
ANNUAL FINANCIAL REPORT MADISON COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2010



**ANNUAL FINANCIAL REPORT
MADISON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2010**

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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, 2010

Scope

We have audited the basic financial statements of Madison County as of and for the year ended June 30, 2010.

Results

Our report on the aggregate discretely presented component units is qualified because the financial statements do not include a component unit whose financial statements were not available from other auditors at the date of this report. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.

Our audit resulted in three 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

- ◆ General Fund expenditures and encumbrances exceeded appropriations in the Other Administration of Justice major appropriations category (the legal level of control) by \$85,480. Appropriations exceeded estimated available funding in the Education Capital Projects Fund by \$304,864.

OTHER FINDING

- ◆ Madison County has a material recurring audit finding.

INTRODUCTORY SECTION

Madison County Officials

June 30, 2010

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

Board of Education

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

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

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT

September 30, 2010

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, 2010, 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 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 provides a reasonable basis for our opinions.

The financial statements of the Madison County Emergency Communications District, a component unit requiring discrete presentation, had not been made available by other auditors as of the date of this report. Accordingly, the aggregate discretely presented component units financial statements referred to above do not include amounts for the

Madison County Emergency Communications District, which should be included to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the aggregate discretely presented component units are not reasonably determinable.

In our opinion, except for the effects of not including the financial statements of the Madison County Emergency Communications District as discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of Madison County, Tennessee, as of June 30, 2010, and the results of operations of the aggregate discretely presented component units, for the year ended, in conformity with accounting principles generally accepted in the United States of America.

Additionally, in our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Madison County, Tennessee, as of June 30, 2010, and the respective changes in financial position 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 September 30, 2010, 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.C., Madison County has adopted the provisions of Governmental Accounting Standards Board Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, which became effective for the year ended June 30, 2010.

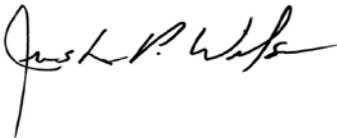
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison, pension, and other postemployment benefits information on pages 68 through 76 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational,

economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

BASIC FINANCIAL STATEMENTS

Exhibit A

Madison County, Tennessee
Statement of Net Assets
June 30, 2010

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Madison County School Department</u>
<u>ASSETS</u>		
Cash	\$ 35,037	\$ 0
Equity in Pooled Cash and Investments	19,314,904	11,140,999
Accounts Receivable	621,707	294,878
Allowance for Uncollectibles	(8,797)	0
Due from Other Governments	2,708,547	8,010,079
Property Taxes Receivable	28,337,435	13,989,620
Allowance for Uncollectible Property Taxes	(1,678,084)	(806,255)
Prepaid Items	95,152	0
Notes Receivable - Long-term	185,293	0
Deferred Charges - Debt Issuance Costs	590,133	0
Capital Assets:		
Assets Not Depreciated:		
Land	8,346,077	2,091,562
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	17,091,636	64,273,840
Infrastructure	31,574,145	0
Other Capital Assets	4,044,443	5,394,237
Total Assets	<u>\$ 111,257,628</u>	<u>\$ 104,388,960</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 1,116,998	\$ 446,536
Payroll Deductions Payable	76,102	2,813,342
Retainage Payable	0	67,537
Accrued Interest Payable	725,661	0
Deferred Revenue - Current Property Taxes	25,795,660	12,780,309
Noncurrent Liabilities:		
Due Within One Year	6,185,139	324,991
Due in More Than One Year (net of deferred amount on refunding and unamortized premiums on debt)	<u>67,772,234</u>	<u>2,755,867</u>
Total Liabilities	<u>\$ 101,671,794</u>	<u>\$ 19,188,582</u>

(Continued)

Exhibit A

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

	Primary Government <u>Governmental Activities</u>	Component Unit <u>Madison County School Department</u>
<u>NET ASSETS</u>		
Invested in Capital Assets, Net of Related Debt	\$ 50,092,978	\$ 0
Invested in Capital Assets	0	71,759,639
Restricted for:		
Capital Projects	1,010,080	2,870,172
Debt Service	11,117,010	0
Juvenile Service	290,492	0
Solid Waste/Sanitation	222,871	0
Local Purpose Tax	1,161,909	0
Highway/Public Works	4,190,395	0
Computer Systems	333,522	0
Long-term Note Receivable	185,293	0
Career Ladder	0	32,224
Title I Grants to Local Education Agencies	0	555,520
Special Education	0	976,341
Innovative Education Program Strategies	0	45,351
Title II	0	171,059
Other Federal Reserves	0	30,630
Central Cafeteria	0	2,446,217
Other Purposes	99,399	0
Unrestricted	<u>(59,118,115)</u>	<u>6,313,225</u>
Total Net Assets	<u>\$ 9,585,834</u>	<u>\$ 85,200,378</u>

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, 2010

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Total Governmental Activities	Madison County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 2,604,766	\$ 678,424	\$ 16,380	\$ 0	\$ (1,909,962)	\$ 0
Finance	3,184,639	2,565,217	23,083	0	(596,339)	0
Administration of Justice	3,501,362	2,457,051	232,300	0	(812,011)	0
Public Safety	21,324,586	3,275,237	272,913	0	(17,776,436)	0
Public Health and Welfare	6,185,888	1,014,765	2,924,312	0	(2,246,811)	0
Social, Cultural, and Recreational Services	2,158,263	160,372	0	0	(1,997,891)	0
Agriculture and Natural Resources	372,799	66,154	0	0	(306,645)	0
Other Operations	3,205,880	137,189	0	0	(3,068,691)	0
Highways/Public Works	6,142,228	79,137	2,380,453	176,314	(3,506,324)	0
Education	10,555,424	0	0	0	(10,555,424)	0
Interest on Long-term Debt	2,685,952	0	0	114,897	(2,571,055)	0
Other Debt Service	728,545	0	968,223	0	239,678	0
Total Primary Government	\$ 62,650,332	\$ 10,433,546	\$ 6,817,664	\$ 291,211	\$ (45,107,911)	\$ 0
Component Unit:						
Madison County School Department	\$ 127,064,481	\$ 1,970,843	\$ 16,494,658	\$ 285,480	\$ 0	\$ (108,313,500)
Total Component Unit	\$ 127,064,481	\$ 1,970,843	\$ 16,494,658	\$ 285,480	\$ 0	\$ (108,313,500)

(Continued)

Exhibit B

Madison County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
				Governmental Activities	Madison County School Department
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 21,381,086	\$ 13,591,849
Property Taxes Levied for Debt Service				7,684,517	0
Local Option Sales Taxes				731,279	32,660,570
Business Taxes				1,372,257	0
Litigation Taxes				715,556	0
Hotel/Motel Taxes				421,713	0
Wholesale Beer Taxes				293,999	0
Other Local Taxes				53,839	7,971
Grants and Contributions Not Restricted to Specific Programs				3,215,833	63,671,724
Unrestricted Investment Earnings				339,989	0
Miscellaneous				400,964	206,764
Total General Revenues				\$ 36,611,032	\$ 110,138,878
Change in Net Assets				\$ (8,496,879)	\$ 1,825,378
Net Assets, July 1, 2009				18,083,608	83,375,000
Prior-period Adjustment				(895)	0
Net Assets, June 30, 2010				\$ 9,585,834	\$ 85,200,378

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, 2010

	Major Funds					Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects	Other Governmental Funds	Governmental Funds	
\$	0	0	0	0	0	0	35,037	\$ 35,037
Equity in Pooled Cash and Investments	2,152,888	3,953,859	9,935,142	34,029	117,620	2,370,052	18,563,540	18,563,540
Accounts Receivable	408,932	28,439	121,047	8,751	0	54,538	621,707	621,707
Allowance for Uncollectibles	(8,797)	0	0	0	0	0	(8,797)	(8,797)
Due from Other Governments	2,142,560	454,895	0	0	0	111,092	2,708,547	2,708,547
Due from Other Funds	35,465	3,636	0	0	0	0	39,101	39,101
Property Taxes Receivable	16,056,408	1,735,711	2,752,003	3,374,525	0	4,418,788	28,337,435	28,337,435
Allowance for Uncollectible Property Taxes	(927,409)	(103,322)	(299,580)	(117,693)	0	(230,080)	(1,678,084)	(1,678,084)
Prepaid Items	95,152	0	0	0	0	0	95,152	95,152
Notes Receivable - Long-term	185,293	0	0	0	0	0	185,293	185,293
Total Assets	\$ 20,140,442	\$ 6,073,218	\$ 12,508,612	\$ 3,299,612	\$ 117,620	\$ 6,759,427	\$ 48,898,931	\$ 48,898,931

ASSETS

Cash	\$	0
Equity in Pooled Cash and Investments		
Accounts Receivable		
Allowance for Uncollectibles		
Due from Other Governments		
Due from Other Funds		
Property Taxes Receivable		
Allowance for Uncollectible Property Taxes		
Prepaid Items		
Notes Receivable - Long-term		

LIABILITIES AND FUND BALANCES

Liabilities	\$	885,842	\$	25,996	\$	0	\$	0	\$	0	\$	55,160	\$	966,998
Accounts Payable		113		34,083		0		0		0		41,906		76,102
Payroll Deductions Payable		3,636		0		0		0		0		35,465		39,101
Due to Other Funds		14,664,251		1,578,923		2,224,847		3,240,381		0		4,087,258		25,795,660
Deferred Revenue - Current Property Taxes		408,248		46,266		193,576		13,951		0		87,750		749,791
Deferred Revenue - Delinquent Property Taxes		246,517		215,946		0		0		0		0		462,463
Other Deferred Revenues														
Total Liabilities	\$	16,208,607	\$	1,901,214	\$	2,418,423	\$	3,254,332	\$	0	\$	4,307,539	\$	28,090,115
Fund Balances	\$	136,920	\$	0	\$	0	\$	0	\$	0	\$	1,641	\$	138,561
Reserved for Encumbrances		37,347		0		0		0		0		0		37,347
Reserved for Drug Court		14,390		0		0		0		0		0		14,390
Reserved for Sexual Offender Registration		9,879		0		0		0		0		0		9,879
Reserved for Courtroom Security		6,646		0		0		0		0		0		6,646
Reserved for Victims Assistance Programs		126,604		0		0		0		0		0		126,604
Reserved for Computer System - Register														

(Continued)

Exhibit C-1

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

	Major Funds					Nonmajor Funds		Total Governmental Funds
	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects	Other	Governmental Funds		
\$ 171,031	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 171,031	
25,455	0	0	0	0	0	0	25,455	
10,432	0	0	0	0	0	0	10,432	
185,293	0	0	0	0	0	0	185,293	
0	0	0	0	0	0	2,847	2,847	
3,207,838	0	0	0	0	0	0	3,207,838	
0	4,172,004	0	0	0	0	1,614,171	5,786,175	
0	0	10,090,189	0	0	0	0	10,090,189	
0	0	0	45,280	117,620	833,229	0	996,129	
<u>\$ 3,931,835</u>	<u>\$ 4,172,004</u>	<u>\$ 10,090,189</u>	<u>\$ 45,280</u>	<u>\$ 117,620</u>	<u>\$ 2,451,888</u>	<u>\$ 0</u>	<u>\$ 20,808,816</u>	
<u>\$ 20,140,442</u>	<u>\$ 6,073,218</u>	<u>\$ 12,508,612</u>	<u>\$ 3,299,612</u>	<u>\$ 117,620</u>	<u>\$ 6,759,427</u>	<u>\$ 0</u>	<u>\$ 48,898,931</u>	

LIABILITIES AND FUND BALANCES (Cont.)

<u>Fund Balances (Cont.)</u>
Reserved for Automation Purposes - Circuit Court
Reserved for Automation Purposes - Chancery Court
Reserved for Automation Purposes - County Clerk
Reserved for Long-term Notes Receivable
Reserved for ARRA Grant No. 1
Unreserved, Reported In:
General Fund
Special Revenue Funds
Debt Service Funds
Capital Projects Funds
Total Fund Balances

Total Liabilities and Fund Balances

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, 2010

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)		\$	20,808,816
(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		31,574,145	
Add: buildings and improvements net of accumulated depreciation		17,091,636	
Add: other capital assets net of accumulated depreciation		<u>4,044,443</u>	61,056,301
(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.			601,364
(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	\$	(9,921,416)	
Less: bonds payable		(60,575,000)	
Add: deferred amount on refunding		1,558,906	
Add: deferred charges - debt issuance costs		590,133	
Less: compensated absences payable		(1,602,973)	
Less: other postemployment benefits liability		(834,610)	
Less: accrued interest on bonds and notes		(725,661)	
Less: other deferred revenue - premium on debt		<u>(2,582,280)</u>	(74,092,901)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,212,254</u>
Net assets of governmental activities (Exhibit A)		\$	<u><u>9,585,834</u></u>

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, 2010

	Major Funds							Nonmajor Funds		Total Governmental Funds
	General	Highway /	General Debt Service	General Capital Projects	Other Capital Projects	Other		Governmental Funds		
		Public Works				Governmental Funds	Other			
<u>Revenues</u>										
Local Taxes	\$ 19,472,287	\$ 1,905,914	\$ 8,082,283	\$ 581,468	\$ 0	\$ 0	\$ 3,486,899	\$ 0	\$ 33,528,851	
Licenses and Permits	285,020	0	0	0	0	0	0	0	285,020	
Fines, Forfeitures, and Penalties	531,635	0	0	0	0	0	49,308	0	580,943	
Charges for Current Services	1,224,548	0	0	0	0	0	0	0	1,224,548	
Other Local Revenues	355,920	49,821	285,692	0	116,125	0	58,336	0	865,894	
Fees Received from County Officials	4,566,689	0	0	0	0	0	0	0	4,566,689	
State of Tennessee	5,458,867	2,546,821	0	0	0	0	173,977	0	8,179,665	
Federal Government	416,897	0	0	0	0	0	202,324	0	619,221	
Other Governments and Citizens Groups	1,935,642	0	0	0	0	0	55,444	0	1,991,086	
Total Revenues	\$ 34,247,505	\$ 4,502,556	\$ 8,367,975	\$ 581,468	\$ 116,125	\$ 0	\$ 4,026,288	\$ 0	\$ 51,841,917	
<u>Expenditures</u>										
Current:										
General Government	\$ 1,982,046	\$ 0	\$ 0	\$ 86,188	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,068,234	
Finance	2,830,293	0	0	15,980	0	0	0	0	2,846,273	
Administration of Justice	2,879,812	0	0	12,491	0	0	34,382	0	2,926,685	
Public Safety	17,372,313	757,199	0	582,216	0	0	1,315,417	0	20,027,145	
Public Health and Welfare	4,585,721	0	0	18,828	0	0	1,046,088	0	5,650,637	
Social, Cultural, and Recreational Services	1,932,994	0	0	25,015	0	0	0	0	1,958,009	
Agriculture and Natural Resources	328,824	0	0	0	0	0	0	0	328,824	
Other Operations	2,794,688	0	0	86,008	0	0	1,679,937	0	4,560,633	
Highways	0	3,231,402	0	0	0	0	0	0	3,231,402	
Debt Service:										
Principal on Debt	14,964	0	200,000	0	0	0	0	0	214,964	
Interest on Debt	2,124	0	2,629,861	0	0	0	0	0	2,631,985	
Other Debt Service	0	0	298,701	0	0	0	0	0	298,701	
Capital Projects	0	0	0	0	10,555,424	0	0	0	10,555,424	
Total Expenditures	\$ 34,723,779	\$ 3,988,601	\$ 3,128,562	\$ 826,726	\$ 10,555,424	\$ 4,075,824	\$ 4,075,824	\$ 0	\$ 57,298,916	
Excess (Deficiency) of Revenues Over Expenditures	\$ (476,274)	\$ 513,955	\$ 5,239,413	\$ (245,258)	\$ (10,439,299)	\$ (49,536)	\$ (5,456,999)	\$ 0	\$ (5,456,999)	

(Continued)

Exhibit C-3

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

	Major Funds						Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Capital Projects	Other Governmental Funds			
<u>Other Financing Sources (Uses)</u>									
Bonds Issued	\$ 0	\$ 0	\$ 263,081	\$ 0	\$ 10,556,919	\$ 0	\$ 0	\$ 0	\$ 10,820,000
Refunding Debt Issued	0	0	15,395,000	0	0	0	0	0	15,395,000
Premiums on Debt Issued	0	0	671,994	0	0	0	0	0	671,994
Insurance Recovery	143,400	4,208	0	0	0	0	0	0	147,608
Transfers In	72,795	696	0	0	0	0	648	648	74,139
Transfers Out	0	(29,203)	0	0	0	0	(35,000)	(35,000)	(64,203)
Payments to Refunded Debt Escrow Agent	0	0	(16,261,333)	0	0	0	0	0	(16,261,333)
Total Other Financing Sources (Uses)	\$ 216,195	\$ (24,299)	\$ 68,742	\$ 0	\$ 10,556,919	\$ 0	\$ (34,352)	\$ 10,783,205	
Net Change in Fund Balances	\$ (260,079)	\$ 489,656	\$ 5,308,155	\$ (245,258)	\$ 117,620	\$ (83,888)	\$ 5,326,206		
Fund Balance, July 1, 2009	4,191,914	3,682,348	4,782,034	290,538	0	2,536,671	15,483,505		
Prior-period Adjustment	0	0	0	0	0	(895)	(895)		
Fund Balance, June 30, 2010	\$ 3,931,835	\$ 4,172,004	\$ 10,090,189	\$ 45,280	\$ 117,620	\$ 2,451,888	\$ 20,808,816		

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, 2010

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)		\$ 5,326,206
(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	\$ 1,050,385	
Less: current-year depreciation expense	<u>(3,416,737)</u>	(2,366,352)
(2) 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, 2010	\$ 1,212,254	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(1,150,190)</u>	62,064
(3) 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 transaction, 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: bond proceeds	\$ (10,820,000)	
Less: refunding bond/note proceeds	(15,395,000)	
Add: change in premium on debt issuances	296,229	
Add: change in deferred debt issuance costs	163,901	
Add: principal payments on bonds	200,000	
Add: principal payments on notes	14,964	
Add: payment to refunding agent	16,261,333	
Less: change in deferred amount on refunding debt	<u>(593,745)</u>	(9,872,318)
(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 the governmental funds.		
Change in accrued interest payable	\$ (53,967)	
Change in compensated absences payable	(48,502)	
Change in other postemployment benefits liability	<u>(435,625)</u>	(538,094)
(5) 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.		<u>(1,108,385)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ (8,496,879)</u>

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, 2010

	Governmental Activities - Internal Service Fund <hr/> Employee Insurance Fund <hr/>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 751,364
Total Assets	<u>\$ 751,364</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 150,000
Total Liabilities	<u>\$ 150,000</u>
<u>NET ASSETS</u>	
Unrestricted	<u>\$ 601,364</u>
Total Net Assets	<u><u>\$ 601,364</u></u>

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, 2010

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance Fund</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 3,347,908
Total Operating Revenues	<u>\$ 3,347,908</u>
<u>Operating Expenses</u>	
Excess Risk Insurance	\$ 136,554
Medical Claims	4,215,111
Other Charges	98,937
Total Operating Expenses	<u>\$ 4,450,602</u>
Operating Income (Loss)	<u>\$ (1,102,694)</u>
<u>Nonoperating Revenues</u>	
Investment Income	\$ 4,245
Total Nonoperating Revenues	<u>\$ 4,245</u>
Income (Loss) Before Transfers	\$ (1,098,449)
Transfers In (Out)	<u>(9,936)</u>
Change in Net Assets	\$ (1,108,385)
Net Assets, July 1, 2009	<u>1,709,749</u>
Net Assets, June 30, 2010	<u><u>\$ 601,364</u></u>

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, 2010

	Governmental Activities - Internal Service Fund <hr/> Employee Insurance Fund <hr/>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 3,347,908
Excess Risk Insurance Payments	(136,554)
Payments for Medical Claims	(4,225,581)
Payments for Administrative Costs	(98,937)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (1,113,164)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers to Other Funds	\$ (9,936)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ (9,936)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 4,245
Net Cash Provided By (Used In) Investing Activities	<u>\$ 4,245</u>
Increase (Decrease) in Cash	\$ (1,118,855)
Cash, July 1, 2009	<u>1,870,219</u>
Cash, June 30, 2010	<u><u>\$ 751,364</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (1,102,694)
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	<u>(10,470)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (1,113,164)</u></u>
<u>Reconciliation of Cash with Statement of Net Assets</u>	
Equity in Pooled Cash and Investments per Net Assets	<u>\$ 751,364</u>
Cash, June 30, 2010	<u><u>\$ 751,364</u></u>

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, 2010

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 3,467,023
Equity in Pooled Cash and Investments	141,171
Accounts Receivable	79,000
Due from Other Governments	<u>1,867,700</u>
Total Assets	<u>\$ 5,554,894</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 1,980,056
Due to Litigants, Heirs, and Others	3,467,023
Other Current Liabilities	<u>107,815</u>
Total Liabilities	<u>\$ 5,554,894</u>

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

MADISON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

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 financial statements of the Madison County Emergency Communications District were not available from other auditors in time for inclusion in this report.

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. Although required by GAAP, the financial statements of the

Madison County Emergency Communications District were not available in time for inclusion, as previously mentioned. 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, TN 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.

Madison County issues all debt for the discretely presented Madison County School Department. Net debt issues totaling \$10,397,456 were contributed by the county to the School Department during the year ended June 30, 2010.

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.

General Capital Projects Fund – This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Other Capital Projects Fund – This fund is used to account for debt issued by Madison County that is subsequently contributed to the discretely presented Madison County School Department for energy efficiency improvements.

Additionally, Madison County reports the following fund types:

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 Funds – These funds account 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 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 3.02 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.

Retainage payable in the discretely presented Madison County School Department's nonmajor governmental funds represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county

trustee as Equity in Pooled Cash and Investments in the nonmajor governmental funds.

3. Prepaid Items

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. Capital Assets

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:

<u>Assets</u>	<u>Years</u>
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, 2010, Madison County had \$59,781,555 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, 2010:

<u>Fund/Purpose</u>	<u>Amount</u>
General:	
Health Department - AIDS Program	\$ 31,994
Health Department - Local Current Services	1,931,542
Health Department - WIC Program	578,786
Health Department - Hotels, Pools, and Food Services	223,428
Health Department - STD Program	273,969

8. **Prior-period Adjustment**

Fund equity of the Highway Capital Projects Fund was restated as of July 1, 2009, by \$895 because accounts receivable in the prior year had been overstated.

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 County 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 had a deficit in unreserved fund balance of \$71,408. This deficit resulted from a purchase order for buses totaling \$970,567 being reserved as an encumbrance. Funding for these future expenditures is expected to be received through grant proceeds.

C. Expenditures and Encumbrances Exceeded Appropriations

General Fund expenditures and encumbrances exceeded appropriations approved by the County Commission in the Other Administration of Justice major appropriations category (the legal level of control) by \$85,480. Such over expenditures are a violation of state statutes. These overexpenditures were funded by available fund balance.

D. Appropriations Exceeded Estimated Available Funds

The budget and subsequent amendments submitted to and approved by the County Commission for the Education Capital Projects Fund resulted in appropriations exceeding estimated available funding by \$304,864.

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 Comptroller’s Office 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 fair value of the securities on the day of purchase.

Investment Balances. As of June 30, 2010, 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.

<u>Investment</u>	<u>Maturities</u>	<u>Cost</u>
State Treasurer's Investment Pool	Daily	\$ 4,886,095

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, 2010, 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 (\$185,293) and is offset by a reservation of fund balance.

C. Capital Assets

Capital assets activity for the year ended June 30, 2010, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 8,346,077	\$ 0	\$ 0	\$ 8,346,077
Total Capital Assets Not Depreciated	<u>\$ 8,346,077</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,346,077</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 25,870,535	\$ 0	\$ 0	\$ 25,870,535
Roads and Bridges	57,495,708	0	0	57,495,708
Other Capital Assets	14,359,877	1,050,385	344,742	15,065,520
Total Capital Assets Depreciated	<u>\$ 97,726,120</u>	<u>\$ 1,050,385</u>	<u>\$ 344,742</u>	<u>\$ 98,431,763</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 8,144,512	\$ 634,387	\$ 0	\$ 8,778,899
Roads and Bridges	24,030,196	1,891,367	0	25,921,563
Other Capital Assets	10,474,836	890,983	344,742	11,021,077
Total Accumulated Depreciation	<u>\$ 42,649,544</u>	<u>\$ 3,416,737</u>	<u>\$ 344,742</u>	<u>\$ 45,721,539</u>
Total Capital Assets Depreciated, Net	<u>\$ 55,076,576</u>	<u>\$ (2,366,352)</u>	<u>\$ 0</u>	<u>\$ 52,710,224</u>
Governmental Activities Capital Assets, Net	<u>\$ 63,422,653</u>	<u>\$ (2,366,352)</u>	<u>\$ 0</u>	<u>\$ 61,056,301</u>

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

Governmental Activities:

General Government	\$ 14,571
Finance	12,926
Administration of Justice	157,653
Public Safety	931,873
Public Health and Welfare	167,961
Social, Cultural, and Recreational Services	63,612
Agriculture and Natural Resources	5,828
Other Operations	43,048
General Administration	890
Highways/Public Works	<u>2,018,375</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 3,416,737</u></u>

Discretely Presented Madison County School Department**Governmental Activities:**

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Capital Assets Not Depreciated:				
Land	\$ 2,091,562	\$ 0	\$ 0	\$ 2,091,562
Total Capital Assets Not Depreciated	<u>\$ 2,091,562</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,091,562</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 106,577,314	\$ 0	\$ 0	\$ 106,577,314
Other Capital Assets	11,795,533	775,781	184,000	12,387,314
Total Capital Assets Depreciated	<u>\$ 118,372,847</u>	<u>\$ 775,781</u>	<u>\$ 184,000</u>	<u>\$ 118,964,628</u>

Governmental Activities: (Cont.)

	Balance 7-1-09	Increases	Decreases	Balance 6-30-10
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 39,928,509	\$ 2,374,965	\$ 0	\$ 42,303,474
Other Capital Assets	6,434,815	740,985	182,723	6,993,077
Total Accumulated Depreciation	<u>\$ 46,363,324</u>	<u>\$ 3,115,950</u>	<u>\$ 182,723</u>	<u>\$ 49,296,551</u>
Total Capital Assets Depreciated, Net	<u>\$ 72,009,523</u>	<u>\$ (2,340,169)</u>	<u>\$ 1,277</u>	<u>\$ 69,668,077</u>
Governmental Activities Capital Assets, Net	<u>\$ 74,101,085</u>	<u>\$ (2,340,169)</u>	<u>\$ 1,277</u>	<u>\$ 71,759,639</u>

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

Governmental Activities:

Instruction	\$ 2,158,887
Support Services	759,280
Operation of Non-Instructional Services	<u>197,783</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,115,950</u>

D. Construction Commitments

At June 30, 2010, the School Department's Other Capital Projects Fund had uncompleted construction contracts of \$1,683,653 for energy efficiency improvements 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, 2010, is as follows:

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 35,465
Highway/Public Works	General	3,636
Discretely Presented		
School Department:		
General Purpose School	Nonmajor governmental	62,087
General Purpose School	Other trust	2,798

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 (\$52,081) was in transit from the School Federal Projects (\$25,873), Central Cafeteria (\$23,410), and Pension Trust (\$2,798) funds at June 30, 2010.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2010, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	Highway/ Public Works Fund	Nonmajor Governmental Funds
Highway/Public Works	\$ 29,203	\$ 0	\$ 0
Nonmajor governmental funds	35,000	0	0
Internal Service	8,592	696	648
Total	\$ 72,795	\$ 696	\$ 648

Discretely Presented Madison County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 900,000
Nonmajor governmental funds	1,116	0
Total	\$ 1,116	\$ 900,000

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 16 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, 2010, will be retired from the General Debt Service Fund, with the exception of a wastewater facilities note, which will be retired from the General Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2010, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-10
General Obligation Bonds	1.1 to 5.25 %	\$ 10,820,000	\$ 10,820,000
General Obligation Bonds - Refunding	3 to 5	50,455,000	49,755,000
Capital Outlay Notes	3.3	250,000	56,416
Capital Outlay Notes - Refunding	4 to 5	21,315,000	9,865,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2010, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 625,000	\$ 2,597,538	\$ 3,222,538
2012	650,000	2,583,252	3,233,252
2013	1,000,000	2,567,521	3,567,521
2014	4,735,000	2,536,071	7,271,071
2015	6,715,000	2,315,553	9,030,553
2016-2020	31,865,000	6,934,312	38,799,312
2021-2025	14,985,000	1,341,326	16,326,326
Total	<u>\$ 60,575,000</u>	<u>\$ 20,875,573</u>	<u>\$ 81,450,573</u>

Year Ending June 30	Notes		
	Principal	Interest	Total
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	<u>\$ 9,921,416</u>	<u>\$ 856,634</u>	<u>\$ 10,778,050</u>

There is \$10,090,189 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$660, based on the 2000 federal census. Debt per capita, including bonds and notes, totaled \$768, based on the 2000 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>
Balance, July 1, 2009	\$ 45,360,000	\$ 14,456,380
Additions	26,215,000	0
Deductions	(11,000,000)	(4,534,964)
	<hr/>	<hr/>
Balance, June 30, 2010	\$ 60,575,000	\$ 9,921,416
	<hr/>	<hr/>
Balance Due Within One Year	\$ 625,000	\$ 4,280,468
	<hr/>	<hr/>

	<u>Compensated Absences</u>	<u>Other Postemployment Benefits</u>
Balance, July 1, 2009	\$ 1,554,471	\$ 398,985
Additions	1,294,283	540,482
Deductions	(1,245,781)	(104,857)
	<hr/>	<hr/>
Balance, June 30, 2010	\$ 1,602,973	\$ 834,610
	<hr/>	<hr/>
Balance Due Within One Year	\$ 1,279,671	\$ 0
	<hr/>	<hr/>

Compensated absences and other postemployment benefits 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, 2010	\$ 72,933,999
Add: Unamortized Premium on Debt	2,582,280
Less: Balance Due Within One Year	(6,185,139)
Less: Deferred Amount on Refunding	(1,558,906)
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 67,772,234
	<hr/>

Current and Advanced Refunding

On March 31, 2010, Madison County refunded a portion of a capital outlay note and two general obligation bond issues with a separate general

obligation bond issue. The county issued \$15,395,000 of general obligation bonds to provide resources to retire the current obligations for the Refunding Capital Outlay Notes, Series 2004 (\$4,520,000 principal and \$113,000 interest) and for the School and Public Improvement Bonds, Series 2003 (\$1,000,000 principal and \$25,000 interest), and to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the advanced refunded debt of the two refunded bond issues. Also, General Debt Service Fund monies totaling \$332,750 were placed in the irrevocable trust. As a result, the refunded capital outlay notes and bonds are considered defeased, and the liabilities have been removed from the county's long-term debt. Because of the refunding, total debt service payments over the next 13 years will be increased by \$4,750,788. The economic gain or loss on this refunding was not available.

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, 2010, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2009	\$ 313,183	\$ 423,990
Additions	362,784	2,965,008
Deductions	(329,327)	(654,780)
Balance, June 30, 2010	<u>\$ 346,640</u>	<u>\$ 2,734,218</u>
Balance Due Within One Year	<u>\$ 324,991</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2010	\$ 3,080,858
Less: Balance Due Within One Year	<u>(324,991)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 2,755,867</u>

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, 2010, were \$526,685 and \$95,708, 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 revenue anticipation notes in advance of property tax collections and other revenue sources and deposited the proceeds in the General (\$2,275,000), Solid Waste/Sanitation (\$200,000), and General Capital Projects (\$200,000) funds. 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, 2010, was as follows:

	Balance 7-1-09	Issued	Paid	Balance 6-30-10
Revenue				
Anticipation Notes	\$ 0	\$ 2,675,000	\$ (2,675,000)	\$ 0

Discretely Presented Madison County School Department

Madison County issued revenue anticipation notes in advance of property tax collections and other revenue sources and deposited the proceeds in the discretely presented General Purpose School (\$3,000,000) and School Federal Projects (\$900,000) funds. 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, 2010, was as follows:

		Balance 7-1-09	Issued	Paid	Balance 6-30-10
Revenue					
Anticipation Notes	\$	0	\$ 3,900,000	\$ (3,900,000)	\$ 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 demographics of the group, cost of medical care, prior-claim experience, and expected liability during the 2009-10 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
2008-09	\$	133,861	\$ 2,642,747	\$ (2,616,138)	160,470
2009-10		160,470	4,215,111	(4,225,581)	150,000

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. Risk Financing Activities

Madison County and several other counties, cities, and local government entities were members of the Local Government Insurance Cooperative (LOGIC) for their workers' compensation insurance for one or more policy years in 1996-97, 1997-98, and 1999-2000. LOGIC obtained excess coverage insurance from Reliance Insurance Company for claims that exceeded specific amounts. Reliance Insurance Company is now insolvent and is being liquidated in the State of Pennsylvania. The insolvency of Reliance Insurance Company has left LOGIC members exposed to significant claim liabilities for their policy years. In 2003, the LOGIC board of directors assessed its members certain amounts for each member's share of outstanding claims unpaid by Reliance Insurance Company. In 2009, the LOGIC board of directors made a second assessment of its members. Madison County's share of this second assessment totaled \$188,517.

C. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 51, Accounting and Financial Reporting for Intangible Assets; and Statement No. 53, Accounting and Financial Reporting for Derivative Instruments became effective for the year ended June 30, 2010.

GASB Statement No. 51 establishes accounting and financial reporting requirements for intangible assets. Intangible assets have three characteristics: lack of physical substance, nonfinancial in nature, and a useful life that extends beyond a single reporting period. Assets that have these characteristics and are identifiable to the government should be recorded as capital assets and amortized over their useful lives. Easements, water rights, patents, and computer software are examples of intangible assets that should be recognized under GASB Statement No. 51. Madison County had no assets that met the definition of intangible assets as of June 30, 2010. However, it is reasonably expected that Madison County may acquire intangible assets in subsequent years.

GASB Statement No. 53, addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by county governments. Derivative instruments are financial arrangements used by governments as investments; hedges against identified financial risks; or to lower the costs of borrowings. Interest rate swaps and locks, options, swaptions, forward contracts, and futures contracts are among the commonly used types of derivatives mentioned in GASB Statement No. 53. Derivative instruments associated with fluctuating financial and commodity prices result in changing cash flows and fair values that can be used as effective risks management and investment tools. For the same reasons, derivative instruments can expose governments to significant risks and liabilities. The requirements of GASB Statement No. 53 are intended to help users of financial information evaluate the effectiveness and associated risks involved with Madison County's derivative transactions. GASB Statement No. 53 requires most derivatives to be reported at fair value in the Statement of Net Assets. Changes in fair value for derivative instruments that are intended for investments purposes or that are reported like investment derivative instruments because of ineffectiveness are reported as investment revenues in the Statement of Activities. Alternatively, the changes in fair value of derivative instruments that are classified as hedging (i.e. effective) derivative instruments are reported in the Statement of Net Assets as deferrals. Madison County had not participated in derivative transactions as of June 30, 2010. However, it is reasonably expected that Madison County may enter into derivative transactions in subsequent years.

D. Subsequent Events

On August 17, 2010, the county's General Debt Service Fund issued a \$150,000 tax anticipation note to the General Capital Projects Fund for temporary operating funds.

The following table lists officials who left office on August 31, 2010, and their successors:

Official	Office	Successor
Wilma Allen	Trustee	John Newman
Freddie Pruitt	County Clerk	Fred Birmingham
Judy Barnhill	Circuit and General Sessions Courts Clerk	Kathy Blount

E. 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.

F. 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 \$195,736 to the Airport Authority for its operations during the year ended June 30, 2010. 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

Administrative Offices: (Cont.)

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

G. Retirement Commitments

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 <http://www.tn.gov/treasury/tcrs/PS/>.

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.

Madison County is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2010, 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 ending June 30, 2010, Madison County's annual pension cost of \$4,520,048 to TCRS was equal to Madison 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 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 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, 2009, which established contribution rates effective July 1, 2010.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$4,520,048	100%	\$0
6-30-09	4,545,746	100	0
6-30-08	4,320,369	100	0

Funded Status and Funding Progress

As of July 1, 2009, the most recent actuarial valuation date, the plan was 85.1 percent funded. The actuarial accrued liability for benefits was \$92.12 million, and the actuarial value of assets was \$78.4 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$13.72 million. The

covered payroll (annual payroll of active employees covered by the plan) was \$30.95 million, and the ratio of the UAAL to the covered payroll was 44.34 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 AALs 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

The Jackson-Madison County School Department 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. Cost of living adjustments (COLA) are 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/Schools.

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2010, was 6.42 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2010, 2009, and 2008, were \$3,474,278, \$3,549,187, and \$3,449,877, respectively, equal to the required contributions for each year.

City of Jackson Teachers 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, 2010, the plan had 36 retirees and beneficiaries receiving benefits. The plan has no active members and 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 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 TCRS contributes retirement benefits to the plan for 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 if they had been members of TCRS. The Madison County School Department is required to contribute a sufficient sum to pay for benefits provided under the plan. Per Chapter 357, Private Acts of 1943, as amended, contribution requirements of 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, 2010, the Madison County School Department's annual pension cost of \$321,005 to the CJTRP was equal to the system's required and actual contributions.

Annual required contribution (ARC)	\$ 321,005
Interest on net pension obligation	0
Adjustment to ARC	0
Annual pension cost	<u>\$ 321,005</u>
Contributions made	<u>(321,005)</u>
Increase (decrease) in net pension obligation	\$ 0
Net pension obligation, July 1, 2009	<u>0</u>
Net pension obligation, June 30, 2010	<u><u>\$ 0</u></u>

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-10	\$ 321,005	100 %	\$ 0
6-30-09	377,755	100	0
6-30-08	427,936	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 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 actuarial accrued liability for benefits.

H. 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 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 \$104,857 were recognized for the primary government.

Annual OPEB Cost and Net OPEB Obligation

	<u>Primary Government Plan</u>
ARC	\$ 551,956
Interest on NPO	11,970
Adjustment to ARC	<u>(23,444)</u>
Annual OPEB cost	\$ 540,482
Less: Amount of contribution	<u>(104,857)</u>
Increase (decrease) in NPO	\$ 435,625
Net OPEB obligation, 7-1-09	<u>398,985</u>
Net OPEB obligation, 6-30-10	<u><u>\$ 834,610</u></u>

Fiscal Year Ended *	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09	Primary Government	\$ 526,941	24 %	\$ 398,985
6-30-10	"	540,482	19	834,610

*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:

	<u>Primary Government Plan</u>
Actuarial valuation date	7-1-09
Actuarial accrued liability (AAL)	\$ 4,999,156
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,999,156
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 20,245,205
UAAL as a % of covered payroll	25%

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, 2009, 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 to 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 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 61 percent of single coverage and 56 percent of family coverage for all certified and qualifying noncertified personnel. As of June 30, 2010, there were 205 former employees participating. Expenditures totaling \$654,780 were recognized for postemployment health care.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 2,964,000
Interest on NPO	19,080
Adjustment to ARC	(18,072)
Annual OPEB cost	<hr/> \$ 2,965,008
Less: Amount of contribution	(654,780)
Increase (decrease) in NPO	\$ 2,310,228
Net OPEB obligation, 7-1-09	<hr/> 423,990
	<hr/>
Net OPEB obligation, 6-30-10	<u><u>\$ 2,734,218</u></u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
<hr/>		<hr/>	<hr/>	<hr/>
6-30-08	Local Education Group	\$ 833,000	74 %	% \$ 214,824
6-30-09	"	846,258	75	423,990
6-30-10	"	2,965,008	22	2,734,218

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2010, was as follows:

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-09
Actuarial accrued liability (AAL)	\$ 30,001,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 30,001,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 68,884,029
UAAL as a % of covered payroll	44%

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 multi-year 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, 2009, 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 four percent for fiscal year 2010. The trend will rise to ten percent in fiscal year 2011 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The rate includes 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.

I. 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.

J. 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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive Negative
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 19,472,287	\$ 0	\$ 0	\$ 19,472,287	\$ 19,206,246	\$ 19,083,361	\$ 388,926
Licenses and Permits	285,020	0	0	285,020	356,000	392,450	(107,430)
Fines, Forfeitures, and Penalties	531,635	0	0	531,635	485,690	526,470	5,165
Charges for Current Services	1,224,548	0	0	1,224,548	1,172,005	1,177,044	47,504
Other Local Revenues	355,920	0	0	355,920	199,464	243,004	112,916
Fees Received from County Officials	4,566,689	0	0	4,566,689	4,776,300	4,743,300	(176,611)
State of Tennessee	5,458,867	0	0	5,458,867	5,268,205	5,461,347	(2,480)
Federal Government	416,897	0	0	416,897	317,630	1,354,973	(938,076)
Other Governments and Citizens Groups	1,935,642	0	0	1,935,642	1,137,190	1,562,806	372,836
Total Revenues	\$ 34,247,505	\$ 0	\$ 0	\$ 34,247,505	\$ 32,918,730	\$ 34,544,755	\$ (297,250)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 140,833	\$ 0	\$ 0	\$ 140,833	\$ 142,066	\$ 142,703	\$ 1,870
County Mayor/Executive	230,770	0	0	230,770	240,696	240,883	10,113
Personnel Office	175,258	0	0	175,258	176,896	176,968	1,710
County Attorney	37,837	0	0	37,837	37,766	38,076	239
Election Commission	295,513	0	0	295,513	317,634	324,890	29,377
Register of Deeds	321,650	0	0	321,650	360,179	359,289	37,639
County Buildings	237,215	(26,400)	12,000	222,815	291,797	291,029	68,214
Other Facilities	498,337	0	0	498,337	504,400	521,420	23,083
Preservation of Records	44,633	0	0	44,633	45,472	48,823	4,190
<u>Finance</u>							
Accounting and Budgeting	945,085	0	0	945,085	956,628	959,344	14,259
Property Assessor's Office	748,103	(53,410)	680	695,373	807,009	805,833	110,460

(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 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive Negative
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Reappraisal Program	\$ 210,036	\$ 0	\$ 0	\$ 210,036	\$ 225,716	\$ 226,878	\$ 16,842
County Trustee's Office	345,888	0	0	345,888	363,637	361,564	15,676
County Clerk's Office	581,181	0	0	581,181	644,876	637,663	56,482
<u>Administration of Justice</u>							
Circuit Court	1,030,937	0	0	1,030,937	1,012,427	1,043,780	12,843
General Sessions Court	295,520	0	0	295,520	332,104	324,602	29,082
Drug Court	14,664	0	0	14,664	7,620	27,620	12,956
Chancery Court	649,030	0	0	649,030	650,586	660,175	11,145
Juvenile Court	422,884	0	0	422,884	460,368	452,732	29,848
District Attorney General	82,590	0	0	82,590	82,471	82,518	(72)
Office of Public Defender	72,929	0	0	72,929	66,389	73,433	504
Other Administration of Justice	311,258	0	0	311,258	225,778	225,778	(85,480)
<u>Public Safety</u>							
Sheriff's Department	5,229,021	(26,905)	0	5,202,116	5,221,571	5,434,273	232,157
Special Patrols	775,499	0	0	775,499	855,351	846,539	71,040
Jail	6,354,336	0	0	6,354,336	6,155,056	6,445,020	90,684
Workhouse	1,798,093	0	0	1,798,093	1,855,596	1,858,963	60,870
Correctional Incentive Program Improvements	534,380	0	0	534,380	483,027	568,027	33,647
Juvenile Services	352,021	0	0	352,021	358,135	356,900	4,879
Work Release Program	647,462	0	0	647,462	731,288	784,376	136,914
Fire Prevention and Control	600,736	0	0	600,736	629,332	641,669	40,933
Civil Defense	278,590	0	0	278,590	284,922	285,417	6,827
Disaster Relief	116,163	0	0	116,163	0	150,000	33,837
Other Emergency Management	272,327	0	0	272,327	0	666,114	393,787

(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 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
Inspection and Regulation	\$ 163,660	\$ 0	\$ 0	\$ 163,660	\$ 175,460	\$ 184,780	\$ 21,120
County Coroner/Medical Examiner	87,761	0	0	87,761	110,048	110,266	22,505
Public Safety Grant Programs	144,352	0	0	144,352	50,000	150,000	5,648
Other Public Safety	17,912	0	0	17,912	17,924	18,114	202
<u>Public Health and Welfare</u>							
Local Health Center	1,634,814	(9,622)	16,030	1,641,222	1,734,677	1,795,117	153,895
Rabies and Animal Control	186,760	0	0	186,760	208,098	208,098	21,338
Maternal and Child Health Services	2,596,067	(11,224)	108,210	2,693,053	3,077,578	2,991,259	298,206
Alcohol and Drug Programs	31,880	0	0	31,880	31,880	31,880	0
Other Local Health Services	35,700	0	0	35,700	35,700	35,700	0
Sanitation Management	56,049	0	0	56,049	55,400	55,551	(498)
Sanitation Education/Information	44,451	0	0	44,451	61,746	61,746	17,295
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	35,000	0	0	35,000	35,000	35,000	0
Libraries	973,543	0	0	973,543	975,194	975,194	1,651
Parks and Fair Boards	866,917	0	0	866,917	901,811	904,829	37,912
Other Social, Cultural, and Recreational	57,534	0	0	57,534	91,052	91,052	33,518
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	182,835	0	0	182,835	188,256	188,256	5,421
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	103,989	0	0	103,989	109,779	107,050	3,061
Flood Control	40,000	0	0	40,000	40,000	40,000	0
<u>Other Operations</u>							
Industrial Development	75,652	0	0	75,652	75,652	75,652	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 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive Negative
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
Airport	\$ 532,199	\$ 0	\$ 0	\$ 532,199	\$ 258,236	\$ 584,736	\$ 52,537
Other Charges	357,611	0	0	357,611	306,162	406,646	49,035
Contributions to Other Agencies	189,797	0	0	189,797	192,997	192,997	3,200
Employee Benefits	910	0	0	910	0	0	(910)
ARRA Grant # 10	114,294	0	0	114,294	0	211,721	97,427
Miscellaneous	1,524,225	(33,825)	0	1,490,400	1,616,300	1,637,484	147,084
<u>Principal on Debt</u>							
General Government	14,964	0	0	14,964	17,088	14,964	0
Interest on Debt							
General Government	2,124	0	0	2,124	0	2,124	0
Total Expenditures	\$ 34,723,779	\$ (161,386)	\$ 136,920	\$ 34,699,313	\$ 34,894,831	\$ 37,175,515	\$ 2,476,202
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ (476,274)	\$ 161,386	\$ (136,920)	\$ (451,808)	\$ (1,976,101)	\$ (2,630,760)	\$ 2,178,952
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 143,400	\$ 0	\$ 0	\$ 143,400	\$ 0	\$ 114,551	\$ 28,849
Transfers In	72,795	0	0	72,795	384,309	427,901	(355,106)
Total Other Financing Sources (Uses)	\$ 216,195	\$ 0	\$ 0	\$ 216,195	\$ 384,309	\$ 542,452	\$ (326,257)
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (260,079)	\$ 161,386	\$ (136,920)	\$ (235,613)	\$ (1,591,792)	\$ (2,088,308)	\$ 1,852,695
Fund Balance, June 30, 2010	4,191,914	(161,386)	0	4,030,528	2,572,767	4,030,528	0
	\$ 3,931,835	\$ 0	\$ (136,920)	\$ 3,794,915	\$ 980,975	\$ 1,942,220	\$ 1,852,695

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive Negative
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,905,914	\$ 0	\$ 1,905,914	\$ 1,875,402	\$ 1,875,402	\$ 30,512
Other Local Revenues	49,821	0	49,821	26,000	26,000	23,821
State of Tennessee	2,546,821	0	2,546,821	3,017,859	3,017,859	(471,038)
Federal Government	0	0	0	13,306	13,306	(13,306)
Total Revenues	\$ 4,502,556	\$ 0	\$ 4,502,556	\$ 4,932,567	\$ 4,932,567	\$ (430,011)
<u>Expenditures</u>						
Public Safety	\$ 757,199	\$ 0	\$ 757,199	\$ 0	\$ 2,000,000	\$ 1,242,801
Disaster Relief						
Highways						
Administration	325,577	(372)	325,205	320,792	339,791	14,586
Highway and Bridge Maintenance	1,791,916	0	1,791,916	3,115,000	3,126,334	1,334,418
Operation and Maintenance of Equipment	360,359	0	360,359	549,600	583,352	222,993
Other Charges	160,916	0	160,916	208,650	207,650	46,734
Employee Benefits	149,998	0	149,998	173,687	241,843	91,845
Capital Outlay	442,636	0	442,636	1,567,926	1,125,926	683,290
Total Expenditures	\$ 3,988,601	\$ (372)	\$ 3,988,229	\$ 5,935,655	\$ 7,624,896	\$ 3,636,667
Excess (Deficiency) of Revenues Over Expenditures	\$ 513,955	\$ 372	\$ 514,327	\$ (1,003,088)	\$ (2,692,329)	\$ 3,206,656
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 4,208	\$ 0	\$ 4,208	\$ 0	\$ 0	\$ 4,208
Transfers In	696	0	696	0	696	0
Transfers Out	(29,203)	0	(29,203)	(29,203)	(29,203)	0
Total Other Financing Sources (Uses)	\$ (24,299)	\$ 0	\$ (24,299)	\$ (29,203)	\$ (28,507)	\$ 4,208
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 489,656	\$ 372	\$ 490,028	\$ (1,032,291)	\$ (2,720,836)	\$ 3,210,864
	3,682,348	(372)	3,681,976	2,378,157	3,681,976	0
Fund Balance, June 30, 2010	\$ 4,172,004	\$ 0	\$ 4,172,004	\$ 1,345,866	\$ 961,140	\$ 3,210,864

Exhibit F-3

Madison County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Madison County School Department
June 30, 2010

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-07	\$ 71,989	\$ 82,140	\$ (10,151)	87.64 %	\$ 28,679	35.4 %
7-1-09	78,399	92,123	(13,724)	85.1	30,952	44.34

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 year; therefore, only the two most recent valuations are presented.

Exhibit F-4

Madison County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Madison County School Department
June 30, 2010

Former City of Jackson Teacher Retirement Plan

Actuarial Valuation Date *	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-07	\$ 966,494	\$ 6,027,413	\$ 5,060,919	16.04 %	49,522	10,219.54 %
7-1-09	987,914	4,908,093	3,920,179	25.2	51,963	7,544.17

* Data available for only two actuarial valuations.

Exhibit F-5

Madison County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Madison County School Department
June 30, 2010

(Dollar amounts in thousands)

Plans	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)
<u>PRIMARY GOVERNMENT</u>							
Self-insurance Group	7-1-08*	\$ 0	\$ 4,322	\$ 4,322	0 %	\$ 20,124	21 %
<u>DISCRETELY PRESENTED MADISON COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-07**	0	9,841	9,841	0	63,188	16
"	7-1-09	0	30,001	30,001	0	68,884	44

* Data only available for one actuarial valuation.

** Data only available for two actuarial valuations.

MADISON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2010

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 County 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

General Fund expenditures and encumbrances exceeded appropriations approved by the County Commission in the Other Administration of Justice major appropriation category (the legal level of control) by \$85,480.

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

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

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 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 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.

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.

Madison County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

Special Revenue Funds					
	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General

ASSETS

Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	230,739	180,242	1,094,705	9,479	21,658
Accounts Receivable	15,463	15,313	23,334	0	0
Due from Other Governments	71,447	39,645	0	0	0
Property Taxes Receivable	1,092,164	890,494	2,436,130	0	0
Allowance for Uncollectible Property Taxes	(60,399)	(54,300)	(115,381)	0	0
Total Assets	\$ 1,349,414	\$ 1,071,394	\$ 3,438,788	\$ 9,479	\$ 21,658

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>	\$ 15,532	\$ 39,628	\$ 0	\$ 0	\$ 0
Accounts Payable	40,415	1,491	0	0	0
Payroll Deductions Payable	0	0	0	0	0
Due to Other Funds	1,002,975	807,404	2,276,879	0	0
Deferred Revenue - Current Property Taxes	24,890	24,890	37,970	0	0
Deferred Revenue - Delinquent Property Taxes	1,083,812	873,413	2,314,849	0	0
Total Liabilities	\$ 746	\$ 895	\$ 0	\$ 0	\$ 0
<u>Fund Balances</u>	2,847	0	0	0	0
Reserved for Encumbrances	262,009	197,086	1,123,939	9,479	21,658
Reserved for ARRA Grant No. 1	265,602	197,981	1,123,939	9,479	21,658
Unreserved	\$ 1,349,414	\$ 1,071,394	\$ 3,438,788	\$ 9,479	\$ 21,658
Total Fund Balances					
Total Liabilities and Fund Balances					

(Continued)

Exhibit G-1

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

	Special Revenue Funds		Capital Projects Funds			Total Nonmajor Governmental Funds
	(Cont.)		Community Development/ Industrial Park	Highway Capital Projects	Total	
	Constitu- tional Officers - Fees	Total				
\$ 35,037 \$ 35,037 \$ 0 \$ 0 \$ 0 \$ 0 \$ 35,037						
0 1,536,823 147,772 685,457 833,229 2,370,052						
428 54,538 0 0 0 54,538						
0 111,092 0 0 0 111,092						
0 4,418,788 0 0 0 4,418,788						
0 (230,080) 0 0 0 (230,080)						
\$ 35,465 \$ 5,926,198 \$ 147,772 \$ 685,457 \$ 833,229 \$ 6,759,427						

ASSETS

Cash	
Equity in Pooled Cash and Investments	
Accounts Receivable	
Due from Other Governments	
Property Taxes Receivable	
Allowance for Uncollectible Property Taxes	

Total Assets

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>	
Accounts Payable	55,160
Payroll Deductions Payable	41,906
Due to Other Funds	35,465
Deferred Revenue - Current Property Taxes	4,087,258
Deferred Revenue - Delinquent Property Taxes	87,750
Total Liabilities	4,307,539

Fund Balances

Reserved for Encumbrances	1,641
Reserved for ARRA Grant No. 1	2,847
Unreserved	1,614,171
Total Fund Balances	1,618,659

Total Liabilities and Fund Balances

\$ 0 \$ 55,160 \$ 0 \$ 0 \$ 0 \$ 55,160						
0 41,906 0 0 0 41,906						
35,465 35,465 0 0 0 35,465						
0 4,087,258 0 0 0 4,087,258						
0 87,750 0 0 0 87,750						
\$ 35,465 \$ 4,307,539 \$ 0 \$ 0 \$ 0 \$ 4,307,539						
\$ 0 \$ 1,641 \$ 0 \$ 0 \$ 0 \$ 1,641						
0 2,847 0 0 0 2,847						
0 1,614,171 147,772 685,457 833,229 2,447,400						
\$ 0 \$ 1,618,659 \$ 147,772 \$ 685,457 \$ 833,229 \$ 2,451,888						
\$ 35,465 \$ 5,926,198 \$ 147,772 \$ 685,457 \$ 833,229 \$ 6,759,427						

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, 2010

	Special Revenue Funds						Total
	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General		
<u>Revenues</u>							
Local Taxes	\$ 999,572	\$ 966,230	\$ 1,521,097	\$ 0	\$ 0	\$ 0	\$ 3,486,899
Fines, Forfeitures, and Penalties	0	0	0	19,499	29,809	0	49,308
Other Local Revenues	4,905	19,139	0	0	0	0	24,044
State of Tennessee	9,000	164,977	0	0	0	0	173,977
Federal Government	202,324	0	0	0	0	0	202,324
Other Governments and Citizens Groups	55,444	0	0	0	0	0	55,444
Total Revenues	\$ 1,271,245	\$ 1,150,346	\$ 1,521,097	\$ 19,499	\$ 29,809	\$ 0	\$ 3,991,996
<u>Expenditures</u>							
Current:							
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,382	\$ 0	\$ 34,382
Public Safety	1,304,600	0	0	10,817	0	0	1,315,417
Public Health and Welfare	0	1,046,088	0	0	0	0	1,046,088
Other Operations	0	0	1,679,594	0	0	0	1,679,594
Total Expenditures	\$ 1,304,600	\$ 1,046,088	\$ 1,679,594	\$ 10,817	\$ 34,382	\$ 0	\$ 4,075,481
Excess (Deficiency) of Revenues Over Expenditures	\$ (33,355)	\$ 104,258	\$ (158,497)	\$ 8,682	\$ (4,573)	\$ 0	\$ (83,485)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 576	\$ 72	\$ 0	\$ 0	\$ 0	\$ 0	\$ 648
Transfers Out	0	0	0	(35,000)	0	0	(35,000)
Total Other Financing Sources (Uses)	\$ 576	\$ 72	\$ 0	\$ (35,000)	\$ 0	\$ 0	\$ (34,352)
Net Change in Fund Balances	\$ (32,779)	\$ 104,330	\$ (158,497)	\$ (26,318)	\$ (4,573)	\$ 0	\$ (117,837)
Fund Balance, July 1, 2009	298,381	93,651	1,282,436	35,797	26,231	0	1,736,496
Prior-period Adjustment	0	0	0	0	0	0	0
Fund Balance, June 30, 2010	\$ 265,602	\$ 197,981	\$ 1,123,939	\$ 9,479	\$ 21,658	\$ 0	\$ 1,618,659

(Continued)

Exhibit G-2

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

	<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	<u>Community Development/ Industrial Park</u>	<u>Highway Capital Projects</u>	<u>Total</u>	
<u>Revenues</u>				
Local Taxes	\$ 0 \$	0 \$	0 \$	3,486,899
Fines, Forfeitures, and Penalties	0	0	0	49,308
Other Local Revenues	34,292	0	34,292	58,336
State of Tennessee	0	0	0	173,977
Federal Government	0	0	0	202,324
Other Governments and Citizens Groups	0	0	0	55,444
Total Revenues	\$ 34,292 \$	0 \$	34,292 \$	4,026,288
<u>Expenditures</u>				
Current:				
Administration of Justice	0 \$	0 \$	0 \$	34,382
Public Safety	0	0	0	1,315,417
Public Health and Welfare	0	0	0	1,046,088
Other Operations	343	0	343	1,679,937
Total Expenditures	\$ 343 \$	0 \$	343 \$	4,075,824
Excess (Deficiency) of Revenues Over Expenditures	\$ 33,949 \$	0 \$	33,949 \$	(49,536)
<u>Other Financing Sources (Uses)</u>				
Transfers In	0 \$	0 \$	0 \$	648
Transfers Out	0	0	0	(35,000)
Total Other Financing Sources (Uses)	0 \$	0 \$	0 \$	(34,352)
Net Change in Fund Balances	\$ 33,949 \$	0 \$	33,949 \$	(83,888)
Fund Balance, July 1, 2009	113,823	686,352	800,175	2,536,671
Prior-period Adjustment	0	(895)	(895)	(895)
Fund Balance, June 30, 2010	\$ 147,772 \$	685,457 \$	833,229 \$	2,451,888

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, 2010

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2009	Encumbrances 6/30/2010			Original	Final	
<u>Revenues</u>								
Local Taxes	\$ 999,572	\$ 0	\$ 0	\$ 0	\$ 999,572	\$ 983,060	\$ 997,099	\$ 2,473
Other Local Revenues	4,905	0	0	0	4,905	500	4,300	605
State of Tennessee	9,000	0	0	0	9,000	9,000	9,000	0
Federal Government	202,324	0	0	0	202,324	169,106	193,771	8,553
Other Governments and Citizens Groups	55,444	0	0	0	55,444	50,000	50,000	5,444
Total Revenues	\$ 1,271,245	\$ 0	\$ 0	\$ 0	\$ 1,271,245	\$ 1,211,666	\$ 1,254,170	\$ 17,075
<u>Expenditures</u>								
Public Safety								
Juvenile Services	\$ 1,304,600	(395)	\$ 746	\$ 746	\$ 1,304,951	\$ 1,402,071	\$ 1,444,169	\$ 139,218
Total Expenditures	\$ 1,304,600	(395)	\$ 746	\$ 746	\$ 1,304,951	\$ 1,402,071	\$ 1,444,169	\$ 139,218
Excess (Deficiency) of Revenues Over Expenditures	\$ (33,355)	\$ 395	\$ (746)	\$ (746)	\$ (33,706)	\$ (190,405)	\$ (189,999)	\$ 156,293
<u>Other Financing Sources (Uses)</u>								
Transfers In	\$ 576	\$ 0	\$ 0	\$ 0	\$ 576	\$ 0	\$ 576	\$ 0
Total Other Financing Sources (Uses)	\$ 576	\$ 0	\$ 0	\$ 0	\$ 576	\$ 0	\$ 576	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ (32,779)	\$ 395	\$ (746)	\$ (746)	\$ (33,130)	\$ (190,405)	\$ (189,423)	\$ 156,293
	298,381	(395)	0	0	297,986	243,908	297,986	0
Fund Balance, June 30, 2010	\$ 265,602	\$ 0	\$ (746)	\$ (746)	\$ 264,856	\$ 53,503	\$ 108,563	\$ 156,293

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)		Budgeted Amounts Original	Final	Variance with Final Budget - Positive (Negative)
<u>Revenues</u>								
Local Taxes	\$ 966,230	\$ 0	\$ 0	\$ 966,230	\$ 938,331	\$ 949,545	\$ 16,685	
Other Local Revenues	19,139	0	0	19,139	4,450	17,750	1,389	
State of Tennessee	164,977	0	0	164,977	117,000	152,000	12,977	
Total Revenues	\$ 1,150,346	\$ 0	\$ 0	\$ 1,150,346	\$ 1,059,781	\$ 1,119,295	\$ 31,051	
<u>Expenditures</u>								
<u>Public Health and Welfare</u>								
Convenience Centers	\$ 608,912	\$ (715)	\$ 895	\$ 609,092	\$ 614,200	\$ 614,904	\$ 5,812	
Landfill Operation and Maintenance	437,176	0	0	437,176	472,500	507,500	70,324	
Total Expenditures	\$ 1,046,088	\$ (715)	\$ 895	\$ 1,046,268	\$ 1,086,700	\$ 1,122,404	\$ 76,136	
Excess (Deficiency) of Revenues Over Expenditures	\$ 104,258	\$ 715	\$ (895)	\$ 104,078	\$ (26,919)	\$ (3,109)	\$ 107,187	
<u>Other Financing Sources (Uses)</u>								
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 560	\$ (560)	
Transfers In	72	0	0	72	0	72	0	
Total Other Financing Sources (Uses)	\$ 72	\$ 0	\$ 0	\$ 72	\$ 0	\$ 632	\$ (560)	
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 104,330	\$ 715	\$ (895)	\$ 104,150	\$ (26,919)	\$ (2,477)	\$ 106,627	
	93,651	(715)	0	92,936	55,346	92,936	0	
Fund Balance, June 30, 2010	\$ 197,981	\$ 0	\$ (895)	\$ 197,086	\$ 28,427	\$ 90,459	\$ 106,627	

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,521,097	\$ 1,463,737	\$ 1,507,317	\$ 13,780
Total Revenues	\$ 1,521,097	\$ 1,463,737	\$ 1,507,317	\$ 13,780
<u>Expenditures</u>				
<u>Other Operations</u>				
Miscellaneous	\$ 1,679,594	\$ 30,000	\$ 1,681,000	\$ 1,406
Total Expenditures	\$ 1,679,594	\$ 30,000	\$ 1,681,000	\$ 1,406
Excess (Deficiency) of Revenues Over Expenditures	\$ (158,497)	\$ 1,433,737	\$ (173,683)	\$ 15,186
Net Change in Fund Balance	\$ (158,497)	\$ 1,433,737	\$ (173,683)	\$ 15,186
Fund Balance, July 1, 2009	1,282,436	1,278,937	1,282,436	0
Fund Balance, June 30, 2010	\$ 1,123,939	\$ 2,712,674	\$ 1,108,753	\$ 15,186

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 19,499	\$ 10,800	\$ 14,857	\$ 4,642
Total Revenues	\$ 19,499	\$ 10,800	\$ 14,857	\$ 4,642
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 10,817	\$ 11,563	\$ 11,663	\$ 846
Total Expenditures	\$ 10,817	\$ 11,563	\$ 11,663	\$ 846
Excess (Deficiency) of Revenues Over Expenditures	\$ 8,682	\$ (763)	\$ 3,194	\$ 5,488
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (35,000)	\$ 0	\$ (35,000)	\$ 0
Total Other Financing Sources (Uses)	\$ (35,000)	\$ 0	\$ (35,000)	\$ 0
Net Change in Fund Balance	\$ (26,318)	\$ (763)	\$ (31,806)	\$ 5,488
Fund Balance, July 1, 2009	35,797	30,098	35,797	0
Fund Balance, June 30, 2010	\$ 9,479	\$ 29,335	\$ 3,991	\$ 5,488

Exhibit G-7

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 34,292	\$ 32,000	\$ 32,500	\$ 1,792
Total Revenues	\$ 34,292	\$ 32,000	\$ 32,500	\$ 1,792
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 343	\$ 320	\$ 340	\$ (3)
Total Expenditures	\$ 343	\$ 320	\$ 340	\$ (3)
Excess (Deficiency) of Revenues Over Expenditures	\$ 33,949	\$ 31,680	\$ 32,160	\$ 1,789
Net Change in Fund Balance	\$ 33,949	\$ 31,680	\$ 32,160	\$ 1,789
Fund Balance, July 1, 2009	113,823	113,833	113,823	0
Fund Balance, June 30, 2010	\$ 147,772	\$ 145,513	\$ 145,983	\$ 1,789

Exhibit G-8

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway Capital Projects Fund
For the Year Ended June 30, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
State of Tennessee	\$ 0	\$ 1,421,384	\$ 1,421,384	\$ (1,421,384)
Total Revenues	\$ 0	\$ 1,421,384	\$ 1,421,384	\$ (1,421,384)
<u>Expenditures</u>				
<u>Highways</u>				
Capital Outlay	\$ 0	\$ 1,776,730	\$ 1,776,730	\$ 1,776,730
Total Expenditures	\$ 0	\$ 1,776,730	\$ 1,776,730	\$ 1,776,730
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (355,346)	\$ (355,346)	\$ 355,346
Net Change in Fund Balance	\$ 0	\$ (355,346)	\$ (355,346)	\$ 355,346
Fund Balance, July 1, 2009	686,352	489,264	686,352	0
Prior-period Adjustment	(895)	0	0	(895)
Fund Balance, June 30, 2010	\$ 685,457	\$ 133,918	\$ 331,006	\$ 354,451

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.

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, 2010

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 8,082,283	\$ 7,874,400	\$ 7,948,400	\$ 133,883
Other Local Revenues	285,692	529,006	359,006	(73,314)
Total Revenues	<u>\$ 8,367,975</u>	<u>\$ 8,403,406</u>	<u>\$ 8,307,406</u>	<u>\$ 60,569</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 200,000	\$ 8,655,604	\$ 5,098,493	\$ 4,898,493
<u>Interest on Debt</u>				
General Government	2,629,861	0	3,062,861	433,000
<u>Other Debt Service</u>				
General Government	298,701	0	299,911	1,210
Total Expenditures	<u>\$ 3,128,562</u>	<u>\$ 8,655,604</u>	<u>\$ 8,461,265</u>	<u>\$ 5,332,703</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,239,413</u>	<u>\$ (252,198)</u>	<u>\$ (153,859)</u>	<u>\$ 5,393,272</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 263,081	\$ 0	\$ 585,615	\$ (322,534)
Refunding Debt Issued	15,395,000	0	15,395,000	0
Premiums on Debt Issued	671,994	0	671,994	0
Payments to Refunded Debt Escrow Agent	(16,261,333)	0	(16,261,333)	0
Total Other Financing Sources (Uses)	<u>\$ 68,742</u>	<u>\$ 0</u>	<u>\$ 391,276</u>	<u>\$ (322,534)</u>
Net Change in Fund Balance	\$ 5,308,155	\$ (252,198)	\$ 237,417	\$ 5,070,738
Fund Balance, July 1, 2009	4,782,034	4,818,194	4,782,034	0
Fund Balance, June 30, 2010	<u>\$ 10,090,189</u>	<u>\$ 4,565,996</u>	<u>\$ 5,019,451</u>	<u>\$ 5,070,738</u>

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.

Exhibit I-1

Madison County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2010

	Agency Funds						Total
	Cities - Sales Tax	Cities - Property Tax	Watershed District	Joint Venture	Constitu- tional Officers - Agency	Other Agency	
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,467,023	\$ 0	\$ 3,467,023
Equity in Pooled Cash and Investments	54,134	4,222	55,748	27,067	0	0	141,171
Accounts Receivable	54,000	0	0	25,000	0	0	79,000
Due from Other Governments	1,860,000	4,300	0	0	0	3,400	1,867,700
Total Assets	\$ 1,968,134	\$ 8,522	\$ 55,748	\$ 52,067	\$ 3,467,023	\$ 3,400	\$ 5,554,894
<u>LIABILITIES</u>							
Due to Other Taxing Units	\$ 1,968,134	\$ 8,522	\$ 0	\$ 0	\$ 0	\$ 3,400	\$ 1,980,056
Due to Litigants, Heirs, and Others	0	0	0	0	3,467,023	0	3,467,023
Other Current Liabilities	0	0	55,748	52,067	0	0	107,815
Total Liabilities	\$ 1,968,134	\$ 8,522	\$ 55,748	\$ 52,067	\$ 3,467,023	\$ 3,400	\$ 5,554,894

Exhibit I-2

Madison County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2010

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 41,582	\$ 12,089,395	\$ 12,076,843	\$ 54,134
Accounts Receivable	40,000	54,000	40,000	54,000
Due from Other Governments	1,800,000	1,860,000	1,800,000	1,860,000
Total Assets	\$ 1,881,582	\$ 14,003,395	\$ 13,916,843	\$ 1,968,134
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,881,582	\$ 14,003,395	\$ 13,916,843	\$ 1,968,134
Total Liabilities	\$ 1,881,582	\$ 14,003,395	\$ 13,916,843	\$ 1,968,134
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 2,301	\$ 281,342	\$ 279,421	\$ 4,222
Due from Other Governments	2,000	4,300	2,000	4,300
Total Assets	\$ 4,301	\$ 285,642	\$ 281,421	\$ 8,522
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 4,301	\$ 285,642	\$ 281,421	\$ 8,522
Total Liabilities	\$ 4,301	\$ 285,642	\$ 281,421	\$ 8,522
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 55,748	\$ 0	\$ 0	\$ 55,748
Total Assets	\$ 55,748	\$ 0	\$ 0	\$ 55,748
<u>Liabilities</u>				
Other Current Liabilities	\$ 55,748	\$ 0	\$ 0	\$ 55,748
Total Liabilities	\$ 55,748	\$ 0	\$ 0	\$ 55,748
<u>Joint Venture Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 20,791	\$ 200,830	\$ 194,554	\$ 27,067
Accounts Receivable	19,000	25,000	19,000	25,000
Total Assets	\$ 39,791	\$ 225,830	\$ 213,554	\$ 52,067
<u>Liabilities</u>				
Other Current Liabilities	\$ 39,791	\$ 225,830	\$ 213,554	\$ 52,067
Total Liabilities	\$ 39,791	\$ 225,830	\$ 213,554	\$ 52,067

(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
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 3,887,273	\$ 20,283,370	\$ 20,703,620	\$ 3,467,023
Total Assets	\$ 3,887,273	\$ 20,283,370	\$ 20,703,620	\$ 3,467,023
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 3,887,273	\$ 20,283,370	\$ 20,703,620	\$ 3,467,023
Total Liabilities	\$ 3,887,273	\$ 20,283,370	\$ 20,703,620	\$ 3,467,023
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 18,730	\$ 18,730	\$ 0
Due from Other Governments	3,600	3,400	3,600	3,400
Total Assets	\$ 3,600	\$ 22,130	\$ 22,330	\$ 3,400
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 3,600	\$ 22,130	\$ 22,330	\$ 3,400
Total Liabilities	\$ 3,600	\$ 22,130	\$ 22,330	\$ 3,400
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 3,887,273	\$ 20,283,370	\$ 20,703,620	\$ 3,467,023
Equity in Pooled Cash and Investments	120,422	12,590,297	12,569,548	141,171
Accounts Receivable	59,000	79,000	59,000	79,000
Due from Other Governments	1,805,600	1,867,700	1,805,600	1,867,700
Total Assets	\$ 5,872,295	\$ 34,820,367	\$ 35,137,768	\$ 5,554,894
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,889,483	\$ 14,311,167	\$ 14,220,594	\$ 1,980,056
Due to Litigants, Heirs, and Others	3,887,273	20,283,370	20,703,620	3,467,023
Other Current Liabilities	95,539	225,830	213,554	107,815
Total Liabilities	\$ 5,872,295	\$ 34,820,367	\$ 35,137,768	\$ 5,554,894

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, two Capital Projects Funds, 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.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for energy efficiency improvements 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.

Exhibit J-1

Madison County, Tennessee
Statement of Activities
Discretely Presented Madison County School Department
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 78,433,635	\$ 380,130	\$ 7,508,602	\$ 285,480	\$ (70,259,423)
Support Services	39,230,104	53,351	1,719,281	0	(37,457,472)
Operation of Non-Instructional Services	9,400,742	1,537,362	7,266,775	0	(596,605)
Total Governmental Activities	\$ 127,064,481	\$ 1,970,843	\$ 16,494,658	\$ 285,480	\$ (108,313,500)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 13,591,849
Local Option Sales Taxes					32,660,570
Other Local Taxes					7,971
Grants and Contributions Not Restricted to Specific Programs					63,671,724
Miscellaneous					206,764
Total General Revenues					\$ 110,138,878
Change in Net Assets					\$ 1,825,378
Net Assets, July 1, 2009					83,375,000
Net Assets, June 30, 2010					\$ 85,200,378

Exhibit J-2

Madison County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Madison County School Department
June 30, 2010

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
	<u>General</u>	<u>Other</u>	<u>Governmental</u>
	<u>Purpose</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>School</u>	<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 5,463,147	\$ 5,625,771	\$ 11,088,918
Accounts Receivable	294,781	97	294,878
Due from Other Governments	6,172,685	1,837,394	8,010,079
Due from Other Funds	64,885	0	64,885
Property Taxes Receivable	12,987,207	1,002,413	13,989,620
Allowance for Uncollectible Property Taxes	(747,267)	(58,988)	(806,255)
Total Assets	<u>\$ 24,235,438</u>	<u>\$ 8,406,687</u>	<u>\$ 32,642,125</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	\$ 368,360	\$ 78,176	\$ 446,536
Payroll Deductions Payable	2,502,318	311,024	2,813,342
Retainage Payable	0	67,537	67,537
Due to Other Funds	0	12,804	12,804
Deferred Revenue - Current Property Taxes	11,867,045	913,264	12,780,309
Deferred Revenue - Delinquent Property Taxes	322,895	25,661	348,556
Other Deferred Revenues	2,750,256	0	2,750,256
Total Liabilities	<u>\$ 17,810,874</u>	<u>\$ 1,408,466</u>	<u>\$ 19,219,340</u>
<u>Fund Balances</u>			
Reserved for Encumbrances	\$ 174,493	\$ 3,359,359	\$ 3,533,852
Reserved for Career Ladder Program	32,224	0	32,224
Reserved for Title I Grants to Local Education Agencies	0	395,745	395,745
Reserved for Innovative Education Program Strategies	0	45,351	45,351
Other Federal Reserves	0	201,689	201,689
Unreserved, Reported In:			
General Fund	6,217,847	0	6,217,847
Special Revenue Funds	0	2,374,809	2,374,809
Capital Projects Funds	0	621,268	621,268
Total Fund Balances	<u>\$ 6,424,564</u>	<u>\$ 6,998,221</u>	<u>\$ 13,422,785</u>
Total Liabilities and Fund Balances	<u>\$ 24,235,438</u>	<u>\$ 8,406,687</u>	<u>\$ 32,642,125</u>

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, 2010

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)		\$ 13,422,785
(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	64,273,840	
Add: other capital assets net of accumulated depreciation	<u>5,394,237</u>	71,759,639
(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	\$ (2,734,218)	
Less: compensated absences payable	<u>(346,640)</u>	(3,080,858)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,098,812</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 85,200,378</u>

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, 2010

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 45,593,853	\$ 1,129,348	\$ 46,723,201
Licenses and Permits	9,545	0	9,545
Charges for Current Services	430,566	1,537,362	1,967,928
Other Local Revenues	504,627	9,738	514,365
State of Tennessee	48,496,582	360,272	48,856,854
Federal Government	272,776	17,760,122	18,032,898
Other Governments and Citizens Groups	1,816,301	10,397,456	12,213,757
Total Revenues	\$ 97,124,250	\$ 31,194,298	\$ 128,318,548
<u>Expenditures</u>			
Current:			
Instruction	\$ 58,830,217	\$ 7,428,314	\$ 66,258,531
Support Services	33,953,042	4,291,156	38,244,198
Operation of Non-Instructional Services	1,236,724	6,779,774	8,016,498
Capital Outlay	0	8,713,803	8,713,803
Capital Projects	0	818,435	818,435
Total Expenditures	\$ 94,019,983	\$ 28,031,482	\$ 122,051,465
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,104,267	\$ 3,162,816	\$ 6,267,083
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 46,548	\$ 0	\$ 46,548
Transfers In	1,116	900,000	901,116
Transfers Out	(900,000)	(1,116)	(901,116)
Total Other Financing Sources (Uses)	\$ (852,336)	\$ 898,884	\$ 46,548
Net Change in Fund Balances	\$ 2,251,931	\$ 4,061,700	\$ 6,313,631
Fund Balance, July 1, 2009	4,172,633	2,936,521	7,109,154
Fund Balance, June 30, 2010	\$ 6,424,564	\$ 6,998,221	\$ 13,422,785

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, 2010

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)		\$ 6,313,631
(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	\$ 775,781	
Less: current year depreciation expense	<u>(3,115,950)</u>	(2,340,169)
(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		(1,277)
(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, 2010	\$ 3,098,812	
Less: deferred delinquent property taxes and other deferred June 30, 2009	<u>(2,901,934)</u>	196,878
(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	\$ (33,457)	
Change in other postemployment benefits liability	<u>(2,310,228)</u>	<u>(2,343,685)</u>
Change in net assets of governmental activities (Exhibit B)		<u>\$ 1,825,378</u>

Exhibit J-6

Madison County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Madison County School Department
June 30, 2010

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Other Capital Projects	Total	
\$ 196,996 \$ 2,504,849 \$ 2,701,845 \$ 1,172,736 \$ 1,751,190 \$ 2,923,926 \$ 5,625,771	0	0	0	97	0	97	97
1,775,691 23,978 1,799,669 37,725 0 37,725 1,837,394	0	0	0	1,002,413	0	1,002,413	1,002,413
0 0 0 0 (58,988) 0 (58,988)							(58,988)
\$ 1,972,687 \$ 2,528,827 \$ 4,501,514 \$ 2,153,983 \$ 1,751,190 \$ 3,905,173 \$ 8,406,687							

ASSETS

Equity in Pooled Cash and Investments
 Accounts Receivable
 Due from Other Governments
 Property Taxes Receivable
 Allowance for Uncollectible Property Taxes

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities

Accounts Payable
 Payroll Deductions Payable
 Retainage Payable
 Due to Other Funds
 Deferred Revenue - Current Property Taxes
 Deferred Revenue - Delinquent Property Taxes
 Total Liabilities

Fund Balances

Reserved for Encumbrances
 Reserved for Title I Grants to Local Education Agencies
 Reserved for Innovative Education Program Strategies
 Other Federal Reserves
 Unreserved (Deficit)
 Total Fund Balances

Total Liabilities and Fund Balances

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, 2010

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Other Capital Projects	Total	
<u>Revenues</u>							
Local Taxes	\$ 0	\$ 0	\$ 0	\$ 1,129,348	\$ 0	\$ 1,129,348	\$ 1,129,348
Charges for Current Services	0	1,537,362	1,537,362	0	0	0	1,537,362
Other Local Revenues	505	7,333	7,838	1,900	0	1,900	9,738
State of Tennessee	0	74,792	74,792	285,480	0	285,480	360,272
Federal Government	12,242,312	5,517,810	17,760,122	0	0	0	17,760,122
Other Governments and Citizens Groups	0	0	0	0	10,397,456	10,397,456	10,397,456
Total Revenues	\$ 12,242,817	\$ 7,137,297	\$ 19,380,114	\$ 1,416,728	\$ 10,397,456	\$ 11,814,184	\$ 31,194,298
<u>Expenditures</u>							
Current:							
Instruction	\$ 7,428,314	\$ 0	\$ 7,428,314	\$ 0	\$ 0	\$ 0	\$ 7,428,314
Support Services	4,291,156	0	4,291,156	0	0	0	4,291,156
Operation of Non-Instructional Services	0	6,779,774	6,779,774	0	0	0	6,779,774
Capital Outlay	0	0	0	0	8,713,803	8,713,803	8,713,803
Capital Projects	0	0	0	818,435	0	818,435	818,435
Total Expenditures	\$ 11,719,470	\$ 6,779,774	\$ 18,499,244	\$ 818,435	\$ 8,713,803	\$ 9,532,238	\$ 28,031,482
Excess (Deficiency) of Revenues Over Expenditures	\$ 523,347	\$ 357,523	\$ 880,870	\$ 598,293	\$ 1,683,653	\$ 2,281,946	\$ 3,162,816
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 900,000	\$ 0	\$ 900,000	\$ 0	\$ 0	\$ 0	\$ 900,000
Transfers Out	(1,116)	0	(1,116)	0	0	0	(1,116)
Total Other Financing Sources (Uses)	\$ 898,884	\$ 0	\$ 898,884	\$ 0	\$ 0	\$ 0	\$ 898,884
Net Change in Fund Balances Fund Balance, July 1, 2009	\$ 1,422,231	\$ 357,523	\$ 1,779,754	\$ 598,293	\$ 1,683,653	\$ 2,281,946	\$ 4,061,700
	285,262	2,088,694	2,373,956	562,565	0	562,565	2,936,521
Fund Balance, June 30, 2010	\$ 1,707,493	\$ 2,446,217	\$ 4,153,710	\$ 1,160,858	\$ 1,683,653	\$ 2,844,511	\$ 6,998,221

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 45,593,853	\$ 0	\$ 0	\$ 45,593,853	\$ 47,129,757	\$ 47,129,757	\$ (1,535,904)
Licenses and Permits	9,545	0	0	9,545	8,800	8,800	745
Charges for Current Services	430,566	0	0	430,566	484,400	484,400	(53,834)
Other Local Revenues	504,627	0	0	504,627	117,340	463,955	40,672
State of Tennessee	48,496,582	0	0	48,496,582	47,478,683	48,214,213	282,369
Federal Government	272,776	0	0	272,776	290,978	290,978	(18,202)
Other Governments and Citizens Groups	1,816,301	0	0	1,816,301	0	1,821,457	(5,156)
Total Revenues	\$ 97,124,250	\$ 0	\$ 0	\$ 97,124,250	\$ 95,509,958	\$ 98,413,560	\$ (1,289,310)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 45,944,569	(1,124)	87,363	\$ 46,030,808	\$ 47,139,507	\$ 47,035,459	\$ 1,004,651
Special Education Program	9,298,114	(28,830)	14,995	9,284,279	9,838,654	9,825,230	540,951
Vocational Education Program	3,012,772	(2,775)	0	3,009,997	3,352,010	3,339,010	329,013
Other	574,762	0	0	574,762	667,137	674,448	99,686
<u>Support Services</u>							
Attendance	328,056	(28)	0	328,028	295,190	348,892	20,864
Health Services	398,107	0	0	398,107	273,830	451,830	53,723
Other Student Support	3,195,032	0	0	3,195,032	3,405,030	3,413,425	218,393
Regular Instruction Program	2,254,861	(12,049)	5,197	2,248,009	2,457,625	2,485,896	237,887
Special Education Program	670,353	(550)	0	669,803	711,240	727,940	58,137
Vocational Education Program	112,723	0	0	112,723	129,710	129,710	16,987
Other Programs	2,310,305	(53,261)	15,378	2,272,422	2,374,266	3,174,065	901,643
Board of Education	1,894,588	0	0	1,894,588	1,019,615	1,988,407	93,869

(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 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Director of Schools	\$ 560,045	\$ 0	\$ 0	\$ 560,045	\$ 619,610	\$ 620,809	\$ 60,764
Office of the Principal	5,760,988	0	0	5,760,988	5,957,873	5,981,155	220,167
Fiscal Services	626,053	(3,956)	0	622,097	274,020	630,126	8,029
Human Services/Personnel	314,365	0	0	314,365	322,405	328,905	14,540
Operation of Plant	6,870,100	0	0	6,870,100	7,544,373	7,530,288	660,188
Maintenance of Plant	3,034,645	(6,806)	17,896	3,045,735	3,213,180	3,216,449	170,714
Transportation	4,592,371	(1,000)	0	4,591,371	4,745,785	4,854,795	263,424
Central and Other	1,030,500	(115,718)	20,581	935,363	799,459	990,218	54,855
<u>Operation of Non-Instructional Services</u>							
Food Service	1,140	0	0	1,140	1,142	1,142	2
Community Services	88,813	0	0	88,813	97,645	97,645	8,832
Early Childhood Education	1,146,771	(4)	13,083	1,159,850	1,176,250	1,184,314	24,464
Total Expenditures	\$ 94,019,983	\$ (226,101)	\$ 174,493	\$ 93,968,375	\$ 96,415,556	\$ 99,030,158	\$ 5,061,783
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 3,104,267	\$ 226,101	\$ (174,493)	\$ 3,155,875	\$ (905,598)	\$ (616,598)	\$ 3,772,473
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 46,548	\$ 0	\$ 0	\$ 46,548	\$ 0	\$ 77,685	\$ (31,137)
Transfers In	1,116	0	0	1,116	560,905	560,905	(559,789)
Transfers Out	(900,000)	0	0	(900,000)	(355,106)	(900,000)	0
Total Other Financing Sources (Uses)	\$ (852,336)	\$ 0	\$ 0	\$ (852,336)	\$ 205,799	\$ (261,410)	\$ (590,926)
Net Change in Fund Balance	\$ 2,251,931	\$ 226,101	\$ (174,493)	\$ 2,303,539	\$ (699,799)	\$ (878,008)	\$ 3,181,547
Fund Balance, July 1, 2009	4,172,633	(226,101)	0	3,946,532	3,689,665	3,946,532	0
Fund Balance, June 30, 2010	\$ 6,424,564	\$ 0	\$ (174,493)	\$ 6,250,071	\$ 2,989,866	\$ 3,068,524	\$ 3,181,547

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 505 \$	0 \$	0 \$	505 \$	0 \$	0 \$	505
Federal Government	12,242,312	0	0	12,242,312	9,981,465	19,688,621	(7,446,309)
Total Revenues	\$ 12,242,817 \$	0 \$	0 \$	12,242,817 \$	9,981,465 \$	19,688,621 \$	(7,445,804)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 4,707,834 \$	(69,159) \$	155,159 \$	4,793,834 \$	2,599,856 \$	5,785,695 \$	991,861
Special Education Program	2,482,100	0	5,605	2,487,705	3,159,008	4,529,175	2,041,470
Vocational Education Program	238,380	(3,885)	0	234,495	229,119	235,318	823
<u>Support Services</u>							
Health Services	6,430	0	0	6,430	0	31,430	25,000
Other Student Support	240,290	0	0	240,290	156,010	1,738,743	1,498,453
Regular Instruction Program	2,440,082	0	4,616	2,444,698	2,916,322	3,707,946	1,263,248
Special Education Program	883,473	0	169	883,642	68,452	1,864,330	980,688
Vocational Education Program	4,128	0	0	4,128	5,663	4,434	306
Other Programs	520,666	0	0	520,666	0	520,666	0
Office of the Principal	42,844	0	0	42,844	0	46,754	3,910
Fiscal Services	47,100	0	0	47,100	0	47,100	0
Transportation	106,143	0	970,567	1,076,710	121,599	1,242,521	165,811
Total Expenditures	\$ 11,719,470 \$	(73,044) \$	1,136,116 \$	12,782,542 \$	9,256,029 \$	19,754,112 \$	6,971,570
Excess (Deficiency) of Revenues Over Expenditures	\$ 523,347 \$	73,044 \$	(1,136,116) \$	(539,725) \$	725,436 \$	(65,491) \$	(474,234)

(Continued)

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 (Cont.)

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2009	Encumbrances 6/30/2010			Original	Final	
<u>Other Financing Sources (Uses)</u>								
Transfers In	\$ 900,000	\$ 0	\$ 0	\$ 0	\$ 900,000	\$ 0	\$ 1,226,201	\$ (326,201)
Transfers Out	(1,116)	0	0	0	(1,116)	(725,436)	(367,556)	366,440
Total Other Financing Sources (Uses)	\$ 898,884	\$ 0	\$ 0	\$ 0	\$ 898,884	\$ (725,436)	\$ 858,645	\$ 40,239
Net Change in Fund Balance	\$ 1,422,231	\$ 73,044	\$ (1,136,116)	\$ 0	\$ 359,159	\$ 0	\$ 793,154	\$ (433,995)
Fund Balance, July 1, 2009	285,262	(73,044)	0	0	212,218	0	212,218	0
Fund Balance, June 30, 2010	\$ 1,707,493	\$ 0	\$ (1,136,116)	\$ 0	\$ 571,377	\$ 0	\$ 1,005,372	\$ (433,995)

Exhibit J-10

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discreetly Presented Madison County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,537,362	\$ 0	\$ 1,537,362	\$ 2,210,000	\$ 1,900,000	\$ (362,638)
Other Local Revenues	7,333	0	7,333	110,000	40,000	(32,667)
State of Tennessee	74,792	0	74,792	82,000	80,000	(5,208)
Federal Government	5,517,810	0	5,517,810	5,011,000	5,699,891	(182,081)
Total Revenues	\$ 7,137,297	\$ 0	\$ 7,137,297	\$ 7,413,000	\$ 7,719,891	\$ (582,594)
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 6,779,774	(4,950)	\$ 6,774,824	\$ 7,822,798	\$ 7,834,891	\$ 1,060,067
Total Expenditures	\$ 6,779,774	(4,950)	\$ 6,774,824	\$ 7,822,798	\$ 7,834,891	\$ 1,060,067
Excess (Deficiency) of Revenues Over Expenditures	\$ 357,523	4,950	\$ 362,473	(409,798)	(115,000)	477,473
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 2,088,694	(4,950)	2,083,744	1,531,765	2,083,744	0
Fund Balance, June 30, 2010	\$ 2,446,217	0	\$ 2,446,217	\$ 1,121,967	\$ 1,968,744	\$ 477,473

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, 2010

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2009	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,129,348	\$ 0	\$ 0	\$ 1,129,348	\$ 1,030,388	\$ 1,030,388	\$ 98,960
Other Local Revenues	1,900	0	0	1,900	0	0	1,900
State of Tennessee	285,480	0	0	285,480	0	285,480	0
Total Revenues	\$ 1,416,728	\$ 0	\$ 0	\$ 1,416,728	\$ 1,030,388	\$ 1,315,868	\$ 100,860
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 818,435	(233,123)	\$ 539,590	\$ 1,124,902	\$ 1,664,694	\$ 1,950,174	\$ 825,272
Total Expenditures	\$ 818,435	(233,123)	\$ 539,590	\$ 1,124,902	\$ 1,664,694	\$ 1,950,174	\$ 825,272
Excess (Deficiency) of Revenues Over Expenditures	\$ 598,293	\$ 233,123	\$ (539,590)	\$ 291,826	\$ (634,306)	\$ (634,306)	\$ 926,132
Net Change in Fund Balance Fund Balance, July 1, 2009	\$ 598,293	\$ 233,123	\$ (539,590)	\$ 291,826	\$ (634,306)	\$ (634,306)	\$ 926,132
	562,565	(233,123)	0	329,442	734,306	329,442	0
Fund Balance, June 30, 2010	\$ 1,160,858	\$ 0	\$ (539,590)	\$ 621,268	\$ 100,000	\$ (304,864)	\$ 926,132

Exhibit J-12

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Madison County School Department
Other Capital Projects Fund
For the Year Ended June 30, 2010

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Governments and Citizens Groups	\$ 10,397,456	0	\$ 10,397,456	0	\$ 10,859,854	\$ (462,398)
Total Revenues	\$ 10,397,456	0	\$ 10,397,456	0	\$ 10,859,854	\$ (462,398)
<u>Expenditures</u>						
<u>Capital Outlay</u>						
Regular Capital Outlay	\$ 8,713,803	1,683,653	\$ 10,397,456	0	\$ 10,557,619	\$ 160,163
Total Expenditures	\$ 8,713,803	1,683,653	\$ 10,397,456	0	\$ 10,557,619	\$ 160,163
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,683,653	(1,683,653)	0	0	302,235	\$ (302,235)
Net Change in Fund Balance Fund Balance, July 1, 2009	0	0	0	0	0	0
Fund Balance, June 30, 2010	\$ 1,683,653	(1,683,653)	0	0	302,235	\$ (302,235)

Exhibit J-13

Madison County, Tennessee
Statement of Fiduciary Net Assets
Fiduciary Fund
Discretely Presented Madison County School Department
June 30, 2010

	Other Trust <hr/> Pension Trust Fund <hr/>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 960,394
Accounts Receivable	2,798
Total Assets	<u>\$ 963,192</u>
<u>NET ASSETS</u>	
Funds Held in Trust for Retirees	<u>\$ 963,192</u>
Total Net Assets	<u><u>\$ 963,192</u></u>

Exhibit J-14

Madison County, Tennessee
Statement of Changes in Fiduciary Net Assets
Fiduciary Fund
Discretely Presented Madison County School Department
For the Year Ended June 30, 2010

	<u>Other Trust Pension Trust Fund</u>
<u>ADDITIONS</u>	
<u>Contributions</u>	
Tennessee Consolidated Retirement System	\$ 375,524
Employer	321,005
Plan Members	1,510
Total Contributions	<u>\$ 698,039</u>
<u>Investment Income</u>	
Interest Earned	<u>\$ 3,591</u>
Total Investment Income	<u>\$ 3,591</u>
Total Additions	<u>\$ 701,630</u>
<u>DEDUCTIONS</u>	
Benefits	\$ 726,313
Trustee's Commission	39
Total Deductions	<u>\$ 726,352</u>
Change in Net Assets	\$ (24,722)
Net Assets, July 1, 2009	<u>987,914</u>
Net Assets, June 30, 2010	<u><u>\$ 963,192</u></u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Madison County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2010

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-09	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-10
<u>NOTES PAYABLE</u>									
<u>Payable through General Fund</u>									
Wastewater Facilities Revolving Funds Loan	\$ 250,000	3.3	% 11-20-1992	12-30-13	\$ 71,380	\$ 0	\$ 14,964	\$ 0	\$ 56,416
Total Payable through General Fund					\$ 71,380	\$ 0	\$ 14,964	\$ 0	\$ 56,416
<u>Payable through General Debt Service Fund</u>									
Refunding Notes, Series 2004	21,315,000	4 to 5	3-15-04	4-1-13	\$ 14,385,000	\$ 0	\$ 0	\$ 4,520,000	\$ 9,865,000
Total Payable through General Debt Service Fund					\$ 14,385,000	\$ 0	\$ 0	\$ 4,520,000	\$ 9,865,000
Total Notes Payable					\$ 14,456,380	\$ 0	\$ 14,964	\$ 4,520,000	\$ 9,921,416
<u>BONDS PAYABLE</u>									
<u>Payable through General Debt Service Fund</u>									
School and Public Improvement Bonds Series 2002	25,900,000	3 to 5	6-25-02	3-31-10	\$ 1,000,000	\$ 0	\$ 0	\$ 1,000,000	\$ 0
School and Public Improvement Bonds Series 2003	10,000,000	2 to 4	5-29-03	3-31-10	9,800,000	0	0	9,800,000	0
Refunding Bonds - Series 2004 School and Public Improvement	1,925,000	5	3-15-04	4-1-16	1,925,000	0	0	0	1,925,000
Refunding Bonds Series 2004	23,620,000	3.85 to 5	12-1-04	4-1-18	23,620,000	0	0	0	23,620,000
Refunding Bonds - Series 2004B	2,125,000	5	12-1-04	4-1-14	2,125,000	0	0	0	2,125,000
Refunding Bonds - Series 2006	2,355,000	4.8	3-15-06	4-1-19	2,355,000	0	0	0	2,355,000
Refunding Bonds - Series 2006A	5,035,000	4.04	5-31-06	6-1-19	4,535,000	0	200,000	0	4,335,000
Build America Bonds	10,820,000	1.1 to 5.25	11-17-09	4-20-25	0	10,820,000	0	0	10,820,000
Refunding Bonds, Series 2010	15,395,000	3 to 4	3-31-10	6-30-23	0	15,395,000	0	0	15,395,000
Total Bonds Payable					\$ 45,360,000	\$ 26,215,000	\$ 200,000	\$ 10,800,000	\$ 60,575,000

Exhibit K-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
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	\$ 9,921,416	\$ 856,634	\$ 10,778,050

Year Ending June 30	Bonds		
	Principal	Interest	Total
2011	\$ 625,000	\$ 2,597,538	\$ 3,222,538
2012	650,000	2,583,252	3,233,252
2013	1,000,000	2,567,521	3,567,521
2014	4,735,000	2,536,071	7,271,071
2015	6,715,000	2,315,553	9,030,553
2016	7,015,000	2,060,600	9,075,600
2017	7,385,000	1,724,024	9,109,024
2018	7,765,000	1,368,538	9,133,538
2019	4,870,000	992,668	5,862,668
2020	4,830,000	788,482	5,618,482
2021	5,035,000	592,395	5,627,395
2022	5,235,000	385,775	5,620,775
2023	2,715,000	206,656	2,921,656
2024	1,000,000	104,000	1,104,000
2025	1,000,000	52,500	1,052,500
Total	\$ 60,575,000	\$ 20,875,573	\$ 81,450,573

Exhibit K-3

Madison County, Tennessee
Schedule of Notes Receivable
June 30, 2010

<u>Description</u>	<u>Debtor</u>	<u>Original Amount of Note</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance 6-30-10</u>
<u>General Fund</u> Wastewater Facility Construction	Jackson Energy Authority - Pinson Utility District	\$ 250,000	4-1-1994	4-1-34	3.3 %	\$ 185,293
Total Notes Receivable						<u>\$ 185,293</u>

Exhibit K-4

Madison County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Madison County School Department
For the Year Ended June 30, 2010

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Drug Control	General	Vehicle purchase	\$ 35,000
Highway/Public Works	General	Finance department operations	29,203
Employee Insurance	General	Wellness program	8,592
Employee Insurance	Highway/Public Works	Wellness program	696
Employee Insurance	Solid Waste/Sanitation	Wellness program	72
Employee Insurance	Juvenile Services	Wellness program	576
Total Transfers Primary Government			<u>\$ 74,139</u>
<u>DISCRETELY PRESENTED MADISON COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash flow funds	\$ 900,000
School Federal Projects	General Purpose School	Indirect costs	1,116
Total Transfers Discretely Presented Madison County School Department			<u>\$ 901,116</u>

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, 2010

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <u>TCA</u>	\$ 98,052	\$ 50,000	Fidelity and Deposit Company of Maryland
Highway Engineer	Section 8-24-102, <u>TCA</u>	118,841 (1)	100,000	"
Director of Schools	State Board of Education and County Board of Education	134,913 (2)	50,000	Western Surety Company
Trustee	Section 8-24-102, <u>TCA</u>	73,714 (3)	3,450,000	Fidelity and Deposit Company of Maryland
Assessor of Property	Section 8-24-102, <u>TCA</u>	73,714 (3)	10,000	Hartford Fire Insurance Company
Director of Finance	County Commission	82,994 (4)	50,000	Fidelity and Deposit Company of Maryland
County Clerk	Section 8-24-102, <u>TCA</u>	73,714 (3)	50,000	"
Circuit Court Clerk	Section 8-24-102, <u>TCA</u>	80,935 (3)	50,000	"
Clerk and Master	Section 8-24-102, <u>TCA</u>	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, <u>TCA</u>	73,714 (3)	50,000	"
Sheriff	Section 8-24-102, <u>TCA</u> , and County Commission	93,383 (5), (6)	50,000	"
Employees Blanket Bond:				
Office:				
County Mayor:			150,000	Local Government Property and Casualty Fund
All Employees				
Highway Engineer:			150,000	"
All Employees				
Director of Schools:			150,000	"
All Employees				

- (1) Includes accrued leave of \$16,697.
- (2) Includes compensation of \$2,000 from career ladder program.
- (3) Includes certified public administrator supplement of \$1,500 provided by Section 5-1-310, TCA.
- (4) Includes education incentive pay of \$750.
- (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, 2010

Special Revenue Funds									
	General	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General	Highway / Public Works		
<u>Local Taxes</u>									
<u>County Property Taxes</u>									
Current Property Tax	\$ 14,607,532	\$ 904,888	\$ 904,888	\$ 1,378,880	\$ 0	\$ 0	\$ 1,680,523		
Trustee's Collections - Prior Year	494,130	30,316	16,179	47,020	0	0	57,060		
Trustee's Collections - Bankruptcy	3,812	246	188	376	0	0	458		
Circuit/Clerk & Master Collections - Prior Years	431,482	28,841	12,360	43,949	0	0	53,563		
Interest and Penalty	75,046	5,018	3,003	7,551	0	0	9,193		
Payments in-Lieu-of Taxes - Local Utilities	245,695	16,307	15,686	22,054	0	0	27,982		
Payments in-Lieu-of Taxes - Other	172,596	10,697	10,667	16,300	0	0	19,866		
<u>County Local Option Taxes</u>									
Local Option Sales Tax	711,279	0	0	0	0	0	0		
Hotel/Motel Tax	421,713	0	0	0	0	0	0		
Litigation Tax - General	302,285	0	0	0	0	0	0		
Litigation Tax - Special Purpose	285,223	0	0	0	0	0	0		
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0		
Business Tax	1,372,257	0	0	0	0	0	0		
Mineral Severance Tax	0	0	0	0	0	0	51,216		
<u>Statutory Local Taxes</u>									
Bank Excise Tax	52,615	3,259	3,259	4,967	0	0	6,053		
Wholesale Beer Tax	293,999	0	0	0	0	0	0		
Interstate Telecommunications Tax	2,623	0	0	0	0	0	0		
Total Local Taxes	\$ 19,472,287	\$ 999,572	\$ 966,230	\$ 1,521,097	\$ 0	\$ 0	\$ 1,905,914		
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Animal Registration	\$ 13,432	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0		
Animal Vaccination	2,172	0	0	0	0	0	0		
Cable TV Franchise	199,681	0	0	0	0	0	0		
<u>Permits</u>									
Building Permits	69,205	0	0	0	0	0	0		
Other Permits	530	0	0	0	0	0	0		
Total Licenses and Permits	\$ 285,020	\$ 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							Highway / Public Works
	General	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	District Attorney General		
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	\$ 47,247	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	42,575	0	0	0	0	0	0	0
Drug Control Fines	997	0	0	0	0	0	0	0
Drug Court Fees	4,952	0	0	0	0	0	0	0
Jail Fees	38,536	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	17,319	0	0
DUI Treatment Fines	5,168	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	2,302	0	0	0	0	0	0	0
Courtroom Security Fee	712	0	0	0	0	0	0	0
Victims Assistance Assessments	9,659	0	0	0	0	0	0	0
<u>General Sessions Court</u>								
Fines	38,519	0	0	0	0	0	0	0
Officers Costs	175,362	0	0	0	0	0	0	0
Game and Fish Fines	333	0	0	0	0	0	0	0
Drug Control Fines	20,844	0	0	0	18,342	0	0	0
Drug Court Fees	8,503	0	0	0	0	0	0	0
Jail Fees	50,263	0	0	0	0	0	0	0
Interpreter Fees	499	0	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	9,276	0	0
DUI Treatment Fines	9,702	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	23,265	0	0	0	0	0	0	0
Courtroom Security Fee	1,598	0	0	0	0	0	0	0
Victims Assistance Assessments	32,983	0	0	0	0	0	0	0
<u>Juvenile Court</u>								
Officers Costs	500	0	0	0	0	0	0	0
<u>Chancery Court</u>								
Officers Costs	6,374	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	10,687	0	0	0	0	0	0	0
Courtroom Security Fee	55	0	0	0	0	0	0	0

(Continued)

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
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Courts in Other District Counties</u>							
District Attorney General Fees	0 \$	0 \$	0 \$	0 \$	0 \$	3,214 \$	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	1,157	0	0
Total Fines, Forfeitures, and Penalties	\$ 531,635 \$	0 \$	0 \$	0 \$	19,499 \$	29,809 \$	0
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Patient Charges	7,564 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Health Department Collections	278,619	0	0	0	0	0	0
Other General Service Charges	4,539	0	0	0	0	0	0
<u>Fees</u>							
Engineer Review Fees	636	0	0	0	0	0	0
Recreation Fees	68,292	0	0	0	0	0	0
Copy Fees	918	0	0	0	0	0	0
Telephone Commissions	113,480	0	0	0	0	0	0
Vending Machine Collections	135,456	0	0	0	0	0	0
Data Processing Fee - Register	32,370	0	0	0	0	0	0
Data Processing Fee - Sheriff	19,461	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	2,900	0	0	0	0	0	0
Data Processing Fee - County Clerk	5,907	0	0	0	0	0	0
<u>Education Charges</u>							
Community Service Fees - Adults	553,836	0	0	0	0	0	0
TBI Criminal Background Fees	570	0	0	0	0	0	0
Total Charges for Current Services	\$ 1,224,548 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Lease/Rentals	74,719	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0	6,348

(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
<u>Other Local Revenues (Cont.)</u>							
<u>Recurring Items (Cont.)</u>							
Sale of Gasoline	\$ 6,059	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Maps	1,000	0	0	0	0	0	0
Sale of Recycled Materials	0	0	6,768	0	0	0	0
Miscellaneous Refunds	211,350	4,905	12,371	0	0	0	43,473
Expenditure Credits	4,838	0	0	0	0	0	0
<u>Nonrecurring Items</u>							
Sale of Equipment	7,915	0	0	0	0	0	0
Sale of Property	33,462	0	0	0	0	0	0
Damages Recovered from Individuals	600	0	0	0	0	0	0
<u>Other Local Revenues</u>							
Other Local Revenues	15,977	0	0	0	0	0	0
Total Other Local Revenues	\$ 355,920	\$ 4,905	\$ 19,139	\$ 0	\$ 0	\$ 0	\$ 49,821
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 789,224	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	335,752	0	0	0	0	0	0
General Sessions Court Clerk	733,223	0	0	0	0	0	0
Clerk and Master	550,674	0	0	0	0	0	0
Juvenile Court Clerk	167,949	0	0	0	0	0	0
Register	377,834	0	0	0	0	0	0
Sheriff	48,807	0	0	0	0	0	0
Trustee	1,563,226	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 4,566,689	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 232,300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Reappraisal Grant	23,083	0	0	0	0	0	0
Solid Waste Grants	0	0	164,977	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
<u>State of Tennessee (Cont.)</u>							
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	\$ 43,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Drug Control Grants	49,697	0	0	0	0	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	2,714,929	0	0	0	0	0	0
<u>Public Works Grants</u>							
Bridge Program	0	0	0	0	0	0	176,314
Litter Program	44,406	0	0	0	0	0	0
<u>State Education Funds</u>							
Other State Education Funds	114,897	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	484,019	0	0	0	0	0	0
Beer Tax	17,778	0	0	0	0	0	0
Alcoholic Beverage Tax	117,448	0	0	0	0	0	0
Mixed Drink Tax	15,018	0	0	0	0	0	0
Emergency Hospital - Prisoners	19,664	0	0	0	0	0	0
Prisoner Transportation	13,382	0	0	0	0	0	0
Contracted Prisoner Boarding	830,275	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	2,296,752
Petroleum Special Tax	0	0	0	0	0	0	73,755
Registrar's Salary Supplement	16,380	0	0	0	0	0	0
Other State Grants	1,978	0	0	0	0	0	0
Other State Revenues	720,413	9,000	0	0	0	0	0
Total State of Tennessee	\$ 5,458,867	\$ 9,000	\$ 164,977	\$ 0	\$ 0	\$ 0	\$ 2,546,821
<u>Federal Government</u>							
<u>Federal Through State</u>							
Law Enforcement Grants	\$ 45,966	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
ARRA Grant No. 1	0	25,449	0	0	0	0	0
Other Federal through State	271,905	176,875	0	0	0	0	0
<u>Direct Federal Revenue</u>							
ARRA Grant No. 6	74,826	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
<u>Federal Government (Cont.)</u>							
<u>Direct Federal Revenue (Cont.)</u>							
Other Direct Federal Revenue	\$ 24,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	\$ 416,897	\$ 202,324	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board Contributions	\$ 44,703	\$ 55,444	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	623,193	0	0	0	0	0	0
	1,267,746	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 1,935,642	\$ 55,444	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 34,247,505	\$ 1,271,245	\$ 1,150,346	\$ 1,521,097	\$ 19,499	\$ 29,809	\$ 4,502,556

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

	Debt Service Fund	Capital Projects Funds				Total
		General Debt Service	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 7,152,966	\$ 517,078	\$ 0	\$ 0	\$ 27,146,755	
Trustee's Collections - Prior Year	273,310	24,006	0	0	942,021	
Trustee's Collections - Bankruptcy	2,036	160	0	0	7,276	
Circuit/Clerk & Master Collections - Prior Years	252,708	21,975	0	0	844,878	
Interest and Penalty	42,537	3,528	0	0	145,876	
Payments in-Lieu-of Taxes - Local Utilities	120,311	6,736	0	0	454,771	
Payments in-Lieu-of Taxes - Other	84,603	6,123	0	0	320,852	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	711,279	
Hotel/Motel Tax	0	0	0	0	421,713	
Litigation Tax - General	0	0	0	0	302,285	
Litigation Tax - Special Purpose	0	0	0	0	285,223	
Litigation Tax - Jail, Workhouse, or Courthouse	128,048	0	0	0	128,048	
Business Tax	0	0	0	0	1,372,257	
Mineral Severance Tax	0	0	0	0	51,216	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	25,764	1,862	0	0	97,779	
Wholesale Beer Tax	0	0	0	0	293,999	
Interstate Telecommunications Tax	0	0	0	0	2,623	
Total Local Taxes	\$ 8,082,283	\$ 581,468	\$ 0	\$ 0	\$ 33,528,851	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	0	0	0	0	13,432	
Animal Vaccination	0	0	0	0	2,172	
Cable TV Franchise	0	0	0	0	199,681	
<u>Permits</u>						
Building Permits	0	0	0	0	69,205	
Other Permits	0	0	0	0	530	
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 285,020	

(Continued)

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

	Debt Service Fund	Capital Projects Funds				Total
		General Debt Service	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$	0	0	0	0	47,247
Officers Costs		0	0	0	0	42,575
Drug Control Fines		0	0	0	0	997
Drug Court Fees		0	0	0	0	4,952
Jail Fees		0	0	0	0	38,536
District Attorney General Fees		0	0	0	0	17,319
DUI Treatment Fines		0	0	0	0	5,168
Data Entry Fee - Circuit Court		0	0	0	0	2,302
Courtroom Security Fee		0	0	0	0	712
Victims Assistance Assessments		0	0	0	0	9,659
<u>General Sessions Court</u>						
Fines		0	0	0	0	38,519
Officers Costs		0	0	0	0	175,362
Game and Fish Fines		0	0	0	0	333
Drug Control Fines		0	0	0	0	39,186
Drug Court Fees		0	0	0	0	8,503
Jail Fees		0	0	0	0	50,263
Interpreter Fees		0	0	0	0	499
District Attorney General Fees		0	0	0	0	9,276
DUI Treatment Fines		0	0	0	0	9,702
Data Entry Fee - General Sessions Court		0	0	0	0	23,265
Courtroom Security Fee		0	0	0	0	1,598
Victims Assistance Assessments		0	0	0	0	32,983
<u>Juvenile Court</u>						
Officers Costs		0	0	0	0	500
<u>Chancery Court</u>						
Officers Costs		0	0	0	0	6,374
Data Entry Fee - Chancery Court		0	0	0	0	10,687
Courtroom Security Fee		0	0	0	0	55

(Continued)

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

	Debt Service Fund		Capital Projects Funds				Total
	General Debt Service	General Capital Projects	Community Development/Industrial Park	Other Capital Projects	Other Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Courts in Other District Counties</u>							
District Attorney General Fees	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	3,214
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	1,157
Total Fines, Forfeitures, and Penalties	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	580,943
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Patient Charges	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	7,564
Health Department Collections	0	0	0	0	0	0	278,619
Other General Service Charges	0	0	0	0	0	0	4,539
<u>Fees</u>							
Engineer Review Fees	0	0	0	0	0	0	636
Recreation Fees	0	0	0	0	0	0	68,292
Copy Fees	0	0	0	0	0	0	918
Telephone Commissions	0	0	0	0	0	0	113,480
Vending Machine Collections	0	0	0	0	0	0	135,456
Data Processing Fee - Register	0	0	0	0	0	0	32,370
Data Processing Fee - Sheriff	0	0	0	0	0	0	19,461
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	2,900
Data Processing Fee - County Clerk	0	0	0	0	0	0	5,907
<u>Education Charges</u>							
Community Service Fees - Adults	0	0	0	0	0	0	553,836
TBI Criminal Background Fees	0	0	0	0	0	0	570
Total Charges for Current Services	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	1,224,548
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	285,092 \$	0 \$	0 \$	0 \$	50,652 \$	0	335,744
Lease/Rentals	0	0	34,292	0	0	0	109,011
Sale of Materials and Supplies	0	0	0	0	0	0	6,348

(Continued)

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

	Debt Service Fund	Capital Projects Funds				Total
		General Debt Service	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Sale of Gasoline	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	6,059
Sale of Maps	0	0	0	0	0	1,000
Sale of Recycled Materials	0	0	0	0	0	6,768
Miscellaneous Refunds	600	0	0	0	0	272,699
Expenditure Credits	0	0	0	65,473	0	70,311
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	7,915
Sale of Property	0	0	0	0	0	33,462
Damages Recovered from Individuals	0	0	0	0	0	600
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	15,977
Total Other Local Revenues	\$ 285,692	\$ 0	\$ 34,292	\$ 116,125	\$ 0	865,894
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	789,224
Circuit Court Clerk	0	0	0	0	0	335,752
General Sessions Court Clerk	0	0	0	0	0	733,223
Clerk and Master	0	0	0	0	0	550,674
Juvenile Court Clerk	0	0	0	0	0	167,949
Register	0	0	0	0	0	377,834
Sheriff	0	0	0	0	0	48,807
Trustee	0	0	0	0	0	1,563,226
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,566,689
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	232,300
State Reappraisal Grant	0	0	0	0	0	23,083
Solid Waste Grants	0	0	0	0	0	164,977

(Continued)

Exhibit K-6

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

	Debt Service Fund	Capital Projects Funds				Total
		General Debt Service	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>						
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	43,200
Drug Control Grants	0	0	0	0	0	49,697
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	2,714,929
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	176,314
Litter Program	0	0	0	0	0	44,406
<u>State Education Funds</u>						
Other State Education Funds	0	0	0	0	0	114,897
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	484,019
Beer Tax	0	0	0	0	0	17,778
Alcoholic Beverage Tax	0	0	0	0	0	117,448
Mixed Drink Tax	0	0	0	0	0	15,018
Emergency Hospital - Prisoners	0	0	0	0	0	19,664
Prisoner Transportation	0	0	0	0	0	13,382
Contracted Prisoner Boarding	0	0	0	0	0	830,275
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,296,752
Petroleum Special Tax	0	0	0	0	0	73,755
Registrar's Salary Supplement	0	0	0	0	0	16,380
Other State Grants	0	0	0	0	0	1,978
Other State Revenues	0	0	0	0	0	729,413
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,179,665
<u>Federal Government</u>						
<u>Federal Through State</u>						
Law Enforcement Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	45,966
ARRA Grant No. 1	0	0	0	0	0	25,449
Other Federal through State	0	0	0	0	0	448,780
<u>Direct Federal Revenue</u>						
ARRA Grant No. 6	0	0	0	0	0	74,826

(Continued)

Exhibit K-6

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

	Debt Service Fund	Capital Projects Funds				Total
		General Debt Service	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue (Cont.)</u>						
Other Direct Federal Revenue	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	24,200
Total Federal Government	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	619,221
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	100,147
Contributions	0	0	0	0	0	623,193
Contracted Services	0	0	0	0	0	1,267,746
Total Other Governments and Citizens Groups	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	1,991,086
Total	\$ 8,367,975 \$	581,468 \$	34,292 \$	116,125 \$	51,841,917	

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, 2010

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	Total
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 11,720,489	\$ 0	\$ 0	\$ 947,989	\$ 0	\$ 12,668,478
Trustee's Collections - Prior Year	397,474	0	0	67,314	0	464,788
Trustee's Collections - Bankruptcy	3,192	0	0	376	0	3,568
Circuit/Clerk & Master Collections - Prior Years	373,569	0	0	63,178	0	436,747
Interest and Penalty	63,964	0	0	9,230	0	73,194
Payments in-Lieu-of Taxes - T.V.A.	1,539	0	0	0	0	1,539
Payments in-Lieu-of Taxes - Local Utilities	211,218	0	0	26,695	0	237,913
Payments in-Lieu-of Taxes - Other	363,667	0	0	11,151	0	374,818
<u>County Local Option Taxes</u>						
Local Option Sales Tax	32,408,554	0	0	0	0	32,408,554
Statutory Local Taxes						
Bank Excise Tax	42,216	0	0	3,415	0	45,631
Interstate Telecommunications Tax	7,971	0	0	0	0	7,971
Total Local Taxes	\$ 45,593,853	\$ 0	\$ 0	\$ 1,129,348	\$ 0	\$ 46,723,201
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	6,631	0	0	0	0	6,631
<u>Permits</u>						
Other Permits	2,914	0	0	0	0	2,914
Total Licenses and Permits	\$ 9,545	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,545
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Summer School	5,225	0	0	0	0	5,225
Tuition - Other	374,905	0	0	0	0	374,905
Lunch Payments - Children	0	0	924,343	0	0	924,343
Lunch Payments - Adults	0	0	185,838	0	0	185,838
Income from Breakfast	0	0	69,327	0	0	69,327
A la carte Sales	0	0	357,854	0	0	357,854
<u>Other Charges for Services</u>						
Other Charges for Services	50,436	0	0	0	0	50,436
Total Charges for Current Services	\$ 430,566	\$ 0	\$ 1,537,362	\$ 0	\$ 0	\$ 1,967,928

(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	Other Capital Projects	Total
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	0 \$	0 \$	7,333 \$	0 \$	0 \$	7,333
Lease/Rentals	1	0	0	0	0	1
Refund of Telecommunication and Internet Fees (E-Rate)	147,840	0	0	0	0	147,840
Miscellaneous Refunds	201,215	505	0	0	0	201,720
<u>Nonrecurring Items</u>						
Sale of Equipment	3,032	0	0	1,900	0	4,932
Damages Recovered from Individuals	112	0	0	0	0	112
Contributions and Gifts	152,427	0	0	0	0	152,427
Total Other Local Revenues	504,627 \$	505 \$	7,333 \$	1,900 \$	0 \$	514,365
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-Behalf Contributions for OPEB	622,393 \$	0 \$	0 \$	0 \$	0 \$	622,393
<u>State Education Funds</u>						
Basic Education Program	40,852,500	0	0	0	0	40,852,500
Basic Education Program - ARRA	2,443,500	0	0	0	0	2,443,500
Early Childhood Education	1,190,321	0	0	0	0	1,190,321
School Food Service	0	0	74,792	0	0	74,792
Energy Efficient School Initiative	0	0	0	285,480	0	285,480
Other State Education Funds	624	0	0	0	0	624
Coordinated School Health - ARRA	134,867	0	0	0	0	134,867
Internet Connectivity - ARRA	37,762	0	0	0	0	37,762
Family Resource Centers - ARRA	33,300	0	0	0	0	33,300
Statewide Student Management System (SSMS) - ARRA	32,702	0	0	0	0	32,702
Career Ladder Program	527,986	0	0	0	0	527,986
Career Ladder - Extended Contract - ARRA	163,202	0	0	0	0	163,202
<u>Other State Revenues</u>						
Mixed Drink Tax	15,018	0	0	0	0	15,018
State Revenue Sharing - T.V.A.	1,119,198	0	0	0	0	1,119,198
Other State Grants	1,286,757	0	0	0	0	1,286,757
Safe Schools - ARRA	36,452	0	0	0	0	36,452
Total State of Tennessee	48,496,582 \$	0 \$	74,792 \$	285,480 \$	0 \$	48,856,854

(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	Other Capital Projects	Total
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 3,695,748	\$ 0	\$ 0	\$ 3,695,748
Breakfast	0	0	1,681,947	0	0	1,681,947
USDA - Other	0	0	120,921	0	0	120,921
USDA Food Service Equipment Grant - ARRA	0	0	19,194	0	0	19,194
Vocational Education - Basic Grants to States	0	360,362	0	0	0	360,362
Other Vocational	92,345	0	0	0	0	92,345
Title I Grants to Local Education Agencies	0	6,209,004	0	0	0	6,209,004
Special Education - Grants to States	0	4,393,660	0	0	0	4,393,660
Special Education Preschool Grants	0	49,000	0	0	0	49,000
English Language Acquisition Grants	0	81,627	0	0	0	81,627
Safe and Drug-free Schools - State Grants	0	93,706	0	0	0	93,706
Eisenhower Professional Development State Grants	0	948,199	0	0	0	948,199
Other Federal through State	0	106,754	0	0	0	106,754
<u>Direct Federal Revenue</u>	180,431	0	0	0	0	180,431
ROTC Reimbursement	272,776	12,242,312	5,517,810	0	0	18,032,898
Total Federal Government	\$ 272,776	\$ 12,242,312	\$ 5,517,810	\$ 0	\$ 0	\$ 18,032,898
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 1,650,000	\$ 0	\$ 0	\$ 0	\$ 10,397,456	\$ 12,047,456
<u>Citizens Groups</u>						
Donations	10,000	0	0	0	0	10,000
<u>Other</u>						
Other	156,301	0	0	0	0	156,301
Total Other Governments and Citizens Groups	\$ 1,816,301	\$ 0	\$ 0	\$ 0	\$ 10,397,456	\$ 12,213,757
Total	\$ 97,124,250	\$ 12,242,817	\$ 7,137,297	\$ 1,416,728	\$ 10,397,456	\$ 128,318,548

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2010

General Fund

General Government

County Commission

Secretary to Board	\$	28,560	
Board and Committee Members Fees		93,700	
Social Security		9,283	
Handling Charges and Administrative Costs		900	
State Retirement		3,973	
Employee and Dependent Insurance		2,646	
Life Insurance		59	
Office Supplies		1,712	
Total County Commission			\$ 140,833

County Mayor/Executive

County Official/Administrative Officer	\$	98,052	
Educational Incentive - Other County Employees		3,000	
Other Salaries and Wages		66,921	
Social Security		12,209	
Handling Charges and Administrative Costs		2,482	
State Retirement		20,796	
Employee and Dependent Insurance		12,495	
Life Insurance		353	
Communication		3,048	
Data Processing Services		2,232	
Travel		6,448	
Office Supplies		823	
Other Supplies and Materials		1,911	
Total County Mayor/Executive			230,770

Personnel Office

Educational Incentive - Other County Employees	\$	3,375	
Other Salaries and Wages		108,657	
Social Security		8,021	
Handling Charges and Administrative Costs		2,482	
State Retirement		15,114	
Employee and Dependent Insurance		12,495	
Life Insurance		253	
Communication		1,421	
Data Processing Services		2,266	
Dues and Memberships		662	
Travel		853	
Other Contracted Services		18,417	
Office Supplies		1,242	
Total Personnel Office			175,258

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	30,615	
Social Security		2,322	
Handling Charges and Administrative Costs		42	
State Retirement		4,259	
Employee and Dependent Insurance		288	
Life Insurance		58	
Legal Services		253	
Total County Attorney			\$ 37,837

Election Commission

County Official/Administrative Officer	\$	72,214	
Deputy(ies)		73,631	
Election Commission		6,800	
Election Workers		34,554	
Social Security		11,950	
Handling Charges and Administrative Costs		3,751	
State Retirement		20,287	
Employee and Dependent Insurance		18,166	
Life Insurance		314	
Communication		4,463	
Legal Notices, Recording, and Court Costs		7,300	
Maintenance and Repair Services - Equipment		29,227	
Postal Charges		2,733	
Printing, Stationery, and Forms		3,331	
Rentals		365	
Travel		1,759	
Office Supplies		4,668	
Total Election Commission			295,513

Register of Deeds

County Official/Administrative Officer	\$	72,214
Deputy(ies)		141,430
Educational Incentive - Official/Admin Officer		1,500
Educational Incentive - Other County Employees		1,500
Social Security		15,741
Handling Charges and Administrative Costs		4,560
State Retirement		29,718
Employee and Dependent Insurance		21,100
Life Insurance		472
Communication		877

(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.)

Travel	\$	252	
Data Processing Supplies		22,480	
Office Supplies		9,806	
Total Register of Deeds			\$ 321,650

County Buildings

Supervisor/Director	\$	41,469	
Custodial Personnel		34,490	
Part-time Personnel		8,735	
Overtime Pay		4,253	
Social Security		6,472	
Handling Charges and Administrative Costs		2,178	
State Retirement		9,486	
Employee and Dependent Insurance		9,157	
Life Insurance		180	
Communication		586	
Maintenance and Repair Services - Buildings		22,496	
Maintenance and Repair Services - Vehicles		1,129	
Other Contracted Services		1,645	
Custodial Supplies		16,432	
Gasoline		2,558	
Utilities		32,588	
Building Improvements		2,789	
Heating and Air Conditioning Equipment		40,572	
Total County Buildings			237,215

Other Facilities

Custodial Personnel	\$	31,680	
Communication		29,156	
Maintenance and Repair Services - Buildings		108,867	
Pest Control		2,640	
Custodial Supplies		2,836	
Utilities		281,821	
Building Improvements		41,337	
Total Other Facilities			498,337

Preservation of Records

Equipment Operators - Light	\$	22,000	
Social Security		1,613	
Handling Charges and Administrative Costs		900	

(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.)

Employee and Dependent Insurance	\$	2,646	
Life Insurance		42	
Communication		162	
Maintenance and Repair Services - Buildings		297	
Pest Control		80	
Travel		804	
Office Supplies		6,283	
Utilities		9,231	
Other Supplies and Materials		575	
Total Preservation of Records			\$ 44,633

Finance

Accounting and Budgeting

Supervisor/Director	\$	82,244	
Educational Incentive - Other County Employees		8,250	
Other Salaries and Wages		531,715	
Board and Committee Members Fees		2,500	
Social Security		45,096	
Handling Charges and Administrative Costs		14,773	
State Retirement		82,198	
Employee and Dependent Insurance		59,829	
Life Insurance		1,348	
Audit Services		28,301	
Communication		5,349	
Data Processing Services		26,405	
Travel		294	
Office Supplies		36,971	
Utilities		19,496	
Building Improvements		316	
Total Accounting and Budgeting			945,085

Property Assessor's Office

County Official/Administrative Officer	\$	72,214	
Deputy(ies)		363,265	
Educational Incentive - Official/Admin Officer		1,500	
Board and Committee Members Fees		2,820	
In-Service Training		1,506	
Social Security		31,157	
Handling Charges and Administrative Costs		11,677	
State Retirement		60,575	

(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	\$	52,395	
Life Insurance		1,013	
Audit Services		58,920	
Communication		1,400	
Consultants		1,200	
Data Processing Services		27,527	
Dues and Memberships		1,842	
Maintenance and Repair Services - Vehicles		468	
Rentals		44,740	
Travel		4,039	
Office Supplies		9,845	
Total Property Assessor's Office			\$ 748,103

Reappraisal Program

Part-time Personnel	\$	8,205	
Other Salaries and Wages		100,007	
Social Security		7,750	
Handling Charges and Administrative Costs		2,990	
State Retirement		12,853	
Employee and Dependent Insurance		13,371	
Life Insurance		170	
Data Processing Services		9,017	
Maintenance and Repair Services - Vehicles		4,783	
Postal Charges		12,668	
Rentals		22,300	
Travel		1,974	
Gasoline		6,221	
Office Supplies		7,727	
Total Reappraisal Program			210,036

County Trustee's Office

County Official/Administrative Officer	\$	72,214	
Deputy(ies)		139,435	
Part-time Personnel		17,430	
Educational Incentive - Official/Admin Officer		1,500	
Educational Incentive - Other County Employees		2,250	
Social Security		16,987	
Handling Charges and Administrative Costs		5,090	
State Retirement		27,486	
Employee and Dependent Insurance		17,499	

(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.)

Life Insurance	\$	486	
Communication		1,282	
Data Processing Services		23,391	
Travel		1,144	
Office Supplies		19,694	
Total County Trustee's Office			\$ 345,888

County Clerk's Office

County Official/Administrative Officer	\$	72,214	
Deputy(ies)		349,082	
Part-time Personnel		600	
Educational Incentive - Official/Admin Officer		1,500	
Social Security		30,449	
Handling Charges and Administrative Costs		9,979	
State Retirement		52,663	
Employee and Dependent Insurance		36,998	
Life Insurance		968	
Communication		1,067	
Travel		245	
Office Supplies		25,416	
Total County Clerk's Office			581,181

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	79,435	
Deputy(ies)		598,965	
Educational Incentive - Official/Admin Officer		1,500	
Educational Incentive - Other County Employees		9,750	
Jury and Witness Fees		50,459	
Social Security		49,955	
Handling Charges and Administrative Costs		16,256	
State Retirement		92,094	
Employee and Dependent Insurance		64,532	
Life Insurance		1,465	
Communication		250	
Data Processing Services		10,716	
Operating Lease Payments		12,240	
Travel		1,880	
Duplicating Supplies		1,479	
Office Supplies		18,900	

(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 (Cont.)

Data Processing Equipment	\$ 21,061	
Total Circuit Court		\$ 1,030,937

General Sessions Court

Judge(s)	\$ 145,994	
Other Salaries and Wages	78,800	
Social Security	14,586	
Handling Charges and Administrative Costs	2,486	
State Retirement	30,791	
Employee and Dependent Insurance	12,495	
Life Insurance	460	
Travel	1,473	
Office Supplies	8,435	
Total General Sessions Court		295,520

Drug Court

Other Charges	\$ 14,664	
Total Drug Court		14,664

Chancery Court

County Official/Administrative Officer	\$ 79,435	
Deputy(ies)	317,493	
Part-time Personnel	42,133	
Educational Incentive - Official/Admin Officer	1,500	
Educational Incentive - Other County Employees	3,000	
In-Service Training	1,357	
Social Security	32,397	
Handling Charges and Administrative Costs	8,920	
State Retirement	51,983	
Employee and Dependent Insurance	36,797	
Life Insurance	862	
Communication	569	
Maintenance and Repair Services - Office Equipment	12,000	
Travel	1,760	
Data Processing Supplies	2,094	
Office Supplies	50,132	
Other Charges	6,598	
Total Chancery Court		649,030

(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)	\$	145,994	
Deputy(ies)		625	
Part-time Personnel		10,765	
Other Salaries and Wages		139,899	
Social Security		20,096	
Handling Charges and Administrative Costs		3,787	
State Retirement		37,800	
Employee and Dependent Insurance		14,366	
Life Insurance		618	
Communication		2,756	
Data Processing Services		1,887	
Dues and Memberships		1,460	
Janitorial Services		150	
Maintenance and Repair Services - Buildings		3,787	
Maintenance and Repair Services - Equipment		72	
Rentals		2,453	
Travel		2,286	
Custodial Supplies		1,330	
Law Enforcement Supplies		43	
Office Supplies		2,431	
Periodicals		316	
Utilities		27,565	
Other Supplies and Materials		775	
Building Improvements		553	
Data Processing Equipment		150	
Heating and Air Conditioning Equipment		920	
Total Juvenile Court			\$ 422,884

District Attorney General

Assistant(s)	\$	64,976	
Social Security		4,900	
Handling Charges and Administrative Costs		900	
State Retirement		9,038	
Employee and Dependent Insurance		2,646	
Life Insurance		130	
Total District Attorney General			82,590

Office of Public Defender

Salary Supplements	\$	53,712	
Social Security		3,886	

(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.)

Handling Charges and Administrative Costs	\$	1,191	
State Retirement		7,471	
Employee and Dependent Insurance		5,959	
Life Insurance		112	
Travel		598	
Total Office of Public Defender			\$ 72,929

Other Administration of Justice

Contracts with Government Agencies	\$	113,480	
Other Contracted Services		197,778	
Total Other Administration of Justice			311,258

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	79,436	
Deputy(ies)		3,006,852	
Part-time Personnel		54,230	
Educational Incentive - Other County Employees		5,625	
Overtime Pay		111,800	
Other Salaries and Wages		45,975	
In-Service Training		47,200	
Social Security		243,652	
Handling Charges and Administrative Costs		70,834	
State Retirement		414,216	
Employee and Dependent Insurance		300,679	
Life Insurance		6,735	
Communication		95,325	
Contracts with Private Agencies		23,142	
Data Processing Services		23,775	
Maintenance and Repair Services - Buildings		19,854	
Maintenance and Repair Services - Vehicles		153,601	
Pest Control		480	
Rentals		5,000	
Travel		33,529	
Custodial Supplies		2,783	
Gasoline		223,206	
Law Enforcement Supplies		19,563	
Office Supplies		38,419	
Uniforms		41,625	
Utilities		49,133	

(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.)

Law Enforcement Equipment	\$	6,312	
Motor Vehicles		79,032	
Other Capital Outlay		27,008	
Total Sheriff's Department			\$ 5,229,021

Special Patrols

Deputy(ies)	\$	426,966	
Overtime Pay		74,109	
Other Salaries and Wages		58,082	
Social Security		36,581	
Handling Charges and Administrative Costs		14,768	
State Retirement		65,324	
Employee and Dependent Insurance		56,275	
Life Insurance		1,011	
Maintenance and Repair Services - Vehicles		9,646	
Gasoline		24,181	
Uniforms		8,556	
Total Special Patrols			775,499

Jail

Deputy(ies)	\$	3,749,287	
Maintenance Personnel		91,001	
Part-time Personnel		26,700	
Overtime Pay		111,922	
In-Service Training		56,400	
Social Security		292,148	
Handling Charges and Administrative Costs		95,237	
State Retirement		513,332	
Employee and Dependent Insurance		406,934	
Life Insurance		8,204	
Communication		4,885	
Data Processing Services		10,629	
Maintenance and Repair Services - Equipment		6,520	
Medical and Dental Services		30,000	
Custodial Supplies		43,107	
Drugs and Medical Supplies		344,220	
Food Preparation Supplies		13,809	
Food Supplies		376,973	
Law Enforcement Supplies		87,031	
Office Supplies		24,355	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Prisoners Clothing	\$	14,361	
Uniforms		28,371	
Other Supplies and Materials		18,910	
Total Jail			\$ 6,354,336

Workhouse

County Official/Administrative Officer	\$	13,947	
Guards		1,041,381	
Overtime Pay		41,791	
In-Service Training		15,600	
Social Security		80,509	
Handling Charges and Administrative Costs		29,728	
State Retirement		140,003	
Employee and Dependent Insurance		111,486	
Life Insurance		2,531	
Communication		9,839	
Data Processing Services		2,323	
Maintenance and Repair Services - Buildings		21,066	
Maintenance and Repair Services - Equipment		8,937	
Maintenance and Repair Services - Vehicles		2,925	
Pest Control		840	
Custodial Supplies		8,113	
Drugs and Medical Supplies		32,542	
Food Preparation Supplies		5,056	
Food Supplies		114,537	
Gasoline		5,344	
Law Enforcement Supplies		4,008	
Office Supplies		5,404	
Prisoners Clothing		2,597	
Uniforms		5,217	
Utilities		85,967	
Other Supplies and Materials		6,402	
Total Workhouse			1,798,093

Correctional Incentive Program Improvements

Probation Officer(s)	\$	209,878	
Social Security		15,672	
Handling Charges and Administrative Costs		2,261	
State Retirement		23,087	
Employee and Dependent Insurance		9,517	

(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 (Cont.)

Communication	\$	16,973	
Evaluation and Testing		76,437	
Maintenance and Repair Services - Buildings		456	
Rentals		28,395	
Travel		22,883	
Office Supplies		9,890	
Utilities		3,414	
Motor Vehicles		106,252	
Other Equipment		9,265	
Total Correctional Incentive Program Improvements			\$ 534,380

Juvenile Services

County Official/Administrative Officer	\$	72,214	
Deputy(ies)		67,342	
Accountants/Bookkeepers		44,595	
Clerical Personnel		50,411	
Part-time Personnel		21,578	
Social Security		18,706	
Handling Charges and Administrative Costs		5,780	
State Retirement		32,627	
Employee and Dependent Insurance		22,080	
Life Insurance		500	
Communication		3,159	
Data Processing Services		750	
Dues and Memberships		186	
Maintenance and Repair Services - Buildings		500	
Maintenance and Repair Services - Equipment		354	
Printing, Stationery, and Forms		847	
Rentals		5,509	
Travel		197	
Data Processing Supplies		1,000	
Office Supplies		2,660	
Building Improvements		40	
Office Equipment		986	
Total Juvenile Services			352,021

Work Release Program

Other Salaries and Wages	\$	364,233	
Social Security		26,877	
Handling Charges and Administrative Costs		8,757	

(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 (Cont.)

State Retirement	\$	32,888	
Employee and Dependent Insurance		29,551	
Life Insurance		353	
Communication		19,123	
Maintenance and Repair Services - Buildings		31,151	
Maintenance and Repair Services - Vehicles		28,179	
Printing, Stationery, and Forms		1,000	
Rentals		61,683	
Travel		11,169	
Office Supplies		19,967	
Utilities		10,014	
Other Equipment		2,517	
Total Work Release Program			\$ 647,462

Fire Prevention and Control

Mechanic(s)	\$	72,536	
Other Salaries and Wages		178,350	
Social Security		18,001	
Handling Charges and Administrative Costs		6,198	
State Retirement		11,005	
Employee and Dependent Insurance		30,541	
Life Insurance		396	
Communication		20,614	
Maintenance and Repair Services - Equipment		78,966	
Travel		265	
Equipment and Machinery Parts		106,627	
Gasoline		23,422	
Utilities		52,266	
Gravel and Chert		1,549	
Total Fire Prevention and Control			600,736

Civil Defense

Supervisor/Director	\$	58,800	
Part-time Personnel		3,770	
Overtime Pay		1,837	
Other Salaries and Wages		88,119	
Social Security		11,457	
Handling Charges and Administrative Costs		5,671	
State Retirement		16,851	
Employee and Dependent Insurance		17,183	

(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.)

Life Insurance	\$	120	
Communication		21,104	
Dues and Memberships		150	
Operating Lease Payments		175	
Maintenance Agreements		2,129	
Maintenance and Repair Services - Vehicles		1,707	
Travel		2,253	
Gasoline		6,025	
Office Supplies		2,759	
Utilities		16,783	
Other Supplies and Materials		21,333	
Building Improvements		364	
Total Civil Defense			\$ 278,590

Disaster Relief

Overtime Pay	\$	39,968	
Other Salaries and Wages		591	
Social Security		2,981	
State Retirement		5,242	
Employee and Dependent Insurance		2,792	
Unemployment Compensation		33	
Communication		2,919	
Data Processing Services		830	
Maintenance and Repair Services - Buildings		1,585	
Maintenance and Repair Services - Vehicles		21,161	
Other Contracted Services		18,287	
Food Supplies		247	
Office Supplies		4,185	
Uniforms		76	
Other Supplies and Materials		15,266	
Total Disaster Relief			116,163

Other Emergency Management

Data Processing Personnel	\$	20,900	
Other Salaries and Wages		7,540	
In-Service Training		923	
Social Security		1,363	
State Retirement		1,202	
Employee and Dependent Insurance		6,055	
Travel		4,451	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Data Processing Supplies	\$	2,923	
Drugs and Medical Supplies		42,947	
Equipment Parts - Light		5,499	
Explosives and Drilling Supplies		28,655	
Vehicle Parts		1,154	
Other Supplies and Materials		875	
Litter Enforcement Awards		28,400	
Communication Equipment		119,440	
Total Other Emergency Management			\$ 272,327

Inspection and Regulation

County Official/Administrative Officer	\$	47,328	
Other Salaries and Wages		63,116	
In-Service Training		70	
Social Security		7,970	
Handling Charges and Administrative Costs		3,319	
State Retirement		14,499	
Employee and Dependent Insurance		12,008	
Life Insurance		287	
Communication		1,892	
Dues and Memberships		510	
Maintenance and Repair Services - Vehicles		1,478	
Gasoline		2,554	
Office Supplies		2,159	
Litter Enforcement Awards		6,470	
Total Inspection and Regulation			163,660

County Coroner/Medical Examiner

Social Security	\$	634	
State Retirement		2,045	
Employee and Dependent Insurance		154	
Contracts with Government Agencies		22,400	
Contracts with Public Carriers		3,125	
Pauper Burials		800	
Travel		1,073	
Other Contracted Services		57,275	
Other Charges		255	
Total County Coroner/Medical Examiner			87,761

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Public Safety Grant Programs

Educational Incentive - Other County Employees	\$	1,125	
Other Salaries and Wages		90,554	
Social Security		6,811	
Handling Charges and Administrative Costs		1,110	
State Retirement		7,964	
Employee and Dependent Insurance		5,215	
Life Insurance		194	
Other Fringe Benefits		43	
Communication		1,377	
Postal Charges		300	
Printing, Stationery, and Forms		699	
Travel		13,150	
Office Supplies		15,810	
Total Public Safety Grant Programs			\$ 144,352

Other Public Safety

Other Salaries and Wages	\$	12,932	
Social Security		962	
State Retirement		1,799	
Employee and Dependent Insurance		568	
Travel		1,651	
Total Other Public Safety			17,912

Public Health and Welfare

Local Health Center

County Official/Administrative Officer	\$	210,552	
Paraprofessionals		23,018	
Other Salaries and Wages		811,699	
Social Security		70,056	
Handling Charges and Administrative Costs		17,871	
State Retirement		135,925	
Employee and Dependent Insurance		67,701	
Life Insurance		1,159	
Communication		35,642	
Data Processing Services		20,486	
Janitorial Services		39,495	
Maintenance and Repair Services - Buildings		20,471	
Maintenance and Repair Services - Vehicles		8,569	
Postal Charges		3,959	
Travel		16,685	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Drugs and Medical Supplies	\$	53,271	
Gasoline		9,011	
Office Supplies		25,586	
Utilities		53,215	
Other Supplies and Materials		343	
Liability Insurance		10,100	
Total Local Health Center			\$ 1,634,814

Rabies and Animal Control

Overtime Pay	\$	9,802	
Other Salaries and Wages		92,166	
Social Security		7,069	
Handling Charges and Administrative Costs		3,796	
State Retirement		10,870	
Employee and Dependent Insurance		18,236	
Life Insurance		110	
Communication		5,138	
Maintenance and Repair Services - Buildings		5,551	
Maintenance and Repair Services - Vehicles		2,894	
Printing, Stationery, and Forms		721	
Travel		538	
Veterinary Services		1,642	
Animal Food and Supplies		3,148	
Drugs and Medical Supplies		5,058	
Gasoline		8,656	
Uniforms		5,043	
Utilities		6,322	
Total Rabies and Animal Control			186,760

Maternal and Child Health Services

Part-time Personnel	\$	51,324	
Other Salaries and Wages		1,433,683	
Social Security		107,204	
Handling Charges and Administrative Costs		33,205	
State Retirement		179,516	
Employee and Dependent Insurance		140,669	
Life Insurance		2,257	
Other Fringe Benefits		252	
Advertising		9,761	
Bank Charges		306	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Maternal and Child Health Services (Cont.)

Communication	\$	19,199	
Contracts with Government Agencies		193	
Maintenance Agreements		16,860	
Postal Charges		5,706	
Printing, Stationery, and Forms		3,018	
Travel		30,446	
Remittance of Revenue Collected		29,114	
Drugs and Medical Supplies		71,169	
Office Supplies		282,177	
Utilities		2,473	
Liability Insurance		1,786	
Refunds		12,357	
Other Charges		3,500	
Health Equipment		159,892	
Total Maternal and Child Health Services			\$ 2,596,067

Alcohol and Drug Programs

Contributions	\$	31,880	
Total Alcohol and Drug Programs			31,880

Other Local Health Services

Contributions	\$	35,700	
Total Other Local Health Services			35,700

Sanitation Management

Other Salaries and Wages	\$	30,941	
In-Service Training		494	
Social Security		2,164	
Handling Charges and Administrative Costs		1,238	
State Retirement		4,304	
Employee and Dependent Insurance		6,247	
Life Insurance		62	
Communication		1,570	
Maintenance and Repair Services - Vehicles		382	
Other Contracted Services		3,460	
Gasoline		1,997	
Office Supplies		3,190	
Total Sanitation Management			56,049

(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 Education/Information

Other Salaries and Wages	\$	11,156	
Social Security		850	
Handling Charges and Administrative Costs		3	
State Retirement		501	
Employee and Dependent Insurance		72	
Life Insurance		1	
Unemployment Compensation		40	
Communication		38	
Gasoline		9,733	
Other Supplies and Materials		22,057	
Total Sanitation Education/Information			\$ 44,451

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	35,000	
Total Senior Citizens Assistance			35,000

Libraries

Other Fringe Benefits	\$	9,650	
Contributions		963,893	
Total Libraries			973,543

Parks and Fair Boards

Part-time Personnel	\$	14,964	
Overtime Pay		6,084	
Other Salaries and Wages		446,455	
Social Security		33,518	
Handling Charges and Administrative Costs		13,640	
State Retirement		52,442	
Employee and Dependent Insurance		57,625	
Life Insurance		982	
Communication		10,526	
Legal Notices, Recording, and Court Costs		78	
Maintenance and Repair Services - Equipment		118,450	
Travel		530	
Remittance of Revenue Collected		1,500	
Gasoline		25,975	
Utilities		72,337	
Other Supplies and Materials		2,972	
Other Charges		8,839	
Total Parks and Fair Boards			866,917

(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.)

Other Social, Cultural, and Recreational

Other Salaries and Wages	\$	19,276	
Social Security		990	
Other Supplies and Materials		37,268	
Total Other Social, Cultural, and Recreational			\$ 57,534

Agriculture and Natural Resources

Agriculture Extension Service

Other Salaries and Wages	\$	147,459	
Social Security		3,447	
Handling Charges and Administrative Costs		17	
Other Fringe Benefits		19,227	
Communication		5,441	
Contracts with Other Public Agencies		440	
Contributions		3,301	
Office Supplies		3,503	
Total Agriculture Extension Service			182,835

Forest Service

Contributions	\$	2,000	
Total Forest Service			2,000

Soil Conservation

Other Salaries and Wages	\$	74,522	
Social Security		5,442	
Handling Charges and Administrative Costs		2,330	
State Retirement		9,813	
Employee and Dependent Insurance		11,721	
Life Insurance		161	
Total Soil Conservation			103,989

Flood Control

Contributions	\$	40,000	
Total Flood Control			40,000

Other Operations

Industrial Development

Contributions	\$	75,652	
Total Industrial Development			75,652

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Airport

Part-time Personnel	\$	56,756	
Other Salaries and Wages		197,671	
Social Security		18,781	
Handling Charges and Administrative Costs		1,616	
State Retirement		18,663	
Employee and Dependent Insurance		18,075	
Other Fringe Benefits		7,434	
Contributions		195,736	
Liability Insurance		17,467	
Total Airport			\$ 532,199

Other Charges

Handling Charges and Administrative Costs	\$	13,523	
Disability Insurance		45,594	
Excess Risk Insurance		24,490	
Medical Claims		274,004	
Total Other Charges			357,611

Contributions to Other Agencies

Contributions	\$	189,797	
Total Contributions to Other Agencies			189,797

Employee Benefits

Other Fringe Benefits	\$	910	
Total Employee Benefits			910

ARRA Grant # 10

Travel	\$	308	
Data Processing Equipment		5,303	
Law Enforcement Equipment		25,572	
Motor Vehicles		83,111	
Total ARRA Grant # 10			114,294

Miscellaneous

Other Salaries and Wages	\$	139,722	
Board and Committee Members Fees		3,231	
Social Security		10,134	
Handling Charges and Administrative Costs		3,131	
Employee and Dependent Insurance		9,485	
Life Insurance		86	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Unemployment Compensation	\$	71,276	
Communication		56,196	
Consultants		1,119	
Contracts with Government Agencies		24,000	
Contracts with Other Public Agencies		4,372	
Data Processing Services		40,118	
Dues and Memberships		16,241	
Evaluation and Testing		3,391	
Legal Services		2,754	
Legal Notices, Recording, and Court Costs		23,807	
Postal Charges		71,544	
Remittance of Revenue Collected		51,347	
Other Contracted Services		9,150	
Utilities		127,630	
Other Supplies and Materials		499	
Excess Risk Insurance		18,333	
Liability Insurance		411,910	
Premiums on Corporate Surety Bonds		100	
Refunds		3,331	
Trustee's Commission		366,718	
Fines, Assessments, and Penalties		37,053	
Other Charges		17,547	
Total Miscellaneous			\$ 1,524,225

Principal on Debt

General Government

Principal on Notes	\$	14,964	
Total General Government			14,964

Interest on Debt

General Government

Interest on Notes	\$	2,124	
Total General Government			2,124

Total General Fund \$ 34,723,779

Juvenile Services Fund

Public Safety

Juvenile Services

County Official/Administrative Officer	\$	77,729	
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(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.)

Supervisor/Director	\$	114,841	
Accountants/Bookkeepers		39,416	
Social Workers		260,489	
Paraprofessionals		69,902	
Guards		183,856	
Clerical Personnel		41,000	
Overtime Pay		18,704	
Social Security		57,688	
Handling Charges and Administrative Costs		2,387	
State Retirement		92,075	
Employee and Dependent Insurance		98,682	
Life Insurance		1,711	
Communication		11,683	
Data Processing Services		2,460	
Evaluation and Testing		140	
Janitorial Services		2,000	
Maintenance and Repair Services - Buildings		15,715	
Maintenance and Repair Services - Equipment		10,538	
Maintenance and Repair Services - Vehicles		2,225	
Medical and Dental Services		2,875	
Printing, Stationery, and Forms		1,486	
Travel		9,672	
Other Contracted Services		24,617	
Custodial Supplies		2,349	
Data Processing Supplies		990	
Food Supplies		8,421	
Gasoline		2,628	
Instructional Supplies and Materials		1,021	
Office Supplies		3,895	
Utilities		45,968	
Other Supplies and Materials		2,786	
Excess Risk Insurance		31,334	
Liability Insurance		14,876	
Medical Claims		24,763	
Trustee's Commission		19,408	
Data Processing Equipment		750	
Office Equipment		3,020	
Other Equipment		500	
Total Juvenile Services			\$ 1,304,600
Total Juvenile Services Fund			\$ 1,304,600

(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		290,488	
Other Salaries and Wages		34,584	
Social Security		29,100	
Handling Charges and Administrative Costs		69	
State Retirement		12,672	
Employee and Dependent Insurance		2,835	
Other Fringe Benefits		1,611	
Communication		5,536	
Evaluation and Testing		17	
Operating Lease Payments		9,912	
Maintenance and Repair Services - Equipment		32,969	
Maintenance and Repair Services - Vehicles		22,085	
Travel		8,582	
Gasoline		28,104	
Uniforms		2,266	
Utilities		19,792	
Other Supplies and Materials		1,121	
Trustee's Commission		18,756	
Other Charges		29,934	
Solid Waste Equipment		1,959	
Total Convenience Centers			\$ 608,912

Landfill Operation and Maintenance

Contracts with Government Agencies	\$	273,767	
Other Contracted Services		163,409	
Total Landfill Operation and Maintenance			<u>437,176</u>

Total Solid Waste/Sanitation Fund \$ 1,046,088

Local Purpose Tax Fund

Other Operations

Miscellaneous

Contributions	\$	1,650,000	
Trustee's Commission		29,594	
Total Miscellaneous			<u>\$ 1,679,594</u>

Total Local Purpose Tax Fund 1,679,594

(Continued)

Exhibit K-8

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

Drug Control Fund

Public Safety

Drug Enforcement

Maintenance Agreements	\$	4,500	
Other Contracted Services		2,680	
Office Supplies		3,454	
Trustee's Commission		183	
Total Drug Enforcement			\$ 10,817

Total Drug Control Fund \$ 10,817

District Attorney General Fund

Administration of Justice

District Attorney General

Temporary Personnel	\$	12,949	
Communication		2,740	
Dues and Memberships		3,368	
Travel		7,491	
Data Processing Supplies		1,975	
Office Supplies		4,998	
Trustee's Commission		303	
Other Charges		558	
Total District Attorney General			\$ 34,382

Total District Attorney General Fund 34,382

Highway/Public Works Fund

Public Safety

Disaster Relief

Overtime Pay	\$	97,847	
Social Security		7,248	
State Retirement		13,245	
Employee and Dependent Insurance		7,829	
Other Contracted Services		324,048	
Food Supplies		1,621	
Riprap		36,802	
Gravel and Chert		3,676	
Other Supplies and Materials		227,598	
Other Charges		37,285	
Total Disaster Relief			\$ 757,199

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways

Administration

County Official/Administrative Officer	\$	118,841	
Clerical Personnel		114,807	
Part-time Personnel		4,134	
Educational Incentive - Other County Employees		3,000	
Social Security		17,794	
State Retirement		32,500	
Employee and Dependent Insurance		15,984	
Data Processing Services		1,184	
Dues and Memberships		4,653	
Maintenance and Repair Services - Buildings		7,140	
Maintenance and Repair Services - Office Equipment		817	
Postal Charges		370	
Printing, Stationery, and Forms		84	
Travel		1,073	
Office Supplies		1,946	
Other Charges		1,250	
Total Administration			\$ 325,577

Highway and Bridge Maintenance

Materials Supervisor	\$	83,333
Foremen		345,367
Equipment Operators		472,086
Truck Drivers		81,200
Laborers		58,799
Social Security		75,913
State Retirement		143,997
Employee and Dependent Insurance		112,175
Travel		400
Asphalt - Hot Mix		19,450
Asphalt - Liquid		92,672
Concrete		4,042
Crushed Stone		63,514
Riprap		54,435
Lubricants		675
Pipe - Metal		13,351
Road Signs		13,632
Salt		4,175
Sand		1,173
Small Tools		628
Wood Products		94

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Gravel and Chert	\$	46,820	
Chemicals		100,229	
Other Supplies and Materials		1,228	
Other Charges		2,528	
Total Highway and Bridge Maintenance			\$ 1,791,916

Operation and Maintenance of Equipment

Mechanic(s)	\$	77,116	
Social Security		5,502	
State Retirement		10,727	
Employee and Dependent Insurance		13,110	
Laundry Service		1,565	
Maintenance and Repair Services - Equipment		23,546	
Diesel Fuel		62,734	
Equipment Parts - Heavy		1,481	
Equipment and Machinery Parts		70,175	
Garage Supplies		3,751	
Gasoline		57,028	
Lubricants		2,786	
Small Tools		2,494	
Tires and Tubes		17,583	
Other Supplies and Materials		9,181	
Other Capital Outlay		1,580	
Total Operation and Maintenance of Equipment			360,359

Other Charges

Communication	\$	15,654	
Contracts with Private Agencies		663	
Natural Gas		20,716	
Liability Insurance		63,723	
Trustee's Commission		60,160	
Total Other Charges			160,916

Employee Benefits

Handling Charges and Administrative Costs	\$	5,431	
Employee and Dependent Insurance		48,532	
Evaluation and Testing		169	
Excess Risk Insurance		6,854	
Medical Claims		89,012	
Total Employee Benefits			149,998

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Engineering Services	\$	31,389	
Vehicle Parts		766	
Gravel and Chert		15,696	
Bridge Construction		375,956	
Other Capital Outlay		18,829	
Total Capital Outlay			\$ 442,636

Total Highway/Public Works Fund \$ 3,988,601

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	200,000	
Total General Government			\$ 200,000

Interest on Debt

General Government

Interest on Bonds	\$	2,023,611	
Interest on Notes		606,250	
Total General Government			2,629,861

Other Debt Service

General Government

Trustee's Commission	\$	157,361	
Underwriter's Discount		66,199	
Other Debt Issuance Charges		72,212	
Other Debt Service		2,929	
Total General Government			298,701

Total General Debt Service Fund 3,128,562

General Capital Projects Fund

General Government

County Buildings

Building Improvements	\$	36,188	
Total County Buildings			\$ 36,188

Other Facilities

Building Improvements	\$	50,000	
Total Other Facilities			50,000

(Continued)

Exhibit K-8

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

General Capital Projects Fund (Cont.)

Finance

Property Assessor's Office

Data Processing Equipment	\$ 9,980	
Total Property Assessor's Office		\$ 9,980

County Trustee's Office

Data Processing Equipment	\$ 6,000	
Total County Trustee's Office		6,000

Administration of Justice

Chancery Court

Building Improvements	\$ 12,491	
Total Chancery Court		12,491

Public Safety

Sheriff's Department

Motor Vehicles	\$ 204,455	
Total Sheriff's Department		204,455

Juvenile Services

Building Improvements	\$ 31,287	
Other Equipment	6,890	
Total Juvenile Services		38,177

Fire Prevention and Control

Motor Vehicles	\$ 339,584	
Total Fire Prevention and Control		339,584

Public Health and Welfare

Convenience Centers

Solid Waste Equipment	\$ 18,828	
Total Convenience Centers		18,828

Social, Cultural, and Recreational Services

Libraries

Building Improvements	\$ 9,600	
Total Libraries		9,600

Parks and Fair Boards

Building Improvements	\$ 3,682	
Site Development	11,733	
Total Parks and Fair Boards		15,415

(Continued)

Exhibit K-8

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

<u>General Capital Projects Fund (Cont.)</u>			
<u>Other Operations</u>			
<u>Airport</u>			
Airport Improvement	\$ 49,683		
Total Airport		\$ 49,683	
<u>Contributions to Other Agencies</u>			
Contributions	\$ 25,000		
Total Contributions to Other Agencies			25,000
<u>Miscellaneous</u>			
Trustee's Commission	\$ 11,325		
Total Miscellaneous			<u>11,325</u>
Total General Capital Projects Fund			\$ 826,726
<u>Community Development/Industrial Park Fund</u>			
<u>Other Operations</u>			
<u>Industrial Development</u>			
Trustee's Commission	\$ 343		
Total Industrial Development		<u>\$ 343</u>	
Total Community Development/Industrial Park Fund			343
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contributions	\$ 10,397,456		
Trustee's Commission	506		
Underwriter's Discount	88,856		
Other Debt Issuance Charges	68,606		
Total Education Capital Projects		<u>\$ 10,555,424</u>	
Total Other Capital Projects Fund			<u>10,555,424</u>
Total Governmental Funds - Primary Government			<u>\$ 57,298,916</u>

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, 2010

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 32,689,684	
Career Ladder Program	415,132	
Career Ladder Extended Contracts	147,679	
Homebound Teachers	110,414	
Instructional Computer Personnel	460,781	
Salary Supplements	7,000	
Educational Assistants	1,077,623	
Certified Substitute Teachers	653,088	
Social Security	2,581,233	
State Retirement	2,627,182	
Life Insurance	84,181	
Medical Insurance	3,023,012	
Dental Insurance	118,632	
Other Fringe Benefits	548,216	
Other Contracted Services	33,422	
Instructional Supplies and Materials	623,371	
Textbooks	493,651	
Other Supplies and Materials	73,353	
Other Charges	10,375	
Regular Instruction Equipment	166,540	
Total Regular Instruction Program		\$ 45,944,569

Special Education Program

Teachers	\$ 5,930,449
Career Ladder Program	71,769
Homebound Teachers	57,886
Educational Assistants	561,174
Other Salaries and Wages	116,100
Certified Substitute Teachers	110,635
Social Security	479,594
State Retirement	456,475
Life Insurance	14,459
Medical Insurance	531,282
Dental Insurance	24,469
Contracts with Private Agencies	379,867
Other Contracted Services	328,643
Instructional Supplies and Materials	52,958
Other Supplies and Materials	56,035
Other Charges	60,000

(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	\$ 66,319	
Total Special Education Program		\$ 9,298,114

Vocational Education Program

Teachers	\$ 1,966,668	
Career Ladder Program	23,000	
Other Salaries and Wages	263,846	
Certified Substitute Teachers	24,780	
Social Security	162,578	
State Retirement	144,680	
Life Insurance	4,898	
Medical Insurance	174,321	
Dental Insurance	7,522	
Instructional Supplies and Materials	90,875	
Vocational Instruction Equipment	149,604	
Total Vocational Education Program		3,012,772

Other

Supervisor/Director	\$ 160,988	
Clerical Personnel	27,707	
Social Security	13,701	
State Retirement	21,364	
Life Insurance	416	
Medical Insurance	10,407	
Dental Insurance	854	
Legal Services	150,031	
Travel	1,805	
Other Contracted Services	1,337	
Office Supplies	2,510	
Other Supplies and Materials	181,414	
In Service/Staff Development	2,228	
Total Other		574,762

Support Services

Attendance

Supervisor/Director	\$ 115,589
Career Ladder Program	1,000
Other Salaries and Wages	115,194
Social Security	16,292

(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.)

State Retirement	\$	24,225	
Life Insurance		543	
Medical Insurance		16,334	
Dental Insurance		885	
Travel		4,377	
Other Contracted Services		32,702	
Other Supplies and Materials		915	
Total Attendance			\$ 328,056

Health Services

Medical Personnel	\$	260,430	
Social Security		18,001	
State Retirement		21,307	
Life Insurance		545	
Medical Insurance		31,182	
Dental Insurance		1,408	
Travel		6,601	
Other Contracted Services		4,994	
Other Supplies and Materials		44,743	
In Service/Staff Development		8,896	
Total Health Services			398,107

Other Student Support

Career Ladder Program	\$	32,960	
Guidance Personnel		1,879,050	
Psychological Personnel		379,122	
Clerical Personnel		100,242	
Other Salaries and Wages		27,439	
Social Security		175,190	
State Retirement		164,066	
Life Insurance		5,249	
Medical Insurance		176,487	
Dental Insurance		7,739	
Contracts with Government Agencies		74,475	
Travel		17,982	
Other Contracted Services		152,731	
Other Equipment		2,300	
Total Other Student Support			3,195,032

(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

Supervisor/Director	\$	397,989	
Career Ladder Program		37,787	
Librarians		1,041,029	
Clerical Personnel		86,133	
Other Salaries and Wages		87,997	
Social Security		119,026	
State Retirement		119,816	
Life Insurance		3,768	
Medical Insurance		127,867	
Dental Insurance		5,351	
Travel		45,163	
Other Contracted Services		9,600	
Instructional Supplies and Materials		24,716	
Library Books/Media		98,788	
Office Supplies		2,523	
Other Supplies and Materials		16,768	
In Service/Staff Development		27,800	
Other Charges		2,740	
Total Regular Instruction Program			\$ 2,254,861

Special Education Program

Supervisor/Director	\$	159,116	
Career Ladder Program		4,500	
Clerical Personnel		28,930	
Other Salaries and Wages		307,317	
Social Security		36,754	
State Retirement		29,881	
Life Insurance		697	
Medical Insurance		32,122	
Dental Insurance		1,617	
Travel		54,426	
In Service/Staff Development		14,993	
Total Special Education Program			670,353

Vocational Education Program

Supervisor/Director	\$	64,756	
Secretary(ies)		26,171	
Social Security		6,699	
State Retirement		5,883	

(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.)

Life Insurance	\$	202	
Medical Insurance		3,028	
Dental Insurance		106	
Travel		4,591	
Other Supplies and Materials		1,262	
Other Charges		25	
Total Vocational Education Program			\$ 112,723

Other Programs

Supervisor/Director	\$	100,637	
Teachers		347,633	
Medical Personnel		25,147	
Bus Drivers		10,843	
Educational Assistants		45,543	
Other Salaries and Wages		243,428	
Social Security		37,994	
State Retirement		47,320	
Life Insurance		262	
Medical Insurance		9,860	
Dental Insurance		535	
On-Behalf Payments to OPEB		622,393	
Communication		2,812	
Maintenance and Repair Services - Equipment		2,087	
Postal Charges		150	
Printing, Stationery, and Forms		3,948	
Travel		6,666	
Other Contracted Services		66,317	
Diesel Fuel		4,203	
Instructional Supplies and Materials		169,263	
Office Supplies		200	
Other Supplies and Materials		123,183	
In Service/Staff Development		83,829	
Other Charges		34,552	
Maintenance Equipment		49,033	
Regular Instruction Equipment		209,221	
Special Education Equipment		2,993	
Transportation Equipment		4,994	
Other Equipment		55,259	
Total Other Programs			2,310,305

(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		32,100	
Social Security		2,725	
State Retirement		498	
Unemployment Compensation		254,088	
Audit Services		41,200	
Dues and Memberships		13,303	
Travel		24,094	
Remittance of Revenue Collected		33,995	
Premiums on Corporate Surety Bonds		175	
Trustee's Commission		738,562	
Workers' Compensation Insurance		748,782	
Other Charges		1,416	
Total Board of Education			\$ 1,894,538

Director of Schools

County Official/Administrative Officer	\$	132,913	
Assistant(s)		100,000	
Career Ladder Program		1,000	
Career Ladder Extended Contracts		1,000	
Secretary(ies)		136,007	
Social Security		25,667	
State Retirement		33,676	
Life Insurance		747	
Medical Insurance		15,621	
Dental Insurance		1,128	
Communication		44,745	
Dues and Memberships		6,504	
Maintenance and Repair Services - Equipment		15,923	
Postal Charges		15,201	
Travel		5,481	
Office Supplies		10,038	
In Service/Staff Development		11,610	
Other Charges		2,784	
Total Director of Schools			560,045

Office of the Principal

Principals	\$	2,093,661	
Career Ladder Program		34,000	

(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.)

Career Ladder Extended Contracts	\$	6,256	
Assistant Principals		949,665	
Secretary(ies)		1,080,801	
Other Salaries and Wages		401,200	
Social Security		327,798	
State Retirement		381,561	
Life Insurance		9,757	
Medical Insurance		302,733	
Dental Insurance		14,456	
Communication		37,000	
Travel		20,735	
Other Supplies and Materials		101,365	
Total Office of the Principal			\$ 5,760,988

Fiscal Services

Supervisor/Director	\$	91,988	
Accountants/Bookkeepers		87,085	
Secretary(ies)		34,246	
Social Security		15,646	
State Retirement		22,690	
Life Insurance		448	
Medical Insurance		10,695	
Dental Insurance		680	
Contributions		355,106	
Travel		1,380	
Office Supplies		2,078	
In Service/Staff Development		4,011	
Total Fiscal Services			626,053

Human Services/Personnel

Supervisor/Director	\$	149,546	
Clerical Personnel		26,881	
Other Salaries and Wages		66,066	
Social Security		18,048	
State Retirement		28,190	
Life Insurance		498	
Medical Insurance		8,218	
Dental Insurance		966	
Travel		4,334	

(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 Supplies and Materials	\$	1,038	
In Service/Staff Development		417	
Other Charges		10,163	
Total Human Services/Personnel			\$ 314,365

Operation of Plant

Custodial Personnel	\$	1,365,598	
Overtime Pay		8,649	
Other Salaries and Wages		27,707	
Social Security		99,008	
State Retirement		144,071	
Life Insurance		2,833	
Medical Insurance		136,371	
Dental Insurance		5,869	
Communication		59,087	
Other Contracted Services		495,442	
Custodial Supplies		264,251	
Electricity		2,494,828	
Natural Gas		816,159	
Water and Sewer		281,864	
Building and Contents Insurance		665,217	
Plant Operation Equipment		3,146	
Total Operation of Plant			6,870,100

Maintenance of Plant

Secretary(ies)	\$	58,560	
Overtime Pay		17,745	
Other Salaries and Wages		1,585,794	
Social Security		116,803	
State Retirement		229,629	
Life Insurance		3,550	
Medical Insurance		163,336	
Dental Insurance		7,602	
Travel		2,615	
Other Supplies and Materials		849,011	
Total Maintenance of Plant			3,034,645

Transportation

Supervisor/Director	\$	72,314	
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(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.)

Mechanic(s)	\$	296,059	
Bus Drivers		2,040,971	
Overtime Pay		35,247	
Other Salaries and Wages		91,634	
Social Security		177,786	
State Retirement		301,656	
Life Insurance		4,529	
Medical Insurance		253,489	
Dental Insurance		13,378	
Maintenance and Repair Services - Vehicles		24,040	
Travel		7,111	
Diesel Fuel		634,461	
Gasoline		90,760	
Tires and Tubes		86,902	
Vehicle Parts		404,064	
Other Charges		50,688	
Transportation Equipment		7,282	
Total Transportation			\$ 4,592,371

Central and Other

Supervisor/Director	\$	76,500	
Other Salaries and Wages		151,307	
Social Security		16,315	
State Retirement		25,817	
Life Insurance		472	
Medical Insurance		17,062	
Dental Insurance		372	
Travel		1,188	
Other Contracted Services		250,305	
Other Supplies and Materials		159,373	
In Service/Staff Development		8,284	
Other Equipment		323,505	
Total Central and Other			1,030,500

Operation of Non-Instructional Services

Food Service

Career Ladder Program	\$	1,000	
Social Security		76	
State Retirement		64	
Total Food Service			1,140

(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

Other Salaries and Wages	\$	75,023	
Social Security		5,635	
State Retirement		3,327	
Medical Insurance		2,329	
Dental Insurance		65	
Other Supplies and Materials		2,434	
Total Community Services			\$ 88,813

Early Childhood Education

Supervisor/Director	\$	3,916	
Teachers		608,078	
Clerical Personnel		20,202	
Educational Assistants		224,262	
Certified Substitute Teachers		12,848	
Social Security		58,547	
State Retirement		65,129	
Life Insurance		1,807	
Medical Insurance		73,236	
Dental Insurance		3,184	
Other Contracted Services		4,562	
Instructional Supplies and Materials		66,208	
In Service/Staff Development		4,192	
Other Charges		600	
Total Early Childhood Education			1,146,771

Total General Purpose School Fund \$ 94,019,983

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,309,572	
Clerical Personnel		247,400	
Educational Assistants		206,108	
Bonus Payments		225,534	
Other Salaries and Wages		220,382	
Certified Substitute Teachers		19,300	
Non-certified Substitute Teachers		7,619	
Social Security		161,237	
State Retirement		163,769	

(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.)

Life Insurance	\$	3,552	
Medical Insurance		149,418	
Dental Insurance		7,111	
Other Contracted Services		38,822	
Instructional Supplies and Materials		836,082	
Other Supplies and Materials		857	
In Service/Staff Development		350	
Other Charges		73,148	
Regular Instruction Equipment		1,029,424	
Transportation Equipment		8,149	
Total Regular Instruction Program			\$ 4,707,834

Special Education Program

Teachers	\$	116,982	
Educational Assistants		1,592,979	
Speech Pathologist		13,267	
Other Salaries and Wages		79,853	
Certified Substitute Teachers		1,400	
Social Security		128,785	
State Retirement		187,665	
Life Insurance		3,663	
Medical Insurance		131,473	
Dental Insurance		7,913	
Contracts with Private Agencies		118,585	
Instructional Supplies and Materials		57,377	
Other Supplies and Materials		1,688	
Special Education Equipment		40,470	
Total Special Education Program			2,482,100

Vocational Education Program

Educational Assistants	\$	15,469	
Other Salaries and Wages		50,874	
Social Security		4,260	
State Retirement		9,214	
Life Insurance		139	
Medical Insurance		7,245	
Dental Insurance		546	
Employer Medicare		300	
Vocational Instruction Equipment		150,333	
Total Vocational Education Program			238,380

(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

Health Services

In Service/Staff Development	\$ 6,430	
Total Health Services		\$ 6,430

Other Student Support

Guidance Personnel	\$ 115,317	
Psychological Personnel	1,488	
Clerical Personnel	5,531	
Social Security	6,830	
State Retirement	6,304	
Life Insurance	296	
Medical Insurance	7,932	
Dental Insurance	285	
Communication	4,988	
Travel	59,806	
Other Contracted Services	3,456	
Other Supplies and Materials	17,351	
In Service/Staff Development	5,970	
Other Equipment	4,736	
Total Other Student Support		240,290

Regular Instruction Program

Supervisor/Director	\$ 79,226	
Instructional Computer Personnel	593,440	
Secretary(ies)	35,326	
Clerical Personnel	26,626	
Other Salaries and Wages	541,709	
Social Security	95,546	
State Retirement	89,480	
Life Insurance	2,552	
Medical Insurance	102,566	
Dental Insurance	3,946	
Employer Medicare	406	
Consultants	61,740	
Travel	30,325	
Other Contracted Services	55,802	
Other Supplies and Materials	23,584	
In Service/Staff Development	677,133	
Other Charges	6,304	
Other Equipment	14,371	
Total Regular Instruction Program		2,440,082

(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.)

Special Education Program

Assessment Personnel	\$	103,222	
Secretary(ies)		27,495	
Other Salaries and Wages		396,496	
Social Security		36,821	
State Retirement		59,515	
Life Insurance		947	
Medical Insurance		48,989	
Dental Insurance		3,229	
Other Contracted Services		117,223	
Other Supplies and Materials		19,504	
In Service/Staff Development		70,032	
Total Special Education Program			\$ 883,473

Vocational Education Program

Travel	\$	4,128	
Total Vocational Education Program			4,128

Other Programs

Instructional Computer Personnel	\$	437,023	
Social Security		31,846	
State Retirement		28,057	
Life Insurance		785	
Medical Insurance		21,482	
Dental Insurance		1,473	
Total Other Programs			520,666

Office of the Principal

Principals	\$	3,060	
Bonus Payments		34,500	
Social Security		2,873	
State Retirement		2,411	
Total Office of the Principal			42,844

Fiscal Services

Contributions	\$	47,100	
Total Fiscal Services			47,100

Transportation

Contracts with Vehicle Owners	\$	106,143	
Total Transportation			106,143

Total School Federal Projects Fund \$ 11,719,470

(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

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	66,239	
Accountants/Bookkeepers		92,015	
Cafeteria Personnel		2,383,337	
Other Salaries and Wages		115,572	
Social Security		191,272	
State Retirement		320,147	
Life Insurance		4,868	
Medical Insurance		167,132	
Dental Insurance		13,182	
Unemployment Compensation		2,531	
Other Fringe Benefits		6,198	
Communication		11,311	
Maintenance and Repair Services - Equipment		35,907	
Transportation - Other than Students		35,000	
Travel		13,006	
Other Contracted Services		104,966	
Food Supplies		2,614,843	
Uniforms		21,775	
Other Supplies and Materials		345,619	
Trustee's Commission		10,154	
In Service/Staff Development		10,972	
Food Service Equipment		213,728	
Total Food Service			\$ 6,779,774
Total Central Cafeteria Fund			\$ 6,779,774

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Engineering Services	\$	19,631	
Trustee's Commission		21,670	
Building Improvements		650,701	
Maintenance Equipment		29,184	
Regular Instruction Equipment		20,967	
Transportation Equipment		76,282	
Total Education Capital Projects			\$ 818,435
Total Education Capital Projects Fund			818,435

Other Capital Projects Fund

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	8,713,803	
Total Regular Capital Outlay			\$ 8,713,803
Total Other Capital Projects Fund			8,713,803

Total Governmental Funds - Madison County School Department \$ 122,051,465

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, 2010

	Cities - Sales Tax Fund	Cities - Property Tax Fund	Total
<u>Cash Receipts</u>			
Current Property Tax	\$ 0	\$ 244,429	\$ 244,429
Prior Year's Property Tax	0	7,107	7,107
Interest and Penalty	0	1,262	1,262
Local Option Sales Tax	11,423,861	28,544	11,452,405
Hotel/Motel Tax	665,534	0	665,534
Total Cash Receipts	<u>\$ 12,089,395</u>	<u>\$ 281,342</u>	<u>\$ 12,370,737</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 11,956,453	\$ 274,082	\$ 12,230,535
Trustee's Commission	120,390	5,339	125,729
Total Cash Disbursements	<u>\$ 12,076,843</u>	<u>\$ 279,421</u>	<u>\$ 12,356,264</u>
<u>Excess of Cash Receipts Over (Under)</u>			
Cash Disbursements	\$ 12,552	\$ 1,921	\$ 14,473
Cash Balance, July 1, 2009	41,582	2,301	43,883
Cash Balance, June 30, 2010	<u>\$ 54,134</u>	<u>\$ 4,222</u>	<u>\$ 58,356</u>

SINGLE AUDIT SECTION



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

September 30, 2010

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, 2010, which collectively comprise Madison County's basic financial statements and have issued our report thereon dated September 30, 2010. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the Madison County Emergency Communications District, which were not available from other auditors as of the date of this report. 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.

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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 10.01, 10.02(B), and 10.03.

Compliance and Other Matters

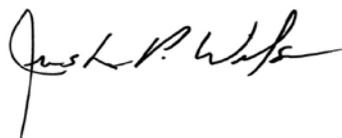
As part of obtaining reasonable assurance about whether Madison County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 matters that is required to be reported under Government Auditing Standards and is described in the accompanying Schedule of Findings and Questioned Costs as item 10.02(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 the responses.

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, Financial Management 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

JPW/sb



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

September 30, 2010

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, 2010. 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, 2010.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

Schedule of Expenditures of Federal Awards

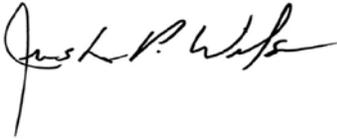
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Madison County as of and for the year ended June 30, 2010, and have issued our report thereon dated September 30, 2010. Our report on the aggregate discretely presented component units financial statements was qualified due to not including the financial statements of the Madison County Emergency Communications District, which were not available from other auditors as of the date of this report. 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 the responses.

This report is intended solely for the information and use of management, the county mayor, highway engineer, finance director, County Commission, Board of Education, Financial Management 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,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke at the beginning.

Justin P. Wilson
Comptroller of the Treasury

JPW/sb

Madison County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2010

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	\$ 1,681,947
National School Lunch Program	10.555	N/A	3,695,748 (3)
Child Nutrition Discretionary Grants Limited Availability, Recovery Act	10.579	N/A	19,194
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	374,433 (3)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	(2)	367,354
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	(2)	120,921
Total U.S. Department of Agriculture			\$ 6,259,597
U.S. Department of Justice:			
Passed-through State Department of Children's Services:			
Juvenile Accountability Block Grants	16.523	GG090264210	\$ 232,300
Passed-through State Office of Criminal Justice Programs:			
Crime Victim Assistance	16.575	(2)	33,731
Recovery Act - State Victim Assistance Formula Grant Program	16.801	(2)	22,602
Passed-through State Department of Human Services:			
Local Law Enforcement Block Grant Program	16.592	(2)	45,966
Passed-through State Department of Finance and Administration			
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	(2)	74,826
Total U.S. Department of Justice			\$ 409,425
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	(2)	\$ 1,978
Total U.S. Department of Transportation			\$ 1,978
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 5,276,987
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	1,105,811
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	3,727,291
Special Education - Preschool Grants	84.173	N/A	33,693
Special Education - Grants to States, Recovery Act	84.391	N/A	120,664
Special Education - Preschool Grants, Recovery Act	84.392	N/A	10,500
Career and Technical Education - Basic Grants to States	84.048	(2)	397,133
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	119,563
Educational Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	23,978
Education Technology State Grants, Recovery Act	84.386	(2)	66,634

(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 Education (Cont.):			
Passed-through State Department of Education (Cont.):			
Assistive Technology Grants - State Grants for Protection and Advocacy	84.343	(2)	\$ 47,735
Reading First State Grants	84.357	(2)	952,612
English Language Acquisition Grants	84.365	(2)	67,151
Improving Teacher Quality State Grants	84.367	(2)	908,199
Education for Homeless Children and Youth, Recovery Act	84.387	(2)	958
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	(2)	2,443,500
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	(2)	438,285
Total U.S. Department of Education			<u>\$ 15,740,694</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG102901900	\$ 27,258
Family Planning - Services	93.217	(2)	171,566
Immunization Grants	93.268	(2)	150,449
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	GG092811000	716,995
HIV Prevention Activities - Health Department Based	93.940	(2)	110,900
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	(2)	48,642
Preventive Health and Health Services Block Grant	93.991	GG102801500	39,970
Total U.S. Department of Health and Human Services			<u>\$ 1,265,780</u>
Total Expenditures of Federal Awards			<u>\$ 23,677,474</u>

State Grants:		Contract Number	
Reappraisal Program - Comptroller of the Treasury	N/A	(2)	\$ 23,083.00
Litter Program - State Department of Transportation	N/A	(2)	44,406.00
Drug Court Grant - State Department of Finance and Administration	N/A	(2)	49,697.00
Help Us Grow Successfully (HUGS) Services - State Department of Health	N/A	(2)	65,251.00
TennCare Outreach - State Department of Health	N/A	GG102878400	166,349.00
HIV Prevention Activities - State Department of Health	N/A	(2)	117,534.00
Grant in Aid - State Department of Health	N/A	(2)	25,000.00
Adolescent Pregnancy Program - State Department of Health	N/A	GG102903400	44,910.00
Tuberculosis Control Prevention and Outreach Services - State Department of Health	N/A	GG102802000	57,362.00
TennCare School Based Dental Prevention Program - State Department of Health	N/A	GG092924500	262,084.00

(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	Contract Number	Expenditures
State Grants: (Cont.)			
Lottery for Education: After School Program - State Department of Education	N/A	(2)	\$ 117,373.00
Schools to Work - State Department of Human Services	N/A	GG082211900	31,543.00
Energy Efficiency Grant - State Department of Education	N/A	(2)	285,480.00
GED +2 Grant - State Department of Education	N/A	(2)	45,889.00
Safe Schools Act - State Department of Education	N/A	(2)	41,605.00
Early Childhood Education - State Department of Education	N/A	(2)	1,190,321.00
High Schools That Work - State Department of Education	N/A	(2)	4,367.00
Title IV A - State Department of Children's Services	N/A	(2)	143,144.00
State Supplement Juvenile Improvement Funds - Tennessee Commission on Children and Youth	N/A	GG102984800	9,000.00
Waste Tire Option Grant Program - State Department of Transportation	N/A	(2)	<u>164,977.00</u>
Total State Grants			<u>\$ 2,889,375</u>

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 \$4,070,181.

Madison County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2010

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, 2009, which have not been corrected.

MADISON COUNTY

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.01	214	Madison County does not have the resources to produce financial statements and notes to the financial statement

OFFICE OF FINANCE DIRECTOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
09.03	216	The office had deficiencies in budget operations

MADISON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2010

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the aggregate discretely presented component units is qualified. Our report on the governmental activities, each major fund, and the aggregate remaining fund information is unqualified.
2. The audit of the financial statements of Madison County disclosed significant deficiencies in internal control. Three 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, Part A Cluster: Title I Grants to Local Educational Agencies and Title I Grants to Local Educational Agencies, Recovery Act (CFDA Nos. 84.010 and 84.389); the Special Education Cluster (IDEA): Special Education – Grants to States, Special Education – Preschool Grants, Special Education – Grants to States, Recovery Act, and Special Education – Preschool Grants, Recovery Act (CFDA Nos. 84.027, 84.173, 84.391, and 84.392); and the State Fiscal Stabilization Cluster: State Fiscal Stabilization Funds (SFSF) – Education State Grants, Recovery Act and State Fiscal Stabilization Funds (SFSF) – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397) were determined to be major programs.
8. A \$710,526 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 finance director provided written responses to each of the findings, which are paraphrased in this report.

MADISON COUNTY

FINDING 10.01 **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

I spoke with a local certified public accounting firm, and they would be willing to consult with the Finance Department in double-checking our knowledge in preparing financial statements for a maximum fee of \$5,000. This seems like the least costly way to achieve this goal. However, this is subject to budget limitations.

AUDITOR'S COMMENT

The Finance Department can develop the ability to produce financial statements and notes to the financial statements that comply with GAAP by having at least one staff member trained in financial statement preparation. This staff member can exhibit this ability by documenting his formal training in accounting and continuing professional education.

OFFICE OF FINANCE DIRECTOR

FINDING 10.02 **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS** (A. – Noncompliance Under Government Auditing Standards; B. – Internal Control – Material Weakness Under Government Auditing Standards)

Our audit noted the following deficiencies in budget operations:

- A. General Fund expenditures and encumbrances exceeded appropriations approved by the County Commission in the Other Administration of Justice major appropriation category (the legal level of control) by \$85,480. 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 resulted in unauthorized expenditures.

- B. The budget and subsequent amendments submitted to and approved by the County Commission for the Education Capital Projects Fund resulted in appropriations exceeding estimated available funding by \$304,864. Sound budgetary principles dictate that appropriations be held within estimated available funding. The budget deficiency resulted from the estimated beginning fund balance being reduced by \$404,864 to more accurately reflect the beginning balance; however, budgeted revenues and expenditures were not adjusted accordingly to reflect this change.

Also, these deficiencies are the result of management's failure to correct the finding noted in the prior-year audit report.

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.

MANAGEMENT’S RESPONSE – FINANCE DIRECTOR

- A. This is the state’s portion of the Juvenile Court’s Boot Camp. Every year this budget exceeds the original appropriation and is always included in the Finance Department’s year-end budget amendments; however, it was overlooked this year. To ensure this does not happen again, expenditures should be denied until the department has submitted a budget amendment for an increase in its expenditures and received approval by the County Commission.

 - B. The school administration knew of this fund balance correction and reduced expenditures accordingly. A budget amendment should have been presented to the County Commission to reduce expenditures, which in turn would have created a positive fund balance.
-

OTHER FINDING AND RECOMMENDATION

FINDING 10.03 **MADISON COUNTY HAS A MATERIAL RECURRING AUDIT FINDING**
(Internal Control – Material Weakness Under Government Auditing Standards)

Madison County has a material audit finding that has been reported in its annual financial reports for three or more consecutive years. This recurring material finding is listed below:

<u>Finding Numbers</u>	<u>Description</u>
10.01, 09.01, 08.01	Madison County does not have the resources to produce financial statements and notes to the financial statements

The recurring nature of the above-noted finding indicates that management is either unwilling or unable to address the deficiencies. The Local Government Modernization Act of 2005 in Section 9-3-405, Tennessee Code Annotated (TCA), encourages local governments to consider establishing an Audit Committee and further provides that the Comptroller may require that an Audit Committee be established in any local government that (1) is in noncompliance with the accounting and financial reporting standards required by the Governmental Accounting Standards Board, or (2) has recurring findings from the annual audit for three or more consecutive years as determined by the Comptroller to be a material weakness in internal control or material noncompliance under Government Auditing Standards. The responsibilities and duties of an Audit Committee are to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

RECOMMENDATION

Madison County should establish an Audit Committee to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics. This Audit Committee should provide management with guidance to correct all reported material weaknesses in internal control and material noncompliance. If this finding continues to recur, Madison County may be required to establish an Audit Committee under the provisions of Section 9-3-405, TCA.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

A letter from the state comptroller about establishing an Audit Committee has been forwarded to the Financial Management Committee. This committee can make recommendations to the County Commission to establish and appoint this committee.

**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, 2010**

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