125,166	-	125,166
City of Colbert	289,050	289,050	285,104	-	285,104
City of Comer	549,600	549,600	542,096	-	542,096
City of Danielsville	273,300	273,300	269,575	-	269,575
City of Hull	96,600	96,600	95,280	-	95,280
City of Ila	164,550	164,550	162,309	-	162,309
2014 Special Local Option Sales Tax	$ 12,387,500	$12,387,500	$ 12,262,948	$ -	$ 12,262,948

*Note: 2014 Special Local Option Sales Tax Fund was closed out during FY 2024.

MADISON COUNTY, GEORGIA
SCHEDULE OF PROJECT EXPENDITURES WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Project 2020 Special Local Option Sales Tax	Original Estimated Budget	Amended Budget	Expenditures Prior Years	Expenditures Current Year	Total
Road and Bridge Improvements	$ 5,455,000	$ 5,455,000	$ 4,440,112	$ 593,576	$ 5,033,688
Recreation	365,000	365,000	189,999	37,124	227,123
Sheriff	885,000	885,000	809,670	136,736	946,406
E-911	905,000	905,000	910,127	-	910,127
EMS	715,000	715,000	391,001	144,252	535,253
Courthouse	50,000	50,000	50,283	18,965	69,248
Coroner	60,000	60,000	-	-	-
Firefighting	1,455,000	1,455,000	908,257	154,899	1,063,156
Facilities Acquisition & Improvements	190,000	190,000	173,857	102,966	276,823
Industrial Development & Building Authority for Water & Sewer Projects	1,620,000	1,620,000	1,179,123	385,778	1,564,901
Payments to Cities for Capital Projects					
City of Carlton	135,783	135,783	152,472	40,474	192,946
City of Colbert	310,172	310,172	310,172	-	310,172
City of Comer	591,057	591,057	663,703	176,181	839,884
City of Danielsville	294,197	294,197	330,356	87,694	418,050
City of Hull	103,834	103,834	103,834	-	103,834
City of Ila	177,052	177,052	198,812	52,775	251,587
Debt Service					
Bonded SPLOST Projects - Interest	-	-	170,788	29,782	200,570
2020 Special Local Option Sales Tax	$ 13,312,095	$ 13,312,095	$ 10,982,566	1,961,202	$ 12,943,768

The following is a reconciliation of 2020 SPLOST Expenditures:

Principal on GO Bonds	1,550,000
2020 SPLOST Expenditures Reported in the 2020 SPLOST Fund	$ 3,511,202

MADISON COUNTY, GEORGIA
SCHEDULE OF PROJECT EXPENDITURES WITH TRANSPORTATION
SALES AND USE TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Project 2022 Transportation Sales and Use Tax	Original Estimated Budget	Expenditures Prior Years	Expenditures Current Year	Total
Transportation Purposes	$11,425,700	$ 5,047,500	$ 3,162,800	$ 8,210,300
Payments to Cities for Transportation Purpose Projects:				
City of Carlton	132,600	88,468	36,648	125,116
City of Colbert	302,900	202,088	83,715	285,803
City of Comer	577,200	385,093	159,525	544,618
City of Danielsville	287,300	191,680	79,403	271,083
City of Hull	101,400	67,652	28,025	95,677
City of Ila	172,900	115,356	47,786	163,142
2022 Transportation Sales and Use Tax	$13,000,000	$ 6,097,837	$ 3,597,902	$ 9,695,739

MADISON COUNTY, GEORGIA
SCHEDULE OF SUPPLEMENTAL INCOME AND RELATED DISBURSEMENTS
OF CONSTITUTIONAL OFFICERS
FOR THE ENDED DECEMBER 31, 2025

	Clerk of Superior Court	Magistrate Court Judge	Probate Court Judge	Sheriff	Tax Commissioner	Total
Receipts						
Vital Records Fees	$ -	$ -	$ 28,780	$ -	$ -	$ 28,780
Commissions	-	-	-	-	677,886	677,886
Total Collections	-	-	28,780	-	677,886	706,666
Disbursements						
Madison County Board of Commissioners						
General Fund						
Vital Records Fees	-		21,280	-	-	21,280
Commissions	-	-	-	-	677,886	677,886
Total Disbursements	-	-	21,280	-	677,886	699,166
Balance Retained by Constitutional Officer	$ -	$ -	$ 7,500	$ -	$ -	$ 7,500

MCNAIR MCLEMORE MIDDLEBROOKS & CO
CERTIFIED PUBLIC ACCOUNTANTS

389 Mulberry Street | Macon, Georgia 31201
Post Office Box One | Macon, Georgia 31202
478-746-6277 | mmmcpa.com

June 29, 2026

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 the 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of **Madison County, Georgia** (the "County") as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 29, 2026. Our report includes a reference to other auditors who audited the financial statements of the Madison County Board of Health, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 County's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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 weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2025-001, 2025-002, and 2025-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

McNair, McLemore, Middlebrooks & Co., LLC

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

MADISON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

(1) Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weakness(es)	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

No Single Audit was performed for the year ended December 31, 2025, due to the total amount expended being less than $1,000,000.

(2) Financial Statement Findings

Findings noted on the 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*:

2025-001 Accounts Receivable and Revenue

CRITERIA
Management is responsible for maintaining accurate accounting records and implementing effective internal controls over financial reporting. Accounts receivable balances should be reconciled to supporting subsidiary records on a regular basis, and receivable and revenue accounts should be reviewed at year-end to ensure amounts are accurately recorded in the proper accounting period. Financial records should be supported by adequate documentation and reconciled to underlying schedules.

CONDITION
Audit adjustments were required in various funds to record additional current-year accounts receivable balances and to reverse prior year accounts receivable balances that had been carried forward from the prior year. In addition, the Solid Waste general ledger balance did not reconcile to the supporting accounts receivable aging report produced from the Wasteworks software.

(2) Financial Statement Findings (Continued)

2025-001 Accounts Receivable and Revenue (Continued)

CONTEXT
The funds below required adjustments to correct accounts receivable and revenue:

- General Fund
  - An adjustment to record additional accounts receivable in the amount of $277,609 for Local Options Sales Tax (LOST) revenue.
  - An adjustment to record additional accounts receivable in the amount of $90,000 from an insurance provider for an insurance premium refund.
  - An adjustment in the amount of $44,454 to record senior center grant revenue.
  - An adjustment in the amount of $74,867 to reverse prior year accounts receivable and decrease Judicial ARPA grant fund revenue.
- Solid Waste Fund - A material audit adjustment in the amount of $8,321 to increase accounts receivable and solid waste revenue.
- Nonmajor Governmental Funds - Material audit adjustments in the amount of $102,951 to reverse prior year accounts receivable and $102,248 to record current year accounts receivable for E-911 surcharges.

CAUSE
Accounts receivable balances were not reconciled to supporting documentation during the year-end financial reporting close-out process. As a result, receivables were either omitted, improperly carried forward from prior periods, or did not agree to the underlying aging schedules.

EFFECT
Material audit adjustments were necessary to present year-end accounts receivable and revenue balances in accordance with generally accepted accounting principles. In addition, the lack of timely reconciliations increases the risk that errors or irregularities may not be detected and corrected in a timely manner.

RECOMMENDATION
Management should implement procedures to ensure accounts receivable balances are reconciled to supporting subsidiary ledgers and aging reports on a regular basis and as part of the year-end closing process. Reviews should be performed to verify that receivables are recorded in the appropriate period, prior-year balances are properly adjusted, and all significant reconciling items are investigated and resolved before financial statements are prepared.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. Management will strengthen its year-end review and reconciliation procedures to ensure accounts receivable balances agree to supporting records and are properly recorded in the appropriate accounting period. Management will implement policies and procedures during the annual close-out to include reviewing subsequent receipts to ensure proper accrual.

2025-002 Investment Activity and Balances

CRITERIA
Management is responsible for maintaining complete and accurate accounting records and implementing effective internal controls over financial reporting. All investment transactions and related activity should be recorded in the general ledger in a timely manner and reconciled to investment statements and other supporting documentation to ensure assets, revenues, and expenditures are accurately reflected in the financial records.

CONDITION
The County did not record investment activity for the Multi-Bank Securities account in the general ledger during the year.

CONTEXT
An audit adjustment in the amount of $430,709 was required in the General Fund to record investment activity for the Multi-Bank Securities account that had not been recorded in the County's general ledger during the year.

CAUSE
Investment activity was not included in the County's routine accounting and reconciliation procedures. Consequently, changes in investment balances and related earnings were not recorded in the accounting records throughout the year and were not identified during the year-end closing process.

EFFECT
Unrecorded investment activity resulted in a misstatement of the County's financial records and required an audit adjustment to properly state investments and related revenues. In addition, the lack of timely recording and reconciliation increases the risk that errors or irregularities related to investments may not be detected in a timely manner.

RECOMMENDATION
Management should implement procedures to ensure that all investment activity is recorded and reconciled with broker and financial institution statements on a regular basis and as part of the year-end closing process. Reconciliations should be reviewed and documented to verify that all investment balances, earnings, and related transactions are accurately reflected in the general ledger.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. Management will strengthen its year-end review and reconciliation procedures to ensure investment account balances agree to supporting records and are properly recorded in the appropriate accounting period.

2025-003 Water Fund

CRITERIA
Timely and accurate financial reports on the appropriate basis of accounting are essential to perform analysis of the financial condition of the County, review data for accuracy and completeness, and prepare annual financial statements.

CONDITION
The County's Water Fund financial records were not maintained on the full accrual basis of accounting. In addition, the County improperly netted capital contributions for water system additions against expenses, rather than recording capital assets at their full historical cost.

CONTEXT
During our audit, we identified multiple material adjustments required to correct the Water Fund financial statements as follows:

- Improper accounting basis used for debt service transactions, revenues, and receivables:
  - A material adjustment of $368,668 was required to correct the year-end reporting of notes payable for principal debt payments that was posted against a debt service expense account.
  - An adjustment of $200,240 was required to properly record year-end accounts receivable, $34,247 to properly record the allowance for uncollectible accounts receivable, and $165,969 to properly record water revenues. The Water Fund was initially maintained on a cash basis of accounting, resulting in revenues being recorded only when cash was received rather than when earned, as required under GAAP for enterprise funds.
- Capital Assets and Contributed Capital (Improper Netting of Reimbursements):
  - A material adjustment of $893,243 was required to properly record construction in progress and recognize related contributed capital reimbursements.
  - An adjustment of $158,150 was required to properly record infrastructure assets and recognize related contributed capital reimbursements.

EFFECT
These deficiencies resulted in material misstatements in the financial statements prior to audit adjustments, financial records not maintained in accordance with GAAP due to use of a cash basis, misclassification of debt service principal as expense, understatement of accounts receivable and revenues, and understatement of capital assets and contributed capital due to improper netting.

CAUSE
Internal controls were not properly implemented for the Water Fund to apply full accrual accounting principles or to record the asset additions at full cost.

RECOMMENDATION
We recommend the County maintains its Water Fund on the full accrual basis of accounting in accordance with GAAP. The County should record capital assets and related funding in accordance with GAAP by reporting capital assets at gross cost and recognize reimbursements as contributed capital, instead of netting them against expenses.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. Management will maintain the Water Fund's financial records on the full accrual basis of accounting.

(3) Compliance Findings

None noted