

MADISON COUNTY, FLORIDA
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ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2019

MADISON COUNTY, FLORIDA

THIS REPORT CONTAINS THE FOLLOWING SECTIONS

Madison County, Florida (Government-Wide) Basic Financial Statements, Auditor's Report, Reports on Internal Control and Compliance of State Financial Assistance

Clerk of the Courts' Financial Statements, Auditor's Report, Reports on Internal Control and Compliance and Management Letter

Property Appraiser's Financial Statements, Auditor's Report, Reports on Internal Control and Compliance and Management Letter

Sheriff's Financial Statements, Auditor's Report, Reports on Internal Control and Compliance and Management Letter

Supervisor of Elections' Financial Statements, Auditor's Report, Reports on Internal Control and Compliance and Management Letter

Tax Collector's Financial Statements, Auditor's Report, Reports on Internal Control and Compliance and Management Letter

**Annual Financial Report
and Other Financial Information**



Madison County, Florida

**Year Ended September 30, 2019
with Independent Auditor's Report**

**MADISON COUNTY, FLORIDA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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**MADISON COUNTY, FLORIDA
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Introductory Section

**MADISON COUNTY, FLORIDA
ANNUAL FINANCIAL REPORT**

September 30, 2019

BOARD OF COUNTY COMMISSIONERS

Alston Kelley	District 1
Donnie Waldrep	District 2
Ronnie Moore	District 3
Alfred Martin	District 4
Rick Davis	District 5

CLERK OF THE COURT AND COMPTROLLER

Billy Washington

SHERIFF

Benjamin Stewart

TAX COLLECTOR

Lisa Tuten

PROPERTY APPRAISER

Leigh Barfield

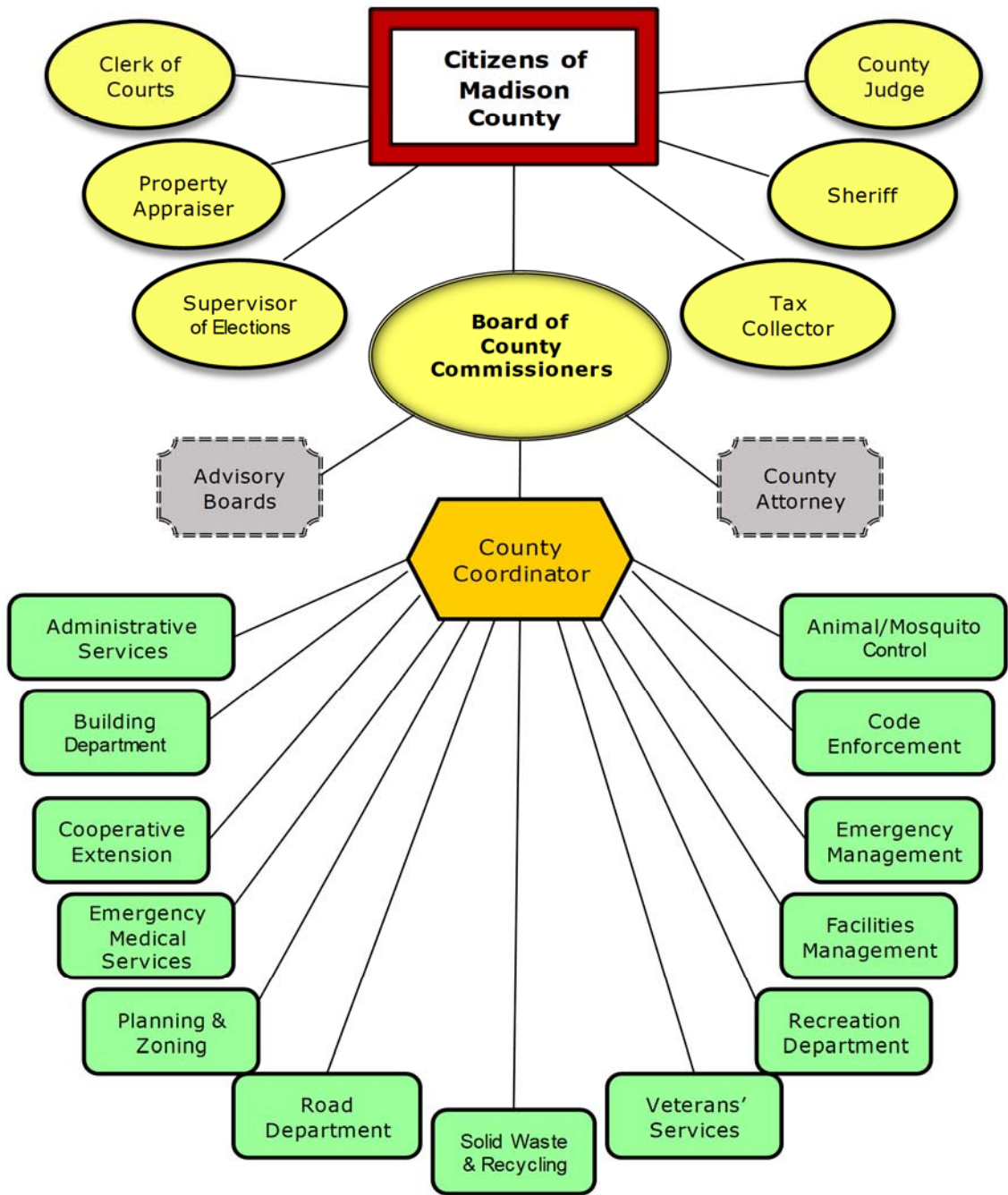
SUPERVISOR OF ELECTIONS

Thomas Hardee

COUNTY ATTORNEY

George T. Reeves

Madison County, Florida Organizational Chart



Financial Section

INDEPENDENT AUDITOR'S REPORT

The Honorable Chairman and Commissioners of the
Board of County Commissioners and Constitutional Officers
Madison County, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Madison County, Florida, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Madison County, Florida's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Madison County, Florida, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules, and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Madison County, Florida's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by chapter 10.550, Rules of the Auditor General, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information listed above is 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 March 19, 2020 on our consideration of Madison County, Florida'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison County, Florida's internal control over financial reporting and compliance.

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County's management discussion and analysis presents an overview of the County's financial activities for the fiscal year ended September 30, 2019. Please read it in conjunction with the County's financial statements. Its intent is to provide a brief, objective, and easily readable analysis of the County's financial performance for the year and its financial position at fiscal year-end September 30, 2019.

Financial Highlights:

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2019 by \$60,108,424.
- The County's total net position increased by \$267,127 as a result of fiscal year 2019 operations with an increase of \$69,947 resulting from governmental activities and an increase of \$197,180 resulting from business type activities.
- At September 30, 2019, the County's governmental funds reported combined ending fund balances of \$11,017,080, an increase of \$1,763,110 in comparison with the prior year. Of this amount, \$2,462,657 remains in various fund types of the County as unassigned.
- The General Fund reported an unassigned fund balance of \$2,705,078, a decrease from last fiscal year of \$78,782.
- As of September 30, 2019, the County's outstanding long-term debt (loans) was \$6,492,808. Of this amount, \$1,547,348 is considered due within one year.
- Capital asset events during the current fiscal year included purchases of equipment, county road construction and improvements, and purchases of property that increased capital assets by \$6,550,555.

Overview of the Financial Statements:

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements:

The government-wide financial statements, which consist of the Statement of Net Position and the Statement of Activities, are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The Statement of Activities presents information showing how the County's net position changed during fiscal year 2019. It focuses on both the gross and net cost of various activities which are provided by general taxes and other revenues. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows.

The governmental activities of the County include general government, public safety, physical environment, transportation, economic environment, health and social services, culture/recreation, and other community services.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, enterprise funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflow and outflow of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This is similar to the manner in which the budget is developed. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains thirty-eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, County Transportation, Law Enforcement & Corrections, Hospital Surtax, Landfill Closure, Fiscally Constrained County, Sheriff Operating, Court, Capital Projects, and 5th and 6th Cent Surplus, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The County adopts an annual appropriated budget for each of its major governmental funds and most non-major funds. A budgetary comparison statement has been provided for the major funds to demonstrate budgetary compliance in the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Proprietary Funds

The County maintains and presents two major enterprise funds. These funds report, in detail, the same information presented in the government-wide financial statements for Emergency Medical Services and Solid Waste.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$60,108,424 at September 30, 2019. This is calculated as follows:

MADISON COUNTY, FLORIDA						
NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
ASSETS						
Current and other assets	\$ 4,076,690	\$ 3,733,021	\$ 666,225	\$ 517,992	\$ 4,742,915	\$ 4,251,013
Capital assets	65,293,540	61,789,456	1,405,546	1,289,496	66,699,086	63,078,952
Investments	8,206,797	6,664,423	1,089,856	730,564	9,296,653	7,394,987
Total assets	77,577,027	72,186,900	3,161,627	2,538,052	80,738,654	74,724,952
DEFERRED OUTFLOW OF RESOURCES RELATED TO PENSIONS						
	4,665,563	4,966,525	739,400	792,510	5,404,963	5,759,035
LIABILITIES						
Current liabilities	2,867,849	1,787,534	180,120	159,371	3,047,969	1,946,905
Long-term liabilities	18,891,929	14,756,212	2,563,204	2,175,938	21,455,133	16,932,150
Total liabilities	21,759,778	16,543,746	2,743,324	2,335,309	24,503,102	18,879,055
DEFERRED INFLOW OF RESOURCES RELATED TO PENSIONS						
	1,300,771	1,497,585	231,320	266,050	1,532,091	1,763,635
NET POSITION						
Net investment in capital assets	59,198,246	59,081,236	1,132,929	1,111,465	60,331,175	60,192,701
Restricted	7,799,724	5,981,000	-	-	7,799,724	5,981,000
Unrestricted	(7,815,929)	(5,950,142)	(206,546)	(382,262)	(8,022,475)	(6,332,404)
Total net position	\$ 59,182,041	\$ 59,112,094	\$ 926,383	\$ 729,203	\$ 60,108,424	\$ 59,841,297

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

The largest portion of the County's net position, \$60,331,175 reflects its investment in capital assets (e.g. land, buildings, and equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets, \$7,799,724 represents resources that are dedicated or subject to restrictions on how they may be used.

The remaining balance of unrestricted net position, negative \$8,022,475 includes funds that may be used to meet the government's ongoing obligations the citizens and creditors.

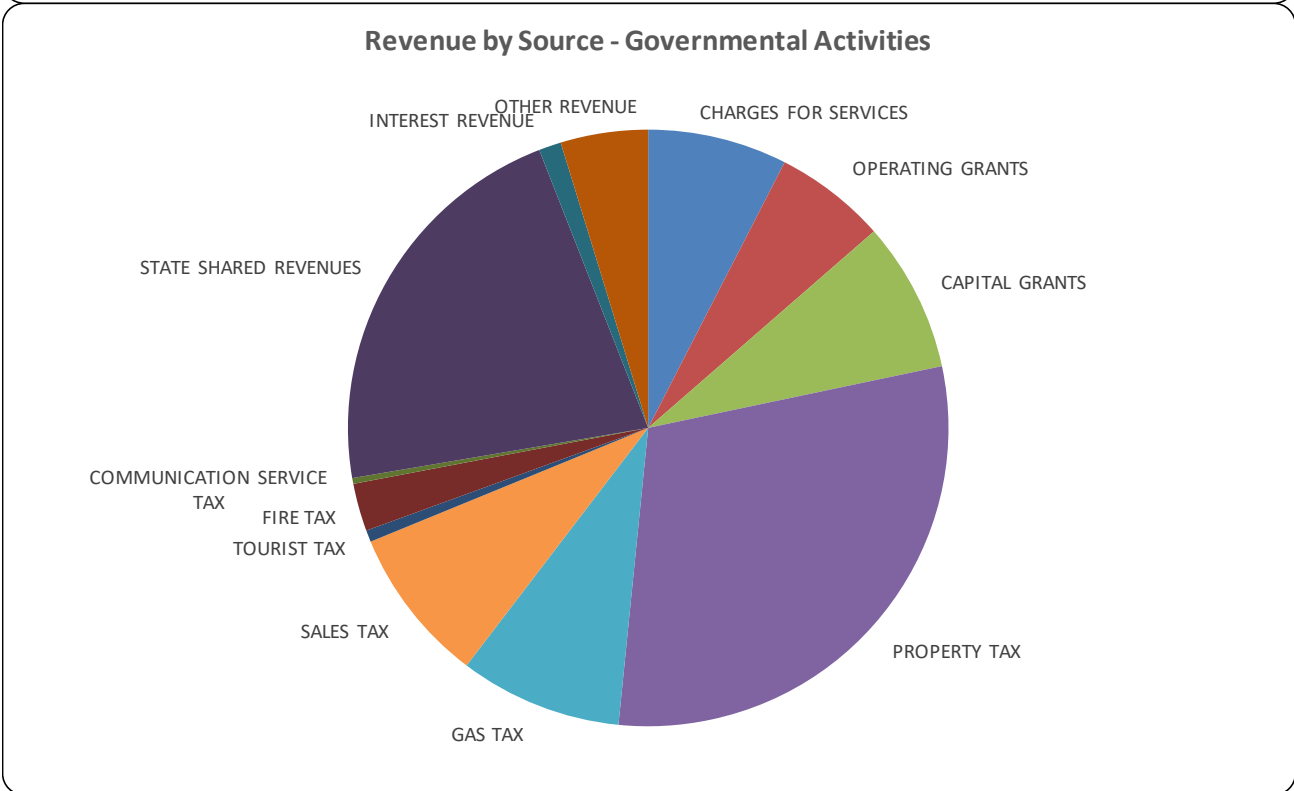
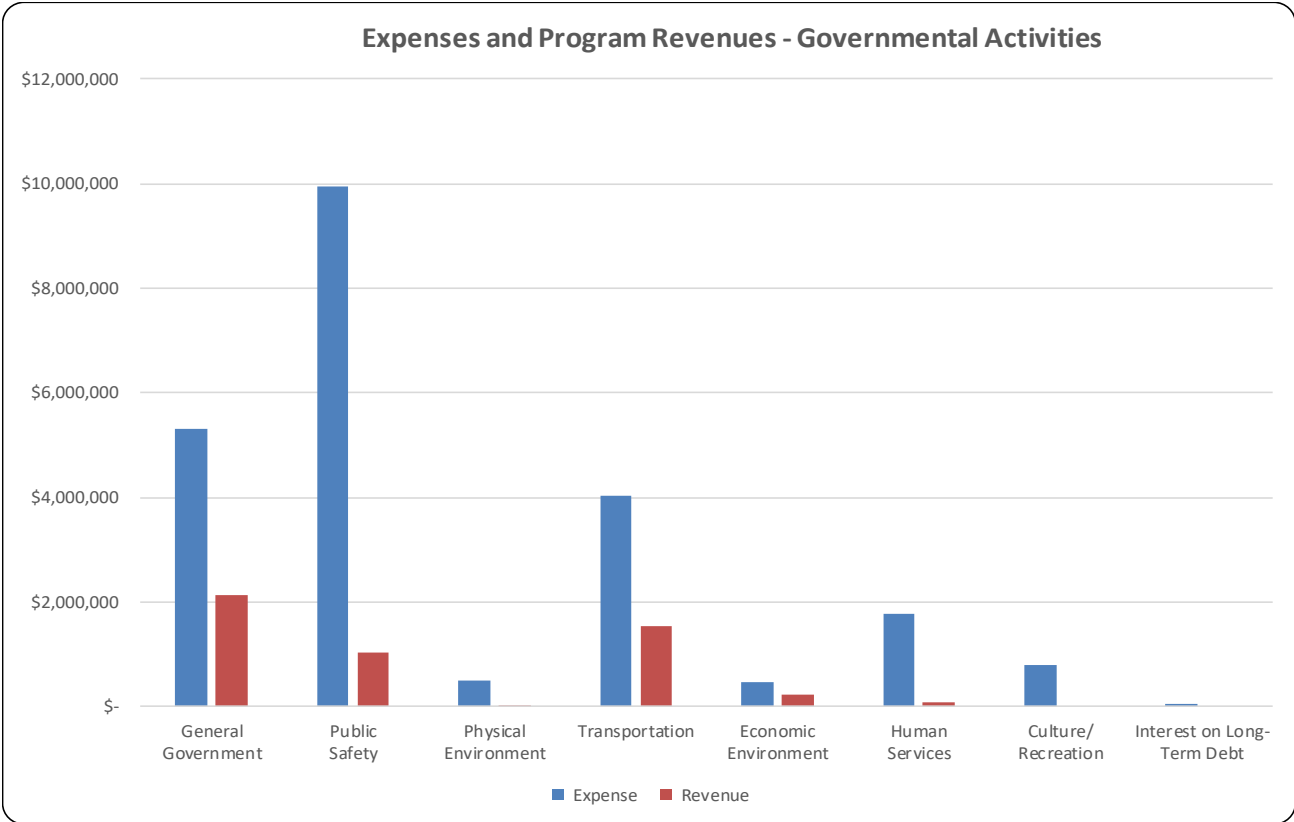
Governmental Activities

Governmental activities increased the County's net assets by \$69,947. This presentation includes a deduction for depreciation of \$3,006,833; however, it does not recognize \$6,550,555 for capital outlay as an expenditure.

MADISON COUNTY, FLORIDA CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 1,773,353	\$ 1,409,131	\$ 1,847,635	\$ 1,897,255	\$ 3,620,988	\$ 3,306,386
Operating grants	1,423,039	1,152,817	22,169	23,949	1,445,208	1,176,766
Capital grants	1,919,169	1,470,386	-	-	1,919,169	1,470,386
General revenues:						
Property taxes	7,055,767	7,129,899	-	-	7,055,767	7,129,899
Other taxes	4,892,353	4,742,719	1,266,105	1,282,378	6,158,458	6,025,097
Other	6,532,810	6,023,461	27,700	22,638	6,560,510	6,046,099
Total revenues	23,596,491	21,928,413	3,163,609	3,226,220	26,760,100	25,154,633
Expenses:						
General government	5,321,720	4,807,634	-	-	5,321,720	4,807,634
Public safety	9,943,494	8,633,666	-	-	9,943,494	8,633,666
Physical environment	488,615	600,329	-	-	488,615	600,329
Transportation	4,028,168	3,708,397	-	-	4,028,168	3,708,397
Economic development	479,835	599,090	-	-	479,835	599,090
Human services	1,784,343	1,443,358	-	-	1,784,343	1,443,358
Culture/recreation	801,705	819,135	-	-	801,705	819,135
Interest on long-term debt	58,322	72,014	-	-	58,322	72,014
Solid waste disposal	-	-	1,864,253	1,887,555	1,864,253	1,887,555
Emergency medical services	-	-	1,722,518	1,876,652	1,722,518	1,876,652
Total expenses	22,906,202	20,683,623	3,586,771	3,764,207	26,492,973	24,447,830
Change in net position before transfers	690,289	1,244,790	(423,162)	(537,987)	267,127	706,803
Transfers	(620,342)	(605,987)	620,342	605,987	-	-
Increase in net position	69,947	638,803	197,180	68,000	267,127	706,803
Net position - beginning	59,112,094	58,473,291	729,203	661,203	59,841,297	59,134,494
Net position - ending	\$59,182,041	\$59,112,094	\$ 926,383	\$ 729,203	\$60,108,424	\$59,841,297

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)



MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Financial Analysis of the County's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of fiscal year 2019, the County's governmental funds reported a combined ending fund balance of \$11,017,080, an increase of \$1,763,110 in comparison with the prior year. The unassigned Governmental Fund balance is \$2,462,657 and is available for spending at the County's discretion. The restricted fund balance is \$7,799,724 and is subject to constraints imposed by external parties, including creditors, grantors, and laws and regulations of other governments, or imposed by County ordinance or enabling legislation. The restricted fund balance is comprised of the following:

The County Transportation Trust Fund accounts for motor fuel taxes, county surplus gas tax and various grant funds designated to finance the Public Works Department, which is responsible for the maintenance of all county roads and bridges. The use of this fund is restricted by state statute for these designated purposes. It has a fund balance of \$2,419,309 which is an increase of \$303,770 for fiscal year 2019.

Hospital Surtax Fund accounts for the one-half cent hospital sales tax that is restricted for new hospital construction in Madison County. It has a fund balance of \$695,615 which is an increase of \$125,047 for fiscal year 2019.

5th and 6th Cent Surplus Fund accounts for local option fuel taxes that are legally restricted for construction of County roads. It has a fund balance of \$1,897,919 which is an increase of \$523,507 for fiscal year 2019.

The 2nd local option fuel tax presented on pages I-4 and I-9 is legally restricted for construction of County roads. It has a fund balance of \$568,870 for fiscal year 2019.

The remaining restricted fund balance of \$2,218,011 is comprised of grant proceeds and other taxes that are restrictive in their use.

The assigned fund balance is \$522,897 and is constrained by the County's intent to use for specific purposes, but is not considered restricted or committed. The remaining fund balance is non-spendable and cannot be spent because it is either not in spendable form or is legally or contractually required to remain intact.

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Proprietary Funds

The County maintains and presents two major enterprise funds. These funds report, in detail, the same information presented in the government-wide financial statements for Emergency Medical Services (EMS) and Solid Waste.

The EMS Fund had a decrease of 19.73% in their operating revenue during the fiscal year 2019. The EMS Fund ended the year with an increase in net assets of \$60,608.

The Solid Waste Disposal Fund utilizes a special assessment for part of its service-oriented functionality. The fund is also contributed to by the collection of fees for waste disposal via green box collection. The fund balance at the beginning of the fiscal year was \$345,184. During the year, the Solid Waste Fund incurred excess revenues over expenses of \$136,572. The fund balance at the end of the fiscal year is \$481,756. The use of these funds is restricted by ordinance, and is not available for general government operations.

General Fund Budgetary Highlights

When comparing the general fund original budget to the final budget, minor budget adjustments occurred within the various line items. The total net budget adjustments increased revenues by \$171,975. The total net budget adjustments increased expenditures by \$78,675. The offsetting adjustments to balance the budget were to decrease net transfers by \$93,300.

Capital Asset and Debt Administration

The financial statements present capital assets in two groups: those assets subject to depreciation, such as equipment or operational facilities, and those assets not subject to depreciation, such as land and construction-in-progress. The County's investment in capital assets for its governmental and business-type activities as of September 30, 2019, was \$66,699,086 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and work in progress. Capital asset events during the current fiscal year included purchase of equipment, county road construction and improvements, and purchase of property that increased capital assets by \$6,550,555.

MADISON COUNTY, FLORIDA CAPITAL ASSETS (NET OF DEPRECIATION)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 1,897,046	\$ 1,839,278	\$ -	\$ -	\$ 1,897,046	\$ 1,839,278
Buildings and Improvements	5,364,179	7,436,048	-	-	5,364,179	7,436,048
Equipment	1,035,259	1,195,333	1,405,546	1,289,496	2,440,805	2,484,829
Infrastructure	46,891,177	42,951,914	-	-	46,891,177	42,951,914
Work In Progress	10,105,879	8,366,883	-	-	10,105,879	8,366,883
Total	\$65,293,540	\$61,789,456	\$ 1,405,546	\$ 1,289,496	\$66,699,086	\$63,078,952

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

Major capital asset events during the current fiscal year included the following:

- Road construction, resurfacing, and widening projects equaled \$6,154,702. These projects were funded by the Department of Transportation.
- The County purchased other miscellaneous vehicles and equipment during the year totaling \$395,853.

Additional information on the County's capital assets can be found in Note 5 of the financial statements.

Long-Term Debt

As of September 30, 2019, the County's outstanding long-term debt (loans) was \$6,492,808. Of this amount \$1,547,348 is considered due within one year. Listed below is a summary of the County's major debt:

- The Florida Department of Environmental Protection has a revolving loan program for certain water pollution control projects. The County was awarded funding from this program to assist with a portion of the I-10 interchange project. Amounts borrowed require a financing charge to be paid at a rate of 1.69% annually. As of September 30, 2019, the outstanding balance on the revolving loan fund amounted to \$1,713,784.
- The County has obtained a loan from a local bank in the amount of \$3,750,000 to complete additional road paving projects. Interest is charged at the rate of The WSJ's Published Prime Lending Rate less 1.76% per annum. The interest rate shall be adjusted semiannually based on the stated rate on June 1 and December 1 of each year. The initial interest rate is 3.74% per annum. In addition to interest payments, principal payments of \$468,750 are due each June 1 and December 1. As of September 30, 2019, the total available amount of \$3,750,000 had been drawn on this loan and no payments had been made. To loan is secured by pledged revenues from the 5th and 6th Cent Surplus fund and other Non-Ad Valorem funds.

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the County at September 30, 2019 was 3.3% according to the U.S. Department of Labor Bureau of Labor Statistics.
- Total population according to the most recent U.S. Census estimate was 18,529 at September 30, 2019. This was a small change from figures reported in the prior fiscal year.
- The general ad-valorem tax millage rate for 2019 was 10.0000 mills. The assessed taxable value of commercial and residential property decreased 0.06 % in fiscal year 2019.

Request for Information

This financial report is designed to present users with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions concerning any of the information provided in this report or need additional financial information, contact the Madison County, Florida Clerk of Circuit Court, Finance Director, at P.O. Box 237, Madison, FL 32341.

BASIC FINANCIAL STATEMENTS

MADISON COUNTY, FLORIDA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

	PRIMARY GOVERNMENT		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash	\$ 916,896	\$ 17,751	\$ 934,647
Accounts receivable, net	189,112	1,191,809	1,380,921
Internal balances	547,036	(547,036)	-
Due from other governmental units	2,185,850	3,701	2,189,551
Investments	8,206,797	1,089,856	9,296,653
Prepaid expenses	237,796	-	237,796
Capital assets:			
Land and construction in progress	12,002,925	-	12,002,925
Depreciable (net)	53,290,615	1,405,546	54,696,161
Total assets	77,577,027	3,161,627	80,738,654
DEFERRED OUTFLOWS OF RESOURCES RELATED TO PENSIONS			
	4,665,563	739,400	5,404,963
LIABILITIES			
Accounts payable	852,831	55,223	908,054
Other liabilities	413,576	-	413,576
Non-current liabilities:			
Due within one year	1,601,442	124,897	1,726,339
Due in more than one year	18,891,929	2,563,204	21,455,133
Total liabilities	21,759,778	2,743,324	24,503,102
DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS			
	1,300,771	231,320	1,532,091
NET POSITION			
Net investment in capital assets	59,198,246	1,132,929	60,331,175
Restricted for:			
Road construction	4,317,228	-	4,317,228
Hospital construction	695,615	-	695,615
Other purposes	2,786,881	-	2,786,881
Unrestricted	(7,815,929)	(206,546)	(8,022,475)
Total net position	\$ 59,182,041	\$ 926,383	\$ 60,108,424

See accompanying notes to the financial statements.

MADISON COUNTY, FLORIDA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 5,321,720	\$ 1,111,027	\$ 931,376	\$ 104,481
Public safety	9,943,494	650,442	176,393	209,229
Physical environment	488,615	-	-	38,810
Transportation	4,028,168	11,884	-	1,541,817
Economic environment	479,835	-	224,361	24,832
Human services	1,784,343	-	90,909	-
Culture/recreation	801,705	-	-	-
Interest on long-term debt	58,322	-	-	-
Total governmental activities	22,906,202	1,773,353	1,423,039	1,919,169
Business-type activities:				
Solid waste disposal	1,864,253	714,814	-	-
Emergency medical services	1,722,518	1,132,821	22,169	-
Total Business-type activities	3,586,771	1,847,635	22,169	-
Total primary government	\$ 26,492,973	\$ 3,620,988	\$ 1,445,208	\$ 1,919,169

General revenues:

- Property tax
- Gas tax
- Sales tax
- Tourist tax
- Garbage tax
- Fire tax
- Communication service tax
- State shared revenues
- Interest revenue
- Other revenue
- Transfers

Total general revenues, contributions and transfers

Change in net position

Total net position - beginning of year

Net position - end of year

See accompanying notes to the financial statements.

Governmental Activities	Business-type Activities	Total
\$ (3,174,836)	\$ -	\$ (3,174,836)
(8,907,430)	-	(8,907,430)
(449,805)	-	(449,805)
(2,474,467)	-	(2,474,467)
(230,642)	-	(230,642)
(1,693,434)	-	(1,693,434)
(801,705)	-	(801,705)
(58,322)	-	(58,322)
<u>(17,790,641)</u>	<u>-</u>	<u>(17,790,641)</u>
-	(1,149,439)	(1,149,439)
-	(567,528)	(567,528)
<u>-</u>	<u>(1,716,967)</u>	<u>(1,716,967)</u>
<u>(17,790,641)</u>	<u>(1,716,967)</u>	<u>(19,507,608)</u>
7,055,767	-	7,055,767
2,067,643	-	2,067,643
1,989,979	-	1,989,979
148,439	-	148,439
-	1,266,105	1,266,105
611,884	-	611,884
74,408	-	74,408
5,138,041	-	5,138,041
283,823	-	283,823
1,110,946	27,700	1,138,646
(620,342)	620,342	-
<u>17,860,588</u>	<u>1,914,147</u>	<u>19,774,735</u>
69,947	197,180	267,127
<u>59,112,094</u>	<u>729,203</u>	<u>59,841,297</u>
<u>\$ 59,182,041</u>	<u>\$ 926,383</u>	<u>\$ 60,108,424</u>

MADISON COUNTY, FLORIDA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	General	County Transportation Trust	Law Enforcement & Corrections	Hospital Surtax	Landfill Closure
ASSETS					
Cash	\$ 54,090	\$ 196,787	\$ 2	\$ 50	\$ 2,712
Accounts receivable	-	-	-	-	-
Due from other funds	1,019,451	11,642	17,085	-	-
Due from other governmental units	128,548	263,960	143,288	39,452	-
Interest Receivable	-	-	-	-	-
Investments	1,570,370	2,060,596	3	656,113	400,078
Prepaid expenses	231,802	750	-	-	-
Total assets	\$ 3,004,261	\$ 2,533,735	\$ 160,378	\$ 695,615	\$ 402,790
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 66,499	\$ 47,661	\$ 5,547	\$ -	\$ 31,657
Due to other funds	882	66,765	129,824	-	188,814
Due to other governmental units	-	-	-	-	-
Deferred income	-	-	-	-	-
Total liabilities	67,381	114,426	135,371	-	220,471
Fund balances					
Nonspendable	231,802	-	-	-	-
Restricted	-	2,419,309	-	695,615	-
Assigned	-	-	-	-	-
Unassigned	2,705,078	-	25,007	-	182,319
Total fund balances	2,936,880	2,419,309	25,007	695,615	182,319
Total liabilities and fund balances	\$ 3,004,261	\$ 2,533,735	\$ 160,378	\$ 695,615	\$ 402,790

See accompanying notes to the financial statements.

Fiscally Constrained County	Sheriff - Operating	Court Fund	Capital Projects	5th and 6th Cent Surplus	Nonmajor Governmental Funds	Total
\$ 10	\$ 171,642	\$ 11,527	\$ 1,708	\$ 17,334	\$ 461,034	\$ 916,896
151,614	36,498	1,000	-	-	-	189,112
-	-	18	68	1,461,000	45,733	2,554,997
66,229	-	1,326	1,318,885	83,779	140,383	2,185,850
-	-	-	-	-	-	-
304,149	-	70,617	649	335,806	2,808,416	8,206,797
-	-	-	-	-	5,244	237,796
<u>\$ 522,002</u>	<u>\$ 208,140</u>	<u>\$ 84,488</u>	<u>\$ 1,321,310</u>	<u>\$ 1,897,919</u>	<u>\$ 3,460,810</u>	<u>\$ 14,291,448</u>
\$ -	\$ 202,873	\$ 61,743	\$ 184,013	\$ -	\$ 252,838	\$ 852,831
173	498	45,077	1,461,000	-	114,928	2,007,961
3,701	-	100,388	-	-	26,037	130,126
-	-	-	-	-	283,450	283,450
<u>3,874</u>	<u>203,371</u>	<u>207,208</u>	<u>1,645,013</u>	<u>-</u>	<u>677,253</u>	<u>3,274,368</u>
-	-	-	-	-	-	231,802
-	-	-	-	1,897,919	2,786,881	7,799,724
518,128	4,769	-	-	-	-	522,897
-	-	(122,720)	(323,703)	-	(3,324)	2,462,657
<u>518,128</u>	<u>4,769</u>	<u>(122,720)</u>	<u>(323,703)</u>	<u>1,897,919</u>	<u>2,783,557</u>	<u>11,017,080</u>
<u>\$ 522,002</u>	<u>\$ 208,140</u>	<u>\$ 84,488</u>	<u>\$ 1,321,310</u>	<u>\$ 1,897,919</u>	<u>\$ 3,460,810</u>	<u>\$ 14,291,448</u>

MADISON COUNTY, FLORIDA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2019

Total fund balances of governmental funds \$ 11,017,080

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$111,974,083 and the accumulated depreciation is \$46,680,543. 65,293,540

Deferred outflows and inflows of resources are not available in the current period and, therefore, are not reported in the governmental funds.

Deferred outflows and inflows of resources at year-end consist of:

Deferred outflows related to pensions	4,665,563	
Deferred inflows related to pensions	<u>(1,300,771)</u>	
		3,364,792

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in government 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:

Long-term notes	6,095,294	
Compensated absences	894,955	
Net pension liability	<u>13,503,122</u>	
		<u>(20,493,371)</u>

Total net position of governmental activities \$ 59,182,041

MADISON COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	General	County Transportation Trust	Law Enforcement & Corrections	Hospital Surtax	Landfill Closure
REVENUES					
Taxes	\$ 7,130,175	\$ 1,651,939	\$ -	\$ 663,329	\$ -
Licenses and permits	229,759	2,840	-	-	-
Intergovernmental	2,547,060	720,591	134,088	-	-
Charges for services	348,898	9,044	383,394	-	-
Fines and forfeitures	14,385	-	-	-	-
Interest revenue	126,078	88,468	339	20,379	6,083
Other	186,196	249,197	14	602,758	-
Total revenues	10,582,551	2,722,079	517,835	1,286,466	6,083
EXPENDITURES					
Current					
General government	878,518	-	-	-	-
Public safety	304,151	-	5,824	-	-
Physical environment	201,536	-	-	-	30,538
Transportation	2,500	2,497,546	-	-	-
Economic environment	75,279	-	-	-	-
Human services	608,944	-	-	1,161,419	-
Culture/recreation	791,101	-	-	-	-
Debt service					
Principal	4,570	105,387	-	-	-
Interest	706	6,576	-	-	-
Capital outlay	101,435	132,762	-	-	-
Total expenditures	2,968,740	2,742,271	5,824	1,161,419	30,538
Excess (deficiency) of revenues Over (under) expenditures	7,613,811	(20,192)	512,011	125,047	(24,455)
OTHER FINANCING SOURCES (USES)					
Transfers in	359,008	351,718	6,076,255	-	221,369
Transfers (out)	(7,822,873)	(150,000)	(6,562,926)	-	-
Proceeds from debt financing	-	122,244	-	-	-
Total other financing sources (uses)	(7,463,865)	323,962	(486,671)	-	221,369
Net changes in fund balances	149,946	303,770	25,340	125,047	196,914
Fund balances - beginning	2,786,934	2,115,539	(333)	570,568	(14,595)
Fund balances - ending	<u>\$ 2,936,880</u>	<u>\$ 2,419,309</u>	<u>\$ 25,007</u>	<u>\$ 695,615</u>	<u>\$ 182,319</u>

See accompanying notes to the financial statements.

Fiscally Constrained County	Sheriff - Operating	Court Fund	Capital Projects	5th and 6th Cent Surplus	Nonmajor Governmental Funds	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,502,677	\$ 11,948,120
-	-	-	-	-	-	232,599
754,176	5,545	639,244	2,069,467	875,225	734,853	8,480,249
-	-	116	-	-	684,335	1,425,787
-	-	-	-	-	100,582	114,967
-	-	-	-	-	42,476	283,823
21,700	-	12,021	-	-	78,698	1,150,584
<u>775,876</u>	<u>5,545</u>	<u>651,381</u>	<u>2,069,467</u>	<u>875,225</u>	<u>4,143,621</u>	<u>23,636,129</u>
82,128	-	776,084	-	-	2,608,693	4,345,423
-	6,345,211	-	-	-	1,040,719	7,695,905
-	-	-	-	-	222,833	454,907
-	-	-	-	-	-	2,500,046
45,000	-	-	-	-	352,850	473,129
-	-	-	-	-	-	1,770,363
-	-	-	-	-	-	791,101
71,310	110,090	-	-	-	220,766	512,123
-	17,249	-	-	-	33,791	58,322
3,741	95,921	-	6,154,702	-	61,994	6,550,555
<u>202,179</u>	<u>6,568,471</u>	<u>776,084</u>	<u>6,154,702</u>	<u>-</u>	<u>4,541,646</u>	<u>25,151,874</u>
<u>573,697</u>	<u>(6,562,926)</u>	<u>(124,703)</u>	<u>(4,085,235)</u>	<u>875,225</u>	<u>(398,025)</u>	<u>(1,515,745)</u>
-	6,562,926	-	3,750,000	-	2,189,024	19,510,300
(555,377)	-	-	-	(4,101,718)	(937,748)	(20,130,642)
-	-	-	-	3,750,000	26,953	3,899,197
<u>(555,377)</u>	<u>6,562,926</u>	<u>-</u>	<u>3,750,000</u>	<u>(351,718)</u>	<u>1,278,229</u>	<u>3,278,855</u>
18,320	-	(124,703)	(335,235)	523,507	880,204	1,763,110
499,808	4,769	1,983	11,532	1,374,412	1,903,353	9,253,970
<u>\$ 518,128</u>	<u>\$ 4,769</u>	<u>\$ (122,720)</u>	<u>\$ (323,703)</u>	<u>\$ 1,897,919</u>	<u>\$ 2,783,557</u>	<u>\$ 11,017,080</u>

MADISON COUNTY, FLORIDA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 1,763,110

Governmental funds report capital purchases 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. This is the amount by which capital purchases (\$6,550,555) exceeds depreciation (\$3,006,833) in the current period. 3,543,722

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (39,638)

The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amounts of the items that make up these differences in the treatment of long-term debt and related items are:

Proceeds from the issuance of long-term debt	(3,899,197)
Principal repayments:	
Revolving loan, department of environmental protection	203,283
Notes payable	308,840
	512,123

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.

This adjustment is as follows:

Net pension liability and related deferred inflows and outflows	(1,762,671)
Compensated absences	(47,502)
	(1,810,173)

Change in net position of governmental activities \$ 69,947

MADISON COUNTY, FLORIDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019

	BUSINESS-TYPE ACTIVITIES		
	Solid Waste Disposal	Emergency Medical Services	Total
ASSETS			
Current assets			
Cash	\$ 1,788	\$ 15,963	\$ 17,751
Accounts receivable	80,148	1,111,661	1,191,809
Due from other funds	-	3,798	3,798
Due from other governments	3,701	-	3,701
Total current assets	85,637	1,131,422	1,217,059
Noncurrent assets			
Restricted cash and investments	87,068	1,002,788	1,089,856
Capital assets:			
Equipment	2,169,553	1,305,377	3,474,930
Less: accumulated depreciation	(1,052,696)	(1,016,688)	(2,069,384)
Total capital assets (net of accumulated depreciation)	1,116,857	288,689	1,405,546
Total non-current assets	1,203,925	1,291,477	2,495,402
Total assets	1,289,562	2,422,899	3,712,461
DEFERRED OUTFLOW OF RESOURCES RELATED TO PENSIONS	173,461	565,939	739,400
LIABILITIES			
Current liabilities			
Accounts payable	38,466	16,757	55,223
Due to other funds	6,399	544,435	550,834
Long-term lease payable - current portion	32,770	92,127	124,897
Total current liabilities	77,635	653,319	730,954
Non-current liabilities			
Long-term lease payable	186,714	85,903	272,617
Net pension liability	654,482	1,636,105	2,290,587
Total non-current liabilities	841,196	1,722,008	2,563,204
Total liabilities	918,831	2,375,327	3,294,158
DEFERRED INFLOW OF RESOURCES RELATED TO PENSIONS	62,436	168,884	231,320
NET POSITION			
Net investment in capital assets	930,143	202,786	1,132,929
Unrestricted (deficit)	(448,387)	241,841	(206,546)
Total net position	\$ 481,756	\$ 444,627	\$ 926,383

See accompanying notes to the financial statements.

MADISON COUNTY, FLORIDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	BUSINESS-TYPE ACTIVITIES		
	Solid Waste Disposal	Emergency Medical Services	Total
Operating revenues			
Charges for services	\$ 714,814	\$ 1,132,821	\$ 1,847,635
Miscellaneous revenues	19,906	7,794	27,700
Total operating revenues	<u>734,720</u>	<u>1,140,615</u>	<u>1,875,335</u>
Operating expenses			
Personnel services	810,603	1,264,286	2,074,889
Contractual services	466,117	84,055	550,172
Utilities	27,549	22,480	50,029
Repairs and maintenance	178,898	76,680	255,578
Other supplies and expenses	192,642	123,821	316,463
Insurance claims and expenses	36,310	31,271	67,581
Depreciation	152,134	93,648	245,782
Bad debt expense	-	26,277	26,277
Total operating expenses	<u>1,864,253</u>	<u>1,722,518</u>	<u>3,586,771</u>
Operating (loss)	<u>(1,129,533)</u>	<u>(581,903)</u>	<u>(1,711,436)</u>
Non-operating revenues (expenses)			
Operating grants	-	22,169	22,169
Taxes	1,266,105	-	1,266,105
Total non-operating revenues (expenses)	<u>1,266,105</u>	<u>22,169</u>	<u>1,288,274</u>
Income (loss) before contributions and transfers	136,572	(559,734)	(423,162)
Transfers in (out)	-	620,342	620,342
Change in net position	136,572	60,608	197,180
Total net position - beginning of year	<u>345,184</u>	<u>384,019</u>	<u>729,203</u>
Total net position - end of year	<u>\$ 481,756</u>	<u>\$ 444,627</u>	<u>\$ 926,383</u>

MADISON COUNTY, FLORIDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Solid Waste Disposal	Emergency Medical Services	Total
Cash flows from operating activities			
Receipts from customers	\$ 746,601	\$ 1,096,080	\$ 1,842,681
Payments to suppliers	(904,569)	(367,684)	(1,272,253)
Payments to employees	(706,916)	(1,056,913)	(1,763,829)
Other receipts	(227,854)	7,937	(219,917)
Net cash (used in) operating activities	<u>(1,092,738)</u>	<u>(320,580)</u>	<u>(1,413,318)</u>
Cash flows from noncapital financing activities			
Transfers from other funds	-	620,342	620,342
Subsidy from federal/state grants	-	22,169	22,169
Cash received from property and other taxes	1,266,105	-	1,266,105
Net cash provided by noncapital financing activities	<u>1,266,105</u>	<u>642,511</u>	<u>1,908,616</u>
Cash flows from capital and related financing activities			
Purchases of capital assets	(306,763)	(55,069)	(361,832)
Principal payments on long-term debt	(40,466)	(97,996)	(138,462)
Debt proceeds	259,950	-	259,950
Net cash (used in) capital and related financing activities	<u>(87,279)</u>	<u>(153,065)</u>	<u>(240,344)</u>
Cash flows from investing activities			
Proceeds from sales and maturities of investments, net	(86,721)	(272,571)	(359,292)
Net cash (used in) investing activities	<u>(86,721)</u>	<u>(272,571)</u>	<u>(359,292)</u>
Net increase in cash and cash equivalents	(633)	(103,705)	(104,338)
Cash and cash equivalents at beginning of year	2,421	119,668	122,089
Cash and cash equivalents at end of year	<u>\$ 1,788</u>	<u>\$ 15,963</u>	<u>\$ 17,751</u>
Reconciliation of net income (loss) to net cash provided by (used in) operating activities:			
Operating (loss)	\$ (1,129,533)	\$ (581,903)	\$ (1,711,436)
Depreciation	152,134	93,648	245,782
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	31,787	(36,741)	(4,954)
(Increase) decrease deferred outflow of resources	17,703	35,407	53,110
Increase (decrease) in accounts payable	(3,053)	(3,100)	(6,153)
Increase (decrease) in due to other funds	(247,760)	143	(247,617)
Increase (decrease) net pension liability	97,560	195,120	292,680
Increase (decrease) deferred inflow of resources	(11,576)	(23,154)	(34,730)
Total adjustments	<u>36,795</u>	<u>261,323</u>	<u>298,118</u>
Net cash provided by (used in) operating activities	<u>\$ (1,092,738)</u>	<u>\$ (320,580)</u>	<u>\$ (1,413,318)</u>

There are no non-cash investing, capital, or financing activities.

MADISON COUNTY, FLORIDA
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
SEPTEMBER 30, 2019

ASSETS

Cash and cash equivalents	\$ 111,851
Accounts receivable	5,459
Investments	<u>183,675</u>
Total assets	<u><u>\$ 300,985</u></u>

LIABILITIES

Due to individuals and other funds	\$ 281,867
Due to other governments	<u>19,118</u>
Total liabilities	<u><u>\$ 300,985</u></u>

MADISON COUNTY, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1: *Summary of Significant Accounting Policies*

Madison County, Florida is a political subdivision of the State of Florida and provides services to its residents in many areas, including Public Safety, Transportation, Recreation and Human Services. It is governed by an elected Board of County Commissioners (five members). In addition to the Board of County Commissioners (Board), there are five elected Constitutional Officers: Clerk of the Circuit Court, Sheriff, Tax Collector, Property Appraiser and Supervisor of Elections. The Constitutional Officers maintain separate accounting records and budgets.

The financial statements of 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 standard-setting body for governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

The accompanying financial statements present the combined financial position and combined results of operations of the Board of County Commissioners (Board) of Madison County, Florida and its Constitutional Officers. The Board funds a portion or, in certain instances, all of the operating budgets of the County's Constitutional Officers. The payments by the Board to fund the operations of the Constitutional Officers are recorded as operating transfers out of the financial statements of the Board and as operating transfers in on the financial statements of the Constitutional Officers. Accordingly, such amounts and the budgets relating to those amounts have been eliminated in the accompanying government-wide financial statements.

REPORTING ENTITY

The concept underlying the definition of the reporting entity is that elected officials are accountable to their constituents for their actions. The reporting entity's financial statements should allow users to distinguish between the primary government (the County) and its component units. However, some component units, because of the closeness of their relationships with the County, should be blended as though they are part of the County. Otherwise, most component units should be discretely presented. As required by generally accepted accounting principles, the financial reporting entity consists of (1) the primary government (the County) (2) organizations for which the County is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The County is financially accountable if it appoints a voting majority of the organization's governing body and (a) it is able to impose its will on that organization or (b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County may be financially accountable if an organization has (a) a separately elected governing board, (b) a governing board appointed by a higher level of government, or (c) a jointly appointed board.

Based upon the application of the criteria, the Madison County, Florida Soil and Water District's Revenues and Expenses are blended in the County's financial statements.

NOTE 1: Summary of Significant Accounting Policies (continued)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. *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.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary 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 grantor have been met.

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 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 and enterprise funds are reported as separate columns in the fund financial statements.

Fund Financial Statements – The underlying accounting system of the County is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise the assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the County's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually, and non-major funds in the aggregate, for governmental and enterprise funds. The fiduciary statement includes financial information for the agency funds. The agency funds of the County primarily represent assets held by the County in a custodial capacity for other individuals or governments.

NOTE 1: *Summary of Significant Accounting Policies (continued)*

Governmental Funds – Governmental fund financial statements are reported using the *current financial resources measurement focus* and 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 government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

Under the *current financial resources measurement focus*, only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered to be a measure of “available spendable resources.” Governmental funds’ operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Noncurrent portions of long-term receivables (special assessments) due to governmental funds are reported on their balance sheet in spite of their spending measurement focus. Non-current portions of other long-term receivables are offset by deferred revenue.

Because of their spending focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended rather than as fund assets. The proceeds of long-term debt are recorded as an “other financing source” rather than as a fund liability. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Proprietary Funds – In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods and services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings, result from non-exchange transactions or ancillary activities.

Amounts paid to acquire capital assets are capitalized as assets in the proprietary fund financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the proprietary fund financial statements, rather than as an “other financing source”. Amounts paid to reduce long-term indebtedness are reported as a reduction of the related liabilities, rather than as an expense.

NOTE 1: *Summary of Significant Accounting Policies (continued)*

The County reports the following major governmental funds:

- General Fund – This fund is the general operating fund of the County and is used to account for all financial transactions not required to be accounted for in another fund.
- County Transportation Trust Fund – This fund accounts for the receipt of local option fuel taxes that are legally restricted to transportation expenditures.
- Law Enforcement & Corrections Fund – This fund reflects monies received as a result of the imposition of fines on persons charged with violations of law. Monies received are used to fund the Madison County, Florida Sheriff and related public safety initiatives.
- Hospital Surtax Fund – This fund accounts for the one-half cent hospital sales tax that is restricted for new hospital construction in Madison County.
- Landfill Closure Fund – This fund accounts for the closure costs associated with the Madison County Central Class I Landfill.
- Fiscally Constrained County – This fund accounts for the proceeds paid by the State of Florida that is intended to offset reductions in ad valorem taxes.
- Sheriff Operating Fund – This fund accounts for the general operating revenues and expenditures for the Madison County, Florida Sheriff. The Sheriff is a constitutional officer charged with responsibilities for courtroom security, transportation of prisoners to and from court, civil processing services, as well as public safety initiatives.
- Court Fund – This fund is used to account for the revenues and expenditures of the court related activities.
- Capital Projects Fund – This fund accounts for the proceeds of specific capital related revenue sources to be used for the acquisition or construction of major capital projects.
- 5th and 6th Cent Surplus Fund – The 5th and 6th Cent Surplus Fund accounts for local option fuel taxes that are legally restricted for construction of County roads.

The County reports the following major proprietary funds:

- Solid Waste Disposal Fund – This fund accounts for the fiscal activities of garbage collection within the unincorporated areas of the County.
- Emergency Medical Services Fund – This fund accounts for the fiscal activities of the ambulance transportation system.

NOTE 1: *Summary of Significant Accounting Policies (continued)*

Additionally, the County reports the following fund types:

- Special Revenue Funds – These funds are used to account for specific governmental revenue sources other than major capital projects that are restricted by law or administrative action to expenditures for specific purposes.
- Capital Projects Funds – These funds are used to account for the acquisition or construction of major capital facilities.
- Agency Funds – These funds account for assets held by the County as an agent for individuals, private organizations and/or other governmental units. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

BUDGETS AND BUDGETARY ACCOUNTING

Section 129.01(2)(b), *Florida Statutes*, requires that "...the receipts division of the budget shall include 95 percent of all receipts reasonably expected to be anticipated from all sources, including taxes to be levied, and 100 percent of the amount of the balances of both cash and liquid securities estimated to be brought forward at the beginning of the fiscal year." The County has complied with the provisions of the above Florida Statute.

The budgetary data presented in the financial statements was prepared on the modified accrual basis of accounting. All Board authorized amendments to the budget, as originally approved, have been incorporated into the data reflected in the financial statements.

The County uses the following procedures in establishing the budgetary data reflected in the financial statements.

- (1) On or before July 15 of each year, the Board's designated budget officer submits to the Board a tentative budget for the ensuing fiscal year. The tentative budget includes proposed expenditures and funding sources.
- (2) The Board makes such changes as it deems necessary, provided the budget remains in balance and subject to the notice and hearing requirements of Section 200.065, Florida Statutes, and the budget preparation and adoption procedures, as defined in Section 129.03, Florida Statutes.
- (3) Public hearings are held pursuant to Section 200.065, Florida Statutes, in order for the Board to adopt the tentative and final budgets.
- (4) Prior to September 30, the budget is legally enacted through passage of a resolution.
- (5) All changes to the final budget must be approved by the Board in accordance with Section 129.06, Florida Statutes.
- (6) Formal budgetary integration is used as a management control device during the year for all governmental funds of the County.

NOTE 1: *Summary of Significant Accounting Policies (continued)*

- (7) Budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles.
- (8) All annual appropriations lapse at fiscal year-end.
- (9) Line item expenditures in excess of budget are authorized to the extent that total expenditures do not exceed total budgeted expenditures.

ENCUMBRANCES

The County does not utilize encumbrance accounting in its financial operations.

CASH AND INVESTMENTS

Cash and cash equivalents include all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased. Investments are reported at fair value. Additional cash and investment information and fair values are presented in Note 2.

ACCOUNTS RECEIVABLE

Accounts receivables are recorded in the government-wide, governmental, and proprietary fund financial statements and are net of allowance for doubtful accounts, which is generally equivalent to the receivables that are over 180 days past due.

INVENTORIES

The County's inventories consist of expendable supplies which are recorded as expenditures when purchased rather than when consumed.

RESTRICTED ASSETS

Certain net position amounts of the County are classified as restricted net position on the statement of net position because their use is limited either by law through constitutional provisions or enabling legislation; or by restrictions imposed externally by creditors, grantors, contributions, or laws or regulations of other governments. In a fund with both restricted and unrestricted assets, qualified expenses are considered to be paid first from restricted net position and then from unrestricted net position.

SUBSEQUENT EVENTS

Subsequent events were reviewed through March 19, 2020, which is the date the financial statements were available to be issued. In early 2020, an outbreak of a novel strain of coronavirus (COVID-19) emerged globally. As a result, events have occurred domestically in the United States and globally, including mandates from federal, state and local authorities, leading to an overall decline in economic activity. The ultimate impact of the epidemic on the 2020 financial performance of the County cannot be reasonably estimated at this time.

NOTE 1: *Summary of Significant Accounting Policies (continued)*

CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business type activities columns in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property and equipment of the primary government is depreciated using the straight-line method over the following useful lives:

<u>Property</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	10-40 Years
Machinery and Equipment	5-20 Years
Furniture and Fixtures	5-20 Years
Vehicles	5 Years

Expenditures for maintenance and repairs which do not add to the value of the assets or materially extend their lives are expensed as incurred. However, expenditures for repairs and improvements which add to the normal value or life of an asset are capitalized.

COMPENSATED ABSENCES

The County maintains a policy that permits employees to accumulate earned but not used vacation and sick pay benefits that will be paid to employees upon separation from County service if certain criteria are met. These benefits are classified as compensated absences. Employees may be paid for unused vacation hours accrued up to a maximum amount. Payment for unused sick leave, upon termination, is also provided for up to certain amounts.

Both the current and long-term portion of compensated absences are accrued and reported in the government-wide financial statements. No expenditure is reported in the governmental fund level statements for these amounts until payment is due. The compensated absences liability is based on current rates of pay. This is accounted for pursuant to GASB Statement No. 16, *Accounting for Compensated Absences*.

LONG-TERM DEBT OBLIGATIONS

In the government-wide financial statements, and for proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. Debt issuance costs are reported as other financing sources (uses) in the period incurred.

NOTE 1: Summary of Significant Accounting Policies (continued)

NET POSITION

Net position represents all assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources. In the Government-wide and Proprietary Fund Financial Statements, net position is reported in the following categories:

Net Investment in Capital Assets: Capital assets, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.

Restricted: Net position, the use of which is subject to constraints imposed by external parties, including creditors, grantors, and laws and regulations of other governments, or imposed by enabling legislation. Nonexpendable amounts are required to remain intact under such constraints.

Unrestricted: Remaining net position not considered “invested in capital assets, net of related debt” or “restricted.”

For purposes of net position classification, when both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources as they are needed.

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources until that time. The County has one item that qualifies for reporting in this category (pension related items). The proprietary funds and governmental and business-type activities report deferred inflows for pension related items as actuarially determined.

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense) until that future time. The County reports one deferred outflow related to pensions.

FUND BALANCE

In the Governmental Fund Financial Statements, fund balance is reported in the following categories:

Nonspendable: Amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to remain intact.

Restricted: Amounts which use is subject to constraints imposed by external parties, including creditors, grantors, and laws and regulations of other governments, or imposed by County ordinance or enabling legislation.

Committed: Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision making authority. For the County, this formal action takes the form of ordinances which are passed by the County Commissioners.

NOTE 1: *Summary of Significant Accounting Policies (continued)*

Assigned: Amounts that are constrained by the County's intent for use for specific purposes, but are considered neither restricted nor committed.

Unassigned: Amounts in the general fund that are not otherwise constrained for a specific purpose more narrow than the general operations of the County.

For purposes of fund balance classification, when both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources are used, committed resources are used first, followed by assigned and unassigned resources, respectively.

NOTE 2: *Deposits and Investments*

DEPOSITS

All bank accounts of the County are placed in banks that qualify as a public depository, as required by the Florida Security for Public Deposits Act, Chapter 280, *Florida Statutes*. At September 30, 2019, the carrying amount of the County's deposits was \$1,046,498 (includes fiduciary) and the bank balances were \$2,017,069. Deposits whose values exceed the limits of Federal depository insurance are entirely insured or collateralized pursuant to Chapter 280, Florida Statutes.

INVESTMENTS

The County is authorized to invest in all State-approved investments which include:

- (1) Local Government Surplus Funds Trust Fund administered by the State Board of Administration;
- (2) Florida Local Government Investment Trust administered by the Florida Association of Court Clerks and Comptrollers;
- (3) Florida Cooperative Liquid Assets Securities System supervised by a Board of Trustees comprised of eligible participants.
- (3) Bonds, notes or other obligations of the United States or those guaranteed by the United States or for which the credit of the United States is pledged;
- (4) Bonds, notes or other obligations of the State of Florida or any municipality or political subdivision thereof;
- (5) Interest-bearing time deposits or savings accounts in banks or savings and loan associations organized under the laws of Florida or organized under the laws of the United States doing business and situated in Florida.

Investments consist of amounts placed with the State Board of Administration for participation in the Local Government Surplus Trust Fund (Florida PRIME) created by Section 218.405, *Florida Statutes*. Investments also consist of amounts placed with the Florida Local Government Investment Trust Short-Term Bond Fund (FLGIT) and Florida Cooperative Liquid Assets Securities System (FLCLASS).

NOTE 2: *Deposits and Investments (continued)*

Florida PRIME meets the criteria in GASB 79 to measure all of its investments at amortized cost enabling it to maintain a constant Net Asset Value (NAV) of \$1.00 per share. As of September 30, 2019, Florida PRIME had no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

The FLGIT Short-Term Bond Fund is a local government investment pool created by the Florida Association of Court Clerks and Comptroller, and the Florida Association of Counties for the purpose of providing public entities with an investment program that focuses on long-term securities with the highest credit ratings. This investment pool is a stable NAV Government Investment Pool established to be consistent with the policies set forth in Section 218.415 of the Florida Statutes. The effective maturity of the underlying investments is five years or less. To minimize credit risk, trust investments are confined to those of the highest credit quality: Treasuries, Agency Securities and Instruments and other securities collateralized with Treasury/Agency Securities. Accounting valuations reflect estimates of the market value of the securities rather than their amortized cost.

FLCLASS interprets GASB 31, as amended by GASB 79, to mean that FLCLASS should measure all of the investments in FLCLASS at fair value. Therefore, the County's balance is considered the fair value of its investment as FLCLASS reports the amortized cost of investments, which approximates fair value.

Credit Risk – The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as a credit risk because the County investments are not evidenced by specific, identifiable investment securities. As of September 30, 2019, Florida PRIME is rated by Standard and Poor's and has a current rating of AAAm. As of September 30, 2019, FLGIT is rated by Fitch and has a current rating of AAAf. As of September 30, 2019, FLCLASS is rated by Standard and Poor's and has a current rating of AAAm.

Interest Rate Risk – Section 218.415(6), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they become due. The dollar weighted average maturity for Florida PRIME was 33 days as of September 30, 2019. The dollar weighted average maturity for FLCLASS was 37 days as of September 30, 2019. The dollar weighted average maturity of FLGIT was 1.92 years as of September 30, 2019. Next interest rate reset dates for floating rate securities are used in the calculation of weighted average maturity.

Concentration of Credit Risk – The County manages concentration of credit risk by limiting investments to specific funds. At September 30, 2019, the County did not hold any investments that were considered to have a custodial credit risk.

NOTE 2: *Deposits and Investments (continued)*

As of September 30, 2019, the County maintained the following investment balances:

Investment	General		Total
	Government	Fiduciary	
Florida local government investment trust (FLGIT)	\$ 481,908	\$ -	\$ 481,908
Local government surplus trust funds (SBA)	8,752,808	31,924	8,784,732
Florida Cooperative Liquid Assets Securities System (FLCLASS)	61,937	151,751	213,688
Total investment portfolio	<u>\$ 9,296,653</u>	<u>\$ 183,675</u>	<u>\$ 9,480,328</u>

NOTE 3: *Property Taxes*

Under the Laws of Florida, the assessment of all properties and the collection of all county municipal, special taxing districts and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The Laws of Florida regulating tax assessment are also designed to assure a consistent property valuation method statewide. Florida Statutes permit counties to levy property taxes at a rate of up to 10.0000 mills. The tax levy of Madison County, Florida is established by the Board prior to October 1 of each year. The millage rate collected by the County during the current fiscal year was 10.0000 mills.

All property is reassessed according to its fair market value as of January 1 of each year. Each assessment roll is submitted to the Executive Director of the Florida Department of Revenue for review to determine if the rolls meet all the appropriate requirements of Florida Statutes.

All taxes are due and payable on November 1 of each year, or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1 following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% for the month of November, 3% for the month of December, 2% for the month of January, and 1% for the month of February. The taxes paid in March are without discount.

On or prior to June 1, following the tax year, certificates are sold for all delinquent taxes on real property in accordance with the Laws of Florida. After sale, tax certificates bear interest of 18% per year or at any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years.

Delinquent taxes on personal property bear interest at 18% per year until the tax is satisfied either by seizure and sale of the property or by the seven-year statute of limitations. Since tax certificates were sold for substantially all current year delinquent property taxes, there were no material property taxes receivable at September 30, 2019.

NOTE 4: *Interfund Transactions*

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt or construct assets. The interfund transactions are eliminated in the government-wide financial statement totals.

As of September 30, 2019, the County maintained the following interfund receivables/payables.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Emergency medical services	\$ 544,344
	Law enforcement and corrections	129,824
	Landfill closure	185,000
	Fiscally constrained county	105
	County transportation trust fund	66,765
	Other nonmajor funds	93,413
County transportation trust fund	General fund	882
	Solid waste disposal	6,399
	Emergency medical services	91
	Landfill closure	3,814
	Other nonmajor funds	456
Law enforcement & corrections	Sheriff	498
	Court fund	1,587
	Other nonmajor funds	15,000
Court fund	Other nonmajor funds	18
Capital projects	Fiscally constrained county	68
5th and 6th cent surplus	Capital projects	1,461,000
Emergency medical services	Other nonmajor funds	3,798
Other nonmajor funds	Court fund	43,490
	Other nonmajor funds	<u>2,243</u>
Total		<u><u>\$ 2,558,795</u></u>

NOTE 4: *Interfund Transactions (continued)*

Operating transfers between funds during the year were as follows for the year ended September 30, 2019:

<u>Transfers in</u>	<u>Transfers out</u>	<u>Amount</u>
General fund	Fiscally constrained county	\$ 359,008
County transportation trust	5th and 6th cent surplus fund	351,718
Law enforcement & corrections	General fund	5,638,850
	Fiscally constrained county	125,000
	Other nonmajor funds	312,405
Landfill closure fund	Fiscally constrained county	71,369
	County transportation trust	150,000
Sheriff operating fund	Law enforcement & corrections	6,562,926
Capital Projects	5th and 6th cent surplus fund	3,750,000
Emergency medical services	Other nonmajor funds	620,342
Other nonmajor funds	General fund	2,184,023
	Other nonmajor funds	<u>5,001</u>
Total		<u><u>\$ 20,130,642</u></u>

NOTE 5: Changes in Capital Assets

Capital asset activity for the fiscal year ended September 30, 2019 was as follows:

	Balance Oct. 1, 2018	Additions	Reductions	Balance Sept. 30, 2019
Governmental activities				
Capital assets,				
Not being depreciated:				
Land	\$ 1,839,278	\$ 57,768	\$ -	\$ 1,897,046
Work in progress	8,366,883	1,738,996	-	10,105,879
Total capital assets,				
Not being depreciated	10,206,161	1,796,764	-	12,002,925
Capital assets,				
Being depreciated:				
Buildings and improvements	30,755,729	-	-	30,755,729
Equipment	7,968,234	366,728	(691,137)	7,643,825
Infrastructure	57,184,541	4,387,063	-	61,571,604
Total capital assets,				
Being depreciated	95,908,504	4,753,791	(691,137)	99,971,158
Less accumulated depreciation for:				
Buildings and improvements	(23,319,681)	(2,071,869)	-	(25,391,550)
Equipment	(6,772,901)	(487,164)	651,499	(6,608,566)
Infrastructure	(14,232,627)	(447,800)	-	(14,680,427)
Total accumulated depreciation	(44,325,209)	(3,006,833)	651,499	(46,680,543)
Governmental activities				
Capital assets, net	\$ 61,789,456	\$ 3,543,722	\$ (39,638)	\$ 65,293,540
Business-type activities				
Capital assets,				
Being depreciated:				
Equipment	\$ 3,129,501	\$ 361,832	\$ (16,404)	\$ 3,474,929
Less accumulated depreciation	(1,840,005)	(245,782)	16,404	(2,069,383)
Business-type activities				
Capital assets, net	\$ 1,289,496	\$ 116,050	\$ -	\$ 1,405,546

NOTE 5: Changes in Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 481,093
Public safety	1,112,528
Transportation and capital projects	<u>1,413,212</u>
Total depreciation	<u>\$ 3,006,833</u>
Business-type activities:	
Solid waste disposal	\$ 152,134
Emergency medical services	<u>93,648</u>
Total depreciation	<u>\$ 245,782</u>

NOTE 6: Long-Term Debt

Under the GASB 34 reporting model, long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities for the Board of County Commissioners are reported in the government-wide Statement of Net Position. The following sections address specific long-term liabilities which are included in the government-wide presentation:

Florida's Waste-Water Revolving Loan Fund – The Florida Department of Environmental Protection has a revolving loan program for certain water pollution control projects. The County was awarded funding from this program to assist with a portion of the I-10 interchange project. Amounts borrowed require interest to be paid at a rate of approximately 1.69% annually. As of September 30, 2019, the outstanding balance on the revolving loan fund amounted to \$1,713,784. This loan is collateralized by the revenues generated from the One Cent County Surtax. The County is required to make semi-annual principal and interest payments of \$235,623. The semi-annual loan payment is based on the total amount of debt, which consists of the loan principal plus estimated loan service fee and interest.

Land Installment Purchase – During the fiscal year 2017, the County purchased a piece of property from a private land owner for \$356,550. The purchase was financed through a contract with the landowner to pay five annual installments of \$71,310 with no interest due. As of September 30, 2019, the remaining balance was \$137,620.

Auto and Equipment Loans – The County regularly purchases vehicles and other equipment through lease finance options. The total due on these lease finance agreements as of September 30, 2019 was \$891,404.

NOTE 6: Long-Term Debt (continued)

Road Paving – In 2019, the County obtained a loan from a local bank in the amount of \$3,750,000 to complete additional road paving projects. Interest is charged at the rate of The WSJ's Published Prime Lending Rate less 1.76% per annum. The interest rate shall be adjusted semiannually based on the stated rate on June 1 and December 1 of each year. The initial interest rate is 3.74% per annum. In addition to interest payments, principal payments of \$468,750 are due each June 1 and December 1. As of September 30, 2019, the total available amount of \$3,750,000 had been drawn on this loan and no payments had been made. To loan is secured by pledged revenues from the 5th and 6th Cent Surplus fund and other Non-Ad Valorem funds.

CHANGES IN LONG-TERM LIABILITIES

	Balance Oct. 1, 2018	Additions	Reductions	Balance Sept. 30, 2019	Due Within One Year
<u>Governmental activities</u>					
Compensated absences	\$ 847,453	\$ 398,373	\$ (350,871)	\$ 894,955	\$ 178,991
DEP revolving loan fund	1,917,067	-	(203,283)	1,713,784	206,742
Auto and equipment loans	582,223	149,197	(237,530)	493,890	206,899
Bank loan	-	3,750,000	-	3,750,000	937,500
Land installment purchase	208,930	-	(71,310)	137,620	71,310
Net pension liability	11,844,599	2,706,224	(1,047,701)	13,503,122	-
Total	<u>\$ 15,400,272</u>	<u>\$ 7,003,794</u>	<u>\$ (1,910,695)</u>	<u>\$ 20,493,371</u>	<u>\$ 1,601,442</u>
	Balance Oct. 1, 2018	Additions	Reductions	Balance Sept. 30, 2019	Due Within One Year
<u>Business-type activities</u>					
Auto and Equipment loans	\$ 276,026	\$ 259,950	\$ (138,462)	\$ 397,514	\$ 124,897
Net pension liability	1,997,907	477,570	(184,890)	2,290,587	-
Total	<u>2,273,933</u>	<u>737,520</u>	<u>(323,352)</u>	<u>2,688,101</u>	<u>124,897</u>
Total long-term debt	<u>\$ 17,674,205</u>	<u>\$ 7,741,314</u>	<u>\$ (2,234,047)</u>	<u>\$ 23,181,472</u>	<u>\$ 1,726,339</u>

NOTE 6: Long-Term Debt (continued)

DEBT SERVICE REQUIREMENTS

The scheduled payments of principal and interest on long-term debt are as follows:

<u>September 30,</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 1,547,348	\$ 199,809
2021	1,500,106	151,510
2022	1,262,534	104,087
2023	1,237,829	61,862
2024	260,087	16,226
Thereafter	684,904	20,496
	<u>\$ 6,492,808</u>	<u>\$ 553,990</u>

NOTE 7: Deficit Fund Equity

The following funds had a deficit fund balance for the year ended September 30, 2019:

Court fund	\$ (122,720)
Soil conservation	(3,324)
Capital projects	<u>(323,703)</u>
Total	<u>\$ (449,747)</u>

This deficit fund balance was created by expenses exceeding revenues and financing sources. The deficit will be covered by fund balances of other existing funds.

NOTE 8: Florida Retirement System Retirement Plans

FLORIDA RETIREMENT SYSTEM

General Information – All of the County’s employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, Florida Statutes, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, including the FRS Pension Plan (“FRS Plan”) and the Retiree Health Insurance Subsidy (“HIS Plan”). Under Section 121.4501, Florida Statutes, the FRS also provides a defined contribution plan (“Investment Plan”) alternative to the FRS Plan, which is administered by the State Board of Administration (“SBA”). As a general rule, membership in the FRS is compulsory for all employees working in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, Florida Statutes, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

NOTE 8: *Florida Retirement System Retirement Plans (continued)*

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000, or from the Web site:

www.dms.myflorida.com/workforce_operations/retirement/publications.

FRS PLAN

Plan Description – The FRS Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (“DROP”) for eligible employees.

Benefits Provided – Benefits under the FRS Plan are computed on the basis of age, average final compensation, and service credit. For FRS Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service.

Elected Officers’ class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers’ class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

NOTE 8: *Florida Retirement System Retirement Plans (continued)*

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS Plan before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is three percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of three percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by three percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

Contributions – Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2018 through June 30, 2019 and from July 1, 2019 through September 30, 2019, respectively, were as follows: Regular—8.26% and 8.47%; Special Risk Administrative Support—34.98% and 38.59%; Special Risk—24.50% and 25.48%; Senior Management Service—24.06% and 25.41%; Elected Officers’—48.70% and 48.82%; and DROP participants—14.03% and 14.60%. These employer contribution rates include the 1.66% HIS Plan subsidy for the period October 1, 2018 through September 30, 2019.

The County’s contributions, including employee contributions, to the FRS Plan totaled \$1,203,140 for the fiscal year ended September 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2019, the County reported a liability of \$13,139,541 for its proportionate share of the FRS Plan’s net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The County’s proportionate share of the net pension liability was based on the County’s 2018-19 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the County's proportionate share was 0.03815 percent.

NOTE 8: Florida Retirement System Retirement Plans (continued)

For the fiscal year ended September 30, 2019, the County recognized pension expense of \$2,031,881. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	FRS Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 779,344	\$ (8,154)
Changes of assumptions	3,374,801	-
Net difference between projected and actual earnings on pension plan investments	-	(726,948)
Changes in proportion and differences between County contributions and proportionate share of contributions	514,091	(440,379)
County contributions subsequent to the measurement date	316,243	-
Total	\$ 4,984,479	\$ (1,175,481)

The deferred outflows of resources related to the FRS Plan, totaling \$316,243 resulting from County contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the FRS Plan will be recognized in pension expense as follows:

<u>Year ended September 30:</u>	FRS Amount
2020	\$ 1,266,681
2021	382,119
2022	923,235
2023	696,454
2024	179,612
Thereafter	44,654
Total	\$ 3,492,755

Actuarial Assumptions – The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumption, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

NOTE 8: Florida Retirement System Retirement Plans (continued)

Mortality assumptions for the FRS Pension Plan were based on the PUB-2010 base table, projected generationally with Scale MP-2018.

The most recent experience study for the FRS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018.

The long-term expected rate of return was decreased from 7.00% to 6.90%, and the mortality assumption was changed from the Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018.

The long-term expected rate of return on FRS Plan investments was not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.2%
Fixed income	18.0%	4.1%	4.1%	3.5%
Global equity	54.0%	8.0%	6.8%	16.5%
Real estate (property)	10.0%	6.7%	6.1%	11.7%
Private equity	11.0%	11.2%	8.4%	25.8%
Strategic investments	6.0%	5.9%	5.7%	6.7%
Total	100.00%			
Assumed inflation - mean			2.6%	1.7%

(1) As outlined in the Pension Plan's investment policy

Discount Rate – The discount rate used to measure the total pension liability was 6.90%. The FRS Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation of the total pension liability is equal to the long-term expected rate of return.

NOTE 8: Florida Retirement System Retirement Plans (continued)

Sensitivity of the County’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following represents the County’s proportionate share of the net pension liability calculated using the discount rate of (6.90%), as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

1% Decrease	Current Discount Rate	1% Increase
5.90%	6.90%	7.90%
\$ 22,713,893	\$ 13,139,541	\$ 5,143,340

FRS Plan Fiduciary Net Position – Detailed information regarding the FRS Plan’s fiduciary net position is available in the separately issued FRS Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

HIS PLAN

Plan Description – The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided – For the fiscal year ended September 30, 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions – The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2019, the HIS contribution for the period October 1, 2018 through September 30, 2019 was 1.66%. The County contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The County’s contributions to the HIS Plan totaled \$133,155 for the fiscal year ended September 30, 2019.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2019, the County reported a liability of \$2,654,168 for its proportionate share of the HIS Plan’s net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The County’s proportionate share of the net pension liability was based on the County’s 2018-19 fiscal year contributions relative to the 2018-19 fiscal year contributions of all participating members. At June 30, 2019, the County's proportionate share was 0.02372 percent.

NOTE 8: Florida Retirement System Retirement Plans (continued)

For the fiscal year ended September 30, 2019, the County recognized pension expense of \$41,851. In addition, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	HIS Pension	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 32,238	\$ (3,250)
Changes of assumptions	307,325	(216,930)
Net difference between projected and actual earnings on pension plan investments	1,713	-
Changes in proportion and differences between County contributions and proportionate share of contributions	45,350	(136,430)
County contributions subsequent to the measurement date	33,858	-
Total	\$ 420,484	\$ (356,610)

The deferred outflows of resources related to the HIS Plan, totaling \$33,858 resulting from County contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

<u>Year ended September 30:</u>	HIS Amount
2020	\$ 12,792
2021	10,238
2022	5,604
2023	(4,069)
2024	739
Thereafter	4,712
Total	\$ 30,016

Actuarial Assumptions – The total pension liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.60%
Salary increases	3.25%, average, including inflation
Municipal bond rate	3.50%

Mortality assumptions for the HIS Program were based on the Generational RP-2000 with Projection Scale BB tables.

NOTE 8: Florida Retirement System Retirement Plans (continued)

The most recent experience study for the HIS Pension Plan was completed in 2019 for the period July 1, 2013, through June 30, 2018.

The municipal rate used to determine total pension liability was increased from 3.87% to 3.50%.

Discount Rate – The discount rate used to measure the total pension liability was 3.50%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the County’s Proportionate Share of the Net Position Liability to Changes in the Discount Rate – The following represents the County’s proportionate share of the net pension liability calculated using the discount rate of 3.50%, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (4.50%) than the current rate:

1% Decrease	Current Discount Rate	1% Increase
2.50%	3.50%	4.50%
\$ 3,029,868	\$ 2,654,168	\$ 2,341,251

HIS Plan Fiduciary Net Position – Detailed information regarding the HIS Plan’s fiduciary net position is available in the separately issued Florida Retirement System Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

INVESTMENT PLAN

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA’s annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of plan members.

NOTE 8: *Florida Retirement System Retirement Plans (continued)*

Allocations to the investment member's accounts during the 2018-19 fiscal year, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows: Regular class 6.30%, Special Risk Administrative Support class 7.95%, Special Risk class 14.00%, Senior Management Service class 7.67% and County Elected Officers class 11.34%.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2019, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the pension plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

The County's Investment Plan pension expense was approximately \$50,000 for the fiscal year ended September 30, 2019.

NOTE 9: *Joint Venture*

In 1992, the County entered into an agreement with Taylor, Dixie, and Jefferson Counties to establish an Organization known as the Aucilla Area Solid Waste Administration. The purpose of this entity is to facilitate, through the collective effort of the counties involved, solid waste disposal through the establishment and operation of a joint solid waste disposal facility. The County has an ongoing financial responsibility to the Organization in that it has agreed to use the Organization to fulfill its landfill needs.

The governing board of the Organization is composed of one County Commissioner from each County. The Board elects the officers and manages the operations. Financial statements of the Organization may be obtained by contacting the Aucilla Area Solid Waste Administration office.

NOTE 10: *Landfill Closure and Post-Closure Costs*

The Third Judicial Circuit Court ruled on September 26, 1992, that Madison County, Florida, must close the last active cell of its landfill (approximately ten acres) and monitor the landfill for twenty years pursuant to the dictates of the Florida Department of Environmental Protection (FDEP). As of September 30, 2019, the total estimated remaining cost of the landfill closure and post-closure care is \$0 as the County has reached year twenty of its post-closure monitoring requirement.

NOTE 11: *Landfill Management Escrow Account*

The County has established an interest-bearing escrow account with the Florida Local Government Investment Trust for the sole purpose of long-term care of the closed Madison County, Florida Center Landfill. Pursuant to Rule 62-701.630, Florida Administrative Code, the escrow account is not used for any purpose other than landfill closure and long-term care; all withdrawals from the account are subject to approval by the Madison County, Florida Clerk of the Circuit Court. The County filed a final post-closure certification in FY 2018 and will reallocate these funds at a future date.

During the year ended September 30, 2019, the escrow account had the following activity:

Balance October 1, 2018	\$ 144,022
Withdrawals	-
Net appreciation	<u>6,083</u>
Balance September 30, 2019	<u>\$ 150,105</u>

NOTE 12: *Proprietary Accounts Receivable*

At September 30, 2019, the accounts receivable for proprietary funds were as follows:

Accounts receivable	\$ 2,505,136
Less: allowance for doubtful accounts	<u>(1,313,327)</u>
Net accounts receivable	<u>\$ 1,191,809</u>

NOTE 13: *Excess of Expenditures Over Appropriations*

For the year ended September 30, 2019, expenditures exceeded appropriations in the following funds.

<u>Fund</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General	10,606,816	10,791,613	(184,797)
County Transportation Trust	2,615,511	2,892,271	(276,760)
Law Enforcement and Corrections	6,563,226	6,568,750	(5,524)
Court	524,929	776,084	(251,155)
Capital Projects	3,092,045	6,154,702	(3,062,657)
5th and 6th Cent Surplus	802,438	4,101,718	(3,299,280)

REQUIRED SUPPLEMENTARY INFORMATION

MADISON COUNTY, FLORIDA
SCHEDULE OF MADISON COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*

	2019	2018	2017	2016	2015	2014
Madison County's proportion of the net pension liability	0.038153523%	0.037631910%	0.037964192%	0.038502386%	0.03732349%	0.036984729%
Madison County's proportionate share of the net pension liability	\$ 13,139,541	\$ 11,334,926	\$ 11,229,553	\$ 9,721,883	\$ 4,820,829	\$ 2,256,612
Madison County's covered-employee payroll	8,311,581	7,961,781	7,895,237	7,969,600	7,682,991	7,728,650
Madison County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	158.09%	142.37%	142.23%	121.99%	62.75%	29.20%
Plan fiduciary net position as a percentage of the total pension liability	82.61%	84.26%	83.89%	84.88%	92.00%	96.09%

* The amounts presented for each fiscal year were determined as of 6/30.
No data is available for the previous four years.

MADISON COUNTY, FLORIDA
SCHEDULE OF MADISON COUNTY'S CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,203,140	\$ 1,103,757	\$ 988,301	\$ 938,942	\$ 909,978	\$ 810,123
Contributions in relation to the contractually required contribution	(1,203,140)	(1,103,757)	(988,301)	(938,942)	(909,978)	(810,123)
Contribution deficiency (excess)	-	-	-	-	-	-
Madison County's covered-employee payroll	\$ 8,311,581	\$ 7,961,781	\$ 7,895,237	\$ 7,969,600	\$ 7,682,991	\$ 7,728,650
Contributions as a percentage of covered-employee payroll	14.48%	13.86%	12.52%	11.78%	11.84%	10.48%

* The amounts presented for each fiscal year were determined as of 6/30.
No data is available for the previous four years.

MADISON COUNTY, FLORIDA
SCHEDULE OF MADISON COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS*

	2019	2018	2017	2016	2015	2014
Madison County's proportion of the net pension liability	0.023721224%	0.023691928%	0.024185596%	0.024699941%	0.024747720%	0.025449321%
Madison County's proportionate share of the net pension liability	\$ 2,654,168	\$ 2,507,580	\$ 2,586,036	\$ 2,878,676	\$ 2,523,878	\$ 2,379,574
Madison County's covered-employee payroll	8,311,581	7,961,781	7,895,237	7,969,600	7,682,991	7,728,650
Madison County's proportionate share of the net pension liability as a percentage of its covered-employee payroll	31.93%	31.50%	32.75%	36.12%	32.85%	30.79%
Plan fiduciary net position as a percentage of the total pension liability	2.63%	2.15%	1.64%	0.97%	0.50%	0.99%

* The amounts presented for each fiscal year were determined as of 6/30.
No data is available for the previous four years.

MADISON COUNTY, FLORIDA
SCHEDULE OF MADISON COUNTY'S CONTRIBUTIONS
HEALTH INSURANCE SUBSIDY PROGRAM
LAST TEN FISCAL YEARS*

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 133,155	\$ 128,833	\$ 127,603	\$ 126,603	\$ 94,601	\$ 87,181
Contributions in relation to the contractually required contribution	(133,155)	(128,833)	(127,603)	(126,603)	(94,601)	(87,181)
Contribution deficiency (excess)	-	-	-	-	-	-
Madison County's covered-employee payroll	\$ 8,311,581	\$ 7,961,781	\$ 7,895,237	\$ 7,969,600	\$ 7,682,991	\$ 7,728,650
Contributions as a percentage of covered-employee payroll	1.60%	1.62%	1.62%	1.59%	1.23%	1.13%

* The amounts presented for each fiscal year were determined as of 6/30.
No data is available for the previous four years.

MADISON COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 7,173,933	\$ 7,173,933	\$ 7,130,175	\$ (43,758)
Licenses and permits	180,450	180,450	229,759	49,309
Intergovernmental	2,341,426	2,318,689	2,547,060	228,371
Charges for services	336,223	336,223	348,898	12,675
Fines and forfeitures	12,500	12,500	14,385	1,885
Interest revenue	31,250	31,250	126,078	94,828
Other	100,622	193,922	186,196	(7,726)
Total revenues	10,176,404	10,246,967	10,582,551	335,584
EXPENDITURES				
Current				
General government	815,800	815,800	878,518	(62,718)
Public safety	274,234	274,234	304,151	(29,917)
Physical environment	173,867	173,867	201,536	(27,669)
Transportation	2,500	2,500	2,500	-
Economic environment	80,426	80,426	75,279	5,147
Human services	601,436	601,436	608,944	(7,508)
Culture/recreation	813,105	790,368	791,101	(733)
Debt service	8,527	8,527	5,276	3,251
Capital outlay	-	-	101,435	(101,435)
Total expenditures	2,769,895	2,747,158	2,968,740	(221,582)
Excess (deficiency) of revenues over (under) expenditures	7,406,509	7,499,809	7,613,811	114,002
OTHER FINANCING SOURCES (USES)				
Transfers in	350,039	359,849	359,008	(841)
Transfers (out)	(7,756,548)	(7,859,658)	(7,822,873)	36,785
Total other financing sources (uses)	(7,406,509)	(7,499,809)	(7,463,865)	35,944
Net changes in fund balances	-	-	149,946	149,946
Fund balances - beginning	-	-	2,786,934	2,786,934
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,936,880</u>	<u>\$ 2,936,880</u>

See accompanying notes to the financial statements.

MADISON COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
COUNTY TRANSPORTATION TRUST FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 1,505,024	\$ 1,505,024	\$ 1,651,939	\$ 146,915
Licenses and permits	2,950	2,950	2,840	(110)
Intergovernmental	671,692	671,692	720,591	48,899
Charges for services	9,444	9,444	9,044	(400)
Interest revenue	20,100	20,100	88,468	68,368
Other	54,583	54,583	249,197	194,614
	<u>2,263,793</u>	<u>2,263,793</u>	<u>2,722,079</u>	<u>458,286</u>
EXPENDITURES				
Current				
Transportation	2,064,312	2,064,312	2,497,546	(433,234)
Debt service	357,299	357,299	111,963	245,336
Capital outlay	43,900	43,900	132,762	(88,862)
	<u>2,465,511</u>	<u>2,465,511</u>	<u>2,742,271</u>	<u>(276,760)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(201,718)</u>	<u>(201,718)</u>	<u>(20,192)</u>	<u>181,526</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	351,718	351,718	351,718	-
Transfers (out)	(150,000)	(150,000)	(150,000)	-
Proceeds from Debt Financing	-	-	122,244	122,244
	<u>201,718</u>	<u>201,718</u>	<u>323,962</u>	<u>122,244</u>
Net changes in fund balances	-	-	303,770	303,770
Fund balances - beginning	-	-	2,115,539	2,115,539
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,419,309</u>	<u>\$ 2,419,309</u>

See accompanying notes to the financial statements.

MADISON COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
LAW ENFORCEMENT & CORRECTIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget - Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Intergovernmental	\$ 99,141	\$ 129,141	\$ 134,088	\$ 4,947
Charges for services	357,700	357,700	383,394	25,694
Fines and forfeitures	100	100	-	(100)
Interest revenue	30	30	339	309
Other	-	-	14	14
Total revenues	456,971	486,971	517,835	30,864
EXPENDITURES				
Current				
Public safety	300	300	5,824	(5,524)
Total expenditures	300	300	5,824	(5,524)
Excess (deficiency) of revenues over (under) expenditures	456,671	486,671	512,011	25,340
OTHER FINANCING SOURCES (USES)				
Transfers in	6,003,915	6,076,255	6,076,255	-
Transfers (out)	(6,460,586)	(6,562,926)	(6,562,926)	-
Total other financing sources (uses)	(456,671)	(486,671)	(486,671)	-
Net changes in fund balances	-	-	25,340	25,340
Fund balances - beginning	-	-	(333)	(333)
Fund balances - ending	\$ -	\$ -	\$ 25,007	\$ 25,007

MADISON COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
HOSPITAL SURTAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 594,150	\$ 594,150	\$ 663,329	\$ 69,179
Interest revenue	5,000	5,000	20,379	15,379
Other	-	602,758	602,758	-
	<hr/>			
Total revenues	599,150	1,201,908	1,286,466	84,558
<hr/>				
EXPENDITURES				
Current				
Human services	599,150	1,201,908	1,161,419	40,489
	<hr/>			
Total expenditures	599,150	1,201,908	1,161,419	40,489
<hr/>				
Excess (deficiency) of revenues over (under) expenditures	-	-	125,047	125,047
<hr/>				
Net changes in fund balances	-	-	125,047	125,047
<hr/>				
Fund balances - beginning	-	-	570,568	570,568
<hr/>				
Fund balances - ending	\$ -	\$ -	\$ 695,615	\$ 695,615
<hr/>				

MADISON COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
LANDFILL CLOSURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Budgeted Amounts			Variance with Final Budget - Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Interest revenue	\$ -	\$ -	\$ 6,083	\$ 6,083
Total revenues	-	-	6,083	6,083
EXPENDITURES				
Current				
Physical environment	221,369	221,369	30,538	190,831
Total expenditures	221,369	221,369	30,538	190,831
Excess (deficiency) of revenues over (under) expenditures	(221,369)	(221,369)	(24,455)	196,914
OTHER FINANCING SOURCES (USES)				
Transfers in	221,369	221,369	221,369	-
Total other financing sources (uses)	221,369	221,369	221,369	-
Net changes in fund balances	-	-	196,914	196,914
Fund balances - beginning	-	-	(14,595)	(14,595)
Fund balances - ending	\$ -	\$ -	\$ 182,319	\$ 182,319

MADISON COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
FISCALLY CONSTRAINED COUNTY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 834,995	\$ 834,995	\$ 754,176	\$ (80,819)
Other	-	-	21,700	21,700
Total revenues	<u>834,995</u>	<u>834,995</u>	<u>775,876</u>	<u>(59,119)</u>
EXPENDITURES				
Current				
General government	43,801	43,801	82,128	(38,327)
Economic environment	45,000	45,000	45,000	-
Debt service	-	-	71,310	(71,310)
Capital outlay	75,000	75,000	3,741	71,259
Total expenditures	<u>163,801</u>	<u>163,801</u>	<u>202,179</u>	<u>(38,378)</u>
Excess (deficiency) of revenues over (under) expenditures	671,194	671,194	573,697	(97,497)
OTHER FINANCING SOURCES (USES)				
Transfers (out)	<u>(671,194)</u>	<u>(671,194)</u>	<u>(555,377)</u>	<u>115,817</u>
Total other financing sources (uses)	<u>(671,194)</u>	<u>(671,194)</u>	<u>(555,377)</u>	<u>115,817</u>
Net changes in fund balances	-	-	18,320	18,320
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>499,808</u>	<u>499,808</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 518,128</u>	<u>\$ 518,128</u>

MADISON COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
SHERIFF - OPERATING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ 5,545	\$ 5,545	\$ -
Total revenues	-	5,545	(202,331)	(207,876)
EXPENDITURES				
Current				
Public safety	6,237,625	6,345,511	6,137,335	208,176
Debt service	127,339	127,339	127,339	-
Capital outlay	95,921	95,921	95,921	-
Total expenditures	6,460,885	6,568,771	6,360,595	208,176
Excess (deficiency) of revenues over (under) expenditures	(6,460,885)	(6,563,226)	(6,562,926)	300
OTHER FINANCING SOURCES (USES)				
Transfers in	6,460,885	6,563,226	6,562,926	(300)
Total other financing sources (uses)	6,460,885	6,563,226	6,562,926	(300)
Net changes in fund balances	-	-	-	-
Fund balances - beginning	-	-	4,769	4,769
Fund balances - ending	\$ -	\$ -	\$ 4,769	\$ 4,769

MADISON COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
COURT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 524,929	\$ 524,929	\$ 639,244	\$ 114,315
Charges for Services	-	-	116	116
Other	-	-	12,021	12,021
Total revenues	<u>524,929</u>	<u>524,929</u>	<u>651,381</u>	<u>126,452</u>
EXPENDITURES				
Current				
General government	524,929	524,929	776,084	(251,155)
Total expenditures	<u>524,929</u>	<u>524,929</u>	<u>776,084</u>	<u>(251,155)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(124,703)	(124,703)
Net changes in fund balances	-	-	(124,703)	(124,703)
Fund balances - beginning	-	-	1,983	1,983
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (122,720)</u>	<u>\$ (122,720)</u>

MADISON COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 3,092,045	\$ 3,092,045	\$ 2,069,467	\$ (1,022,578)
Total revenues	<u>3,092,045</u>	<u>3,092,045</u>	<u>2,069,467</u>	<u>(1,022,578)</u>
EXPENDITURES				
Capital outlay	<u>3,092,045</u>	<u>3,092,045</u>	<u>6,154,702</u>	<u>(3,062,657)</u>
Total expenditures	<u>3,092,045</u>	<u>3,092,045</u>	<u>6,154,702</u>	<u>(3,062,657)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(4,085,235)</u>	<u>(4,085,235)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>-</u>	<u>3,750,000</u>	<u>3,750,000</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,750,000</u>	<u>3,750,000</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(335,235)</u>	<u>(335,235)</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>11,532</u>	<u>11,532</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (323,703)</u></u>	<u><u>\$ (323,703)</u></u>

MADISON COUNTY, FLORIDA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
5TH AND 6TH CENT SURPLUS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 802,438	\$ 802,438	\$ 875,225	\$ 72,787
Total revenues	802,438	802,438	875,225	72,787
EXPENDITURES				
Current				
Debt service	450,720	450,720	-	450,720
Total expenditures	450,720	450,720	-	450,720
Excess (deficiency) of revenues over (under) expenditures	351,718	351,718	875,225	523,507
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(351,718)	(351,718)	(4,101,718)	(3,750,000)
Proceeds from Debt Financing	-	-	3,750,000	3,750,000
Total other financing sources (uses)	(351,718)	(351,718)	(351,718)	-
Net changes in fund balances	-	-	523,507	523,507
Fund balances - beginning	-	-	1,374,412	1,374,412
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,897,919</u>	<u>\$ 1,897,919</u>

SUPPLEMENTAL INFORMATION

**MADISON COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	Special Revenue Funds				
	Tourist Development	Fire	DOJ Equitable Sharing Program	State Confiscations Trust	E911
ASSETS					
Cash	\$ 56,720	\$ 8,107	\$ 25	\$ 10	\$ 61,841
Due from other funds	-	-	-	-	-
Due from other governmental units	10,055	-	-	-	-
Investments	241,655	459,353	584	60,920	38,168
Prepaid expenses	-	-	-	-	-
Total assets	\$ 308,430	\$ 467,460	\$ 609	\$ 60,930	\$ 100,009
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 1,780	\$ 4,052	\$ -	\$ -	\$ 951
Due to other funds	-	416	125	127	3,746
Due to other governments	-	-	-	-	-
Deferred income	-	-	-	-	-
Total liabilities	1,780	4,468	125	127	4,697
Fund balances					
Restricted	306,650	462,992	484	60,803	95,312
Unassigned	-	-	-	-	-
Total fund balances	306,650	462,992	484	60,803	95,312
Total liabilities and fund balances	\$ 308,430	\$ 467,460	\$ 609	\$ 60,930	\$ 100,009

MADISON COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	Special Revenue Funds					
	Emergency Management	SHIP Program	Recycling	Property Appraiser	Supervisor of Elections	Tax Collector
ASSETS						
Cash	\$ 1,982	\$ 59	\$ 5,613	\$ 2,893	\$ 6,692	\$ 41,055
Due from other funds	88	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
Investments	1,277	314,182	38,590	-	-	-
Prepaid expenses	-	-	-	-	-	-
Total assets	\$ 3,347	\$ 314,241	\$ 44,203	\$ 2,893	\$ 6,692	\$ 41,055
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 375	\$ 15,000	\$ -	\$ -	\$ 5,529	\$ 150
Due to other funds	40	-	16,900	2,893	-	40,905
Due to other governments	-	-	-	-	-	-
Deferred income	-	283,450	-	-	-	-
Total liabilities	415	298,450	16,900	2,893	5,529	41,055
Fund balances						
Restricted	2,932	15,791	27,303	-	1,163	-
Unassigned	-	-	-	-	-	-
Total fund balances	2,932	15,791	27,303	-	1,163	-
Total liabilities and fund balances	\$ 3,347	\$ 314,241	\$ 44,203	\$ 2,893	\$ 6,692	\$ 41,055

MADISON COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	Special Revenue Funds					
	Clerk of the Circuit Court	Small County Surtax	Court Technology Modernization	Public Records Modernization	Community Development Block Grant	Soil Conservation
ASSETS						
Cash	\$ 62,983	\$ 795	\$ 2,996	\$ 13,476	\$ -	\$ 20,757
Due from other funds	2,079	-	254	-	-	-
Due from other governmental units	6,297	78,905	-	-	-	8,638
Investments	239,912	690,745	41,889	100,338	-	256
Prepaid expenses	5,244	-	-	-	-	-
Total assets	\$ 316,515	\$ 770,445	\$ 45,139	\$ 113,814	\$ -	\$ 29,651
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 213,970	\$ -	\$ 74	\$ -	\$ -	\$ 487
Due to other funds	2,156	-	54	78	-	32,488
Due to other governments	26,037	-	-	-	-	-
Deferred income	-	-	-	-	-	-
Total liabilities	242,163	-	128	78	-	32,975
Fund balances						
Restricted	74,352	770,445	45,011	113,736	-	-
Unassigned	-	-	-	-	-	(3,324)
Total fund balances	74,352	770,445	45,011	113,736	-	(3,324)
Total liabilities and fund balances	\$ 316,515	\$ 770,445	\$ 45,139	\$ 113,814	\$ -	\$ 29,651

MADISON COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	Special Revenue Funds					
	MSCO Firearms Training Facility	Crime Prevention Funds	Law Enforcement Education	Radio Communication Program	Criminal Justice Program	2nd Local Option Gas Tax
ASSETS						
Cash	\$ 1,385	\$ 275	\$ 1,778	\$ 726	\$ 179	\$ 52,767
Due from other funds	-	742	1,708	8,494	2,076	-
Due from other governmental units	-	-	-	-	-	36,488
Investments	2,200	9,137	15,001	20,600	24,800	479,615
Prepaid expenses	-	-	-	-	-	-
Total assets	\$ 3,585	\$ 10,154	\$ 18,487	\$ 29,820	\$ 27,055	\$ 568,870
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 640	\$ -	\$ -	\$ -	\$ 8,455	\$ -
Due to other funds	-	-	-	15,000	-	-
Due to other governments	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-
Total liabilities	640	-	-	15,000	8,455	-
Fund balances						
Restricted	2,945	10,154	18,487	14,820	18,600	568,870
Unassigned	-	-	-	-	-	-
Total fund balances	2,945	10,154	18,487	14,820	18,600	568,870
Total liabilities and fund balances	\$ 3,585	\$ 10,154	\$ 18,487	\$ 29,820	\$ 27,055	\$ 568,870

MADISON COUNTY, FLORIDA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019

	Special Revenue Funds					Total
	State Court Facilities Surcharge	Article V Information Technology Fees	Court Facilities	Office of Justice Program Grant Trust	I.C.E Equitable Sharing	
ASSETS						
Cash	\$ 70,033	\$ 832	\$ 47,040	\$ -	\$ 15	\$ 461,034
Due from other funds	26,140	1,884	2,268	-	-	45,733
Due from other governmental units	-	-	-	-	-	140,383
Investments	228	11,297	17,232	-	437	2,808,416
Prepaid expenses	-	-	-	-	-	5,244
Total assets	\$ 96,401	\$ 14,013	\$ 66,540	\$ -	\$ 452	\$ 3,460,810
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 28	\$ -	\$ 1,347	\$ -	\$ -	\$ 252,838
Due to other funds	-	-	-	-	-	114,928
Due to other governments	-	-	-	-	-	26,037
Deferred income	-	-	-	-	-	283,450
Total liabilities	28	-	1,347	-	-	677,253
Fund balances						
Restricted	96,373	14,013	65,193	-	452	2,786,881
Unassigned	-	-	-	-	-	(3,324)
Total fund balances	96,373	14,013	65,193	-	452	2,783,557
Total liabilities and fund balances	\$ 96,401	\$ 14,013	\$ 66,540	\$ -	\$ 452	\$ 3,460,810

MADISON COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds				
	Tourist Development	Fire	DOJ Equitable Sharing Program	State Confiscations Trust	E911
REVENUES					
Taxes	\$ 148,439	\$ 611,884	\$ -	\$ -	\$ -
Intergovernmental	-	65,203	-	-	59,603
Charges for services	-	-	-	-	124,108
Fines and forfeitures	-	-	-	2,841	-
Interest revenue	83	82	3	297	69
Other	490	10,059	-	-	-
Total revenues	149,012	687,228	3	3,138	183,780
EXPENDITURES					
Current					
General government	-	-	-	-	-
Public safety	-	662,210	125	126	112,071
Physical environment	-	-	-	-	-
Economic environment	109,719	-	-	-	-
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	26,886	-	-	-
Total expenditures	109,719	689,096	125	126	112,071
Excess (deficiency) of revenues over (under) expenditures	39,293	(1,868)	(122)	3,012	71,709
OTHER FINANCING SOURCES (USES)					
Transfers in	-	5,000	-	-	-
Transfers (out)	-	(24,924)	-	-	(64,776)
Proceeds from debt financing	-	-	-	-	-
Total other financing sources (uses)	-	(19,924)	-	-	(64,776)
Net changes in fund balances	39,293	(21,792)	(122)	3,012	6,933
Fund balances - beginning	267,357	484,784	606	57,791	88,379
Fund balances - ending	\$ 306,650	\$ 462,992	\$ 484	\$ 60,803	\$ 95,312

MADISON COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds					
	Emergency Management	SHIP Program	Recycling	Property Appraiser	Supervisor of Elections	Tax Collector
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	159,993	224,361	90,909	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest revenue	-	8,792	-	-	4	-
Other	16,334	10,000	30,112	-	11,703	-
Total revenues	176,327	243,153	121,021	-	11,707	-
EXPENDITURES						
Current						
General government	-	-	6,000	770,081	463,618	552,817
Public safety	188,702	-	-	-	-	-
Physical environment	-	-	115,256	-	-	-
Economic environment	-	243,131	-	-	-	-
Debt service						
Principal	7,673	-	-	9,810	-	-
Interest	1,452	-	-	-	-	-
Capital outlay	-	-	-	35,108	-	-
Total expenditures	197,827	243,131	121,256	814,999	463,618	552,817
Excess (deficiency) of revenues over (under) expenditures	(21,500)	22	(235)	(814,999)	(451,911)	(552,817)
OTHER FINANCING SOURCES (USES)						
Transfers in	25,000	-	-	788,046	455,173	552,817
Transfers (out)	-	-	-	-	-	-
Proceeds from debt financing	-	-	-	26,953	-	-
Total other financing sources (uses)	25,000	-	-	814,999	455,173	552,817
Net changes in fund balances	3,500	22	(235)	-	3,262	-
Fund balances - beginning	(568)	15,769	27,538	-	(2,099)	-
Fund balances - ending	\$ 2,932	\$ 15,791	\$ 27,303	\$ -	\$ 1,163	\$ -

MADISON COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds					
	Clerk of the Circuit Court	Small County Surtax	Court Technology Modernization	Public Records Modernization	Community Development Block Grant	Soil Conservation
REVENUES						
Taxes	\$ -	\$ 1,326,650	\$ -	\$ -	\$ -	\$ -
Intergovernmental	27,034	-	-	-	-	107,750
Charges for services	83,406	-	17,046	6,027	-	-
Fines and forfeitures	-	-	-	97,741	-	-
Interest revenue	10,564	22,582	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	121,004	1,349,232	17,046	103,768	-	107,750
EXPENDITURES						
Current						
General government	416,701	250,000	15,345	10,456	-	-
Public safety	-	-	-	-	-	-
Physical environment	-	-	-	-	-	107,577
Economic environment	-	-	-	-	-	-
Debt service						
Principal	-	203,283	-	-	-	-
Interest	-	32,339	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	416,701	485,622	15,345	10,456	-	107,577
Excess (deficiency) of revenues over (under) expenditures	(295,697)	863,610	1,701	93,312	-	173
OTHER FINANCING SOURCES (USES)						
Transfers in	335,498	-	-	-	-	-
Transfers (out)	-	(620,343)	-	-	-	-
Proceeds from debt financing	-	-	-	-	-	-
Total other financing sources (uses)	335,498	(620,343)	-	-	-	-
Net changes in fund balances	39,801	243,267	1,701	93,312	-	173
Fund balances - beginning	34,551	527,178	43,310	20,424	-	(3,497)
Fund balances - ending	\$ 74,352	\$ 770,445	\$ 45,011	\$ 113,736	\$ -	\$ (3,324)

MADISON COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds					2nd Local Option Gas Tax
	MSCO Firearms Training Facility	Crime Prevention Funds	Law Enforcement Education	Radio Communication Program	Criminal Justice Program	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 415,704
Intergovernmental	-	-	-	-	-	-
Charges for services	120	9,559	17,658	90,359	21,587	-
Fines and forfeitures	-	-	-	-	-	-
Interest revenue	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	120	9,559	17,658	90,359	21,587	415,704
EXPENDITURES						
Current						
General government	-	-	-	-	-	-
Public safety	700	-	10,073	38,115	28,597	-
Physical environment	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	700	-	10,073	38,115	28,597	-
Excess (deficiency) of revenues over (under) expenditures	(580)	9,559	7,585	52,244	(7,010)	415,704
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	(12,000)	-	(55,000)	-	-
Proceeds from debt financing	-	-	-	-	-	-
Total other financing sources (uses)	-	(12,000)	-	(55,000)	-	-
Net changes in fund balances	(580)	(2,441)	7,585	(2,756)	(7,010)	415,704
Fund balances - beginning	3,525	12,595	10,902	17,576	25,610	153,166
Fund balances - ending	\$ 2,945	\$ 10,154	\$ 18,487	\$ 14,820	\$ 18,600	\$ 568,870

MADISON COUNTY, FLORIDA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Special Revenue Funds					Total
	State Court Facilities Surcharge	Article V Information Technology Fees	Court Facilities	Office of Justice Program Grant Trust	I.C.E Equitable Sharing	
	REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,502,677
Intergovernmental	-	-	-	-	-	734,853
Charges for services	271,293	18,484	24,688	-	-	684,335
Fines and forfeitures	-	-	-	-	-	100,582
Interest revenue	-	-	-	-	-	42,476
Other	-	-	-	-	-	78,698
Total revenues	271,293	18,484	24,688	-	-	4,143,621
EXPENDITURES						
Current						
General government	63,589	48,335	11,751	-	-	2,608,693
Public safety	-	-	-	-	-	1,040,719
Physical environment	-	-	-	-	-	222,833
Economic environment	-	-	-	-	-	352,850
Debt service						
Principal	-	-	-	-	-	220,766
Interest	-	-	-	-	-	33,791
Capital outlay	-	-	-	-	-	61,994
Total expenditures	63,589	48,335	11,751	-	-	4,541,646
Excess (deficiency) of revenues over (under) expenditures	207,704	(29,851)	12,937	-	-	(398,025)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	27,490	-	-	-	2,189,024
Transfers (out)	(160,705)	-	-	-	-	(937,748)
Proceeds from debt financing	-	-	-	-	-	26,953
Total other financing sources (uses)	(160,705)	27,490	-	-	-	1,278,229
Net changes in fund balances	46,999	(2,361)	12,937	-	-	880,204
Fund balances - beginning	49,374	16,374	52,256	-	452	1,903,353
Fund balances - ending	\$ 96,373	\$ 14,013	\$ 65,193	\$ -	\$ 452	\$ 2,783,557

COMPLIANCE SECTION

LANIGAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS
www.lanigancpa.com

**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**

The Honorable Chairman and Commissioners
The Board of County Commissioners and Constitutional Officers
Madison County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Madison County, Florida as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise Madison County, Florida's basic financial statements, and have issued our report thereon dated March 19, 2020.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County, Florida's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 2019-001.

Madison County, Florida's Response to Findings

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

Purpose of this Report

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

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
STATE FINANCIAL ASSISTANCE PROJECT AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE REQUIRED BY CHAPTER 10.550, RULES OF THE
AUDITOR GENERAL OF THE STATE OF FLORIDA**

The Honorable Board of County Commissioners
The Board of County Commissioners and Constitutional Officers
Madison County, Florida

Report on Compliance for Each State Financial Assistance Project

We have audited Madison County, Florida's compliance with the types of compliance requirements described in the *State of Florida's Department of Financial Services State Projects Compliance Supplement* that could have a direct and material effect on each of Madison County, Florida's major state financial assistance projects for the year ended September 30, 2019. Madison County, Florida's major state financial assistance projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state projects.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Madison County, Florida's state financial assistance projects based on our audit of the types of compliance requirements referred to above. We conducted our compliance audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General. Those standards, and Chapter 10.550, Rules of the Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on major state financial assistance projects occurred. An audit includes examining, on a test basis, evidence about Madison County, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on State Financial Assistance Project

In our opinion, Madison County, Florida complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state financial assistance projects for the year ended September 30, 2019.

Report on Internal Control over Compliance

Management of Madison County, Florida is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our compliance audit, we considered Madison County, Florida's internal control over compliance with the types of requirements that could have a direct and material effect on major state financial assistance projects to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state financial assistance project and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Madison County, Florida's internal control over compliance.

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

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

Independent Auditor's Report
Page Three

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Chapter 10.550, Rules of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

MADISON COUNTY, FLORIDA
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2019

State Agency Pass-through Entity State Project	CFSA No.	Contract Grant No.	Expenditures
STATE FINANCIAL ASSISTANCE			
Department of Environmental Protection Small County Consolidated Grants	37.012	SC928	<u>\$ 90,909</u>
Florida Department of Agriculture and Consumer Services Mosquito Control	42.003	25514	<u>34,481</u>
Florida Department of State State Aid to Libraries	45.030	19-ST-81	<u>227,263</u>
Florida Housing Finance Corp. State Housing Initiatives Partnership (SHIP) Program	40.901	GAA	<u>243,131</u>
Florida Department of Transportation Small County Outreach Program	55.009	436458-1-58-01	703,134
Small County Outreach Program	55.009	438194-1-54-01	<u>527,650</u>
Total Small County Outreach Program			<u>1,230,784</u>
Small County Road Assistance Program	55.016	436445-1-54-01	<u>838,683</u>
Total Florida Department of Transportation			<u>2,069,467</u>
Florida Department of Health County Grant Awards	64.005	C7040	8,501
Emergency Medical Services (EMS) Matching Awards	64.003	M6030	<u>13,668</u>
Total Florida Department of Health			<u>22,169</u>
Florida Department of Management Services Wireless 911 Emergency Telephone System	72.001	18-11-11	39,738
Wireless 911 Emergency Telephone System	72.001	19-04-25	<u>19,865</u>
Total Wireless 911 Emergency Telephone System			<u>59,603</u>
TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE			<u><u>\$ 2,747,023</u></u>

Note 1 - Financial Reporting Entity: The Madison County, Florida ("County") reporting entity is defined in Note 1 of the County's Basic Financial Statements.

Note 2 - Basis of Accounting: The Schedule of State Financial Assistance is presented in accordance with accounting principles generally accepted in the United States, as described in Note 1 of the County's Basic Financial Statements.

**MADISON COUNTY, FLORIDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	<u>Unmodified</u>
Internal Control over Financial Reporting:	
Are any material weaknesses identified?	<u> </u> Yes <u> X </u> No
Are any significant deficiencies identified?	<u> X </u> Yes <u> </u> None Reported
Is any noncompliance material to financial statements noted?	<u> X </u> Yes <u> </u> No

State Financial Projects

Internal Control over Major State Projects:	
Are any material weaknesses identified?	<u> </u> Yes <u> X </u> No
Are any significant deficiencies identified?	<u> </u> Yes <u> X </u> None Reported
Type of auditor's report issued on compliance for major state projects:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with the Florida Single Audit Act?	<u> </u> Yes <u> X </u> No
Identification of major state projects:	
<u>CSFA Numbers</u>	<u>Name of State Project</u>
55.009	Small County Outreach Program
55.016	Small County Road Assistance Program
Dollar threshold used to determine Type A programs:	<u>\$750,000</u>
Auditee qualified as a low-risk auditee?	<u> X </u> Yes <u> </u> No

**MADISON COUNTY, FLORIDA
FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30,**

SECTION II - SCHEDULE OF FINANCIAL STATEMENT FINDINGS

2019-001 Budgetary Compliance

Board of County Commissioners

Criteria – In accordance with section 129.06(2), F.S., the Board at any time during the fiscal year may amend a budget for that year, and may within the first 60 days of a fiscal year amend the budget for a prior fiscal period. In accordance with section 129.06(f), F.S., the Board must hold a public hearing to amend the budget for any purpose not specifically authorized in sections 129.06(a)-(e), F.S.

Condition – Our comparison of the total expenditures in each of the County's major funds to total appropriations, as presented below, highlights expenditures in excess of total appropriations.

Cause/Effect – Management and the Board did not obtain budget amendments within 60 days of yearend. As a result, expenditures unlawfully exceeded the legally adopted budget.

Recommendation – The County should obtain budget amendments within 60 days of yearend in accordance with Florida Statutes.

Classification – Significant Deficiency and Non-Compliance with Florida Statutes

<u>Fund</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
General	10,606,816	10,791,613	(184,797)
County Transportation Trust	2,615,511	2,892,271	(276,760)
Law Enforcement and Corrections	6,563,226	6,568,750	(5,524)
Court	524,929	776,084	(251,155)
Capital Projects	3,092,045	6,154,702	(3,062,657)
5th and 6th Cent Surplus	802,438	4,101,718	(3,299,280)

SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS

None noted.

**MADISON COUNTY, FLORIDA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

SCHEDULE OF PRIOR YEAR FINANCIAL STATEMENT FINDINGS

2018-001 Accounts Receivable Reconciliations Process

Board of County Commissioners

Status - Cleared

2018-002 Segregation of Duties

Tax Collector

Status - Cleared

STATE AWARD PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None noted.

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March 19, 2020

Honorable Board of County Commissioners and Constitutional Officers
Madison County, Florida

Report on the Financial Statements

We have audited the financial statements of the Madison County, Florida, as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 19, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major State Financial Assistance Project and on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Account's Reports on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 19, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the notes to financial statements.

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not Madison County, Florida has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the Madison County, Florida did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for Madison County, Florida. It is management's responsibility to monitor the financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

Section 10.554(1)(i)2., Rule of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Honorable Board of County Commissioners and Constitutional Officers
County-Wide Management Letter
March 19, 2020

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Lanigan & Associates, PC

Lanigan & Associates, P.C.
March 19, 2020

**REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE
WITH SECTIONS 365.172(10) AND 365.173(2)(d), FLORIDA STATUTES**

The Honorable Chairman and Commissioners of the
Board of County Commissioners
Madison County, Florida

Report on Compliance

We have examined the Madison County, Florida Board of County Commissioner's (the "Board") compliance with Sections 365.172(10) and 365.173(2)(d), Florida Statutes, regarding E911 funding as required by Section 10.556(10)(b), Rules of the Auditor General, during the year ended September 30, 2019. Management is responsible for the Board's compliance with those requirements. Our responsibility is to express an opinion on the Board's compliance based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Board's compliance with specified requirements.

Opinion

In our opinion, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

**REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE
WITH LOCAL GOVERNMENT INVESTMENT POLICIES**

The Honorable Chairman and Commissioners of the
Board of County Commissioners
Madison County, Florida

Report on Compliance

We have examined the Madison County, Florida Board of County Commissioner's (the "Board") compliance with Section 218.415, Florida Statutes, during the year ended September 30, 2019. Management is responsible for the Board's compliance with those requirements. Our responsibility is to express an opinion on the Board's compliance based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Board's compliance with specified requirements.

Opinion

In our opinion, the Board complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020



William D. "Billy" Washington

*Clerk of the Circuit Court & Comptroller
Madison County, Florida*

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April 13, 2020

The Honorable Board of County Commissioners
Madison County, Florida

Dear Commissioners:

The Office of the Clerk of Circuit Court is in receipt of the Management Letter from Madison County's Independent Auditors, Lanigan and Associates, P.C., for the fiscal year ended September 30, 2019.

The following response is made to the current and prior year recommendations for the Madison County Board of Commissioners:

2019-001) Budgetary Compliance

The County should obtain budget amendments within 60 days of year-end in accordance with Florida Statutes.

The Clerk's office is committed to abiding by all rules, statutes and laws governing its operation and oversight of county funds. We have enacted measures to ensure that year-end budget amendments will be filed and approved timely.

The Clerk's Office appreciates the pleasant, professional manner of the Lanigan and Associates' staff of auditors. We appreciate their prompt responses to questions and concerns and value their opinions. We are always open to ideas to make our office the best that it can be for those we serve in Madison County.

Sincerely,

William D. "Billy" Washington
Clerk of The Circuit Court
Madison County, Florida

cc: Lanigan and Associates, P.C.

**Special Purpose
Financial Statements**

**Madison County, Florida
Clerk of the Circuit Court and Comptroller**



**Year Ended September 30, 2019
with Independent Auditor's Report**

**Madison County, Florida
Clerk of the Circuit Court**

Financial Statements

Year Ended September 30, 2019

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INDEPENDENT AUDITOR'S REPORT

The Honorable Billy Washington
Clerk of the Circuit Court
Madison County, Florida

We have audited the accompanying special purpose financial statements of the Madison County, Florida Clerk of the Circuit Court, as of and for the year ended September 30, 2019, and the related notes to the special purpose financial statements, which collectively comprise the Madison County, Florida Clerk of the Circuit Court's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Special Purpose Financial Statements

Madison County, Florida Clerk of the Circuit Court's management is responsible for the preparation and fair presentation of these special purpose financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these special purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Independent Auditor's Report
Page Two

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial statements.

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

Opinion

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the Madison County, Florida Clerk of the Circuit Court, as of September 30, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Madison County, Florida that is attributable to the Madison County, Florida Clerk of the Circuit Court. They do not purport to, and do not, present fairly the financial position of Madison County, Florida as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2020 on our consideration of Madison County, Florida Clerk of the Circuit Court'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison County, Florida Clerk of the Circuit Court's internal control over financial reporting and compliance.

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

**MADISON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2019**

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General	Court Fund		
ASSETS				
Cash	\$ 62,983	\$ 11,527	\$ 16,472	\$ 90,982
Accounts receivable	-	1,000	-	1,000
Investments	239,912	70,617	142,227	452,756
Due from other funds	2,079	18	254	2,351
Due from other governmental units	6,297	1,326	-	7,623
Prepaid expenses	5,244	-	-	5,244
Total assets	<u>\$ 316,515</u>	<u>\$ 84,488</u>	<u>\$ 158,953</u>	<u>\$ 559,956</u>
 LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 213,970	\$ 61,743	\$ 74	\$ 275,787
Due to other funds	2,156	45,077	132	47,365
Due to other governmental units	26,037	100,388	-	126,425
Total liabilities	<u>242,163</u>	<u>207,208</u>	<u>206</u>	<u>449,577</u>
 Fund balance:				
Restricted	74,352	-	158,747	233,099
Assigned	-	(122,720)	-	(122,720)
Total fund balance	<u>74,352</u>	<u>(122,720)</u>	<u>158,747</u>	<u>110,379</u>
Total liabilities and fund balance	<u>\$ 316,515</u>	<u>\$ 84,488</u>	<u>\$ 158,953</u>	<u>\$ 559,956</u>

**MADISON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Major Funds		Other Governmental Funds	Total Governmental Funds
	General	Court Fund		
REVENUES				
Intergovernmental	\$ 27,034	\$ 639,244	\$ -	\$ 666,278
Charges for services	83,406	116	23,073	106,595
Fines and forfeitures	-	-	97,741	97,741
Interest revenue	10,564	-	-	10,564
Miscellaneous revenues	-	12,021	-	12,021
Total revenues	121,004	651,381	120,814	893,199
EXPENDITURES				
Current				
General government	416,701	776,084	25,801	1,218,586
Total expenditures	416,701	776,084	25,801	1,218,586
Excess (deficiency) of revenues over (under) expenditures	(295,697)	(124,703)	95,013	(325,387)
OTHER FINANCING SOURCES				
Transfers in	335,498	-	-	335,498
Total other financing sources	335,498	-	-	335,498
Net changes in fund balances	39,801	(124,703)	95,013	10,111
Fund balances - beginning	34,551	1,983	63,734	131,848
Fund balances - ending	<u>\$ 74,352</u>	<u>\$ (122,720)</u>	<u>\$ 158,747</u>	<u>\$ 110,379</u>

**MADISON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 27,034	\$ 2,034
Charges for services	60,000	60,000	83,406	23,406
Interest revenue	3,000	3,000	10,564	7,564
Total revenues	<u>88,000</u>	<u>88,000</u>	<u>121,004</u>	<u>33,004</u>
EXPENDITURES				
Current				
General government	<u>423,498</u>	<u>423,498</u>	<u>416,701</u>	<u>6,797</u>
Total expenditures	<u>423,498</u>	<u>423,498</u>	<u>416,701</u>	<u>6,797</u>
(Deficiency) of revenues (under) expenditures	<u>(335,498)</u>	<u>(335,498)</u>	<u>(295,697)</u>	<u>39,801</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>335,498</u>	<u>335,498</u>	<u>335,498</u>	<u>-</u>
Total other financing sources	<u>335,498</u>	<u>335,498</u>	<u>335,498</u>	<u>-</u>
Net changes in fund balances	-	-	39,801	39,801
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>34,551</u>	<u>34,551</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,352</u>	<u>\$ 74,352</u>

**MADISON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
COURT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 524,929	\$ 524,929	\$ 639,244	\$ 114,315
Fines and forfeitures	-	-	116	116
Miscellaneous revenues	-	-	12,021	12,021
Total revenues	<u>524,929</u>	<u>524,929</u>	<u>651,381</u>	<u>126,452</u>
EXPENDITURES				
Current				
General government	<u>524,929</u>	<u>524,929</u>	<u>776,084</u>	<u>(251,155)</u>
Total expenditures	<u>524,929</u>	<u>524,929</u>	<u>776,084</u>	<u>(251,155)</u>
(Deficiency) of revenues (under) expenditures	<u>-</u>	<u>-</u>	<u>(124,703)</u>	<u>(124,703)</u>
Net changes in fund balances	-	-	(124,703)	(124,703)
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>1,983</u>	<u>1,983</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (122,720)</u>	<u>\$ (122,720)</u>

**MADISON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Charges for services	\$ -	\$ -	\$ 23,073	\$ 23,073
Fines and forfeitures	-	-	97,741	97,741
Total revenues	-	-	120,814	120,814
EXPENDITURES				
Total expenditures	-	-	25,801	(25,801)
Excess of revenues over expenditures	-	-	95,013	95,013
Net changes in fund balances	-	-	95,013	95,013
Fund balances - beginning	-	-	63,734	63,734
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,747</u>	<u>\$ 158,747</u>

**MADISON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
SEPTEMBER 30, 2019**

ASSETS

Cash and cash equivalents	\$ 69,338
Investments	<u>31,924</u>
Total assets	<u><u>\$ 101,262</u></u>

LIABILITIES

Due to individuals and others	<u>\$ 101,262</u>
Total liabilities	<u><u>\$ 101,262</u></u>

**MADISON COUNTY, FLORIDA
CLERK OF THE CIRCUIT COURT
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 1: *Summary of Significant Accounting Policies*

The accounting policies of the Madison County, Florida Clerk of the Circuit Court (the Clerk) conform with generally accepted accounting principles (GAAP), as applicable to governments. The following is a summary of significant accounting principles and policies used in the preparation of these special purpose financial statements.

Reporting Entity

The Madison County, Florida Clerk of the Circuit Court, as established by Article VIII of the Constitution of the State of Florida, is an elected official of Madison County, Florida. Although the Clerk of the Circuit Court is operationally autonomous from the Madison County Board of County Commissioners, it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Clerk is considered part of the County's primary government.

These special purpose financial statements of the Clerk are not intended to be a complete presentation of the financial position and results of operations of Madison County, Florida taken as a whole. As permitted by Chapter 10.556, Rules of the Auditor General, the special purpose financial statements consist of only fund level financial statements as defined by GASB 34, and do not include presentations of government-wide financial statements of the Clerk of the Circuit Court.

Fund Accounting

The accounting records are organized for reporting purposes on the basis of fund accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounting records. The Clerk utilizes the following fund types:

- The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Clerk. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the general fund. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination.
- The Court Fund, which is a governmental fund, was established pursuant to Revision 7 to Article V, to account for court related revenues and expenditures and are required to be reported separately from the Clerk's general activities.
- Special Revenue Fund, which is a governmental fund, is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes including public modernization and court technology.

NOTE 1: *Summary of Significant Accounting Policies (Continued)*

- Agency Funds are used to account for assets held by the Clerk as an agent for individuals, private organizations, and other governments. Agency funds are custodial in nature and do not involve measurement of changes in financial position.

Effective July 1, 2013, as a result of the passage of Senate Bill 1512, the Clerk returned to being an entirely fee based Constitutional Officer. In accordance with this Bill, fee revenue began being recognized effective June 1, 2013.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both measurable and available as net current assets. The Clerk considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred.

Cash and Cash Equivalents

The Clerk'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 acquisition date.

Budget and Budgetary Accounting

The Clerk operates under budget procedures pursuant to Section 218.35, Florida Statutes. Budgets are adopted for governmental and special revenue funds. Budget control is exercised at the fund level. Budgetary changes within the fund are made at the discretion of the Clerk. Appropriations lapse at the end of the fiscal year to the extent they have not been expended. The budgetary revenues and expenditures in the accompanying budgetary comparison statement reflect all approved amendments.

NOTE 2: *Cash*

At September 30, 2019, the carrying amount of the Clerk's deposits was \$160,320 and the bank balance was \$191,039 (including fiduciary). Any balance in excess of FDIC insurance is covered by collateral held by the Clerk's custodial banks which is pledged to a state trust fund that provides security in accordance with Florida Security for Public Deposits Act, Chapter 280, Florida Statutes.

NOTE 3: *Investments*

The Clerk is authorized to invest in all State-approved investments which include:

- (1) Local Government Surplus Funds Trust Fund administered by the State Board of Administration;
- (2) Florida Local Government Investment Trust administered by the Florida Association of Court Clerks and Comptroller;
- (3) Bonds, notes or other obligations of the United States or those guaranteed by the United States or for which the credit of the United States is pledged;
- (4) Bonds, notes or other obligations of the State of Florida or any municipality or political subdivision thereof;
- (5) Interest-bearing time deposits or savings accounts in banks or savings and loan associations organized under the laws of Florida or organized under the laws of the United States doing business and situated in Florida.

Investments consist of amounts placed with the State Board of Administration for participation in the Local Government Surplus Trust Fund (Florida PRIME) created by Section 218.405, Florida Statutes. Florida PRIME meets the criteria in GASB 79 to measure all of its investments at amortized cost enabling it to maintain a constant Net Asset Value (NAV) of \$1.00 per share. As of September 30, 2019, Florida PRIME had no redemption fees or maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to 100 percent of their account value.

Credit Risk – The credit risk of certain investments, such as investment pools managed by other governments, cannot be categorized as a credit risk because the County investments are not evidenced by specific, identifiable investment securities. As of September 30, 2019, Florida PRIME is rated by Standard and Poor's and has a current rating of AAAM.

Interest Rate Risk – Section 218.415(6), Florida Statutes, limits investment maturities to provide sufficient liquidity to pay obligations as they become due. The dollar weighted average maturity for Florida PRIME was 33 days as of September 30, 2019.

NOTE 4: *Inter-fund Transactions*

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt, or construct assets. The inter-fund transactions are not eliminated and no interest is charged on such advances.

Inter-fund receivable and payable balances at September 30, 2019, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Clerk Court Fund	Clerk Operating	\$ 18
Clerk Operating	Clerk Court Fund	1,947
	Clerk Other Governmental Funds	132
Clerk Other Governmental Funds	Clerk Operating	254
Board of County Commissioners*	Clerk Court Fund	43,130
	Clerk Operating	<u>1,884</u>
Total		<u>\$ 47,365</u>

Operating transfers between funds during the year were as follows:

<u>Transfers in</u>	<u>Transfers Out</u>	<u>Amount</u>
Clerk Operating	Board of County Commissioners*	<u>\$ 335,498</u>
Total		<u>\$ 335,498</u>

**Not included in the Clerk's financial statements.*

NOTE 5: *Long-Term Liabilities*

Under the GASB 34 reporting model, long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities for the Clerk are reported in the government-wide Statement of Net Position. The compensated absences of the Clerk are accounted for in the Statement of Net Position as follows:

	Balance			Balance
	October 01, 2018	Additions	Reductions	September 30, 2019
Compensated absences	\$ 42,563	\$ 21,483	\$ (11,043)	\$ 53,003

NOTE 6: *Retirement*

The Clerk participates in the State of Florida Retirement System, a cost sharing multiple employer public employee retirement system administered by the State of Florida. The Florida Retirement System provides retirement and disability benefits. The Madison County Government-Wide financial statement contains the detailed benefits and funding policy.

The Clerk recognized pension expenditures in amounting to \$186,895 and \$8,560 for the Pension Plan and the HIS Plan, respectively, for the fiscal year ended September 30, 2019. The Clerk's payments for the Pension Plan and the HIS Plan after June 30, 2019, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$17,071 and \$2,318, respectively. The Clerk is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective October 1, 2014.

The state of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the state of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000. That report may be viewed on the Florida Department of Management Services website located at: www.dms.myflorida.com/workforce_operations/retirement/publications.

NOTE 7: *Risk Management*

The Clerk is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; and damage to property of others. The Clerk participates in the risk management program through the Board of County Commissioners which uses commercial insurance.

NOTE 8: *Subsequent Events*

Subsequent events were reviewed through March 19, 2020, which is the date the financial statements were available to be issued. As of this date there were no subsequent events that required disclosure.

INTERNAL CONTROL AND COMPLIANCE SECTION

September 30, 2019

LANIGAN & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
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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*

The Honorable Billy Washington
Clerk of the Circuit Court
Madison County, Florida

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, the special purpose financial statements of Madison County, Florida Clerk of the Circuit Court as of September 30, 2019, and the related notes to the special purpose financial statements, and have issued our report thereon dated March 19, 2020.

Internal Control Over Financial Reporting

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

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

Independent Auditor's Report
Page Two

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County, Florida Clerk of the Circuit Court's special purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

MANAGEMENT LETTER

The Honorable Billy Washington
Clerk of the Circuit Court
Madison County, Florida

Report on the Financial Statements

We have audited the special purpose financial statements of Madison County, Florida, Clerk of the Circuit Court for the year ended September 30, 2019, and have issued our report dated March 19, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated March 19, 2020 should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the notes to financial statements.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesy extended to us during the course of our audit. We have enjoyed our association with you and look forward to a continuing relationship.

Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

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**REPORT OF INDEPENDENT ACCOUNTANT ON COMPLIANCE
WITH LOCAL GOVERNMENT INVESTMENT POLICIES, ARTICLE V
REQUIREMENTS AND DEPOSITORY REQUIREMENTS OF SECTIONS
218.415, 28.35, 28.36 AND 61.181, FLORIDA STATUTES**

The Honorable Billy Washington
Clerk of the Circuit Court
Madison County, Florida

Report on Compliance

We have examined the Madison County, Florida Clerk of the Circuit Court's (the "Clerk") compliance with the local government investment policy requirements of Section 218.415, Florida Statutes, Article V requirements of Sections 28.35 and 28.36, Florida Statutes, and depository requirements for alimony transactions, support, maintenance and support payments of Section 61.181, Florida Statutes, for the year ended September 30, 2019. Management is responsible for the Clerk's compliance with those requirements. Our responsibility is to express an opinion on the Clerk's compliance based on our examination.

Scope

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Clerk's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Clerk's compliance with specified requirements.

Opinion

In our opinion, the Clerk complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2019.

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

**Special Purpose
Financial Statements**

**Madison County, Florida
Property Appraiser**



**Year Ended September 30, 2019
with Independent Auditor's Report**

**Madison County, Florida
Property Appraiser**

Special Purpose Financial Statements

Year Ended September 30, 2019

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INDEPENDENT AUDITOR'S REPORT

The Honorable Leigh Barfield
Madison County, Florida
Property Appraiser

We have audited the accompanying special purpose financial statements of the Madison County, Florida Property Appraiser, as of and for the year ended September 30, 2019, and the related notes to the special purpose financial statements, which collectively comprise the Madison County, Florida Property Appraiser's special purpose financial statements, as listed in the table of contents.

Management's Responsibility for the Special Purpose Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial statements.

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

Opinion

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the Madison County, Florida Property Appraiser, as of September 30, 2019, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the special purpose financial statements, the special purpose financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying special purpose financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Madison County, Florida that is attributable to the Property Appraiser. They do not purport to, and do not, present fairly the financial position of Madison County, Florida as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2020 on our consideration of Madison County, Florida Property Appraiser'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison County, Florida Property Appraiser's internal control over financial reporting and compliance.

Lanigan & Associates, PC

Tallahassee, Florida

March 19, 2020

**MADISON COUNTY, FLORIDA
PROPERTY APPRAISER
BALANCE SHEET
GENERAL FUND
AS OF SEPTEMBER 30, 2019**

ASSETS	
Cash	<u>\$ 2,893</u>
Total Assets	<u><u>\$ 2,893</u></u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Due to other funds	<u>\$ 2,893</u>
Total liabilities	<u> 2,893</u>
Fund equity:	
Restricted	<u> -</u>
Total fund equity	<u> -</u>
Total liabilities and fund equity	<u><u>\$ 2,893</u></u>

MADISON COUNTY, FLORIDA
PROPERTY APPRAISER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with final budget - favorable (unfavorable)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
General government	781,130	781,129	770,081	11,048
Debt service	-	9,810	9,810	-
Capital outlay	-	26,953	35,108	(8,155)
Total expenditures	<u>781,130</u>	<u>817,892</u>	<u>814,999</u>	<u>2,893</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(781,130)</u>	<u>(817,892)</u>	<u>(814,999)</u>	<u>2,893</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from debt financing	-	26,953	26,953	-
Transfers in	781,130	790,939	788,046	(2,893)
Total other financing sources (uses)	<u>781,130</u>	<u>817,892</u>	<u>814,999</u>	<u>(2,893)</u>
Net changes in fund balances	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MADISON COUNTY, FLORIDA
PROPERTY APPRAISER
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1: *Summary of Significant Accounting Policies*

Reporting Entity

The Madison County, Florida Property Appraiser (“the Property Appraiser”), as established by Article VIII of the Constitution of the State of Florida, is an elected official of Madison County, Florida. Although the Property Appraiser is operationally autonomous from the Madison County Board of County Commissioners, it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Property Appraiser is considered part of the County’s primary government.

These special purpose financial statements of the Property Appraiser are not intended to be a complete presentation of the financial position and results of operations of Madison County, Florida taken as a whole. As permitted by Chapter 10.556, *Rules of the Auditor General*, the special purpose financial statements consist of only fund level special purpose financial statements as defined by GASB 34, and do not include presentations of government-wide special purpose financial statements of the Property Appraiser.

Fund Accounting

The accounting records are organized for reporting purposes on the basis of fund accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounting records.

The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Property Appraiser. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the general fund. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination.

Please refer to the government-wide financial statements of Madison County, Florida for disclosure on accounting policies, deposits and employees retirement plan.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the special purpose financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both measurable and available as net current assets. The Property Appraiser considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Budget and Budgetary Accounting

The Property Appraiser operates under budget procedures pursuant to Section 195.087, Florida Statutes. The legal level of budgetary control is at the fund level.

Compensated Absences

Employees may accumulate a limited amount of earned but unused sick leave, annual leave, and compensatory time, which will be paid upon separation of service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the Madison County Government-Wide financial statements. For the governmental fund statements, expenditures are recognized when payments are made to employees.

Cash and Cash Equivalents

The Property Appraiser’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 acquisition date.

NOTE 2: Interfund Transactions

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt, or construction assets. The interfund transactions are not eliminated and no interest is charged on such advances. Interfund receivable and payable balances at September 30, 2019, were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		
Board of County Commissioners*	\$ 2,893	\$ -
Property Appraiser	-	2,893
	<hr/>	<hr/>
Totals	\$ 2,893	\$ 2,893
	<hr/> <hr/>	<hr/> <hr/>

Operating transfers between funds during the year were as follows:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund		
Board of County Commissioners*	\$ -	\$ 788,046
Property Appraiser	788,046	-
	<hr/>	<hr/>
Totals	\$ 788,046	\$ 788,046
	<hr/> <hr/>	<hr/> <hr/>

**Not included in the Property Appraiser's special purpose financial statements.*

NOTE 3: Long-Term Debt

Under the GASB 34 reporting model, long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities for the Property Appraiser are reported in the government-wide Statement of Net Position. The compensated absences of the Property Appraiser are accounted for in the Statement of Net Position as follows:

	Balance			Balance
	October 01, 2018	Additions	Reductions	September 30, 2019
Compensated absences	\$ 37,962	\$ 14,608	\$ (13,048)	\$ 39,522

NOTE 4: Retirement

The Property Appraiser participates in the State of Florida Retirement System, a cost sharing multiple employer public employee retirement system administered by the State of Florida. The Florida Retirement System provides retirement and disability benefits. The Madison County Government-Wide financial statement contains the detailed benefits and funding policy.

The Property Appraiser recognized pension expenditures amounting to \$261,589 and \$8,059 for the pension plan and HIS Plan, respectively, fiscal year ended September 30, 2019. The Property Appraiser’s payments for the Pension Plan and the HIS Plan after June 30, 2019, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$21,614 and \$1,762, respectively. The Property Appraiser is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective October 1, 2014.

The state of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the state of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000. That report may be viewed on the Florida Department of Management Services website located at: www.dms.myflorida.com/workforce_operations/retirement/publications.

NOTE 5: Risk Management

The Property Appraiser is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; and damage to property of others. The Property Appraiser participates in the risk management program through the Board of County Commissioners which uses commercial insurance.

NOTE 6: Subsequent Events

Subsequent events were reviewed through March 19, 2020, which is the date the financial statements were available to be issued. As of this date there were no subsequent events that required disclosure.

INTERNAL CONTROL AND COMPLIANCE SECTION

SEPTEMBER 30, 2019

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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*

The Honorable Leigh Barfield
Madison County, Florida
Property Appraiser

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, the special purpose financial statements of Madison County, Florida Property Appraiser as of and for the year ended September 30, 2019, and the related notes to the special purpose financial statements, and have issued our report thereon dated March 19, 2020.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's special purpose 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County, Florida Property Appraiser's special purpose financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

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MANAGEMENT LETTER

The Honorable Leigh Barfield
Madison County, Florida
Property Appraiser

Report on the Financial Statements

We have audited the special purpose financial statements of the Madison County, Florida Property Appraiser as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 19, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated March 19, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with the preceding annual financial audit report, there were no significant findings or recommendations.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the notes to financial statements.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesy extended to us during the course of our audit. We have enjoyed our association with you and look forward to a continuing relationship.

Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

**Special Purpose
Financial Statements**

**Madison County, Florida
Sheriff**



**Year Ended September 30, 2019
with Independent Auditor's Report**

**Madison County, Florida
Sheriff**

Financial Statements

Year Ended September 30, 2019

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INDEPENDENT AUDITOR'S REPORT

The Honorable Benjamin J. Stewart
Sheriff
Madison County, Florida

We have audited the accompanying special purpose financial statements of the Madison County, Florida Sheriff, as of and for the year ended September 30, 2019, and the related notes to the special purpose financial statements, which collectively comprise the Madison County, Florida Sheriff's special purpose financial statements, as listed in the table of contents.

Management's Responsibility for the Special Purpose Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial statements.

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

Opinion

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the Madison County, Florida Sheriff, as of September 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Madison County, Florida that is attributable to the Madison County, Florida Sheriff. They do not purport to, and do not, present fairly the financial position of Madison County, Florida as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2020 on our consideration of Madison County, Florida Sheriff'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison County, Florida Sheriff's internal control over financial reporting and compliance.

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

MADISON COUNTY, FLORIDA
SHERIFF
BALANCE SHEET
SPECIAL REVENUE FUND
SEPTEMBER 30, 2019

ASSETS	
Cash	\$ 171,642
Accounts receivable	<u>36,498</u>
Total assets	<u><u>\$ 208,140</u></u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Accounts payable and accrued liabilities	\$ 202,873
Interfund payables	<u>498</u>
Total liabilities	<u>203,371</u>
Fund equity:	
Unassigned	<u>\$ 4,769</u>
Total fund equity	<u>4,769</u>
Total liabilities and fund equity	<u><u>\$ 208,140</u></u>

MADISON COUNTY, FLORIDA
SHERIFF
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
SPECIAL REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Budgeted Amounts</u>			Variance with final budget - favorable (unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ -	\$ 5,545	\$ 5,545	\$ -
Total revenues	-	5,545	5,545	-
EXPENDITURES				
Current				
Public safety	6,237,625	6,345,511	6,345,211	300
Debt service	127,339	127,339	127,339	-
Capital outlay	95,921	95,921	95,921	-
Total expenditures	6,460,885	6,568,771	6,568,471	300
Excess (deficiency) of revenues over (under) expenditures	(6,460,885)	(6,563,226)	(6,562,926)	300
OTHER FINANCING SOURCES (USES)				
Transfers in	6,460,885	6,563,226	6,562,926	(300)
Total other financing sources (uses)	6,460,885	6,563,226	6,562,926	(300)
Net changes in fund balances	-	-	-	-
Fund balances - beginning	-	-	4,769	4,769
Fund balances - ending	\$ -	\$ -	\$ 4,769	\$ 4,769

See accompanying notes to the financial statements.

MADISON COUNTY, FLORIDA
SHERIFF
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
SEPTEMBER 30, 2019

ASSETS

Cash and cash equivalents	<u>\$ 2,169</u>
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Total assets	<u><u>\$ 2,169</u></u>
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LIABILITIES

Due to individuals and others	<u>\$ 2,169</u>
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Total liabilities	<u><u>\$ 2,169</u></u>
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**MADISON COUNTY, FLORIDA
SHERIFF
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019**

NOTE 1: *Summary of Significant Accounting Policies*

Reporting Entity

The Madison County, Florida Sheriff, as established by Article VIII of the Constitution of the State of Florida, is an elected official of Madison County, Florida. Although the Sheriff is operationally autonomous from the Madison County Board of County Commissioners, it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Sheriff is considered part of the County's primary government.

These special purpose financial statements of the Sheriff are not intended to be a complete presentation of the financial position and results of operations of Madison County, Florida taken as a whole. As permitted by Chapter 10.556, *Rules of the Auditor General*, the special purpose financial statements consists of only fund level financial statements as defined by GASB 34, and do not include presentations of government-wide financial statements of the Sheriff.

Fund Accounting

The accounting records are organized for reporting purposes on the basis of fund accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounting records.

The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Sheriff. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the general fund. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination.

The Agency Funds of the Sheriff are used to account for assets held by the Sheriff as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Please refer to the government-wide financial statements of Madison County, Florida for disclosure on accounting policies, deposits and employees retirement plan.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both measurable and available as net current assets. The Sheriff considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred.

Budget and Budgetary Accounting

The Sheriff operates under budget procedures pursuant to Florida Statutes. The legal level of budgetary control is at the fund level.

Compensated Absences

Employees may accumulate a limited amount of earned but unused sick leave, annual leave, and compensatory time, which will be paid upon separation of service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the Madison County Government-Wide Financial Statements. For the governmental fund statements, expenditures are recognized when payments are made to employees.

Cash and Cash Equivalents

The Sheriff'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 acquisition date.

NOTE 2: Interfund Transactions

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt, or construct assets. The interfund transactions are not eliminated and no interest is charged on such advances.

Operating transfers between funds during the year were as follows:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
Special Revenue Funds		
Law Enforcement & Corrections*	\$ -	\$ 6,562,926
Sheriff operating	<u>6,562,926</u>	<u>-</u>
Totals	<u>\$ 6,562,926</u>	<u>\$ 6,562,926</u>

* Not included on the Sheriff's financial statements.

NOTE 3: Long-Term Debt

Under the GASB 34 reporting model, long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities for the Sheriff are reported in the government-wide Statement of Net Position. The compensated absences of the Sheriff are accounted for in the Statement of Net Position as follows:

	Balance <u>October 01, 2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>September 30, 2019</u>
Compensated absences	<u>\$ 469,958</u>	<u>\$ 225,719</u>	<u>\$ (139,591)</u>	<u>\$ 556,086</u>

NOTE 4: Retirement

The Sheriff participates in the State of Florida Retirement System, a cost sharing multiple employer public employee retirement system administered by the State of Florida. The Florida Retirement System provides retirement and disability benefits. The Madison County Government-Wide financial statement contains the detailed benefits and funding policy.

The Sheriff recognized pension expenditures in amounting to \$1,614,764 and \$84,037 for the Pension Plan and the HIS Plan, respectively, for the fiscal year ended September 30, 2019. The Sheriff's payments for the Pension Plan and the HIS Plan after June 30, 2018, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$158,282 and \$14,322, respectively. The Sheriff is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective October 1, 2014.

The state of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the state of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000. That report may be viewed on the Florida Department of Management Services website located at: www.dms.myflorida.com/workforce_operations/retirement/publications.

NOTE 5: Risk Management

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; and damage to property of others. The Sheriff participates in Florida Sheriffs Risk Management Fund to offset these risks.

NOTE 6: *Subsequent Events*

Subsequent events were reviewed through March 19, 2020, which is the date the financial statements were available to be issued. As of this date there were no subsequent events that required disclosure.

INTERNAL CONTROL AND COMPLIANCE SECTION

September 30, 2019

LANIGAN & ASSOCIATES, P.C.

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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*

The Honorable Benjamin J. Stewart
Sheriff
Madison County, Florida

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, the special purpose financial statements of Madison County, Florida Sheriff as of and for the year ended September 30, 2019, and the related notes to the special purpose financial statements, and have issued our report thereon dated March 19, 2020.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County, Florida Sheriff's special purpose financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

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MANAGEMENT LETTER

The Honorable Benjamin J. Stewart
Sheriff
Madison County, Florida

Report on the Financial Statements

We have audited the special purpose financial statements of Madison County, Florida, Sheriff for the year ended September 30, 2019, and have issued our report dated March 19, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Chapter 10.550, Rules of the Florida Auditor General.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated March 19, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. In connection with the preceding annual financial audit report, there were no significant findings or recommendations.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the special purpose financial statements. The Sheriff was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Sheriff.

Financial Management

Section 10.554(1)(i)(2), Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)(3), Rules of the Auditor General, requires that we address noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Sheriff and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesy extended to us during the course of our audit. We have enjoyed our association with you and look forward to a continuing relationship.

Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

**Special Purpose
Financial Statements**

**Madison County, Florida
Supervisor of Elections**



**Year Ended September 30, 2019
with Independent Auditor's Report**

Madison County, Florida Supervisor of Elections

Financial Statements

Year Ended September 30, 2019

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INDEPENDENT AUDITOR'S REPORT

The Honorable Thomas R. Hardee
Madison County, Florida
Supervisor of Elections

Report on the Special Purpose Financial Statements

We have audited the accompanying special purpose financial statements of the Madison County, Florida Supervisor of Elections, as of and for the year ended September 30, 2019, and the related notes to the special purpose financial statements, which collectively comprise the Madison County, Florida Supervisor of Elections' special purpose financial statements, as listed in the table of contents.

Management's Responsibility for the Special Purpose Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these special purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial statements.

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

Opinions

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the Madison County, Florida Supervisor of Elections, as of September 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the special purpose financial statements, the special purpose financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying special purpose financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Madison County, Florida that is attributable to the Supervisor of Elections. They do not purport to, and do not, present fairly the financial position of Madison County, Florida as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2020 on our consideration of Madison County, Florida Supervisor of Elections' 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison County, Florida Supervisor of Elections' internal control over financial reporting and compliance.

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

**MADISON COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2019**

ASSETS	
Cash	<u>\$ 6,692</u>
Total assets	<u><u>\$ 6,692</u></u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Accounts payable and accrued payroll	<u>\$ 5,529</u>
Total liabilities	<u>5,529</u>
Fund equity:	
Unassigned	<u>1,163</u>
Total fund equity	<u>1,163</u>
Total liabilities and fund equity	<u><u>\$ 6,692</u></u>

**MADISON COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2019**

	Budgeted amounts		Actual	Variance with final budget - favorable (unfavorable)
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 11,703	\$ 11,703
Interest revenue	-	-	4	4
Total revenues	-	-	11,707	11,707
EXPENDITURES				
Current				
General government	376,078	455,173	463,618	(8,445)
Total expenditures	376,078	455,173	463,618	(8,445)
(Deficiency) of revenues (under) expenditures	(376,078)	(455,173)	(451,911)	3,262
OTHER FINANCING SOURCES				
Transfers in	376,078	455,173	455,173	-
Total other financing sources	376,078	455,173	455,173	-
Net changes in fund balances	-	-	3,262	3,262
Fund balance - beginning	-	-	(2,099)	(2,099)
Fund balance - ending	\$ -	\$ -	\$ 1,163	\$ 1,163

MADISON COUNTY, FLORIDA
SUPERVISOR OF ELECTIONS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1: *Summary of Significant Accounting Policies*

Reporting Entity

The Madison County, Florida Supervisor of Elections (“the Supervisor of Elections”), as established by Article VIII of the Constitution of the State of Florida, is an elected official of Madison County, Florida. Although the Supervisor of Elections is operationally autonomous from the Madison County Board of County Commissioners, it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Supervisor of Elections is considered part of the County’s primary government.

These special purpose financial statements of the Supervisor of Elections are not intended to be a complete presentation of the financial position and results of operations of Madison County, Florida taken as a whole. As permitted by Chapter 10.556, *Rules of the Auditor General*, the special purpose financial statements consists of only fund level financial statements as defined by GASB 34, and do not include presentations of government-wide financial statements of the Supervisor of Elections.

Fund Accounting

The accounting records are organized for reporting purposes on the basis of fund accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounting records.

The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Supervisor of Elections. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the general fund. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination.

Please refer to the government-wide financial statements of Madison County, Florida for disclosure on accounting policies, deposits and employees’ retirement plan.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both measurable and available as net current assets. The Supervisor of Elections considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Budget and Budgetary Accounting

The Supervisor of Elections operates under budget procedures pursuant to Section 195.087, Florida Statutes. The legal level of budgetary control is at the fund level.

Compensated Absences

Employees may accumulate a limited amount of earned but unused sick leave, annual leave, and compensatory time, which will be paid upon separation of service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the Madison County Government-Wide Financial Statements. For the governmental fund statements, expenditures are recognized when payments are made to employees.

Cash and Cash Equivalents

The Supervisor of Elections' 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 acquisition date.

NOTE 2: Interfund Transactions

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt, or construct assets. The interfund transactions are not eliminated and no interest is charged on such advances. There were no interfund receivable and payable balances at September 30, 2019.

Operating transfers between funds during the year were as follows:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund		
Board of County Commissioners*	\$ -	\$ 455,173
Supervisor of Elections	455,173	-
	<u>455,173</u>	<u>-</u>
 Totals	 <u>\$ 455,173</u>	 <u>\$ 455,173</u>

* Not included in the Supervisor of Elections' financial statements.

NOTE 3: Long-Term Debt

Under the GASB 34 reporting model, long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities for the Supervisor of Elections are reported in the government-wide Statement of Net Position. The compensated absences of the Supervisor of Elections are accounted for in the Statement of Net Position as follows:

	Balance October 01, 2018	Additions	Reductions	Balance September 30, 2019
Compensated Absences	\$ 7,592	\$ 2,685	\$ (2,198)	\$ 8,079

NOTE 4: Retirement

The Supervisor of Elections participates in the State of Florida Retirement System, a cost sharing multiple employer public employee retirement system administered by the State of Florida. The Florida Retirement System provides retirement and disability benefits. The Madison County Government-Wide financial statement contains the detailed benefits and funding policy.

The Supervisor of Elections recognized pension expenditures amounting to \$168,364 and \$5,069, for the Pension Plan and HIS Plan, respectively, for the fiscal year ended September 30, 2019. The Supervisor of Elections' payments for the Pension Plan and the HIS Plan after June 30, 2019, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$12,489 and \$700, respectively. The Supervisor of Elections is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective October 1, 2014.

The state of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the state of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000. That report may be viewed on the Florida Department of Management Services website located at: www.dms.myflorida.com/workforce_operations/retirement/publications.

NOTE 5: Risk Management

The Supervisor of Elections is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; and damage to property of others. The Supervisor of Elections participates in the risk management program through the Board of County Commissioners which uses commercial insurance.

NOTE 6: *Subsequent Events*

Subsequent events were reviewed through March 19, 2020, which is the date the financial statements were available to be issued. As of this date there were no subsequent events that required disclosure.

INTERNAL CONTROL AND COMPLIANCE SECTION

SEPTEMBER 30, 2019

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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*

The Honorable Thomas Hardee
Madison County, Florida
Supervisor of Elections

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, the special purpose financial statements of Madison County, Florida Supervisor of Elections as of and for the year ended September 30, 2019, and the related notes to the special purpose financial statements, and have issued our report thereon dated March 19, 2020.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County, Florida Supervisor of Elections' special purpose financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

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MANAGEMENT LETTER

The Honorable Thomas R. Hardee
Madison County, Florida
Supervisor of Elections

Report on the Financial Statements

We have audited the special purpose financial statements of the Madison County, Florida Supervisor of Elections as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 19, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in those reports and schedule, which are dated March 19, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this letter, unless disclosed in the notes to the special purpose financial statements. The Supervisor of Elections was established by the Constitution of the State of Florida, Article VIII, Section 1(d). There were no component units related to the Supervisor of Elections.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we had no such recommendation.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material, but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesy extended to us during the course of our audit. We have enjoyed our association with you and look forward to a continuing relationship.

Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

**Special Purpose
Financial Statements**

**Madison County, Florida
Tax Collector**



**Year Ended September 30, 2019
with Independent Auditor's Report**

**Madison County, Florida
Tax Collector**

Financial Statements

Year Ended September 30, 2019

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Internal Control and Compliance Section

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INDEPENDENT AUDITOR'S REPORT

The Honorable Lisa Tuten
Madison County, Florida
Tax Collector

We have audited the accompanying special purpose financial statements of the Madison County, Florida Tax Collector, as of and for the year ended September 30, 2019, and the related notes to the special purpose financial statements, which collectively comprise the Madison County, Florida Tax Collector's special purpose financial statements as listed in the table of contents.

Management's Responsibility for the Special Purpose Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these special purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special purpose financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial statements.

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

Opinion

In our opinion, the special purpose financial statements referred to above present fairly, in all material respects, the respective financial position of the Madison County, Florida Tax Collector, as of September 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the special purpose financial statements, the special purpose financial statements referred to above were prepared solely for the purpose of complying with the Rules of the Auditor General of the State of Florida. In conformity with the Rules, the accompanying special purpose financial statements are intended to present the financial position and changes in financial position of each major fund, and the aggregate remaining fund information, only for that portion of the major funds, and the aggregate remaining fund information, of Madison County, Florida that is attributable to the Tax Collector. They do not purport to, and do not, present fairly the financial position of Madison County, Florida as of September 30, 2019, and the changes in its financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to these matters.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2020 on our consideration of Madison County, Florida Tax Collector'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison County, Florida Tax Collector's internal control over financial reporting and compliance.

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

**MADISON COUNTY, FLORIDA
TAX COLLECTOR
BALANCE SHEET
GENERAL FUND
SEPTEMBER 30, 2019**

ASSETS	
Cash	<u>\$ 41,055</u>
Total assets	<u><u>\$ 41,055</u></u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Due to other funds	\$ 40,905
Due to individuals and others	<u> 150</u>
Total liabilities	<u>41,055</u>
Total liabilities and fund equity	<u><u>\$ 41,055</u></u>

**MADISON COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET TO ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted amounts</u>			Variance with final budget - favorable (unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
General government	582,328	587,984	552,817	35,167
Total expenditures	582,328	587,984	552,817	35,167
Excess (efficiency) of revenues over (under) expenditures	(582,328)	(587,984)	(552,817)	35,167
OTHER FINANCING SOURCES				
Transfers in	582,328	587,984	552,817	(35,167)
Total other financing sources	582,328	587,984	552,817	(35,167)
Net changes in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MADISON COUNTY, FLORIDA
TAX COLLECTOR
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
SEPTEMBER 30, 2019

ASSETS

Cash and cash equivalents	\$ 13,776
Investments	<u>5,459</u>
 Total assets	 <u><u>\$ 19,235</u></u>

LIABILITIES

Agency payable	
Due to other governmental units	<u>\$ 19,235</u>
 Total liabilities	 <u><u>\$ 19,235</u></u>

MADISON COUNTY, FLORIDA
TAX COLLECTOR
NOTES TO THE SPECIAL PURPOSE FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1: *Summary of Significant Accounting Policies*

Reporting Entity

The Madison County, Florida Tax Collector (“the Tax Collector”), as established by Article VIII of the Constitution of the State of Florida, is an elected official of Madison County, Florida. Although the Tax Collector is operationally autonomous from the Madison County Board of County Commissioners, it does not hold sufficient corporate powers to be considered a legally separate entity for financial reporting purposes. Therefore, the Tax Collector is considered part of the County’s primary government.

These special purpose financial statements of the Tax Collector are not intended to be a complete presentation of the financial position and results of operations of Madison County, Florida taken as a whole. As permitted by Chapter 10.556, Rules of the Auditor General, the special purpose financial statements consists of only fund level financial statements as defined by GASB 34, and do not include presentations of government-wide financial statements of the Tax Collector.

Fund Accounting

The accounting records are organized for reporting purposes on the basis of fund accounting. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounting records.

The General Fund, which is a governmental fund, is used to account for all revenues and expenditures applicable to the general operations of the Tax Collector. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the general fund. The governmental fund measurement focus is based upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income determination.

The Agency Funds of the Tax Collector are used to account for assets held by the Tax Collector as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Please refer to the government-wide financial statements of Madison County, Florida for disclosure on accounting policies, deposits and employees retirement plan.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both measurable and available as net current assets. The Tax Collector considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred.

NOTE 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become both measurable and available as net current assets. The Tax Collector considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recognized when the related fund liability is incurred.

Budget and Budgetary Accounting

The Tax Collector operates under budget procedures pursuant to Section 195.087, Florida Statutes. The legal level of budgetary control is at the fund level.

Compensated Absences

Employees may accumulate a limited amount of earned but unused sick leave, annual leave, and compensatory time, which will be paid upon separation of service. Unpaid compensated absences are recorded as a liability when the benefits are earned in the Madison County Government-Wide Financial Statements. For the governmental fund statements, expenditures are recognized when payments are made to employees.

Cash and Cash Equivalents

The Tax Collector'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 acquisition date.

NOTE 2: Interfund Transactions

During the course of normal operations, numerous transactions occur between funds, such as expenditures or transfers of resources to provide services, service debt, or construct assets. The interfund transactions are not eliminated and no interest is charged on such advances. Interfund receivable and payable balances at September 30, 2019, were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund		
Board of County Commissioners*	\$ 40,905	\$ -
Tax Collector	<u>-</u>	<u>40,905</u>
Totals	<u>\$ 40,905</u>	<u>\$ 40,905</u>

NOTE 2: Interfund Transactions (Continued)

Operating transfers between funds during the year were as follows:

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund		
Board of County Commissioners*	\$ -	\$ 552,817
Tax Collector	552,817	-
	<u>552,817</u>	<u>-</u>
Totals	<u>\$ 552,817</u>	<u>\$ 552,817</u>

* Not included in the Tax Collector's financial statements.

NOTE 3: Long-Term Liabilities

Under the GASB 34 reporting model, long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All long-term liabilities for the Tax Collector are reported in the government-wide Statement of Net Position. The compensated absences of the Tax Collector are accounted for in the Statement of Net Position as follows:

	<u>Balance October 01, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance September 30, 2019</u>
Compensated absences	\$ 22,893	\$ 11,111	\$ (15,682)	\$ 18,322

NOTE 4: Retirement

The Tax Collector participates in the State of Florida Retirement System, a cost sharing multiple employer public employee retirement system administered by the State of Florida. The Florida Retirement System provides retirement and disability benefits. The Madison County Government-Wide financial statement contains the detailed benefits and funding policy.

The Tax Collector recognized pension expenditures amounting to \$121,607 and \$7,776, for Pension Plan and HIS Plan, respectively, for the fiscal year ended September 30, 2019. The Tax Collector's payments for the Pension Plan and the HIS Plan after June 30, 2017, the measurement date used to determine the net pension liability associated with the Pension Plan and HIS Plan, amounted to \$9,427 and \$1,441, respectively. The Tax Collector is not legally required to and does not accumulate expendable available resources to liquidate the retirement obligation related to its employees. Accordingly, the net pension liability and associated deferred outflows and deferred inflows are presented on the government-wide financial statements of the County, following requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, effective October 1, 2014.

The state of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the state of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000. That report may be viewed on the Florida Department of Management Services website located at: www.dms.myflorida.com/workforce_operations/retirement/publications.

NOTE 5: *Risk Management*

The Tax Collector is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees and/or the public; and damage to property of others. The Tax Collector participates in the risk management program through the Board of County Commissioners which uses commercial insurance.

NOTE 6: *Subsequent Events*

Subsequent events were reviewed through March 19, 2020, which is the date the financial statements were available to be issued. As of this date there were no subsequent events that required disclosure.

INTERNAL CONTROL AND COMPLIANCE SECTION

SEPTEMBER 30, 2019

LANIGAN & ASSOCIATES, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

BUSINESS ADVISORS

www.lanigancpa.com

**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**

The Honorable Lisa Tuten
Madison County, Florida
Tax Collector

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the special purpose financial statements of Madison County, Florida Tax Collector as of and for the year ended September 30, 2019, and the related notes to the special purpose financial statements, and have issued our report thereon dated March 19, 2020.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County, Florida Tax Collector's special purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020

MANAGEMENT LETTER

The Honorable Lisa Tuten
Tax Collector
Madison County, Florida

Report on the Financial Statements

We have audited the special purpose financial statements of the Madison County, Florida Tax Collector as of and for the fiscal year ended September 30, 2019, and have issued our report thereon dated March 19, 2020.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditor's Report on Compliance for Each Major State Financial Assistance Project and on Internal Control over Compliance; Schedule of Findings and Questioned Costs; and Independent Account's Reports on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550. Rules of the Auditor General. Disclosures in those reports and schedule, which are dated March 19, 2020, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 of the notes to financial statements.

Financial Management

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Additional Matters

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

We wish to take this opportunity to thank you and your staff for the cooperation and courtesy extended to us during the course of our audit. We have enjoyed our association with you and look forward to a continuing relationship.

Please let us know if you have any questions or comments concerning this letter, our accompanying reports, or other matters.

Lanigan & Associates, PC

Tallahassee, Florida
March 19, 2020