

**REPORT OF THE AUDIT OF THE
MADISON COUNTY
FISCAL COURT**

**For The Year Ended
June 30, 2020**



**MIKE HARMON
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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
The Honorable Reagan Taylor, Madison County Judge/Executive
Members of the Madison County Fiscal Court

Independent Auditor's Report

Report on the Financial Statement

We have audited the accompanying Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of the Madison County Fiscal Court, for the year ended June 30, 2020, and the related notes to the financial statement which collectively comprise the Madison County Fiscal Court's financial statement as listed in the table of contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. 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 the *Audit Guide for Fiscal Court Audits* issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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



To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
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Members of the Madison County Fiscal Court

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the Madison County Fiscal Court on the basis of the accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Madison County Fiscal Court as of June 30, 2020, or changes in financial position or cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the fund balances of the Madison County Fiscal Court as of June 30, 2020, and their respective cash receipts and disbursements, and budgetary results for the year then ended, in accordance with the basis of accounting practices prescribed or permitted by the Department for Local Government described in Note 1.

Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement taken as a whole of the Madison County Fiscal Court. The Budgetary Comparison Schedules and the Schedule of Expenditures of Federal Awards (supplementary information), as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Schedule of Capital Assets (other information) are presented for purposes of additional analysis and are not a required part of the financial statement; however, they are required to be presented in accordance with accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws.

The accompanying Budgetary Comparison Schedules and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

To the People of Kentucky
The Honorable Andy Beshear, Governor
Holly M. Johnson, Secretary
Finance and Administration Cabinet
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Members of the Madison County Fiscal Court

Other Matters (Continued)

Supplementary and Other Information (Continued)

In our opinion, the Budgetary Comparison Schedules and the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statement as a whole.

The Schedule of Capital Assets has not been subjected to the auditing procedures applied in the audit of the basic financial statement, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 7, 2021, on our consideration of the Madison County Fiscal 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Madison County Fiscal Court's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike Harmon", with a long horizontal line extending to the right.

Mike Harmon
Auditor of Public Accounts

July 7, 2021

MADISON COUNTY OFFICIALS**For The Year Ended June 30, 2020****Fiscal Court Members:**

Reagan Taylor	County Judge/Executive
Larry Combs	Magistrate
Roger Barger	Magistrate
John Tudor	Magistrate
Tom Botkin	Magistrate

Other Elected Officials:

Jennie Haymond	County Attorney
Steve Tussey	Jailer
Kenny Barger	County Clerk
David Fernandez	Circuit Court Clerk
Mike Coyle	Sheriff
Billy Ackerman	Property Valuation Administrator
James A. Cornelison	Coroner

Appointed Personnel:

Glenna Smith	County Treasurer
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**MADISON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS**

For The Year Ended June 30, 2020

MADISON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS

For The Year Ended June 30, 2020

	Budgeted Funds			
	General Fund	Road Fund	Jail Fund	Local Government Economic Assistance Fund
RECEIPTS				
Taxes	\$ 9,399,073	\$	\$	\$
Excess Fees	923,190			
Licenses and Permits	389,840			
Intergovernmental	1,393,061	2,971,438	831,659	156,301
Charges for Services	508,493	110,230	197,328	
Miscellaneous	923,607	71,090	160,791	
Interest	81,375	190	97	839
Total Receipts	<u>13,618,639</u>	<u>3,152,948</u>	<u>1,189,875</u>	<u>157,140</u>
DISBURSEMENTS				
General Government	4,457,813			
Protection to Persons and Property	1,716,815		3,629,900	
General Health and Sanitation	550,002			
Social Services	239,047			
Recreation and Culture	570,886			
Roads		2,997,025		
Other Transportation Facilities and Services	20,000			
Debt Service	1,266,679			
Capital Projects	961,830	1,188,694		
Administration	2,505,505	454,465	659,717	
Total Disbursements	<u>12,288,577</u>	<u>4,640,184</u>	<u>4,289,617</u>	
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>1,330,062</u>	<u>(1,487,236)</u>	<u>(3,099,742)</u>	<u>157,140</u>
Other Adjustments to Cash (Uses)				
General Obligation Lease Proceeds		1,200,000		
Transfers From Other Funds		500,000	2,823,187	
Transfers To Other Funds	(3,323,187)			
Total Other Adjustments to Cash (Uses)	<u>(3,323,187)</u>	<u>1,700,000</u>	<u>2,823,187</u>	
Net Change in Fund Balance	(1,993,125)	212,764	(276,555)	157,140
Fund Balance - Beginning (Restated)	<u>6,157,948</u>	<u>119,403</u>	<u>398,446</u>	<u>496,317</u>
Fund Balance - Ending	<u>\$ 4,164,823</u>	<u>\$ 332,167</u>	<u>\$ 121,891</u>	<u>\$ 653,457</u>
Composition of Fund Balance				
Bank Balance	\$ 2,361,594	\$ 340,488	\$ 79,586	\$ 653,457
Plus: Deposits In Transit	58,840		87,100	
Less: Outstanding Checks	(155,186)	(8,321)	(44,795)	
Other Investments - Money Market	1,899,575			
Fund Balance - Ending	<u>\$ 4,164,823</u>	<u>\$ 332,167</u>	<u>\$ 121,891</u>	<u>\$ 653,457</u>

The accompanying notes are an integral part of the financial statement.

MADISON COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES
IN FUND BALANCES - REGULATORY BASIS
For The Year Ended June 30, 2020
(Continued)

	<u>Budgeted Funds</u>		<u>Unbudgeted Fund</u>		<u>Internal Service Fund</u>	
	<u>Chemical Stockpile</u>					
	<u>Emergency</u>		<u>Jail</u>			<u>Self-Insured</u>
<u>Federal</u>	<u>Preparedness</u>	<u>E-911</u>	<u>Commissary</u>	<u>Total</u>		<u>Health</u>
<u>Grants</u>	<u>Program</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>		<u>Insurance</u>
<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>		<u>Account</u>
\$	\$	\$ 646,627	\$	\$ 10,045,700	\$	
				923,190		
				389,840		
222,025	7,215,798	375,632		13,165,914		
		585,919		1,401,970		
	17,292	198,576	765,304	2,136,660		1,899,221
		131	21	82,653		
<u>222,025</u>	<u>7,233,090</u>	<u>1,806,885</u>	<u>765,325</u>	<u>28,145,927</u>		<u>1,899,221</u>
				4,457,813		
	6,924,192	1,237,541		13,508,448		
				550,002		
				239,047		
			675,651	1,246,537		
				2,997,025		
				20,000		
				1,266,679		
222,025		73,345		2,445,894		
	410,676	448,549		4,478,912		1,640,048
<u>222,025</u>	<u>7,334,868</u>	<u>1,759,435</u>	<u>675,651</u>	<u>31,210,357</u>		<u>1,640,048</u>
	(101,778)	47,450	89,674	(3,064,430)		259,173
				1,200,000		
				3,323,187		
				(3,323,187)		
				1,200,000		
	(101,778)	47,450	89,674	(1,864,430)		259,173
	265,971	447,614	146,803	8,032,502		460,746
\$ -	\$ 164,193	\$ 495,064	\$ 236,477	\$ 6,168,072	\$	719,919
\$ 3,000	\$ 218,422	\$ 518,500	\$ 256,170	\$ 4,431,217	\$	719,919
			565	146,505		
(3,000)	(54,229)	(23,436)	(20,258)	(309,225)		
				1,899,575		
<u>\$ -</u>	<u>\$ 164,193</u>	<u>\$ 495,064</u>	<u>\$ 236,477</u>	<u>\$ 6,168,072</u>	<u>\$</u>	<u>719,919</u>

The accompanying notes are an integral part of the financial statement.

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TO THE FINANCIAL STATEMENT**

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**MADISON COUNTY
NOTES TO FINANCIAL STATEMENT**

June 30, 2020

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statement of Madison County includes all budgeted and unbudgeted funds under the control of the Madison County Fiscal Court. Budgeted funds included within the reporting entity are those funds presented in the county's approved annual budget and reported on the quarterly reports submitted to the Department for Local Government. Unbudgeted funds may include non-fiduciary financial activities, private purpose trust funds, and internal service funds that are within the county's control. Unbudgeted funds may also include any corporation to act as the fiscal court in the acquisition and financing of any public project which may be undertaken by the fiscal court pursuant to the provisions of Kentucky law and thus accomplish a public purpose of the fiscal court. The unbudgeted funds are not presented in the annual approved budget or in the quarterly reports submitted to the Department for Local Government.

B. Basis of Accounting

The financial statement is presented on a regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of fund balances and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) to meet the financial reporting requirements of the Department for Local Government and the laws of the Commonwealth of Kentucky.

This regulatory basis of accounting differs from GAAP primarily because the financial statement format does not include the GAAP presentations of government-wide and fund financial statements, cash receipts are recognized when received in cash rather than when earned and susceptible to accrual, and cash disbursements are recognized when paid rather than when incurred or subject to accrual.

Generally, except as otherwise provided by law, property taxes are assessed as of January 1, levied (mailed) November 1, due at discount November 30, due at face value December 31, delinquent January 1 following the assessment, and subject to sale ninety days following April 15.

C. Basis of Presentation

Budgeted Funds

The fiscal court reports the following budgeted funds:

General Fund - This is the primary operating fund of the fiscal court. It accounts for all financial resources of the general government, except where the Department for Local Government requires a separate fund or where management requires that a separate fund be used for some function.

Road Fund - This fund is for road and bridge construction and repair. The primary sources of receipts for this fund are state payments for truck license distribution, municipal road aid, and transportation grants. The Department for Local Government requires the fiscal court to maintain these receipts and disbursements separately from the general fund.

MADISON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

Budgeted Funds (Continued)

Jail Fund - The primary purpose of this fund is to account for the jail expenses of the county. The primary sources of receipts for this fund are reimbursements from the state and federal governments, payments from other counties for housing prisoners, and transfers from the general fund. The Department for Local Government requires the fiscal court to maintain these receipts and disbursements separately from the general fund.

Local Government Economic Assistance Fund - The primary purpose of this fund is to account for grants and related disbursements. The primary sources of receipts for this fund are grants from the state and federal governments.

Federal Grants Fund - The purpose of this fund is to account for federal grants and related disbursements. The primary sources of receipts for this fund are grants from the federal government.

Chemical Stockpile Emergency Preparedness Program (CSEPP) Fund - This fund is to be used to improve Madison County's capacity to plan for and respond to accidents associated with storage and ultimate disposal of chemical warfare materials located at the Bluegrass Army Depot. The U.S. Congress appropriates funding for reimbursement of CSEPP disbursements. CSEPP funds may not be commingled with other funds.

E-911 Fund - The purpose of this fund is to account for emergency 911 receipts and disbursements. The primary sources of receipts for this fund are a telephone tax and charges for services from other governmental agencies.

Unbudgeted Fund

The fiscal court reports the following unbudgeted fund:

Jail Commissary Fund - The canteen operations are authorized pursuant to KRS 441.135. The profits generated from the sale of items are to be used for the benefit and to enhance the well-being of the inmates, or to enhance safety and security within the jail. The jailer is required to maintain accounting records and report annually to the county treasurer the receipts and disbursements of the jail commissary fund.

Internal Service Fund

The fiscal court reports the following internal service fund:

Self-Insured Health Insurance Account - The primary purpose of this fund is to account for the contributions, claims and fees for the self-insured employee health insurance plan.

MADISON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

D. Budgetary Information

Annual budgets are adopted on a regulatory basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board and according to the laws of Kentucky as required by the state local finance officer.

The county judge/executive is required to submit estimated receipts and proposed disbursements to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the state local finance officer. Disbursements may not exceed budgeted appropriations at the activity level.

The state local finance officer does not require the jail commissary fund to be budgeted because the fiscal court does not approve the expenses of this fund.

E. Madison County Elected Officials

Kentucky law provides for election of the officials listed below from the geographic area constituting Madison County. Pursuant to state statute, these officials perform various services for the Commonwealth of Kentucky, its judicial courts, the fiscal court, various cities and special districts within the county, and the board of education. In exercising these responsibilities, however, they are required to comply with state laws. Audits of their financial statements are issued separately and individually and can be obtained from their respective administrative offices. These financial statements are not required to be included in the financial statement of the Madison County Fiscal Court.

- Circuit Court Clerk
- County Attorney
- Property Valuation Administrator
- County Clerk
- County Sheriff

F. Deposits and Investments

The government's fund balance is considered to be cash on hand, demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition. The government's fund balance includes cash and cash equivalents and investments.

KRS 66.480 authorizes the county to invest in obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

MADISON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 1. Summary of Significant Accounting Policies (Continued)

G. Long-term Obligations

The fund financial statement recognizes bond interest, as well as bond issuance costs when received or when paid, during the current period. The principal amount of the debt and interest are reported as disbursements. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as disbursements. Debt proceeds are reported as other adjustments to cash.

Note 2. Deposits

The fiscal court maintained deposits of public funds with federally insured banking institutions as required by the Department for Local Government's (DLG) *County Budget Preparation and State Local Finance Officer Policy Manual*. The DLG Manual strongly recommends perfected pledges of securities covering all public funds except direct federal obligations and funds protected by federal insurance. In order to be perfected in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the fiscal court and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the government's deposits may not be returned. The government does not have a deposit policy for custodial credit risk, but rather follows the requirements of the DLG *County Budget Preparation and State Local Finance Officer Policy Manual*. As of June 30, 2020, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

Note 3. Transfers

The table below shows the interfund operating transfers for fiscal year 2020.

	General Fund	Total Transfers In
Road Fund	\$ 500,000	\$ 500,000
Jail Fund	2,823,187	2,823,187
Total Transfers Out	<u>\$ 3,323,187</u>	<u>\$ 3,323,187</u>

Reason for transfers:

To move resources from and to the general fund and other funds, for budgetary purposes, to the funds that will expend them.

MADISON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 4. Leases

A. Mowers

On December 15, 2013, the Madison County Fiscal Court entered into a six-year lease agreement with Wells Fargo Financial Leasing, Inc., for mowers for the Battlefield Golf Course. The lease agreement calls for lease payments of \$9,139 due in the months of May through October of each year. The total expense related to this lease was \$27,416 and a buy-out fee payment of \$15,826 for the year ended June 30, 2020. The balance at June 30, 2020, was \$0.

On November 1, 2019, the Madison County Fiscal Court entered into a six-year lease agreement with DLL Finance LLC, for mowers for the Battlefield Golf Course. The lease agreement calls for \$1,876 due in the months of May through October of each year. The agreement is a lease with a buy option and the county will not have right, title, or interest in or to the vehicles except for the use of the vehicles as described in the agreement. The lease term commences on the delivery date of the vehicle and ends 60 months after the first full month rental payment date with an option to continue month-to-month for an unlimited period of time. The total expense related to this lease related to this lease was \$5,627 for the year ended June 30, 2020. The future minimum lease payments are as follows:

Fiscal Year Ended June 30	Principal	Interest
2021	\$ 9,162	\$ 1,931
2022	9,541	1,745
2023	9,939	1,349
2024	10,354	904
2025	10,785	505
2026	<u>5,588</u>	<u>95</u>
Totals:	<u>\$ 55,369</u>	<u>\$ 6,529</u>

B. Maintenance Equipment

On November 1, 2019, the Madison County Fiscal Court entered into a six-year lease agreement with DLL Finance LLC, for maintenance equipment for the Battlefield Golf Course. The lease agreement calls for lease payments of \$ 7,635 due in the months of July through November of each year. The total expense related to this lease was \$22,906 for the year ended June 30, 2020. The future minimum lease payments are as follows:

Fiscal Year Ended June 30	Amount
2021	\$ 53,446
2022	53,446
2023	53,446
2024	53,446
2025	<u>38,176</u>
Total:	<u>\$ 251,960</u>

MADISON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 4. Leases (Continued)

C. Golf Carts

On June 25, 2019, the Madison County Fiscal Court entered into a 65-month lease agreement with Wells Fargo Equipment Finance for golf carts for the Battlefield Golf Course. This lease absorbed the remaining \$62,000 balance of the PNC lease. The agreement is a lease with a buy option and the county will not have right, title, or interest in or to the vehicles except for the use of the vehicles as described in the agreement. The lease term commences on the delivery date of the vehicle and ends 60 months after the first full month rental payment date with an option to continue month-to-month for an unlimited period of time. The new lease agreement calls for lease payments of \$5,264 due in the months of May through October of each year. The total expense related to the lease was \$21,056 for the year ended June 30, 2020. The future minimum lease payments are as follows:

Fiscal Year Ended June 30	Amount
2021	\$ 31,584
2022	31,584
2023	31,584
2024	31,584
2025	26,320
Total Minimum Lease Payments	<u>\$ 152,656</u>

Note 5. Long-term Debt

A. Direct Borrowings and Direct Placements

1. Fire Truck

On December 14, 2017, the Madison County Fiscal Court entered into a 10-year \$430,000 lease agreement with KACo Leasing Trust for the purchase of a fire truck. Semi-annual principal and 3.12% fixed rate interest payments began on January 20, 2018, with a final payment on July 20, 2027. No prepayment is permitted prior to January 20, 2020. There is a 3.0% termination penalty if prepaid on January 20, 2020 or any date thereafter. Upon default on the loan, the lender may declare the entire unpaid balance and all accrued interest due and the borrower will pay that amount. If the borrower does not pay, the lender may hire someone to assist in collection at the expense of the borrower. The principal outstanding as of June 30, 2020, was \$329,881. Future principal and interest requirements are:

Fiscal Year Ended June 30	Principal	Interest
2021	\$ 40,219	\$ 9,981
2022	41,321	8,717
2023	42,452	7,419
2024	43,615	6,086
2025	44,809	4,716
2026-2028	<u>117,465</u>	<u>5,547</u>
Totals	<u>\$ 329,881</u>	<u>\$ 42,466</u>

MADISON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 5. Long-term Debt (Continued)

A. Direct Borrowings and Direct Placements (Continued)

2. Voting Machines

On May 23, 2018, the Madison County Fiscal Court entered into an 8-year \$407,684 lease agreement with KACo Leasing Trust for the purchase of 50 voting machines. Semi-annual principal and 4.00% fixed rate interest payments began on July 20, 2018, with a final payment on January 20, 2026. No prepayment is permitted prior to July 20, 2020. If prepaid on July 20, 2020 and prior to July 20, 2022, there is a 3.00% termination penalty. On and after July 20, 2022, there is no penalty to prepay. Upon default on the loan, the lender may declare the entire unpaid balance and all accrued interest due and the borrower will pay that amount. If the borrower does not pay, the lender may hire someone to assist in collection at the expense of the borrower. The principal outstanding as of June 30, 2020 was \$313,094. Future principal and interest requirements are:

Fiscal Year Ended		
June 30	Principal	Interest
2021	\$ 47,568	\$ 12,052
2022	49,325	10,132
2023	51,146	8,141
2024	53,035	6,077
2025	54,994	3,936
2026	57,026	1,716
Totals	<u>\$ 313,094</u>	<u>\$ 42,054</u>

3. Dump Trucks

On January 30, 2020, the Madison County Fiscal Court entered into a 10-year lease agreement with JPMorgan Chase Bank, NA, for the purchase of ten municipal snow removal vehicles. Principal payments are due annually on February 1 and interest payments are due semi-annually on August 1 and February 1 starting on August 1, 2020. Upon default on the loan, the lender may declare the entire unpaid balance and all accrued interest due and the borrower will pay that amount. If the borrower does not pay, the lender may hire someone to assist in collection at the expense of the borrower. Future principal and interest requirements are:

Fiscal Year Ended		
June 30	Principal	Interest
2021	\$ 109,000	\$ 25,751
2022	111,000	23,347
2023	114,000	20,972
2024	116,000	18,532
2025	118,000	16,050
2026-2030	632,000	41,153
Totals	<u>\$1,200,000</u>	<u>\$ 145,805</u>

MADISON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 5. Long-term Debt (Continued)

B. Other Debt

1. General Obligation Refunding Bonds, Series 2012

On November 21, 2012, the Madison County Fiscal Court issued \$9,530,000 of General Obligation Refunding Bonds, Series 2012 for the purpose of refunding all or a portion of the General Obligation Improvement Bonds, Series 2001; the General Obligation Public Project Bonds, Series 2004; and the General Obligation Improvement Bonds, Series 2004B. Interest rates vary from 0.60% through 3.00%. Principal payments are due annually on March 1 and interest payments are due semi-annually on March 1 and September 1. In the event of default, the Trustee may enforce the foreclosable mortgage lien on the project site, bring suit against the corporation, or declare all bonds due and payable. As of June 30, 2020, bonds outstanding were \$6,860,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Interest
2021	\$ 460,000	\$ 163,675
2022	365,000	154,475
2023	375,000	147,175
2024	380,000	139,675
2025	390,000	132,075
2026-2030	2,065,000	539,950
2031-2035	2,320,000	281,600
2036	505,000	15,150
Totals	<u>\$ 6,860,000</u>	<u>\$ 1,573,775</u>

2. General Obligation Bonds, Series 2017

On June 1, 2017, the Madison County Fiscal Court issued \$6,090,000 of Series 2017 General Obligation Bonds for the purchase of the Family Court Building and adjacent parking lot in downtown Richmond. Interest rates vary from 2.00% through 5.00%. Principal payments are due annually on June 1 and interest payments are due semi-annually on December 1 and June 1. In the event of default, the Trustee may enforce the foreclosable mortgage lien on the project site, bring suit against the corporation, or declare all bonds due and payable. As of June 30, 2020, bonds outstanding were \$5,160,000. Future principal and interest requirements are:

Fiscal Year Ending June 30	Principal	Interest
2021	\$ 330,000	\$ 204,450
2022	350,000	187,950
2023	365,000	170,450
2024	385,000	152,200
2025	405,000	132,950
2026-2030	2,300,000	382,950
2031-2032	1,025,000	46,350
Totals	<u>\$ 5,160,000</u>	<u>\$ 1,277,300</u>

MADISON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 5. Long-term Debt (Continued)

C. Changes In Long-term Debt

Long-term Debt activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Direct Borrowings and Direct Placements	\$ 727,995	\$ 1,200,000	\$ 85,020	\$ 1,842,975	\$ 196,787
General Obligation Bonds	12,785,000	-	765,000	12,020,000	790,000
Total Long-term Debt	<u>\$ 13,512,995</u>	<u>\$ 1,200,000</u>	<u>\$ 850,020</u>	<u>\$13,862,975</u>	<u>\$ 986,787</u>

D. Aggregate Debt Schedule

Fiscal Year Ended June 30	Other Debt		Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
2021	\$ 790,000	\$ 368,125	\$ 196,787	\$ 47,784
2022	715,000	342,425	201,646	42,196
2023	740,000	317,625	207,598	36,532
2024	765,000	291,875	212,650	30,695
2025	795,000	265,025	217,803	24,702
2026-2030	4,365,000	922,900	806,490	48,416
2031-2035	3,345,000	327,950		
2036	505,000	15,150		
	<u>\$ 12,020,000</u>	<u>\$ 2,851,075</u>	<u>\$ 1,842,974</u>	<u>\$ 230,325</u>

Note 6. Commitments and Contingencies

The county is involved in multiple lawsuits. While individually they may not be significant, in the aggregate they could negatively impact the county's financial position. Due to the uncertainty of the litigation, a reasonable estimate of the financial impact on the county cannot be made at this time.

Note 7. Employee Retirement System

The fiscal court has elected to participate, pursuant to KRS 78.530, in the County Employees Retirement System (CERS), which is administered by the Board of Trustees of the Kentucky Retirement Systems (KRS). This is a cost-sharing, multiple-employer, defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability, and death benefits to plan members. Benefit contributions and provisions are established by statute.

The county's contribution for FY 2018 was \$1,359,578, FY 2019 was \$1,453,812, and FY 2020 was \$1,851,840.

MADISON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 7. Employee Retirement System (Continued)

Nonhazardous

Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 6 percent of their salary to be allocated as follows: 5 percent will go to the member's account and 1 percent will go to the KRS insurance fund.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on or after January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own accounts. Nonhazardous covered employees contribute 5 percent of their annual creditable compensation. Nonhazardous members also contribute 1 percent to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the KRS Board of Directors based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a 4 percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008, must meet the rule of 87 (member's age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit.

The county's contribution rate for nonhazardous employees was 24.06 percent.

Hazardous

Hazardous covered employees are required to contribute 8 percent of their salary to the plan. Hazardous covered employees who begin participation on or after September 1, 2008, are required to contribute 9 percent of their salary to be allocated as follows: 8 percent will go to the member's account and 1 percent will go to the KRS insurance fund.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on or after January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan.

Members in the plan contribute a set percentage of their salary each month to their own accounts. Hazardous members contribute 8 percent of their annual creditable compensation and also contribute 1 percent to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board of Directors based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A hazardous member's account is credited with a 7.5 percent employer pay credit. The employer pay credit represents a portion of the employer contribution.

MADISON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 7. Employee Retirement System (Continued)

Hazardous (Continued)

Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55. For hazardous employees who begin participation on or after September 1, 2008, aspects of benefits include retirement after 25 years of service or the member is age 60, with a minimum of 60 months of service credit.

The county's contribution rate for hazardous employees was 39.58 percent

Other Post-Employment Benefits (OPEB)

A. Health Insurance Coverage - Tier 1

CERS provides post-retirement health care coverage as follows:

For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

Years of Service	% Paid by Insurance Fund	% Paid by Member through Payroll Deduction
20 or more	100%	0%
15-19	75%	25%
10-14	50%	50%
4-9	25%	75%
Less than 4	0%	100%

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Hazardous employees whose participation began on or after July 1, 2003, earn 15 dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon the death of a hazardous employee, the employee's spouse receives ten dollars per month for insurance benefits for each year of the deceased employee's hazardous service. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

Benefits are covered under KRS 161.714 with exception of COLA and retiree health benefits after July 2003.

B. Health Insurance Coverage - Tier 2 and Tier 3 - Nonhazardous

Once members reach a minimum vesting period of 15 years, they earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually by 1.5 percent. This was established for Tier 2 members during the 2008 Special Legislative Session by House Bill 1. During the 2013 Legislative Session, Senate Bill 2 was enacted, creating Tier 3 benefits for members.

MADISON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 7. Employee Retirement System (Continued)

Other Post-Employment Benefits (OPEB) (Continued)

B. Health Insurance Coverage - Tier 2 and Tier 3 - Nonhazardous (Continued)

The monthly insurance benefit has been increased annually as a 1.5 percent cost of living adjustment (COLA) since July 2003 when the law changed. The annual increase is cumulative and continues to accrue after the member's retirement.

Tier 2 member benefits are covered by KRS 161.714 with exception of COLA and retiree health benefits after July 2003. Tier 3 members are not covered by the same provisions.

C. Health Insurance Coverage - Tier 2 and Tier 3 - Hazardous

Once members reach a minimum vesting period of 15 years, they earn fifteen dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually by 1.5 percent. Upon the death of a hazardous employee, the employee's spouse receives ten dollars per month for insurance benefits for each year of the deceased employee's hazardous service. This was established for Tier 2 members during the 2008 Special Legislative Session by House Bill 1. During the 2013 Legislative Session, Senate Bill 2 was enacted, creating Tier 3 benefits for members.

The monthly insurance benefit has been increased annually as a 1.5 percent COLA since July 2003 when the law changed. The annual increase is cumulative and continues to accrue after the member's retirement.

D. Cost of Living Adjustments - Tier 1

The 1996 General Assembly enacted an automatic cost of living adjustment (COLA) provision for all recipients of KRS benefits. During the 2008 Special Session, the General Assembly determined that each July beginning in 2009, retirees who have been receiving a retirement allowance for at least 12 months will receive an automatic COLA of 1.5 percent. The COLA is not a guaranteed benefit. If a retiree has been receiving a benefit for less than 12 months, and a COLA is provided, it will be prorated based on the number of months the recipient has been receiving a benefit.

E. Cost of Living Adjustments - Tier 2 and Tier 3

No COLA is given unless authorized by the legislature with specific criteria. To this point, no COLA has been authorized by the legislature for Tier 2 or Tier 3 members.

F. Death Benefit

If a retired member is receiving a monthly benefit based on at least 48 months of service credit, KRS will pay a \$5,000 death benefit payment to the beneficiary designated by the member specifically for this benefit. Members with multiple accounts are entitled to only one death benefit.

KRS Annual Financial Report and Proportionate Share Audit Report

KRS issues a publicly available annual financial report that includes financial statements and required supplementary information on CERS. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

MADISON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 7. Employee Retirement System (Continued)

KRS Annual Financial Report and Proportionate Share Audit Report (Continued)

KRS also issues proportionate share audit reports for both total pension liability and other post-employment benefits for CERS determined by actuarial valuation as well as each participating county's proportionate share. Both the Schedules of Employer Allocations and Pension Amounts by Employer and the Schedules of Employer Allocations and OPEB Amounts by Employer reports and the related actuarial tables are available online at <https://kyret.ky.gov>. The complete actuarial valuation report, including all actuarial assumptions and methods, is also available on the website or can be obtained as described in the paragraph above.

Note 8. Deferred Compensation

The Madison County Fiscal Court voted to allow all eligible employees to participate in deferred compensation plans administered by the Kentucky Public Employees' Deferred Compensation Authority. The Kentucky Public Employees' Deferred Compensation Authority is authorized under KRS 18A.230 to 18A.275 to provide administration of tax sheltered supplemental retirement plans for all state, public school and university employees, and employees of local political subdivisions that have elected to participate.

These deferred compensation plans permit all full time employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation by eligible employees in the deferred compensation plans is voluntary.

Historical trend information showing the Kentucky Public Employees' Deferred Compensation Authority's progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Public Employees' Deferred Compensation Authority's annual financial report. This report may be obtained by writing the Kentucky Public Employees' Deferred Compensation Authority at 501 High Street, 2nd Floor, Frankfort, KY 40601, or by telephone at (502) 573-7925.

Note 9. Self-Insured Health Insurance Account

The Madison County Fiscal Court elected to begin a self-funded health insurance plan, effective July 1, 2017, to provide health insurance benefits to employees. The county has contracted with a third-party administrator to process the claims paid under the plan. The Madison County Fiscal Court purchased a stop-loss insurance policy to cover losses from individual and aggregate claims once the county reached the individual and aggregate attachment points.

Incurred administrative fees and health insurance claims for the fiscal year ended June 30, 2020, were \$312,354 and \$1,268,202 respectively. The health insurance account had a balance of \$719,919 as of June 30, 2020.

Note 10. Insurance

For the fiscal year ended June 30, 2020, the Madison County Fiscal Court was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

MADISON COUNTY
NOTES TO FINANCIAL STATEMENT
June 30, 2020
(Continued)

Note 11. Conduit Debt

From time to time, the county has issued bonds to provide financial assistance for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest, in accordance with KRS 103.210. This debt may take the form of certain types of limited-obligation revenue bonds, certificates of participation, or similar debt instruments. Although conduit debt obligations bear the Madison County Fiscal Court's name as issuer, the fiscal court has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf it is issued. Neither the fiscal court nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statement. As of June 30, 2020, conduit debt has been issued but the amount currently outstanding is not reasonably determinable.

Note 12. Prior Period Adjustments

	Restated Balance
General Fund - Prior Year	\$ 6,182,673
Prior Year Voided Checks	10,093
Cost Basis Investments	(35,983)
Series 2012 Sinking Fund Balance	1,165
Restated General Fund	<u>\$ 6,157,948</u>
Road Fund - Prior Year	119,366
Prior Year Voided Checks	37
Restated Road Fund	<u>\$ 119,403</u>
Jail Fund - Prior Year	\$ 402,485
Prior Year Payroll Adjustment	(4,039)
Restated Jail Fund	<u>\$ 398,446</u>

Note 13. Custodial Funds

Custodial funds report only those resources held in a trust or custodial capacity for individuals, private organizations, or other governments. In accordance with the regulatory basis of accounting, custodial funds are not presented in the financial statement. The fiscal court has one custodial fund the jail inmate fund. This fund accounts for funds received from the inmates. The balance in the jail inmate account funds as of June 30, 2020, was \$9,186.

Note 14. Money Market Funds

The fiscal court has money market funds which are managed by an investment company. The balance in the money market fund as of June 30, 2020, was \$1,899,575.

MADISON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2020

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MADISON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis

For The Year Ended June 30, 2020

	GENERAL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 8,490,100	\$ 8,490,100	\$ 9,399,073	\$ 908,973
Excess Fees	815,000	815,000	923,190	108,190
Licenses and Permits	336,100	336,100	389,840	53,740
Intergovernmental	1,595,398	1,595,398	1,393,061	(202,337)
Charges for Services	612,669	612,669	508,493	(104,176)
Miscellaneous	420,766	420,766	923,607	502,841
Interest	75,000	75,000	81,375	6,375
Total Receipts	<u>12,345,033</u>	<u>12,345,033</u>	<u>13,618,639</u>	<u>1,273,606</u>
DISBURSEMENTS				
General Government	4,466,915	4,701,933	4,457,813	244,120
Protection to Persons and Property	1,847,578	1,882,173	1,716,815	165,358
General Health and Sanitation	653,836	666,350	550,002	116,348
Social Services	379,845	380,845	239,047	141,798
Recreation and Culture	588,267	641,425	570,886	70,539
Other Transportation Facilities and Services	20,000	20,000	20,000	
Debt Service	1,268,013	1,268,013	1,266,679	1,334
Capital Projects	100,000	1,042,034	961,830	80,204
Administration	5,063,695	3,483,758	2,505,505	978,253
Total Disbursements	<u>14,388,149</u>	<u>14,086,531</u>	<u>12,288,577</u>	<u>1,797,954</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(2,043,116)</u>	<u>(1,741,498)</u>	<u>1,330,062</u>	<u>3,071,560</u>
Other Adjustments to Cash (Uses)				
Transfers To Other Funds	<u>(3,456,884)</u>	<u>(3,456,884)</u>	<u>(3,323,187)</u>	<u>133,697</u>
Total Other Adjustments to Cash (Uses)	<u>(3,456,884)</u>	<u>(3,456,884)</u>	<u>(3,323,187)</u>	<u>133,697</u>
Net Change in Fund Balance	(5,500,000)	(5,198,382)	(1,993,125)	3,205,257
Fund Balance - Beginning (Restated)	<u>5,500,000</u>	<u>5,500,000</u>	<u>6,157,948</u>	<u>657,948</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 301,618</u>	<u>\$ 4,164,823</u>	<u>\$ 3,863,205</u>

MADISON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2020
(Continued)

	ROAD FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 2,200,930	\$ 2,924,401	\$ 2,971,438	\$ 47,037
Charges for Services	165,000	165,000	110,230	(54,770)
Miscellaneous	5,000	40,040	71,090	31,050
Interest	500	500	190	(310)
Total Receipts	<u>2,371,430</u>	<u>3,129,941</u>	<u>3,152,948</u>	<u>23,007</u>
DISBURSEMENTS				
Roads	2,959,280	3,503,593	2,997,025	506,568
Capital Projects	1,228,000	1,266,245	1,188,694	77,551
Administration	545,847	723,418	454,465	268,953
Total Disbursements	<u>4,733,127</u>	<u>5,493,256</u>	<u>4,640,184</u>	<u>853,072</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(2,361,697)</u>	<u>(2,363,315)</u>	<u>(1,487,236)</u>	<u>876,079</u>
Other Adjustments to Cash (Uses)				
General Obligation Lease Proceeds	1,228,000	1,228,000	1,200,000	(28,000)
Transfers From Other Funds	933,697	933,697	500,000	(433,697)
Total Other Adjustments to Cash (Uses)	<u>2,161,697</u>	<u>2,161,697</u>	<u>1,700,000</u>	<u>(461,697)</u>
Net Change in Fund Balance	(200,000)	(201,618)	212,764	414,382
Fund Balance - Beginning (Restated)	<u>200,000</u>	<u>200,000</u>	<u>119,403</u>	<u>(80,597)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (1,618)</u>	<u>\$ 332,167</u>	<u>\$ 333,785</u>

MADISON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2020
(Continued)

	JAIL FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 956,500	\$ 956,500	\$ 831,659	\$ (124,841)
Charges for Services	211,100	211,100	197,328	(13,772)
Miscellaneous	329,000	329,000	160,791	(168,209)
Interest	100	100	97	(3)
Total Receipts	<u>1,496,700</u>	<u>1,496,700</u>	<u>1,189,875</u>	<u>(306,825)</u>
DISBURSEMENTS				
Protection to Persons and Property	3,360,276	3,810,298	3,629,900	180,398
Administration	759,611	912,073	659,717	252,356
Total Disbursements	<u>4,119,887</u>	<u>4,722,371</u>	<u>4,289,617</u>	<u>432,754</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(2,623,187)</u>	<u>(3,225,671)</u>	<u>(3,099,742)</u>	<u>125,929</u>
Other Adjustments to Cash (Uses)				
Transfers From Other Funds	<u>2,523,187</u>	<u>2,523,187</u>	<u>2,823,187</u>	<u>300,000</u>
Total Other Adjustments to Cash (Uses)	<u>2,523,187</u>	<u>2,523,187</u>	<u>2,823,187</u>	<u>300,000</u>
Net Change in Fund Balance	(100,000)	(702,484)	(276,555)	425,929
Fund Balance - Beginning (Restated)	<u>100,000</u>	<u>402,484</u>	<u>398,446</u>	<u>(4,038)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ (300,000)</u>	<u>\$ 121,891</u>	<u>\$ 421,891</u>

MADISON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2020
(Continued)

LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 140,000	\$ 140,000	\$ 156,301	\$ 16,301
Interest	500	500	839	339
Total Receipts	140,500	140,500	157,140	16,640
DISBURSEMENTS				
Roads	625,700	625,700		625,700
Debt Service	14,800	14,800		14,800
Total Disbursements	640,500	640,500		640,500
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	(500,000)	(500,000)	157,140	657,140
Net Change in Fund Balance	(500,000)	(500,000)	157,140	657,140
Fund Balance - Beginning	500,000	500,000	496,317	(3,683)
Fund Balance - Ending	\$ 0	\$ 0	\$ 653,457	\$ 653,457

MADISON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2020
(Continued)

	FEDERAL GRANTS FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 300,000	\$ 780,000	\$ 222,025	\$ (557,975)
Total Receipts	<u>300,000</u>	<u>780,000</u>	<u>222,025</u>	<u>(557,975)</u>
DISBURSEMENTS				
Capital Projects	300,000	780,000	222,025	557,975
Total Disbursements	<u>300,000</u>	<u>780,000</u>	<u>222,025</u>	<u>557,975</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)				
Net Change in Fund Balance				
Fund Balance - Beginning				
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

MADISON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2020
(Continued)

CHEMICAL STOCKPILE EMERGENCY PREPAREDNESS
PROGRAM FUND

	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Intergovernmental	\$ 48,693,313	\$ 48,693,313	\$ 7,215,798	\$ (41,477,515)
Miscellaneous	16,661	16,661	17,292	631
Interest	500	500		(500)
Total Receipts	<u>48,710,474</u>	<u>48,710,474</u>	<u>7,233,090</u>	<u>(41,477,384)</u>
DISBURSEMENTS				
Protection to Persons and Property	47,814,048	47,814,048	6,924,192	40,889,856
Administration	<u>1,271,426</u>	<u>1,271,426</u>	<u>410,676</u>	<u>860,750</u>
Total Disbursements	<u>49,085,474</u>	<u>49,085,474</u>	<u>7,334,868</u>	<u>41,750,606</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(375,000)</u>	<u>(375,000)</u>	<u>(101,778)</u>	<u>273,222</u>
Net Change in Fund Balance	(375,000)	(375,000)	(101,778)	273,222
Fund Balance - Beginning	<u>375,000</u>	<u>375,000</u>	<u>265,971</u>	<u>(109,029)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 164,193</u>	<u>\$ 164,193</u>

MADISON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2020
(Continued)

	E-911 FUND			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Taxes	\$ 600,000	\$ 600,000	\$ 646,627	\$ 46,627
Intergovernmental	350,000	350,000	375,632	25,632
Charges for Services	585,919	585,919	585,919	
Miscellaneous	198,576	198,576	198,576	
Interest	250	250	131	(119)
Total Receipts	<u>1,734,745</u>	<u>1,734,745</u>	<u>1,806,885</u>	<u>72,140</u>
DISBURSEMENTS				
Protection to Persons and Property	1,475,509	1,476,956	1,237,541	239,415
Capital Projects	198,575	198,575	73,345	125,230
Administration	560,661	559,214	448,549	110,665
Total Disbursements	<u>2,234,745</u>	<u>2,234,745</u>	<u>1,759,435</u>	<u>475,310</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(500,000)</u>	<u>(500,000)</u>	<u>47,450</u>	<u>547,450</u>
Net Change in Fund Balance	(500,000)	(500,000)	47,450	547,450
Fund Balance - Beginning	<u>500,000</u>	<u>500,000</u>	<u>447,614</u>	<u>(52,386)</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 495,064</u>	<u>\$ 495,064</u>

MADISON COUNTY
BUDGETARY COMPARISON SCHEDULES
Supplementary Information - Regulatory Basis
For The Year Ended June 30, 2020
(Continued)

	SELF-INSURED HEALTH INSURANCE ACCOUNT			
	Budgeted Amounts		Actual Amounts, (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
RECEIPTS				
Administration	\$ 1,680,000	\$ 1,680,000	\$ 1,899,221	\$ 219,221
Total Receipts	<u>1,680,000</u>	<u>1,680,000</u>	<u>1,899,221</u>	<u>219,221</u>
DISBURSEMENTS				
Administration	2,080,000	2,080,000	1,640,048	439,952
Total Disbursements	<u>2,080,000</u>	<u>2,080,000</u>	<u>1,640,048</u>	<u>439,952</u>
Excess (Deficiency) of Receipts Over Disbursements Before Other Adjustments to Cash (Uses)	<u>(400,000)</u>	<u>(400,000)</u>	<u>259,173</u>	<u>659,173</u>
Net Change in Fund Balance	(400,000)	(400,000)	259,173	659,173
Fund Balance - Beginning	<u>400,000</u>	<u>400,000</u>	<u>460,746</u>	<u>60,746</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 719,919</u>	<u>\$ 719,919</u>

MADISON COUNTY
NOTES TO REGULATORY SUPPLEMENTARY
INFORMATION - BUDGETARY COMPARISON SCHEDULES

June 30, 2020

Note 1. Budgetary Information

Annual budgets are adopted on a regulatory basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board and according to the laws of Kentucky as required by the state local finance officer.

The county judge/executive is required to submit estimated receipts and proposed disbursements to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the state local finance officer. Disbursements may not exceed budgeted appropriations at the activity level.

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**MADISON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended June 30, 2020

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**MADISON COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For The Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity's Identifying Number	Provided to Subrecipient	Total Federal Expenditures
<u>U. S. Department of Justice</u>				
<i>Direct Programs:</i>				
Edward Byrne Memorial Justice Assistance Grant	16.738	2018-DJ-BX-0421	\$ 12,531	\$ 12,531
Edward Byrne Memorial Justice Assistance Grant	16.738	2019-DJ-BX-0455	11,461	11,461
Law Enforcement Assistance - Narcotics and Dangerous Drugs Training	16.004	KY0760000	4,749	4,749
Total U.S. Department of Justice			<u>28,741</u>	<u>28,741</u>
<u>U. S. Department of Homeland Security</u>				
<i>Passed-Through Kentucky Department of Military Affairs:</i>				
Chemical Stockpile Emergency Preparedness Program	97.040	EMA-2020-CA-5820	-	7,334,869
Emergency Management Performance Grant	97.042	EMA-2019-EP-00008-S01	-	14,310
<i>Passed-Through Kentucky Division of Emergency Management:</i>				
Disaster Grants - Public Assistance	97.036	FEMA DR KY 4428	-	22,449
Total U.S. Department of Homeland Security			<u>-</u>	<u>7,371,628</u>
<u>U. S. Department of Defense</u>				
<i>Passed-Through Kentucky Energy and Environment Cabinet:</i>				
Training and Support - Combating Weapons of Mass Destruction	12.501	PON2 129 1900000840	-	50,000
Total U.S. Department of Defense			<u>-</u>	<u>50,000</u>
<u>U. S. Department of Housing and Urban Development</u>				
<i>Passed-Through Kentucky Department for Local Government:</i>				
Community Development Block Grant	14.228	16-030	-	222,025
Total U.S. Department of Housing and Urban Development			<u>-</u>	<u>222,025</u>
<u>U. S. Department of Treasury</u>				
<i>Passed-Through Kentucky Department for Local Government:</i>				
Coronavirus Relief Fund	21.019	Madison County	-	1,084,357
Coronavirus Relief Fund-Election	21.019	Madison County	-	7,680
Total U.S. Department of Treasury			<u>-</u>	<u>1,092,037</u>
Total Expenditures of Federal Awards			<u>\$ 28,741</u>	<u>\$ 8,764,431</u>

The accompanying notes are an integral part of this schedule.

MADISON COUNTY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2020

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of Madison County, Kentucky under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Madison County, Kentucky, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Madison County, Kentucky.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the basis of the accounting practices prescribed or permitted by the Department for Local Government to demonstrate compliance with the Commonwealth of Kentucky's regulatory basis of accounting and budget laws, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

Madison County has not adopted an indirect cost rate.

**MADISON COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis**

For The Year Ended June 30, 2020

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MADISON COUNTY
SCHEDULE OF CAPITAL ASSETS
Other Information - Regulatory Basis

For The Year Ended June 30, 2020

The fiscal court reports the following Schedule of Capital Assets:

	Beginning Balance	Additions	Deletions	Ending Balance
Land and Land Improvements	\$ 6,778,008	\$	\$	\$ 6,778,008
Buildings	31,408,227	730,779		32,139,006
Vehicles	5,735,921	1,594,089	406,899	6,923,111
Equipment	10,722,368	377,776		11,100,144
Infrastructure	25,944,191	1,217,104		27,161,295
 Total Capital Assets	 <u>\$ 80,588,715</u>	 <u>\$ 3,919,748</u>	 <u>\$ 406,899</u>	 <u>\$ 84,101,564</u>

MADISON COUNTY
NOTES TO OTHER INFORMATION - REGULATORY BASIS
SCHEDULE OF CAPITAL ASSETS

June 30, 2020

Note 1. Capital Assets

Capital assets, which include land, land improvements, buildings, furniture and office equipment, building improvements, machinery, equipment, and infrastructure assets (roads and bridges) that have a useful life of more than one reporting period based on the government's capitalization policy, are reported as other information. Such assets are recorded at historical cost or estimated historical cost when purchased or constructed.

	<u>Capitalization Threshold</u>	<u>Useful Life (Years)</u>
Land and Land Improvements	\$ 10,000	10-60
Buildings	\$ 10,000	10-75
Vehicles	\$ 10,000	3-5
Equipment	\$ 10,000	3-25
Infrastructure	\$ 10,000	10-50

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Reagan Taylor, Madison County Judge/Executive
Members of the Madison County Fiscal Court

Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*

Independent Auditor's Report

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 Statement of Receipts, Disbursements, and Changes in Fund Balances - Regulatory Basis of the Madison County Fiscal Court for the fiscal year ended June 30, 2020, and the related notes to the financial statement which collectively comprise the Madison County Fiscal Court's financial statement and have issued our report thereon dated July 7, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Madison County Fiscal Court's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Madison County Fiscal Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Madison County Fiscal 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 statement 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.



Report On Internal Control Over Financial Reporting
And On Compliance And Other Matters Based On An Audit Of The Financial
Statement Performed In Accordance With *Government Auditing Standards*
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Madison County Fiscal Court's financial statement is 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 financial statement. 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.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mike Harmon", with a long horizontal line extending to the right.

Mike Harmon
Auditor of Public Accounts

July 7, 2021

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH UNIFORM GUIDANCE**

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MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Reagan Taylor, Madison County Judge/Executive
Members of the Madison County Fiscal Court

Report On Compliance For Each Major Federal Program
And Report On Internal Control Over Compliance
In Accordance With Uniform Guidance

Independent Auditor's Report

Report on Compliance for Each Major Federal Program

We have audited the Madison County Fiscal Court's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on each of the Madison County Fiscal Court's major federal programs for the year ended June 30, 2020. The Madison County Fiscal Court's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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



Report On Compliance For Each Major Federal Program
And Report On Internal Control Over Compliance
In Accordance With Uniform Guidance
(Continued)

Opinion on Each Major Federal Program

In our opinion, the Madison County Fiscal Court complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance


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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be 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.

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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Mike Harmon
Auditor of Public Accounts

July 7, 2021

**MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For The Year Ended June 30, 2020

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**MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For The Year Ended June 30, 2020

Section I: Summary of Auditor's Results

Financial Statement

Type of report auditor issued: Adverse on GAAP and Unmodified on Regulatory Basis

Internal control over financial reporting:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Are any noncompliances material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:

Are any material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are any significant deficiencies identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Type of auditor's report issued on compliance for major federal programs [<i>unmodified, qualified, adverse, or disclaimer</i>]: Unmodified		
Are any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
CFDA #97.040	Chemical Stockpile Emergency Preparedness Program
CFDA #21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000	
Auditee qualified as a low-risk auditee?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

**MADISON COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended June 30, 2020
(Continued)**

Section II: Financial Statement Findings

None.

Section III: Federal Award Findings And Questioned Costs

None.

Section IV: Summary Schedule of Prior Audit Findings

None.