ANNUAL FINANCIAL REPORT
MADISON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2009

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ANNUAL FINANCIAL REPORT

MADISON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2009

DEPARTMENT OF AUDIT
JUSTIN P. WILSON
Comptroller of the Treasury

DIVISION OF COUNTY AUDIT
RICHARD V. NORMENT
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JAMES R. ARNETTE
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State Auditors

This financial report is available at www.tn.gov/comptroller

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Audit Highlights

Annual Financial Report
Madison County, Tennessee
For the Year Ended June 30, 2009

Scope

We have audited the basic financial statements of Madison County as of and for the year ended June 30, 2009.

Results

Our report on Madison County's financial statements is unqualified.

Our audit resulted in four findings and recommendations, which we have reviewed with Madison County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

MADISON COUNTY

- Madison County does not have the resources to produce financial statements and notes to the financial statements.

OFFICE OF FINANCE DIRECTOR

- The School Federal Projects Fund required material audit adjustments for proper financial statement presentation.
- Expenditures exceeded total appropriations in the Solid Waste/Sanitation Fund by $51,603. Appropriations exceeded estimated available funding in the General Capital Projects and School Federal Projects funds by $33,381 and $678,517, respectively.
- At June 30, 2009, the School Federal Projects Fund had a deficit of $557,480 in unreserved fund balance.

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Introductory Section

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Madison County Officials
June 30, 2009

Officials

Jimmy Harris, County Mayor
Fred Bowyer, Highway Engineer
Dr. Nancy Zambito, Director of Schools
Wilma Allen, Trustee
Frances Hunley, Assessor of Property
Freddie Pruitt, County Clerk
Judy Barnhill, Circuit and General Sessions Courts Clerk
Bart Swift, Juvenile Court Clerk
Pam Carter, Clerk and Master
Linda Waldon, Register
David Woolfork, Sheriff
Mike Nichols, Finance Director

Board of County Commissioners

Charles Byrd, Chairman
Jimmy Arnold
Fred Birmingham
Katie Brantley
Claudell Brown, Jr.
Gary Deaton
Aaron Ellison
Bill Hall
Jim Ed Hart
Arthur Johnson, Jr.
Barbara Johnson
Mark Johnstone
Terry Kuykendall
William Martin
Luther Mercer
Dale Morton
John Newman
James Pearson
Joe Roland
Lacy Rose
Douglas Roth
Billy Spain
Doug Stephenson
Bill Walls
Arthur Wilson

Board of Education

Dr. Joe Mays, Chairman
Grady Akins
Robert Alvey, Jr.
Dave Bratcher
Carol Carter-Estes
Becky Gordon
Billy Keeton
Anne Henning-Rowan
Dr. Linda Pride

Financial Management Committee

John Newman, Chairman
Fred Bowyer, Highway Engineer
Jimmy Harris, County Mayor
Dr. Nancy Zambito, Director of Schools
Gary Deaton
Dale Morton
James Pearson

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Financial Section

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

INDEPENDENT AUDITOR'S REPORT

October 7, 2009

Madison County Mayor and
Board of County Commissioners
Madison County, Tennessee

To the County Mayor and Board of County Commissioners:

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, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Madison County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Madison County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Madison County Emergency Communications District, which represent 3.5 percent and .8 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Madison County Emergency Communications District is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as

evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Madison County, Tennessee, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 7, 2009, on our consideration of Madison County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

As described in Note V.B., Madison County has adopted the provisions of Governmental Accounting Standards Board Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments.

The management of Madison County did not prepare a management's discussion and analysis. The management's discussion and analysis section is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America.

The budgetary comparison, pension, and postemployment benefits information for Madison County and the Madison County School Department on pages 79 through 89 are not required parts of the basic financial statements but they do provide supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Madison County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Madison County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements,

budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Madison County School Department (a discretely presented component unit), and the miscellaneous schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Very truly yours,

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

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Basic Financial Statements

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Exhibit A

Madison County, Tennessee
Statement of Net Assets
June 30, 2009

	Primary Government	Component Units	
	Governmental Activities	Madison County School Department	Emergency Communications District
ASSETS			
Cash	$ 75,483	$ 0	$ 2,782,475
Equity in Pooled Cash and Investments	15,543,120	5,857,623	0
Accounts Receivable	661,977	211,848	157,916
Allowance for Uncollectibles	(13,341)	0	0
Due from Other Governments	2,060,414	6,264,748	0
Property Taxes Receivable	28,192,866	13,257,326	0
Allowance for Uncollectible Property Taxes	(1,690,030)	(838,331)	0
Prepaid Items	999	0	0
Notes Receivable - Long-term	190,352	0	0
Accrued Interest Receivable	0	0	12,875
Deferred Charges - Debt Issuance Costs	394,525	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	8,346,077	2,091,562	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	17,726,023	66,648,805	0
Infrastructure	33,465,512	0	0
Other Capital Assets	3,885,041	5,360,718	597,478
Total Assets	$ 108,839,018	$ 98,854,299	$ 3,550,744
LIABILITIES			
Accounts Payable	$ 952,244	$ 70,340	$ 41,330
Accrued Leave	0	0	19,305
Payroll Deductions Payable	98,322	2,713,573	0
Contracts Payable	2,878	0	0
Accrued Interest Payable	671,694	0	0
Due to the State of Tennessee	210	0	0
Deferred Revenue - Current Property Taxes	25,624,742	11,958,213	0
Noncurrent Liabilities:			
Due Within One Year	7,009,532	308,813	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premiums on debt)	56,395,788	428,360	0
Total Liabilities	$ 90,755,410	$ 15,479,299	$ 60,635

(Continued)

Exhibit A

Madison County, Tennessee
Statement of Net Assets (Cont.)

	Primary Government	Component Units	
	Governmental Activities	Madison County School Department	Emergency Communications District
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	$ 52,219,467	$ 0	$ 0
Invested in Capital Assets	0	74,101,085	597,478
Restricted for:			
Capital Projects	1,111,897	624,919	0
Debt Service	5,339,904	0	0
Juvenile Service	324,510	0	0
Solid Waste/Sanitation	105,792	0	0
Local Purpose Tax	1,323,104	0	0
Highway/Public Works	3,697,656	0	0
Computer Systems	317,176	0	0
Long-term Note Receivable	190,352	0	0
Career Ladder	0	142,369	0
Title I Grants to Local Education Agencies	0	688,942	0
Innovative Education Program Strategies	0	72,723	0
Other Federal Reserves	0	81,077	0
Central Cafeteria	0	2,088,694	0
Other Purposes	120,765	0	0
Unrestricted	(46,667,015)	5,575,191	2,892,631
Total Net Assets	$ 18,083,608	$ 83,375,000	$ 3,490,109

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

Exhibit B

Madison County, Tennessee
Statement of Activities
For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Units: Madison County School Department	Net (Expense) Revenue and Changes in Net Assets: Component Units: Emergency Communications District
Primary Government:							
Governmental Activities:							
General Government	$ 2,494,363	$ 805,364	$ 115,250	$ 0	$ (1,573,749)	$ 0	$ 0
Finance	2,938,606	2,461,499	28,717	0	(448,390)	0	0
Administration of Justice	3,479,743	2,483,624	269,189	0	(726,930)	0	0
Public Safety	19,819,036	2,804,754	342,700	604,644	(16,066,938)	0	0
Public Health and Welfare	6,165,308	926,057	3,156,628	0	(2,082,623)	0	0
Social, Cultural, and Recreational Services	2,218,345	205,948	11,375	0	(2,001,022)	0	0
Agriculture and Natural Resources	356,351	48,331	0	0	(308,020)	0	0
Other Operations	3,246,136	14,657	0	0	(3,231,479)	0	0
Highways/Public Works	7,518,765	79,153	2,343,076	1,259,442	(3,837,094)	0	0
Interest on Long-term Debt	2,963,775	0	0	0	(2,963,775)	0	0
Other Debt Service	589,106	0	509,963	0	(79,143)	0	0
Total Primary Government	$ 51,789,534	$ 9,829,387	$ 6,776,898	$ 1,864,086	$ (33,319,163)	$ 0	$ 0
Component Units:							
Madison County School Department	$ 117,857,108	$ 2,194,259	$ 15,406,291	$ 0	$ 0	$ (100,256,558)	$ 0
Emergency Communications District	659,217	845,417	0	0	0	0	186,200
Total Component Units	$ 118,516,325	$ 3,039,676	$ 15,406,291	$ 0	$ 0	$ (100,256,558)	$ 186,200

(Continued)

Exhibit B

Madison County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Component Units: Madison County School Department	Net (Expense) Revenue and Changes in Net Assets: Component Units: Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					$ 18,569,509	$ 13,958,359	$ 0
Property Taxes Levied for Debt Service					8,101,768	0	0
Local Option Sales Taxes					886,339	32,492,657	0
Business Taxes					1,439,100	11,159	0
Litigation Taxes					719,601	0	0
Hotel/Motel Taxes					352,794	0	0
Wholesale Beer Taxes					341,654	0	0
Other Local Taxes					55,884	0	0
Grants and Contributions Not Restricted to Specific Programs					2,224,286	50,050,526	16,795
Unrestricted Investment Earnings					528,387	0	66,190
Miscellaneous					288,863	160,281	2,412
Total General Revenues					$ 33,508,185	$ 96,672,982	$ 85,397
Change in Net Assets					$ 189,022	$ (3,583,576)	$ 271,597
Net Assets, July 1, 2008					17,894,586	86,958,576	3,218,512
Net Assets, June 30, 2009					$ 18,083,608	$ 83,375,000	$ 3,490,109

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

Exhibit C-1

Madison County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2009

	Major Funds			Nonmajor Funds	
	General	Highway/ Public Works	General Debt Service	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 75,483	$ 75,483
Equity in Pooled Cash and Investments	2,994,048	3,466,112	4,612,241	2,600,500	13,672,901
Accounts Receivable	430,112	32,109	135,793	63,963	661,977
Allowance for Uncollectibles	(13,341)	0	0	0	(13,341)
Due from Other Governments	1,420,763	431,609	0	208,042	2,060,414
Due from Other Funds	78,603	0	0	0	78,603
Property Taxes Receivable	15,110,152	1,749,521	7,498,151	3,835,042	28,192,866
Allowance for Uncollectible Property Taxes	(879,655)	(106,716)	(479,619)	(224,040)	(1,690,030)
Prepaid Items	0	0	0	999	999
Notes Receivable - Long-term	190,352	0	0	0	190,352
Total Assets	$ 19,331,034	$ 5,572,635	$ 11,766,566	$ 6,559,989	$ 43,230,224
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 774,996	$ 1,262	$ 0	$ 15,516	$ 791,774
Payroll Deductions Payable	13,221	47,420	0	37,681	98,322
Contracts Payable	0	0	0	2,878	2,878
Due to Other Funds	0	0	0	78,603	78,603
Due to State of Tennessee	210	0	0	0	210
Deferred Revenue - Current Property Taxes	13,788,552	1,586,294	6,751,916	3,497,980	25,624,742
Deferred Revenue - Delinquent Property Taxes	388,945	49,311	232,616	100,122	770,994
Other Deferred Revenues	173,196	206,000	0	0	379,196
Total Liabilities	$ 15,139,120	$ 1,890,287	$ 6,984,532	$ 3,732,780	$ 27,746,719
Fund Balances					
Reserved for Encumbrances	$ 161,386	$ 372	$ 0	$ 35,292	$ 197,050
Reserved for Drug Court	38,556	0	0	0	38,556
Reserved for Sexual Offender Registration	11,490	0	0	0	11,490
Reserved for Courtroom Security	7,514	0	0	0	7,514
Reserved for Victims Assistance Programs	1,177	0	0	0	1,177
Reserved for Computer System - Register	116,714	0	0	0	116,714
Reserved for Automation Purposes - Circuit Court	166,525	0	0	0	166,525
Reserved for Automation Purposes - Chancery Court	16,862	0	0	0	16,862
Reserved for Automation Purposes - Sheriff	12,550	0	0	0	12,550
Reserved for Automation Purposes - County Clerk	4,525	0	0	0	4,525
Reserved for Long-term Notes Receivable	190,352	0	0	0	190,352
Unreserved, Reported In:					
General Fund	3,464,263	0	0	0	3,464,263
Special Revenue Funds	0	3,681,976	0	1,735,386	5,417,362
Debt Service Funds	0	0	4,782,034	0	4,782,034
Capital Projects Funds	0	0	0	1,056,531	1,056,531
Total Fund Balances	$ 4,191,914	$ 3,682,348	$ 4,782,034	$ 2,827,209	$ 15,483,505
Total Liabilities and Fund Balances	$ 19,331,034	$ 5,572,635	$ 11,766,566	$ 6,559,989	$ 43,230,224

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

Exhibit C-2

Madison County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
June 30, 2009

Amounts reported for governmental activities in the statement of net assets (Exhibit A) are different because:		
Total fund balances - balance sheet - governmental funds (Exhibit C-1)		$ 15,483,505
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 8,346,077	
Add: infrastructure net of accumulated depreciation	33,465,512	
Add: buildings and improvements net of accumulated depreciation	17,726,023	
Add: other capital assets net of accumulated depreciation	3,885,041	63,422,653
(2) Internal service funds are used by management to charge the costs of employee health benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		1,709,749
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	$ (14,456,380)	
Less: bonds payable	(45,360,000)	
Add: deferred amount on refunding	996,948	
Add: deferred charges - debt issuance costs	394,525	
Less: compensated absences payable	(1,554,471)	
Less: other postemployment benefits liability	(398,985)	
Less: accrued interest on bonds and notes	(671,694)	
Less: other deferred revenue - premium on debt	(2,632,432)	(63,682,489)
(4) Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the governmental funds.		1,150,190
Net assets of governmental activities (Exhibit A)		$ 18,083,608

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

Exhibit C-3

Madison County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2009

	Major Funds			Nonmajor Funds	
	General	Highway/ Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
Revenues					
Local Taxes	$ 17,571,497	$ 1,838,015	$ 8,550,197	$ 3,574,336	$ 31,534,045
Licenses and Permits	356,472	0	0	0	356,472
Fines, Forfeitures, and Penalties	492,500	0	0	49,743	542,243
Charges for Current Services	1,091,340	0	0	0	1,091,340
Other Local Revenues	337,253	68,128	494,630	93,925	993,936
Fees Received from County Officials	4,688,739	0	0	0	4,688,739
State of Tennessee	5,188,301	3,424,011	0	380,702	8,993,014
Federal Government	834,697	0	0	164,046	998,743
Other Governments and Citizens Groups	1,664,608	0	0	52,517	1,717,125
Total Revenues	$ 32,225,407	$ 5,330,154	$ 9,044,827	$ 4,315,269	$ 50,915,657
Expenditures					
Current:					
General Government	$ 1,988,762	$ 0	$ 0	$ 263,843	$ 2,252,605
Finance	2,778,590	0	0	0	2,778,590
Administration of Justice	2,916,387	0	0	93,340	3,009,727
Public Safety	16,699,485	0	0	2,065,499	18,764,984
Public Health and Welfare	4,961,900	0	0	1,019,557	5,981,457
Social, Cultural, and Recreational Services	2,025,804	0	0	119,965	2,145,769
Agriculture and Natural Resources	343,428	0	0	0	343,428
Other Operations	2,536,105	0	0	1,770,424	4,306,529
Highways	0	5,496,651	0	319,304	5,815,955
Debt Service:					
Principal on Debt	14,472	0	5,680,000	0	5,694,472
Interest on Debt	2,616	0	3,007,118	0	3,009,734
Other Debt Service	0	0	170,712	0	170,712
Total Expenditures	$ 34,267,549	$ 5,496,651	$ 8,857,830	$ 5,651,932	$ 54,273,962
Excess (Deficiency) of Revenues Over Expenditures	$ (2,042,142)	$ (166,497)	$ 186,997	$ (1,336,663)	$ (3,358,305)
Other Financing Sources (Uses)					
Insurance Recovery	$ 84,597	$ 6,840	$ 0	$ 53,733	$ 145,170
Transfers In	29,203	0	0	55,000	84,203
Transfers Out	(5,000)	(29,203)	0	(50,000)	(84,203)
Total Other Financing Sources (Uses)	$ 108,800	$ (22,363)	$ 0	$ 58,733	$ 145,170
Net Change in Fund Balances	$ (1,933,342)	$ (188,860)	$ 186,997	$ (1,277,930)	$ (3,213,135)
Fund Balance, July 1, 2008	6,125,256	3,871,208	4,595,037	4,105,139	18,696,640
Fund Balance, June 30, 2009	$ 4,191,914	$ 3,682,348	$ 4,782,034	$ 2,827,209	$ 15,483,505

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

Exhibit C-4

Madison County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2009

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3)		$ (3,213,135)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	$ 1,609,338	
Less: current year depreciation expense	(3,501,810)	(1,892,472)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Add: gain on disposal of capital assets	$ 14,164	
Less: loss on disposal of capital assets	(1,689)	
Less: proceeds from sale of capital assets	(22,054)	(9,579)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2009	$ 1,150,190	
Less: deferred delinquent property taxes and other deferred June 30, 2008	(1,636,095)	(485,905)
(4) The issuance of long-term debt (e.g., bonds, notes, other loans) 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 transactions, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Less: change in deferred debt issuance costs	$ (62,020)	
Less: change in deferred amount on refunding	(356,374)	
Add: change in premium on debt issuances	509,963	
Add: principal payments on bonds	1,250,000	
Add: principal payments on notes	4,444,472	5,786,041
(5) 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 the governmental funds.		
Change in accrued interest payable	$ 45,959	
Change in compensated absences payable	(14,587)	
Change in other postemployment benefits liability	(398,985)	(367,613)
(6) Internal service funds are used by management to charge the costs of employee insurance to individual funds. The net revenue (expense) of certain activities of internal service funds is reported with governmental activities in the statement of activities.		371,685
Change in net assets of governmental activities (Exhibit B)		$ 189,022

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

Exhibit D-1

Madison County, Tennessee
Statement of Net Assets
Proprietary Fund
June 30, 2009

	Governmental Activities - Internal Service Fund
	Employee Insurance Fund
ASSETS	
Equity in Pooled Cash and Investments	$ 1,870,219
Total Assets	$ 1,870,219
LIABILITIES	
Accounts Payable	$ 160,470
Total Liabilities	$ 160,470
NET ASSETS	
Unrestricted	$ 1,709,749
Total Net Assets	$ 1,709,749

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

Exhibit D-2

Madison County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Assets
Proprietary Fund
For the Year Ended June 30, 2009

	Governmental Activities - Internal Service Fund
	Employee Insurance Fund
Operating Revenues	
Self-Insurance Premiums/Contributions	$ 2,983,055
Total Operating Revenues	$ 2,983,055
Operating Expenses	
Excess Risk Insurance	$ 269,024
Medical Claims	2,178,912
Other Charges	196,118
Total Operating Expenses	$ 2,644,054
Operating Income (Loss)	$ 339,001
Nonoperating Revenues	
Investment Income	$ 32,684
Total Nonoperating Revenues	$ 32,684
Change in Net Assets	$ 371,685
Net Assets, July 1, 2008	1,338,064
Net Assets, June 30, 2009	$ 1,709,749

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

Exhibit D-3

Madison County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2009

	Governmental Activities - Internal Service Fund
	Employee Insurance Fund
Cash Flows From Operating Activities	
Receipts for Self-Insurance Premiums	$ 2,983,055
Payments for Medical Claims	(2,616,138)
Payments for Administrative Costs	(1,307)
Net Cash Provided By (Used In) Operating Activities	$ 365,610
Cash Flows From Investing Activities	
Investment Income	$ 32,684
Net Cash Provided By (Used In) Investing Activities	$ 32,684
Increase (Decrease) in Cash	$ 398,294
Cash, July 1, 2008	1,471,925
Cash, June 30, 2009	$ 1,870,219
Reconciliation of Net Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	$ 339,001
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Change in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	26,609
Net Cash Provided By (Used In) Operating Activities	$ 365,610
Reconciliation of Cash With Statement of Net Assets	
Equity in Pooled Cash and Investments	$ 1,870,219
Cash, June 30, 2009	$ 1,870,219

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

Exhibit E

Madison County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2009

	Agency Funds
ASSETS	
Cash	$ 3,887,273
Equity in Pooled Cash and Investments	120,422
Accounts Receivable	59,000
Due from Other Governments	1,805,600
Total Assets	$ 5,872,295
LIABILITIES	
Due to Other Taxing Units	$ 1,889,483
Due to Litigants, Heirs, and Others	3,887,273
Other Current Liabilities	95,539
Total Liabilities	$ 5,872,295

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Madison County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Madison County:

A. Reporting Entity

Madison County is a public municipal corporation governed by an elected 25-member board. As required by GAAP, these financial statements present Madison County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

Discretely Presented Component Units – The following entities meet the criteria for discretely presented component units of the county. They are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the county.

The Madison County School Department operates the public school system in the county, and the voters of Madison County elect its board. The School Department is fiscally dependent on the county because it may not issue debt without county approval, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Madison County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Madison County, and the Madison County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Madison County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Madison County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Madison County Emergency Communications District
546 East College Street, Room 219
Jackson, Tennessee 38301

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, when applicable, interfund services provided and used between functions are not eliminated in the process of consolidation in the statement of activities. Governmental activities are normally supported by taxes and intergovernmental revenues. Business-type activities, which rely to a significant extent on fees and charges, are required to be reported separately from governmental activities in government-wide financial statements. However, the primary government of Madison County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Madison County School Department component unit only reports governmental activities in the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds (internal service), and fiduciary funds. The internal service fund is reported with the governmental activities in the government-wide financial statements, and the fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the

proprietary fund and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of Madison 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 that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Madison County reports only one proprietary fund, an internal service fund. It has no enterprise funds to report.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The internal service fund and the fiduciary funds in total are reported in single columns by fund type.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Madison County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Proprietary fund and fiduciary funds financial statements are reported using the economic resources measurement focus (except for agency funds, which have no measurement focus) and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Madison County reports the following major governmental funds:

General Fund – This is the county's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Highway/Public Works Fund – This fund accounts for transactions of the county's Highway Department.

General Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, Madison County reports the following fund types:

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Internal Service Fund – The Employee Insurance Fund is used to account for the self-insured employee health insurance program.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Madison County, assessments for the watershed district, and hotel/motel taxes for the Jackson-Madison County Community Economic Development Commission. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Madison County School Department reports the following major governmental fund:

General Purpose School Fund – This fund is the primary operating fund for the School Department. It is used to account for general operations of the School Department.

Additionally, the Madison County School Department reports the following fund types:

Special Revenue Funds – These funds account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Capital Projects Fund – The Education Capital Projects Fund accounts for transactions involving building construction and renovations of the School Department.

Fiduciary Fund – The Pension Trust Fund is used to account for a former City of Jackson Teacher Retirement Plan, which was assumed by the Madison County Board of Education, as a result of the consolidation of the city and county school systems.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund (internal service fund) used to account for employees' health insurance coverage. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's internal service fund are insurance premiums. Operating expenses for the internal service fund include administrative expenses and medical benefits.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted revenues first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

For purposes of the statement of cash flows, cash consists entirely of Equity in Pooled Cash and Investments with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Madison County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Madison County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit and investments in the State Treasurer's Investment Pool are reported at cost. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

Activity between funds for unremitted current collections outstanding at the end of the fiscal year is referred to as due to/from other funds.

All Health Department and property taxes receivables are shown with an allowance for uncollectibles. The Health Department receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 3.16 percent of total taxes levied.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also

defer revenue recognition in connection with resources that have been received, but not yet earned.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as deferred revenue as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet with offsetting deferred revenue to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

3. <u>Prepaid Items</u>

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

4. <u>Capital Assets</u>

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $15,000 or more (infrastructure $50,000) and an estimated useful life of more than one year. Capital assets are defined by the discretely presented Madison County School Department as assets with an initial, individual cost of

more than $15,000 (buildings $100,000) and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

Assets	Years
Buildings and Improvements	25-40
Other Capital Assets	5-30
Infrastructure:	
Roads	5-30
Bridges	30

5. Compensated Absences

Madison County and the discretely presented Madison County School Department permit employees to accumulate a limited amount of earned but unused vacation benefits that will be paid to employees upon separation from service. All vacation leave is accrued when incurred in the government-wide statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. The granting of sick leave has no guaranteed payment attached except for employees of the Highway Department and therefore is not required to be accrued or recorded.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Debt premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the debt using the straight-line method. Debt issuance costs are reported as deferred charges and amortized over the term of the related debt. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is

netted against the new debt and amortized over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Assets and Fund Equity

In the government-wide financial statements and the proprietary fund in the fund financial statements, equity is classified as net assets and displayed in three components:

a. Invested in capital assets, net of related debt – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net assets – Consists of net assets with constraints placed on the 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 assets – All other net assets that do not meet the definition of restricted or invested in capital assets, net of related debt.

As of June 30, 2009, Madison County had $48,892,791 in outstanding debt for capital purposes for the discretely presented Madison County School Department. This debt is a liability of Madison County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Madison County has incurred a liability significantly decreasing its unrestricted net assets with no corresponding increase in the county's capital assets.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. The following table reflects designations on June 30, 2009:

Fund/Purpose	Amount
General:	
Health Department - AIDS Program	$ 31,994
Health Department - Local Current Services	1,713,654
Health Department - WIC Program	564,392
Health Department - Hotels, Pools, and Food Services	288,917
Health Department - STD Program	271,381

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

Discretely Presented Madison County School Department

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide statement of net assets.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net changes in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide statement of activities.

Discretely Presented Madison County School Department

Exhibit J-5 includes explanations of the nature of individual elements of items required to reconcile the net changes in fund balances – total governmental funds with the change in net assets of governmental activities reported in the government-wide statement of activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the District Attorney General Fund (special revenue fund) and the Constitutional Officers - Fees Fund (special revenue fund) which are not budgeted. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor, Personnel, County Attorney, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

B. Fund Deficit

The discretely presented School Department's School Federal Projects Fund (special revenue fund) had a deficit in unreserved fund balance of $557,480. This deficit resulted because grant funds had not been requested on a timely basis.

C. Expenditures and Encumbrances Exceeded Appropriations

Expenditures and encumbrances exceeded total appropriations approved by the County Commission in the Solid Waste/Sanitation Fund by $51,603.

Expenditures and encumbrances exceeded appropriations approved by the County Commission in the following funds' major appropriation categories (the legal level of control):

Fund	Major Appropriation Category		Amount Overspent
General	Agriculture Extension Service	$	2,949
General Capital Projects	County Buildings		731
"	Parks and Fair Boards		7,372
General Purpose School	Regular Instruction Program		2,742

Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balances.

D. Appropriations Exceeded Estimated Available Funds

The budget and subsequent amendments submitted to and approved by the County Commission for the General Capital Projects and School Federal Projects funds resulted in appropriations exceeding estimated available funding by $33,381 and $678,517, respectively.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Madison County and the Madison County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net assets as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net assets represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members

of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, state statutes require that all deposits be collateralized with collateral whose market value is equal to 105 percent of the uninsured amount of the deposits. The collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the county.

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase agreements. Repurchase agreements must be approved by the state director of Local Finance and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the market value of the securities on the day of purchase.

Investment Balances. As of June 30, 2009, Madison County had the following investments carried at cost. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Madison County and the discretely presented Madison County School Department since both pool their deposits and investments through the county trustee.

Investment	Maturities		Cost
State Treasurer's Investment Pool	Daily	$	4,868,763

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Madison County does not have a formal investment policy that limits investment

maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Madison County has no investment policy that would further limit its investment choices. As of June 30, 2009, Madison County's investment in the State Treasurer's Investment Pool was unrated.

B. Note Receivable

The note receivable in the General Fund represents a long-term loan made to the Pinson Utility District ($190,352) and is offset by a reservation of fund balance.

C. Capital Assets

Capital assets activity for the year ended June 30, 2009, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	$ 8,306,677	$ 39,400	$ 0	$ 8,346,077
Construction in Progress	60,023	0	60,023	0
Total Capital Assets Not Depreciated	$ 8,366,700	$ 39,400	$ 60,023	$ 8,346,077
Capital Assets Depreciated:				
Buildings and Improvements	$ 25,832,135	$ 38,400	$ 0	$ 25,870,535
Roads and Bridges	57,133,743	361,965	0	57,495,708
Other Capital Assets	13,242,481	1,229,596	112,200	14,359,877
Total Capital Assets Depreciated	$ 96,208,359	$ 1,629,961	$ 112,200	$ 97,726,120

Governmental Activities (Cont.)

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 7,505,375	$ 639,137	$ 0	$ 8,144,512
Roads and Bridges	22,139,539	1,890,657	0	24,030,196
Other Capital Assets	9,605,441	972,016	102,621	10,474,836
Total Accumulated Depreciation	$ 39,250,355	$ 3,501,810	$ 102,621	$ 42,649,544
Total Capital Assets Depreciated, Net	$ 56,958,004	$ (1,871,849)	$ 9,579	$ 55,076,576
Governmental Activities Capital Assets, Net	$ 65,324,704	$ (1,832,449)	$ 69,602	$ 63,422,653

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

Governmental Activities:

General Government	$ 17,086
Finance	17,114
Administration of Justice	161,446
Public Safety	939,146
Public Health and Welfare	230,895
Social, Cultural, and Recreational Services	76,244
Agriculture and Natural Resources	8,161
Other Operations	30,339
General Administration	890
Highways/Public Works	2,020,489
Total Depreciation Expense - Governmental Activities	$ 3,501,810

Discretely Presented Madison County School Department

Governmental Activities:

	Balance 7-1-08	Increases	Decreases	Balance 6-30-09
Capital Assets Not Depreciated:				
Land	$ 2,091,562	$ 0	$ 0	$ 2,091,562
Total Capital Assets Not Depreciated	$ 2,091,562	$ 0	$ 0	$ 2,091,562
Capital Assets Depreciated:				
Buildings and Improvements	$ 106,577,314	$ 0	$ 0	$ 106,577,314
Other Capital Assets	10,603,689	1,249,044	57,200	11,795,533
Total Capital Assets Depreciated	$ 117,181,003	$ 1,249,044	$ 57,200	$ 118,372,847
Less Accumulated Depreciated For:				
Buildings and Improvements	$ 37,484,848	$ 2,443,661	$ 0	$ 39,928,509
Other Capital Assets	5,793,999	673,547	32,731	6,434,815
Total Accumulated Depreciation	$ 43,278,847	$ 3,117,208	$ 32,731	$ 46,363,324
Total Capital Assets Depreciated, Net	$ 73,902,156	$ (1,868,164)	$ 24,469	$ 72,009,523
Governmental Activities Capital Assets, Net	$ 75,993,718	$ (1,868,164)	$ 24,469	$ 74,101,085

Depreciation expense was charged to functions of the discretely presented Madison County School Department as follows:

Governmental Activities:

Instruction	$ 2,218,773
Support Services	702,146
Operation of Non-Instructional Services	196,289
Total Depreciation Expense - Governmental Activities	$ 3,117,208

D. Construction Commitments

At June 30, 2009, the Education Capital Projects Fund had uncompleted construction contracts of $233,123 for repair and maintenance to various schools. Funding has been received for these future expenditures.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2009, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 78,603
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	378,025
General Purpose School	Other trust	3,572

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made.

A portion of the receivable in the General Purpose School Fund ($12,298) was in transit from the School Federal Projects Fund at June 30, 2009.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2009, consisted of the following amounts:

Primary Government

	Transfers In	
Transfers Out	General Fund	Nonmajor Governmental Funds
General Fund	$ 0	$ 5,000
Highway/Public Works	29,203	0
Nonmajor governmental funds	0	50,000

Discretely Presented Madison County School Department

Transfers Out	Transfers In: General Purpose School Fund	Transfers In: Nonmajor Governmental Funds
General Purpose School Fund	$ 0	$ 214,031
Nonmajor governmental funds	12,299	0

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

F. Long-term Debt

Primary Government

General Obligation Bonds and Notes

The county issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment. In addition, capital outlay notes have been issued to refund other capital outlay notes.

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds and capital outlay notes were issued for original terms of up to 14 years for bonds and up to 21 years for notes. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes included in long-term debt as of June 30, 2009, will be retired from the General Debt Service Fund, with the exception of a wastewater facilities note with a $71,380 outstanding balance, which will be retired from the General Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2009, are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-09
General Obligation Bonds	2 to 5 %	$ 35,900,000	$ 10,800,000
General Obligation Bonds - Refunding	3.85 to 5	35,060,000	34,560,000
Capital Outlay Notes	3.3	250,000	71,380
Capital Outlay Notes - Refunding	4 to 5	21,315,000	14,385,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2009, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2010	$ 1,200,000	$ 2,054,854	$ 3,254,854
2011	1,900,000	2,016,774	3,916,774
2012	2,650,000	1,957,694	4,607,694
2013	4,400,000	1,827,114	6,227,114
2014	5,960,000	1,640,914	7,600,914
2015-2019	29,250,000	3,929,082	33,179,082
Total	$ 45,360,000	$ 13,426,432	$ 58,786,432

Year Ending June 30	Notes		
	Principal	Interest	Total
2010	$ 4,534,964	$ 721,374	$ 5,256,338
2011	4,280,468	494,870	4,775,338
2012	4,015,984	281,104	4,297,088
2013	1,616,512	80,576	1,697,088
2014	8,452	84	8,536
Total	$ 14,456,380	$ 1,578,008	$ 16,034,388

There is $4,782,034 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled $494, based on the 2000 federal census. Debt per capita, including bonds and notes, totaled $651, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2009, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2008	$ 46,610,000	$ 18,900,852
Deductions	(1,250,000)	(4,444,472)
Balance, June 30, 2009	$ 45,360,000	$ 14,456,380
Balance Due Within One Year	$ 1,200,000	$ 4,534,964

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2008	$ 1,539,884	$ 0
Additions	1,292,660	526,941
Deductions	(1,278,073)	(127,956)
Balance, June 30, 2009	$ 1,554,471	$ 398,985
Balance Due Within One Year	$ 1,274,568	$ 0

Compensated absences will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	$ 61,769,836
Add: Unamortized Premium on Debt	2,632,432
Less: Balance Due Within One Year	(7,009,532)
Less: Deferred Amount on Refunding	(996,948)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 56,395,788

Discretely Presented Madison County School Department

Changes in Long-term Liabilities

Long-term liability activity for the discretely presented Madison County School Department for the year ended June 30, 2009, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2008	$ 346,351	$ 214,824
Additions	414,936	855,667
Deductions	(448,104)	(646,501)
Balance, June 30, 2009	$ 313,183	$ 423,990
Balance Due Within One Year	$ 308,813	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2009	$ 737,173
Less: Balance Due Within One Year	(308,813)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 428,360

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General Purpose School and Central Cafeteria funds.

G. On-Behalf Payments – Discretely Presented Madison County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Madison County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended

June 30, 2009, were $493,002 and $91,042, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

Madison County issued tax/revenue anticipation notes in advance of property tax collections and other revenue sources and deposited the proceeds in the General Fund. These notes were necessary because funds were not available for general operating expenses coming due before current tax collections and other revenue sources. Short-term debt activity for the year ended June 30, 2009, was as follows:

	Balance 7-1-08	Issued	Paid	Balance 6-30-09
Tax/Revenue Anticipation Notes	$ 0	$ 1,500,000	$ (1,500,000)	$ 0

Discretely Presented Madison County School Department

Madison County issued tax anticipation notes and revenue anticipation notes in advance of property tax collections and other revenue sources and deposited the proceeds in the discretely presented General Purpose School Fund ($2,800,000), School Federal Projects Fund ($500,000), and Education Capital Projects Fund ($1,000,000). These notes were necessary because funds were not available for general operating expenses coming due before current tax collections and other revenue sources. Short-term debt activity for the year ended June 30, 2009, was as follows:

	Balance 7-1-08	Issued	Paid	Balance 6-30-09
Tax/Revenue Anticipation Notes	$ 0	$ 4,300,000	$ (4,300,000)	$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county has chosen to establish the Employee Insurance Fund for risks associated with the employees' health insurance plan. The Employee Insurance Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county retains the risk of loss to a limit

of $85,000 per specific loss and 100 percent of expected claims. The county obtained an excess risk insurance policy to cover claims beyond any amounts exceeding these limits. The premiums for the excess risk insurance and administration fees are paid directly to the administrator of the county's employee insurance plan by the various funds and departments participating in the plan.

All full-time employees of the primary government are eligible to participate. A premium charge is allocated to each fund that accounts for full-time employees. This charge is based on the demographics of the group, the cost of medical care, the prior claim experience, and expected liability during the 2008-09 year. 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. The Employee Insurance Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	Balance at Fiscal Year-end
2007-08	$ 110,703	$ 3,642,336	$ (3,619,178)	$ 133,861
2008-09	133,861	2,642,747	(2,616,138)	160,470

The county continues to carry commercial insurance for all other risks of loss, including general liability, property, casualty, and workers' compensation. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Discretely Presented Madison County School Department

The discretely presented Madison County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, Tennessee Code Annotated (TCA), all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, TCA, provides for the LEGIF to be self-sustaining through member premiums.

The Madison County School Department continues to carry commercial insurance for all other risks of loss, including general liability, property, casualty, and workers' compensation. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations; and Statement No. 52, Land and Other Real Estate Held as Investments by Endowments became effective for the year ended June 30, 2009.

GASB Statement No. 49 requires county governments to measure and report their pollution remediation liabilities. A county has a pollution remediation problem if one of five obligating events occurs. The statement requires governments to restate beginning net assets in government-wide and proprietary fund financial statements for pollution remediation liabilities that existed as of July 1, 2008. Previous to Statement No. 49, counties were not required to measure and record pollution remediation liabilities. GASB Statement No. 49 had no effect on the financial statements of Madison County for the year ended June 30, 2009, since the county had none of the obligating events. However, it is reasonably expected that Madison County could have pollution remediation liabilities in subsequent years.

GASB Statement No. 52 requires endowments to report land and other real estate investments at fair value. Previous to Statement No. 52, land and other real estate held by endowments were reported at historical cost. Changes in fair value between years will be reported as investment income (loss). GASB Statement No. 52 had no effect on the financial statements of Madison County for the year ended June 30, 2009, since the county had no endowment investments. However, it is reasonably expected that Madison County could have endowment investments in subsequent years.

C. Subsequent Events

Subsequent to June 30, 2009, Madison County issued tax anticipation notes to provide funds to meet anticipated expenditures of funds as detailed on the following page.

Date Issued	Amount of Note	Fund	Holder of Note
8-12-09	$ 3,000,000	General Purpose School	General Debt Service
8-12-09	100,000	Solid Waste/Sanitation	Local Purpose Tax
8-26-09	500,000	General	Local Purpose Tax
8-26-09	100,000	Solid Waste/Sanitation	Local Purpose Tax
8-26-09	100,000	General Capital Projects	Local Purpose Tax

D. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

E. Joint Ventures

Madison County and the City of Jackson jointly operate the Jackson-Madison County Airport Authority, Jackson-Madison County Community Economic Development Commission, Jackson-Madison County General Hospital, and Jackson-Madison County Library. The boards of the Airport Authority, General Hospital, Community Economic Development Commission, and Jackson-Madison County Library each comprise five members who are alternately appointed each year by Madison County and the City of Jackson.

Madison County has control over budget and financing of the above joint ventures only to the extent of representation by its appointed board or commission members. Madison County contributed $211,620 to the Airport Authority for its operations during the year ended June 30, 2009. One-half of this contribution was refunded to Madison County by the City of Jackson per an agreement between Madison County and the City of Jackson. Madison County provides annual support to the library for its operations. Funding for the Community Economic Development Commission is provided through a hotel/motel tax levied jointly by the City of Jackson and Madison County. Twenty percent of the monies collected from this tax is allocated to the Community Economic Development Commission pursuant to the provisions of a private act. Madison County does not have an equity interest in any of the above-mentioned joint ventures. Complete financial statements for the above-noted joint ventures can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Jackson-Madison County Airport Authority
308 Grady Montgomery Drive
Jackson, TN 38301

Jackson-Madison County Community
Economic Development Commission
197 Auditorium Street
Jackson, TN 38301

Jackson-Madison County General Hospital
620 Skyline Drive
Jackson, TN 38301-3956

Jackson-Madison County Library
433 East LaFayette
Jackson, TN 38301

F. Retirement Commitments

Employees

Plan Description

Employees of Madison County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Madison County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs.

Funding Policy

Madison County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2009, was 13.91 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for Madison County is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2009, Madison County's annual pension cost of $4,545,746 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2007, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected postretirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a five-year period. Madison County's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2007, was 11 years. An actuarial valuation was performed as of July 1, 2007, which established contribution rates effective July 1, 2008.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-09	$4,545,746	100%	$0
6-30-08	4,320,369	100	0
6-30-07	4,169,490	100	0

Funded Status and Funding Progress

As of July 1, 2007, the most recent actuarial valuation date, the plan was 87.64 percent funded. The actuarial accrued liability for benefits was $82.14 million, and the actuarial value of assets was $71.98 million, resulting in an unfunded actuarial accrued liability (UAAL) of $10.16 million. The covered payroll (annual payroll of active employees covered by the plan) was

$29 million, and the ratio of the UAAL to the covered payroll was 35.4 percent.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

School Teachers

Plan Description

Madison County contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service, or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson

Building, Nashville, TN 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for Madison County is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2009, was 6.42 percent of annual covered payroll. The employer contribution requirement for Madison County is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2009, 2008, and 2007, were $3,549,187, $4,320,369, and $3,355,962, respectively, equal to the required contributions for each year.

City of Jackson Teacher Retirement Plan Assumed by Madison County Board of Education

The Madison County School Department administers a pension plan through the Pension Trust Fund for certain school teachers of the former City of Jackson School System. The assets of the City of Jackson Teachers Retirement Plan (CJTRP) may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

1. Summary of Significant Accounting Policies

Basis of Accounting

Financial statements of the CJTRP are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which contributions are due. Employer contributions to the plan are recognized when due, and the employer has made a formal commitment to provide contributions. Benefits are recognized when due and payable in advance with the terms of the plan.

Method Used to Value Investments

Plan assets are maintained in a cash and investment pool through the Office of Trustee and are reported at cost, which approximates fair value.

2. Plan Description and Contribution Information

At June 30, 2009, the plan had 39 retirees and beneficiaries receiving benefits and one active member. The plan is closed to new entrants.

CJTRP is a single-employer defined benefit pension plan that covers certain former City of Jackson teachers. CJTRP provides retirement

benefits to plan members and their beneficiaries. Employees are eligible for retirement benefits upon reaching the age of 60 with 30 years of employment service. Pension benefits paid to plan members are calculated by using an amount equal to 50 percent of the average of the three highest years' salary. Cost-of-living adjustments are determined by the same percentage increase that the salaries of unretired teachers employed by the Madison County School Department receive, with such increases to be effective on July 1 of each year.

Contributions

Plan members are required to contribute three percent of their annual covered salary. The Tennessee Consolidated Retirement System (TCRS) contributes retirement benefits to the plan for the retired teachers, as required by Section 8-35-301, et. seq., Tennessee Code Annotated. Contributions by TCRS are equal to the amount of state annuity that would have been payable to CJTRP members had they been members of the TCRS. The Madison County School Department is required to contribute a sufficient sum to pay the benefits provided for under the plan. Per Chapter 357, Private Acts of 1943, as amended, contribution requirements of the plan members and the Madison County School Department are established and may be amended by the state legislature and the governing bodies of the City of Jackson and Madison County.

Annual Pension Cost

For the year ended June 30, 2009, the Madison County School Department's annual pension cost of $377,755 to the CJTRP was equal to the system's required and actual contributions.

Annual required contribution (ARC)	$ 377,755
Interest on net pension obligation	0
Adjustment to ARC	0
Annual pension cost	$ 377,755
Contributions made	(377,755)
Increase (decrease) in net pension obligation	$ 0
Net pension obligation, July 1, 2008	0
Net pension obligation, June 30, 2009	$ 0

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-09	$ 377,755	100 %	$ 0
6-30-08	427,936	100	0
6-30-07	438,698	100	0

The required contribution was determined as part of the July 1, 2009, actuarial valuation using the projected unit credit actuarial cost method. Significant actuarial assumptions used in the valuation include (a) a rate of return on investment of present and future assets of six percent a year compounded annually and (b) a projected two percent cost of living increase for pension.

Funding Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 25 percent funded. The actuarial accrued liability for benefits was $4,908,093, and the actuarial value of assets was $987,914, resulting in an unfunded actuarial accrued liability (UAAL) of $3,920,179. The covered payroll (annual payroll of active employees covered by the plan) was $51,963, and the ratio of the UAAL to the covered payroll was 7,544 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the acturial accrued liability for benefits.

G. Other Postemployment Benefits (OPEB)

Primary Government

Plan Description

Madison County participates in a self-insured postemployment benefits plan administered by Blue Cross Blue Shield for medical, dental, and life insurance benefits for retirees and their beneficiaries. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee established by the County Commission. To be eligible to continue coverage under the medical and dental plans following retirement from active service with the county, the retiree must: 1) be age 55 with at least five years of service with the county; or 2) have 30 years of service with the county; and 3) be under the Social Security normal retirement age.

Funding Policy

The premium requirements of plan members are established and may be amended by the Madison County Commission. The plan is self-insured and financed on a pay-as-you-go basis. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active and retired employees' premiums. A retiree who has reached age 55 with five years of service will be required to pay 100 percent of the monthly medical premium for the retiree and dependent coverage. A retiree who has reached 30 years of service will be required to pay 25 percent of the monthly medical premium for retiree only coverage and 100 percent of the cost of dependent coverage. A retiree who has reached age 55 with 20 to 29 years of service will be required to pay 35 percent of the monthly medical premium for retiree only coverage and 100 percent of the cost of dependent coverage. The county also pays the premiums for the $5,000 life insurance. The county reimburses 80 percent of the amount of validated claims for medical, dental, and hospitalization costs incurred by pre-Medicare retirees and their dependents. During the year, expenditures totaling $127,956 were recognized for the primary government.

Annual OPEB Cost and Net OPEB Obligation

	Primary Government Plan
ARC	$ 526,941
Interest on NPO	0
Adjustment to ARC	0
Annual OPEB cost	$ 526,941
Less: Amount of contribution	(127,956)
Increase (decrease) in NPO	$ 398,985
Net OPEB obligation, 7-1-08	0
Net OPEB obligation, 6-30-09	$ 398,985

Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Primary Government Plan	$ 526,941	24 %	$ 398,985

*Data only available for one year.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, was as follows:

	Primary Government Plan
Actuarial valuation date	7-1-08
Actuarial accrued liability (AAL)	$ 4,623,032
Actuarial value of plan assets	$ 0
Unfunded actuarial accured liability (UAAL)	$ 4,623,032
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	$ 20,124,374
UAAL as a % of covered payroll	23%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2008, actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a three percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend

rate of eight percent initially, reduced by decrements to an ultimate rate of three percent after 20 years. Both rates include a three percent inflation assumption. Madison County has decided to recognize the entire retiree accrued liability for the year beginning July 1, 2008, and amortize the accrued liability over 30 years.

Discretely Presented Madison County School Department

Plan Description

The School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, Tennessee Code Annotated for teachers. Prior to reaching age 65, all members have the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plan is reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at http://tn.gov/finance/act/cafr.html.

Funding Policy

The premium requirements of the plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan.

The discretely presented Madison County School Department through its participation in the Local Education Group Insurance Fund makes a contribution toward the health insurance premium of the School Department's group medical plan for all certified employees who retire and for qualifying noncertified employees with 20 years of service and one year of state insurance coverage or with ten years of service and three years of state insurance coverage. This contribution continues until the employees reach age 65 and are Medicare eligible. The School Department pays 50 percent of single coverage for all certified and qualifying noncertified personnel. As of June 30, 2009, there were 163 former employees participating. Expenditures totaling $637,092 were recognized for postemployment health care.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
ARC	$ 846,000
Interest on NPO	9,667
Adjustment to ARC	(9,409)
Annual OPEB cost	$ 846,258
Less: Amount of contribution	(637,092)
Increase (decrease) in NPO	$ 209,166
Net OPEB obligation, 7-1-08	214,824
Net OPEB obligation, 6-30-09	$ 423,990

Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-08	Local Education Group	$ 833,000	74 %	$ 214,824
6-30-09	"	846,258	75	423,990

*Data only available for two years.

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009, was as follows:

	Local Education Group Plan
Actuarial valuation date	7-1-07
Actuarial accrued liability (AAL)	$ 9,841,000
Actuarial value of plan assets	$ 0
Unfunded actuarial accured liability (UAAL)	$ 9,841,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	$ 65,785,518
UAAL as a % of covered payroll	15%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual

results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2007, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of six percent after ten years. Both rates include a three percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with June 30, 2008.

H. Office of Central Accounting and Budgeting

Office of Director of Finance

Madison County operates under the provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act provides for the creation of a Finance Department operated under the supervision of a finance director.

I. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by him to serve as the county purchasing agent. The finance director serves as purchasing agent for Madison County. All purchase orders are issued by the Finance Department. Purchases exceeding $10,000 for the Office of County Mayor, Office of Highway Engineer, and for the discretely presented School Department are required to be competitively bid.

VI. OTHER NOTES – DISCRETELY PRESENTED MADISON COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Organization and Reporting Entity

The Madison County Emergency Communications District (the district) was created under Tennessee Code Annotated, Section 7-86-109 et. seq., Emergency Communications District Law by a voters referendum in Madison County, Tennessee, on May 5, 1987.

The purpose of the district is to provide a simplified means of securing emergency services by telephone to those persons living in the county.

The district is considered a component unit of the county because the district Board of Directors is appointed by the Madison County Commission. The County Commission must approve any debt issued by the district.

B. Summary of Significant Accounting Policies

The accounting policies of the district conform to generally accepted accounting principles applicable to governments as defined in the statements of the Governmental Accounting Standards Board (GASB). The district also elected to apply generally accepted accounting principles as defined by Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989. After that date, the district has elected to apply only GASB pronouncements. The following is a summary of the more significant accounting policies.

1. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The district is considered an enterprise fund, which uses the accrual basis of accounting. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on a cost of services or capital maintenance measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with this activity are included on their statement of position. Enterprise fund operating statements present increases (revenues) and decreases (expenses) in total net assets.

2. Cash

Cash and Cash Equivalents – All demand deposits and other deposits with original maturities of three months or less are included in the caption cash and cash equivalents.

3. Accounts Receivable

Accounts receivable represents amounts due from AT&T, less applicable commissions, Emergency Medical Services, and state wireless charges.

4. Capital Assets

Capital assets are recorded at historical cost. Maintenance repairs and minor renewals are expensed as incurred. Interest costs incurred on financing during the construction or installation period of capital assets are capitalized as part of the cost of the assets.

Depreciation has been provided over the estimated useful lives of the capital assets by the straight-line method.

5. Compensated Absences

The district allows two weeks of vacation to each employee per year with accrual limited to 30 days for one to five years of service. For employees with six to ten years of service, 18 days of vacation are received and accrual is limited to 36 days. Employees with more than ten years of service receive three weeks of vacation with accrual limited to 39 days. Employees with 20 or more years of service receive 24 days of vacation with accrual limited to 42 days. Employees receive full reimbursement for unused vacation upon leaving the employment of the district.

The district allows employees to accrue one day per month sick leave with unlimited accrual. Employees are not reimbursed for any portion of unused sick leave upon leaving the employment of the district. Therefore, no liability is reflected in the financial statements.

C. Cash

The district's policies limit deposits and investments to those instruments allowed by applicable state laws and described below. State statute requires that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the district's agent in the district's name, or by the Federal Reserve banks acting as third-party agents. State statutes also authorize the district to invest in

bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, the state pooled investment fund, and mutual funds. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2009, $436,472 of the district's bank balance was covered by federal depository insurance, and the remaining bank balance of $2,350,958 was covered by the Tennessee Bank Collateral Pool.

D. Capital Assets

Capital assets activity for the year was as follows:

Description	Balance 7-1-08	Additions	Retirements	Balance 6-30-09
Capital Assets Being Depreciated:				
Furniture and Fixtures	$ 128,267	$ 5,708	$ 1,688	$ 132,287
Office Equipment	50,154	16,887	23,153	43,888
Communications Equipment	1,417,341	320,785	9,837	1,728,289
Vehicles	36,329	0	0	36,329
Total Capital Assets Being Depreciated	$ 1,632,091	$ 343,380	$ 34,678	$ 1,940,793
Less Accumulated Depreciation For:				
Furniture and Fixtures	$ 41,449	$ 12,372	$ 1,688	$ 52,133
Office Equipment	43,199	6,082	23,153	26,128
Communications Equipment	1,093,829	154,184	9,837	1,238,176
Vehicles	19,611	7,267	0	26,878
Total Capital Assets Being Depreciated	$ 1,198,088	$ 179,905	$ 34,678	$ 1,343,315
Total Capital Assets, Net	$ 434,003	$ 163,475	$ 0	$ 597,478

Depreciation is recognized over the estimated useful lives of the property and equipment of five to ten years using the straight-line method.

E. Funding Sources

Funding for the district's operations is provided by monthly fees from service users in the county and wireless cellular phone subscribers. AT&T and alternate local exchange carriers collect service fees from the county users and remit the funds to the district. The Tennessee Emergency

Communications Board collects monthly service fees from wireless cellular phone subscribers and remits a set percentage to the district.

F. Retirement Plan

The following is the 2008 pension footnote, which is the most current available from the state of Tennessee.

Plan Description

Employees of the district are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who became disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of Tennessee Code Annotated. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as the district participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, Tennessee 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs.

Funding Policy

The district has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2008, was 13.16 percent of annual covered payroll. The contribution requirements of plan members are set by state statute. Contribution requirements for the district are established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2008, the district's annual pension cost of $16,463 to TCRS was equal to the district's required and actual contributions.

The required contribution was determined as part of the July 1, 1999, actuarial valuation using the frozen initial liability actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected salary increases of 4.75 percent annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (c) projected 3.5 percent annual increase in the Social Security wage base, and (d) projected post-retirement increases of three percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of equities over a five-year period. The district's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2005, was 18 years.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-08	$ 16,463	100 %	$ 0
6-30-07	15,658	100	0
6-30-06	15,669	100	0

G. Commitments

The district is obligated to AT&T for the monthly operating and maintenance services of the emergency communications system. The maintenance portion of this contract is $10,722 per month for a 72-month period. The operating portion under this contract is based on the actual number of lines used and is adjusted annually. The current operating charge is $6,290 monthly. The projections of the obligations under this contract are as follows:

Year Ending	Maintenance	Operating*
2010	$ 128,664	$ 75,480
2011	128,664	75,480
2012	107,220	62,900
Total	$ 364,548	$ 213,860

* Based on telephone line charges as of June 30, 2009.

The district leases office space from the Madison County Sheriff's Department. Monthly payments on the lease are $500. The lease is renewable annually.

H. Risk Management

The district is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the district to purchase commercial insurance for the risks of general liability, vehicle liability, employee dishonesty, workers' compensation, and physical damage to its capital assets. Settled claims have not exceeded this commercial coverage in any of the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

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Exhibit F-1

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 17,571,497	$ 0	$ 0	$ 17,571,497	$ 17,873,775	$ 17,873,775	$ (302,278)
Licenses and Permits	356,472	0	0	356,472	415,000	427,900	(71,428)
Fines, Forfeitures, and Penalties	492,500	0	0	492,500	518,350	557,750	(65,250)
Charges for Current Services	1,091,340	0	0	1,091,340	1,305,565	1,307,873	(216,533)
Other Local Revenues	337,253	0	0	337,253	207,252	393,081	(55,828)
Fees Received from County Officials	4,688,739	0	0	4,688,739	4,695,300	4,665,300	23,439
State of Tennessee	5,188,301	0	0	5,188,301	5,340,533	5,675,086	(486,785)
Federal Government	834,697	0	0	834,697	1,059,234	1,331,873	(497,176)
Other Governments and Citizens Groups	1,664,608	0	0	1,664,608	1,177,897	1,688,086	(23,478)
Total Revenues	$ 32,225,407	$ 0	$ 0	$ 32,225,407	$ 32,592,906	$ 33,920,724	$ (1,695,317)
Expenditures							
General Government							
County Commission	$ 141,431	$ 0	$ 0	$ 141,431	$ 141,431	$ 142,481	$ 1,050
County Mayor/Executive	230,868	0	0	230,868	233,014	239,924	9,056
Personnel Office	190,774	0	0	190,774	176,400	192,783	2,009
County Attorney	37,639	0	0	37,639	38,688	38,586	947
Election Commission	374,285	0	0	374,285	365,949	387,354	13,069
Register of Deeds	327,039	0	0	327,039	385,029	385,791	58,752
County Buildings	178,856	0	26,400	205,256	222,083	217,502	12,246
Other Facilities	472,603	0	0	472,603	478,900	502,782	30,179
Preservation of Records	35,267	0	0	35,267	38,631	35,737	470
Finance							
Accounting and Budgeting	935,883	0	0	935,883	941,128	941,753	5,870
Property Assessor's Office	761,297	0	53,410	814,707	835,009	835,819	21,112

(Continued)

Exhibit F-1

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Finance (Cont.)							
Reappraisal Program	$ 183,465	$ 0	$ 0	$ 183,465	$ 197,616	$ 199,358	$ 15,893
County Trustee's Office	313,595	0	0	313,595	341,797	337,627	24,032
County Clerk's Office	584,350	0	0	584,350	637,876	629,021	44,671
Administration of Justice							
Circuit Court	980,456	0	0	980,456	948,552	983,177	2,721
Circuit Court Clerk	15,000	0	0	15,000	0	15,000	0
General Sessions Court	316,074	0	0	316,074	320,694	335,359	19,285
Drug Court	3,156	0	0	3,156	7,620	7,620	4,464
Chancery Court	629,228	0	0	629,228	632,370	637,929	8,701
Juvenile Court	426,966	0	0	426,966	456,857	449,502	22,536
District Attorney General	79,275	0	0	79,275	78,725	79,280	5
Office of Public Defender	70,173	0	0	70,173	62,816	70,111	(62)
Other Administration of Justice	344,189	0	0	344,189	225,000	350,000	5,811
Victims Assistance Programs	51,870	0	0	51,870	0	60,000	8,130
Public Safety							
Sheriff's Department	4,937,514	(29,193)	26,905	4,935,226	5,165,885	5,184,661	249,435
Special Patrols	820,518	0	0	820,518	813,487	855,358	34,840
Jail	6,260,996	0	0	6,260,996	6,099,413	6,371,477	110,481
Workhouse	1,844,365	(900)	0	1,843,465	1,854,712	1,893,636	50,171
Correctional Incentive Program Improvements	461,020	0	0	461,020	483,027	483,027	22,007
Juvenile Services	353,986	(1,488)	0	352,498	352,986	356,953	4,455
Work Release Program	590,495	0	0	590,495	731,288	731,288	140,793
Fire Prevention and Control	618,769	0	0	618,769	619,332	644,242	25,473
Civil Defense	272,747	0	0	272,747	291,280	291,392	18,645

(Continued)

Exhibit F-1

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Public Safety (Cont.)							
Disaster Relief	$ 63,326	$ (1,521)	$ 0	$ 61,805	$ 0	$ 62,667	$ 862
Other Emergency Management	132,393	0	0	132,393	275,500	534,500	402,107
Inspection and Regulation	178,289	0	0	178,289	165,921	188,096	9,807
County Coroner/Medical Examiner	97,700	0	0	97,700	97,800	103,630	5,930
Public Safety Grant Programs	49,472	0	0	49,472	50,000	50,000	528
Other Public Safety	17,895	0	0	17,895	17,545	18,143	248
Public Health and Welfare							
Local Health Center	1,642,533	(18,071)	9,622	1,634,084	1,734,677	1,734,677	100,593
Rabies and Animal Control	197,428	0	0	197,428	210,698	210,698	13,270
Maternal and Child Health Services	2,928,336	(182,985)	11,224	2,756,575	3,283,112	3,266,126	509,551
Alcohol and Drug Programs	31,880	0	0	31,880	31,880	31,880	0
Other Local Health Services	46,955	0	0	46,955	46,955	46,955	0
Sanitation Management	55,205	0	0	55,205	55,400	55,445	240
Sanitation Education/Information	59,563	0	0	59,563	60,746	61,746	2,183
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	35,000	0	0	35,000	35,000	35,000	0
Libraries	971,190	0	0	971,190	975,194	975,194	4,004
Parks and Fair Boards	957,496	0	0	957,496	968,176	972,526	15,030
Other Social, Cultural, and Recreational	62,118	0	0	62,118	91,052	91,052	28,934
Agriculture and Natural Resources							
Agriculture Extension Service	191,205	0	0	191,205	182,856	188,256	(2,949)
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	110,223	0	0	110,223	109,793	110,023	(200)
Flood Control	40,000	0	0	40,000	40,000	40,000	0

(Continued)

Exhibit F-1

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Other Operations							
Industrial Development	$ 75,652	$ 0	$ 0	$ 75,652	$ 75,652	$ 75,652	$ 0
Airport	261,232	0	0	261,232	274,720	274,720	13,488
Other Charges	443,065	0	0	443,065	403,999	498,882	55,817
Contributions to Other Agencies	245,422	0	0	245,422	232,397	259,397	13,975
Miscellaneous	1,510,734	0	33,825	1,544,559	1,599,841	1,640,380	95,821
Principal on Debt							
General Government	14,472	0	0	14,472	17,088	14,472	0
Interest on Debt							
General Government	2,616	0	0	2,616	0	2,616	0
Total Expenditures	$ 34,267,549	$ (234,158)	$ 161,386	$ 34,194,777	$ 35,215,597	$ 36,431,263	$ 2,236,486
Excess (Deficiency) of Revenues Over Expenditures	$ (2,042,142)	$ 234,158	$ (161,386)	$ (1,969,370)	$ (2,622,691)	$ (2,510,539)	$ 541,169
Other Financing Sources (Uses)							
Insurance Recovery	$ 84,597	$ 0	$ 0	$ 84,597	$ 0	$ 97,198	$ (12,601)
Transfers In	29,203	0	0	29,203	384,309	29,203	0
Transfers Out	(5,000)	0	0	(5,000)	0	(5,000)	0
Total Other Financing Sources (Uses)	$ 108,800	$ 0	$ 0	$ 108,800	$ 384,309	$ 121,401	$ (12,601)
Net Change in Fund Balance	$ (1,933,342)	$ 234,158	$ (161,386)	$ (1,860,570)	$ (2,238,382)	$ (2,389,138)	$ 528,568
Fund Balance, July 1, 2008	6,125,256	(234,158)	0	5,891,098	3,929,089	3,929,089	1,962,009
Fund Balance, June 30, 2009	$ 4,191,914	$ 0	$ (161,386)	$ 4,030,528	$ 1,690,707	$ 1,539,951	$ 2,490,577

Exhibit F-2

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 1,838,015	$ 0	$ 0	$ 1,838,015	$ 1,875,402	$ 1,875,402	$ (37,387)
Other Local Revenues	68,128	0	0	68,128	26,000	26,000	42,128
State of Tennessee	3,424,011	0	0	3,424,011	3,366,521	3,489,962	(65,951)
Total Revenues	$ 5,330,154	$ 0	$ 0	$ 5,330,154	$ 5,267,923	$ 5,391,364	$ (61,210)
Expenditures							
Highways							
Administration	$ 324,655	$ 0	$ 372	$ 325,027	$ 244,392	$ 336,203	$ 11,176
Highway and Bridge Maintenance	2,239,570	0	0	2,239,570	2,884,700	2,880,892	641,322
Operation and Maintenance of Equipment	402,792	0	0	402,792	538,300	575,800	173,008
Other Charges	170,632	(158)	0	170,474	211,350	201,350	30,876
Employee Benefits	132,578	0	0	132,578	776,000	317,104	184,526
Capital Outlay	2,226,424	0	0	2,226,424	2,098,634	2,628,572	402,148
Total Expenditures	$ 5,496,651	$ (158)	$ 372	$ 5,496,865	$ 6,753,376	$ 6,939,921	$ 1,443,056
Excess (Deficiency) of Revenues Over Expenditures	$ (166,497)	$ 158	$ (372)	$ (166,711)	$ (1,485,453)	$ (1,548,557)	$ 1,381,846
Other Financing Sources (Uses)							
Insurance Recovery	$ 6,840	$ 0	$ 0	$ 6,840	$ 0	$ 0	$ 6,840
Transfers Out	(29,203)	0	0	(29,203)	(29,203)	(29,203)	0
Total Other Financing Sources (Uses)	$ (22,363)	$ 0	$ 0	$ (22,363)	$ (29,203)	$ (29,203)	$ 6,840
Net Change in Fund Balance	$ (188,860)	$ 158	$ (372)	$ (189,074)	$ (1,514,656)	$ (1,577,760)	$ 1,388,686
Fund Balance, July 1, 2008	3,871,208	(158)	0	3,871,050	2,552,341	2,552,341	1,318,709
Fund Balance, June 30, 2009	$ 3,682,348	$ 0	$ (372)	$ 3,681,976	$ 1,037,685	$ 974,581	$ 2,707,395

Exhibit F-3

Madison County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Madison County School Department
June 30, 2009

(Dollar amounts in thousands)

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-09	6-30-07	$ 71,989	$ 82,140	$ (10,151)	87.64 %	$ 28,679	35.4 %
6-30-08	6-30-07	71,989	82,140	(10,151)	87.64	28,679	35.4

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the 2007-08 year; therefore, only two years of data are presented.

Exhibit F-4

Madison County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Madison County School Department
June 30, 2009

Former City of Jackson Teacher Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-09	$ 987,914	$ 4,908,093	$ 3,920,179	25.20 %	$ 51,963	7,544.17 %
7-1-08	1,002,790	5,741,069	4,738,279	17.47	49,800	9,514.62
7-1-07	966,494	6,027,413	5,060,919	16.04	49,522	10,219.54

Exhibit F-5

Madison County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Madison County Emergency Communications District
June 30, 2009

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-08	7-1-07	$ 194,000	$ 230,000	$ 36,000	84.35 %	$ 118,000	30.51 %
6-30-09	7-1-07	194,000	230,000	36,000	84.35	118,000	30.51

The Governmental Accounting Standards Board requires the plan to prepare the Schedule of Funding Progress using the entry age actuarial cost method. The requirement to present the Schedule of Funding Progress using the entry age actuarial cost method was a change made during the 2007-08 year; therefore, only two years of data are presented.

Exhibit F-6

Madison County, Tennessee
Schedule of Funding Progress - Other Postemployment Benefits Plans
Primary Government and Discretely Presented Madison County School Department
June 30, 2009

(Dollar amounts in thousands)

	Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
PRIMARY GOVERNMENT								
Local Government Group Plan**	6-30-09	7-1-08	$ 0	$ 4,322	$ 4,322	0 %	$ 20,124	21 %
DISCRETELY PRESENTED MADISON COUNTY SCHOOL DEPARTMENT								
Local Education Group Plan*	6-30-09	7-1-07	0	9,841	9,841	0	63,188	16
Local Education Group Plan	6-30-08	7-1-07	0	9,841	9,841	0	63,188	16

* Data only available for two years.
** Data only available for one year.

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MADISON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2009

A. BUDGETARY INFORMATION

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the Madison County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the State Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor, Personnel, County Attorney, etc.). Management may make revisions within major categories, but only the Madison County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with generally accepted accounting principles (GAAP), except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

B. EXPENDITURES AND ENCUMBRANCES EXCEEDED APPROPRIATIONS

Expenditures and encumbrances exceeded appropriations approved by the County Commission in the Agriculture Extension Service major appropriation category (the legal level of control) of the General Fund by $2,949.

Such overexpenditures are a violation of state statutes. These overexpenditures were funded by available fund balance.

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

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Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Juvenile Services Fund – The Juvenile Services Fund is used to account for transactions specifically related to the supervision, care, and detention of those children who are defined by the general laws of the State of Tennessee as delinquent, unruly, dependent, neglected, or abused.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for solid waste activities specifically related to the county's convenience centers.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for local tax collections to be used at the discretion of the County Commission.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held in trust for the benefit of the Office of District Attorney General.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register, and sheriff.

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for revenues provided for industrial park projects.

Highway Capital Projects Fund – The Highway Capital Projects Fund is used to account for highway construction projects in the county.

Exhibit G-1

Madison County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2009

	Special Revenue Funds						
	Juvenile Services	Solid Waste/ Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Constitu-tional Officers - Fees	Total
ASSETS							
Cash	$ 0	$ 0	$ 0	$ 0	$ 0	$ 75,483	$ 75,483
Equity in Pooled Cash and Investments	284,637	74,449	1,251,225	35,797	26,231	0	1,672,339
Accounts Receivable	14,844	6,376	25,511	0	0	3,120	49,851
Due from Other Governments	32,224	25,000	0	0	0	0	57,224
Property Taxes Receivable	942,050	907,736	1,435,504	0	0	0	3,285,290
Allowance for Uncollectible Property Taxes	(57,463)	(40,537)	(87,562)	0	0	0	(185,562)
Prepaid Items	999	0	0	0	0	0	999
Total Assets	$ 1,217,291	$ 973,024	$ 2,624,678	$ 35,797	$ 26,231	$ 78,603	$ 4,955,624
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	$ 1,871	$ 12,145	$ 0	$ 0	$ 0	$ 0	$ 14,016
Payroll Deductions Payable	36,752	929	0	0	0	0	37,681
Contracts Payable	0	0	0	0	0	0	0
Due to Other Funds	0	0	0	0	0	78,603	78,603
Deferred Revenue - Current Property Taxes	854,158	854,158	1,301,574	0	0	0	3,009,890
Deferred Revenue - Delinquent Property Taxes	26,129	12,141	40,668	0	0	0	78,938
Total Liabilities	$ 918,910	$ 879,373	$ 1,342,242	$ 0	$ 0	$ 78,603	$ 3,219,128
Fund Balances							
Reserved for Encumbrances	$ 395	$ 715	$ 0	$ 0	$ 0	$ 0	$ 1,110
Unreserved	297,986	92,936	1,282,436	35,797	26,231	0	1,735,386
Total Fund Balances	$ 298,381	$ 93,651	$ 1,282,436	$ 35,797	$ 26,231	$ 0	$ 1,736,496
Total Liabilities and Fund Balances	$ 1,217,291	$ 973,024	$ 2,624,678	$ 35,797	$ 26,231	$ 78,603	$ 4,955,624

(Continued)

Exhibit G-1

Madison County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Capital Projects Funds				
	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	Total	Total Nonmajor Governmental Funds
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 0	$ 75,483
Equity in Pooled Cash and Investments	275,926	113,823	538,412	928,161	2,600,500
Accounts Receivable	14,112	0	0	14,112	63,963
Due from Other Governments	0	0	150,818	150,818	208,042
Property Taxes Receivable	549,752	0	0	549,752	3,835,042
Allowance for Uncollectible Property Taxes	(38,478)	0	0	(38,478)	(224,040)
Prepaid Items	0	0	0	0	999
Total Assets	$ 801,312	$ 113,823	$ 689,230	$ 1,604,365	$ 6,559,989
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 1,500	$ 0	$ 0	$ 1,500	$ 15,516
Payroll Deductions Payable	0	0	0	0	37,681
Contracts Payable	0	0	2,878	2,878	2,878
Due to Other Funds	0	0	0	0	78,603
Deferred Revenue - Current Property Taxes	488,090	0	0	488,090	3,497,980
Deferred Revenue - Delinquent Property Taxes	21,184	0	0	21,184	100,122
Total Liabilities	$ 510,774	$ 0	$ 2,878	$ 513,652	$ 3,732,780
Fund Balances					
Reserved for Encumbrances	$ 34,182	$ 0	$ 0	$ 34,182	$ 35,292
Unreserved	256,356	113,823	686,352	1,056,531	2,791,917
Total Fund Balances	$ 290,538	$ 113,823	$ 686,352	$ 1,090,713	$ 2,827,209
Total Liabilities and Fund Balances	$ 801,312	$ 113,823	$ 689,230	$ 1,604,365	$ 6,559,989

Exhibit G-2

Madison County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2009

	Special Revenue Funds					
	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Total
Revenues						
Local Taxes	$ 957,696	$ 411,380	$ 1,462,887	$ 0	$ 0	$ 2,831,963
Fines, Forfeitures, and Penalties	0	0	0	16,104	33,639	49,743
Other Local Revenues	3,332	57,105	0	0	510	60,947
State of Tennessee	9,000	126,860	0	0	0	135,860
Federal Government	164,046	0	0	0	0	164,046
Other Governments and Citizens Groups	52,517	0	0	0	0	52,517
Total Revenues	$ 1,186,591	$ 595,345	$ 1,462,887	$ 16,104	$ 34,149	$ 3,295,076
Expenditures						
Current:						
General Government	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Administration of Justice	0	0	0	0	73,833	73,833
Public Safety	1,294,766	0	0	8,847	0	1,303,613
Public Health and Welfare	0	947,651	0	0	0	947,651
Social, Cultural, and Recreational Services	0	0	0	0	0	0
Other Operations	0	0	1,628,289	0	0	1,628,289
Highways	0	0	0	0	0	0
Total Expenditures	$ 1,294,766	$ 947,651	$ 1,628,289	$ 8,847	$ 73,833	$ 3,953,386
Excess (Deficiency) of Revenues Over Expenditures	$ (108,175)	$ (352,306)	$ (165,402)	$ 7,257	$ (39,684)	$ (658,310)
Other Financing Sources (Uses)						
Insurance Recovery	$ 0	$ 53,733	$ 0	$ 0	$ 0	$ 53,733
Transfers In	0	50,000	0	0	0	50,000
Transfers Out	0	0	(50,000)	0	0	(50,000)
Total Other Financing Sources (Uses)	$ 0	$ 103,733	$ (50,000)	$ 0	$ 0	$ 53,733
Net Change in Fund Balances	$ (108,175)	$ (248,573)	$ (215,402)	$ 7,257	$ (39,684)	$ (604,577)
Fund Balance, July 1, 2008	406,556	342,224	1,497,838	28,540	65,915	2,341,073
Fund Balance, June 30, 2009	$ 298,381	$ 93,651	$ 1,282,436	$ 35,797	$ 26,231	$ 1,736,496

(Continued)

Exhibit G-2

Madison County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds (Cont.)

	Capital Projects Funds				
	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	Total	Total Nonmajor Governmental Funds
Revenues					
Local Taxes	$ 742,373	$ 0	$ 0	$ 742,373	$ 3,574,336
Fines, Forfeitures, and Penalties	0	0	0	0	49,743
Other Local Revenues	0	32,978	0	32,978	93,925
State of Tennessee	0	0	244,842	244,842	380,702
Federal Government	0	0	0	0	164,046
Other Governments and Citizens Groups	0	0	0	0	52,517
Total Revenues	$ 742,373	$ 32,978	$ 244,842	$ 1,020,193	$ 4,315,269
Expenditures					
Current:					
General Government	$ 263,843	$ 0	$ 0	$ 263,843	$ 263,843
Administration of Justice	19,507	0	0	19,507	93,340
Public Safety	761,886	0	0	761,886	2,065,499
Public Health and Welfare	71,906	0	0	71,906	1,019,557
Social, Cultural, and Recreational Services	119,965	0	0	119,965	119,965
Other Operations	141,805	330	0	142,135	1,770,424
Highways	0	0	319,304	319,304	319,304
Total Expenditures	$ 1,378,912	$ 330	$ 319,304	$ 1,698,546	$ 5,651,932
Excess (Deficiency) of Revenues Over Expenditures	$ (636,539)	$ 32,648	$ (74,462)	$ (678,353)	$ (1,336,663)
Other Financing Sources (Uses)					
Insurance Recovery	$ 0	$ 0	$ 0	$ 0	$ 53,733
Transfers In	5,000	0	0	5,000	55,000
Transfers Out	0	0	0	0	(50,000)
Total Other Financing Sources (Uses)	$ 5,000	$ 0	$ 0	$ 5,000	$ 58,733
Net Change in Fund Balances	$ (631,539)	$ 32,648	$ (74,462)	$ (673,353)	$ (1,277,930)
Fund Balance, July 1, 2008	922,077	81,175	760,814	1,764,066	4,105,139
Fund Balance, June 30, 2009	$ 290,538	$ 113,823	$ 686,352	$ 1,090,713	$ 2,827,209

Exhibit G-3

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Juvenile Services Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 957,696	$ 0	$ 0	$ 957,696	$ 983,060	$ 983,060	$ (25,364)
Other Local Revenues	3,332	0	0	3,332	500	500	2,832
State of Tennessee	9,000	0	0	9,000	9,000	9,000	0
Federal Government	164,046	0	0	164,046	29,306	164,681	(635)
Other Governments and Citizens Groups	52,517	0	0	52,517	60,000	60,000	(7,483)
Total Revenues	$ 1,186,591	$ 0	$ 0	$ 1,186,591	$ 1,081,866	$ 1,217,241	$ (30,650)
Expenditures							
Public Safety							
Juvenile Services	$ 1,294,766	$ (3,122)	$ 395	$ 1,292,039	$ 1,372,389	$ 1,516,409	$ 224,370
Total Expenditures	$ 1,294,766	$ (3,122)	$ 395	$ 1,292,039	$ 1,372,389	$ 1,516,409	$ 224,370
Excess (Deficiency) of Revenues Over Expenditures	$ (108,175)	$ 3,122	$ (395)	$ (105,448)	$ (290,523)	$ (299,168)	$ 193,720
Net Change in Fund Balance	$ (108,175)	$ 3,122	$ (395)	$ (105,448)	$ (290,523)	$ (299,168)	$ 193,720
Fund Balance, July 1, 2008	406,556	(3,122)	0	403,434	311,054	311,054	92,380
Fund Balance, June 30, 2009	$ 298,381	$ 0	$ (395)	$ 297,986	$ 20,531	$ 11,886	$ 286,100

Exhibit G-4

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 411,380	$ 0	$ 0	$ 411,380	$ 428,881	$ 428,881	$ (17,501)
Other Local Revenues	57,105	0	0	57,105	4,450	4,450	52,655
State of Tennessee	126,860	0	0	126,860	117,000	147,000	(20,140)
Total Revenues	$ 595,345	$ 0	$ 0	$ 595,345	$ 550,331	$ 580,331	$ 15,014
Expenditures							
Public Health and Welfare							
Convenience Centers	$ 595,029	$ (400)	$ 715	$ 595,344	$ 587,300	$ 639,363	$ 44,019
Landfill Operation and Maintenance	352,622	0	0	352,622	177,000	257,000	(95,622)
Total Expenditures	$ 947,651	$ (400)	$ 715	$ 947,966	$ 764,300	$ 896,363	$ (51,603)
Excess (Deficiency) of Revenues Over Expenditures	$ (352,306)	$ 400	$ (715)	$ (352,621)	$ (213,969)	$ (316,032)	$ (36,589)
Other Financing Sources (Uses)							
Insurance Recovery	$ 53,733	$ 0	$ 0	$ 53,733	$ 0	$ 52,063	$ 1,670
Transfers In	50,000	0	0	50,000	0	50,000	0
Total Other Financing Sources (Uses)	$ 103,733	$ 0	$ 0	$ 103,733	$ 0	$ 102,063	$ 1,670
Net Change in Fund Balance	$ (248,573)	$ 400	$ (715)	$ (248,888)	$ (213,969)	$ (213,969)	$ (34,919)
Fund Balance, July 1, 2008	342,224	(400)	0	341,824	350,322	350,322	(8,498)
Fund Balance, June 30, 2009	$ 93,651	$ 0	$ (715)	$ 92,936	$ 136,353	$ 136,353	$ (43,417)

Exhibit G-5

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,462,887	$ 1,463,737	$ 1,466,877	$ (3,990)
Total Revenues	$ 1,462,887	$ 1,463,737	$ 1,466,877	$ (3,990)
Expenditures				
Other Operations				
Miscellaneous	$ 1,628,289	$ 30,000	$ 1,633,140	$ 4,851
Total Expenditures	$ 1,628,289	$ 30,000	$ 1,633,140	$ 4,851
Excess (Deficiency) of Revenues Over Expenditures	$ (165,402)	$ 1,433,737	$ (166,263)	$ 861
Other Financing Sources (Uses)				
Transfers Out	$ (50,000)	$ 0	$ (50,000)	$ 0
Total Other Financing Sources (Uses)	$ (50,000)	$ 0	$ (50,000)	$ 0
Net Change in Fund Balance	$ (215,402)	$ 1,433,737	$ (216,263)	$ 861
Fund Balance, July 1, 2008	1,497,838	1,481,754	1,481,754	16,084
Fund Balance, June 30, 2009	$ 1,282,436	$ 2,915,491	$ 1,265,491	$ 16,945

Exhibit G-6

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 16,104	$ 10,800	$ 15,170	$ 934
Total Revenues	$ 16,104	$ 10,800	$ 15,170	$ 934
Expenditures				
Public Safety				
Drug Enforcement	$ 8,847	$ 110	$ 9,442	$ 595
Total Expenditures	$ 8,847	$ 110	$ 9,442	$ 595
Excess (Deficiency) of Revenues Over Expenditures	$ 7,257	$ 10,690	$ 5,728	$ 1,529
Net Change in Fund Balance	$ 7,257	$ 10,690	$ 5,728	$ 1,529
Fund Balance, July 1, 2008	28,540	22,646	22,646	5,894
Fund Balance, June 30, 2009	$ 35,797	$ 33,336	$ 28,374	$ 7,423

Exhibit G-7

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 742,373	$ 0	$ 0	$ 742,373	$ 726,311	$ 726,311	$ 16,062
Total Revenues	$ 742,373	$ 0	$ 0	$ 742,373	$ 726,311	$ 726,311	$ 16,062
Expenditures							
General Government							
County Buildings	$ 261,057	$ 0	$ 22,875	$ 283,932	$ 0	$ 285,750	$ 1,818
Preservation of Records	2,786	0	0	2,786	0	3,000	214
Finance							
County Clerk's Office	0	0	0	0	0	6,500	6,500
Administration of Justice							
Chancery Court	19,507	0	0	19,507	0	20,000	493
Public Safety							
Sheriff's Department	250,012	0	0	250,012	250,101	250,101	89
Special Patrols	162,898	0	0	162,898	164,500	164,500	1,602
Juvenile Services	10,000	0	0	10,000	0	10,000	0
Fire Prevention and Control	338,001	0	0	338,001	338,000	338,000	(1)
Civil Defense	975	(975)	0	0	0	0	0
Public Health and Welfare							
Local Health Center	17,908	0	0	17,908	0	18,000	92
Rabies and Animal Control	14,380	0	0	14,380	0	20,000	5,620
Convenience Centers	39,618	0	0	39,618	0	40,000	382
Social, Cultural, and Recreational Services							
Libraries	5,500	0	0	5,500	0	5,500	0
Parks and Fair Boards	114,465	(38,400)	11,307	87,372	0	80,000	(7,372)

(Continued)

Exhibit G-7

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Other Operations							
Airport	$ 50,000	$ 0	$ 0	$ 50,000	$ 0	$ 50,000	$ 0
Contributions to Other Agencies	0	0	0	0	0	25,000	25,000
Miscellaneous	91,805	0	0	91,805	22,000	103,000	11,195
Total Expenditures	$ 1,378,912	$ (39,375)	$ 34,182	$ 1,373,719	$ 774,601	$ 1,419,351	$ 45,632
Excess (Deficiency) of Revenues Over Expenditures	$ (636,539)	$ 39,375	$ (34,182)	$ (631,346)	$ (48,290)	$ (693,040)	$ 61,694
Other Financing Sources (Uses)							
Transfers In	$ 5,000	$ 0	$ 0	$ 5,000	$ 0	$ 5,000	$ 0
Total Other Financing Sources (Uses)	$ 5,000	$ 0	$ 0	$ 5,000	$ 0	$ 5,000	$ 0
Net Change in Fund Balance	$ (631,539)	$ 39,375	$ (34,182)	$ (626,346)	$ (48,290)	$ (688,040)	$ 61,694
Fund Balance, July 1, 2008	922,077	(39,375)	0	882,702	654,659	654,659	228,043
Fund Balance, June 30, 2009	$ 290,538	$ 0	$ (34,182)	$ 256,356	$ 606,369	$ (33,381)	$ 289,737

Exhibit G-8

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Community Development/Industrial Park Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Other Local Revenues	$ 32,978	$ 32,000	$ 33,000	$ (22)
Total Revenues	$ 32,978	$ 32,000	$ 33,000	$ (22)
Expenditures				
Other Operations				
Industrial Development	$ 330	$ 320	$ 1,320	$ 990
Total Expenditures	$ 330	$ 320	$ 1,320	$ 990
Excess (Deficiency) of Revenues Over Expenditures	$ 32,648	$ 31,680	$ 31,680	$ 968
Net Change in Fund Balance	$ 32,648	$ 31,680	$ 31,680	$ 968
Fund Balance, July 1, 2008	81,175	81,174	81,174	1
Fund Balance, June 30, 2009	$ 113,823	$ 112,854	$ 112,854	$ 969

Exhibit G-9

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway Capital Projects Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
State of Tennessee	$ 244,842	$ 0	$ 244,842	$ 2,438,346	$ 2,438,346	$ (2,193,504)
Total Revenues	$ 244,842	$ 0	$ 244,842	$ 2,438,346	$ 2,438,346	$ (2,193,504)
Expenditures						
Highways						
Capital Outlay	$ 319,304	$ (81,775)	$ 237,529	$ 3,040,405	$ 3,040,405	$ 2,802,876
Total Expenditures	$ 319,304	$ (81,775)	$ 237,529	$ 3,040,405	$ 3,040,405	$ 2,802,876
Excess (Deficiency) of Revenues Over Expenditures	$ (74,462)	$ 81,775	$ 7,313	$ (602,059)	$ (602,059)	$ 609,372
Net Change in Fund Balance	$ (74,462)	$ 81,775	$ 7,313	$ (602,059)	$ (602,059)	$ 609,372
Fund Balance, July 1, 2008	760,814	(81,775)	679,039	905,233	905,233	(226,194)
Fund Balance, June 30, 2009	$ 686,352	$ 0	$ 686,352	$ 303,174	$ 303,174	$ 383,178

Major Governmental Fund

General Debt Service Fund

The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

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Exhibit H

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2009

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 8,550,197	$ 8,660,000	$ 8,698,000	$ (147,803)
Other Local Revenues	494,630	1,066,000	1,028,000	(533,370)
Total Revenues	$ 9,044,827	$ 9,726,000	$ 9,726,000	$ (681,173)
Expenditures				
Principal on Debt				
General Government	$ 5,680,000	$ 8,865,134	$ 5,680,000	$ 0
Interest on Debt				
General Government	3,007,118	0	3,008,134	1,016
Other Debt Service				
General Government	170,712	0	177,000	6,288
Total Expenditures	$ 8,857,830	$ 8,865,134	$ 8,865,134	$ 7,304
Excess (Deficiency) of Revenues Over Expenditures	$ 186,997	$ 860,866	$ 860,866	$ (673,869)
Net Change in Fund Balance	$ 186,997	$ 860,866	$ 860,866	$ (673,869)
Fund Balance, July 1, 2008	4,595,037	4,312,231	4,312,231	282,806
Fund Balance, June 30, 2009	$ 4,782,034	$ 5,173,097	$ 5,173,097	$ (391,063)

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Fiduciary Funds

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

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside the incorporated City of Jackson and to account for the City of Jackson's portion (40 percent) of the hotel/motel tax. These revenues are received by the county from the State of Tennessee and from the hotels and motels located in Madison County and are forwarded to the City of Jackson on a monthly basis.

Cities - Property Tax Fund – The Cities - Property Tax Fund is used to account for property taxes collected by the county trustee for the City of Three-Way and the second half of the sales tax revenues collected inside the incorporated City of Three-Way.

Watershed District Fund – The Watershed District Fund is used to account for acreage assessments collected by the county trustee and held in trust for the watershed district.

Joint Venture Fund – The Joint Venture Fund is used to account for a portion (20 percent) of the hotel/motel tax, which is collected for the Jackson – Madison County Community Economic Development Commission. These revenues are received by the county from the hotels and motels located in the county and are forwarded to the commission monthly.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, juvenile court clerk, clerk and master, register, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Other Agency Fund – The Other Agency Fund is used to account for the second half of the sales tax revenues collected inside the incorporated cities of Medon and Humboldt. These revenues are received by the county from the State of Tennessee and forwarded to these cities on a monthly basis.

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Exhibit I-1

Madison County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2009

	Agency Funds						
	Cities - Sales Tax	Cities - Property Tax	Watershed District	Joint Venture	Constitu-tional Officers - Agency	Other Agency	Total
ASSETS							
Cash	$ 0	$ 0	$ 0	$ 0	$ 3,887,273	$ 0	$ 3,887,273
Equity in Pooled Cash and Investments	41,582	2,301	55,748	20,791	0	0	120,422
Accounts Receivable	40,000	0	0	19,000	0	0	59,000
Due from Other Governments	1,800,000	2,000	0	0	0	3,600	1,805,600
Total Assets	$ 1,881,582	$ 4,301	$ 55,748	$ 39,791	$ 3,887,273	$ 3,600	$ 5,872,295
LIABILITIES							
Due to Other Taxing Units	$ 1,881,582	$ 4,301	$ 0	$ 0	$ 0	$ 3,600	$ 1,889,483
Due to Litigants, Heirs, and Others	0	0	0	0	3,887,273	0	3,887,273
Other Current Liabilities	0	0	55,748	39,791	0	0	95,539
Total Liabilities	$ 1,881,582	$ 4,301	$ 55,748	$ 39,791	$ 3,887,273	$ 3,600	$ 5,872,295

Exhibit I-2

Madison County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2009

	Beginning Balance	Additions	Deductions	Ending Balance
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 41,254	$ 12,195,265	$ 12,194,937	$ 41,582
Accounts Receivable	40,000	40,000	40,000	40,000
Due from Other Governments	1,900,000	1,800,000	1,900,000	1,800,000
Total Assets	$ 1,981,254	$ 14,035,265	$ 14,134,937	$ 1,881,582
Liabilities				
Due to Other Taxing Units	$ 1,981,254	$ 14,035,265	$ 14,134,937	$ 1,881,582
Total Liabilities	$ 1,981,254	$ 14,035,265	$ 14,134,937	$ 1,881,582
Cities - Property Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 3,716	$ 257,464	$ 258,879	$ 2,301
Due from Other Governments	3,600	2,000	3,600	2,000
Total Assets	$ 7,316	$ 259,464	$ 262,479	$ 4,301
Liabilities				
Due to Other Taxing Units	$ 7,316	$ 259,464	$ 262,479	$ 4,301
Total Liabilities	$ 7,316	$ 259,464	$ 262,479	$ 4,301
Watershed District Fund				
Assets				
Equity in Pooled Cash and Investments	$ 22,833	$ 32,915	$ 0	$ 55,748
Total Assets	$ 22,833	$ 32,915	$ 0	$ 55,748
Liabilities				
Other Current Liabilities	$ 22,833	$ 32,915	$ 0	$ 55,748
Total Liabilities	$ 22,833	$ 32,915	$ 0	$ 55,748
Joint Venture Fund				
Assets				
Equity in Pooled Cash and Investments	$ 20,627	$ 181,454	$ 181,290	$ 20,791
Accounts Receivable	21,000	19,000	21,000	19,000
Total Assets	$ 41,627	$ 200,454	$ 202,290	$ 39,791
Liabilities				
Other Current Liabilities	$ 41,627	$ 200,454	$ 202,290	$ 39,791
Total Liabilities	$ 41,627	$ 200,454	$ 202,290	$ 39,791

(Continued)

Exhibit I-2

Madison County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 3,759,647	$ 20,934,325	$ 20,806,699	$ 3,887,273
Total Assets	$ 3,759,647	$ 20,934,325	$ 20,806,699	$ 3,887,273
Liabilities				
Due to Litigants, Heirs, and Others	$ 3,759,647	$ 20,934,325	$ 20,806,699	$ 3,887,273
Total Liabilities	$ 3,759,647	$ 20,934,325	$ 20,806,699	$ 3,887,273
Other Agency Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 23,562	$ 23,562	$ 0
Due from Other Governments	1,750	3,600	1,750	3,600
Total Assets	$ 1,750	$ 27,162	$ 25,312	$ 3,600
Liabilities				
Due to Other Taxing Units	$ 1,750	$ 27,162	$ 25,312	$ 3,600
Total Liabilities	$ 1,750	$ 27,162	$ 25,312	$ 3,600
Totals - All Agency Funds				
Assets				
Cash	$ 3,759,647	$ 20,934,325	$ 20,806,699	$ 3,887,273
Equity in Pooled Cash and Investments	88,430	12,690,660	12,658,668	120,422
Accounts Receivable	61,000	59,000	61,000	59,000
Due from Other Governments	1,905,350	1,805,600	1,905,350	1,805,600
Total Assets	$ 5,814,427	$ 35,489,585	$ 35,431,717	$ 5,872,295
Liabilities				
Due to Other Taxing Units	$ 1,990,320	$ 14,321,891	$ 14,422,728	$ 1,889,483
Due to Litigants, Heirs, and Others	3,759,647	20,934,325	20,806,699	3,887,273
Other Current Liabilities	64,460	233,369	202,290	95,539
Total Liabilities	$ 5,814,427	$ 35,489,585	$ 35,431,717	$ 5,872,295

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Madison County School Department

This section presents combining and individual fund financial statements for the Madison County School Department, a discretely presented component unit. The School Department uses a General Fund, two Special Revenue Funds, one Capital Projects Fund, and one Fiduciary Fund.

General Purpose School Fund – The General Purpose School Fund is used to account for general operations of the School Department.

School Federal Projects Fund – The School Federal Projects Fund is used to account for restricted federal revenues, which must be expended on specific education programs.

Central Cafeteria Fund – The Central Cafeteria Fund is used to account for the cafeteria operations in each of the schools.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for building construction and renovations of the School Department.

Pension Trust Fund – The Pension Trust Fund is used to account for the former City of Jackson Teacher Retirement Plan, which was assumed by the Madison County Board of Education as a result of the consolidation of the City of Jackson School System and the Madison County School System.

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Exhibit J-1

Madison County, Tennessee
Statement of Activities
Discretely Presented Madison County School Department
For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Total Governmental Activities
Governmental Activities:				
Instruction	$ 69,661,019	$ 417,740	$ 7,104,249	$ (62,139,030)
Support Services	39,023,837	27,791	1,207,792	(37,788,254)
Operation of Non-Instructional Services	9,172,252	1,748,728	7,094,250	(329,274)
Total Governmental Activities	$ 117,857,108	$ 2,194,259	$ 15,406,291	$ (100,256,558)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				$ 13,958,359
Local Option Sales Taxes				32,492,657
Other Local Taxes				11,159
Grants and Contributions Not Restricted to Specific Programs				50,050,526
Miscellaneous				160,281
Total General Revenues				$ 96,672,982
Change in Net Assets				$ (3,583,576)
Net Assets, July 1, 2008				86,958,576
Net Assets, June 30, 2009				$ 83,375,000

Exhibit J-2

Madison County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Madison County School Department
June 30, 2009

	Major Fund General Purpose School	Nonmajor Funds Other Govern-mental Funds	Total Govern-mental Funds
ASSETS			
Equity in Pooled Cash and Investments	$ 2,851,769	$ 2,989,984	$ 5,841,753
Accounts Receivable	211,848	0	211,848
Due from Other Governments	5,654,773	609,975	6,264,748
Due from Other Funds	381,597	0	381,597
Property Taxes Receivable	12,201,788	1,055,538	13,257,326
Allowance for Uncollectible Property Taxes	(744,279)	(94,052)	(838,331)
Total Assets	$ 20,557,496	$ 4,561,445	$ 25,118,941
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	$ 43,539	$ 26,801	$ 70,340
Payroll Deductions Payable	2,438,363	275,210	2,713,573
Due to Other Funds	0	365,727	365,727
Deferred Revenue - Current Property Taxes	11,063,381	894,832	11,958,213
Deferred Revenue - Delinquent Property Taxes	341,128	62,354	403,482
Other Deferred Revenues	2,498,452	0	2,498,452
Total Liabilities	$ 16,384,863	$ 1,624,924	$ 18,009,787
Fund Balances			
Reserved for Encumbrances	$ 226,101	$ 311,117	$ 537,218
Reserved for Career Ladder Program	142,369	0	142,369
Reserved for Title I Grants to Local Education Agencies	0	619,783	619,783
Reserved for Innovative Education Program Strategies	0	68,838	68,838
Other Federal Reserves	0	81,077	81,077
Unreserved, Reported In:			
General Fund	3,804,163	0	3,804,163
Special Revenue Funds	0	1,526,264	1,526,264
Capital Projects Funds	0	329,442	329,442
Total Fund Balances	$ 4,172,633	$ 2,936,521	$ 7,109,154
Total Liabilities and Fund Balances	$ 20,557,496	$ 4,561,445	$ 25,118,941

Exhibit J-3

Madison County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets
Discretely Presented Madison County School Department
June 30, 2009

Amounts reported for governmental activities in the statement of net assets (Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		$ 7,109,154
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 2,091,562	
Add: buildings and improvements net of accumulated depreciation	66,648,805	
Add: other capital assets net of accumulated depreciation	5,360,718	74,101,085
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability	$ (423,990)	
Less: compensated absences payable	(313,183)	(737,173)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		2,901,934
Net assets of governmental activities (Exhibit A)		$ 83,375,000

Exhibit J-4

Madison County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Madison County School Department
For the Year Ended June 30, 2009

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
Revenues			
Local Taxes	$ 45,366,025	$ 2,061,985	$ 47,428,010
Licenses and Permits	9,994	0	9,994
Charges for Current Services	442,337	1,748,728	2,191,065
Other Local Revenues	167,555	26,615	194,170
State of Tennessee	49,500,165	78,256	49,578,421
Federal Government	169,524	12,893,352	13,062,876
Other Governments and Citizens Groups	1,600,000	0	1,600,000
Total Revenues	$ 97,255,600	$ 16,808,936	$ 114,064,536
Expenditures			
Current:			
Instruction	$ 60,765,492	$ 5,916,236	$ 66,681,728
Support Services	35,503,784	2,516,535	38,020,319
Operation of Non-Instructional Services	1,595,816	6,862,945	8,458,761
Capital Projects	0	2,280,690	2,280,690
Total Expenditures	$ 97,865,092	$ 17,576,406	$ 115,441,498
Excess (Deficiency) of Revenues Over Expenditures	$ (609,492)	$ (767,470)	$ (1,376,962)
Other Financing Sources (Uses)			
Insurance Recovery	$ 104,037	$ 44,558	$ 148,595
Transfers In	12,299	214,031	226,330
Transfers Out	(214,031)	(12,299)	(226,330)
Total Other Financing Sources (Uses)	$ (97,695)	$ 246,290	$ 148,595
Net Change in Fund Balances	$ (707,187)	$ (521,180)	$ (1,228,367)
Fund Balance, July 1, 2008	4,879,820	3,457,701	8,337,521
Fund Balance, June 30, 2009	$ 4,172,633	$ 2,936,521	$ 7,109,154

Exhibit J-5

Madison County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Madison County School Department
For the Year Ended June 30, 2009

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:		
Net change in fund balances - total governmental funds (Exhibit J-4)		$ (1,228,367)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	$ 1,249,044	
Less: current year depreciation expense	(3,117,208)	(1,868,164)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets.		
Less: loss on disposal of capital assets		(24,469)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2009	$ 2,901,934	
Less: deferred delinquent property taxes and other deferred June 30, 2008	(3,188,512)	(286,578)
(4) 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.		
Change in compensated absences payable	$ 33,168	
Change in other postemployment benefits liability	(209,166)	(175,998)
Change in net assets of governmental activities (Exhibit B)		$ (3,583,576)

Exhibit J-6

Madison County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Madison County School Department
June 30, 2009

	Special Revenue Funds			Capital Projects Fund	Total
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Nonmajor Governmental Funds
ASSETS					
Equity in Pooled Cash and Investments	$ 256,528	$ 2,203,279	$ 2,459,807	$ 530,177	$ 2,989,984
Due from Other Governments	578,868	3,019	581,887	28,088	609,975
Property Taxes Receivable	0	0	0	1,055,538	1,055,538
Allowance for Uncollectible Property Taxes	0	0	0	(94,052)	(94,052)
Total Assets	$ 835,396	$ 2,206,298	$ 3,041,694	$ 1,519,751	$ 4,561,445
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	$ 26,801	$ 0	$ 26,801	$ 0	$ 26,801
Payroll Deductions Payable	187,827	87,383	275,210	0	275,210
Due to Other Funds	335,506	30,221	365,727	0	365,727
Deferred Revenue - Current Property Taxes	0	0	0	894,832	894,832
Deferred Revenue - Delinquent Property Taxes	0	0	0	62,354	62,354
Total Liabilities	$ 550,134	$ 117,604	$ 667,738	$ 957,186	$ 1,624,924
Fund Balances					
Reserved for Encumbrances	$ 73,044	$ 4,950	$ 77,994	$ 233,123	$ 311,117
Reserved for Title I Grants to Local Education Agencies	619,783	0	619,783	0	619,783
Reserved for Innovative Education Program Strategies	68,838	0	68,838	0	68,838
Other Federal Reserves	81,077	0	81,077	0	81,077
Unreserved (Deficit)	(557,480)	2,083,744	1,526,264	329,442	1,855,706
Total Fund Balances	$ 285,262	$ 2,088,694	$ 2,373,956	$ 562,565	$ 2,936,521
Total Liabilities and Fund Balances	$ 835,396	$ 2,206,298	$ 3,041,694	$ 1,519,751	$ 4,561,445

Exhibit J-7

Madison County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Madison County School Department
For the Year Ended June 30, 2009

	Special Revenue Funds			Capital Projects Fund	Total
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Nonmajor Governmental Funds
Revenues					
Local Taxes	$ 0	$ 0	$ 0	$ 2,061,985	$ 2,061,985
Charges for Current Services	0	1,748,728	1,748,728	0	1,748,728
Other Local Revenues	0	26,615	26,615	0	26,615
State of Tennessee	0	78,256	78,256	0	78,256
Federal Government	7,760,102	5,133,250	12,893,352	0	12,893,352
Total Revenues	$ 7,760,102	$ 6,986,849	$ 14,746,951	$ 2,061,985	$ 16,808,936
Expenditures					
Current:					
Instruction	$ 5,916,236	$ 0	$ 5,916,236	$ 0	$ 5,916,236
Support Services	2,516,535	0	2,516,535	0	2,516,535
Operation of Non-Instructional Services	0	6,862,945	6,862,945	0	6,862,945
Capital Projects	0	0	0	2,280,690	2,280,690
Total Expenditures	$ 8,432,771	$ 6,862,945	$ 15,295,716	$ 2,280,690	$ 17,576,406
Excess (Deficiency) of Revenues Over Expenditures	$ (672,669)	$ 123,904	$ (548,765)	$ (218,705)	$ (767,470)
Other Financing Sources (Uses)					
Insurance Recovery	$ 0	$ 0	$ 0	$ 44,558	$ 44,558
Transfers In	0	0	0	214,031	214,031
Transfers Out	(12,299)	0	(12,299)	0	(12,299)
Total Other Financing Sources (Uses)	$ (12,299)	$ 0	$ (12,299)	$ 258,589	$ 246,290
Net Change in Fund Balances	$ (684,968)	$ 123,904	$ (561,064)	$ 39,884	$ (521,180)
Fund Balance, July 1, 2008	970,230	1,964,790	2,935,020	522,681	3,457,701
Fund Balance, June 30, 2009	$ 285,262	$ 2,088,694	$ 2,373,956	$ 562,565	$ 2,936,521

Exhibit J-8

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Madison County School Department
General Purpose School Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 45,366,025	$ 0	$ 0	$ 45,366,025	$ 47,147,729	$ 47,147,729	$ (1,781,704)
Licenses and Permits	9,994	0	0	9,994	8,800	8,800	1,194
Charges for Current Services	442,337	0	0	442,337	441,035	468,094	(25,757)
Other Local Revenues	167,555	0	0	167,555	17,000	159,878	7,677
State of Tennessee	49,500,165	0	0	49,500,165	48,274,900	49,673,044	(172,879)
Federal Government	169,524	0	0	169,524	183,054	183,054	(13,530)
Other Governments and Citizens Groups	1,600,000	0	0	1,600,000	0	1,600,000	0
Total Revenues	$ 97,255,600	$ 0	$ 0	$ 97,255,600	$ 96,072,518	$ 99,240,599	$ (1,984,999)
Expenditures							
Instruction							
Regular Instruction Program	$ 47,630,968	$ (208)	$ 1,124	$ 47,631,884	$ 46,506,063	$ 48,162,442	$ 530,558
Special Education Program	9,320,597	0	28,830	9,349,427	9,888,148	9,664,434	315,007
Vocational Education Program	3,267,576	(69,975)	2,775	3,200,376	3,384,123	3,219,347	18,971
Other	546,351	0	0	546,351	668,911	596,409	50,058
Support Services							
Attendance	281,249	0	28	281,277	306,789	303,937	22,660
Health Services	48,099	0	0	48,099	70,126	52,526	4,427
Other Student Support	3,164,845	(160)	0	3,164,685	3,311,730	3,213,840	49,155
Regular Instruction Program	2,924,529	0	12,049	2,936,578	2,848,594	2,933,836	(2,742)
Special Education Program	598,397	0	550	598,947	679,562	648,738	49,791
Vocational Education Program	111,164	0	0	111,164	131,171	124,201	13,037
Other Programs	3,074,335	(581)	53,261	3,127,015	2,926,569	3,861,087	734,072
Board of Education	1,707,125	0	0	1,707,125	1,722,837	1,770,163	63,038

(Continued)

Exhibit J-8

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Madison County School Department
General Purpose School Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Director of Schools	$ 395,618	$ 0	$ 0	$ 395,618	$ 469,716	$ 423,230	$ 27,612
Office of the Principal	6,080,518	0	0	6,080,518	6,133,871	6,153,335	72,817
Fiscal Services	609,944	0	3,956	613,900	284,795	618,103	4,203
Human Services/Personnel	228,105	0	0	228,105	231,403	235,294	7,189
Operation of Plant	7,342,621	0	0	7,342,621	7,207,314	7,373,060	30,439
Maintenance of Plant	3,328,756	0	6,806	3,335,562	3,285,207	3,341,917	6,355
Transportation	4,805,300	0	1,000	4,806,300	5,090,604	5,117,871	311,571
Central and Other	803,179	0	115,718	918,897	866,321	956,726	37,829
Operation of Non-Instructional Services							
Food Service	1,140	0	0	1,140	1,140	1,142	2
Community Services	91,490	0	0	91,490	99,277	104,986	13,496
Early Childhood Education	1,503,186	(1,454)	4	1,501,736	1,535,049	1,569,427	67,691
Capital Outlay							
Regular Capital Outlay	0	0	0	0	199,000	199,000	199,000
Total Expenditures	$ 97,865,092	$ (72,378)	$ 226,101	$ 98,018,815	$ 97,848,320	$ 100,645,051	$ 2,626,236
Excess (Deficiency) of Revenues Over Expenditures	$ (609,492)	$ 72,378	$ (226,101)	$ (763,215)	$ (1,775,802)	$ (1,404,452)	$ 641,237
Other Financing Sources (Uses)							
Insurance Recovery	$ 104,037	$ 0	$ 0	$ 104,037	$ 0	$ 83,486	$ 20,551
Transfers In	12,299	0	0	12,299	520,202	527,550	(515,251)
Transfers Out	(214,031)	0	0	(214,031)	(355,106)	(214,031)	0
Total Other Financing Sources (Uses)	$ (97,695)	$ 0	$ 0	$ (97,695)	$ 165,096	$ 397,005	$ (494,700)
Net Change in Fund Balance	$ (707,187)	$ 72,378	$ (226,101)	$ (860,910)	$ (1,610,706)	$ (1,007,447)	$ 146,537
Fund Balance, July 1, 2008	4,879,820	(72,378)	0	4,807,442	4,319,822	4,319,822	487,620
Fund Balance, June 30, 2009	$ 4,172,633	$ 0	$ (226,101)	$ 3,946,532	$ 2,709,116	$ 3,312,375	$ 634,157

Exhibit J-9

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Madison County School Department
School Federal Projects Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Federal Government	$ 7,760,102	$ 0	$ 0	$ 7,760,102	$ 8,608,961	$ 11,796,129	$ (4,036,027)
Total Revenues	$ 7,760,102	$ 0	$ 0	$ 7,760,102	$ 8,608,961	$ 11,796,129	$ (4,036,027)
Expenditures							
Instruction							
Regular Instruction Program	$ 2,558,856	$ 0	$ 69,159	$ 2,628,015	$ 2,145,304	$ 3,668,155	$ 1,040,140
Special Education Program	3,181,839	0	0	3,181,839	2,941,714	3,649,297	467,458
Vocational Education Program	175,541	0	3,885	179,426	195,778	207,778	28,352
Support Services							
Health Services	5,468	0	0	5,468	0	12,565	7,097
Other Student Support	144,665	0	0	144,665	189,057	212,764	68,099
Regular Instruction Program	1,597,076	(2,118)	0	1,594,958	2,535,550	3,761,062	2,166,104
Special Education Program	101,776	0	0	101,776	61,881	214,034	112,258
Vocational Education Program	3,749	0	0	3,749	5,663	5,663	1,914
Other Programs	527,549	0	0	527,549	0	527,549	0
Fiscal Services	12,476	0	0	12,476	0	13,431	955
Transportation	123,776	0	0	123,776	0	205,712	81,936
Total Expenditures	$ 8,432,771	$ (2,118)	$ 73,044	$ 8,503,697	$ 8,074,947	$ 12,478,010	$ 3,974,313
Excess (Deficiency) of Revenues Over Expenditures	$ (672,669)	$ 2,118	$ (73,044)	$ (743,595)	$ 534,014	$ (681,881)	$ (61,714)
Other Financing Sources (Uses)							
Transfers Out	$ (12,299)	$ 0	$ 0	$ (12,299)	$ (534,014)	$ (25,870)	$ 13,571
Total Other Financing Sources (Uses)	$ (12,299)	$ 0	$ 0	$ (12,299)	$ (534,014)	$ (25,870)	$ 13,571
Net Change in Fund Balance	$ (684,968)	$ 2,118	$ (73,044)	$ (755,894)	$ 0	$ (707,751)	$ (48,143)
Fund Balance, July 1, 2008	970,230	(2,118)	0	968,112	29,234	29,234	938,878
Fund Balance, June 30, 2009	$ 285,262	$ 0	$ (73,044)	$ 212,218	$ 29,234	$ (678,517)	$ 890,735

Exhibit J-10

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Madison County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Charges for Current Services	$ 1,748,728	$ 0	$ 0	$ 1,748,728	$ 2,210,000	$ 2,210,000	$ (461,272)
Other Local Revenues	26,615	0	0	26,615	110,000	110,000	(83,385)
State of Tennessee	78,256	0	0	78,256	82,000	82,000	(3,744)
Federal Government	5,133,250	0	0	5,133,250	5,011,000	5,011,000	122,250
Total Revenues	$ 6,986,849	$ 0	$ 0	$ 6,986,849	$ 7,413,000	$ 7,413,000	$ (426,151)
Expenditures							
Operation of Non-Instructional Services							
Food Service	$ 6,862,945	$ (23,227)	$ 4,950	$ 6,844,668	$ 7,822,798	$ 7,822,798	$ 978,130
Total Expenditures	$ 6,862,945	$ (23,227)	$ 4,950	$ 6,844,668	$ 7,822,798	$ 7,822,798	$ 978,130
Excess (Deficiency) of Revenues Over Expenditures	$ 123,904	$ 23,227	$ (4,950)	$ 142,181	$ (409,798)	$ (409,798)	$ 551,979
Net Change in Fund Balance	$ 123,904	$ 23,227	$ (4,950)	$ 142,181	$ (409,798)	$ (409,798)	$ 551,979
Fund Balance, July 1, 2008	1,964,790	(23,227)	0	1,941,563	2,129,015	2,129,015	(187,452)
Fund Balance, June 30, 2009	$ 2,088,694	$ 0	$ (4,950)	$ 2,083,744	$ 1,719,217	$ 1,719,217	$ 364,527

Exhibit J-11

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Madison County School Department
Education Capital Projects Fund
For the Year Ended June 30, 2009

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2008	Add: Encumbrances 6/30/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 2,061,985	$ 0	$ 0	$ 2,061,985	$ 2,038,388	$ 2,038,388	$ 23,597
Total Revenues	$ 2,061,985	$ 0	$ 0	$ 2,061,985	$ 2,038,388	$ 2,038,388	$ 23,597
Expenditures							
Capital Projects							
Education Capital Projects	$ 2,280,690	$ (563,460)	$ 233,123	$ 1,950,353	$ 2,070,758	$ 2,118,516	$ 168,163
Total Expenditures	$ 2,280,690	$ (563,460)	$ 233,123	$ 1,950,353	$ 2,070,758	$ 2,118,516	$ 168,163
Excess (Deficiency) of Revenues Over Expenditures	$ (218,705)	$ 563,460	$ (233,123)	$ 111,632	$ (32,370)	$ (80,128)	$ 191,760
Other Financing Sources (Uses)							
Insurance Recovery	$ 44,558	$ 0	$ 0	$ 44,558	$ 0	$ 47,758	$ (3,200)
Transfers In	214,031	0	0	214,031	0	214,031	0
Total Other Financing Sources (Uses)	$ 258,589	$ 0	$ 0	$ 258,589	$ 0	$ 261,789	$ (3,200)
Net Change in Fund Balance	$ 39,884	$ 563,460	$ (233,123)	$ 370,221	$ (32,370)	$ 181,661	$ 188,560
Fund Balance, July 1, 2008	522,681	(563,460)	0	(40,779)	132,370	132,370	(173,149)
Fund Balance, June 30, 2009	$ 562,565	$ 0	$ (233,123)	$ 329,442	$ 100,000	$ 314,031	$ 15,411

Exhibit J-12

Madison County, Tennessee
Statement of Fiduciary Net Assets
Fiduciary Fund
Discretely Presented Madison County School Department
June 30, 2009

	Other Trust Pension Trust Fund
ASSETS	
Equity in Pooled Cash and Investments	$ 991,486
Total Assets	$ 991,486
LIABILITIES	
Due to Other Funds	$ 3,572
Total Liabilities	$ 3,572
NET ASSETS	
Funds Held in Trust for Retirees	$ 987,914
Total Net Assets	$ 987,914

Exhibit J-13

Madison County, Tennessee
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
Discretely Presented Madison County School Department
For the Year Ended June 30, 2009

	Other Trust Pension Trust Fund
ADDITIONS	
Contributions	
Tennessee Consolidated Retirement System	$ 368,216
Employer	377,755
Plan Members	1,502
Total Contributions	$ 747,473
Investment Income	
Interest Earned	$ 16,737
Total Investment Income	$ 16,737
Total Additions	$ 764,210
DEDUCTIONS	
Benefits	$ 778,911
Trustee's Commission	175
Total Deductions	$ 779,086
Change in Net Assets	$ (14,876)
Net Assets, July 1, 2008	1,002,790
Net Assets, June 30, 2009	$ 987,914

MISCELLANEOUS SCHEDULES

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Exhibit K-1

Madison County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2009

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-08	Paid and/or Matured During Period	Outstanding 6-30-09
NOTES PAYABLE							
Payable through General Fund							
Wastewater Facilities Revolving Funds Loan	$ 250,000	3.3 %	11-20-1992	12-31-13	$ 85,852	$ 14,472	$ 71,380
Total Payable through General Fund					$ 85,852	$ 14,472	$ 71,380
Payable through General Debt Service Fund							
Refunding Notes, Series 2004	21,315,000	4 to 5	3-15-04	4-1-13	$ 18,815,000	$ 4,430,000	$ 14,385,000
Total Payable through General Debt Service Fund					$ 18,815,000	$ 4,430,000	$ 14,385,000
Total Notes Payable					$ 18,900,852	$ 4,444,472	$ 14,456,380
BONDS PAYABLE							
Payable through General Debt Service Fund							
School and Public Improvement Bonds Series 2002	25,900,000	3 to 5	6-25-02	4-1-15	$ 2,000,000	$ 1,000,000	$ 1,000,000
School and Public Improvement Bonds Series 2003	10,000,000	2 to 4	5-29-03	6-30-14	9,850,000	50,000	9,800,000
Refunding Bonds - Series 2004	1,925,000	5	3-15-04	4-1-16	1,925,000	0	1,925,000
School and Public Improvement Refunding Bonds Series 2004	23,620,000	3.85 to 5	12-1-04	4-1-18	23,620,000	0	23,620,000
Refunding Bonds - Series 2004B	2,125,000	5	12-1-04	4-1-14	2,125,000	0	2,125,000
Refunding Bonds - Series 2006	2,355,000	4.8	3-15-06	4-1-19	2,355,000	0	2,355,000
Refunding Bonds - Series 2006A	5,035,000	4.04	5-31-06	6-1-19	4,735,000	200,000	4,535,000
Total Bonds Payable					$ 46,610,000	$ 1,250,000	$ 45,360,000

Exhibit K-2

Madison County, Tennessee
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Note Principal	Note Interest	Total Note Requirements
2010	$ 4,534,964	$ 721,374	$ 5,256,338
2011	4,280,468	494,870	4,775,338
2012	4,015,984	281,104	4,297,088
2013	1,616,512	80,576	1,697,088
2014	8,452	84	8,536
Total	$ 14,456,380	$ 1,578,008	$ 16,034,388

Year Ending June 30	Bond Principal	Bond Interest	Total Bond Requirements
2010	$ 1,200,000	$ 2,054,854	$ 3,254,854
2011	1,900,000	2,016,774	3,916,774
2012	2,650,000	1,957,694	4,607,694
2013	4,400,000	1,827,114	6,227,114
2014	5,960,000	1,640,914	7,600,914
2015	6,140,000	1,365,358	7,505,358
2016	6,390,000	1,127,942	7,517,942
2017	6,710,000	813,866	7,523,866
2018	7,040,000	484,030	7,524,030
2019	2,970,000	137,886	3,107,886
Total	$ 45,360,000	$ 13,426,432	$ 58,786,432

Exhibit K-3

Madison County, Tennessee
Schedule of Notes Receivable
June 30, 2009

Description	Debtor	Original Amount of Note	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-09
General Fund						
Wastewater Facility Construction	Jackson Energy Authority	$ 250,000	4-1-1994	4-1-34	3.3 %	$ 190,352
Total Notes Receivable						$ 190,352

Exhibit K-4

Madison County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Madison County School Department
For the Year Ended June 30, 2009

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	General Capital Projects	Capital outlay	$ 5,000
Local Purpose Tax	Solid Waste/Sanitation	Operations	50,000
Highway/Public Works	General	Finance department operations	29,203
Total Transfers Primary Government			$ 84,203
DISCRETELY PRESENTED MADISON COUNTY SCHOOL DEPARTMENT			
General Purpose School	Education Capital Projects	Various projects	$ 214,031
School Federal Projects	General Purpose School	Indirect costs	12,299
Total Transfers Discretely Presented Madison County School Department			$ 226,330

Exhibit K-5

Madison County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Madison County School Department
For the Year Ended June 30, 2009

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	$ 98,052	$ 50,000	Fidelity and Deposit Company of Maryland
Highway Engineer	Section 8-24-102, TCA	118,644 (1)	100,000	"
Director of Schools	State Board of Education and Madison Co. Board of Education	133,369 (2)	50,000	Western Surety Company
Trustee	Section 8-24-102, TCA	73,714 (3)	3,450,000	Fidelity and Deposit Company of Maryland
Assessor of Property	Section 8-24-102, TCA	73,714 (3)	10,000	Hartford Fire Insurance Company
Director of Finance	County Commission	82,619 (4)	50,000	Fidelity and Deposit Company of Maryland
County Clerk	Section 8-24-102, TCA	73,714 (3)	50,000	"
Circuit Court Clerk	Section 8-24-102, TCA	80,935 (3)	50,000	"
Clerk and Master	Section 8-24-102, TCA	80,935 (3)	70,000	RLI Insurance Company
Juvenile Court Clerk	Chapter 212, Private Acts of 1990	72,214	50,000	Fidelity and Deposit Company of Maryland
Register	Section 8-24-102, TCA	73,714 (3)	50,000	"
Sheriff	Section 8-24-102, TCA, and County Commission	93,383 (5), (6)	50,000	"
Employees Blanket Bond:				
Office:				
County Mayor:				
All Employees			150,000	Local Government Property and Casualty Fund
Highway Engineer:				
All Employees			150,000	"
Director of Schools:				
All Employees			150,000	"

(1) Includes accrued leave of $16,501.
(2) Does not include medical insurance of $549.
(3) Includes certified public administrator supplement of $1,500 provided by Section 5-1-310, TCA.
(4) Includes education incentive pay of $375.
(5) Does not include a law enforcement training supplement of $600 and a clothing allowance of $750.
(6) Includes compensation of $13,947 for supervision of the county workhouse (penal farm).

Exhibit K-6

Madison County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2009

		Special Revenue Funds					
	General	Juvenile Services	Solid Waste/ Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Highway/ Public Works
Local Taxes							
County Property Taxes							
Current Property Tax	$ 12,756,326	$ 878,301	$ 376,405	$ 1,338,365	$ 0	$ 0	$ 1,631,145
Trustee's Collections - Prior Year	343,906	23,622	11,107	36,871	0	0	48,997
Circuit/Clerk & Master Collections - Prior Years	292,902	20,167	8,643	30,731	0	0	37,453
Interest and Penalty	73,007	4,947	2,086	7,404	0	0	9,315
Payments in-Lieu-of Taxes - Local Utilities	228,424	14,644	6,276	25,111	0	0	29,500
Payments in-Lieu-of Taxes - Other	149,908	10,321	4,423	15,728	0	0	19,169
County Local Option Taxes							
Local Option Sales Tax	917,339	0	0	0	0	0	0
Hotel/Motel Tax	352,794	0	0	0	0	0	0
Litigation Tax - General	300,334	0	0	0	0	0	0
Litigation Tax - Special Purpose	289,434	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0
Business Tax	1,439,100	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	51,862
Statutory Local Taxes							
Bank Excise Tax	82,697	5,694	2,440	8,677	0	0	10,574
Wholesale Beer Tax	341,654	0	0	0	0	0	0
Interstate Telecommunications Tax	3,672	0	0	0	0	0	0
Total Local Taxes	$ 17,571,497	$ 957,696	$ 411,380	$ 1,462,887	$ 0	$ 0	$ 1,838,015
Licenses and Permits							
Licenses							
Animal Registration	$ 16,228	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Animal Vaccination	2,418	0	0	0	0	0	0
Cable TV Franchise	258,886	0	0	0	0	0	0
Permits							
Building Permits	78,510	0	0	0	0	0	0
Other Permits	430	0	0	0	0	0	0
Total Licenses and Permits	$ 356,472	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit K-6

Madison County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

		Special Revenue Funds					
	General	Juvenile Services	Solid Waste/ Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Highway/ Public Works
Fines, Forfeitures, and Penalties							
Circuit Court							
Fines	$ 55,896	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Officers Costs	39,364	0	0	0	0	0	0
Drug Control Fines	2,297	0	0	0	0	0	0
Drug Court Fees	7,357	0	0	0	0	0	0
Jail Fees	21,348	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	22,026	0
DUI Treatment Fines	3,272	0	0	0	0	0	0
Data Entry Fee - Circuit Court	2,071	0	0	0	0	0	0
Courtroom Security Fee	542	0	0	0	0	0	0
Victims Assistance Assessments	4,418	0	0	0	0	0	0
General Sessions Court							
Fines	40,951	0	0	0	0	0	0
Officers Costs	169,663	0	0	0	0	0	0
Game and Fish Fines	400	0	0	0	0	0	0
Drug Control Fines	13,325	0	0	0	11,247	0	0
Drug Court Fees	7,058	0	0	0	0	0	0
Jail Fees	43,606	0	0	0	0	0	0
Interpreter Fees	428	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	8,778	0
DUI Treatment Fines	8,528	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	23,729	0	0	0	0	0	0
Courtroom Security Fee	1,742	0	0	0	0	0	0
Victims Assistance Assessments	28,643	0	0	0	0	0	0
Juvenile Court							
Officers Costs	820	0	0	0	0	0	0
Chancery Court							
Officers Costs	6,260	0	0	0	0	0	0
Data Entry Fee - Chancery Court	10,015	0	0	0	0	0	0
Courtroom Security Fee	97	0	0	0	0	0	0

(Continued)

Exhibit K-6

Madison County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	General	Special Revenue Funds					
		Juvenile Services	Solid Waste/ Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Highway/ Public Works
Fines, Forfeitures, and Penalties (Cont.)							
Other Courts - In-county							
Fines	$ 570	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Fines for Littering	100	0	0	0	0	0	0
Courts in Other District Counties							
District Attorney General Fees	0	0	0	0	0	2,835	0
Other Fines, Forfeitures, and Penalties							
Proceeds from Confiscated Property	0	0	0	0	4,857	0	0
Total Fines, Forfeitures, and Penalties	$ 492,500	$ 0	$ 0	$ 0	$ 16,104	$ 33,639	$ 0
Charges for Current Services							
General Service Charges							
Patient Charges	$ 9,689	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Health Department Collections	229,516	0	0	0	0	0	0
Other General Service Charges	3,578	0	0	0	0	0	0
Fees							
Engineer Review Fees	3,664	0	0	0	0	0	0
Recreation Fees	66,843	0	0	0	0	0	0
Copy Fees	476	0	0	0	0	0	0
Telephone Commissions	58,958	0	0	0	0	0	0
Vending Machine Collections	120,149	0	0	0	0	0	0
Data Processing Fee - Register	35,370	0	0	0	0	0	0
Data Processing Fee - Sheriff	19,596	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	2,900	0	0	0	0	0	0
Data Processing Fee - County Clerk	6,655	0	0	0	0	0	0
Education Charges							
Community Service Fees - Adults	533,216	0	0	0	0	0	0
TBI Criminal Background Fees	730	0	0	0	0	0	0
Total Charges for Current Services	$ 1,091,340	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit K-6

Madison County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

		Special Revenue Funds					
	General	Juvenile Services	Solid Waste/ Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Highway/ Public Works
Other Local Revenues							
Recurring Items							
Investment Income	$ 1,073	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Lease/Rentals	107,176	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0	7,716
Sale of Gasoline	3,679	0	0	0	0	0	0
Sale of Maps	4,000	0	0	0	0	0	0
Sale of Recycled Materials	185	0	53,637	0	0	0	0
Miscellaneous Refunds	117,133	3,332	3,468	0	0	510	60,412
Expenditure Credits	5,401	0	0	0	0	0	0
Nonrecurring Items							
Sale of Equipment	28,605	0	0	0	0	0	0
Sale of Property	62,496	0	0	0	0	0	0
Damages Recovered from Individuals	135	0	0	0	0	0	0
Contributions and Gifts	1,000	0	0	0	0	0	0
Other Local Revenues							
Other Local Revenues	6,370	0	0	0	0	0	0
Total Other Local Revenues	$ 337,253	$ 3,332	$ 57,105	$ 0	$ 0	$ 510	$ 68,128
Fees Received from County Officials							
Fees in-Lieu-of Salary							
County Clerk	$ 808,158	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	388,500	0	0	0	0	0	0
General Sessions Court Clerk	774,479	0	0	0	0	0	0
Clerk and Master	523,884	0	0	0	0	0	0
Juvenile Court Clerk	182,886	0	0	0	0	0	0
Register	421,617	0	0	0	0	0	0
Sheriff	47,145	0	0	0	0	0	0
Trustee	1,542,070	0	0	0	0	0	0
Total Fees Received from County Officials	$ 4,688,739	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit K-6

Madison County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

		Special Revenue Funds					
	General	Juvenile Services	Solid Waste/ Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Highway/ Public Works
State of Tennessee							
General Government Grants							
Juvenile Services Program	$ 269,189	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
State Reappraisal Grant	28,717	0	0	0	0	0	0
Solid Waste Grants	0	0	126,860	0	0	0	0
Other General Government Grants	10,500	0	0	0	0	0	0
Public Safety Grants							
Law Enforcement Training Programs	35,400	0	0	0	0	0	0
Drug Control Grants	44,902	0	0	0	0	0	0
Health and Welfare Grants							
Health Department Programs	2,973,275	0	0	0	0	0	0
Public Works Grants							
Bridge Program	0	0	0	0	0	0	357,071
State Aid Program	0	0	0	0	0	0	722,949
Litter Program	56,493	0	0	0	0	0	0
Other State Revenues							
Income Tax	38,146	0	0	0	0	0	0
Beer Tax	18,701	0	0	0	0	0	0
Alcoholic Beverage Tax	113,849	0	0	0	0	0	0
Mixed Drink Tax	10,472	0	0	0	0	0	0
Prisoner Transportation	16,211	0	0	0	0	0	0
Contracted Prisoner Boarding	909,860	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	2,270,236
Petroleum Special Tax	0	0	0	0	0	0	73,755
Registrar's Salary Supplement	10,817	0	0	0	0	0	0
Other State Grants	93,933	0	0	0	0	0	0
Other State Revenues	557,836	9,000	0	0	0	0	0
Total State of Tennessee	$ 5,188,301	$ 9,000	$ 126,860	$ 0	$ 0	$ 0	$ 3,424,011

(Continued)

Exhibit K-6

Madison County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

		Special Revenue Funds					
	General	Juvenile Services	Solid Waste/ Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Highway/ Public Works
Federal Government							
Federal Through State							
Homeland Security Grants	$ 604,644	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Law Enforcement Grants	51,204	0	0	0	0	0	0
Other Federal through State	147,912	164,046	0	0	0	0	0
Direct Federal Revenue							
Other Direct Federal Revenue	30,937	0	0	0	0	0	0
Total Federal Government	$ 834,697	$ 164,046	$ 0	$ 0	$ 0	$ 0	$ 0
Other Governments and Citizens Groups							
Other Governments							
Prisoner Board	$ 52,848	$ 52,517	$ 0	$ 0	$ 0	$ 0	$ 0
Contributions	555,106	0	0	0	0	0	0
Contracted Services	1,056,654	0	0	0	0	0	0
Total Other Governments and Citizens Groups	$ 1,664,608	$ 52,517	$ 0	$ 0	$ 0	$ 0	$ 0
Total	$ 32,225,407	$ 1,186,591	$ 595,345	$ 1,462,887	$ 16,104	$ 34,149	$ 5,330,154

(Continued)

Exhibit K-6

Madison County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund	Capital Projects Funds			
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 7,695,606	$ 669,183	$ 0	$ 0	$ 25,345,331
Trustee's Collections - Prior Year	220,754	23,438	0	0	708,695
Circuit/Clerk & Master Collections - Prior Years	184,384	19,207	0	0	593,487
Interest and Penalty	45,345	4,395	0	0	146,499
Payments in-Lieu-of Taxes - Local Utilities	133,892	13,947	0	0	451,794
Payments in-Lieu-of Taxes - Other	90,494	7,865	0	0	297,908
County Local Option Taxes					
Local Option Sales Tax	0	0	0	0	917,339
Hotel/Motel Tax	0	0	0	0	352,794
Litigation Tax - General	0	0	0	0	300,334
Litigation Tax - Special Purpose	0	0	0	0	289,434
Litigation Tax - Jail, Workhouse, or Courthouse	129,833	0	0	0	129,833
Business Tax	0	0	0	0	1,439,100
Mineral Severance Tax	0	0	0	0	51,862
Statutory Local Taxes					
Bank Excise Tax	49,889	4,338	0	0	164,309
Wholesale Beer Tax	0	0	0	0	341,654
Interstate Telecommunications Tax	0	0	0	0	3,672
Total Local Taxes	$ 8,550,197	$ 742,373	$ 0	$ 0	$ 31,534,045
Licenses and Permits					
Licenses					
Animal Registration	$ 0	$ 0	$ 0	$ 0	$ 16,228
Animal Vaccination	0	0	0	0	2,418
Cable TV Franchise	0	0	0	0	258,886
Permits					
Building Permits	0	0	0	0	78,510
Other Permits	0	0	0	0	430
Total Licenses and Permits	$ 0	$ 0	$ 0	$ 0	$ 356,472

(Continued)

Exhibit K-6

Madison County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund	Capital Projects Funds			
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	Total
Fines, Forfeitures, and Penalties					
Circuit Court					
Fines	$ 0	$ 0	$ 0	$ 0	$ 55,896
Officers Costs	0	0	0	0	39,364
Drug Control Fines	0	0	0	0	2,297
Drug Court Fees	0	0	0	0	7,357
Jail Fees	0	0	0	0	21,348
District Attorney General Fees	0	0	0	0	22,026
DUI Treatment Fines	0	0	0	0	3,272
Data Entry Fee - Circuit Court	0	0	0	0	2,071
Courtroom Security Fee	0	0	0	0	542
Victims Assistance Assessments	0	0	0	0	4,418
General Sessions Court					
Fines	0	0	0	0	40,951
Officers Costs	0	0	0	0	169,663
Game and Fish Fines	0	0	0	0	400
Drug Control Fines	0	0	0	0	24,572
Drug Court Fees	0	0	0	0	7,058
Jail Fees	0	0	0	0	43,606
Interpreter Fees	0	0	0	0	428
District Attorney General Fees	0	0	0	0	8,778
DUI Treatment Fines	0	0	0	0	8,528
Data Entry Fee - General Sessions Court	0	0	0	0	23,729
Courtroom Security Fee	0	0	0	0	1,742
Victims Assistance Assessments	0	0	0	0	28,643
Juvenile Court					
Officers Costs	0	0	0	0	820
Chancery Court					
Officers Costs	0	0	0	0	6,260
Data Entry Fee - Chancery Court	0	0	0	0	10,015
Courtroom Security Fee	0	0	0	0	97

(Continued)

Exhibit K-6

Madison County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund	Capital Projects Funds			
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)					
Other Courts - In-county					
Fines	$ 0	$ 0	$ 0	$ 0	$ 570
Fines for Littering	0	0	0	0	100
Courts in Other District Counties					
District Attorney General Fees	0	0	0	0	2,835
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property	0	0	0	0	4,857
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 0	$ 542,243
Charges for Current Services					
General Service Charges					
Patient Charges	$ 0	$ 0	$ 0	$ 0	$ 9,689
Health Department Collections	0	0	0	0	229,516
Other General Service Charges	0	0	0	0	3,578
Fees					
Engineer Review Fees	0	0	0	0	3,664
Recreation Fees	0	0	0	0	66,843
Copy Fees	0	0	0	0	476
Telephone Commissions	0	0	0	0	58,958
Vending Machine Collections	0	0	0	0	120,149
Data Processing Fee - Register	0	0	0	0	35,370
Data Processing Fee - Sheriff	0	0	0	0	19,596
Sexual Offender Registration Fees - Sheriff	0	0	0	0	2,900
Data Processing Fee - County Clerk	0	0	0	0	6,655
Education Charges					
Community Service Fees - Adults	0	0	0	0	533,216
TBI Criminal Background Fees	0	0	0	0	730
Total Charges for Current Services	$ 0	$ 0	$ 0	$ 0	$ 1,091,340

(Continued)

Exhibit K-6

Madison County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund	Capital Projects Funds			
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	Total
Other Local Revenues					
Recurring Items					
Investment Income	$ 494,630	$ 0	$ 0	$ 0	$ 495,703
Lease/Rentals	0	0	32,978	0	140,154
Sale of Materials and Supplies	0	0	0	0	7,716
Sale of Gasoline	0	0	0	0	3,679
Sale of Maps	0	0	0	0	4,000
Sale of Recycled Materials	0	0	0	0	53,822
Miscellaneous Refunds	0	0	0	0	184,855
Expenditure Credits	0	0	0	0	5,401
Nonrecurring Items					
Sale of Equipment	0	0	0	0	28,605
Sale of Property	0	0	0	0	62,496
Damages Recovered from Individuals	0	0	0	0	135
Contributions and Gifts	0	0	0	0	1,000
Other Local Revenues					
Other Local Revenues	0	0	0	0	6,370
Total Other Local Revenues	$ 494,630	$ 0	$ 32,978	$ 0	$ 993,936
Fees Received from County Officials					
Fees in-Lieu-of Salary					
County Clerk	$ 0	$ 0	$ 0	$ 0	$ 808,158
Circuit Court Clerk	0	0	0	0	388,500
General Sessions Court Clerk	0	0	0	0	774,479
Clerk and Master	0	0	0	0	523,884
Juvenile Court Clerk	0	0	0	0	182,886
Register	0	0	0	0	421,617
Sheriff	0	0	0	0	47,145
Trustee	0	0	0	0	1,542,070
Total Fees Received from County Officials	$ 0	$ 0	$ 0	$ 0	$ 4,688,739

(Continued)

Exhibit K-6

Madison County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund	Capital Projects Funds			
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	Total
State of Tennessee					
General Government Grants					
Juvenile Services Program	$ 0	$ 0	$ 0	$ 0	$ 269,189
State Reappraisal Grant	0	0	0	0	28,717
Solid Waste Grants	0	0	0	0	126,860
Other General Government Grants	0	0	0	0	10,500
Public Safety Grants					
Law Enforcement Training Programs	0	0	0	0	35,400
Drug Control Grants	0	0	0	0	44,902
Health and Welfare Grants					
Health Department Programs	0	0	0	0	2,973,275
Public Works Grants					
Bridge Program	0	0	0	244,842	601,913
State Aid Program	0	0	0	0	722,949
Litter Program	0	0	0	0	56,493
Other State Revenues					
Income Tax	0	0	0	0	38,146
Beer Tax	0	0	0	0	18,701
Alcoholic Beverage Tax	0	0	0	0	113,849
Mixed Drink Tax	0	0	0	0	10,472
Prisoner Transportation	0	0	0	0	16,211
Contracted Prisoner Boarding	0	0	0	0	909,860
Gasoline and Motor Fuel Tax	0	0	0	0	2,270,236
Petroleum Special Tax	0	0	0	0	73,755
Registrar's Salary Supplement	0	0	0	0	10,817
Other State Grants	0	0	0	0	93,933
Other State Revenues	0	0	0	0	566,836
Total State of Tennessee	$ 0	$ 0	$ 0	$ 244,842	$ 8,993,014

(Continued)

Exhibit K-6

Madison County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Debt Service Fund	Capital Projects Funds			
	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	Total
Federal Government					
Federal Through State					
Homeland Security Grants	$ 0	$ 0	$ 0	$ 0	$ 604,644
Law Enforcement Grants	0	0	0	0	51,204
Other Federal through State	0	0	0	0	311,958
Direct Federal Revenue					
Other Direct Federal Revenue	0	0	0	0	30,937
Total Federal Government	$ 0	$ 0	$ 0	$ 0	$ 998,743
Other Governments and Citizens Groups					
Other Governments					
Prisoner Board	$ 0	$ 0	$ 0	$ 0	$ 105,365
Contributions	0	0	0	0	555,106
Contracted Services	0	0	0	0	1,056,654
Total Other Governments and Citizens Groups	$ 0	$ 0	$ 0	$ 0	$ 1,717,125
Total	$ 9,044,827	$ 742,373	$ 32,978	$ 244,842	$ 50,915,657

Exhibit K-7

Madison County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Madison County School Department
For the Year Ended June 30, 2009

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
Local Taxes					
County Property Taxes					
Current Property Tax	$ 11,376,110	$ 0	$ 0	$ 1,923,919	$ 13,300,029
Trustee's Collections - Prior Year	290,122	0	0	37,771	327,893
Circuit/Clerk & Master Collections - Prior Years	261,211	0	0	32,652	293,863
Interest and Penalty	62,608	0	0	8,740	71,348
Payments in-Lieu-of Taxes - T.V.A.	1,539	0	0	0	1,539
Payments in-Lieu-of Taxes - Local Utilities	189,681	0	0	23,710	213,391
Payments in-Lieu-of Taxes - Other	355,173	0	0	22,721	377,894
County Local Option Taxes					
Local Option Sales Tax	32,744,673	0	0	0	32,744,673
Statutory Local Taxes					
Bank Excise Tax	73,749	0	0	12,472	86,221
Interstate Telecommunications Tax	11,159	0	0	0	11,159
Total Local Taxes	$ 45,366,025	$ 0	$ 0	$ 2,061,985	$ 47,428,010
Licenses and Permits					
Licenses					
Marriage Licenses	$ 6,801	$ 0	$ 0	$ 0	$ 6,801
Permits					
Other Permits	3,193	0	0	0	3,193
Total Licenses and Permits	$ 9,994	$ 0	$ 0	$ 0	$ 9,994
Charges for Current Services					
Education Charges					
Tuition - Summer School	$ 5,980	$ 0	$ 0	$ 0	$ 5,980
Tuition - Other	411,760	0	0	0	411,760
Lunch Payments - Children	0	0	1,171,656	0	1,171,656
Lunch Payments - Adults	0	0	185,689	0	185,689
Income from Breakfast	0	0	74,846	0	74,846
A la carte Sales	0	0	316,537	0	316,537
Other Charges for Services					
Other Charges for Services	24,597	0	0	0	24,597
Total Charges for Current Services	$ 442,337	$ 0	$ 1,748,728	$ 0	$ 2,191,065
Other Local Revenues					
Recurring Items					
Investment Income	$ 0	$ 0	$ 26,615	$ 0	$ 26,615
Lease/Rentals	1	0	0	0	1
Miscellaneous Refunds	159,303	0	0	0	159,303
Nonrecurring Items					
Sale of Equipment	978	0	0	0	978
Contributions and Gifts	7,273	0	0	0	7,273
Total Other Local Revenues	$ 167,555	$ 0	$ 26,615	$ 0	$ 194,170
State of Tennessee					
General Government Grants					
On-Behalf Contributions for OPEB	$ 584,044	$ 0	$ 0	$ 0	$ 584,044
State Education Funds					
Basic Education Program	43,254,001	0	0	0	43,254,001
Early Childhood Education	1,170,149	0	0	0	1,170,149
School Food Service	0	0	78,256	0	78,256

(Continued)

Exhibit K-7

Madison County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Madison County School Department (Cont.)

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
State of Tennessee (Cont.)					
State Education Funds (Cont.)					
Other State Education Funds	$ 453,454	$ 0	$ 0	$ 0	$ 453,454
Career Ladder Program	875,821	0	0	0	875,821
Career Ladder - Extended Contract	250,000	0	0	0	250,000
Other State Revenues					
Mixed Drink Tax	10,473	0	0	0	10,473
State Revenue Sharing - T.V.A.	974,594	0	0	0	974,594
Other State Grants	1,927,629	0	0	0	1,927,629
Total State of Tennessee	$ 49,500,165	$ 0	$ 78,256	$ 0	$ 49,578,421
Federal Government					
Federal Through State					
USDA School Lunch Program	$ 0	$ 0	$ 3,513,927	$ 0	$ 3,513,927
Breakfast	0	0	1,594,931	0	1,594,931
USDA - Other	0	0	24,392	0	24,392
Vocational Education - Basic Grants to States	0	165,640	0	0	165,640
Other Vocational	4,365	0	0	0	4,365
Title I Grants to Local Education Agencies	0	3,510,546	0	0	3,510,546
Innovative Education Program Strategies	0	7,581	0	0	7,581
Special Education - Grants to States	0	3,280,279	0	0	3,280,279
Special Education Preschool Grants	0	3,922	0	0	3,922
English Language Acquisition Grants	0	28,128	0	0	28,128
Eisenhower Professional Development State Grants	0	622,461	0	0	622,461
Other Federal through State	0	141,545	0	0	141,545
Direct Federal Revenue					
ROTC Reimbursement	165,159	0	0	0	165,159
Total Federal Government	$ 169,524	$ 7,760,102	$ 5,133,250	$ 0	$ 13,062,876
Other Governments and Citizens Groups					
Other Governments					
Contributions	$ 1,600,000	$ 0	$ 0	$ 0	$ 1,600,000
Total Other Governments and Citizens Groups	$ 1,600,000	$ 0	$ 0	$ 0	$ 1,600,000
Total	$ 97,255,600	$ 7,760,102	$ 6,986,849	$ 2,061,985	$ 114,064,536

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2009

General Fund				
General Government				
County Commission				
Secretary to Board	$	28,560		
Board and Committee Members Fees		93,300		
Social Security		9,255		
Handling Charges and Administrative Costs		901		
State Retirement		3,973		
Employee and Dependent Insurance		3,373		
Life Insurance		66		
Communication		1		
Office Supplies		2,002		
Total County Commission			$	141,431
County Mayor/Executive				
County Official/Administrative Officer	$	98,052		
Educational Incentive - Other County Employees		3,000		
Other Salaries and Wages		66,921		
Social Security		12,252		
Handling Charges and Administrative Costs		2,753		
State Retirement		19,259		
Employee and Dependent Insurance		12,383		
Life Insurance		348		
Communication		2,590		
Data Processing Services		1,328		
Travel		5,902		
Office Supplies		2,226		
Other Supplies and Materials		3,854		
Total County Mayor/Executive				230,868
Personnel Office				
Educational Incentive - Other County Employees	$	3,375		
Other Salaries and Wages		108,657		
Social Security		7,996		
Handling Charges and Administrative Costs		2,818		
State Retirement		15,114		
Employee and Dependent Insurance		12,383		
Life Insurance		251		
Communication		658		
Data Processing Services		1,401		
Dues and Memberships		310		
Travel		167		
Other Contracted Services		35,661		

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
General Government (Cont.)		
Personnel Office (Cont.)		
Office Supplies	$ 1,983	
Total Personnel Office		$ 190,774
County Attorney		
County Official/Administrative Officer	$ 30,615	
Social Security	2,342	
State Retirement	4,259	
Life Insurance	70	
Legal Services	353	
Total County Attorney		37,639
Election Commission		
County Official/Administrative Officer	$ 72,214	
Deputy(ies)	73,631	
Election Commission	6,800	
Election Workers	96,434	
Social Security	14,304	
Handling Charges and Administrative Costs	4,147	
State Retirement	20,287	
Employee and Dependent Insurance	17,998	
Life Insurance	318	
Communication	1,708	
Legal Notices, Recording, and Court Costs	6,424	
Maintenance and Repair Services - Equipment	35,663	
Printing, Stationery, and Forms	5,787	
Rentals	785	
Travel	1,571	
Office Supplies	5,714	
Voting Machines	10,500	
Total Election Commission		374,285
Register of Deeds		
County Official/Administrative Officer	$ 72,214	
Deputy(ies)	140,895	
Educational Incentive - Official/Admin Officer	1,500	
Educational Incentive - Other County Employees	750	
Social Security	15,652	
Handling Charges and Administrative Costs	5,089	
State Retirement	29,643	
Employee and Dependent Insurance	20,902	

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)				
General Government (Cont.)				
Register of Deeds (Cont.)				
Life Insurance	$	467		
Communication		3		
Travel		1,075		
Data Processing Supplies		22,731		
Office Supplies		16,118		
Total Register of Deeds			$	327,039
County Buildings				
Supervisor/Director	$	41,469		
Custodial Personnel		21,174		
Part-time Personnel		16,889		
Overtime Pay		3,063		
Social Security		5,999		
Handling Charges and Administrative Costs		2,311		
State Retirement		9,140		
Employee and Dependent Insurance		8,807		
Life Insurance		155		
Communication		585		
Maintenance and Repair Services - Buildings		22,214		
Maintenance and Repair Services - Vehicles		401		
Travel		195		
Other Contracted Services		520		
Custodial Supplies		20,046		
Gasoline		1,915		
Building Improvements		7,563		
Heating and Air Conditioning Equipment		16,410		
Total County Buildings				178,856
Other Facilities				
Custodial Personnel	$	32,280		
Communication		37,987		
Maintenance and Repair Services - Buildings		89,328		
Pest Control		2,640		
Custodial Supplies		2,124		
Utilities		308,244		
Total Other Facilities				472,603
Preservation of Records				
Equipment Operators - Light	$	22,000		
Custodial Personnel		157		

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)				
General Government (Cont.)				
Preservation of Records (Cont.)				
Social Security	$	1,616		
Handling Charges and Administrative Costs		901		
Employee and Dependent Insurance		2,616		
Life Insurance		50		
Communication		1,184		
Maintenance and Repair Services - Buildings		111		
Travel		982		
Office Supplies		3,331		
Other Supplies and Materials		2,319		
Total Preservation of Records			$	35,267
Finance				
Accounting and Budgeting				
Supervisor/Director	$	82,244		
Educational Incentive - Other County Employees		6,975		
Other Salaries and Wages		530,309		
Board and Committee Members Fees		2,500		
Social Security		45,180		
Handling Charges and Administrative Costs		14,787		
State Retirement		79,802		
Employee and Dependent Insurance		53,407		
Life Insurance		1,313		
Audit Services		35,551		
Communication		15,173		
Data Processing Services		17,604		
Travel		3,680		
Office Supplies		34,032		
Utilities		7,532		
Building Improvements		5,794		
Total Accounting and Budgeting				935,883
Property Assessor's Office				
County Official/Administrative Officer	$	72,214		
Deputy(ies)		374,904		
Educational Incentive - Official/Admin Officer		1,500		
Board and Committee Members Fees		2,160		
In-Service Training		1,943		
Social Security		32,479		
Handling Charges and Administrative Costs		12,734		
State Retirement		62,194		

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)				
Finance (Cont.)				
Property Assessor's Office (Cont.)				
Employee and Dependent Insurance	$	52,387		
Life Insurance		1,004		
Audit Services		62,045		
Communication		1,601		
Data Processing Services		28,009		
Dues and Memberships		1,767		
Maintenance and Repair Services - Vehicles		521		
Rentals		44,740		
Travel		1,391		
Office Supplies		7,704		
Total Property Assessor's Office			$	761,297
Reappraisal Program				
Other Salaries and Wages	$	96,530		
Social Security		6,532		
Handling Charges and Administrative Costs		3,172		
State Retirement		11,603		
Employee and Dependent Insurance		11,135		
Life Insurance		194		
Data Processing Services		8,937		
Maintenance and Repair Services - Vehicles		4,932		
Rentals		22,300		
Travel		2,597		
Gasoline		6,778		
Office Supplies		8,755		
Total Reappraisal Program				183,465
County Trustee's Office				
County Official/Administrative Officer	$	72,214		
Deputy(ies)		126,037		
Part-time Personnel		21,948		
Educational Incentive - Official/Admin Officer		1,500		
Educational Incentive - Other County Employees		1,500		
Social Security		16,172		
Handling Charges and Administrative Costs		6,553		
State Retirement		24,238		
Employee and Dependent Insurance		20,598		
Life Insurance		484		
Communication		899		
Travel		799		

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
Finance (Cont.)		
County Trustee's Office (Cont.)		
Office Supplies	$ 20,653	
Total County Trustee's Office		$ 313,595
County Clerk's Office		
County Official/Administrative Officer	$ 72,214	
Deputy(ies)	354,344	
Part-time Personnel	1,200	
Educational Incentive - Official/Admin Officer	1,500	
Social Security	31,066	
Handling Charges and Administrative Costs	8,923	
State Retirement	51,441	
Employee and Dependent Insurance	32,606	
Life Insurance	965	
Communication	662	
Travel	184	
Data Processing Supplies	2,130	
Office Supplies	27,115	
Total County Clerk's Office		584,350
Administration of Justice		
Circuit Court		
County Official/Administrative Officer	$ 79,435	
Deputy(ies)	568,509	
Educational Incentive - Official/Admin Officer	1,500	
Educational Incentive - Other County Employees	9,375	
Jury and Witness Fees	50,268	
Social Security	47,665	
Handling Charges and Administrative Costs	17,106	
State Retirement	88,846	
Employee and Dependent Insurance	65,359	
Life Insurance	1,384	
Communication	711	
Data Processing Services	10,546	
Operating Lease Payments	10,140	
Travel	1,875	
Duplicating Supplies	1,415	
Office Supplies	15,953	
Data Processing Equipment	10,369	
Total Circuit Court		980,456

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
Administration of Justice (Cont.)		
Circuit Court Clerk		
Legal Services	$ 15,000	
Total Circuit Court Clerk		$ 15,000
General Sessions Court		
Judge(s)	$ 140,649	
Other Salaries and Wages	90,358	
Social Security	14,878	
Handling Charges and Administrative Costs	2,495	
State Retirement	31,768	
Employee and Dependent Insurance	12,383	
Life Insurance	563	
Communication	40	
Legal Services	15,000	
Travel	1,989	
Office Supplies	5,951	
Total General Sessions Court		316,074
Drug Court		
Other Charges	$ 3,156	
Total Drug Court		3,156
Chancery Court		
County Official/Administrative Officer	$ 79,435	
Deputy(ies)	333,746	
Part-time Personnel	14,210	
Educational Incentive - Official/Admin Officer	1,500	
Educational Incentive - Other County Employees	2,625	
In-Service Training	1,994	
Social Security	31,584	
Handling Charges and Administrative Costs	8,368	
State Retirement	50,039	
Employee and Dependent Insurance	32,613	
Life Insurance	794	
Communication	94	
Maintenance and Repair Services - Office Equipment	10,889	
Printing, Stationery, and Forms	2,428	
Travel	4,305	
Data Processing Supplies	9,500	
Office Supplies	42,014	
Other Charges	3,090	
Total Chancery Court		629,228

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
Administration of Justice (Cont.)		
Juvenile Court		
Judge(s)	$ 140,649	
Part-time Personnel	10,063	
Other Salaries and Wages	145,919	
Social Security	20,013	
Handling Charges and Administrative Costs	3,468	
State Retirement	35,239	
Employee and Dependent Insurance	13,720	
Life Insurance	575	
Communication	1,478	
Data Processing Services	975	
Dues and Memberships	1,690	
Janitorial Services	153	
Maintenance and Repair Services - Buildings	5,483	
Maintenance and Repair Services - Equipment	997	
Rentals	2,169	
Travel	1,373	
Custodial Supplies	1,376	
Office Supplies	3,337	
Periodicals	1,018	
Utilities	31,461	
Building Improvements	3,057	
Communication Equipment	133	
Data Processing Equipment	860	
Heating and Air Conditioning Equipment	1,760	
Total Juvenile Court		$ 426,966
District Attorney General		
Assistant(s)	$ 62,264	
Social Security	4,696	
Handling Charges and Administrative Costs	901	
State Retirement	8,661	
Employee and Dependent Insurance	2,616	
Life Insurance	137	
Total District Attorney General		79,275
Office of Public Defender		
Salary Supplements	$ 51,012	
Social Security	3,682	
Handling Charges and Administrative Costs	1,369	
State Retirement	7,096	

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
Administration of Justice (Cont.)		
Office of Public Defender (Cont.)		
Employee and Dependent Insurance	$ 5,903	
Life Insurance	111	
Travel	1,000	
Total Office of Public Defender		$ 70,173
Other Administration of Justice		
Contracts with Government Agencies	$ 128,166	
Other Contracted Services	216,023	
Total Other Administration of Justice		344,189
Victims Assitance Programs		
Bus Drivers	$ 3,641	
Overtime Pay	35,983	
Social Security	2,937	
State Retirement	4,785	
Employee and Dependent Insurance	2,615	
Travel	577	
Other Supplies and Materials	1,332	
Total Victims Assitance Programs		51,870
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 79,436	
Deputy(ies)	2,872,040	
Part-time Personnel	43,255	
Educational Incentive - Other County Employees	5,250	
Overtime Pay	114,359	
Other Salaries and Wages	45,279	
In-Service Training	45,600	
Social Security	233,190	
Handling Charges and Administrative Costs	72,914	
State Retirement	384,670	
Employee and Dependent Insurance	268,233	
Life Insurance	6,365	
Communication	92,409	
Contracts with Private Agencies	20,196	
Data Processing Services	22,565	
Maintenance and Repair Services - Buildings	7,494	
Maintenance and Repair Services - Vehicles	140,719	
Pest Control	480	

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Rentals	$ 5,000	
Travel	44,816	
Custodial Supplies	2,045	
Gasoline	236,796	
Law Enforcement Supplies	17,090	
Office Supplies	31,115	
Uniforms	33,428	
Utilities	47,366	
Law Enforcement Equipment	43,000	
Motor Vehicles	22,404	
Total Sheriff's Department		$ 4,937,514
Special Patrols		
Deputy(ies)	$ 461,776	
Overtime Pay	69,452	
Other Salaries and Wages	59,969	
Social Security	38,453	
Handling Charges and Administrative Costs	15,546	
State Retirement	69,601	
Employee and Dependent Insurance	62,257	
Life Insurance	910	
Maintenance and Repair Services - Vehicles	6,038	
Gasoline	27,369	
Uniforms	9,147	
Total Special Patrols		820,518
Jail		
Deputy(ies)	$ 3,716,319	
Maintenance Personnel	92,568	
Part-time Personnel	23,475	
Overtime Pay	122,969	
In-Service Training	52,800	
Social Security	291,262	
Handling Charges and Administrative Costs	104,614	
State Retirement	525,387	
Employee and Dependent Insurance	396,625	
Life Insurance	8,095	
Communication	6,234	
Data Processing Services	5,907	
Maintenance and Repair Services - Equipment	16,746	

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
Public Safety (Cont.)		
Jail (Cont.)		
Medical and Dental Services	$ 30,000	
Custodial Supplies	42,201	
Drugs and Medical Supplies	286,553	
Food Preparation Supplies	13,598	
Food Supplies	368,727	
Law Enforcement Supplies	72,889	
Office Supplies	26,320	
Prisoners Clothing	11,840	
Uniforms	25,060	
Other Supplies and Materials	20,807	
Total Jail		$ 6,260,996
Workhouse		
County Official/Administrative Officer	$ 13,947	
Guards	1,096,370	
Overtime Pay	34,356	
In-Service Training	15,600	
Social Security	83,762	
Handling Charges and Administrative Costs	32,034	
State Retirement	153,252	
Employee and Dependent Insurance	114,557	
Life Insurance	2,298	
Communication	10,554	
Data Processing Services	1,342	
Maintenance and Repair Services - Buildings	17,974	
Maintenance and Repair Services - Equipment	403	
Maintenance and Repair Services - Vehicles	3,264	
Pest Control	840	
Custodial Supplies	8,279	
Drugs and Medical Supplies	24,982	
Food Preparation Supplies	5,421	
Food Supplies	108,716	
Gasoline	6,518	
Law Enforcement Supplies	1,615	
Office Supplies	4,656	
Prisoners Clothing	1,627	
Uniforms	2,512	
Utilities	92,043	
Other Supplies and Materials	7,443	
Total Workhouse		1,844,365

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)				
Public Safety (Cont.)				
Correctional Incentive Program Improvements				
Probation Officer(s)	$	187,719		
Social Security		14,365		
Handling Charges and Administrative Costs		1,865		
State Retirement		22,678		
Employee and Dependent Insurance		6,227		
Life Insurance		14		
Communication		15,315		
Evaluation and Testing		55,017		
Maintenance and Repair Services - Buildings		1,915		
Printing, Stationery, and Forms		436		
Rentals		21,545		
Travel		24,868		
Office Supplies		8,752		
Utilities		1,755		
Motor Vehicles		70,295		
Other Equipment		28,254		
Total Correctional Incentive Program Improvements			$	461,020
Juvenile Services				
County Official/Administrative Officer	$	72,214		
Deputy(ies)		68,638		
Accountants/Bookkeepers		45,095		
Clerical Personnel		51,314		
Part-time Personnel		18,945		
Social Security		18,770		
Handling Charges and Administrative Costs		6,511		
State Retirement		33,003		
Employee and Dependent Insurance		21,240		
Life Insurance		567		
Communication		3,127		
Data Processing Services		750		
Maintenance and Repair Services - Buildings		500		
Maintenance and Repair Services - Equipment		40		
Printing, Stationery, and Forms		967		
Rentals		5,781		
Travel		409		
Data Processing Supplies		916		
Office Supplies		3,901		
Building Improvements		326		
Office Equipment		972		
Total Juvenile Services				353,986

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)				
Public Safety (Cont.)				
Work Release Program				
Other Salaries and Wages	$	329,374		
Social Security		24,629		
Handling Charges and Administrative Costs		5,575		
State Retirement		40,802		
Employee and Dependent Insurance		17,528		
Life Insurance		1,232		
Communication		19,955		
Maintenance and Repair Services - Buildings		32,339		
Maintenance and Repair Services - Vehicles		29,851		
Printing, Stationery, and Forms		1,211		
Rentals		53,527		
Travel		5,839		
Office Supplies		20,142		
Utilities		8,491		
Total Work Release Program			$	590,495
Fire Prevention and Control				
Mechanic(s)	$	79,404		
Other Salaries and Wages		215,900		
Social Security		21,545		
Handling Charges and Administrative Costs		6,422		
State Retirement		29,880		
Employee and Dependent Insurance		27,413		
Life Insurance		421		
Communication		4,683		
Maintenance and Repair Services - Equipment		53,696		
Travel		286		
Equipment and Machinery Parts		96,726		
Gasoline		26,397		
General Construction Materials		432		
Utilities		51,064		
Gravel and Chert		4,500		
Total Fire Prevention and Control				618,769
Civil Defense				
Supervisor/Director	$	53,997		
Part-time Personnel		8,516		
Overtime Pay		2,816		
Other Salaries and Wages		81,394		
Social Security		10,749		

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
Public Safety (Cont.)		
Civil Defense (Cont.)		
Handling Charges and Administrative Costs	$ 4,558	
State Retirement	18,329	
Employee and Dependent Insurance	18,346	
Life Insurance	500	
Communication	21,476	
Dues and Memberships	250	
Maintenance Agreements	2,048	
Maintenance and Repair Services - Vehicles	2,932	
Printing, Stationery, and Forms	326	
Travel	1,345	
Gasoline	5,087	
Office Supplies	1,753	
Utilities	17,981	
Other Supplies and Materials	19,389	
Building Improvements	955	
Total Civil Defense		$ 272,747
Disaster Relief		
Other Salaries and Wages	$ 21,834	
Social Security	984	
State Retirement	1,790	
Employee and Dependent Insurance	10,091	
Life Insurance	2	
Maintenance and Repair Services - Buildings	1,445	
Other Supplies and Materials	2,326	
Other Equipment	24,854	
Total Disaster Relief		63,326
Other Emergency Management		
Social Security	$ 172	
Other Contracted Services	2,244	
Other Supplies and Materials	128,971	
Other Charges	1,006	
Total Other Emergency Management		132,393
Inspection and Regulation		
County Official/Administrative Officer	$ 47,328	
Other Salaries and Wages	70,173	
In-Service Training	162	
Social Security	8,557	

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)				
Public Safety (Cont.)				
Inspection and Regulation (Cont.)				
Handling Charges and Administrative Costs	$	4,114		
State Retirement		15,470		
Employee and Dependent Insurance		13,478		
Life Insurance		309		
Communication		1,278		
Dues and Memberships		400		
Maintenance and Repair Services - Vehicles		1,245		
Gasoline		2,887		
Office Supplies		4,458		
Litter Enforcement Awards		8,430		
Total Inspection and Regulation			$	178,289
County Coroner/Medical Examiner				
Social Security	$	609		
State Retirement		1,989		
Employee and Dependent Insurance		153		
Contracts with Government Agencies		32,200		
Contracts with Public Carriers		3,188		
Travel		1,485		
Other Contracted Services		57,500		
Other Charges		576		
Total County Coroner/Medical Examiner				97,700
Public Safety Grant Programs				
Educational Incentive - Other County Employees	$	750		
Other Salaries and Wages		38,250		
Social Security		2,984		
State Retirement		5,321		
Life Insurance		62		
Communication		467		
Travel		654		
Office Supplies		984		
Total Public Safety Grant Programs				49,472
Other Public Safety				
Other Salaries and Wages	$	12,932		
Social Security		968		
State Retirement		1,799		
Employee and Dependent Insurance		561		
Travel		1,635		
Total Other Public Safety				17,895

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
Public Health and Welfare		
Local Health Center		
County Official/Administrative Officer	$ 210,552	
Paraprofessionals	22,815	
Other Salaries and Wages	761,894	
Social Security	66,116	
Handling Charges and Administrative Costs	18,943	
State Retirement	127,387	
Employee and Dependent Insurance	68,549	
Life Insurance	3,500	
Other Fringe Benefits	462	
Communication	49,883	
Data Processing Services	32,535	
Janitorial Services	49,980	
Maintenance and Repair Services - Buildings	23,143	
Maintenance and Repair Services - Vehicles	6,935	
Postal Charges	4,159	
Travel	17,271	
Drugs and Medical Supplies	72,589	
Gasoline	8,792	
Office Supplies	31,307	
Utilities	53,912	
Other Supplies and Materials	509	
Liability Insurance	11,300	
Total Local Health Center		$ 1,642,533
Rabies and Animal Control		
Overtime Pay	$ 9,275	
Other Salaries and Wages	95,460	
Social Security	7,137	
Handling Charges and Administrative Costs	5,284	
State Retirement	12,079	
Employee and Dependent Insurance	20,694	
Life Insurance	300	
Communication	4,754	
Maintenance and Repair Services - Buildings	5,037	
Maintenance and Repair Services - Vehicles	2,236	
Veterinary Services	1,490	
Animal Food and Supplies	5,940	
Drugs and Medical Supplies	5,908	
Gasoline	9,404	
Uniforms	5,604	

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
Public Health and Welfare (Cont.)		
Rabies and Animal Control (Cont.)		
Utilities	$ 6,826	
Total Rabies and Animal Control		$ 197,428
Maternal and Child Health Services		
Part-time Personnel	$ 60,390	
Other Salaries and Wages	1,723,281	
Social Security	129,623	
Handling Charges and Administrative Costs	41,278	
State Retirement	226,292	
Employee and Dependent Insurance	151,461	
Life Insurance	2,407	
Bank Charges	955	
Communication	19,476	
Contracts with Government Agencies	11,984	
Contracts with Other Public Agencies	11,256	
Maintenance Agreements	13,726	
Postal Charges	3,368	
Printing, Stationery, and Forms	11,498	
Travel	42,700	
Remittance of Revenue Collected	31,950	
Drugs and Medical Supplies	65,754	
Office Supplies	330,313	
Utilities	4,174	
Other Supplies and Materials	3,216	
Liability Insurance	2,669	
Other Charges	19,946	
Communication Equipment	20,619	
Total Maternal and Child Health Services		2,928,336
Alcohol and Drug Programs		
Contributions	$ 31,880	
Total Alcohol and Drug Programs		31,880
Other Local Health Services		
Contributions	$ 46,955	
Total Other Local Health Services		46,955
Sanitation Management		
Other Salaries and Wages	$ 30,703	
In-Service Training	212	

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)				
Public Health and Welfare (Cont.)				
Sanitation Management (Cont.)				
Social Security	$	2,157		
Handling Charges and Administrative Costs		1,409		
State Retirement		4,271		
Employee and Dependent Insurance		6,191		
Life Insurance		65		
Communication		927		
Maintenance and Repair Services - Vehicles		1,373		
Other Contracted Services		5,000		
Gasoline		1,626		
Office Supplies		1,271		
Total Sanitation Management			$	55,205
Sanitation Education/Information				
Other Salaries and Wages	$	20,490		
Social Security		1,551		
Handling Charges and Administrative Costs		40		
State Retirement		2,820		
Employee and Dependent Insurance		288		
Life Insurance		70		
Unemployment Compensation		210		
Communication		114		
Gasoline		3,498		
Other Supplies and Materials		30,482		
Total Sanitation Education/Information				59,563
Social, Cultural, and Recreational Services				
Senior Citizens Assistance				
Contributions	$	35,000		
Total Senior Citizens Assistance				35,000
Libraries				
Other Fringe Benefits	$	7,296		
Contributions		963,894		
Total Libraries				971,190
Parks and Fair Boards				
Part-time Personnel	$	14,903		
Overtime Pay		6,212		
Other Salaries and Wages		445,619		
Social Security		33,459		

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
Social, Cultural, and Recreational Services (Cont.)		
Parks and Fair Boards (Cont.)		
Handling Charges and Administrative Costs	$ 13,877	
State Retirement	55,780	
Employee and Dependent Insurance	55,533	
Life Insurance	969	
Communication	10,174	
Legal Notices, Recording, and Court Costs	285	
Maintenance and Repair Services - Equipment	138,078	
Travel	545	
Remittance of Revenue Collected	2,800	
Gasoline	31,318	
Utilities	138,155	
Other Supplies and Materials	4,387	
Other Charges	5,402	
Total Parks and Fair Boards		$ 957,496
Other Social, Cultural, and Recreational		
Other Salaries and Wages	$ 17,814	
Social Security	885	
Other Supplies and Materials	43,419	
Total Other Social, Cultural, and Recreational		62,118
Agriculture and Natural Resources		
Agriculture Extension Service		
Other Salaries and Wages	$ 152,592	
Other Fringe Benefits	26,822	
Communication	5,048	
Contributions	3,243	
Office Supplies	3,500	
Total Agriculture Extension Service		191,205
Forest Service		
Contributions	$ 2,000	
Total Forest Service		2,000
Soil Conservation		
Other Salaries and Wages	$ 77,800	
Social Security	5,704	
Handling Charges and Administrative Costs	2,818	
State Retirement	10,822	
Employee and Dependent Insurance	12,409	

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)		
Agriculture and Natural Resources (Cont.)		
Soil Conservation (Cont.)		
Life Insurance	$ 170	
Travel	500	
Total Soil Conservation		$ 110,223
Flood Control		
Contributions	$ 40,000	
Total Flood Control		40,000
Other Operations		
Industrial Development		
Contributions	$ 75,652	
Total Industrial Development		75,652
Airport		
Other Fringe Benefits	$ 32,145	
Contributions	211,620	
Liability Insurance	17,467	
Total Airport		261,232
Other Charges		
Handling Charges and Administrative Costs	$ 13,523	
Disability Insurance	44,280	
Medical and Dental Services	222,492	
Excess Risk Insurance	71,520	
Medical Claims	91,250	
Total Other Charges		443,065
Contributions to Other Agencies		
Contributions	$ 245,422	
Total Contributions to Other Agencies		245,422
Miscellaneous		
Other Salaries and Wages	$ 136,810	
Board and Committee Members Fees	2,986	
Social Security	9,926	
Handling Charges and Administrative Costs	3,960	
Employee and Dependent Insurance	7,520	
Life Insurance	292	
Unemployment Compensation	25,797	
Communication	80,116	

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Fund (Cont.)			
Other Operations (Cont.)			
Miscellaneous (Cont.)			
Consultants	$ 1,138		
Contracts with Government Agencies	24,000		
Contracts with Other Public Agencies	2,441		
Dues and Memberships	15,893		
Legal Services	6,917		
Legal Notices, Recording, and Court Costs	26,765		
Postal Charges	80,715		
Remittance of Revenue Collected	47,222		
Utilities	138,360		
Excess Risk Insurance	18,333		
Judgments	83,607		
Liability Insurance	395,830		
Premiums on Corporate Surety Bonds	385		
Refunds	1,587		
Trustee's Commission	331,041		
Fines, Assessments, and Penalties	58,133		
Other Charges	10,960		
Total Miscellaneous		$ 1,510,734	
Principal on Debt			
General Government			
Principal on Notes	$ 14,472		
Total General Government		14,472	
Interest on Debt			
General Government			
Interest on Notes	$ 2,616		
Total General Government		2,616	
Total General Fund			$ 34,267,549
Juvenile Services Fund			
Public Safety			
Juvenile Services			
County Official/Administrative Officer	$ 77,029		
Supervisor/Director	115,202		
Accountants/Bookkeepers	39,416		
Social Workers	244,357		
Paraprofessionals	49,747		
Guards	193,875		

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Juvenile Services Fund (Cont.)			
Public Safety (Cont.)			
Juvenile Services (Cont.)			
Clerical Personnel	$ 44,961		
Overtime Pay	22,436		
Other Salaries and Wages	532		
Social Security	55,878		
Handling Charges and Administrative Costs	1,149		
State Retirement	103,002		
Employee and Dependent Insurance	91,902		
Life Insurance	2,537		
Communication	12,796		
Data Processing Services	2,990		
Janitorial Services	1,350		
Maintenance and Repair Services - Buildings	17,788		
Maintenance and Repair Services - Equipment	8,817		
Maintenance and Repair Services - Vehicles	3,516		
Medical and Dental Services	21,594		
Printing, Stationery, and Forms	1,082		
Travel	10,102		
Other Contracted Services	22,030		
Custodial Supplies	1,958		
Data Processing Supplies	2,999		
Food Supplies	7,874		
Gasoline	3,473		
Instructional Supplies and Materials	1,211		
Office Supplies	1,787		
Utilities	48,654		
Other Supplies and Materials	2,400		
Excess Risk Insurance	20,577		
Liability Insurance	14,399		
Medical Claims	7,750		
Trustee's Commission	18,556		
Data Processing Equipment	15,500		
Office Equipment	1,994		
Other Equipment	1,546		
Total Juvenile Services		$ 1,294,766	
Total Juvenile Services Fund			$ 1,294,766

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Solid Waste/Sanitation Fund			
Public Health and Welfare			
Convenience Centers			
Truck Drivers	$ 56,520		
Part-time Personnel	249,938		
Other Salaries and Wages	34,584		
Social Security	26,001		
State Retirement	12,672		
Employee and Dependent Insurance	2,616		
Other Fringe Benefits	2,107		
Communication	2,810		
Operating Lease Payments	9,912		
Maintenance and Repair Services - Equipment	20,464		
Maintenance and Repair Services - Vehicles	81,383		
Travel	6,964		
Gasoline	27,877		
Uniforms	2,513		
Utilities	12,631		
Other Supplies and Materials	2,891		
Trustee's Commission	7,948		
Other Charges	35,198		
Total Convenience Centers		$ 595,029	
Landfill Operation and Maintenance			
Other Contracted Services	$ 352,622		
Total Landfill Operation and Maintenance		352,622	
Total Solid Waste/Sanitation Fund			$ 947,651
Local Purpose Tax Fund			
Other Operations			
Miscellaneous			
Contributions	$ 1,600,000		
Trustee's Commission	28,289		
Total Miscellaneous		$ 1,628,289	
Total Local Purpose Tax Fund			1,628,289
Drug Control Fund			
Public Safety			
Drug Enforcement			
Maintenance Agreements	$ 4,500		
Other Contracted Services	1,752		

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Drug Control Fund (Cont.)			
Public Safety (Cont.)			
Drug Enforcement (Cont.)			
Office Supplies	$ 2,042		
Refunds	338		
Trustee's Commission	215		
Total Drug Enforcement		$ 8,847	
Total Drug Control Fund			$ 8,847
District Attorney General Fund			
Administration of Justice			
District Attorney General			
Temporary Personnel	$ 12,938		
Communication	3,813		
Contributions	31,969		
Dues and Memberships	2,465		
Travel	11,581		
Data Processing Supplies	603		
Office Supplies	9,458		
Trustee's Commission	335		
Other Charges	671		
Total District Attorney General		$ 73,833	
Total District Attorney General Fund			73,833
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 118,644		
Clerical Personnel	115,284		
Part-time Personnel	3,520		
Educational Incentive - Other County Employees	3,000		
Social Security	17,378		
State Retirement	32,539		
Employee and Dependent Insurance	15,132		
Data Processing Services	1,000		
Dues and Memberships	4,500		
Legal Notices, Recording, and Court Costs	146		
Maintenance and Repair Services - Buildings	7,002		
Maintenance and Repair Services - Office Equipment	717		
Postal Charges	1,021		
Printing, Stationery, and Forms	462		

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Administration (Cont.)		
Travel	$ 910	
Office Supplies	2,200	
Other Charges	1,200	
Total Administration		$ 324,655
Highway and Bridge Maintenance		
Materials Supervisor	$ 76,667	
Foremen	372,738	
Equipment Operators	509,354	
Truck Drivers	79,042	
Laborers	78,296	
Social Security	81,921	
State Retirement	150,149	
Employee and Dependent Insurance	121,582	
Travel	690	
Asphalt - Hot Mix	69,286	
Asphalt - Liquid	268,865	
Concrete	4,321	
Crushed Stone	113,507	
Riprap	34,759	
Pipe - Metal	27,695	
Road Signs	21,429	
Sand	1,684	
Small Tools	1,890	
Wood Products	55	
Gravel and Chert	115,218	
Chemicals	103,834	
Other Supplies and Materials	725	
Other Charges	5,863	
Total Highway and Bridge Maintenance		2,239,570
Operation and Maintenance of Equipment		
Mechanic(s)	$ 83,011	
Social Security	5,931	
State Retirement	11,547	
Employee and Dependent Insurance	13,752	
Laundry Service	1,300	
Maintenance and Repair Services - Equipment	30,791	
Diesel Fuel	62,560	
Equipment Parts - Heavy	8,789	

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Operation and Maintenance of Equipment (Cont.)			
Equipment and Machinery Parts	$ 78,207		
Garage Supplies	3,456		
Gasoline	61,255		
Lubricants	4,879		
Small Tools	2,555		
Tires and Tubes	24,919		
Other Supplies and Materials	9,840		
Total Operation and Maintenance of Equipment		$ 402,792	
Other Charges			
Communication	$ 17,981		
Contracts with Private Agencies	1,062		
Natural Gas	21,845		
Liability Insurance	71,264		
Trustee's Commission	58,453		
Other Charges	27		
Total Other Charges		170,632	
Employee Benefits			
Handling Charges and Administrative Costs	$ 5,046		
Employee and Dependent Insurance	28,422		
Medical and Dental Services	66,295		
Excess Risk Insurance	7,277		
Medical Claims	25,538		
Total Employee Benefits		132,578	
Capital Outlay			
Engineering Services	$ 35,894		
Asphalt - Hot Mix	980,207		
Asphalt - Liquid	199,572		
Crushed Stone	106,035		
Riprap	62,055		
Gravel and Chert	192,139		
Bridge Construction	558,827		
Building Improvements	937		
Highway Equipment	68,848		
Motor Vehicles	164		
Other Capital Outlay	21,746		
Total Capital Outlay		2,226,424	
Total Highway/Public Works Fund			$ 5,496,651

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Debt Service Fund			
Principal on Debt			
General Government			
Principal on Bonds	$ 1,250,000		
Principal on Notes	4,430,000		
Total General Government		$ 5,680,000	
Interest on Debt			
General Government			
Interest on Bonds	$ 2,110,668		
Interest on Notes	896,450		
Total General Government		3,007,118	
Other Debt Service			
General Government			
Trustee's Commission	$ 168,927		
Other Debt Service	1,785		
Total General Government		170,712	
Total General Debt Service Fund			$ 8,857,830
General Capital Projects Fund			
General Government			
County Buildings			
Building Improvements	$ 252,398		
Other Capital Outlay	8,659		
Total County Buildings		$ 261,057	
Preservation of Records			
Building Improvements	$ 2,786		
Total Preservation of Records		2,786	
Administration of Justice			
Chancery Court			
Building Improvements	$ 19,507		
Total Chancery Court		19,507	
Public Safety			
Sheriff's Department			
Motor Vehicles	$ 250,012		
Total Sheriff's Department		250,012	
Special Patrols			
Communication Equipment	$ 41,538		
Motor Vehicles	116,762		
Other Capital Outlay	4,598		
Total Special Patrols		162,898	
Juvenile Services			
Building Improvements	$ 10,000		
Total Juvenile Services		10,000	

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Capital Projects Fund (Cont.)		
Public Safety (Cont.)		
Fire Prevention and Control		
Motor Vehicles	$ 338,001	
Total Fire Prevention and Control		$ 338,001
Civil Defense		
Communication Equipment	$ 975	
Total Civil Defense		975
Public Health and Welfare		
Local Health Center		
Motor Vehicles	$ 17,908	
Total Local Health Center		17,908
Rabies and Animal Control		
Motor Vehicles	$ 14,380	
Total Rabies and Animal Control		14,380
Convenience Centers		
Site Development	$ 2,618	
Solid Waste Equipment	37,000	
Total Convenience Centers		39,618
Social, Cultural, and Recreational Services		
Libraries		
Building Improvements	$ 5,500	
Total Libraries		5,500
Parks and Fair Boards		
Building Improvements	$ 38,400	
Motor Vehicles	61,476	
Site Development	10,786	
Other Capital Outlay	3,803	
Total Parks and Fair Boards		114,465
Other Operations		
Airport		
Airport Improvement	$ 50,000	
Total Airport		50,000
Miscellaneous		
Freight Expenses	$ 16,000	

(Continued)

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types (Cont.)

General Capital Projects Fund (Cont.)			
Other Operations (Cont.)			
Miscellaneous (Cont.)			
Trustee's Commission	$ 14,294		
Communication Equipment	4,926		
Land	23,000		
Other Equipment	33,585		
Total Miscellaneous		$ 91,805	
Total General Capital Projects Fund			$ 1,378,912
Community Development/Industrial Park Fund			
Other Operations			
Industrial Development			
Trustee's Commission	$ 330		
Total Industrial Development		$ 330	
Total Community Development/Industrial Park Fund			330
Highway Capital Projects Fund			
Highways			
Capital Outlay			
Bridge Construction	$ 319,304		
Total Capital Outlay		$ 319,304	
Total Highway Capital Projects Fund			319,304
Total Governmental Funds - Primary Government			$ 54,273,962

Exhibit K-9

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Madison County School Department
For the Year Ended June 30, 2009

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 33,523,894	
Career Ladder Program	447,788	
Career Ladder Extended Contracts	179,514	
Homebound Teachers	107,329	
Instructional Computer Personnel	375,613	
Salary Supplements	23,200	
Educational Assistants	1,225,536	
Certified Substitute Teachers	649,559	
Social Security	2,675,020	
State Retirement	2,770,570	
Life Insurance	62,138	
Medical Insurance	3,230,107	
Dental Insurance	126,517	
Other Fringe Benefits	599,686	
Other Contracted Services	334,003	
Instructional Supplies and Materials	648,399	
Textbooks	141,783	
Other Charges	11,000	
Regular Instruction Equipment	499,312	
Total Regular Instruction Program		$ 47,630,968
Special Education Program		
Teachers	$ 6,159,083	
Career Ladder Program	79,449	
Career Ladder Extended Contracts	16,550	
Homebound Teachers	47,876	
Educational Assistants	522,052	
Other Salaries and Wages	45,195	
Certified Substitute Teachers	98,595	
Social Security	501,815	
State Retirement	466,661	
Life Insurance	13,405	
Medical Insurance	556,468	
Dental Insurance	24,387	
Contracts with Private Agencies	319,974	
Other Contracted Services	262,181	
Instructional Supplies and Materials	47,229	
Other Supplies and Materials	59,737	
Other Charges	66,385	

(Continued)

Exhibit K-9

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Madison County School Department (Cont.)

General Purpose School Fund (Cont.)		
Instruction (Cont.)		
Special Education Program (Cont.)		
Special Education Equipment	$ 33,555	
Total Special Education Program		$ 9,320,597
Vocational Education Program		
Teachers	$ 1,976,625	
Career Ladder Program	22,495	
Career Ladder Extended Contracts	14,232	
Other Salaries and Wages	252,194	
Certified Substitute Teachers	28,940	
Social Security	165,522	
State Retirement	145,346	
Life Insurance	4,927	
Medical Insurance	184,922	
Dental Insurance	7,817	
Instructional Supplies and Materials	164,485	
Vocational Instruction Equipment	300,071	
Total Vocational Education Program		3,267,576
Other		
Supervisor/Director	$ 230,521	
Clerical Personnel	27,495	
Social Security	18,642	
State Retirement	17,852	
Life Insurance	554	
Medical Insurance	18,716	
Dental Insurance	1,107	
Legal Services	71,603	
Travel	2,544	
Other Contracted Services	4,408	
Office Supplies	6,716	
Other Supplies and Materials	137,156	
In Service/Staff Development	9,037	
Total Other		546,351
Support Services		
Attendance		
Supervisor/Director	$ 110,288	
Career Ladder Program	1,000	
Other Salaries and Wages	103,208	

(Continued)

Exhibit K-9

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Madison County School Department (Cont.)

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Attendance (Cont.)		
Social Security	$ 15,676	
State Retirement	19,291	
Life Insurance	511	
Medical Insurance	11,783	
Dental Insurance	695	
Travel	2,624	
Other Supplies and Materials	5,601	
Attendance Equipment	10,572	
Total Attendance		$ 281,249
Health Services		
Medical Personnel	$ 36,400	
Social Security	2,782	
State Retirement	3,827	
Life Insurance	112	
Other Contracted Services	4,978	
Total Health Services		48,099
Other Student Support		
Career Ladder Program	$ 35,031	
Guidance Personnel	1,905,534	
Psychological Personnel	378,805	
Social Workers	13,580	
Clerical Personnel	107,054	
Other Salaries and Wages	20,971	
Social Security	177,241	
State Retirement	162,895	
Life Insurance	5,177	
Medical Insurance	191,076	
Dental Insurance	7,848	
Evaluation and Testing	2,039	
Travel	22,942	
Other Contracted Services	134,329	
Other Supplies and Materials	163	
Other Equipment	160	
Total Other Student Support		3,164,845
Regular Instruction Program		
Supervisor/Director	$ 563,249	

(Continued)

Exhibit K-9

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Madison County School Department (Cont.)

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Regular Instruction Program (Cont.)		
Career Ladder Program	$ 42,470	
Librarians	1,217,466	
Instructional Computer Personnel	2,766	
Clerical Personnel	87,588	
Educational Assistants	10,886	
Other Salaries and Wages	100,168	
Social Security	146,955	
State Retirement	141,294	
Life Insurance	3,977	
Medical Insurance	167,247	
Dental Insurance	6,406	
Travel	50,623	
Other Contracted Services	9,750	
Library Books/Media	193,174	
Office Supplies	1,454	
Other Supplies and Materials	21,777	
In Service/Staff Development	65,975	
Other Charges	2,680	
Other Equipment	88,624	
Total Regular Instruction Program		$ 2,924,529
Special Education Program		
Supervisor/Director	$ 78,089	
Career Ladder Program	1,000	
Clerical Personnel	28,930	
Other Salaries and Wages	315,741	
Social Security	31,180	
State Retirement	23,058	
Life Insurance	659	
Medical Insurance	36,812	
Dental Insurance	1,444	
Travel	58,146	
In Service/Staff Development	23,338	
Total Special Education Program		598,397
Vocational Education Program		
Supervisor/Director	$ 64,993	
Secretary(ies)	26,222	
Social Security	6,884	

(Continued)

Exhibit K-9

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Madison County School Department (Cont.)

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Vocational Education Program (Cont.)		
State Retirement	$ 7,591	
Life Insurance	215	
Travel	3,237	
Other Supplies and Materials	885	
Other Charges	1,137	
Total Vocational Education Program		$ 111,164
Other Programs		
Supervisor/Director	$ 94,561	
Teachers	632,433	
Medical Personnel	49,853	
Instructional Computer Personnel	2,599	
Educational Assistants	44,586	
Other Salaries and Wages	263,971	
Social Security	73,969	
State Retirement	83,376	
Life Insurance	1,012	
Medical Insurance	50,990	
Dental Insurance	2,470	
On-Behalf Payments to OPEB	584,044	
Communication	2,816	
Maintenance and Repair Services - Equipment	3,201	
Postal Charges	318	
Printing, Stationery, and Forms	1,944	
Travel	19,126	
Other Contracted Services	218,312	
Food Supplies	17,422	
Instructional Supplies and Materials	351,557	
Other Supplies and Materials	48,310	
In Service/Staff Development	133,888	
Other Charges	149,207	
Maintenance Equipment	29,725	
Regular Instruction Equipment	85,013	
Special Education Equipment	16,977	
Transportation Equipment	14,425	
Other Equipment	98,230	
Total Other Programs		3,074,335

(Continued)

Exhibit K-9

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Madison County School Department (Cont.)

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Board of Education		
Secretary to Board	$ 3,600	
Board and Committee Members Fees	32,400	
Social Security	2,711	
State Retirement	498	
Unemployment Compensation	70,232	
Audit Services	41,797	
Dues and Memberships	13,291	
Travel	16,479	
Premiums on Corporate Surety Bonds	175	
Trustee's Commission	733,722	
Workers' Compensation Insurance	791,307	
Other Charges	913	
Total Board of Education		$ 1,707,125
Director of Schools		
County Official/Administrative Officer	$ 133,369	
Secretary(ies)	96,419	
Social Security	15,579	
State Retirement	23,146	
Life Insurance	563	
Medical Insurance	15,051	
Dental Insurance	827	
Communication	57,357	
Dues and Memberships	6,401	
Maintenance and Repair Services - Equipment	11,564	
Postal Charges	14,437	
Travel	4,349	
Office Supplies	8,344	
In Service/Staff Development	5,227	
Other Charges	2,985	
Total Director of Schools		395,618
Office of the Principal		
Principals	$ 2,102,217	
Career Ladder Program	50,305	
Career Ladder Extended Contracts	21,640	
Assistant Principals	1,126,203	
Secretary(ies)	1,101,683	
Other Salaries and Wages	419,978	

(Continued)

Exhibit K-9

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Madison County School Department (Cont.)

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Office of the Principal (Cont.)		
Social Security	$ 348,640	
State Retirement	401,432	
Life Insurance	9,540	
Medical Insurance	327,636	
Dental Insurance	15,628	
Communication	36,600	
Travel	30,746	
Other Supplies and Materials	88,270	
Total Office of the Principal		$ 6,080,518
Fiscal Services		
Supervisor/Director	$ 79,811	
Accountants/Bookkeepers	84,724	
Secretary(ies)	25,750	
Social Security	14,133	
State Retirement	19,681	
Life Insurance	405	
Medical Insurance	13,795	
Dental Insurance	688	
Contributions	355,106	
Travel	2,010	
Data Processing Supplies	4,993	
Office Supplies	3,190	
Other Supplies and Materials	4,700	
In Service/Staff Development	958	
Total Fiscal Services		609,944
Human Services/Personnel		
Supervisor/Director	$ 76,859	
Clerical Personnel	26,924	
Other Salaries and Wages	66,899	
Social Security	12,142	
State Retirement	14,302	
Life Insurance	381	
Medical Insurance	4,185	
Dental Insurance	646	
Travel	4,598	
Other Contracted Services	6,346	
Other Supplies and Materials	1,998	

(Continued)

Exhibit K-9

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Madison County School Department (Cont.)

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Human Services/Personnel (Cont.)		
Other Charges	$ 12,825	
Total Human Services/Personnel		$ 228,105
Operation of Plant		
Supervisor/Director	$ 52,708	
Custodial Personnel	1,408,984	
Overtime Pay	28,575	
Other Salaries and Wages	28,075	
Social Security	109,092	
State Retirement	149,126	
Life Insurance	3,147	
Medical Insurance	147,758	
Dental Insurance	7,901	
Other Contracted Services	496,090	
Custodial Supplies	216,462	
Electricity	2,744,610	
Natural Gas	1,016,861	
Water and Sewer	268,331	
Building and Contents Insurance	657,427	
Plant Operation Equipment	7,474	
Total Operation of Plant		7,342,621
Maintenance of Plant		
Secretary(ies)	$ 58,921	
Overtime Pay	15,997	
Other Salaries and Wages	1,723,299	
Social Security	129,035	
State Retirement	240,866	
Life Insurance	4,688	
Medical Insurance	165,510	
Dental Insurance	7,734	
Travel	1,700	
Other Supplies and Materials	981,006	
Total Maintenance of Plant		3,328,756
Transportation		
Supervisor/Director	$ 72,543	
Mechanic(s)	293,064	
Bus Drivers	2,062,156	

(Continued)

Exhibit K-9

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Madison County School Department (Cont.)

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Transportation (Cont.)		
Overtime Pay	$ 56,024	
Other Salaries and Wages	78,088	
Social Security	182,284	
State Retirement	310,237	
Life Insurance	4,148	
Medical Insurance	275,526	
Dental Insurance	13,716	
Travel	3,059	
Gasoline	767,286	
Tires and Tubes	101,714	
Vehicle Parts	430,594	
Other Charges	37,812	
Transportation Equipment	117,049	
Total Transportation		$ 4,805,300
Central and Other		
Supervisor/Director	$ 82,438	
Other Salaries and Wages	145,390	
Social Security	16,227	
State Retirement	25,220	
Life Insurance	411	
Medical Insurance	21,535	
Dental Insurance	498	
Travel	1,674	
Other Contracted Services	163,533	
Other Supplies and Materials	67,155	
In Service/Staff Development	11,917	
Other Equipment	267,181	
Total Central and Other		803,179
Operation of Non-Instructional Services		
Food Service		
Career Ladder Program	$ 1,000	
Social Security	76	
State Retirement	64	
Total Food Service		1,140
Community Services		
Teachers	$ 398	

(Continued)

Exhibit K-9

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Madison County School Department (Cont.)

General Purpose School Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Community Services (Cont.)			
Other Salaries and Wages	$ 79,044		
Social Security	6,029		
State Retirement	3,442		
Life Insurance	38		
Medical Insurance	2,180		
Dental Insurance	98		
Other Supplies and Materials	261		
Total Community Services		$ 91,490	
Early Childhood Education			
Supervisor/Director	$ 9,003		
Teachers	823,464		
Clerical Personnel	7,803		
Educational Assistants	297,956		
Certified Substitute Teachers	4,869		
Social Security	79,415		
State Retirement	86,023		
Life Insurance	2,083		
Medical Insurance	85,971		
Dental Insurance	4,110		
Instructional Supplies and Materials	89,116		
In Service/Staff Development	13,334		
Other Charges	39		
Total Early Childhood Education		1,503,186	
Total General Purpose School Fund			$ 97,865,092
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 914,820		
Clerical Personnel	124,549		
Educational Assistants	163,951		
Other Salaries and Wages	101,172		
Certified Substitute Teachers	11,182		
Social Security	90,332		
State Retirement	98,823		
Life Insurance	2,241		
Medical Insurance	101,744		

(Continued)

Exhibit K-9

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Madison County School Department (Cont.)

School Federal Projects Fund (Cont.)		
Instruction (Cont.)		
Regular Instruction Program (Cont.)		
Dental Insurance	$ 4,673	
Other Contracted Services	25,013	
Instructional Supplies and Materials	432,787	
Other Charges	52,443	
Regular Instruction Equipment	435,126	
Total Regular Instruction Program		$ 2,558,856
Special Education Program		
Teachers	$ 72,809	
Educational Assistants	1,698,687	
Other Salaries and Wages	537,554	
Certified Substitute Teachers	140	
Non-certified Substitute Teachers	1,810	
Social Security	167,312	
State Retirement	245,784	
Life Insurance	4,746	
Medical Insurance	195,250	
Dental Insurance	10,982	
Contracts with Private Agencies	56,934	
Other Contracted Services	93,358	
Instructional Supplies and Materials	96,473	
Total Special Education Program		3,181,839
Vocational Education Program		
Educational Assistants	$ 40,366	
Social Security	2,802	
State Retirement	3,492	
Life Insurance	95	
Medical Insurance	4,056	
Dental Insurance	208	
Other Supplies and Materials	377	
Vocational Instruction Equipment	124,145	
Total Vocational Education Program		175,541
Support Services		
Health Services		
In Service/Staff Development	$ 5,468	
Total Health Services		5,468

(Continued)

Exhibit K-9

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Madison County School Department (Cont.)

School Federal Projects Fund (Cont.)		
Support Services (Cont.)		
Other Student Support		
Guidance Personnel	$ 53,172	
Clerical Personnel	7,976	
Other Salaries and Wages	4,041	
Social Security	4,445	
State Retirement	4,724	
Life Insurance	124	
Medical Insurance	8,532	
Dental Insurance	443	
Travel	28,215	
Other Contracted Services	7,529	
Other Supplies and Materials	6,706	
In Service/Staff Development	18,758	
Total Other Student Support		$ 144,665
Regular Instruction Program		
Supervisor/Director	$ 69,413	
Instructional Computer Personnel	538,041	
Secretary(ies)	26,495	
Other Salaries and Wages	350,712	
Social Security	70,261	
State Retirement	64,625	
Life Insurance	2,084	
Medical Insurance	93,101	
Dental Insurance	3,124	
Travel	31,719	
Other Contracted Services	85,186	
Other Supplies and Materials	32,521	
In Service/Staff Development	214,188	
Other Charges	5,436	
Other Equipment	10,170	
Total Regular Instruction Program		1,597,076
Special Education Program		
Travel	$ 166	
Other Contracted Services	81,304	
Other Supplies and Materials	17,928	
In Service/Staff Development	2,378	
Total Special Education Program		101,776

(Continued)

Exhibit K-9

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Madison County School Department (Cont.)

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Vocational Education Program			
Travel	$ 3,749		
Total Vocational Education Program		$ 3,749	
Other Programs			
Instructional Computer Personnel	$ 451,256		
Social Security	32,830		
State Retirement	19,489		
Life Insurance	846		
Medical Insurance	21,442		
Dental Insurance	1,686		
Total Other Programs		527,549	
Fiscal Services			
Accountants/Bookkeepers	$ 8,832		
Social Security	552		
State Retirement	1,228		
Life Insurance	25		
Medical Insurance	1,839		
Total Fiscal Services		12,476	
Transportation			
Bus Drivers	$ 20,774		
Other Salaries and Wages	13,036		
Social Security	2,572		
State Retirement	2,968		
Contracts with Vehicle Owners	57,740		
Gasoline	3,435		
Other Charges	23,251		
Total Transportation		123,776	
Total School Federal Projects Fund			$ 8,432,771
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 66,182		
Accountants/Bookkeepers	92,685		
Cafeteria Personnel	2,371,929		
Other Salaries and Wages	114,715		

(Continued)

Exhibit K-9

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Madison County School Department (Cont.)

Central Cafeteria Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Food Service (Cont.)			
Social Security	$ 191,835		
State Retirement	317,095		
Life Insurance	4,650		
Medical Insurance	188,989		
Dental Insurance	14,032		
Unemployment Compensation	4,711		
Communication	9,916		
Maintenance and Repair Services - Equipment	24,977		
Transportation - Other than Students	29,610		
Travel	15,780		
Other Contracted Services	93,137		
Food Supplies	2,812,607		
Uniforms	23,018		
Other Supplies and Materials	335,979		
Trustee's Commission	10,546		
In Service/Staff Development	9,891		
Food Service Equipment	130,661		
Total Food Service		$ 6,862,945	
Total Central Cafeteria Fund			$ 6,862,945
Education Capital Projects Fund			
Capital Projects			
Education Capital Projects			
Engineering Services	$ 30,495		
Trustee's Commission	40,229		
Building Improvements	860,571		
Maintenance Equipment	146,450		
Plant Operation Equipment	9,860		
Regular Instruction Equipment	2,456		
Transportation Equipment	1,174,482		
Other Equipment	16,147		
Total Education Capital Projects		$ 2,280,690	
Total Education Capital Projects Fund			2,280,690
Total Governmental Funds - Madison County School Department			$ 115,441,498

Exhibit K-10

Madison County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2009

	Cities - Sales Tax Fund	Cities - Property Tax Fund	Total
Cash Receipts			
Current Property Tax	$ 0	$ 232,973	$ 232,973
Prior Year's Property Tax	0	7,736	7,736
Interest and Penalty	0	929	929
Local Option Sales Tax	11,468,026	15,826	11,483,852
Hotel/Motel Tax	727,239	0	727,239
Total Cash Receipts	$ 12,195,265	$ 257,464	$ 12,452,729
Cash Disbursements			
Remittance of Revenues Collected	$ 12,073,478	$ 253,890	$ 12,327,368
Trustee's Commission	121,459	4,989	126,448
Total Cash Disbursements	$ 12,194,937	$ 258,879	$ 12,453,816
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 328	$ (1,415)	$ (1,087)
Cash Balance, July 1, 2008	41,254	3,716	44,970
Cash Balance, June 30, 2009	$ 41,582	$ 2,301	$ 43,883

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SINGLE AUDIT SECTION

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

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

October 7, 2009

Madison County Mayor and
Board of County Commissioners
Madison County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Madison County, Tennessee, as of and for the year ended June 30, 2009, which collectively comprise Madison County's basic financial statements and have issued our report thereon dated October 7, 2009. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the discretely presented Madison County Emergency Communications District as described in our report on Madison County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Madison County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing

an opinion on the effectiveness of Madison County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Madison County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting: 09.01, 09.02, 09.03(B), and 09.04.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Madison County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 09.01, 09.02, 09.03(B), and 09.04 to be material weaknesses.

Compliance and Other Matters

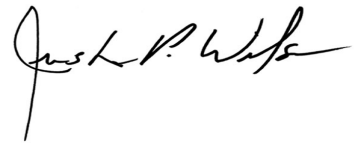
As part of obtaining reasonable assurance about whether Madison County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matter that is required to be reported under Government Auditing Standards and is described in the accompanying Schedule of Findings and Questioned Costs as item 09.03(A).

We also noted certain matters that we reported to management of Madison County in separate communications.

Madison County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Madison County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the county mayor, director of schools, highway engineer, finance director, County Commission, Board of Education, County Finance Committee, others within Madison County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury

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STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF COUNTY AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
PHONE (615) 401-7841

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

October 7, 2009

Madison County Mayor and
Board of County Commissioners
Madison County, Tennessee

To the County Mayor and Board of County Commissioners:

Compliance

We have audited the compliance of Madison County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. Madison County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Madison County's management. Our responsibility is to express an opinion on Madison County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Madison County's compliance with those requirements and

performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Madison County's compliance with those requirements.

In our opinion, Madison County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of Madison County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Madison County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Madison County's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as described above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Madison County as of and for the year ended June 30, 2009, and have issued our report thereon dated October 7, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Madison County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB

Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Madison County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Madison County's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the county mayor, highway engineer, finance director, County Commission, Board of Education, County Finance Committee, others within Madison County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Yours very truly,

Justin P. Wilson
Comptroller of the Treasury

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Madison County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2009

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	
U.S. Department of Agriculture:				
Passed-through State Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	$ 1,594,931	
National School Lunch Program	10.555	N/A	3,513,927	(3)
Passed-through State Department of Agriculture:				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	495,574	(3)
Passed-through State Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG092640900	293,173	
Passed-through State Department of Human Services:				
Child and Adult Food Care Program	10.558	(2)	24,392	
Total U.S. Department of Agriculture			$ 5,921,997	
U.S. Department of Justice:				
Passed-through State Department of Children's Services:				
Juvenile Accountability Block Grants	16.523	GG090264210	$ 269,189	
Passed-through State Office of Criminal Justice Programs:				
Crime Victim Assistance	16.575	Z0703317900	28,671	
Local Law Enforcement Block Grant Program	16.592	(2)	51,204	
Total U.S. Department of Justice			$ 349,064	
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
State and Community Highway Safety	20.600	Z0802400100	$ 93,933	
Total U.S. Department of Transportation			$ 93,933	
U.S. Department of Education:				
Passed-through State Department of Education:				
Title I Grants to Local Educational Agencies	84.010	N/A	$ 3,397,486	
Special Education Cluster:				
Special Education - Grants to States	84.027	N/A	3,829,179	
Special Education - Preschool Grants	84.173	N/A	56,732	
Vocational Education - Basic Grants to States	84.048	N/A	231,730	
Safe and Drug-Free Schools and Communities - State Grants	84.186	(2)	112,063	
State Grants for Innovative Programs	84.298	N/A	22,235	
Education Technology State Grants	84.318	(2)	26,994	
Assistive Technology Grants - State Grants for Protection and Advocacy	84.343	(2)	49,515	
Reading First State Grants	84.357	(2)	1,251,825	
English Language Acquisition Grants	84.365A	(2)	50,078	
Improving Teacher Quality State Grants	84.367	N/A	768,574	
School Improvement Grants	84.377	N/A	100,000	
Total U.S. Department of Education			$ 9,896,411	
U.S. Department of Health and Human Services:				
Passed-through State Department of Health:				
Injury Prevention and Controls Research and State and Community Based Programs	93.136	GG092652400	$ 34,224	
Family Planning-Services	93.217	GG092468500	162,389	
Immunization Grants	93.268	GG092724700	154,272	
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	GG092555000	549,945	

(Continued)

Madison County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services (Cont.):			
Passed-through State Department of Health (Cont.):			
HIV Prevention Activities - Health Department Based	93.940	GG092742500	$ 199,620
Block Grants for Prevention and Treatment of Substance Abuse	93.959	GG092632000	16,827
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	GG092742500	98,067
Preventive Health and Health Services Block Grant	93.991	GG092582400	41,093
Total U.S. Department of Health and Human Services			$ 1,256,437
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	Z0821283900	$ 301,367
Homeland Security Grant Program	97.067	GG072514700	303,277
Total U.S. Department of Homeland Security			$ 604,644
Total Expenditures of Federal Awards			$ 18,122,486
State Grants:		Contract Number	
State Reappraisal Program - Comptroller of the Treasury	N/A	(2)	$ 28,717
State Supplemental Juvenile Improvement Funds - State Commission on Children and Youth	N/A	Z0902278400	9,000
Election Computer Equipment Grant - Tennessee Secretary of State	N/A	(2)	10,500
Poet in Residence - Tennessee Arts Commission	N/A	Z0921573500	3,303
Title IV A - State Department of Children's Services	N/A	GG092615900	135,375
Coordinated School Health - State Department of Education	N/A	GZ9/AAX9	138,802
Lottery for Education: After School Programs - State Department of Education	N/A	(2)	71,545
Family Resource Center - State Department of Education	N/A	(2)	33,300
Safe Schools Act - State Department of Education	N/A	(2)	97,806
GED +2 Grant - State Department of Education	N/A	(2)	55,841
Early Childhood Education - State Department of Education	N/A	(2)	1,170,149
High Schools That Work - State Department of Education	N/A	(2)	4,365
Drug Court Grant - State Department of Finance and Administration	N/A	(2)	44,902
Help Us Grow Successfully - State Department of Health	N/A	GG092438100	64,070
Community Health Services - State Department of Health	N/A	(2)	20,000
Environmental Health Programs - State Department of Health	N/A	(2)	144,686
TenderCare Outreach - State Department of Health	N/A	GG092572200	163,676
Adolescent Pregnancy Program - State Department of Health	N/A	GG092401800	52,614
Tuberculosis Control Prevention and Outreach Services - State Department of Health	N/A	GG09243800	75,617
TennCare School Based Dental Prevention Program - State Department of Health	N/A	GG092494500	245,390
Schools to Work - State Department of Human Services	N/A	GG082211900	23,905
Litter Grant - State Department of Transportation	N/A	Z0921277500	56,493
Waste Tire Disposal Grant - State Department of Transportation	N/A	(2)	126,860
Total State Grants			$ 2,776,916

CFDA = Catalog of Federal Domestic Assistance
N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
(2) Information not available.
(3) Total for CFDA No. 10.555 is $4,009,501.

Madison County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2009

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Madison County, Tennessee, for the year ended June 30, 2008, which have not been corrected.

MADISON COUNTY

Finding Number	Page Number	Subject
08.01	206	Madison County does not have the resources to produce financial statements and notes to the financial statement

OFFICE OF FINANCE DIRECTOR

Finding Number	Page Number	Subject
08.03	208	The office had deficiencies in budget operations

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MADISON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2009

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Madison County is unqualified.

2. The audit of the financial statements of Madison County disclosed significant deficiencies in internal control. Four of these deficiencies were considered to be material weaknesses.

3. The audit disclosed no instances of noncompliance that are material to the financial statements of Madison County.

4. The audit disclosed no significant deficiencies in internal control over major programs.

5. An unqualified opinion was issued on compliance for major programs.

6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.

7. The Title I Grants to Local Educational Agencies (CFDA No. 84.010), the Special Education Cluster: Special Education – Grants to State Program and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), the Reading First State Grants (CFDA No. 84.357), and the Improving Teacher Quality State Grants (CFDA No. 84.367) were determined to be major programs.

8. A $543,675 threshold was used to distinguish between Type A and Type B federal programs.

9. Madison County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The written responses of the finance director are paraphrased in this report.

MADISON COUNTY

FINDING 09.01 **MADISON COUNTY DOES NOT HAVE THE RESOURCES TO PRODUCE FINANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS**
(Internal Control – Material Weakness Under Government Auditing Standards)

Generally accepted auditing standards require that Madison County's financial statements be the product of a financial reporting system that offers reasonable assurance that management is able to produce financial statements and notes to the financial statements that comply with generally accepted accounting principles (GAAP). The preparation of financial statements in accordance with GAAP requires that the county have internal controls over reporting government-wide and fund financial information and preparing the related notes. It is permissible for us, as the county's external auditors, to assist Madison County in preparing its financial statements and notes as a matter of convenience as long as the county has the skills needed to prepare its financial statements and notes. However, management, including the accounting staff, does not have the technical skills to prepare GAAP financial statements and disclosures. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. The inability to prepare financial statements and notes is an indication of a lack of controls, or ineffective controls, because material misstatements may not be detected.

RECOMMENDATION

Madison County should develop the ability to produce financial statements and notes to the financial statements that comply with GAAP. This could include having at least one staff member trained in financial statement preparation. This staff member should have sufficient skills necessary to prepare a complete set of year-end financial statements even though the external auditors prepare the county's financial statements as a matter of convenience. If we, as the external auditors, continue to prepare the county's financial statements, this individual must have sufficient knowledge to determine the completeness of financial statement information and disclosures.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We have no one with the expertise to formulate these statements. So, the other option is to hire an outside firm at a large unknown cost to prepare our statements. The Government Finance Officers Association does not recommend hiring an outside firm.

AUDITOR'S REBUTTAL

The preparation of the financial statements and notes to the financial statements and/or having the knowledge to determine the completeness of the financial statements and notes prepared by external auditors has always been management's responsibility. Government standard setting bodies are now placing more emphasis on this issue to encourage management to accept responsibility for their financial reports. We are not recommending hiring an outside firm or even additional personnel; however, we are recommending that at least one staff member be trained to have sufficient accounting expertise to prepare the required statements and disclosures.

OFFICE OF FINANCE DIRECTOR

FINDING 09.02 **THE SCHOOL FEDERAL PROJECTS FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**
(Internal Control – Material Weakness Under Government Auditing Standards)

At June 30, 2009, certain general ledger account balances in the School Federal Projects Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Madison County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

Madison County should have appropriate processes in place to ensure that its general ledgers are materially correct.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

I concur. Receivables were not set up in the School Federal Projects Fund. In the future, receivables will be reviewed by other people in this department, and then I will personally review them.

FINDING 09.03 **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS** (A. – Noncompliance Under Government Auditing Standards; B. – Internal Control – Material Weakness Under Government Auditing Standards)

Our audit of the Madison County Finance Department revealed the following deficiencies in budget operations:

A. Expenditures in the Solid Waste/Sanitation Fund exceeded total appropriations approved by the County Commission by $51,603. Section 5-9-401, Tennessee Code Annotated, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies." These deficiencies exist because management failed to hold spending to the limits authorized by the County Commission, which results in unauthorized expenditures.

B. The budget and subsequent amendments submitted to and approved by the County Commission for the General Capital Projects and School Federal Projects funds resulted in appropriations exceeding estimated available funding by $33,381 and $678,517, respectively. Sound budgetary principles dictate that appropriations be held within estimated available funding. These budget deficiencies were the result of the July 1, 2008, beginning budgeted fund balance being underestimated by $230,592 in the General Capital Projects Fund and $938,878 in the School Federal Projects Fund.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission. Appropriations that exceed estimated available funds should not be submitted to the County Commission, and the County Commission should not approve such appropriations. The estimated beginning fund balance should be on a more realistic basis to provide county officials with accurate information to base funding decisions and should be amended during the year when it becomes apparent that the original estimate varies from the actual amount by a material amount.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

A. I concur. We did not amend the Solid Waste/Sanitation Fund sufficiently. We worried about the actual fund balance, not the budget.

B. In the future, a list of actual audited fund balances for July 1 will be formally presented to the County Commission for their approval.

FINDING 09.04 **THE SCHOOL FEDERAL PROJECTS FUND HAD A DEFICIT IN UNRESERVED FUND BALANCE**
(Internal Control – Material Weakness Under Government Auditing Standards)

At June 30, 2009, the School Federal Projects Fund had a deficit of $557,480 in unreserved fund balance. Sound business practice dictates that expenditures be held within available funds. The fund deficit resulted from expenditures exceeding grant reimbursements because Finance Department personnel had not requested grant reimbursements on a timely basis.

RECOMMENDATION

Management should liquidate the deficit in the School Federal Projects Fund. Requests of grant funds should be filed on a timely basis.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

I concur. Funds for the School Federal Projects Fund were not drawn down from the state on a timely basis. In the future, we will compare revenue and expenditure statements to double-check the timeliness of the state's reimbursements.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal awards.

MADISON COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2009

There were no audit findings relative to federal awards presented in the prior- or current-years' Schedules of Findings and Questioned Costs.