

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENTS AUDIT REPORT

MADISON COUNTY, INDIANA

January 1, 2019 to December 31, 2019



FILED
12/30/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
County Auditor	Rick G. Gardner	01-01-19 to 12-31-20
County Treasurer	Dan Girt	01-01-19 to 12-31-20
Clerk of the Circuit Court	Olivia Pratt	01-01-19 to 12-31-20
County Sheriff	Scott Mellinger	01-01-19 to 12-31-20
County Recorder	Linda Smith	01-01-19 to 12-31-20
President of the Board of County Commissioners	Kelly S. Gaskill	01-01-19 to 12-31-20
President of the County Council	Anthony Emery Pete Heuer	01-01-19 to 12-31-19 01-01-20 to 12-31-20



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF MADISON COUNTY, INDIANA

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Madison County (County), as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 County'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 County'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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis, Schedule of the County's Proportionate Share of the Net Pension Liability Public Employees' Retirement Fund, Schedule of County Contributions Public Employees' Retirement Fund, Schedule of the Changes in the County's Net Pension Liability and related Ratios Sheriff's Retirement Plan, Schedule of the Changes in the County's Net Pension Liability and related Ratios Sheriff's Benefit Plan, Schedule of County Contributions Sheriff's Retirement Fund, Schedule of County Contributions Sheriff's Benefit Plan, Schedule of Investment Returns Sheriff's Retirement Fund, Schedule of Investment Returns Sheriff's Benefit Fund, Schedule of Changes in the County's Total OPEB Liability and Related Ratios, Schedule of Net OPEB Liability, -Schedule of Employer Contributions, and Budgetary Comparison Schedules, 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. Although our opinion on the basic financial statements is not affected, condensed financial information from the prior year's government-wide financial statements is not presented in the Management's Discussion and Analysis, which is a material departure from the prescribed guidelines. 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.

Accounting principles generally accepted in the United States of America require that the Schedule of the County's Proportionate Share of the Net Pension Liability Public Employees' Retirement Fund, Schedule of County Contributions Public Employees' Retirement Fund, Schedule of the Changes in the County's Net Pension Liability and related Ratios Sheriff's Retirement Plan, Schedule of the Changes in the County's Net Pension Liability and related Ratios Sheriff's Benefit Plan, Schedule of County Contributions Sheriff's Retirement Fund, Schedule of County Contributions Sheriff's Benefit Plan, Schedule of Investment Returns Sheriff's Retirement Fund, Schedule of Investment Returns Sheriff's Benefit Fund, Schedule of Changes in the County's Total OPEB Liability and Related Ratios, Schedule of Net OPEB Liability, and Schedule of Employer Contributions, 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. Although our opinion on the basic financial statements is not affected, Budgetary Comparison Schedules were not presented which is a material departure from the prescribed guidelines.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Combining Balance Sheet - NonMajor Governmental Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - NonMajor Governmental Funds, Combining Balance Sheet - NonMajor Special Revenue Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - NonMajor Special Revenue Funds, Combining Balance Sheet NonMajor Debt Service Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - NonMajor Debt Service Funds, Combining Balance Sheet - NonMajor Capital Projects Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - NonMajor Capital Projects Funds, Statement of Fiduciary Net Position - Private-Purpose Trust, Statement of Changes in Fiduciary Net Position - Private-Purpose Trust, Statement of Fiduciary Net Position - Pension Trust Funds, Statement of Changes in Fiduciary Net Position - Pension Trust Funds, Statement of Fiduciary Net Position - Custodial Funds, and Statement of Changes in Fiduciary Net Position - Custodial Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Balance Sheet - NonMajor Governmental Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - NonMajor Governmental Funds, Combining Balance Sheet - NonMajor Special Revenue Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - NonMajor Special Revenue Funds, Combining Balance Sheet NonMajor Debt Service Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - NonMajor Debt Service Funds, Combining Balance Sheet - NonMajor Capital Projects Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - NonMajor Capital Projects Funds, Statement of Fiduciary Net Position - Private-Purpose Trust, Statement of Changes in Fiduciary Net Position - Private-Purpose Trust, Statement of Fiduciary Net Position - Pension Trust Funds, Statement of Changes in Fiduciary Net Position - Pension Trust Funds, Statement of Fiduciary Net Position - Custodial Funds, Statement of Changes in Fiduciary Net Position - Custodial Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Balance Sheet - NonMajor Governmental Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - NonMajor Governmental Funds, Combining Balance Sheet - NonMajor Special Revenue Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - NonMajor Special Revenue Funds, Combining Balance Sheet NonMajor Debt Service Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - NonMajor Debt Service Funds, Combining Balance Sheet - NonMajor Capital Projects Funds, Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - NonMajor Capital Projects Funds, Statement of Fiduciary Net Position - Private-Purpose Trust, Statement of Changes in Fiduciary Net Position - Private-Purpose Trust, Statement of Fiduciary Net Position - Pension Trust Funds, Statement of Changes in Fiduciary Net Position - Pension Trust Funds, Statement of Fiduciary Net Position - Custodial Funds, and Statement of Changes in Fiduciary Net Position - Custodial Funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

December 17, 2020

MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Madison County, Indiana, ("the County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the calendar year ended December 31, 2019. 2019 is the first year the County is presenting a Management Discussion and Analysis. As such, comparisons to prior year data are not available. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the most recent calendar year by \$373,836 (net position).
- The County's total net position decreased by \$10,156 as compared to the 2018 total net position.
- As of the close of the current calendar year, the County's governmental funds reported combined ending fund balances of \$26,339 a decrease of \$1,603 in comparison with the prior year. Approximately 28.22% of the total amount in the combined ending fund balances, \$7,434 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current Calendar year, the fund balance for the general fund was \$7,680 which represented 19.39% of total general fund expenditures, excluding transfers out.
- The County's total bond related debt decreased by \$2,066 (14.43%) during the current calendar year. The net change was the result of principal payments on existing debt. The County did not issue new bonds in the calendar year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: 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 are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business.

The statement of net position presents information on all 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.

The statement of activities presents information showing how the government's net position changed during the most recent calendar year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future calendar periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, highways and streets, health and welfare and culture and recreation.

MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The government-wide financial statements can be found on pages 20-23 of this report.

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 the funds of the County can be divided into three categories: governmental funds, proprietary 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 inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the calendar year. 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 the 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 a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains several 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 Fund, COIT Fund, and County Public Safety which are considered to be major funds. Data for the remaining County governmental funds are combined into a single, aggregated presentation. Individual fund data for non-major governmental funds is provided in the form of combining statements elsewhere in the report. The County adopts an annual appropriated budget for its general fund, certain special revenue funds, debt service funds and certain capital projects funds. Budgetary comparison schedules have been provided for the general fund, COIT fund, and County Public Safety Fund in the required supplementary information.

The governmental fund financial statements can be found on pages 24-27 of this report.

Proprietary funds. The County has a proprietary fund for internal services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses the internal service fund to account for medical insurance. Because these services benefit the governmental-type functions, they have been included within the governmental activities on the Statement of Net Position in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 28-30 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 31-32 of this report.

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. The notes to the financial statements can be found on pages 33-87 of this report.

MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budgets for its major funds as well as a reconciliation between the budget schedules and fund financial statements. In addition, the County's funding progress for its obligation to provide pension and other post-employment benefits to certain employees is included as supplementary information. Required supplementary information can be found on pages 89-111 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgets. Combining and individual fund statements and schedules can be found pages on 112-151 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. In the case of the County, assets exceeded liabilities by \$373,836 at the close of the most recent calendar year.

By far the largest portion, \$377,618 (101.01%), of the County's net position reflects the investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure); less any related debt used to acquire those assets that is still outstanding. 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.

The following table reflects the condensed statement of County net position:

**Madison County, Indiana,
Net Position – Governmental Activities**

	2019
Current and other assets	\$ 57,190
Capital assets	390,025
Total assets	447,215
Deferred outflow of resources	3,252
Long-term liabilities	49,172
Other liabilities	2,542
Total liabilities	51,714
Deferred inflow of resources	24,917
Net investment in capital assets	377,618
Restricted net position	18,605
Unrestricted net position	(22,387)
Total net position	\$ 373,836

MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

At the end of the current calendar year, the County can report a positive balance in net position. The same situation held true for the prior calendar year.

Governmental Activities

The following table provides a summary of changes in net position for the County.

**Madison County, Indiana, Changes in
Net Position – Governmental Activities**

	2019
Revenues:	
Program revenues:	
Charges for services	\$ 6,437
Operating grants and contributions	8,454
General revenues:	
Property taxes	22,727
Income taxes	15,432
Other taxes	1,785
Unrestricted Grants	9,455
Investment Income	549
Donations	24
Miscellaneous	24,140
Total revenues	89,003
Expenses:	
General government	50,165
Public safety	25,134
Highways and streets	19,551
Health and welfare	4,135
Culture and recreation	7
Sanitation	155
Interest expense	12
Total expenses	99,159
Change in net position	(10,156)
Net position-beginning	383,992
Net position at December 31	\$ 373,836

The County's net position from governmental activities, including the statement of net position decreased by \$10,156 or 2.64% in 2019, over the net position of 2018. Notable changes in governmental activities revenues and expenses in 2019 compared to 2018 include the following:

MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Program revenues (charge for services) reported a total amount of \$6,437. The total amount is, comprised of general government revenue of \$4,841, public safety revenue of \$1,178, and health and welfare revenue of \$418.
- Program revenues (operating grants and contributions) reported a total amount of \$8,454. The total amount is comprised of general government revenue of \$3,529, public safety revenue of \$3,527, highway and streets revenue of \$256, and health and welfare revenue of \$1,142.
- Property tax revenues in 2019 were \$22,727 and are reported net of circuit breaker tax credits. Income taxes and other taxes reported \$15,432, and 1,785, respectively.
- Other general revenue \$34,168 included unrestricted grants and contributions of \$9,455, investment income of \$549, donations of \$24, and miscellaneous revenue of \$24,116.
- General government expenses reported a total amount of \$50,165.
- Public safety expenses reported a total amount of \$25,134.
- Highway and streets expenses reported a total amount of \$19,551.
- Health and welfare expenses reported a total amount \$4,135.
- Culture and recreation expenses reported a total amount \$7
- Sanitation expenses reported a total amount \$155
- Interest on debt service reported a total amount \$12.

The county's overall cash and investments position is \$26,412, with the general fund having a cash and investment balance of 7,825.

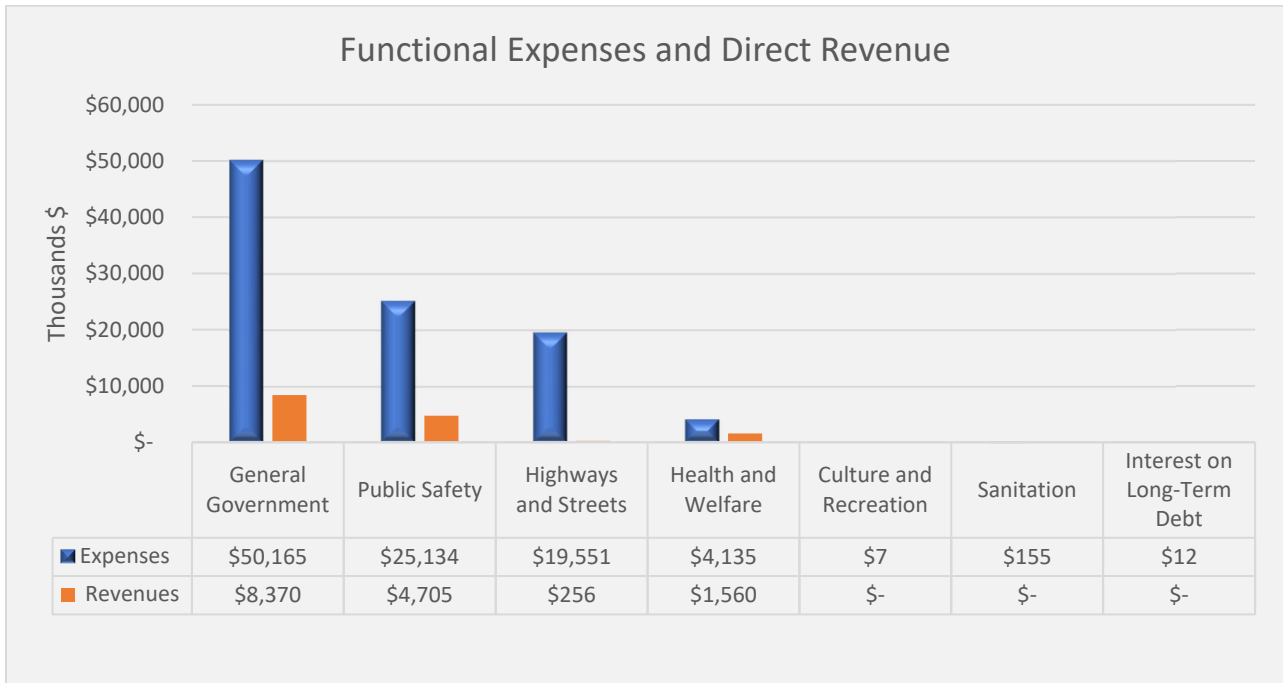
The county's property tax rate, \$.7481 for 2019 was a slight increase from the \$.7365 for 2018, per \$100 of assessed value. The stability of the tax rate is reflection of stable to growing assessed values and levies remaining within parameters allowed for statewide annual levy growth.

The following displays the Expenses and Program Revenues of the County's governmental activities:

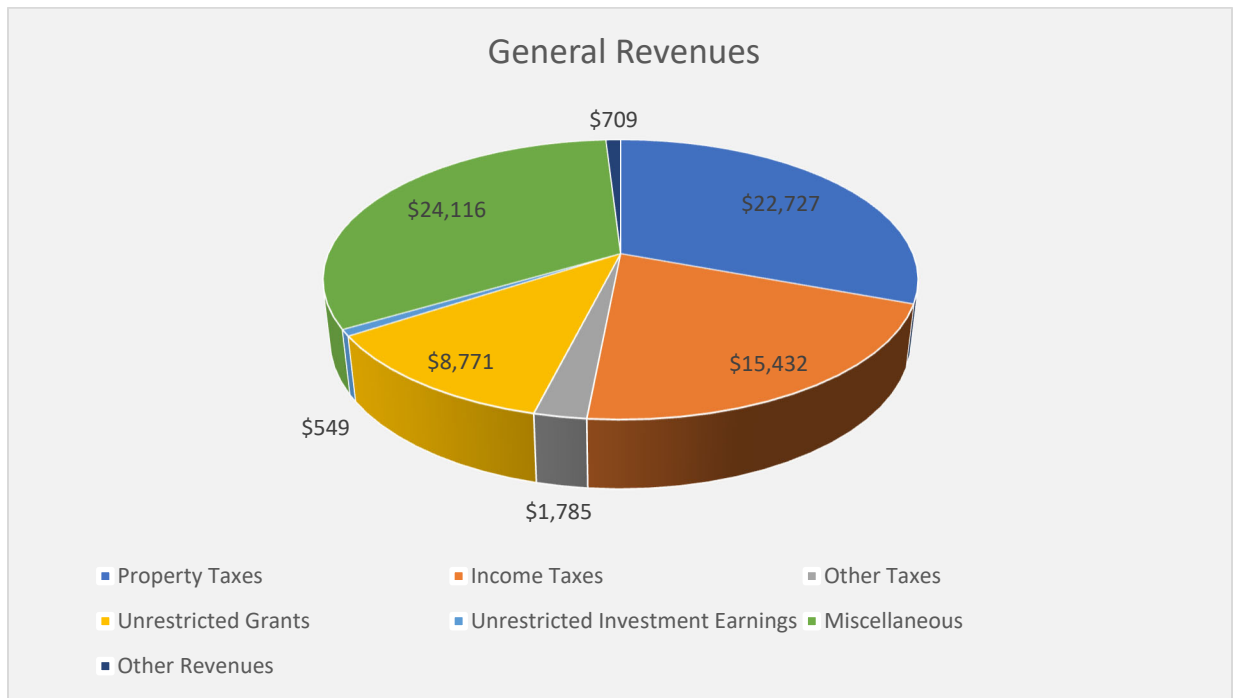
Program Revenue and Expenses – Governmental Activities

Taxes, as in prior years, were the County's major source of revenue supporting its activities, primarily in the area of public safety, health and welfare and general government. Other sources of revenue consisted primarily of unrestricted investment earnings and miscellaneous revenue. The following table displays program revenues as compared to program expenses. Deficits in programs are made up by general revenues.

MADISON COUNTY, INDIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS



The following displays the General Revenues by source for the County's governmental activities. General revenues are used to help offset funding shortfalls related to governmental functions detailed in the preceding graph:



MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government'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 to assess the County's financial requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the calendar year. As of the end of the current calendar year, the County's governmental funds reported combined ending fund balances of \$26,339, a decrease of \$1,603 in comparison with the prior year.

Fund balances are the differences between assets and liabilities in a governmental fund. The nonspendable fund balance includes amounts that are not in spendable form or amounts that are required to be maintained intact. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation. Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision-making authority. Assigned fund balance applies to amounts that are intended for specific purposes as expressed by governing body or authorized official and applies to remaining resources in any governmental fund other than the general fund. Unassigned fund balances include all amounts not contained in other classifications for the general fund and deficit fund balances in any other governmental fund.

As of the end of the current calendar year, the County's governmental funds reported combined ending fund balances of \$26,339 a decrease of \$1,603 in comparison with the prior year. The fund balance has restricted fund balance of \$18,605, committed fund balance of \$293, assigned fund balance of \$7, and unassigned fund balance of \$7,434 (See page 24)

The general fund is the chief operating fund of the County. At the end of the current calendar year, unassigned fund balance of the general fund was \$7,673 while the total fund balance totaled \$7,680. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total expenditures of \$39,609 excluding transfers. Unassigned fund balance represents 19.37% of total general fund expenditures, while total fund balance represents 19.39% of that same amount.

The fund balance of the County general fund had a decrease of 747 during the current calendar year. Key factors in this increase are as follows:

- Operating expenditures exceeded operating revenues by \$1,147 during 2019. In order to help offset the deficiency the general fund transferred in \$400.
- General Fund revenues include net property taxes of \$19,384; Income tax of \$9,880; intergovernmental revenues, \$4,070; charges for services, \$1,505; investment income of \$548; fines, forfeitures and penalties of \$2,689; and other revenue of \$385.
- Major general fund expenditures include general government, \$23,086; public safety, \$13,329; health and welfare, \$1,890; capital outlay, \$896; debt service, \$408.

General Fund Budgetary Highlights

The County submits annual budgets to align planned spending with available revenues to ensure operational accountability over County resources. This process correlates with longer term calendar planning to help ensure that the County can continue to provide services in all economic conditions.

MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

Assumptions used at the time of budget adoption are adjusted during the ensuing year through additional appropriations or budget reductions as circumstances dictate.

The final General Fund budget had a planned excess of revenues over expenditures of \$1,382 and actual deficiency of \$992 including other financing sources. Below is a summary of the key highlights of the budget.

- The final budgeted revenue, \$41,526, for the general fund comprised of property taxes of \$24,055, other taxes of \$9,880, licenses and permits of \$190, intergovernmental of \$4,931, charges for services of \$1,135, fine and forfeits of \$1,080, interest of \$70, reimbursement of \$1, sale and use of property of \$14, and miscellaneous of \$170.
- The final General Fund budgeted expenditures of \$40,145 were distributed across multiple county departments, for the general fund comprised of general government \$24,705, public safety of \$13,408, and Health and Human Services of \$2,030.
- During the year on a budgetary basis, expenditures exceeded revenues, excluding other financing sources (uses) for the general fund in the amount of \$1,392.

Major Fund Budgetary Highlights

- 2015 COIT Sinking Fund, Major Special Revenue Fund – this fund did not have a formal revenue budget for 2019. The spending budget of \$684 and actual spending of \$684 resulted in -0- variance between budget and actual spending.
- County Public Safety Fund, Major Special Revenue Fund – the final budgeted deficiency of revenues under expenditures was \$414.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental activities as 2019 amounts to \$390,024 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment and infrastructure.

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

- Additions of capital assets during 2019 included machinery and equipment of \$749.

The following table displays the County's capital assets.

MADISON COUNTY, INDIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Madison County, Indiana,
Capital Assets**

	Governmental Activities	
	2019	2018
Land	\$ 178	\$ 178
Buildings	26,277	26,277
Improvements	408	408
Infrastructure	609,437	609,437
Machinery and equipment	18,740	17,991
Total capital assets	655,040	654,291
Accumulated depreciation	(265,016)	(252,680)
Net capital assets	\$ 390,024	\$ 401,611

Long-term obligations. At the end of the current calendar year, the County had outstanding total long-term obligations related liabilities (net of unamortized premiums and discounts) of \$45,137. Of this amount, \$8,457 relates to revenue bond debt.

The remainder of the County's long-term obligations consist of \$111 related to a capital lease, \$12,819 of other postemployment benefits, \$1,871 of loans payable and \$21,879 of net pension liability. The following table reflects the County's long-term obligations:

**Madison County, Indiana,
Long-Term Obligations**

	Governmental Activities	
	2019	2018
Revenue bonds	\$ 9,312	\$ 10,157
Sub-total	9,312	10,157
Compensated absences	2,067	1,780
Capital leases	164	85
Other postemployment benefits	12,819	10,950
Net pension liability	21,879	22,990
Loans Payable	2,931	4,162
Sub-total	39,860	39,967
Less current portion	(1,968)	(2,110)
Total long-term obligations	\$ 47,204	\$ 48,014

MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

The County's total long-term obligations decreased by \$952 during the current calendar year.

- Debt decreased during the year due to scheduled principal payments on all outstanding bonds and capital leases.
- Obligations associated with compensated absences increased by \$287.
- Other postemployment benefits increased by \$1,869 as a result of updated actuarial studies performed for the County.
- Net pension liability for pensions decreased by \$1,110 as a result of updated actuarial studies performed for the County.
- Obligations associated with loans payable decreased by \$1,231 as a result of scheduled payments.

The County maintains a long-term rating of "AA-" on its county option income tax bonds with a property tax backup (which are rated as a general obligation security) assigned by S&P Global Ratings.

Additional information of the County's long-term debt can be found on pages 52-54 in Notes to the Financial Statements of this report.

Economic Factors and Next Year's Budget and Rates

- The 2020 tax rates for the County decreased from \$.7481 in 2019 to a rate of \$.7225 per \$100 in assessed value. Overall, the County's assessed value increased by \$252,081 (7.12%) from \$3,539,716 in 2019 to \$3,791,797 in 2020. The increase in assessed value allowed for the county to decrease the tax rate.
- Property tax is the County's largest source of revenue. Local Income Tax (LIT) is the second largest source of the County's current governmental revenues. These funds can be used for capital projects as well as ongoing operating expenses.
- State-wide property tax caps (based upon a percent of gross AV by property class) became effective in 2009. For the 2019 budget year, the loss to the County due to the caps is \$6,228 (23.52% of the property tax levy). 2020 expected losses of revenue due to circuit breaker is \$6,102 (or 22.27% of the property tax levy). Expenditure restraints and revenue diversification have been used to offset this loss.

All the above factors were considered in preparing the County's budget for the 2020 calendar year.

The County recognizes likely economic impacts from the Corona Virus. These impacts will affect, at a minimum the following areas:

- Investment valuations and likely decreases to investment income
- Declines in revenues such as room tax, sales tax, income tax, state aids, fines or tickets etc.
- Decline in demand for services such as utilities, transit, recreational enterprise activities or permits and licenses, airport traffic
- Increase in delinquencies or uncollectible accounts receivable or loans receivable
- Timing or ability to issue bonds as planned or obtain financing (as the market has been disrupted)
- Increase in demand for services as a result of increased unemployment
- Increased costs related to pensions, OPEB, insurance, labor (sick time or overtime), etc.

Request for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this

MADISON COUNTY, INDIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

report or requests for additional financial information should be addressed to the Madison County Auditor's office located at 16 E 9th St #205, Anderson, IN 46016.

BASIC FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were prepared by management of the County. The financial statements and notes are presented as intended by the County.

MADISON COUNTY, INDIANA
STATEMENT OF NET POSITION
December 31, 2019

	Primary Government	Component Units	
	Governmental Activities	East Central Solid Waste	Independence Fire District
Assets			
Cash and cash equivalents	\$ 26,412,745	\$ 440,999	\$ 61,709
Receivables:			
Interest	57,293	-	-
Taxes	28,462,936	-	-
Accounts	529,075	-	-
Intergovernmental	987,544	-	-
Prepays	543,764	-	-
Capital assets:			
Land and construction in progress	177,500	-	-
Other capital assets, net of depreciation	389,847,038	40,000	-
Net pension asset	197,329	-	-
Total assets	447,215,224	480,999	61,709
Deferred outflows of resources:			
Pension Related	2,369,883	-	-
OPEB Related	882,290	-	-
Total deferred outflow of resources	3,252,173	-	-

Continued on next page

The notes to the financial statements are an integral part of this statement.

MADISON COUNTY, INDIANA
STATEMENT OF NET POSITION
December 31, 2019
(Continued)

Liabilities	Primary Governmental Activities	East Central Solid Waste	Independence Fire District
Accounts payable	1,082,512	-	-
Accrued payroll and withholdings payable	833,639	-	-
Accrued interest payable	138,337	-	-
Claims Payable	487,743	-	-
Noncurrent liabilities:			
Due within one year:			
Loans payable	1,060,005	-	-
Revenue bonds	855,000	-	-
Capital lease obligations	52,802	-	-
Due in more than one year:			
Loans payable	1,871,306	-	-
Revenue bonds (net of discounts, premiums)	8,456,950	-	-
Capital lease obligations	110,971	-	-
Compensated absences	2,067,412	-	-
Net pension liability	21,879,134	-	-
Total OPEB obligation payable	12,818,758	-	-
Total Liabilities	51,714,569	-	-
Deferred inflows of resources:			
Pension related	2,294,097	-	-
Unavailable revenues	22,622,671	-	-
Total deferred inflow of resources	24,916,768	-	-
Net Position			
Net investment in capital assets	377,617,504	-	-
Net position - restricted for:			
Public safety	5,392,788	-	61,709
Highways and streets	576,535	-	-
Health and welfare	4,466,641	480,999	-
Culture and recreation	2,800	-	-
Economic Development	765,166	-	-
Capital Projects	2,285,725	-	-
Debt Service	49,561	-	-
General government	5,066,167	-	-
Net position - unrestricted	(22,386,827)	-	-
Total net position	\$ 373,836,060	\$ 480,999	\$ 61,709

The notes to the financial statements are an integral part of this statement.

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MADISON COUNTY, INDIANA

STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Component Units East Central Solid Waste	Independence Fire District
Governmental Activities						
General Government	\$ 50,165,108	\$ 4,840,960	\$ 3,529,407	\$ (41,794,741)	\$ -	\$ -
Public Safety	25,134,783	1,177,827	3,526,925	(20,430,031)	-	-
Highways and Streets	19,551,239	-	255,815	(19,295,424)	-	-
Health and Welfare	4,135,572	418,133	1,141,976	(2,575,463)	-	-
Culture and Recreation	6,542	-	-	(6,542)	-	-
Sanitation	155,173	-	-	(155,173)	-	-
Interest on Long Term Debt	11,873	-	-	(11,873)	-	-
Total Governmental Activities	<u>99,160,290</u>	<u>6,436,920</u>	<u>8,454,123</u>	<u>(84,269,247)</u>	<u>-</u>	<u>-</u>
Component Units						
East Central Solid Waste	709,660	-	-	-	(709,660)	-
Independence Fire District	25,104	-	-	-	-	(25,104)
Total Component Units	<u>734,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(709,660)</u>	<u>(25,104)</u>
Total Primary Government	<u>\$ 99,895,054</u>	<u>\$ 6,436,920</u>	<u>\$ 8,454,123</u>	<u>(84,269,247)</u>	<u>(709,660)</u>	<u>(25,104)</u>
General Revenues						
Taxes:						
Property taxes				22,727,264	684,868	15,879
Income taxes				15,431,871	-	-
Other taxes				1,785,197	-	-
Grants and contributions not restricted to specific programs				9,455,220	71,535	14,852
Investment income				549,099	3,408	-
Donations				24,236	-	-
Miscellaneous				24,140,123	67,694	-
Total General Revenues and Transfers				<u>74,113,010</u>	<u>827,505</u>	<u>30,731</u>
Change in Net Position				(10,156,237)	117,845	5,627
Net Position - Beginning of Year				<u>383,992,297</u>	<u>363,154</u>	<u>56,082</u>
Net Position- End of Year				<u>\$ 373,836,060</u>	<u>\$ 480,999</u>	<u>\$ 61,709</u>

MADISON COUNTY, INDIANA

BALANCE SHEET -
GOVERNMENTAL FUNDS
December 31, 2019

	County General	County Public Safety Fund	COIT Funds	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 7,825,350	\$ 452,393	\$ -	\$ 15,872,338	\$ 24,150,081
Receivables:					
Taxes	20,788,870	1,016,672	4,391,922	2,265,471	28,462,935
Interest	57,293	-	-	-	57,293
Accounts	341,483	-	-	157,663	499,146
Intergovernmental	215,839	-	-	771,705	987,544
Total assets	29,228,835	1,469,065	4,391,922	19,067,177	54,156,999
Liabilities, deferred inflows of resources					
Liabilities:					
Accounts payable	477,059	298	-	605,155	1,082,512
Accrued payroll and withholdings payable	578,938	6,902	-	247,798	833,638
Total liabilities	1,055,997	7,200	-	852,953	1,916,150
Deferred Inflows of Resources:					
Unavailable revenue	20,492,892	616,309	2,662,394	2,129,779	25,901,374
Fund balances:					
Reserved for:					
Restricted	-	845,556	1,729,528	16,030,299	18,605,383
Committed	-	-	-	292,654	292,654
Unassigned	7,672,857	-	-	(238,508)	7,434,349
Assigned	7,089	-	-	-	7,089
Total fund balances	7,679,946	845,556	1,729,528	16,084,445	26,339,475
Total liabilities, deferred inflows of resources and fund balances	\$ 29,228,835	\$ 1,469,065	\$ 4,391,922	\$ 19,067,177	\$ 54,156,999

The notes to the financial statements are an integral part of this statement.

MADISON COUNTY, INDIANA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2019

Fund balance - governmental funds		\$ 26,339,472
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:		
Land and construction in progress	\$ 177,500	
Other capital assets, net of depreciation	<u>389,847,037</u>	390,024,537
Prepays are not current financial resources and, therefore, are not reported in the funds.		
		543,764
Pension liability is not paid from current financial resources and, therefore, is not shown in the funds.		
Net pension asset	\$ 197,329	
Net pension liability	<u>(21,879,134)</u>	(21,681,805)
Deferred outflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the statement of net position		
		2,369,883
Deferred inflows of resources on pension related items are not recognized in the governmental funds, but are recorded in the statement of net position		
		(2,294,097)
Unavailable revenues are not available to pay current liabilities and, therefore, are not reported as liabilities in the Statement of Net Position.		
		3,278,703
Internal service funds are used by management to charge the costs of insurance to General and Highway Funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.		
		1,804,854
Total OPEB liability is not paid from current financial resources and, therefore, is not shown in the funds.		
		(12,818,758)
Deferred outflows of resources on OPEB related items are not recognized in the governmental funds, but are recorded in the statement of net position		
		882,290
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		
		(2,067,412)
Accrued interest on bonds payable is not due and payable in the current period and, therefore, is not reported in the funds.		
		(138,337)
Long-term liabilities, including capital leases, are not due and payable in the current period and, therefore, are not reported in the funds:		
		(163,773)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Loans payable	\$ (2,931,311)	
Revenue bonds	<u>(9,311,950)</u>	<u>(12,243,261)</u>
Net position of governmental activities		<u>\$ 373,836,060</u>

The notes to the financial statements are an integral part of this statement.

MADISON COUNTY, INDIANA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2019

	County General	County Public Safety Fund	COIT Funds	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Property	\$ 19,384,468	\$ -	\$ -	\$ 3,342,796	\$ 22,727,264
Income	9,880,028	1,984,724	288,416	-	12,153,168
Other	-	-	-	2,116,132	2,116,132
Intergovernmental	4,069,539	-	-	13,834,024	17,903,563
Charges for services	1,505,071	-	-	1,960,536	3,465,607
Investment income	547,880	-	-	60	547,940
Fines, forfeitures and penalties	2,689,427	-	-	281,877	2,971,304
Other	384,988	185	-	23,720,123	24,105,296
Total revenues	38,461,401	1,984,909	288,416	45,255,548	85,990,274
Expenditures:					
Current:					
General government	23,085,588	-	330,935	24,865,743	48,282,266
Public safety	13,329,386	1,071,409	-	9,070,547	23,471,342
Highways and streets	-	-	-	7,556,864	7,556,864
Health and welfare	1,889,997	-	-	2,250,883	4,140,880
Sanitation	-	-	-	155,777	155,777
Capital outlay:					
General government	880,027	-	-	245,750	1,125,777
Public safety	16,034	-	-	163,860	179,894
Highways and streets	-	-	-	847,416	847,416
Health and welfare	-	-	-	28,161	28,161
Debt service:					
Principal	310,000	684,245	-	807,836	1,802,081
Interest	97,741	31,806	-	(127,177)	2,370
Total expenditures	39,608,773	1,787,460	330,935	45,865,660	87,592,828
Excess (deficiency) of revenues over (under) expenditures	(1,147,372)	197,449	(42,519)	(610,112)	(1,602,554)
Other financing sources (uses):					
Transfers in	400,000	-	-	152,599	552,599
Transfers out	-	-	-	(552,599)	(552,599)
Total other financing sources and uses	400,000	-	-	(400,000)	-
Net change in fund balances	(747,372)	197,449	(42,519)	(1,010,112)	(1,602,554)
Fund balances - beginning	8,427,318	648,107	1,772,047	17,094,557	27,942,029
Fund balances - ending	\$ 7,679,946	\$ 845,556	\$ 1,729,528	\$ 16,084,445	\$ 26,339,475

The notes to the financial statements are an integral part of this statement.

MADISON COUNTY, INDIANA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2019

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

Net change in fund balances - total governmental funds (Statement of Revenues, Expenditures, and Changes in Fund Balances) \$ (1,602,554)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlays	\$ 748,801	
Depreciation expense	<u>(12,335,395)</u>	(11,586,594)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on 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 Net Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal payments		2,065,570
Amortization of bond discount/premium and loss on refunding		10,060
Loans received		
Principal paid on loans		
Proceeds from capital leases		(122,152)
Capital lease		<u>42,095</u>

Expenses in the Statement of Activities that do not provide current financial resources are not reported as expenses in the funds:

Deferred outflows of resources: pension related		(1,102,467)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Deferred inflows of resources: pension related		(524,281)
Deferred inflows of resources: Unavailable revenue		3,278,703

Compensated absences reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in the governmental funds.		(287,047)
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Prepays amortized in the Statement of Activities require the use of current financial resources and, therefore, are reported as expenditures in governmental funds when paid.		9,578
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Accrued interest reported in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		17,573
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
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Pension obligations are considered expenses of the general government and, therefore, are not reported as current expenditures in the funds.		(605,447)
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		<u>250,726</u>
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Change in net position of governmental activities (Statement of Activities)		<u>\$ (10,156,237)</u>
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The notes to the financial statements are an integral part of this statement.

MADISON COUNTY, INDIANA
 STATEMENT OF NET POSITION -
 PROPRIETARY FUNDS
 December 31, 2019

	Internal Service Funds
Assets	
Current assets:	
Cash and cash equivalents	\$ 2,262,666
Receivables:	
Accounts	29,931
Total assets	2,292,597
Liabilities	
Current liabilities:	
Claims payable	487,743
Total Liabilities	487,743
Net Position	
Restricted	1,804,854
Total net position	\$ 1,804,854

The notes to the financial statements are an integral part of this statement.

MADISON COUNTY, INDIANA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION -
PROPRIETARY FUND
For The Year Ended December 31, 2019

	Internal Service Funds
Operating revenues:	
Charges for services	\$ 8,019,792
Investment Income	1,158
Miscellaneous	64,857
Total operating revenues	8,085,807
Operating expenses:	
Insurance claims and expenses	7,820,018
Administrative expenses	15,064
Total operating expenses	7,835,082
Change in net position	250,725
Total net position - beginning	1,554,129
Total net position - ending	\$ 1,804,854

The notes to the financial statements are an integral part of this statement.

MADISON COUNTY, INDIANA
STATEMENT OF CASH FLOWS -
PROPRIETARY FUND
For The Year Ended December 31, 2019

	Internal Service Fund
Cash flows from operating activities:	
Receipts from interfund services provided	\$ 8,078,183
Payments for interfund services used	(8,465,523)
Net cash used by operating activities	(387,340)
Net increase in cash and cash equivalents	(387,340)
Cash and cash equivalents, January 1	2,650,006
Cash and cash equivalents, December 31	\$ 2,262,666
Reconciliation of operating income to net cash used by operating activities:	
Operating income	\$ 250,725
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in liabilities:	(630,441)
Accounts receivable	(7,624)
Total adjustments	(638,065)
Net cash used by operating activities	\$ (387,340)

The notes to the financial statements are an integral part of this statement.

MADISON COUNTY, INDIANA

STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
December 31, 2019

	Private-Purpose Trust Funds	Pension Trust Funds	Custodial Funds
Assets			
Cash and cash equivalents	\$ 23,440	\$ 1,142,301	\$ 10,194,712
Receivables:			
Taxes	-	-	120,888,650
Accounts	-	20,854	18,189
Intergovernmental	-	-	443
Interest	-	17,646	-
Total receivables	<u>-</u>	<u>38,500</u>	<u>120,907,282</u>
Investments at fair value:			
Fixed income securities	-	4,702,076	-
Domestic and foreign equities	-	8,200,354	-
Total Investments	<u>-</u>	<u>12,902,430</u>	<u>-</u>
Total assets	<u>23,440</u>	<u>14,083,231</u>	<u>131,101,994</u>
Liabilities			
Payable - net benefits due and unpaid/(overpaid)	-	(2,439)	-
Accounts Payable and other liabilities	-	-	5,093,258
Due to broker for unsettled trades	-	8,900	-
Due to other governments	-	-	126,008,736
Total liabilities	<u>-</u>	<u>6,461</u>	<u>131,101,994</u>
Deferred inflows			
Deferred property taxes	-	-	-
Net position restricted for pensions	<u>\$ 23,440</u>	<u>\$ 14,076,770</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

MADISON COUNTY, INDIANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
For The Year Ended December 31, 2019

	Private-Purpose Trust Funds	Pension Trust Funds	Custodial Funds
Additions			
Contributions:			
Employer contributions	\$ -	\$ 1,265,720	\$ -
Employee contributions	-	78,004	-
Other	<u>46,879</u>	<u>-</u>	<u>-</u>
Total contributions	<u>46,879</u>	<u>1,343,724</u>	<u>-</u>
Investment income:			
Interest	-	281,263	-
Net increase (decrease) in fair value of investments	-	1,650,688	-
Less investment expense, other than securities lending	<u>-</u>	<u>(69,716)</u>	<u>-</u>
Total investment income	<u>-</u>	<u>1,862,235</u>	<u>-</u>
Taxes collected for other governments	-	-	179,169,410
Miscellaneous	<u>-</u>	<u>-</u>	<u>21,323,419</u>
Total additions	<u>46,879</u>	<u>3,205,959</u>	<u>200,492,829</u>
Deductions			
Taxes paid to other governments	-	1,080,277	179,028,616
Administrative expense	-	38,066	-
Other trust activities	<u>46,879</u>	<u>-</u>	<u>21,464,213</u>
Total deductions	<u>46,879</u>	<u>1,118,343</u>	<u>200,492,829</u>
Change in fiduciary net position	-	2,087,616	-
Net position, beginning	<u>23,440</u>	<u>11,989,154</u>	<u>-</u>
Net position, ending	<u>\$ 23,440</u>	<u>\$ 14,076,770</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Madison County, Indiana (primary government) was established under the laws of the State of Indiana. The primary government operates under a council-commissioner form of government and provides the following services: public safety (police and fire), highways and streets, health, welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the Madison County, Indiana, Indiana conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the county. The reporting entity for the county consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended, or fiduciary. Generally, discretely presented component units should be reported in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

A. REPORTING ENTITY (cont.)

Discretely Presented Component Units

East Central Solid Waste

The East Central Solid Waste is a discretely presented component unit of the County. The Solid Waste District operates a household hazardous waste facility and educates the public on recycling programs in Madison County, Indiana. The primary government appoints a voting majority of the Solid Waste District's board and a financial benefit/burden relationship exists between the County and the Solid Waste District. The District does not issue separate financial statements.

Independence Fire District

The Independence Fire Protection District provides fire protection services to the residents of Madison County. The primary government approves the Fire District's budget and a financial benefit/burden relationship exists between the County and the Fire Districts. The District does not issue separate financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2015, the GASB issued statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This standard was implemented January 1, 2019.

In November 2016, the GASB issued statement No. 83 - *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for legally enforceable asset retirement obligations (AROs) and requires that recognition occur when the liability is both incurred and reasonably estimable. This standard was implemented January 1, 2019.

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented January 1, 2019.

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented January 1, 2019.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

In June 2018, the GASB issued statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This standard was implemented January 1, 2019.

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Fund Financial Statements

Financial statements of the county are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the county or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund that met the 10% test is at least 5% of the corresponding total for all governmental funds combined.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

- c. In addition, any other governmental fund that the county believes is particularly important to financial statement users may be reported as a major fund.

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

The county reports the following major governmental funds:

General Fund - accounts for the county's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

COIT Funds - used to account for the receipt and disbursement of COIT funds

County Public Safety Fund - used to account for the receipt of LIT public safety revenues and expenditures of those funds.

The county reports the following governmental fund types:

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

Debt Service Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

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

In addition, the county reports the following fund types:

Internal Service Funds - used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the county, or to other governmental units, on a cost-reimbursement basis.

Private-Purpose Trust Funds - used to account for and report any trust arrangement not properly reported in a pension trust fund or investment trust fund under which principal and income benefit individuals, private organizations, or other governments.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements (cont.)

Pension Trust Funds - used to account for and report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, other postemployment benefit plans, or other employee benefit plans.

Custodial Funds - used to account for and report assets controlled by the county and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the county considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recognized as revenues when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the county is entitled the resources and the amounts are available. Amounts owed to the county which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Cumulative ITS fund and Payroll Withholding Medical fund are charges to departments and employees. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY

1. Deposits and Investments

For purposes of the statement of cash flows, the county considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Nonparticipating certificates of deposit, demand deposits and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Debt securities are reported at fair value. Debt securities are defined as securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency.

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

Indiana Code 5-13-9 authorizes the County to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of or interest in an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed fifty percent (50%) of the funds held by the County and available for investment.

The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the County may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the County's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current fair value.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs as outlined in Note IV.A No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note III. A. for further information.

2. Receivables

Property taxes levied are collected by the County Treasurer and are distributed to the primary government in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the primary government prior to December 31 of the year collected. Delinquent property taxes outstanding at year end for governmental funds are recorded as a receivable with an offset to deferred inflows of resources – unavailable revenue since the amounts are not considered available.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

3. Inventories and Prepaid Items

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and infrastructure assets and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings and Improvements	40-60 Years
Machinery and Equipment	5-25 Years
Vehicles	5-10 Years
Land	N/A Years
Infrastructure	50 Years

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

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

6. Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time. The County is reporting deferred outflows for OPEB and Pension related items.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

7. Compensated Absences

County employees earn paid time off as follows:

Vacation Leave - Full time employees accrue vacation leave at rates from 80 to 160 hours per year based upon the number of years of service. Employees must use available paid vacation within 12 months of the date in which it was earned. Unused vacation time may only be carried forward for up to an additional 90 days, if approved in writing. Earned vacation that has not been used is paid upon termination of employment

Personal Time - Full time employees are granted 16 hours of personal time on January 1st of each year. Personal leave must be used by the end of the calendar year in which it was allotted or it is forfeited. Personal time that has not been used is not paid upon termination of employment.

Sick Leave - Regular full time employees earn sick leave at a rate of 8 hours for every full month of services, credited at the end of the month. Earned, unused sick leave benefits will be carried forward to the next benefit year. Employees may accumulate unused sick leave benefits to a maximum of 960 hours. Full time employees, who have 5 or more years of service, are eligible for reimbursement of accrued, unused sick days following the departure, ranging from 25% to 100% reimbursement of the total sick days accrued.

Paid time off leave is accrued when incurred in the government-wide statements and is reported as a liability in the Statement of Net Position. A liability for these amounts is reported in the governmental funds only if they matured, for example as a result of employee resignations and retirements. Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Compensated absences for governmental activities typically have been liquidated from the general fund.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2019, are determined on the basis of current salary rates and include salary related payments.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

8. Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the effective interest method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

9. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time. The County is reporting deferred inflows for pension related items.

10. Net Position/Fund Balance Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Equity Classifications (cont.)

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance) of the County Council or County Commissioners. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the County Council or County Commissioners that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council may take official action to assign amounts. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The county considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the county would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note III. G. for further information.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)

10. Equity Classifications (cont.)

Fiduciary fund net position is classified as restricted for pool participants, individuals, organizations, and other governments on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the County believes it is in compliance with all significant restrictions.

11. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County OPEB Plan and additions to/deductions from the County OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the County OPEB Plan. For this purpose, the County OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

12. Pensions

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions expense, information about the fiduciary net position of the Sheriff Retirement Plans, and the Indiana Public Employees' Retirement Fund (the Plans), and additions to and deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with benefit terms. Pension investments are reported at fair value.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Annual budgets are adopted on the cash basis which is not consistent with accounting principles generally accepted in the United States. All annual appropriations lapse at fiscal year-end.

On or before August 31, the County Auditor submits to the County Council a proposed operating budget for the year commencing the following January 1. Prior to adoption the budget is advertised and public hearings are conducted by the County Council to obtain taxpayer comments. In September of each year, the County Council through the passage of an ordinance approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the County Auditor receives approval of the Indiana Department of Local Government Finance.

Indiana law restricts the County's maximum tax levy, with certain adjustments and expectations. If the advertised budget, for funds for which property taxes are levied or for which highway use taxes are received, exceeds the spending and tax limits of the state control laws, an excess levy may be granted by the Indiana Department of Local Government Finance.

The primary government's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the Common Council. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of General Fund and other adopted budgets. The legal level of budgetary control is by object a department within the fund for the General Fund and by object within the fund for all other budgeted fund.

Expenditures did not exceed appropriations for any funds or any departments within the General Fund, which required legally-approved budgets.

B. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit fund balances at year end.

As of December 31, 2019, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Highway Fund	\$ 74,112	Payable entries
Homeland Security Grants	153,572	Reimbursable Grant Funds
Education Grants	10,281	Reimbursable Grant Funds
Soil and Water Watershed	543	Payable entries

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The County maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the Statement of Net Position and Balance Sheet as cash and cash equivalents. The deposits and investments of the pension trust funds are held separately from those of other funds.

The county's deposits and investments at year end were comprised of the following:

	Carrying Value	Bank and Investment Balances	Associated Risks
Checking Accounts	\$ 32,557,588	\$ 32,595,540	Custodial
Certificates of deposit	4,072,810	4,072,810	Custodial Credit Risk
Corporate bonds	3,796,130	3,796,130	Credit Risk, Custodial Credit Risk, Interest Rate Risk, Foreign Current Risk
Equity securities	1,574,518	1,574,518	Custodial Credit Risk, Foreign Currency Risk
Money market accounts	1,142,301	1,142,301	Custodial Credit Risk
Mutual funds - bond funds	4,702,076	4,702,076	Credit Risk, Interest Rate Risk, Foreign Currency Risk
Mutual funds - other than bonds	2,829,705	2,829,705	None
Petty cash	500	-	N/A
Total Deposits and Investments	\$ 50,675,628	\$ 50,713,080	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 26,412,745		
Per statement of net position - fiduciary funds			
Pension trust funds	14,044,731		
Custodial funds	10,194,712		
Private purpose trust funds	23,440		
Total Deposits and Investments	\$ 50,675,628		

Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds, and has a principal office or branch that qualifies to receive public funds of the political subdivision. The County's deposit policy for custodial credit risk is to comply with Indiana Code 5-13-8-1. The bank balances were insured by the Federal Deposit Insurance Fund, which covers all public funds held in approved depositories.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

The county categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Level 1 - Fixed income and equity securities are valued using unadjusted quoted prices in active markets for those securities.
- Level 2 - Fixed income securities are valued using a proprietary matrix technique. This pricing technique defines the primary source and secondary sources to be used if the primary source does not provide a value. The valuation techniques may include market participant's assumptions, quoted prices for similar securities, benchmark yield curves, including but not limited to treasury benchmarks, LIBOR and swap curves, market corroborated inputs, and other data inputs. Equity securities are valued using bid evaluations.
- Level 3 - Fixed income securities are valued using proprietary information. Equity securities are valued using proprietary information and independent appraisals. This results in using one or more valuation techniques, such as the market approach and or the income approach, for those securities for which sufficient and reliable data is available. Within this level, the use of the market approach generally consists of using comparable market transactions or other data, while the use of the income approach generally consists of the net present value of estimated future cash flows.

Investment Type	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Corporate Bonds	\$ -	\$ 3,796,130	\$ -	\$ 3,796,130
Equity Securities/Stocks	1,574,518	-	-	1,574,518
Mutual Funds-Bond Funds	4,702,077	-	-	4,702,077
Mutual Funds - Other Than Bonds	2,829,705	-	-	2,829,705
Total	\$ 9,106,300	\$ 3,796,130	\$ -	\$ 12,902,430

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the county's deposits may not be returned to the county.

The county does not have any deposits exposed to custodial credit risk.

Investments

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

Investments (cont.)

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

The county does not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The County has investments in Mutual funds - bond funds and Corporate bonds, which are exposed to credit risk. Ratings are not available for these investments.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County follows a policy on concentration of credit risk for the Sheriff Pension investments. For other investments, the County follows state laws and regulations. No additional policies exist.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2019, the county's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)	
		Less than 1 Year	1-2 Years
Mutual Funds - Bond Funds	\$ 4,702,076	\$ -	\$ 4,702,076
Corporate bonds	<u>3,796,130</u>	<u>3,796,130</u>	<u>-</u>
Totals	<u>\$ 8,498,206</u>	<u>\$ 3,796,130</u>	<u>\$ 4,702,076</u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Foreign Currency Risk

Foreign currency risk is the risk that changes in the exchange rates will adversely affect the fair value of an investment or deposit. At December 31, 2019, the County had pension investments in corporate bonds, equity securities, and mutual funds that are exposed to foreign currency risk.

See Note I.D.1. for further information on deposit and investment policies.

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year.

Governmental funds report *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>
Taxes Receivable	\$ <u>22,622,671</u>
Total Unearned/Unavailable Revenue for Governmental Funds	\$ <u><u>22,622,671</u></u>

C. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets not being depreciated/amortized				
Land	\$ <u>177,500</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>177,500</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>177,500</u>	<u>-</u>	<u>-</u>	<u>177,500</u>
Capital assets being depreciated/amortized				
Buildings	26,277,440	-	-	26,277,440
Improvements Other Than Buildings	408,667	-	-	408,667
Machinery and Equipment	17,991,018	748,801	-	18,739,819
Infrastructure	<u>609,437,303</u>	<u>-</u>	<u>-</u>	<u>609,437,303</u>
Total Capital Assets Being Depreciated/Amortized	<u>654,114,428</u>	<u>748,801</u>	<u>-</u>	<u>654,863,229</u>
Total Capital Assets	<u>654,291,928</u>	<u>748,801</u>	<u>-</u>	<u>655,040,729</u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities (cont.)				
Less: Accumulated depreciation for				
Buildings	(18,771,127)	(522,069)	-	(19,293,196)
Improvements Other Than Buildings	(31,923)	(8,173)	-	(40,096)
Machinery and Equipment	(12,423,242)	(995,644)	-	(13,418,886)
Infrastructure	(221,454,204)	(10,809,809)	-	(232,264,013)
Total Accumulated Depreciation	(252,680,496)	(12,335,695)	-	(265,016,191)
Net Capital Assets Being Depreciated	401,433,932	(11,586,894)	-	389,847,038
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 401,611,432	\$(11,586,894)	\$ -	\$ 390,024,538

Depreciation expense was charged to functions as follows:

Governmental Activities

General Government	\$ 759,369
Public Safety	149,744
Highways and Streets	11,390,109
Health and Welfare	26,859
Culture and Recreation	9,614
Total Governmental Activities Depreciation Expense	\$ 12,335,695

D. INTERFUND TRANSFERS

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Non Major Funds	\$ 400,000	Windfarm Economic Development
Non Major Funds	Non Major Funds	152,599	Juvenile Facilities Construction
Total - Fund Financial Statements		\$ 552,599	
Less: Government-wide eliminations		(552,599)	
Total Transfers - Government-Wide Statement of Activities		\$ -	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
Revenue bonds	\$ 10,090,000	\$ -	\$ 835,000	\$ 9,255,000	\$ 855,000
Loans payable	4,161,881	-	1,230,570	2,931,311	1,060,005
(Discounts)/Premiums	67,011	-	10,060	56,951	-
Sub-totals	<u>14,318,892</u>	<u>-</u>	<u>2,075,630</u>	<u>12,243,262</u>	<u>1,915,005</u>
Other Liabilities					
Compensated absences	1,780,365	287,047	-	2,067,412	-
Capital leases	85,324	122,152	43,703	163,773	52,802
Other postemployment benefits	10,950,050	2,145,517	276,809	12,818,758	-
Net pension obligation	<u>22,989,577</u>	<u>-</u>	<u>1,110,443</u>	<u>21,879,134</u>	<u>-</u>
Total Other Liabilities	<u>35,805,316</u>	<u>2,554,716</u>	<u>1,430,955</u>	<u>36,929,077</u>	<u>52,802</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 50,124,208</u>	<u>\$ 2,554,716</u>	<u>\$ 3,506,585</u>	<u>\$ 49,172,339</u>	<u>\$ 1,967,807</u>

Revenue Debt

Governmental activities revenue bonds are payable from revenues derived from tax revenues.

The County has pledged future income tax revenues, net of specified operating expenses, to repay revenue bonds issued in 2017. Proceeds from the bonds provided financing for the costs of construction of improvements to the Madison County Government Center. The bonds are payable solely from income tax revenues and are payable through 2028. Annual principal and interest payments on the bonds are expected to require 4.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$3,469,352. Principal and interest paid for the current year and total net revenues was \$407,684 and \$9,880,027, respectively.

The County has pledged future income tax revenues, net of specified operating expenses, to repay revenue bonds issued in 2015. Proceeds from the bonds provided financing for the county wide public safety radio system. The bonds are payable from County Option Income Tax (COIT) revenues, and are payable through 2030. To the extent that the COIT revenues are insufficient, the Bonds will be payable from an ad valorem property tax. Annual principal and interest payments on the bonds are expected to require 30.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$7,156,522. Principal and interest paid for the current year and total net revenues were \$684,719 and \$2,268,830, respectively.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Revenue debt payable at December 31, 2019, consists of the following:

Governmental Activities Revenue Debt

Revenue Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
COIT Revenue Bonds, Series 2015	2/6/15	1/15/2030	2%-3%	\$ 8,500,000	\$ 6,210,000
Local Income Tax Revenue Bonds	12/21/17	1/15/2028	2.98%	3,500,000	<u>3,045,000</u>
Total Governmental Activities - Revenue Debt					<u><u>\$ 9,255,000</u></u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities Revenue Debt	
	Principal	Interest
2020	\$ 855,000	\$ 237,540
2021	875,000	217,180
2022	894,000	196,337
2023	914,000	175,010
2024	935,000	152,992
2025-2029	4,447,000	386,790
2030-2034	<u>335,000</u>	<u>5,025</u>
Totals	<u><u>\$ 9,255,000</u></u>	<u><u>\$ 1,370,874</u></u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

E. LONG-TERM OBLIGATIONS (cont.)

Loans Payable

Other Bonds or Notes or Loans Payable at December 31, 2019 consist of the following:

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2019
Loans Payable					
Star Bank Building	3/6/17	7-1-2017	3.6%	\$ 675,000	\$ 565,226
AT&T General Obligation Note, Series 2015A	12/1/17	6-30-2023	2.72%	1,495,001	978,660
General Obligation Note, Series 2015B	9/11/15	7-15-2021	1.90%	1,800,000	708,569
Stanford Baughn Drain Project	9/11/15	7/15/2021	1.90%	1,600,000	631,083
	3/1/18	7/1/2020	3.78%	300,000	<u>47,773</u>
Total Governmental Activities Loans Payable					<u>\$ 2,931,311</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Loans Payable	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 1,060,005	\$ 72,652
2021	1,001,798	45,204
2022	352,232	25,354
2023	214,253	14,969
2024	71,676	10,445
2025-2029	<u>231,347</u>	<u>15,018</u>
Totals	<u>\$ 2,931,311</u>	<u>\$ 183,642</u>

Capital Leases

Refer to Note III. F.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

F. LEASE DISCLOSURES

Lessee - Capital Leases

The primary government has entered into various capital leases for vehicles and office equipment. Future minimum lease payments under these capital leases as of December 31, 2019 are as follows for the primary government:

<u>Years</u>	Governmental Activities		
	Principal	Interest	Totals
2020	\$ 52,802	\$ 3,262	\$ 56,064
2021	44,332	1,438	45,770
2022	35,780	550	36,330
2023	20,442	14	20,456
2024	10,417	-	10,417
Totals	\$ 163,773	\$ 5,264	\$ 169,037

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2019, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 177,500
Other capital assets, net of accumulated depreciation	389,847,038
Less: Long-term debt outstanding	(12,243,261)
Less: Capital Asset Obligations	(163,773)
Total Net Investment in Capital Assets	\$ 377,617,504

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

G. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2019, include the following:

	General Fund	County Public Safety Fund	COIT Funds	Nonmajor Funds	Totals
Fund Balances					
Nonspendable:					
Restricted for:					
Health and Welfare	\$ -	\$ -	\$ -	\$ 4,466,641	\$ 4,466,641
Culture and Recreation	-	-	-	2,800	2,800
Economic Development	-	-	-	765,166	765,166
Highways	-	-	-	576,535	576,535
Public Safety	-	845,556	-	4,547,232	5,392,788
Capital Projects	-	-	-	2,285,725	2,285,725
Debt Service	-	-	-	49,561	49,561
Other	-	-	1,729,528	3,336,639	5,066,167
Sub-total	-	845,556	1,729,528	16,030,299	18,605,383
Committed to:					
Sanitation	-	-	-	223,504	223,504
Other	-	-	-	69,150	69,150
Sub-total	-	-	-	292,654	292,654
Assigned to:					
General Government	7,089	-	-	-	7,089
Sub-total	7,089	-	-	-	7,089
Unassigned (deficit):	7,672,857	-	-	(238,508)	7,434,349
Total Fund Balances (Deficit)	\$ 7,679,946	\$ 845,556	\$ 1,729,528	\$ 16,084,445	\$ 26,339,475

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Public Employees' Retirement Fund

Plan description. The county participates in the Public Employees' Retirement Fund, a cost-sharing multiple-employer defined benefit plan effective July 1, 2013 based on 35 IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. Political subdivisions mean a county, city, town, township, political body corporate, public school corporation, public library, public utility of a county, city, town, township, and any department of, or associated with, a county, city, town, or township, which department receives revenue independently of, or in addition to, funds obtained from taxation. There are two (2) tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the My Choice Retirement Savings Plan for Public Employees (My Choice). Details of the PERF Hybrid Plan are described below.

PERF Hybrid Plan Description. The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.3, and IC 5-10.5. There are two (2) aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the Public Employees' Hybrid Members Defined Contribution Account (DC Account), formerly known as the Annuity Savings Account (ASA), which that supplements the defined benefit at retirement.

Contributions. Members are required to contribute 3% of their annual covered salary to their defined contribution account. The primary government is required to contribute at an actuarially determined rate; the current rate for calendar year 2019 is 11.20% percent of annual covered payroll. The rate for 2020 is also 11.20%. The contribution requirements of plan members and the primary government are established and may be amended by the INPRS Board of Trustees. The actuarial amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PERF plan from the County were \$2,395,901 for the calendar year ended December 31, 2019.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

Retirement Benefits. The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's a DC Account. Pension benefits vest after 10 years of creditable service. The vesting period is eight (8) years for certain elected officials. Members are immediately vested in their annuity savings account. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested PERF members leaving a covered position, who wait 30 days after termination, may withdraw their DC account and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the DC Account. A non-vested member who terminates employment prior to retirement may withdraw his/her DC Account after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) different groups. For PERF members who serve as an elected official, the highest one (1) year (total of four (4) consecutive quarters) of annual compensation is used. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

Disability and Survivor Benefits. The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

Retirement Benefits – My Choice. Members are required to participate in My Choice. The My Choice DC Account consists of the member's contributions, set by statute at three (3) percent of compensation as defined by IC 5-10.2-3-2 for PERF, plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. The County has elected to make the contributions on behalf of the member. In addition, under certain conditions, members may elect to make additional voluntary contributions of up to 10 percent of their compensation into their DC Account. A member's contributions and interest credits belong to the member and do not belong to the State or political subdivision.

Rate of Return. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the fiscal year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for Public Employee's Retirement Fund was 7.32 percent.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

Net Pension Liability

At December 31, 2019, the county reported a liability of \$13,513,744 for its proportionate share of the net pension liability. The county's proportion of the total was measured on the ratio of the wages reported by employers relative to the collective wages of the plan. This basis of allocation measures the proportionate relationship of an employer to all employers and is consistent with the manner in which contributions to the pension plan are determined. The plan does not have a special funding situation, as there is not a non-employer contributing entity legally responsible for making contributions that are used to provide pension benefits to members of the pension plan. At June 30, 2019 the county's proportion was 0.40888%, an increase of 0.00157% from 0.40731% at June 30, 2018. The net pension liability for fiscal year 2019 is calculated as set forth in the following table:

	PERF Plan Totals
Net pension liability - beginning December 31, 2018	\$ 13,836,505
Differences between expected and actual experience	177,830
Net difference between projected and actual investment	(1,048,544)
Change of assumptions	722,641
Changes in proportion and differences between employer contributions and proportionate share of contributions	(182,785)
Pension expense/income	2,380,316
Contributions	(2,372,219)
Net pension liability - December 31, 2019	\$ 13,513,744

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2019, the county reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 357,839	\$ -
Changes in assumptions	3,008	1,469,044
Net differences between projected and actual earnings on pension plan investments	-	638,761
Changes in proportion and differences between employer contributions and proportionate share of contributions	143,762	571
Employer contributions subsequent to the measurement date	1,171,447	-
Totals	\$ 1,676,056	\$ 2,108,376

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

\$1,171,447 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2020	\$ (443,566)
2021	(920,270)
2022	(190,333)
2023	(49,598)

Pension Expense. The County recognized pension expense for the following proportionate share of pension expense:

<u>Pension Expense</u>	
Proportionate share of plan pension expense	\$ 2,138,805
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	<u>241,511</u>
Total	<u>\$ 2,380,316</u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

Key Methods and Assumptions. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Valuation Date:	
Assets:	June 30, 2019
Liabilities:	June 30, 2018 - Member census data as of June 30, 2018 was used in the valuation and adjusted where appropriate to reflect changes between June 30, 2018 and June 30, 2019. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2018 to June 30, 2019 measurement date.
Actuarial Cost Method:	Entry Age Normal (Level percent of payroll)
Actuarial Assumptions:	
Experience Study Date:	Period of 4 years ended June 30, 2014
Investment Rate of Return:	6.75%, net of investment expense, including inflation
Cost of Living Increases:	2020-2021 - 13th check 2022-2033 - 0.40% 2034-2038 - 0.50% 2039 and on - 0.60%
Salary increases, including inflation:	2.50% - 4.25%
Inflation:	2.25%
Mortality:	
Health:	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2014
Disability:	RP-2014 Disability Mortality Table, with Social Security Administration generational improvement scale from 2014

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

Change in Assumptions. In 2019 there were no changes to assumptions that impacted the net pension liability during the fiscal year.

In 2018, SEA 373 replaced the 1% COLA assumption with a COLA of 0.4/.05/.06% which located the actuarial accrued liabilities for those funds

In 2015, an experience study was performed resulting in an update to several assumptions. These assumption changes included a change in the mortality assumptions, retirement assumptions, withdrawal assumptions, disability assumptions, ASA annuitization assumptions, dependent assumptions, future salary increase assumptions, inflation assumptions, and COLA assumptions

Plan Amendments. In 2019, PERF was modified pursuant to HEA 1059. Previously, statute generally required PERF members to have 15 years of service to qualify for a survivor benefit prior to retirement. Statute now allows a qualifying spouse/dependent to receive a benefit if the deceased member had a minimum of 10 years of creditable service.

Long Term Return Expectation. The long-term return expectation has been determined by using a building-block approach and assumes a time horizon, as defined by INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established and the long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

	Target Asset Allocation %	Long-Term Expected Real Rate of Return % (Geometric Basis)
Public Equity	22%	4.9%
Private Equity	14	7.0
Fixed Income - Ex Inflation-Linked	20	2.5
Fixed Income - Inflation-Linked	7	1.3
Commodities	8	2.0
Real Estate	7	6.7
Absolute Return	10	2.9
Risk Parity	12	5.3

Discount rate. The discount rate used to measure the total pension liability was 6.75% as of June 30, 2018 and is equal to the long-term expected return on plan investments.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

Sensitivity of the county's proportionate share of the net pension liability to changes in the discount rate. The following presents the county's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, 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 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
County's proportionate share of the net pension liability	\$21,703,252	\$13,513,744	\$6,683,069

Sheriff's Retirement Plan

Plan description. The Madison County, Indiana Sheriff Retirement Plan (Plan) is a single-employer defined benefit pension plan established to provide retirement, termination/severance, disability, and survivor benefits for a person employed by the Madison County, Indiana Sheriff's Department (Employer) as a County Policeman, Sheriff, or Deputy Sheriff with full police power (Employee), as such terms are used in Indiana Code. Indiana Code 36-8-10-12 grants the authority to the Employer and a trustee to establish and amend the benefit terms to the Plan with approval of the county fiscal body. The Plan was established on July 1, 1971 and is administered by the Committee. The composition of the Committee, according to the Plan legal document, shall be the Sheriff and the Merit Board, (the Merit Board per IC 36-8-10-3, consists of five members, three members appointed by the Sheriff and two members elected by a majority vote of the members of the county police force).

At December 31, 2019, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	45
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	44
Total	94

Benefits Provided. The plan provides that the monthly retirement benefit shall be a pension payable for the member's lifetime equal to two and one-half percent (2-1/2%) of the member's average monthly wage received during the highest paid five (5) calendar years before retirement (such calendar years do not need to be consecutive) plus one dollar (\$1.00); this sum multiplied by the member's years of credited service up to twenty (20) years; plus an additional two percent (2%) of the member's average monthly wage, as outlined above, multiplied by the member's years of credited service in excess of twenty (20) years up to an additional eight (8) years. Members are eligible to retire as of normal retirement for an unreduced benefit upon attainment of age fifty-five (55) and completion of at least ten (10) years of credited service.

A reduced early retirement benefit is available to member with at least twenty (20) years of credited service any time after attainment of age forty-five (45) with a reduction factor of five-twelfths percent (5/12%) for each month by which the early retirement date precedes what would have been the normal retirement date.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

A member who continues employment beyond his normal retirement age shall be eligible for a late retirement benefit upon actual retirement equal to the member's benefit earned in accordance to the normal retirement formula with credit given for subsequent service (provided that the twenty-eight (28) year credited service maximum shall not be exceeded in computing the benefit).

The severance benefit payable to a member prior to completion of ten (10) years of credited service (eight (8) years of credited service for participants hired prior to December 1, 2014) is a lump sum payment of the net amount of contributions (including interest) plus the amount transferred by the member for the purchase of credited service. After completion of ten (10) years of credited service (eight (8) years of credited service for participants hired prior to December 1, 2014), a member may elect to receive either a lump sum, as outlined above, or a monthly benefit equal to the amount earned under the normal retirement benefit formula, using credited service as of his date of severance, with payments commencing on the member's normal retirement date.

If a member separates employment due to disability, he shall receive a lump sum payment of the net amount of contributions (including interest) plus the amount transferred by the member or the purchase of credited service.

In the event a married or unmarried member who has not yet completed ten (10) years of credited service (eight (8) years of credited service for participants hired prior to December 1, 2014) dies prior to the commencement of any benefit from the Plan, the designated beneficiary shall be entitled to receive a death benefit which shall be a lump sum equal to his net amount of contributions (including interest) and a plus the amount transferred by the member for the purchase of credited service.

In the event an unmarried member who has completed ten (10) years of credited service (eight (8) years of credited service for participants hired prior to December 1, 2014) dies prior to the commencement of any benefit from the Plan, the designated beneficiary shall be entitled to a lump sum equal to the net amount of contributions (including interest) and a monthly death benefit of two hundred forty (240) monthly payments that would have been payable to the member if he had severed employment on the date of death and elected a life annuity with two hundred forty (240) guaranteed payments payable at his normal retirement date.

In the event a married member who has completed ten (10) years of credited service (eight (8) years of credited service for participants hired prior to December 1, 2014), the surviving spouse shall be entitled to a lump sum equal to the net amount of contributions (including interest) and a monthly survivor annuity commencing on the date specified by the spouse, but not earlier than the member's early retirement date nor later than the member's normal retirement date, in the amount that would have been payable had the member severed employment and commenced receipt of his retirement benefits in the form of an actuarial equivalent one hundred percent (100%) joint and survivor annuity on the date elected by the surviving spouse.

A member who retired as of an early, normal, or late retirement date (including member who have actually retired through the DROP), who have attained age fifty-five (55) as of July 1 of the calendar year in which benefits are increased, and who is in pay status as of the last day of the preceding calendar year shall be eligible for a cost of living adjustment applied until the earlier of the member's death or attainment of age sixty-two (62). The cost of living adjustment shall be a percentage increase in the eligible retiree's monthly benefit equal to the percentage increase, if any, in the average of the Consumer Price Index prepared by the United States Department of Labor for the first three (3) months of the payment calendar year over the average for the same three (3) months of the preceding calendar year. However, the annual percentage increase shall not exceed two percent (2%).

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Contributions. The Employer intends to contribute to the Plan each year such amounts as may be required to operate the Plan on a sound actuarial basis. The minimum annual contribution by the department must be sufficient, as determined by the pension engineers, to prevent deterioration in the actuarial status of the trust fund during the year. According to IC 36-8-10-12(e), if the department fails to make minimum contributions for three (3) successive years, the pension trust terminates and the trust fund shall be liquidated. For the year ending December 31, 2019, the mandatory member contribution rate (per the Plan's legal document) was 3.00% of annual pay and the actuarially determined Employer's contribution rate was 44.3% of annual payroll, \$1,223,678 of which was contributed by the County.

Investment policy. The pension plan's policy regarding the allocation of invested assets is established and may be amended by the Committee (per Plan legal document) by a majority vote of its members. It is the policy of the Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over the short time spans. The Committee's revised the asset allocation policy on August 22, 2012:

<u>Asset Class</u>	<u>Target Asset Allocation %</u>
Equities	50%
Fixed income	40%
Non-traditional assets	10%

Rate of Return. For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan expense was 16.15 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program. The Deferred Retirement Option Program (DROP) for the Plan was established on January 1, 2007 pursuant to the Plan's legal document and is governed by the Employer and a trustee. Members of the Plan that are eligible to retire with an unreduced benefit may elect to accumulate a DROP benefit while continuing to work. At the time of their election, the member executes an irrevocable election to retire on a DROP retirement date and remain in active service, but the member does not contribute to the fund during the DROP period.

A member who has attained age fifty-five (55) and completed at least ten (10) years of service (age fifty-five (55) for participants hired prior to December 1, 2014) may irrevocably elect to enter the DROP for a period not longer than five (5) years and shall not extend beyond the date the member is credited with twenty-eight (28) years of service. From the date the member enters the DROP, he will not be credited with any additional years of service. The member's DROP frozen benefit will be equal to the monthly pension benefit calculated under the standard benefit formula based upon the member's salary and years of credited service as of the DROP entry date. Upon actual severance of employment by retirement at any time after the DROP entry date, the member will receive their DROP benefit accumulation in the available form/option elected by the member in addition to the DROP frozen benefit to be paid as a monthly annuity. As of December 31, 2019, the balance of the amounts held by the plan pursuant to the DROP is \$48,706.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability

The components of the net pension liability of the Plan at December 31, 2019 were as follows:

Total pension liability	\$ 21,679,547
Plan fiduciary net position	<u>(13,314,157)</u>
Plan's net pension liability	<u>\$ 8,365,390</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>61.41%</u>

Pension Expense of the Plan. Pension expense of \$1,530,615 was recognized for fiscal year ending December 31, 2019.

Significant Actuarial Assumptions. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Measurement Date	December 31, 2019
Valuation Date	
Assets	December 31, 2019
Liabilities	December 31, 2019, Actual member census data as of December 31, 2019 was used in the valuation
Inflation Rate	3.00% per annum
Future Salary increases	4.00% per annum, (3.00% for inflation and 1.00% for seniority)
Investment Rate of Return	6.75%, net of pension plan investment expenses, including inflation
Cost of Living	2.00% per annum
Mortality Assumption	Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male & female tables)

Discount Rate. The discount rate used to measure the total pension liability was 6.75% as of December 31, 2019 and is equal to the long-term expected return on plan investments. The projected cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with IC 38-8-10-12(e) to prevent the deterioration in the actuarial status of the trust. The future contribution assumption was based upon review of recent employer contribution history compared to the corresponding actuarially determined contributions.

Based on this assumption, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Sensitivity of the county's proportionate share of the net pension liability to changes in the discount rate. The following presents the net pension liability of the plan, calculated using the discount rate of 6.75 percent, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
Total pension liability	\$ 24,273,791	\$ 21,679,547	\$ 19,506,471
Plan fiduciary net position	(13,314,157)	(13,314,157)	(13,314,157)
Totals	\$ 10,959,634	\$ 8,365,390	\$ 6,192,314

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2019, the county reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Initial Amortization Period	Initial Balance	Annual Recognition	December 31 Balance
Liability Experience losses(gains)				
Base for year ending 12-31-2019	4.559	\$ 211,642	\$ 46,423	\$ 165,219
Base for year ending 12-31-2018	4.848	(84,422)	(17,414)	(49,594)
Base for year ending 12-31-2017	5.194	226,688	43,644	95,756
Base for year ending 12-31-2016	5.364	(52,174)	(9,727)	(13,266)
Base for year ending 12-31-2015	5.562	(195,312)	(35,115)	(19,737)
Base for year ending 12-31-2014	5.818	(21,267)	(2,992)	-
Change in assumptions				
Base for year ending 12-31-2019	4.559	315,673	69,242	246,431
Base for year ending 12-31-2018	4.848	(14,540)	(2,999)	(8,542)
Base for year ending 12-31-2017	5.194	306,501	59,011	129,468
Base for year ending 12-31-2016	5.364	(201,457)	(37,557)	(51,229)
Base for year ending 12-31-2015	5.562	597,904	107,498	60,414
Base for year ending 12-31-2014	5.818	448,751	63,096	-
Investment losses(gains)				
Base for year ending 12-31-2019	5.000	(984,516)	(196,903)	(787,613)
Base for year ending 12-31-2018	5.000	1,607,333	321,467	964,399
Base for year ending 12-31-2017	5.000	(512,313)	(102,463)	(204,924)
Base for year ending 12-31-2016	5.000	814,124	162,825	162,824
Base for year ending 12-31-2015	5.000	846,914	169,382	-
Totals			\$ 637,418	\$ 689,606

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The balances as of December 31, 2019 of the deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2020	\$ 376,225
2021	202,799
2022	242,831
2023	(132,249)

Amortization Periods. The changes in total pension liability due to liability experience losses/(gains) and changes in assumptions for the most current year have been amortized over 4.559 years, the average remaining service of all members with any liability in the plan as of January 1, 2019. The change in net pension liability due to investment losses/(gains) has been amortized over 5.000 years as prescribed.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Assumption changes. The changes in assumptions for base year ending December 31, 2019 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables) to the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male & female tables). The changes in assumptions for base year ending December 31, 2018 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2017 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2016 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2015 reflect the change from a discount rate of 7.00% and the 2015 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations to a discount rate of 6.75% and the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2014 reflect the change from a discount rate and salary scale of 7.25% and 4.25% to a discount rate and salary scale of 7.00% and 4.00%.

Sheriff's Benefit Plan

Plan description. The Madison County, Indiana Sheriff Benefit Plan (Plan) is a single-employer defined benefit pension plan established to provide disability, death, and survivor/dependent benefits for a person employed by the Madison County, Indiana Sheriff's Department (Employer) as a County Policeman, Sheriff, or Deputy Sheriff with full police power (Employee), as such terms are used in Indiana Code. Indiana Code 36-8-10 Sections 14, 15, 16, and 17 grant the authority to the Employer and trustee to establish and amend the benefit terms to the Plan with the approval of the county fiscal body. The Plan was established on July 1, 1971 and is administered by the Committee. The composition of the Committee, according to the Plans legal document, shall be the Sheriff and the Merit Board (the Merit Board, per IC 36-8-10-3, consist of five members, three members appointed by the Sheriff and two members elected by the majority vote of the members of county police force).

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

At December 31, 2019, Plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	34
Active plan members	<u>44</u>
Total	<u>82</u>

If an eligible member becomes disabled, the benefit payable prior to age sixty-five (65) shall be determined in accordance with the contract issued by the insurance company provided for the member by the Plan. A member receiving an insurance benefit who attains his sixty-fifth (65th) birthday, whereupon the benefit provided under the insurance contract terminates, shall be entitled to a monthly benefit from the Plan for life in the amount of the monthly benefit to which the member would have been entitled under the Retirement Plan had he remained in service until his normal retirement date and continued to earn a salary at the same rate that was in effect as of the date the disability commenced.

Each eligible member shall be insured by a life insurance contract in the face amount of twenty-five thousand dollars (\$25,000), with a matching amount of accidental death insurance. The purchase and maintenance of the insurance contract is provided by the Plan.

In the event that an eligible member dies prior to the termination of his employment for whatever reason or after his actual retirement as of an early, normal, or late retirement date or for reason of his disability, there shall be payable a two hundred dollar (\$200) monthly benefit to such member's surviving spouse to whom he was married on the date of his death or on the date of his retirement, if earlier, for the spouse's remaining lifetime.

In addition to the surviving spouse's death benefit, a monthly benefit shall be payable on behalf of each dependent child under the age of eighteen (18) years of such deceased member in an amount equal to thirty dollars (\$30) per month. The dependent child's monthly benefit will cease upon the earlier of the child's eighteenth (18th) birthday or date of death.

Contributions. The Employer intends to contribute to the Plan each year such amounts as may be required to operate the Plan on a sound actuarial basis. The minimum annual contribution by the County must be sufficient, as determined by the pension engineers, to prevent deterioration in the actuarial status of the trust fund during the year. According to IC 36-8-10-12(e), if the County fails to make minimum contributions for three (3) successive years, the pension trust terminates and the trust fund shall be liquidated. For the year ending December 31, 2019, the actuarially determined Employer's contribution rate was 1.8% of annual payroll, \$42,042 of which was contributed by the County.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Investment policy. The pension plan's policy regarding the allocation of invested assets is established and may be amended by the Committee (per the Plans legal document) by a majority vote of its members. It is the policy of the Committee to pursue an investment strategy that reduces risk. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over the short time spans. The Committee's revised the asset allocation policy on August 22, 2012:

<u>Asset Class</u>	<u>Target Asset Allocation %</u>
Equities	50%
Fixed income	40%
Non-traditional assets	10%

Net Pension Asset

The components of the net pension liability of the Plan at December 31, 2019 were as follows:

Total pension liability	\$ 565,284
Plan fiduciary net position	<u>(762,613)</u>
Plan's Net Pension Asset	<u>\$ (197,329)</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>134.91%</u>

Pension Expense of the Plan. Pension expense of \$15,015 was recognized for fiscal year ending December 31, 2019.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Significant Actuarial Assumptions. Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Measurement Date	December 31, 2019
Valuation Date	
Assets	December 31, 2019
Liabilities	December 31, 2019, Actual member census data as of December 31, 201 was used in the valuation
Inflation Rate	3.00% per annum
Future Salary increases	4.00% per annum, (3.00% for inflation and 1.00% for seniority)
Investment Rate of Return	6.75%, net of pension plan investment expenses, including inflation
Cost of Living	Not Applicable
Mortality Assumption	Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male & female tables)

Discount Rate. The discount rate used to measure the total pension liability was 6.75% as of December 31, 2019 and is equal to the long-term expected return on plan investments. The projected cash flows used to determine the discount rate assumed that employer contributions would be made at the actuarially calculated rate computed in accordance with IC 38-8-10-12(e) to prevent the deterioration in the actuarial status of the trust. The future contribution assumption was based upon review of recent employer contribution history compared to the corresponding actuarially determined contributions.

Based on this assumption, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Sensitivity of the county's proportionate share of the net pension liability to changes in the discount rate. The following presents the net pension liability of the plan, calculated using the discount rate of 6.75 percent, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
Total pension liability	\$ 666,072	\$ 565,284	\$ 484,186
Plan fiduciary net position	(762,613)	(762,613)	(762,613)
Totals	<u>\$ (96,541)</u>	<u>\$ (197,329)</u>	<u>\$ (278,427)</u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Deferred Outflows of Resources and Deferred Inflows of Resources. At December 31, 2019, the county reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Initial Amortization Period	Initial Balance	Annual Recognition	December 31 Balance
Liability Experience losses(gains)				
Base for year ending 12-31-2019	5.186	\$ (90,217)	\$ (17,396)	\$ (72,821)
Base for year ending 12-31-2018	5.446	(47,472)	(8,717)	(30,038)
Base for year ending 12-31-2017	5.637	(64,415)	(11,427)	(30,134)
Base for year ending 12-31-2016	5.893	(97,141)	(16,484)	(31,205)
Base for year ending 12-31-2015	6.098	(81,681)	(13,395)	(14,706)
Base for year ending 12-31-2014	6.303	(6,737)	(1,069)	(323)
Change in assumptions				
Base for year ending 12-31-2019	5.186	(17,457)	(3,366)	(14,091)
Base for year ending 12-31-2018	5.446	481	88	305
Base for year ending 12-31-2017	5.637	(5,554)	(985)	(2,599)
Base for year ending 12-31-2016	5.893	173	29	57
Base for year ending 12-31-2015	6.098	49,617	8,137	8,932
Base for year ending 12-31-2014	6.303	18,818	2,986	902
Investment losses(gains)				
Base for year ending 12-31-2019	5.000	(60,211)	(12,042)	(48,169)
Base for year ending 12-31-2018	5.000	83,490	16,698	50,094
Base for year ending 12-31-2017	5.000	(25,101)	(5,020)	(10,041)
Base for year ending 12-31-2016	5.000	61,693	12,339	12,337
Base for year ending 12-31-2015	5.000	40,380	8,076	-
Totals			\$ <u>(41,548)</u>	\$ <u>(181,500)</u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The balances as of December 31, 2019 of the deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2020	\$ (50,964)
2021	(57,377)
2022	(32,644)
2023	(36,651)
2024	(3,864)

Amortization Periods. The changes in total pension liability due to liability experience losses/(gains) and changes in assumptions for the most current year have been amortized over 5.186 years, the average remaining service of all members with any liability in the plan as of January 1, 2019. The change in net pension liability due to investment losses/(gains) has been amortized over 5.000 years as prescribed.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Assumption changes. The changes in assumptions for base year ending December 31, 2019 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables) to the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male & female tables). The changes in assumptions for base year ending December 31, 2018 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2017 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2016 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2015 reflect the change from a discount rate of 7.00% and the 2015 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations to a discount rate of 6.75% and the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables). The changes in assumptions for base year ending December 31, 2014 reflect the change from a discount rate and salary scale of 7.25% and 4.25% to a discount rate and salary scale of 7.00% and 4.00%.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Statement of Fiduciary Net Position

	<u>Sheriff's Retirement Plan</u>	<u>Sheriff's Benefit Plan</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,076,739	\$ 65,562
Receivables:		
Employee Contributions	20,854	-
Interest	17,003	643
Investments at fair value:		
Fixed income securities	4,447,185	254,891
Domestic and foreign equities	<u>7,758,054</u>	<u>442,300</u>
Total Assets	<u>13,319,835</u>	<u>763,396</u>
<u>Liabilities</u>		
Payable - net benefits due and unpaid/(overpaid)	(2,439)	-
Due to Brokers(s) for unsettled trades	8,117	783
Total Liabilities	<u>\$ 5,678</u>	<u>\$ 783</u>
Net position restricted for pensions	<u>\$ 13,314,157</u>	<u>\$ 762,613</u>

Statement of Changes in Fiduciary Net Position

	<u>Sheriff's Retirement Plan</u>	<u>Sheriff's Benefit Plan</u>
<u>Additions</u>		
Contributions:		
Employer contributions	\$ 1,223,678	\$ 42,042
Employee contributions	78,004	-
Investment income:		
Interest	254,802	26,461
Net increase in fair value of assets	1,569,932	80,756
Less investment expense	(66,563)	(3,153)
Other	-	-
Total additions	<u>3,059,853</u>	<u>146,106</u>
<u>Deductions</u>		
Benefit payments (including refunds of employee contributions)	1,072,717	7,560
Administrative expense	22,936	15,130
Transfers out of trust	-	-
Other	-	-
Total deductions	<u>1,095,653</u>	<u>22,690</u>
Change in fiduciary net position	<u>1,964,200</u>	<u>123,416</u>
Net position, beginning	<u>11,349,957</u>	<u>639,197</u>
Net position, ending	<u>\$ 13,314,157</u>	<u>\$ 762,613</u>

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Statement of Changes in Fiduciary Net Pension Liabilities (Assets)		
	Sheriff's Retirement Plan	Sheriff's Benefit Plan
Service costs	\$ 353,336	\$ 42,514
Interest	1,368,584	42,772
Difference between expected and actual experience	211,642	(90,217)
Change in assumptions	315,673	(17,457)
Benefit payments	(1,072,717)	(7,560)
Net change in total pension liability	1,176,518	(29,948)
Total pension liability - beginning	20,503,029	595,232
Total pension liability - ending	\$ 21,679,547	\$ 565,284
Net pension liability (asset) - ending	\$ 8,365,390	\$ (197,329)

B. RISK MANAGEMENT

The county is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Self Insurance

The primary government has chosen to establish a risk financing fund for risk associated with medical benefits to employees, retirees and dependents. The risk financing fund is accounted for in the Payroll Withholding - Medical fund, an internal service fund, where assets are set aside for claim settlements. Amounts paid into the fund by all participating funds are available to pay claims, reserves, and administrative costs of the program. Interfund premiums are based primarily upon the percentage of each fund's current payroll as it relates to the total payroll and are reported as quasi-external interfund transactions.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of pay-outs and other economic and social factors.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self Insurance (cont.)

All funds of the county participate in the risk management program. Amounts Payable to the Internal Service fund are based on actuarial estimates necessary to pay prior and current year claims and to establish a reserve. That reserve is accounted for the internal service fund and has a balance of \$1,967,381. The amount is currently being reported in restricted net position of the internal service funds.

A liability for a claim is established if information indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. Liabilities include an amount for claims that have been incurred but not reported. The county does not allocate overhead costs or other nonincremental costs to the claims liability.

Claims Liability

	<u>Current Year</u>
Unpaid claims - Beginning of Year	\$ 1,118,185
Current year claims and changes in estimates	7,189,576
Claim payments	<u>(7,820,018)</u>
 Unpaid Claims - End of Year	 \$ <u>487,743</u>

*Comparative data for 2018 is not available.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the county is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the county attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the county's financial position or results of operations.

The county has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The county has active construction projects as of December 31, 2019. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

The county has the following encumbrances outstanding at year end expected to be honored upon performance by the vendor:

General Fund	\$	54,700
Nonmajor funds		1,907,227

D. OTHER POSTEMPLOYMENT BENEFITS

Plan Description The county administers a single-employer defined benefit healthcare plan. The plan provides health insurance benefits for eligible retirees and their spouses through the county's group health insurance plan, which covers both active and retired members. At December 31, 2019, there were 561 plan members. The county's defined benefit OPEB plan, provides OPEB for all general employees who have reached age 55 with 20 years of service. Retirees contribute a percentage of the medical premium until age 65, at which point they are no longer eligible to remain on the County's plan. The percentage of medical premiums paid by the retiree ranges from 26% to 60% based on the retiree's age and years of service.

Employees covered by benefit terms. At December 31, 2019, the following employees were covered by the benefit terms:

Retiree Participants	11
Active plan members	<u>550</u>
	<u><u>561</u></u>

TOTAL OPEB LIABILITY

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The county's total OPEB liability of \$12,818,758 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.26% as of December 31, 2019 and 4.11% as of January 1, 2019 for accounting disclosure purposes.
Payroll Growth	Payroll growth rates for general and police employees include a general wage inflation of 2.25%. Merit increases for general employees are based on the most recent Indiana Public Retirement System Public Employees' Retirement Fund actuarial valuation as of June 30, 2019. Merit increases for police employees are based on the most recent Indiana Retirement System 1977 Police Officers' and Firefighters' Retirement Fund actuarial valuation as of June 30, 2019. Merit increases range from .25% to 2% depending on age and job.
Inflation Rate	2.25% per year
Health Care Trend Rates	8% in 2020, decreasing by .5% each year through 2027

The discount rate was based on 20 Year Municipal Bond Indices.

Mortality rates were based on Healthy General retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 Healthy Police retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019.

There was not an experience study conducted for use in the December 31, 2019 actuarial valuation.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

CHANGES IN THE TOTAL OPEB LIABILITY

	Total OPEB Liability
Balances at December 31, 2018	\$ <u>10,950,050</u>
Changes for the year:	
Service cost	692,325
Interest	472,870
Changes in assumptions or other inputs	980,322
Benefit payments	<u>(276,809)</u>
Net changes	<u>1,868,708</u>
Balances at December 31, 2019	\$ <u><u>12,818,758</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 4.11 percent in 2018 to 3.26 percent in 2019.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the county, as well as what the county's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current discount rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Net OPEB liability	\$ 14,064,014	\$ 12,818,758	\$ 11,672,976

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the county, as well as what the county's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.00 percent decreasing to 3.50 percent) or 1-percentage-point higher (9.00 percent decreasing to 5.50 percent) than the current healthcare cost trend rates:

	Healthcare Costs		
	1% Decrease (7.0% Decreasing to 3.50%)	Trend Rates (8.0% Decreasing to 4.50%)	1% Increase (9% Decreasing to 5.50%)
Net OPEB liability	\$ 11,163,641	\$ 12,818,758	\$ 14,805,086

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS
December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended December 31, 2019, the county recognized positive OPEB expense of \$98,032. At December 31, 2019, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
Changes of assumptions or other inputs	\$ 822,290
Total	\$ 822,290

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:

2020	\$ 98,032
2021	98,032
2022	98,032
2023	98,032
2024	98,032
Thereafter	392,130

E. SUBSEQUENT EVENTS

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the County. As of the date above, the County's evaluation of the effects of these events is ongoing; however, we anticipate this situation could impact several areas as listed below.

The extent of the impact of COVID-19 on the County's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

E. SUBSEQUENT EVENTS (cont.)

Potential impacts include but are not limited to:

- (a) Investment valuations and decreased investment income
- (b) Declines in revenues such as room tax, sales tax, income tax, state aids, fines or tickets etc.
- (c) Decline in demand for services such as utilities, transit, recreational enterprise activities or permits & licenses, airport traffic
- (d) Increase in delinquencies or uncollectible accounts receivable or loans receivable
- (e) Timing or ability to issue bonds as planned or obtain financing (as the market has been disrupted)
- (f) Increase in demand for services as a result of increased unemployment
- (g) Increased costs related to pensions, OPEB, insurance, labor (sick time or overtime), etc.

Supplemental Income Tax ("LIT") Distribution

Indiana Code Citation IC 6-3.6-9-15 requires the State Budget Agency to provide the amount of supplemental distributions for qualifying counties to the Department of Local Government Finance before May 2nd. The supplemental distribution is disbursed to counties that have a balance in the county trust account exceeding fifteen percent (15%) of the certified distribution to be made to the county in the year of determination.

For Madison County, the expected amount of the distribution is \$530,193. The distribution will be deposited into the County Share-COIT Fund and County Share - LIT Public Safety fund.

F. TAX ABATEMENT

Under the state statute, IC 6-1.1-12.1 the County provides tax abatements for rehabilitation or redevelopment of real property in economic revitalization areas. Economic revitalization area (ERA) means an area which is within the corporate limits of a city, town or county which has become undesirable for, or impossible of, normal development and occupancy because of lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. The tax abatements under this statute are for real property tax and personal property tax.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

Real Property Tax Abatements (I.C. 6-1.1-12.1)

The abatements are obtained through application by the property owner, approval by the County Council, and a signed agreement between the parties. The agreement is usually for a ten-year period in which the County is willing to forgo tax revenues (real property tax) and the property owner promises to take specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Each year of the agreement's time frame the property owner must verify that they have met the commitments set forth in the agreement. The County must also agree that the commitments have been met. The County then allows the percentage of reduction to be applied to the eligible assessed value.

Tax Abatements – Personal Property Tax (I.C. 6-1.1-12.1)

The County Council approves the tax abatements for personal property tax. Once approval is granted the taxpayer must file forms with the County Assessor each year of the abatement. The forms used, depending on the type of property, are 103-ERA, State form 52503; CF-1/PP, State form 51765; SB-1/PP, State form 51764; and form 103-EL, State form 52515 that accompanies the ERA. After the forms are filed, the County Assessor calculated the minimum value ratio (MVR) which is the Total True Tax Value, from Schedule A divided by 30% of Adjusted Cost, from Schedule A. The adjusted cost is multiplied by the True Tax Value percentage for the property pool by year of purchase of the asset, then times the MVR. Each year of the agreement's time frame the property owner must verify that they have met the commitments set forth in the agreement. The County must also agree that the commitments have been met. The County then allows the reduction in personal property tax to be applied.

Vacant Building Abatement (I.C. 6-1.1-12.1-4.8)

Up to a two-year real property tax abatement is available to a company, according to local qualifications, based on occupying a building that has been vacant for more than a year. The building must be used for commercial or industrial purposes and be located in a designated Economic Revitalization Area, as designated by the Council. Prior approval of the Council must occur before occupying the facility and the Council determines the time period for the abatement. All of these programs are designed to spur job creation and retention, grow the income and property tax base, support the redevelopment of areas experiencing a cessation of growth, attract and retain businesses in targeted industries, and assist distressed businesses, among other objectives. Minimum eligibility criteria for such abatements vary by program, as noted above, but generally require that an investment in real or personal property be projected to increase assessed value, create or retain jobs and/or promote economic revitalization. In return for such abatements, the County generally commits to permit, zoning and job training assistance. Included in each abatement agreement are provisions specifying certain damages, among which may include a clawback of some or all of the taxes previously abated. If a company ceases operations or announces the cessation of operations at the facility for which the abatement was granted, termination of the abatement agreement is warranted and 100% clawback is required. Other clawbacks are calculated based on the highest level of non-compliance among the measured categories for that project.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

Impact of Abatements on Revenues

Indiana property tax laws complicate the calculation of the exact impact of property tax abatements on the tax revenues of a given unit of local government. Constraints on the growth of the annual tax levy and constitutional limitations on taxes (also known as property tax caps) are the chief complicating factors. The increase in the annual tax levy is limited to the growth in the 6-year moving average of nonfarm personal income growth, which is known as the Assessed Value Growth Quotient (AVGQ). Statutory property tax caps for homesteads, agricultural and other residential and commercial are equal to 1%, 2% and 3%, respectively, of associated assessed valuations.

The tax rate, which is established for each taxing unit by the Department of Local Government Finance, is based on the tax levy requested by the taxing unit (as limited by the AVGQ) divided by the net assessed value of the property in a physical taxing district. The theory behind the AVGQ is that the costs of government should not be increasing at a greater rate than taxpayer incomes.

Tax abatements are granted on the assessed value of the property abated. The taxpayer's taxes are then calculated based on this reduced assessment, thus resulting in a lower tax liability. But because a given district's tax rate is calculated based on the total net assessed value in the district (net of abatements and other adjustments), the certified levy of each unit in the district is the same as if the abatements had not been granted.

Additionally, to the extent that parcels have reached the constitutional limit of tax liability as a percentage of gross assessed value, the property tax rate caps (circuit breaker credits) reduce the property tax collections of the affected taxing units. The degree to which property tax abatements exacerbate circuit breaker losses differs by parcel and is dependent on the proportion of abated assessed value to total gross assessed value, as well as prevailing property tax rates.

The estimated gross amount, on a cash basis by which the County's property tax revenues (payable 2019 taxes) were reduced as a result of the aforementioned County abatement programs, totaled \$294,084. The abatements for the County included abatements for the following programs:

Agricultural Tax Abatements	\$	158,304
Commercial Tax Abatements		41,645
Industrial Tax Abatements		75,081
Personal Property Abatements		<u>19,054</u>
Totals	\$	<u>294,084</u>

While the County has calculated the potential impact of existing tax abatements on its property tax revenues for 2019 to approximate \$294,084 the actual extent of lost revenues is something less than this amount and cannot be reasonably determined due to the application of circuit breaker credits.

MADISON COUNTY, INDIANA

NOTES TO FINANCIAL STATEMENTS December 31, 2019

NOTE IV - OTHER INFORMATION (cont.)

G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance*, with the exception of Statement No. 87 which was postponed by one and a half years.

When they become effective, application of these standards may restate portions of these financial statements.

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MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 Public Employees' Retirement Fund
 Last 10 Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability	0.40888%	0.40731%	0.40301%	0.38906%	0.37493%	0.33746%
County's proportionate share of the net pension liability	\$ 13,513,744	\$ 13,836,505	\$ 17,980,466	\$ 17,657,272	\$ 15,270,532	\$ 8,868,230
County's covered payroll	21,303,000	20,783,200	19,994,088	18,645,931	17,958,344	\$ 16,475,615
County's proportionate share of the net pension liability as a percentage of its covered payroll	63.4%	66.6%	89.9%	94.7%	85.0%	53.8%
Plan fiduciary net position as a percentage of total pension liability *	80.1%	78.9%	72.7%	71.2%	73.3%	81.1%

Notes:

The plan fiduciary net position as a percentage of total pension liability comes from the INPRS annual report.

The County's covered payroll comes from the County specific report for INPRS.

The amounts presented for each fiscal year were determined as of June 30 (measurement date).

Benefit changes: Pursuant to HEA 109 survivor benefits now require 10 years of creditable service rather than 15 years.

Changes in actuarial methods: None

Changes in assumptions: None

Information is not available prior to 2014.

Additional years will be added until 10 years of historical data is shown.

* Effective January 1, 2018 funds previously known as annuity savings accounts (which had been reported within defined benefit (DB) funds) were recategorized as defined contribution (DC) funds based on Internal Revenue Service Private Letter Rulings PLR-193-2016 and PLR-110249-18. DC member balances previously reported within PERF DB fund total were transferred to the appropriate DC fund as of January 1, 2018.

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF COUNTY CONTRIBUTIONS
 Public Employees' Retirement Fund
 Last 10 Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 2,394,771	\$ 2,302,321	\$ 2,187,938
Contributions in relation to the contractually required contributions	<u>(2,394,771)</u>	<u>(2,302,321)</u>	<u>(2,187,938)</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 21,381,884	\$ 20,556,438	\$ 19,535,161
Contributions as a percentage of covered payroll*	11.20%	11.20%	11.20%

Notes:

The amounts presented for each fiscal year were determined as of December 31.
 Information is not available prior to 2017.
 Additional years will be added until 10 years of historical data is shown.

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
 SHERIFF'S RETIREMENT PLAN
 Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability						
Service cost	\$ 353,336	\$ 353,134	\$ 348,190	\$ 371,346	\$ 343,859	\$ 322,783
Interest	1,368,584	1,332,368	1,256,308	1,230,888	1,199,443	1,161,270
Difference between expected and actual experience	211,642	(84,422)	226,688	(52,174)	(195,312)	(21,267)
Changes in assumptions	315,673	(14,540)	306,501	(201,457)	597,904	448,751
Benefit payments	<u>(1,072,717)</u>	<u>(1,023,642)</u>	<u>(1,006,558)</u>	<u>(880,641)</u>	<u>(863,769)</u>	<u>(757,861)</u>
Net change in total pension liability	1,176,518	562,898	1,131,129	467,962	1,082,125	1,153,676
Total pension liability - beginning of year	<u>20,503,029</u>	<u>19,940,131</u>	<u>18,809,002</u>	<u>18,341,040</u>	<u>17,258,915</u>	<u>16,105,239</u>
Total pension liability - end of year (1)	<u>\$ 21,679,547</u>	<u>\$ 20,503,029</u>	<u>\$ 19,940,131</u>	<u>\$ 18,809,002</u>	<u>\$ 18,341,040</u>	<u>\$ 17,258,915</u>
Plan fiduciary net position						
County contributions	\$ 1,223,678	\$ 1,157,071	\$ 1,067,099	\$ 919,349	\$ 762,065	\$ 768,166
Employee contributions	78,004	79,765	77,395	81,290	80,302	79,965
Net transfers into (out of) trust	-	-	-	-	-	(711)
Net investment income	1,758,171	(793,578)	1,232,221	(95,229)	(96,949)	334,766
Benefit payments	(1,072,717)	(1,023,642)	(1,006,558)	(880,641)	(863,769)	(757,861)
Administrative expenses	<u>(22,936)</u>	<u>(21,403)</u>	<u>(19,654)</u>	<u>(19,263)</u>	<u>(24,631)</u>	<u>(17,783)</u>
Net change in plan fiduciary net position (2)	1,964,200	(601,787)	1,350,503	5,506	(142,982)	406,542
Plan fiduciary net position - beginning of year	<u>11,349,957</u>	<u>11,951,744</u>	<u>10,601,241</u>	<u>10,595,735</u>	<u>10,738,717</u>	<u>10,332,175</u>
Plan fiduciary net position - end of year	<u>\$ 13,314,157</u>	<u>\$ 11,349,957</u>	<u>\$ 11,951,744</u>	<u>\$ 10,601,241</u>	<u>\$ 10,595,735</u>	<u>\$ 10,738,717</u>
Net pension liability (asset) - end of year (1) - (2)	<u>\$ 8,365,390</u>	<u>\$ 9,153,072</u>	<u>\$ 7,988,387</u>	<u>\$ 8,207,761</u>	<u>\$ 7,745,305</u>	<u>\$ 6,520,198</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>61.41%</u>	<u>55.36%</u>	<u>59.94%</u>	<u>56.36%</u>	<u>57.77%</u>	<u>62.22%</u>
Covered payroll	2,362,628	2,360,336	2,320,314	2,309,461	2,390,972	2,383,991
County's net pension liability as a percentage of covered payroll	354.07%	387.79%	344.28%	355.40%	323.94%	273.50%

Notes:

*Information presented for the years information is available

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
 SHERIFF'S BENEFIT PLAN
 Last 10 Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability						
Service cost	\$ 42,514	\$ 39,707	\$ 40,008	\$ 42,534	\$ 37,313	34,122
Interest	42,772	40,828	40,638	42,148	40,660	36,450
Difference between expected and actual experience	(90,217)	(47,472)	(64,415)	(97,141)	(81,681)	(6,737)
Changes in assumptions	(17,457)	481	(5,554)	173	49,617	18,818
Benefit payments	<u>(7,560)</u>	<u>(7,560)</u>	<u>(7,560)</u>	<u>(7,560)</u>	<u>(7,590)</u>	<u>(7,920)</u>
Net change in total pension liability	(29,948)	25,984	3,117	(19,846)	38,319	74,733
Total pension liability - beginning of year	<u>595,232</u>	<u>569,248</u>	<u>566,131</u>	<u>585,977</u>	<u>547,658</u>	<u>472,925</u>
Total pension liability - end of year (1)	<u>\$ 565,284</u>	<u>\$ 595,232</u>	<u>\$ 569,248</u>	<u>\$ 566,131</u>	<u>\$ 585,977</u>	<u>\$ 547,658</u>
Plan fiduciary net position						
County contributions	\$ 42,042	\$ 46,611	\$ 59,389	\$ 50,371	\$ 38,611	32,509
Net investment income	104,064	(38,906)	63,513	(23,566)	(2,609)	15,433
Benefit payments	(7,560)	(7,560)	(7,560)	(7,560)	(7,590)	(7,920)
Administrative expenses	<u>(15,130)</u>	<u>(661)</u>	<u>(36,267)</u>	<u>(575)</u>	<u>(20,121)</u>	<u>(38,544)</u>
Net change in plan fiduciary net position (2)	123,416	(516)	79,075	18,670	8,291	2,189
Plan fiduciary net position - beginning of year	<u>639,197</u>	<u>639,713</u>	<u>560,638</u>	<u>541,968</u>	<u>533,677</u>	<u>531,488</u>
Plan fiduciary net position - end of year	<u>\$ 762,613</u>	<u>\$ 639,197</u>	<u>\$ 639,713</u>	<u>\$ 560,638</u>	<u>\$ 541,968</u>	<u>\$ 533,677</u>
Net pension liability (asset) - end of year (1) - (2)	<u>\$ (197,329)</u>	<u>\$ (43,965)</u>	<u>\$ (70,465)</u>	<u>\$ 5,493</u>	<u>\$ 44,009</u>	<u>\$ 13,981</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>134.91%</u>	<u>107.39%</u>	<u>112.38%</u>	<u>99.03%</u>	<u>92.49%</u>	<u>97.45%</u>
Covered payroll	2,362,628	2,360,336	2,320,314	2,309,461	2,390,972	2,383,991
County's net pension liability as a percentage of covered payroll	-8.35%	-1.86%	-3.04%	0.24%	1.84%	0.59%

Notes:

*Information presented for the years information is available

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF COUNTY CONTRIBUTIONS
 SHERIFF'S RETIREMENT FUND
 Last 10 Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ 1,028,578	\$ 974,995	\$ 968,478	\$ 833,707	\$ 771,332	\$ 700,978	\$ 611,414	\$ 568,872	\$ 601,912	\$ 614,310
Contributions in relation to the contractually required contributions	<u>(1,223,678)</u>	<u>(1,157,071)</u>	<u>(1,067,099)</u>	<u>(919,349)</u>	<u>(762,065)</u>	<u>(768,166)</u>	<u>(731,812)</u>	<u>(552,031)</u>	<u>(722,392)</u>	<u>(614,310)</u>
Contribution (excess)	<u>\$ (195,100)</u>	<u>\$ (182,076)</u>	<u>\$ (98,621)</u>	<u>\$ (85,642)</u>	<u>\$ 9,267</u>	<u>\$ (67,188)</u>	<u>\$ (120,398)</u>	<u>\$ 16,841</u>	<u>\$ (120,480)</u>	<u>\$ -</u>
County's covered payroll	\$ 2,360,336	\$ 2,320,314	\$ 2,309,461	\$ 2,390,972	\$ 2,383,991	\$ 2,319,996	\$ 2,141,518	\$ 1,987,752	\$ 2,064,337	\$ 2,056,459
Contributions as a percentage of covered payroll	51.84%	49.87%	46.21%	38.45%	31.97%	33.11%	34.17%	27.77%	34.99%	29.87%

Notes:

Valuation date:

Actuarially determined contribution rates are calculated as of January 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine most current contributions rate above:

Actuarial cost method	Frozen initial liability
Amortization method	Level percentage of payroll, open
Remaining amortization period	25 years
Asset valuation method	5-Year Asset Smoothing, limited to 80% and 120% of market value
Inflation	3.00%
Salary Increases	4.00% average, including inflation
Investment rate of return	6.75%
Retirement age	The later of age 55 and 10 years of service or one year from the valuation date (age 55 for participants hired prior to December 1, 2014), or one year from the valuation date.
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Project Scale MP-2017 (separate employee & annuitant tables and male & female tables)

Other information:

None

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF COUNTY CONTRIBUTIONS
 SHERIFF'S BENEFIT PLAN
 Last 10 Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ 42,042	\$ 46,611	\$ 59,389	\$ 50,371	\$ 38,611	\$ 32,509	\$ 27,655	\$ 27,299	\$ 30,201	\$ 29,800
Contributions in relation to the contractually required contributions	<u>(42,042)</u>	<u>(46,611)</u>	<u>(59,389)</u>	<u>(50,371)</u>	<u>(38,611)</u>	<u>(32,509)</u>	<u>(27,655)</u>	<u>(27,299)</u>	<u>(30,201)</u>	<u>(29,800)</u>
Contribution (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 2,360,336	\$ 2,320,314	\$ 2,309,461	\$ 2,390,972	\$ 2,383,991	\$ 2,319,996	\$ 2,141,518	\$ 1,987,752	\$ 2,064,337	\$ 2,056,459
Contributions as a percentage of covered payroll	1.78%	2.01%	2.57%	2.11%	1.62%	1.40%	1.29%	1.37%	1.46%	1.45%

Notes:

Valuation date:

Actuarially determined contribution rates are calculated as of January 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine most current contributions rate above:

Actuarial cost method	Aggregate
Amortization method	Not Applicable
Remaining amortization period	Not Applicable
Asset valuation method	5-Year Asset Smoothing, limited to 80% and 120% of market value
Inflation	3.00%
Salary Increases	4.00% average, including inflation
Investment rate of return	6.75%
Retirement age	The later of age 55 and 10 years of service (age 55 for participants hired prior to December 1, 2014) or one year from the valuation date
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Project Scale MP-2017 (separate employee & annuitant tables and male & female tables)

Other information:

None

MADISON COUNTY, INDIANA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF INVESTMENT RETURNS
 SHERIFF'S RETIREMENT FUND
 Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Annual money-weighted rate of return	16.15%	-6.92%	12.00%	-0.93%	-1.00%	3.28%	12.90%	5.00%	-4.10%	9.90%

MADISON COUNTY, INDIANA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF INVESTMENT RETURNS
 SHERIFF'S BENEFIT FUND
 Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual money-weighted rate of return	16.57%	-6.22%	11.54%	-4.48%	-0.60%	2.90%	9.60%

*Schedule presented for the years information available

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
 Last 10 Fiscal Years*

NET OPEB LIABILITY	2019
Total OPEB liability	
Service cost	\$ 692,325
Interest	472,870
Changes in assumptions	980,322
Benefit payments	(276,809)
Net change in total pension liability	1,868,708
Total pension liability - beginning of year	10,950,050
Total pension liability - end of year (1)	\$ 12,818,758
Plan fiduciary net position	
Contributions	\$ 276,809
Benefit payments	(276,809)
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning of year	-
Plan fiduciary net position - end of year (2)	\$ -
Total OPEB liability (asset) - end of year (1) - (2)	\$ 12,818,758

Notes to schedule:

*Information presented for the years information is available

MADISON COUNTY, INDIANA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF NET OPEB LIABILITY

Last 10 Years*

	<u>2019</u>
1. Total OPEB liability	\$ 12,818,758
2. Plan fiduciary net position	<u>-</u>
3. Total OPEB liability	<u>\$ 12,818,758</u>
4. Plan fiduciary net position as a percentage of total OPEB liability = (2) / (1)	-
5. Covered payroll	\$ 21,135,757
6. Total OPEB liability as a percentage of covered payroll = (3) / (5)	60.6%

Notes to schedule:

* Information presented for the years information is available

MADISON COUNTY, INDIANA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 Last 10 Years

OPEB contributions	<u>2019</u>
Actuarially determined contribution**	\$ 276,809
Actual employer contributions	<u>276,809</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll**	\$ 21,135,757
Contributions as a percentage of covered payroll	1.31%

Notes to schedule:

Valuation date: For fiscal year ended December 31, 2019

**This is a pay as you go plan, assumed to be the same as the contributions

Methods and assumptions used to determine most current contribution rate above:

Actuarial cost method	Entry Age Normal Level % of Salary
Amortization method	Not Applicable
Remaining amortization period	Not Applicable
Asset valuation method	Not Applicable
Healthcare cost trend rates	Medical costs were trended at 8.0% in the first year trended down to 4.5% over eight years
Inflation	2.25%
Retirement age	Age 55, with 20 years of service are eligible
Mortality	Healthy General retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 Healthy Police retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019

Other information:
None

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue				
Taxes				
Property	\$ 24,055,907	\$ 24,055,907	\$ 21,290,471	\$ (2,765,436)
Other	9,880,027	9,880,027	9,880,028	1
Intergovernmental	4,340,954	4,930,852	2,117,274	(2,813,578)
Licenses and permits	190,000	190,000	-	(190,000)
Charges for services	1,135,000	1,135,000	1,286,036	151,036
Fines, forfeitures and fees	1,080,000	1,080,000	2,636,370	1,556,370
Interest	70,000	70,000	491,429	421,429
Sale and use of property	13,640	13,640	7,784	(5,856)
Reimbursements	1,000	1,000	235,624	234,624
Miscellaneous	170,000	170,000	368,691	198,691
Total revenues	<u>40,936,528</u>	<u>41,526,426</u>	<u>38,313,707</u>	<u>(3,212,719)</u>
Expenditures				
General government				
Clerk				
Personal services	695,934	735,696	686,441	49,255
Supplies	31,000	30,730	24,135	6,595
Other services and charges	98,500	92,702	86,929	5,773
Auditor				
Personal services	489,462	488,487	483,904	4,583
Supplies	10,000	10,000	9,469	531
Other services and charges	175,504	175,504	175,504	-
Treasurer				
Personal services	248,337	248,112	238,243	9,869
Supplies	29,200	29,200	15,333	13,867
Other services and charges	125,370	125,370	113,082	12,288
Recorder				
Personal services	89,683	89,533	89,532	1
Supplies	500	500	109	391
Surveyor				
Personal services	158,125	158,125	156,086	2,039
Supplies	2,000	2,000	728	1,272
Assessor				
Personal services	373,505	437,486	377,164	60,322
Supplies	8,700	8,700	6,749	1,951
Other services and charges	710,400	718,475	703,942	14,533
Prosecuting attorney				
Personal services	1,114,325	1,106,550	1,071,646	34,904
Supplies	9,000	9,000	8,998	2
Other services and charges	35,900	42,400	42,281	119
Registration of voters				
Personal services	142,947	142,947	133,803	9,144
Supplies	9,000	7,000	5,629	1,371
Other services and charges	14,000	8,600	5,140	3,460
Capital outlay	-	7,400	6,100	1,300
Cooperative extension service				
Personal services	60,428	60,428	60,427	1
Supplies	5,275	5,275	5,016	259
Other services and charges	202,965	202,965	199,046	3,919
County council				
Personal services	99,148	99,148	99,139	9
Supplies	700	-	-	-
Other services and charges	26,500	31,700	31,700	-

The Notes to the Required Supplementary Information are an integral part of the Required Supplementary Information.

MADISON COUNTY, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Election board				
Personal services	190,218	190,218	147,724	42,494
Supplies	5,700	7,700	6,051	1,649
Other services and charges	266,860	280,162	261,656	18,506
Commissioners				
Personal services	8,443,893	8,140,893	8,038,830	102,063
Supplies	3,000	1,341	1,239	102
Other services and charges	3,277,226	3,567,215	4,003,932	(436,717)
Capital outlay	1,346,000	652,812	651,337	1,475
Debt Service	-	964,000	961,478	2,522
Plan commission				
Personal services	147,032	181,032	164,865	16,167
Supplies	4,350	6,100	4,406	1,694
Other services and charges	57,550	75,400	71,741	3,659
Capital outlay	-	400	379	21
Information technology systems				
Personal services	361,085	361,010	360,994	16
Supplies	7,600	7,600	7,600	-
Other services and charges	345,250	289,811	286,366	3,445
Capital outlay	-	95,439	95,439	-
Human resources				
Personal services	47,951	47,951	47,950	1
Supplies	1,200	9,603	2,404	7,199
Other services and charges	24,350	15,394	14,788	606
Capital outlay	-	553	552	1
Court house				
Personal services	612,503	620,026	611,490	8,536
Supplies	92,800	79,710	77,467	2,243
Other services and charges	373,500	483,840	483,551	289
Capital outlay	75,100	44,550	44,312	238
Circuit courts (admin)				
Personal services	622,073	625,039	672,990	(47,951)
Supplies	13,500	11,624	10,380	1,244
Other services and charges	461,200	528,129	483,990	44,139
Capital outlay	22,000	73,940	72,922	1,018
Public defender				
Personal services	1,063,454	1,103,217	1,091,233	11,984
Supplies	1,400	-	-	-
Other services and charges	28,400	28,400	27,606	794
Central records				
Personal services	57,473	57,473	57,321	152
Supplies	1,900	1,900	1,732	168
Other services and charges	11,650	8,680	4,398	4,282
Capital outlay	-	2,970	2,970	-
Circuit court I				
Personal services	197,764	186,764	184,705	2,059
Capital outlay	-	11,000	8,380	2,620
Circuit court II				
Personal services	166,136	161,136	158,712	2,424
Capital outlay	-	5,000	2,161	2,839
Circuit court III				
Personal services	197,318	186,273	186,175	98
Capital outlay	-	13,057	12,711	346

The Notes to the Required Supplementary Information are an integral part of the Required Supplementary Information.

MADISON COUNTY, INDIANA
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Circuit court IV				
Personal services	151,515	145,515	144,987	528
Capital outlay	-	6,000	4,355	1,645
Circuit court V				
Personal services	150,402	146,702	146,583	119
Capital outlay	-	3,700	3,503	197
Circuit court VI				
Personal services	163,936	195,905	195,284	621
Capital outlay	-	6,167	6,167	-
No department				
Other services and charges	-	-	3,018	(3,018)
Other financing uses	-	-	83,429	(83,429)
	<u>23,959,697</u>	<u>24,705,384</u>	<u>24,748,538</u>	<u>(43,154)</u>
Total general government				
Health and human services				
Coroner				
Personal services	127,452	127,452	127,223	229
Supplies	5,000	4,000	3,184	816
Other services and charges	91,000	92,000	91,071	929
Veterans service				
Personal services	71,932	71,932	58,198	13,734
Supplies	3,300	1,300	670	630
Other services and charges	3,500	5,500	3,070	2,430
Drainage board				
Personal services	50,172	50,172	38,689	11,483
Supplies	300	300	153	147
Other services and charges	118,500	118,500	25,815	92,685
Capital outlay	-	19,711	17,321	2,390
Mental health				
Other services and charges	698,858	698,858	698,858	-
IV-D Program (child support)				
Personal services	509,774	538,323	536,354	1,969
Supplies	6,000	6,000	5,610	390
Other services and charges	19,500	13,917	9,909	4,008
Clerk IV-D				
Personal services	106,164	106,164	106,140	24
Supplies	3,000	3,000	2,906	94
Other services and charges	5,000	5,000	-	5,000
Soil & water				
Personal services	49,088	49,088	47,791	1,297
Supplies	1,495	1,495	1,494	1
Other services and charges	12,804	12,804	8,607	4,197
CASA				
Personal services	98,807	98,807	98,499	308
Other services and charges	6,000	6,000	6,000	-
	<u>1,987,646</u>	<u>2,030,323</u>	<u>1,887,562</u>	<u>142,761</u>
Total health and human services				

The Notes to the Required Supplementary Information are an integral part of the Required Supplementary Information.

MADISON COUNTY, INDIANA

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety				
Sheriff				
Personal services	3,657,342	3,663,859	3,602,316	61,543
Supplies	300,750	277,740	277,498	242
Other services and charges	99,100	231,236	228,836	2,400
Juvenile probation				
Personal services	803,397	803,397	803,230	167
Supplies	3,000	3,000	2,831	169
Adult probation				
Personal services	675,837	675,892	657,264	18,628
Supplies	500	445	445	-
Other services and charges	1,750	1,750	1,740	10
Weights and measures				
Personal services	35,787	35,787	35,787	-
Supplies	1,000	2,208	1,068	1,140
Other services and charges	3,290	2,082	1,990	92
Jail				
Personal services	2,891,886	3,006,073	2,957,058	49,015
Supplies	125,000	124,000	124,000	-
Other services and charges	627,500	814,932	814,160	772
Emergency management				
Personal services	94,296	94,296	89,409	4,887
Supplies	35,300	15,800	13,444	2,356
Other services and charges	58,500	61,520	58,579	2,941
Capital outlay	-	16,480	15,734	746
Victim advocate				
Personal services	39,599	39,599	39,148	451
Supplies	1,300	1,300	1,076	224
Other services and charges	3,500	3,500	3,435	65
Correctional comp				
Personal services	900,062	900,014	881,262	18,752
Supplies	183,000	183,000	180,651	2,349
Other services and charges	107,500	107,500	96,998	10,502
Youth center				
Personal services	1,858,014	1,864,656	1,745,820	118,836
Supplies	120,000	114,400	88,782	25,618
Other services and charges	111,650	116,650	105,094	11,556
Capital outlay	-	90,700	88,393	2,307
Security				
Personal services	156,873	156,873	153,632	3,241
Supplies	300	-	-	-
Capital outlay	-	300	300	-
	<u>12,896,033</u>	<u>13,408,989</u>	<u>13,069,980</u>	<u>339,009</u>
Total public safety				
Total expenditures	<u>38,843,376</u>	<u>40,144,696</u>	<u>39,706,080</u>	<u>438,616</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,093,152</u>	<u>1,381,730</u>	<u>(1,392,373)</u>	<u>(3,651,335)</u>
Other financing sources (uses)				
Transfers in	-	-	400,000	400,000
	<u>-</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>
Total other financing sources (uses)				
Net change in fund balances	2,093,152	1,381,730	(992,373)	(3,251,335)
Fund balance - beginning	<u>8,710,869</u>	<u>8,710,869</u>	<u>8,710,869</u>	<u>-</u>
Fund balance - ending	<u>\$ 10,804,021</u>	<u>\$ 10,092,599</u>	<u>\$ 7,718,496</u>	<u>\$ (3,251,335)</u>

The Notes to the Required Supplementary Information are an integral part of the Required Supplementary Information.

MADISON COUNTY, INDIANA
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 COUNTY PUBLIC SAFETY FUND
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenue				
Taxes				
Other	\$ 1,584,360	\$ 1,584,361	\$ 1,584,361	\$ -
Reimbursements	-	185.00	185	-
Total revenues	<u>1,584,360</u>	<u>1,584,546</u>	<u>1,584,546</u>	<u>-</u>
Expenditures				
Public safety				
Problem solving court				
Personal services	430,687	430,687	283,268	147,419
Other services and charges	30,000	30,000	29,925	75
Adult probation				
Personal services	176,352	176,352	123,967	52,385
Sheriff				
Personal services	645,720	645,720	645,720	-
Commissioners				
Other services and charges	716,051	716,051	716,051	-
Total expenditures	<u>1,998,810</u>	<u>1,998,810</u>	<u>1,798,931</u>	<u>199,879</u>
Excess (deficiency) of revenues over (under) expenditures	(414,450)	(414,264)	(214,385)	(199,879)
Fund balance - beginning	<u>666,778</u>	<u>666,778</u>	<u>666,778</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 252,328</u></u>	<u><u>\$ 252,514</u></u>	<u><u>\$ 452,393</u></u>	<u><u>\$ (199,879)</u></u>

The Notes to the Required Supplementary Information are an integral part of the Required Supplementary Information.

MADISON COUNTY
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGET/GAAP RECONCILIATION
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUND
 For the Year Ended December 31, 2019

The major differences between Budgetary (Non-GAAP) basis and GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP)
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP)

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

	General	County Public Safety
Net changes in fund balances (budgetary basis)	\$ (992,373)	\$ (214,385)
Adjustments		
To adjust revenues for accruals	347,626	1,016,671
To adjust expenditures for accruals	(102,625)	(604,837)
Net change in fund balance (GAAP basis)	\$ (747,372)	\$ 197,449

The Notes to the Required Supplementary Information are an integral part of the Required Supplementary Information.

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I. Budgets and Budgetary Accounting

Annual budgets are adopted on the cash basis which is not consistent with accounting principles generally accepted in the United States. All annual appropriations lapse at fiscal year end.

On or before August 31, the County auditor submits to the County council a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the County council to obtain taxpayer comments. In September of each year, the County council through the passage of an ordinance approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the County receives approval of the Indiana Department of Local Government Finance.

Indiana law restricts the County's maximum tax levy, with certain adjustments and exceptions. If the advertised budget, for funds for which property taxes are levied or for which highway use taxes are received, exceeds the spending and tax limits of the state control laws, an excess levy may be granted by the Indiana Department of Local Government Finance.

The legal level of budgetary control is by object or department within the fund for the General fund, and by object within the fund for all other budgeted funds. The County's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the County Council. Any revisions to the appropriations for any fund or any department of the General fund must be approved by the County Council and, in some instances, by the Indiana Department of Local Government Finance.

Formal budgetary integration is required by state statute and is employed as a management control device. An annual budget was legally adopted for the following funds:

Major funds:

General, County Public Safety

Special revenue funds:

2015 Reassessment, Highway, Local Road and Street, Health, County Wheel Tax, Dissolution Education, Jobsorce – ITS Fund, Sheriff Fire Dispatch, Co Youth Center School Grant, Emergency Plan and Right to Know, Unif Prob. Admin Fees, Supp Public Defenders Serv, LHD Trust Acct Program, Co Surveyor's Cor Perp, Suppl Prob Serv-Unified, Pre-Trial Diversion, Pros Law Enforcement Fund, Plat Book Maintenance, Co Sales Disclosure Fund, Health Maintenance, Juvenile Prob Admin Fees, Co Misdemeanant Fund, County User Fees, Prime for Life Program, Juvenile Drug Screen, Co Elected Officials Trng, ICJI – Madison Co CASA, New Prosecutor Incentive, GAL/CASA User Fees, Auditors Ineligible Deduction, Soil and Water Watershed, Co Offender Transport, Clerk Records Perpetuation, Enhanced Access, DIS Grant 93.917, Prosecutor PCA CFDA #93.563, Supplemental Juvenile Probation,

Debt Service funds:

2015 COIT Sinking Fund, Star Bank Building Fund Non-Reverting,

Capital project funds:

Cumulative Bridge, County Major Bridge, Hazmat Truck Fund, MCEMA Capital Equipment

Proprietary fund:

Cumulative ITS

II. Financial Reporting – Pension Plans

The following changes in assumptions were made for the Sheriff's Retirement and Sheriff's Benefit plan for the base year ending December 31, 2019. The changes in assumptions for base year ending December 31, 2019 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables) to the Pub-2010 Safety Amount-Weighted Mortality Projected Generationally with Scale MP-2019 (separate employee, retiree, contingent survivor, and disabled retiree tables and male & female tables).

The changes in assumptions for base year ending December 31, 2018 reflect the change from the use of the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2018 (separate employee & annuitant tables and male & female tables).

The changes in assumptions for base year ending December 31, 2017 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2017 (separate employee & annuitant tables and male & female tables).

The changes in assumptions for base year ending December 31, 2016 reflect the change from the use of the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables) to the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2016 (separate employee & annuitant tables and male & female tables).

The changes in assumptions for base year ending December 31, 2015 reflect the change from the use of the 2015 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations and a 4.50% salary scale (3.50% inflation and 1.00% merit increases) to the RP-2014 Adjusted to 2006 Blue Collar Mortality with Two Dimensional Generational Mortality Improvement Scale MP-2015 (separate employee & annuitant tables and male & female tables) and a 4.00% salary scale (3.00% inflation and 1.00% merit increases).

The changes in assumptions for base year ending December 31, 2014 reflect the change from the use of 2014 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations to the 2015 IRS Combined Mortality Tables for Small Plans (separate male and female tables) as prescribed for use in corporate valuations.

Sheriff Retirement Plan:

Actuarial cost method	Frozen initial liability
Amortization method	Level percentage of payroll, open
Remaining amortization period	25 years
Asset valuation method	5-Year Asset Smoothing, limited to 80% and 120% of market value
Inflation	3.00%
Salary increases	4.00% average, including inflation

Investment rate of return	6.75%
Retirement age	The later of age 55 and 10 years of service (age 55 for participants hired prior to December 1, 2014) or one year from valuation date.
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Projection Scale MP-2017 (separate employee & annuitant tables and male & female tables.

Sheriff Benefit Plan:

Actuarial cost method	Aggregate
Amortization method	Not Applicable
Remaining amortization period	Not Applicable
Asset valuation method	5-Year Asset Smoothing, limited to 80% and 120% of market value
Inflation	3.00%
Salary increases	4.00% average, including inflation
Investment rate of return	6.75%
Retirement age	The later of age 55 and 10 years of service (age 55 for participants hired prior to December 1, 2014) or one year from valuation date.
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality with Two Dimensional Generational Mortality Improvement Projection Scale MP-2017 (separate employee & annuitant tables and male & female tables.

III. OPEB Plan

Cost method	Entry Age Normal Level % of Salary
Amortization method	Not Applicable
Assumptions	
Discount rate	3.26% per annum
Discount rate basis	S & P municipal bond 20 year high grade rate index
Inflation rate	2.25% per annum
Investment rate of return	No applicable since the plan is not currently prefunded
Disability	None
Mortality	General retirees; SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019 Police Retirees: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019
Health Care Coverage rate	Active employees with coverage: 90% Inactive employees with current coverage: 100%

Retirement Rates

General Employees				
Age	<10 YOS	10 YOS	20 YOS	30 YOS
55	0.0%	0.0%	5.0%	14.0%
60	0.0%	0.0%	12.0%	12.0%
65	0.0%	30.0%	30.0%	30.0%
75+	0.0%	100.0%	100.0%	100.0%

Public Safety Employees		
Age	<32 YOS	32 YOS
55	10.0%	20.0%
60	15.0%	20.0%
65	50.0%	50.0%
70+	100.0%	100.0%

Turnover

Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. The rates represent the probability of termination in the next 12 months.

Annual withdrawal rates for general employees follow the Public Employees Retirement Fund (PERF) as of June 30, 2019 (for employees with earnings of at least \$20,000). Police withdrawal rates are based on the 1977 Police Officers' and Firefighters' Retirement actuarial valuation as of June 30, 2019. Sample annual turnover rates by group are shown below:

General - Male

Age	0 YOS	2 YOS	5 YOS	7 YOS	9 YOS	10+ YOS
20	23%	23%	17%	12%	7%	7%
30	22%	19%	13%	12%	7%	7%
40	17%	14%	10%	9%	5%	5%
50	14%	9%	9%	7%	4%	4%
60	13%	7%	7%	7%	4%	4%

General - Female

Age	0 YOS	2 YOS	5 YOS	7 YOS	9 YOS	10+ YOS
20	23%	23%	17%	12%	8%	8%
30	21%	21%	14%	12%	8%	8%
40	18%	16%	12%	9%	8%	6%
50	16%	15%	9%	9%	6%	6%
60	16%	11%	9%	9%	6%	6%

Police	
Service	Rates
0	10.0%
5	2.5%
10	1.5%
15	1.0%
20+	2.0%

Spouse 45% of male and female employees are assumed to be married at retirement. Husbands are assumed to be three years older than wives

Per Capita Costs Annual per capita costs were calculated based on 24 months of actual claims and enrollment experience through February 2020, actuarially increased using health index factors and current enrollment. The costs are assumed to increase with medical/rx health care trend rates.

Annual per capita costs as shown below:

Age	PPO
<55	\$ 14,300
55 – 59	\$ 17,800
60 – 64	\$ 23,000

Health Care Trend Rates

FYE	Medical/RX
2020	8.0%
2021	7.5%
2022	7.0%
2023	6.5%
2024	6.0%
2025	5.5%
2026	5.0%
2027+	4.5%

MADISON COUNTY, INDIANA
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2019

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 13,501,892	\$ 49,561	\$ 2,320,885	\$ 15,872,338
Receivables:				
Taxes	1,131,763	-	1,133,708	2,265,471
Interest	-	-	-	-
Accounts	157,663	-	-	157,663
Special assessments	-	-	-	-
Intergovernmental	719,854	-	51,851	771,705
	<u>15,511,172</u>	<u>49,561</u>	<u>3,506,444</u>	<u>19,067,177</u>
Total assets				
Liabilities and fund balances				
Liabilities:				
Accounts payable	506,917	-	98,238	605,155
Accrued payroll and withholdings payable	247,798	-	-	247,798
	<u>754,715</u>	<u>-</u>	<u>98,238</u>	<u>852,953</u>
Total liabilities				
Deferred inflows of resources:				
Unavailable revenue	1,007,298	-	1,122,481	2,129,779
	<u>1,007,298</u>	<u>-</u>	<u>1,122,481</u>	<u>2,129,779</u>
Deferred inflows of resources				
Fund balances:				
Restricted	13,695,013	49,561	2,285,725	16,030,299
Committed	292,654	-	-	292,654
Unassigned	(238,508)	-	-	(238,508)
	<u>13,749,159</u>	<u>49,561</u>	<u>2,285,725</u>	<u>16,084,445</u>
Total fund balances				
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,511,172</u>	<u>\$ 49,561</u>	<u>\$ 3,506,444</u>	<u>\$ 19,067,177</u>

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
For The Year Ended December 31, 2019

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues:				
Taxes:				
Property	\$ 2,135,982	\$ -	\$ 1,206,814	\$ 3,342,796
Other	1,481,292	-	634,840	2,116,132
Intergovernmental	12,780,971	684,469	368,584	13,834,024
Charges for services	1,960,536	-	-	1,960,536
Investment income	60	-	-	60
Fines, forfeitures and penalties	263,436	-	18,441	281,877
Other	<u>23,284,872</u>	<u>80,786</u>	<u>354,465</u>	<u>23,720,123</u>
Total revenues	<u>41,907,149</u>	<u>765,255</u>	<u>2,583,144</u>	<u>45,255,548</u>
Expenditures:				
Current:				
General government	24,186,555	319,188	360,000	24,865,743
Public safety	9,070,547	-	-	9,070,547
Highways and streets	6,227,071	-	1,329,793	7,556,864
Health and welfare	2,163,115	-	87,768	2,250,883
Culture and recreation	-	-	-	-
Sanitation	127,068	-	28,709	155,777
Capital outlay:				
General government	66,597	-	179,153	245,750
Public safety	163,860	-	-	163,860
Highways and streets	-	-	847,416	847,416
Health and welfare	28,161	-	-	28,161
Debt service:				
Principal	-	584,815	223,021	807,836
Interest	<u>-</u>	<u>(137,413)</u>	<u>10,236</u>	<u>(127,177)</u>
Total expenditures	<u>42,032,974</u>	<u>766,590</u>	<u>3,066,096</u>	<u>45,865,660</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(125,825)</u>	<u>(1,335)</u>	<u>(482,952)</u>	<u>(610,112)</u>
Other financing sources (uses):				
Transfers in	152,599	-	-	152,599
Transfers out	<u>(41,336)</u>	<u>-</u>	<u>(511,263)</u>	<u>(552,599)</u>
Total other financing sources and uses	<u>111,263</u>	<u>-</u>	<u>(511,263)</u>	<u>(400,000)</u>
Net change in fund balances	(14,562)	(1,335)	(994,215)	(1,010,112)
Fund balances - beginning	<u>13,763,721</u>	<u>50,896</u>	<u>3,279,940</u>	<u>17,094,557</u>
Fund balances - ending	<u>\$ 13,749,159</u>	<u>\$ 49,561</u>	<u>\$ 2,285,725</u>	<u>\$ 16,084,445</u>

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Cert Sale Funds	Development Grants	Donation Funds	Education Grants	JobSource	Public Safety Grants
Assets						
Cash and cash equivalents	\$ 334,948	\$ 358	\$ 27,499	\$ (15,767)	\$ 196,586	\$ 735,524
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Intergovernmental	-	-	-	6,521	-	47,687
Total assets	<u>334,948</u>	<u>358</u>	<u>27,499</u>	<u>(9,246)</u>	<u>196,586</u>	<u>783,211</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	-	-	344	-	-	86,576
Accrued payroll and withholdings payable	-	-	-	1,035	637	46,265
Total liabilities	<u>-</u>	<u>-</u>	<u>344</u>	<u>1,035</u>	<u>637</u>	<u>132,841</u>
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Restricted	334,948	358	27,155	-	195,949	650,370
Committed	-	-	-	-	-	-
Unassigned	-	-	-	(10,281)	-	-
Total fund balances	<u>334,948</u>	<u>358</u>	<u>27,155</u>	<u>(10,281)</u>	<u>195,949</u>	<u>650,370</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 334,948</u>	<u>\$ 358</u>	<u>\$ 27,499</u>	<u>\$ (9,246)</u>	<u>\$ 196,586</u>	<u>\$ 783,211</u>

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Misc. Tax Funds	Health and Wellness Grants	Probation Funds	Title IV-D Funds	Homeland Security Grants	Public Safety Funds
Assets						
Cash and cash equivalents	\$ 626,111	\$ (4,322)	\$ 247,860	\$ 628,461	\$ (35,688)	\$ 1,842,543
Receivables:						
Taxes	112,414	-	-	-	-	-
Accounts	-	-	62,346	-	-	33,460
Intergovernmental	-	90,763	-	38,127	-	-
Total assets	<u>738,525</u>	<u>86,441</u>	<u>310,206</u>	<u>666,588</u>	<u>(35,688)</u>	<u>1,876,003</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	514	4,308	29,247	2,996	117,884	26,046
Accrued payroll and withholdings payable	-	13,819	14,752	3,450	-	29,264
Total liabilities	<u>514</u>	<u>18,127</u>	<u>43,999</u>	<u>6,446</u>	<u>117,884</u>	<u>55,310</u>
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Restricted	738,011	68,314	266,207	660,142	-	1,820,693
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	(153,572)	-
Total fund balances	<u>738,011</u>	<u>68,314</u>	<u>266,207</u>	<u>660,142</u>	<u>(153,572)</u>	<u>1,820,693</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 738,525</u>	<u>\$ 86,441</u>	<u>\$ 310,206</u>	<u>\$ 666,588</u>	<u>\$ (35,688)</u>	<u>\$ 1,876,003</u>

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Sheriff Civil	Clerk Juvenile Account	Clerk Support	Clerk Juvenile	Child Advocacy Fund	Clerks Rec Perpetuation
Assets						
Cash and cash equivalents	\$ 455,712	\$ -	\$ 13,024	\$ 135	\$ 325	\$ 230,709
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	-	-	-	-	-	4,000
Intergovernmental	-	-	-	-	-	-
Total assets	<u>455,712</u>	<u>-</u>	<u>13,024</u>	<u>135</u>	<u>325</u>	<u>234,709</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	-	-	-	-	-	-
Accrued payroll and withholdings payable	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Restricted	455,712	-	13,024	135	325	234,709
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>455,712</u>	<u>-</u>	<u>13,024</u>	<u>135</u>	<u>325</u>	<u>234,709</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 455,712</u>	<u>\$ -</u>	<u>\$ 13,024</u>	<u>\$ 135</u>	<u>\$ 325</u>	<u>\$ 234,709</u>

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Co Sales Disclosure Fund	Emg Plan & Right To Know	Enhanced Access Fund	Health Health Fund	Health Maintenance	Arterial Roads & Streets
Assets						
Cash and cash equivalents	\$ 27,499	\$ 52,627	\$ 31,826	\$ 704,332	\$ 319,305	\$ 254,678
Receivables:						
Taxes	-	-	-	852,627	-	-
Accounts	95	-	2,941	11,489	-	-
Intergovernmental	-	-	-	-	-	-
Total assets	<u>27,594</u>	<u>52,627</u>	<u>34,767</u>	<u>1,568,448</u>	<u>319,305</u>	<u>254,678</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	-	6	219	6,680	280	32,457
Accrued payroll and withholdings payable	-	-	-	19,506	-	-
Total liabilities	<u>-</u>	<u>6</u>	<u>219</u>	<u>26,186</u>	<u>280</u>	<u>32,457</u>
Deferred inflow of resources:						
Unavailable revenue	-	-	-	841,963	-	-
Fund balances:						
Restricted	27,594	52,621	34,548	700,299	319,025	222,221
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>27,594</u>	<u>52,621</u>	<u>34,548</u>	<u>700,299</u>	<u>319,025</u>	<u>222,221</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 27,594</u>	<u>\$ 52,627</u>	<u>\$ 34,767</u>	<u>\$ 1,568,448</u>	<u>\$ 319,305</u>	<u>\$ 254,678</u>

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Highway Fund	Plat Book Maintenance	Rainy Day Fund	Reassessment 2015	Recorder's Records	Co. Surveyor's Cor Perp.
Assets						
Cash and cash equivalents	\$ 5,862	\$ 179,413	\$ 108,034	\$ 283,236	\$ 438,001	\$ 241,849
Receivables:						
Taxes	-	-	-	166,722	-	-
Accounts	2,581	370	-	-	27,091	8,390
Intergovernmental	-	-	-	-	-	-
Total assets	<u>8,443</u>	<u>179,783</u>	<u>108,034</u>	<u>449,958</u>	<u>465,092</u>	<u>250,239</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	38,473	-	-	190	9,788	674
Accrued payroll and withholdings payable	<u>44,082</u>	<u>910</u>	<u>-</u>	<u>2,263</u>	<u>3,936</u>	<u>178</u>
Total liabilities	<u>82,555</u>	<u>910</u>	<u>-</u>	<u>2,453</u>	<u>13,724</u>	<u>852</u>
Deferred inflow of resources:						
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,335</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted	-	178,873	108,034	282,170	451,368	249,387
Committed	-	-	-	-	-	-
Unassigned	<u>(74,112)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>(74,112)</u>	<u>178,873</u>	<u>108,034</u>	<u>282,170</u>	<u>451,368</u>	<u>249,387</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,443</u>	<u>\$ 179,783</u>	<u>\$ 108,034</u>	<u>\$ 449,958</u>	<u>\$ 465,092</u>	<u>\$ 250,239</u>

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	SRI Fund	LHD Trust Acct Program	Unsafe Building Fund	GAL/CASA Users Fees	Auditors Ineligible Deduc	Co Elected Officials Trng
Assets						
Cash and cash equivalents	\$ 243,598	\$ 251,401	\$ 19,252	\$ 83,168	\$ 29,432	\$ 67,450
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	-	-	-	-	-	1,700
Intergovernmental	-	-	-	-	-	-
Total assets	<u>243,598</u>	<u>251,401</u>	<u>19,252</u>	<u>83,168</u>	<u>29,432</u>	<u>69,150</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	-	70	-	-	-	-
Accrued payroll and withholdings payable	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>70</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Restricted	243,598	251,331	19,252	83,168	29,432	-
Committed	-	-	-	-	-	69,150
Unassigned	-	-	-	-	-	-
Total fund balances	<u>243,598</u>	<u>251,331</u>	<u>19,252</u>	<u>83,168</u>	<u>29,432</u>	<u>69,150</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 243,598</u>	<u>\$ 251,401</u>	<u>\$ 19,252</u>	<u>\$ 83,168</u>	<u>\$ 29,432</u>	<u>\$ 69,150</u>

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Statewide 911 Fund	Alternative Dispute Resol	Co. Users Fees Fund	General Drain Maintenance	Mc Recycling Grant 2005	Interpreter Grant Award
Assets						
Cash and cash equivalents	\$ 274,899	\$ 55,170	\$ 190,180	\$ 2,667,475	\$ 228,226	\$ -
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	-	800	1,478	-	-	-
Intergovernmental	-	-	-	-	-	-
Total assets	<u>274,899</u>	<u>55,970</u>	<u>191,658</u>	<u>2,667,475</u>	<u>228,226</u>	<u>-</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	4,758	-	3,038	90,499	4,334	-
Accrued payroll and withholdings payable	<u>4,217</u>	<u>-</u>	<u>461</u>	<u>-</u>	<u>388</u>	<u>-</u>
Total liabilities	<u>8,975</u>	<u>-</u>	<u>3,499</u>	<u>90,499</u>	<u>4,722</u>	<u>-</u>
Deferred inflow of resources:						
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted	265,924	55,970	188,159	2,576,976	-	-
Committed	-	-	-	-	223,504	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>265,924</u>	<u>55,970</u>	<u>188,159</u>	<u>2,576,976</u>	<u>223,504</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 274,899</u>	<u>\$ 55,970</u>	<u>\$ 191,658</u>	<u>\$ 2,667,475</u>	<u>\$ 228,226</u>	<u>\$ -</u>

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Co Local Ord Violations Fines	Prime For Life Program	Planned Unit Dev Inspectn	Soil & Water Watershed	MS4-COG Treasurer	Dissolution Education
Assets						
Cash and cash equivalents	\$ 4,661	\$ 343	\$ 183	\$ 327	\$ 9,235	\$ 5,161
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	-	-	-	-	-	922
Intergovernmental	-	-	-	-	-	-
Total assets	<u>4,661</u>	<u>343</u>	<u>183</u>	<u>327</u>	<u>9,235</u>	<u>6,083</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	-	-	-	-	-	-
Accrued payroll and withholdings payable	-	-	-	870	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>870</u>	<u>-</u>	<u>-</u>
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Restricted	4,661	343	183	-	9,235	6,083
Committed	-	-	-	-	-	-
Unassigned	-	-	-	(543)	-	-
Total fund balances	<u>4,661</u>	<u>343</u>	<u>183</u>	<u>(543)</u>	<u>9,235</u>	<u>6,083</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,661</u>	<u>\$ 343</u>	<u>\$ 183</u>	<u>\$ 327</u>	<u>\$ 9,235</u>	<u>\$ 6,083</u>

MADISON COUNTY, INDIANA

 COMBINING BALANCE SHEET -
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2019

	Co Housing Fund	Central Dispatch Fund	Liability Ins Retainage	Slot Machine Wagering Fee	Co Economic Dev (City)	Commissioner Vending Fund
Assets						
Cash and cash equivalents	\$ 53	\$ 998,375	\$ -	\$ -	\$ -	\$ 3,885
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Intergovernmental	-	-	-	536,756	-	-
Total assets	<u>53</u>	<u>998,375</u>	<u>-</u>	<u>536,756</u>	<u>-</u>	<u>3,885</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	-	16,934	-	-	-	-
Accrued payroll and withholdings payable	-	61,765	-	-	-	-
Total liabilities	<u>-</u>	<u>78,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Restricted	53	919,676	-	536,756	-	3,885
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>53</u>	<u>919,676</u>	<u>-</u>	<u>536,756</u>	<u>-</u>	<u>3,885</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 53</u>	<u>\$ 998,375</u>	<u>\$ -</u>	<u>\$ 536,756</u>	<u>\$ -</u>	<u>\$ 3,885</u>

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Cemetery Maint & Improv Fund	CASA Lease Fund	County Owned Land Sale	MVH Restricted	Mad Co Comm Foundation 19	Drain Construction/R econstruct
Assets						
Cash and cash equivalents	\$ 2,800	\$ 29,090	\$ 292	\$ 350,150	\$ 141	\$ 20,067
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Total assets	<u>2,800</u>	<u>29,090</u>	<u>292</u>	<u>350,150</u>	<u>141</u>	<u>20,067</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	-	-	-	759.00	-	-
Accrued payroll and withholdings payable	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>759</u>	<u>-</u>	<u>-</u>
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	-
Fund balances:						
Restricted	2,800	29,090	292	349,391	141	20,067
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>2,800</u>	<u>29,090</u>	<u>292</u>	<u>349,391</u>	<u>141</u>	<u>20,067</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,800</u>	<u>\$ 29,090</u>	<u>\$ 292</u>	<u>\$ 350,150</u>	<u>\$ 141</u>	<u>\$ 20,067</u>

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Unsafe Building Liens	Mad Co Develop Prepaid Inspect	TRAM FTA Non Reverting	Totals
Assets				
Cash and cash equivalents	\$ 1,120	\$ 30,513	\$ 4,565	\$ 13,501,892
Receivables:				
Taxes	-	-	-	1,131,763
Accounts	-	-	-	157,663
Intergovernmental	-	-	-	719,854
Total assets	<u>1,120</u>	<u>30,513</u>	<u>4,565</u>	<u>15,511,172</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	-	29,843	-	506,917
Accrued payroll and withholdings payable	-	-	-	247,798
Total liabilities	<u>-</u>	<u>29,843</u>	<u>-</u>	<u>754,715</u>
Deferred inflow of resources:				
Unavailable revenue	-	-	-	1,007,298
Fund balances:				
Restricted	1,120	670	4,565	13,695,013
Committed	-	-	-	292,654
Unassigned	-	-	-	(238,508)
Total fund balances	<u>1,120</u>	<u>670</u>	<u>4,565</u>	<u>13,749,159</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,120</u>	<u>\$ 30,513</u>	<u>\$ 4,565</u>	<u>\$ 15,511,172</u>

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Cert Sale Funds	Development Grants	Donation Funds	Education Grants	JobSource	Public Safety Grants
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-
Intergovernmental	-	-	1,940	47,961	1,144,006	2,577,184
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-
Other	951,999	-	3,355	-	1,085,370	35,772
Total revenues	951,999	-	5,295	47,961	2,229,376	2,612,956
Expenditures:						
Current:						
General government	843,315	-	-	-	2,238,189	-
Public safety	-	-	3,171	-	-	2,569,083
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	7,872	37,427	-	-
Sanitation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	73,475
Health and welfare	-	-	-	-	-	-
Total expenditures	843,315	-	11,043	37,427	2,238,189	2,642,558
Excess (deficiency) of revenues over (under) expenditures	108,684	-	(5,748)	10,534	(8,813)	(29,602)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(24,545)
Total other financing sources/(uses)	-	-	-	-	-	(24,545)
Net change in fund balances	108,684	-	(5,748)	10,534	(8,813)	(54,147)
Fund balances - beginning	226,264	358	32,903	(20,815)	204,762	704,517
Fund balances - ending	\$ 334,948	\$ 358	\$ 27,155	\$ (10,281)	\$ 195,949	\$ 650,370

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Misc. Tax Funds	Health and Wellness Grants	Probation Funds	Title IV-D Funds	Homeland Security Grants	Public Safety Funds
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-
Intergovernmental	-	881,433	-	237,891	5,189	98,503
Charges for services	-	2,244	824,916	-	-	195,665
Investment income	-	-	60	-	-	-
Fines, forfeitures and penalties	-	-	78,308	-	-	99,700
Other	1,511,962	-	68,498	-	-	1,157,181
Total revenues	1,511,962	883,677	971,782	237,891	5,189	1,551,049
Expenditures:						
Current:						
General government	2,166,970	-	-	-	-	-
Public safety	-	-	1,104,244	-	117,884	1,781,867
Highways and streets	-	-	-	-	-	-
Health and welfare	-	784,182	-	155,755	-	-
Sanitation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	12,010
Health and welfare	-	27,200	-	-	-	-
Total expenditures	2,166,970	811,382	1,104,244	155,755	117,884	1,793,877
Excess (deficiency) of revenues over (under) expenditures	(655,008)	72,295	(132,462)	82,136	(112,695)	(242,828)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	41,336
Transfers out	-	(4,988)	-	-	-	-
Total other financing sources/(uses)	-	(4,988)	-	-	-	41,336
Net change in fund balances	(655,008)	67,307	(132,462)	82,136	(112,695)	(201,492)
Fund balances - beginning	1,393,019	1,007	398,669	578,006	(40,877)	2,022,185
Fund balances - ending	\$ 738,011	\$ 68,314	\$ 266,207	\$ 660,142	\$ (153,572)	\$ 1,820,693

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Sheriff Civil	Clerk Juvenile Account	Clerk Support	Clerk Juvenile	Child Advocacy Fund	Clerks Rec Perpetuation
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	66,086
Other	6,402,100	2,463	1,752,222	657	-	-
Total revenues	6,402,100	2,463	1,752,222	657	-	66,086
Expenditures:						
Current:						
General government	6,286,026	2,463	1,757,989	522	-	12,380
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total expenditures	6,286,026	2,463	1,757,989	522	-	12,380
Excess (deficiency) of revenues over (under) expenditures	116,074	-	(5,767)	135	-	53,706
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources/(uses)	-	-	-	-	-	-
Net change in fund balances	116,074	-	(5,767)	135	-	53,706
Fund balances - beginning	339,638	-	18,791	-	325	181,003
Fund balances - ending	\$ 455,712	\$ -	\$ 13,024	\$ 135	\$ 325	\$ 234,709

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Co Sales Disclosure Fund	Emg Plan & Right To Know	Enhanced Access Fund	Health Fund	Health Maintenance	Arterial Roads & Streets
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ 765,567	\$ -	\$ -
Other	-	-	-	-	-	-
Intergovernmental	-	6,640	-	87,943	72,672	1,138,589
Charges for services	18,730	-	34,419	399,692	-	-
Investment income	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-
Other	495	-	-	1,080	4,800	-
Total revenues	19,225	6,640	34,419	1,254,282	77,472	1,138,589
Expenditures:						
Current:						
General government	25,000	-	36,014	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	1,123,327
Health and welfare	-	8,090	-	1,059,463	110,306	-
Sanitation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	961	-	-
Total expenditures	25,000	8,090	36,014	1,060,424	110,306	1,123,327
Excess (deficiency) of revenues over (under) expenditures	(5,775)	(1,450)	(1,595)	193,858	(32,834)	15,262
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources/(uses)	-	-	-	-	-	-
Net change in fund balances	(5,775)	(1,450)	(1,595)	193,858	(32,834)	15,262
Fund balances - beginning	33,369	54,071	36,143	506,441	351,859	206,959
Fund balances - ending	\$ 27,594	\$ 52,621	\$ 34,548	\$ 700,299	\$ 319,025	\$ 222,221

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Highway Fund	Plat Book Maintenance	Rainy Day Fund	Reassessment 2015	Recorder's Records	Co. Surveyor's Cor Perp.
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ 138,690	\$ -	\$ -
Other	-	-	-	-	-	-
Intergovernmental	2,641,083	-	-	15,967	-	-
Charges for services	-	-	-	-	344,119	98,917
Investment income	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-
Other	155,049	58,185	-	-	43	-
Total revenues	2,796,132	58,185	-	154,657	344,162	98,917
Expenditures:						
Current:						
General government	-	36,547	294,883	174,293	280,108	25,302
Public safety	-	-	-	-	-	-
Highways and streets	2,838,453	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Capital outlay:						
General government	-	629	60,302	-	-	5,666
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total expenditures	2,838,453	37,176	355,185	174,293	280,108	30,968
Excess (deficiency) of revenues over (under) expenditures	(42,321)	21,009	(355,185)	(19,636)	64,054	67,949
Other financing sources (uses):						
Transfers in	-	-	111,263	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources/(uses)	-	-	111,263	-	-	-
Net change in fund balances	(42,321)	21,009	(243,922)	(19,636)	64,054	67,949
Fund balances - beginning	(31,791)	157,864	351,956	301,806	387,314	181,438
Fund balances - ending	\$ (74,112)	\$ 178,873	\$ 108,034	\$ 282,170	\$ 451,368	\$ 249,387

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2019

	SRI Fund	LHD Trust Acct Program	Unsafe Building Fund	GAL/CASA Users Fees	Auditors Ineligible Deduc	Co Elected Officials Trng
Revenues:						
Taxes:						
Property	\$ 193,777	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-
Intergovernmental	-	52,229	-	189,714	-	-
Charges for services	-	-	-	-	-	19,954
Investment income	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-
Other	-	-	-	-	4,716	43
Total revenues	193,777	52,229	-	189,714	4,716	19,997
Expenditures:						
Current:						
General government	139,916	73,237	-	206,393	15,037	5,332
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total expenditures	139,916	73,237	-	206,393	15,037	5,332
Excess (deficiency) of revenues over (under) expenditures	53,861	(21,008)	-	(16,679)	(10,321)	14,665
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources/(uses)	-	-	-	-	-	-
Net change in fund balances	53,861	(21,008)	-	(16,679)	(10,321)	14,665
Fund balances - beginning	189,737	272,339	19,252	99,847	39,753	54,485
Fund balances - ending	\$ 243,598	\$ 251,331	\$ 19,252	\$ 83,168	\$ 29,432	\$ 69,150

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Statewide 911 Fund	Alternative Dispute Resol	Co. Users Fees Fund	General Drain Maintenance	Mc Recycling Grant 2005	Interpreter Grant Award
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ 1,016,761	\$ -	\$ -
Other	-	-	-	-	-	-
Intergovernmental	958,077	-	-	-	-	577
Charges for services	-	12,620	-	-	-	-
Investment income	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	19,342	-	-	-
Other	3,606	-	-	31,574	104,520	-
Total revenues	961,683	12,620	19,342	1,048,335	104,520	577
Expenditures:						
Current:						
General government	-	-	17,956	974,319	-	-
Public safety	871,237	8,301	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	20
Sanitation	-	-	-	-	92,342	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total expenditures	871,237	8,301	17,956	974,319	92,342	20
Excess (deficiency) of revenues over (under) expenditures	90,446	4,319	1,386	74,016	12,178	557
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(11,803)	-	-	-
Total other financing sources/(uses)	-	-	(11,803)	-	-	-
Net change in fund balances	90,446	4,319	(10,417)	74,016	12,178	557
Fund balances - beginning	175,478	51,651	198,576	2,502,960	211,326	(557)
Fund balances - ending	\$ 265,924	\$ 55,970	\$ 188,159	\$ 2,576,976	\$ 223,504	\$ -

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Co Local Ord Violations Fines	Prime For Life Program	Planned Unit Dev Inspectn	Soil & Water Watershed	MS4-COG Treasurer	Dissolution Education
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	9,260
Investment income	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-
Other	4,526	-	-	34,572	10,583	-
Total revenues	4,526	-	-	34,572	10,583	9,260
Expenditures:						
Current:						
General government	-	-	-	-	8,365	7,201
Public safety	-	800	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Sanitation	-	-	-	34,726	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total expenditures	-	800	-	34,726	8,365	7,201
Excess (deficiency) of revenues over (under) expenditures	4,526	(800)	-	(154)	2,218	2,059
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources/(uses)	-	-	-	-	-	-
Net change in fund balances	4,526	(800)	-	(154)	2,218	2,059
Fund balances - beginning	135	1,143	183	(389)	7,017	4,024
Fund balances - ending	\$ 4,661	\$ 343	\$ 183	\$ (543)	\$ 9,235	\$ 6,083

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Co Housing Fund	Central Dispatch Fund	Liability Ins Retainage	Slot Machine Wagering Fee	Co Economic Dev (City)	Commissioner Vending Fund
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	1,481,292	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-
Other	-	2,809,981	-	7,009,831	-	74
Total revenues	-	2,809,981	-	7,009,831	1,481,292	74
Expenditures:						
Current:						
General government	7,900	-	3,205	6,992,838	1,481,292	-
Public safety	-	2,613,960	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	78,375	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total expenditures	7,900	2,692,335	3,205	6,992,838	1,481,292	-
Excess (deficiency) of revenues over (under) expenditures	(7,900)	117,646	(3,205)	16,993	-	74
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources/(uses)	-	-	-	-	-	-
Net change in fund balances	(7,900)	117,646	(3,205)	16,993	-	74
Fund balances - beginning	7,953	802,030	3,205	519,763	-	3,811
Fund balances - ending	\$ 53	\$ 919,676	\$ -	\$ 536,756	\$ -	\$ 3,885

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Cemetery Maint & Improv Fund	CASA Lease Fund	County Owned Land Sale	MVH Restricted	Mad Co Comm Foundation 19	Drain Construction/ Reconstruct
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,067
Other	-	-	-	-	-	-
Intergovernmental	-	-	-	2,614,682	8,691	-
Charges for services	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	-
Other	-	12,090	292	-	-	-
Total revenues	-	12,090	292	2,614,682	8,691	20,067
Expenditures:						
Current:						
General government	-	-	-	-	8,550	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	2,265,291	-	-
Health and welfare	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Total expenditures	-	-	-	2,265,291	8,550	-
Excess (deficiency) of revenues over (under) expenditures	-	12,090	292	349,391	141	20,067
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources/(uses)	-	-	-	-	-	-
Net change in fund balances	-	12,090	292	349,391	141	20,067
Fund balances - beginning	2,800	17,000	-	-	-	-
Fund balances - ending	\$ 2,800	\$ 29,090	\$ 292	\$ 349,391	\$ 141	\$ 20,067

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2019

	Unsafe Building Liens	Mad Co Develop Prepaid Inspect	TRAM FTA Non Reverting	Totals
Revenues:				
Taxes:				
Property	\$ 1,120	\$ -	\$ -	\$ 2,135,982
Other	-	-	-	1,481,292
Intergovernmental	-	-	-	12,780,971
Charges for services	-	-	-	1,960,536
Investment income	-	-	-	60
Fines, forfeitures and penalties	-	-	-	263,436
Other	-	65,683	1,550	23,284,872
	<u>1,120</u>	<u>65,683</u>	<u>1,550</u>	<u>41,907,149</u>
Total revenues				
Expenditures:				
Current:				
General government	-	65,013	-	24,186,555
Public safety	-	-	-	9,070,547
Highways and streets	-	-	-	6,227,071
Health and welfare	-	-	-	2,163,115
Sanitation	-	-	-	127,068
Capital outlay:				
General government	-	-	-	66,597
Public safety	-	-	-	163,860
Health and welfare	-	-	-	28,161
	<u>-</u>	<u>65,013</u>	<u>-</u>	<u>42,032,974</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>1,120</u>	<u>670</u>	<u>1,550</u>	<u>(125,825)</u>
Other financing sources (uses):				
Transfers in	-	-	-	152,599
Transfers out	-	-	-	(41,336)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,263</u>
Total other financing sources/(uses)				
Net change in fund balances	1,120	670	1,550	(14,562)
Fund balances - beginning	-	-	3,015	13,763,721
	<u>-</u>	<u>-</u>	<u>3,015</u>	<u>13,763,721</u>
Fund balances - ending	<u>\$ 1,120</u>	<u>\$ 670</u>	<u>\$ 4,565</u>	<u>\$ 13,749,159</u>

MADISON COUNTY, INDIANA
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 December 31, 2019

	2015 COIT Sinking Fund	Star Bank Bldg Fund Non-Revert	Totals
Assets			
Cash and cash equivalents	\$ -	\$ 49,561	\$ 49,561
Total assets	-	49,561	49,561
Liabilities and Fund Balances:			
Liabilities:			
Total liabilities	-	-	-
Fund balances:			
Restricted for:			
Debt services	-	49,561	49,561
Total fund balances	-	49,561	49,561
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 49,561	\$ 49,561

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended December 31, 2019

	2015 COIT Sinking Fund	Star Bank Bldg Fund Non-Revert	Totals
Revenues:			
Intergovernmental	\$ 684,469	\$ -	\$ 684,469
Miscellaneous	-	80,786	80,786
Total revenues	<u>684,469</u>	<u>80,786</u>	<u>765,255</u>
Expenditures:			
Current:			
General government	319,188	-	319,188
Debt service:			
Principal	525,000	59,815	584,815
Interest	<u>(159,719)</u>	<u>22,306</u>	<u>(137,413)</u>
Total expenditures	<u>684,469</u>	<u>82,121</u>	<u>766,590</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,335)</u>	<u>(1,335)</u>
Net change in fund balances	-	(1,335)	(1,335)
Fund balances - beginning	<u>-</u>	<u>50,896</u>	<u>50,896</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 49,561</u>	<u>\$ 49,561</u>

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET -
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2019

Assets	Cumulative Bridge	Co Economic Dev (County)	General Drain Improvement	Juvenile Facilities Construct	8th Street Bridge Fund	Cum Recycling Center
Cash and cash equivalents	\$ 442,799	\$ 664,619	\$ 449,651	\$ -	\$ -	\$ 86,084
Receivables:						
Taxes	1,133,708	-	-	-	-	-
Intergovernmental	<u>51,851</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>1,628,358</u>	<u>664,619</u>	<u>449,651</u>	<u>-</u>	<u>-</u>	<u>86,084</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	<u>98,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>98,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflow of resources:						
Unavailable revenue	<u>1,122,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted for:						
Capital projects	<u>407,639</u>	<u>664,619</u>	<u>449,651</u>	<u>-</u>	<u>-</u>	<u>86,084</u>
Total fund balances	<u>407,639</u>	<u>664,619</u>	<u>449,651</u>	<u>-</u>	<u>-</u>	<u>86,084</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ 1,628,358</u>	<u>\$ 664,619</u>	<u>\$ 449,651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,084</u>

MADISON COUNTY, INDIANA

COMBINING BALANCE SHEET -
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2019

(cont'd)

Assets	Mad Co Emg Mgt Cap Equip	Mad Co. Hazmat Truck Fund	Windfarm Rd/Drain Inspect	Windfarm Economic Develop	2017 Project Fund-Govt Ctr Imp	Totals
Cash and cash equivalents	\$ 38,871	\$ 18,311	\$ 17,580	\$ 602,970	\$ -	\$ 2,320,885
Receivables:						
Taxes	-	-	-	-	-	1,133,708
Intergovernmental	-	-	-	-	-	51,851
<u>Total assets</u>	<u>38,871</u>	<u>18,311</u>	<u>17,580</u>	<u>602,970</u>	<u>-</u>	<u>3,506,444</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	-	-	-	-	-	98,238
Total liabilities	-	-	-	-	-	98,238
Deferred inflow of resources:						
Unavailable revenue	-	-	-	-	-	1,122,481
Fund balances:						
Restricted for:						
Capital projects	38,871	18,311	17,580	602,970	-	2,285,725
Total fund balances	38,871	18,311	17,580	602,970	-	2,285,725
Total liabilities, deferred inflow of resources, and fund balances	\$ 38,871	\$ 18,311	\$ 17,580	\$ 602,970	\$ -	\$ 3,506,444

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2019

	Cumulative Bridge	Co Economic Dev (County)	General Drain Improvement	Juvenile Facilities Construct	8th Street Bridge Fund	Cum Recycling Center
Revenues:						
Taxes:						
Property	\$ 995,792	\$ -	\$ 211,022	\$ -	\$ -	\$ -
Other	-	634,840	-	-	-	-
Intergovernmental	368,584	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-	18,441
Miscellaneous	7,000	-	42,041	-	234,632	773
Total revenues	<u>1,371,376</u>	<u>634,840</u>	<u>253,063</u>	<u>-</u>	<u>234,632</u>	<u>19,214</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Highways and streets	1,329,793	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Sanitation	-	-	-	-	-	28,709
Debt						
Principal paid on debt	-	-	223,021	-	-	-
Interest and fiscal charges	-	-	10,236	-	-	-
Capital outlay:						
General government	-	-	59,971	-	-	-
Highways and streets	-	-	-	-	847,416	-
Total expenditures	<u>1,329,793</u>	<u>-</u>	<u>293,228</u>	<u>-</u>	<u>847,416</u>	<u>28,709</u>
Excess (deficiency) of revenues over (under) expenditures	<u>41,583</u>	<u>634,840</u>	<u>(40,165)</u>	<u>-</u>	<u>(612,784)</u>	<u>(9,495)</u>
Other financing sources (uses):						
Transfers out	-	-	-	(111,263)	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(111,263)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	41,583	634,840	(40,165)	(111,263)	(612,784)	(9,495)
Fund balances - beginning	366,056	29,779	489,816	111,263	612,784	95,579
Fund balances - ending	<u>\$ 407,639</u>	<u>\$ 664,619</u>	<u>\$ 449,651</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,084</u>

MADISON COUNTY, INDIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
December 31, 2019

	Mad Co Emg Mgt Cap Equip	Mad Co Hazmat Truck Fund	Windfarm Rd/Drain Inspect	Windfarm Economic Develop	2017 Project Fund-Govt Ctr Imp	Totals
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,206,814
Other	-	-	-	-	-	634,840
Intergovernmental	-	-	-	-	-	368,584
Fines, forfeitures and penalties	-	-	-	-	-	18,441
Miscellaneous	70,019	-	-	-	-	354,465
Total revenues	70,019	-	-	-	-	2,583,144
Expenditures:						
Current:						
General government	-	-	-	360,000.00	-	360,000.00
Highways and streets	-	-	-	-	-	1,329,793
Health and welfare	87,768	-	-	-	-	87,768
Sanitation	-	-	-	-	-	28,709
Debt						
Principal paid on debt	-	-	-	-	-	223,021
Interest and fiscal charges	-	-	-	-	-	10,236
Capital outlay:						
General government	-	-	-	-	119,182	179,153
Highways and streets	-	-	-	-	-	847,416
Total expenditures	87,768	-	-	360,000	119,182	3,066,096
Excess (deficiency) of revenues over (under) expenditures	(17,749)	-	-	(360,000)	(119,182)	(482,952)
Other financing sources (uses):						
Transfers out	-	-	-	(400,000)	-	(511,263)
Total other financing sources and (uses)	-	-	-	(400,000)	-	(511,263)
Net change in fund balances	(17,749)	-	-	(760,000)	(119,182)	(994,215)
Fund balances - beginning	56,620	18,311	17,580	1,362,970	119,182	3,279,940
Fund balances - ending	\$ 38,871	\$ 18,311	\$ 17,580	\$ 602,970	\$ -	\$ 2,285,725

MADISON COUNTY, INDIANA

STATEMENT OF FIDUCIARY NET POSITION -
PRIVATE-PURPOSE TRUST
December 31, 2019

	<u>Cong. School - Principal</u>
Assets	
Cash and cash equivalents	<u>\$ 23,440</u>
Total assets	<u>\$ 23,440</u>
Liabilities	
Total liabilities	<u>\$ -</u>
Net position restricted for pensions	<u>\$ 23,440</u>

MADISON COUNTY, INDIANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
 PRIVATE-PURPOSE TRUST
 For The Year Ended December 31, 2019

	<u>Cong. School - Principal</u>
Additions	
Contributions	
Other	<u>\$ 46,879</u>
Total contributions	<u>46,879</u>
Total additions	<u>46,879</u>
Deductions	
Other trust activities	<u>46,879</u>
Total deductions	<u>46,879</u>
Change in fiduciary net position	-
Net position, beginning	<u>23,440</u>
Net position, ending	<u><u>\$ 23,440</u></u>

MADISON COUNTY, INDIANA

STATEMENT OF FIDUCIARY NET POSITION -
PENSION TRUST FUNDS
December 31, 2019

	Sheriff's Retirement Plan	Sheriff's Benefit Plan	Total Pension Trust Funds
Assets			
Cash and cash equivalents	\$ 1,076,739	\$ 65,562	\$ 1,142,301
Receivables:			
Employee contributions	20,854	-	20,854
Interest	17,003	643	17,646
Total receivables	37,857	643	38,500
Investments at fair value:			
Fixed income securities	4,447,185	254,891	4,702,076
Domestic and foreign equities	7,758,054	442,300	8,200,354
Total Investments	12,205,239	697,191	12,902,430
Total assets	13,319,835	763,396	14,083,231
Liabilities			
Payable - net benefits due and unpaid/(overpaid)	(2,439)	-	(2,439)
Due to broker for unsettled trades	8,117	783	8,900
Total liabilities	5,678	783	6,461
Net position restricted for pensions	\$ 13,314,157	\$ 762,613	\$ 14,076,770

MADISON COUNTY, INDIANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
PENSION TRUST FUNDS
For The Year Ended December 31, 2019

	Sheriff's Retirement Plan	Sheriff's Benefit Plan	Total Pension Trust Funds
Additions			
Contributions			
Employer contributions	\$ 1,223,678	\$ 42,042	\$ 1,265,720
Employee contributions	<u>78,004</u>	<u>-</u>	<u>78,004</u>
Total contributions	<u>1,301,682</u>	<u>42,042</u>	<u>1,343,724</u>
Investment income			
Interest	254,802	26,461	281,263
Net increase (decrease) in fair value of investments	1,569,932	80,756	1,650,688
Less investment expense, other than securities lending	<u>(66,563)</u>	<u>(3,153)</u>	<u>(69,716)</u>
Total investment income	<u>1,758,171</u>	<u>104,064</u>	<u>1,862,235</u>
Total additions	<u>3,059,853</u>	<u>146,106</u>	<u>3,205,959</u>
Deductions			
Benefit payments (including refunds of employee contributions)	1,072,717	7,560	1,080,277
Administrative expense	<u>22,936</u>	<u>15,130</u>	<u>38,066</u>
Total deductions	<u>1,095,653</u>	<u>22,690</u>	<u>1,118,343</u>
Change in fiduciary net position	1,964,200	123,416	2,087,616
Net position, beginning	<u>11,349,957</u>	<u>639,197</u>	<u>11,989,154</u>
Net position, ending	<u>\$ 13,314,157</u>	<u>\$ 762,613</u>	<u>\$ 14,076,770</u>

MADISON COUNTY, INDIANA

STATEMENT OF FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
DECEMBER 31, 2019

	Agency Fines and Fees	Agency Tax Funds	Tax Sale Funds	After Settlement Collections	Sheriff's Inmate Trust	Jail Commissary	Clerk Trust Account	Anderson Madison County Visitor and	Performance Bond Fund
Assets									
Cash and cash equivalents	\$ 28,370	\$ 419,564	\$ 2,194,674	\$ 4,399,062	\$ 57,757	\$ 261,986	\$ 1,004,768	\$ 261,532	\$ 4,000
Receivables									
Taxes	-	6,009	-	-	-	-	-	-	-
Accounts	16,745	-	-	-	-	-	-	-	-
Intergovernmental	-	443	-	-	-	-	-	-	-
Total receivables	16,745	6,452	-	-	-	-	-	-	-
Total assets	45,115	426,016	2,194,674	4,399,062	57,757	261,986	1,004,768	261,532	4,000
Liabilities									
Accounts Payable and other liabilities	45,115	-	2,194,674	-	57,757	261,986	1,004,768	261,532	4,000
Due to other governments	-	426,016	-	4,399,062	-	-	-	-	-
Total liabilities	45,115	426,016	2,194,674	4,399,062	57,757	261,986	1,004,768	261,532	4,000
Deferred property taxes	-	-	-	-	-	-	-	-	-
Net position, ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MADISON COUNTY, INDIANA

STATEMENT OF FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
DECEMBER 31, 2019

	City & Town Court Costs	Cong. School- Int.	Surplus Tax	Settlement	Weed Cutting	Sewer Service	LIT-PTR	Madison Co Conv & Tour	LIT Certified Shares
Assets									
Cash and cash equivalents	\$ 28,974	\$ 10,406	\$ 913,250	\$ -	\$ 32,341	\$ 57,085	\$ 248,307	\$ 52,710	\$ -
Receivables									
Taxes	-	-	-	112,754,510	-	-	-	46,934	8,081,197
Accounts	1,444	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Total receivables	<u>1,444</u>	<u>-</u>	<u>-</u>	<u>112,754,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,934</u>	<u>8,081,197</u>
Total assets	<u>30,418</u>	<u>10,406</u>	<u>913,250</u>	<u>112,754,510</u>	<u>32,341</u>	<u>57,085</u>	<u>248,307</u>	<u>99,644</u>	<u>8,081,197</u>
Liabilities									
Accounts Payable and other liabilities	30,418	10,406	913,250	-	32,341	57,085	-	-	-
Due to other governments	-	-	-	112,754,510	-	-	248,307	99,644	8,081,197
Total liabilities	<u>30,418</u>	<u>10,406</u>	<u>913,250</u>	<u>112,754,510</u>	<u>32,341</u>	<u>57,085</u>	<u>248,307</u>	<u>99,644</u>	<u>8,081,197</u>
Deferred property taxes	-	-	-	-	-	-	-	-	-
Net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MADISON COUNTY, INDIANA

STATEMENT OF FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
DECEMBER 31, 2019

	LIT Public Safety	Storm Sewer	Council Of Gov't	Total Custodial Funds
Assets				
Cash and cash equivalents	\$ -	\$ 46,599	\$ 173,327	\$ 10,194,712
Receivables				
Taxes	-	-	-	120,888,650
Accounts	-	-	-	18,189
Intergovernmental	-	-	-	443
Total receivables	-	-	-	120,907,282
Total assets	-	46,599	173,327	131,101,994
Liabilities				
Accounts Payable and other liabilities	-	46,599	173,327	5,093,258
Due to other governments	-	-	-	126,008,736
Total liabilities	-	46,599	173,327	131,101,994
Deferred property taxes	-	-	-	-
Net position, ending	\$ -	\$ -	\$ -	\$ -

MADISON COUNTY, INDIANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
For The Year Ended December 31, 2019

	Agency Fines and Fees	Agency Tax Funds	Tax Sale Funds	After Settlement Collections	Sheriff's Inmate Trust	Jail Commissary	Clerk Trust Account	Anderson Madison County Visitor and	Performance Bond Fund
Additions									
Taxes collected for other governments	\$ 275	\$ 6,075,127	\$ 5,920,439	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	319,765	-	-	4,399,062	952,017	653,557	11,351,670	680,650	-
Total additions	<u>320,040</u>	<u>6,075,127</u>	<u>5,920,439</u>	<u>4,399,062</u>	<u>952,017</u>	<u>653,557</u>	<u>11,351,670</u>	<u>680,650</u>	<u>-</u>
Deductions									
Taxes paid to other governments	-	6,075,127	5,920,439	-	-	-	-	-	-
Other trust activities	320,040	-	-	4,399,062	952,017	653,557	11,351,670	680,650	-
Total deductions	<u>320,040</u>	<u>6,075,127</u>	<u>5,920,439</u>	<u>4,399,062</u>	<u>952,017</u>	<u>653,557</u>	<u>11,351,670</u>	<u>680,650</u>	<u>-</u>
Change in fiduciary net position	-	-	-	-	-	-	-	-	-
Net position, beginning	-	-	-	-	-	-	-	-	-
Net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MADISON COUNTY, INDIANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
 CUSTODIAL FUNDS
 For The Year Ended December 31, 2019

	City & Town Court Costs	Cong. School-Int.	Surplus Tax	Settlement	Weed Cutting	Sewer Service	LIT-PTR	Madison Co Conv & Tour	LIT Certified Shares
Additions									
Taxes collected for other governments	\$ -	\$ -	\$ -	\$ 116,486,016	\$ 47,843	\$ 92,676	\$ 12,112,804	\$ -	\$ 32,306,805
Miscellaneous	20,774	18,750	-	-	-	-	-	714,284	-
Total additions	20,774	18,750	-	116,486,016	47,843	92,676	12,112,804	714,284	32,306,805
Deductions									
Taxes paid to other governments	-	-	-	116,486,016	-	-	12,112,804	-	32,306,805
Other trust activities	20,774	18,750	-	-	47,843	92,676	-	714,284	-
Total deductions	20,774	18,750	-	116,486,016	47,843	92,676	12,112,804	714,284	32,306,805
Change in fiduciary net position	-	-	-	-	-	-	-	-	-
Net position, beginning	-	-	-	-	-	-	-	-	-
Net position, ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

MADISON COUNTY, INDIANA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
CUSTODIAL FUNDS
For The Year Ended December 31, 2019

	<u>LIT Public Safety</u>	<u>Storm Sewer</u>	<u>Council Of Gov't</u>	<u>Total Custodial Funds</u>
Additions				
Taxes collected for other governments	\$ 6,056,402	\$ 71,023	\$ -	\$ 179,169,410
Miscellaneous	-	-	2,212,890	21,323,419
Total additions	<u>6,056,402</u>	<u>71,023</u>	<u>2,212,890</u>	<u>200,492,829</u>
Deductions				
Taxes paid to other governments	6,056,402	71,023	-	179,028,616
Other trust activities	-	-	2,212,890	21,464,213
Total deductions	<u>6,056,402</u>	<u>71,023</u>	<u>2,212,890</u>	<u>200,492,829</u>
Change in fiduciary net position	-	-	-	-
Net position, beginning	-	-	-	-
Net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER REPORTS

In addition to this report, other reports may have been issued for the County. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.