
ANNUAL FINANCIAL REPORT MADISON COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2011



**ANNUAL FINANCIAL REPORT
MADISON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2011**

***COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON***

***DIVISION OF COUNTY AUDIT
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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, 2011

Scope

We have audited the basic financial statements of Madison County as of and for the year ended June 30, 2011.

Results

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

Our audit resulted in seven 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 and Best Practice

The following are summaries of the audit findings and best practice:

MADISON COUNTY

- ◆ The legality of the Local Purpose Tax Fund is questioned.

OFFICE OF FINANCE DIRECTOR

- ◆ The Education Capital Projects Fund required material audit adjustments for proper financial statement presentation.
- ◆ The office had deficiencies in budget operations.
- ◆ Deficiencies were noted in the Office of Community Corrections.
- ◆ The Office of Human Resources did not deposit some funds within three days of collection.

OFFICE OF COUNTY CLERK

- ◆ A deputy clerk improperly processed certain title applications.
 - ◆ The office did not implement adequate controls to protect its information resources.
-

BEST PRACTICE

Madison County does not have an Audit Committee. The Division of County Audit strongly believes that an Audit Committee is a best practice that should be adopted by the governing body to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

INTRODUCTORY SECTION

Madison County Officials

June 30, 2011

Officials

Jimmy Harris, County Mayor
Fred Bowyer, Highway Engineer
Dr. Nancy Zambito, Director of Schools
John Newman, Trustee
Frances Hunley, Assessor of Property
Fred Birmingham, County Clerk
Kathy Blount, 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

Mark Johnstone, Chairman	William Martin
Jimmy Arnold	Luther Mercer
Jerry Bastin	Dale Morton
Katie Brantley	Gary Neese
Claudell Brown, Jr.	James Pearson
Scott Brown	Bill Ragon
Gary Deaton	Joe Roland
Adrian Eddleman	Billy Spain
Aaron Ellison	Doug Stephenson
Jim Ed Hart	Gary Tippet
Arthur Johnson, Jr.	Bill Walls
Barbara Johnson	Arthur Wilson
Larry Lowrance	

Board of Education

Robert Alvey, Jr., Chairman
Bill Baxter
Carol Carter-Estes
David Clift
Becky Gordon
Billy Keeton
Dr. Joe Mays
Maria Mitchell
George Neely

Financial Management Committee

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

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

October 3, 2011

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, 2011, which collectively comprise Madison County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Madison County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Madison County Emergency Communications District, which represent 3.4 percent and .8 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Madison County Emergency Communications District, is based on the report of other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Madison County, Tennessee, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2011, on our consideration of Madison County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

As described in Note V.B., Madison County has adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which became effective for the year ended June 30, 2011.

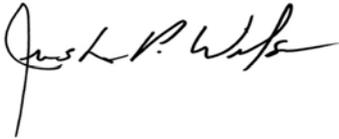
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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 73 through 82 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 financial statements as a whole. 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 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on it.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a long vertical stroke extending downwards from the end.

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Madison County, Tennessee
Statement of Net Assets
June 30, 2011

	Primary Government Governmental Activities	Component Units	
		Madison County School Department	Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 33,507	\$ 0	\$ 3,258,262
Equity in Pooled Cash and Investments	24,255,556	10,889,559	0
Accounts Receivable	808,560	240,782	45,360
Allowance for Uncollectibles	(15,618)	0	0
Due from Other Governments	2,349,277	8,393,723	0
Property Taxes Receivable	31,816,641	14,372,238	0
Allowance for Uncollectible Property Taxes	(1,522,825)	(718,330)	0
Prepaid Items	10,090	0	15,993
Deferred Charges - Debt Issuance Costs	511,497	0	0
Notes Receivable - Long-term	180,064	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	8,346,077	2,091,562	16,100
Construction in Progress	31,479	0	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	16,461,378	72,696,920	288,201
Infrastructure	30,215,241	236,748	0
Other Capital Assets	4,036,311	6,664,334	441,008
Total Assets	<u>\$ 117,517,235</u>	<u>\$ 114,867,536</u>	<u>\$ 4,064,924</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,128,449	\$ 101,791	\$ 40,664
Payroll Deductions Payable	330,487	2,836,769	0
Accrued Leave	0	0	20,488
Contracts Payable	24,892	7,600	0
Retainage Payable	0	4,517	0
Accrued Interest Payable	669,935	0	0
Deferred Revenue - Current Property Taxes	29,224,812	13,124,277	0
Due to the State of Tennessee	159	0	0
Noncurrent Liabilities:			
Due Within One Year	5,950,025	316,433	0
Due in More Than One Year (net of deferred amount on refunding and unamortized premiums on debt)	63,703,571	4,789,052	0
Total Liabilities	<u>\$ 101,032,330</u>	<u>\$ 21,180,439</u>	<u>\$ 61,152</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Units	
		Madison County School Department	Emergency Communications District
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	\$ 49,168,477	\$ 0	\$ 0
Invested in Capital Assets	0	81,689,564	745,309
Restricted for:			
Capital Projects	3,983,855	676,642	0
Debt Service	6,599,459	0	0
Juvenile Services	271,208	0	0
Solid Waste/Sanitation	229,006	0	0
Local Purpose Tax	3,627,332	0	0
Special Purpose	781,993	0	0
Highway/Public Works	5,624,877	0	0
Computer Systems	525,559	0	0
Long-term Note Receivable	180,064	0	0
School Federal Projects	0	1,016,206	0
Central Cafeteria	0	2,604,240	0
Other Purposes	109,845	166,758	0
Unrestricted	(54,616,770)	7,533,687	3,258,463
Total Net Assets	<u>\$ 16,484,905</u>	<u>\$ 93,687,097</u>	<u>\$ 4,003,772</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, 2011

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 Total	Component Units	
						Madison County School Department	Emergency Communications District
Primary Government:							
Governmental Activities:							
General Government	\$ 2,818,537	\$ 750,986	\$ 20,325	\$ 0	\$ (2,047,226)	\$ 0	\$ 0
Finance	3,053,340	2,776,305	0	0	(277,035)	0	0
Administration of Justice	3,199,354	2,446,070	224,814	0	(528,470)	0	0
Public Safety	21,127,998	3,181,630	474,342	594,533	(16,877,493)	0	0
Public Health and Welfare	6,022,988	977,626	3,155,049	0	(1,890,313)	0	0
Social, Cultural, and Recreational Services	2,112,779	161,990	0	0	(1,950,789)	0	0
Agriculture and Natural Resources	344,563	78,534	0	0	(266,029)	0	0
Other Operations	1,823,170	225,961	0	70,126	(1,527,083)	0	0
Highways/Public Works	6,642,928	128,068	2,420,117	2,297,863	(1,796,880)	0	0
Interest on Long-term Debt	3,039,114	0	0	0	(3,039,114)	0	0
Other Debt Service	724,161	0	526,595	0	(197,566)	0	0
Total Primary Government	\$ 50,908,932	\$ 10,727,170	\$ 6,821,242	\$ 2,962,522	\$ (30,397,998)	\$ 0	\$ 0
Component Units:							
Madison County School Department	\$ 123,568,292	\$ 1,626,321	\$ 20,685,246	\$ 0	\$ 0	\$ (101,256,725)	\$ 0
Emergency Communications District	740,516	935,646	0	0	0	0	195,130
Total Component Units	\$ 124,308,808	\$ 2,561,967	\$ 20,685,246	\$ 0	\$ 0	\$ (101,256,725)	\$ 195,130

(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	Component Units		
				Primary Government Total Governmental Activities	Madison County School Department	Emergency Communications District
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 26,360,941	\$ 14,372,050	\$ 0
Property Taxes Levied for Debt Service				2,716,244	0	0
Local Option Sales Taxes				865,701	34,521,259	0
Business Taxes				1,641,519	0	0
Litigation Taxes				664,885	0	0
Hotel/Motel Taxes				398,919	0	0
Wholesale Beer Taxes				323,450	0	0
Other Local Taxes				38,057	6,412	0
Grants and Contributions Not Restricted to Specific Programs				3,333,711	52,045,028	0
Unrestricted Investment Earnings				308,108	0	57,194
Miscellaneous				529,607	84,892	2,640
Total General Revenues				\$ 37,181,142	\$ 101,029,641	\$ 59,834
Change in Net Assets				\$ 6,783,144	\$ (227,084)	\$ 254,964
Net Assets, July 1, 2010				9,585,834	85,200,378	3,748,808
Prior-period Adjustment				115,927	8,713,803	0
Net Assets, June 30, 2011				\$ 16,484,905	\$ 93,687,097	\$ 4,003,772

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, 2011

	Major Funds			Nonmajor Funds	Total Govern- mental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 33,507	\$ 33,507
Equity in Pooled Cash and Investments	3,091,891	5,243,160	6,158,966	8,182,846	22,676,863
Accounts Receivable	367,593	30,084	42,922	367,961	808,560
Allowance for Uncollectibles	0	0	0	(15,618)	(15,618)
Due from Other Governments	1,003,326	615,242	0	730,709	2,349,277
Due from Other Funds	68,515	0	0	0	68,515
Property Taxes Receivable	18,164,900	1,860,188	6,324,226	5,467,327	31,816,641
Allowance for Uncollectible Property Taxes	(867,715)	(90,942)	(224,363)	(339,805)	(1,522,825)
Prepaid Items	10,090	0	0	0	10,090
Notes Receivable - Long-term	180,064	0	0	0	180,064
Total Assets	\$ 22,018,664	\$ 7,657,732	\$ 12,301,751	\$ 14,426,927	\$ 56,405,074
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 811,540	\$ 22,509	\$ 0	\$ 144,400	\$ 978,449
Payroll Deductions Payable	192,741	40,000	0	97,746	330,487
Contracts Payable	0	24,892	0	0	24,892
Due to Other Funds	0	0	0	68,515	68,515
Due to State of Tennessee	136	0	0	23	159
Deferred Revenue - Current Property Taxes	16,689,480	1,703,813	6,007,662	4,823,857	29,224,812
Deferred Revenue - Delinquent Property Taxes	551,705	59,433	82,201	274,965	968,304
Other Deferred Revenues	231,739	206,000	0	207,710	645,449
Total Liabilities	\$ 18,477,341	\$ 2,056,647	\$ 6,089,863	\$ 5,617,216	\$ 32,241,067
Fund Balances					
Nonspendable:					
Long-term Notes Receivable	\$ 180,064	\$ 0	\$ 0	\$ 0	\$ 180,064
Prepaid Items	10,090	0	0	0	10,090
Restricted:					
Restricted for General Government	137,366	0	0	0	137,366
Restricted for Finance	10,857	0	0	0	10,857
Restricted for Administration of Justice	272,661	0	0	8,630	281,291
Restricted for Public Safety	13,148	0	0	284,646	297,794
Restricted for Public Health and Welfare	0	0	0	560,574	560,574
Restricted for Highways/Public Works	0	5,550,598	0	685,457	6,236,055
Restricted for Capital Outlay	0	0	0	3,055,725	3,055,725
Restricted for Debt Service	0	0	5,268,200	0	5,268,200
Restricted for Other Purposes	0	0	0	3,549,026	3,549,026
Committed:					
Committed for General Government	0	0	0	78,306	78,306
Committed for Public Safety	0	0	0	34,530	34,530
Committed for Public Health and Welfare	0	0	0	27,792	27,792
Committed for Highways/Public Works	0	50,487	0	0	50,487
Committed for Capital Outlay	0	0	0	121,388	121,388
Committed for Debt Service	0	0	943,688	0	943,688
Assigned:					
Assigned for Finance	583	0	0	0	583
Assigned for Administration of Justice	4,111	0	0	0	4,111
Assigned for Public Safety	138	0	0	0	138
Assigned for Public Health and Welfare	12,994	0	0	403,637	416,631
Assigned for Social, Cultural, and Recreational Services	630	0	0	0	630
Assigned for Agriculture and Natural Resources	237,358	0	0	0	237,358
Assigned for Other Operations	7,000	0	0	0	7,000
Unassigned	2,654,323	0	0	0	2,654,323
Total Fund Balances	\$ 3,541,323	\$ 5,601,085	\$ 6,211,888	\$ 8,809,711	\$ 24,164,007
Total Liabilities and Fund Balances	\$ 22,018,664	\$ 7,657,732	\$ 12,301,751	\$ 14,426,927	\$ 56,405,074

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, 2011

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)		\$ 24,164,007
(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: construction in progress	31,479	
Add: buildings and improvements net of accumulated depreciation	16,461,378	
Add: infrastructure net of accumulated depreciation	30,215,241	
Add: other capital assets net of accumulated depreciation	<u>4,036,311</u>	59,090,486
(2) Internal service funds are used by management to charge the costs of employee health benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		1,428,693
(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	\$ (5,640,948)	
Less: bonds payable	(59,950,000)	
Add: deferred amount on refunding	975,305	
Add: deferred charges - debt issuance costs	511,497	
Less: compensated absences payable	(1,647,287)	
Less: other postemployment benefits liability	(1,334,981)	
Less: accrued interest on bonds and notes	(669,935)	
Less: other deferred revenue - premium on debt	<u>(2,055,685)</u>	(69,812,034)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,613,753</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 16,484,905</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, 2011

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Revenues					
Local Taxes	\$ 20,627,226	\$ 1,857,902	\$ 3,024,571	\$ 8,164,698	\$ 33,674,397
Licenses and Permits	306,659	0	0	0	306,659
Fines, Forfeitures, and Penalties	470,910	0	0	59,612	530,522
Charges for Current Services	397,995	0	0	548,798	946,793
Other Local Revenues	420,585	17,926	299,626	98,165	836,302
Fees Received from County Officials	4,722,178	0	0	0	4,722,178
State of Tennessee	1,559,143	3,074,888	0	3,967,349	8,601,380
Federal Government	797,021	1,653,665	153,146	289,256	2,893,088
Other Governments and Citizens Groups	1,441,082	0	567,206	519,446	2,527,734
Total Revenues	\$ 30,742,799	\$ 6,604,381	\$ 4,044,549	\$ 13,647,324	\$ 55,039,053
Expenditures					
Current:					
General Government	\$ 2,212,764	\$ 0	\$ 0	\$ 31,479	\$ 2,244,243
Finance	2,854,077	0	0	20,000	2,874,077
Administration of Justice	2,773,267	0	0	34,059	2,807,326
Public Safety	16,028,682	930,625	0	3,421,449	20,380,756
Public Health and Welfare	2,021,733	0	0	3,760,922	5,782,655
Social, Cultural, and Recreational Services	2,001,372	0	0	0	2,001,372
Agriculture and Natural Resources	321,991	0	0	0	321,991
Other Operations	2,382,202	0	0	762,198	3,144,400
Highways	0	4,222,753	0	0	4,222,753
Debt Service:					
Principal on Debt	15,468	0	4,890,000	0	4,905,468
Interest on Debt	1,620	0	3,093,220	0	3,094,840
Other Debt Service	0	0	61,924	0	61,924
Total Expenditures	\$ 30,613,176	\$ 5,153,378	\$ 8,045,144	\$ 8,030,107	\$ 51,841,805
Excess (Deficiency) of Revenues Over Expenditures	\$ 129,623	\$ 1,451,003	\$ (4,000,595)	\$ 5,617,217	\$ 3,197,248
Other Financing Sources (Uses)					
Insurance Recovery	\$ 150,662	\$ 7,281	\$ 0	\$ 0	\$ 157,943
Transfers In	29,203	0	122,294	700,000	851,497
Transfers Out	(700,000)	(29,203)	0	(122,294)	(851,497)
Total Other Financing Sources (Uses)	\$ (520,135)	\$ (21,922)	\$ 122,294	\$ 577,706	\$ 157,943
Net Change in Fund Balances	\$ (390,512)	\$ 1,429,081	\$ (3,878,301)	\$ 6,194,923	\$ 3,355,191
Fund Balance, July 1, 2010	3,931,835	4,172,004	10,090,189	2,614,788	20,808,816
Fund Balance, June 30, 2011	\$ 3,541,323	\$ 5,601,085	\$ 6,211,888	\$ 8,809,711	\$ 24,164,007

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, 2011

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$	3,355,191
(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	\$	1,263,051	
Less: current-year depreciation expense		<u>(3,344,793)</u>	(2,081,742)
(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, 2011	\$	1,613,753	
Less: deferred delinquent property taxes and other deferred June 30, 2010		<u>(1,212,254)</u>	401,499
(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.			
Add: change in premium on debt issuances	\$	526,595	
Less: change in deferred debt issuance costs		(78,636)	
Add: principal payments on bonds		625,000	
Add: principal payments on notes		4,280,468	
Less: change in deferred amount on refunding debt		<u>(583,601)</u>	4,769,826
(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	\$	55,726	
Change in compensated absences payable		(44,314)	
Change in other postemployment benefits liability		<u>(500,371)</u>	(488,959)
(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>827,329</u>
Change in net assets of governmental activities (Exhibit B)		\$	<u>6,783,144</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, 2011

	Governmental Activities - Internal Service Fund <hr/> Employee Insurance Fund <hr/>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 1,578,693
Total Assets	<u>\$ 1,578,693</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 150,000
Total Liabilities	<u>\$ 150,000</u>
<u>NET ASSETS</u>	
Restricted for Other Operations	<u>\$ 1,428,693</u>
Net Assets	<u><u>\$ 1,428,693</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, 2011

	Governmental Activities - Internal Service Fund <hr/> Employee Insurance Fund <hr/>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 4,029,918
Miscellaneous Refunds	53,000
Total Operating Revenues	<u>\$ 4,082,918</u>
<u>Operating Expenses</u>	
Excess Risk Insurance	\$ 136,554
Medical Claims	3,000,066
Other Charges	122,730
Total Operating Expenses	<u>\$ 3,259,350</u>
Operating Income (Loss)	<u>\$ 823,568</u>
<u>Nonoperating Revenues</u>	
Investment Income	\$ 3,761
Total Nonoperating Revenues	<u>\$ 3,761</u>
Change in Net Assets	\$ 827,329
Net Assets, July 1, 2010	<u>601,364</u>
Net Assets, June 30, 2011	<u><u>\$ 1,428,693</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, 2011

	Governmental Activities - Internal Service Fund <hr/> Employee Insurance Fund <hr/>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self Insurance Premiums	\$ 4,029,918
Miscellaneous Refunds	53,000
Excess Risk Insurance Payments	(136,554)
Payments for Medical Claims	(3,000,066)
Payments for Administrative Costs	(122,730)
Net Cash Provided By (Used In) Operating Activities	<hr/> <u>\$ 823,568</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 3,761
Net Cash Provided By (Used In) Investing Activities	<hr/> <u>\$ 3,761</u>
Increase (Decrease) in Cash	\$ 827,329
Cash, July 1, 2010	<hr/> 751,364
Cash, June 30, 2011	<hr/> <u>\$ 1,578,693</u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	<hr/> <u>\$ 823,568</u>
Net Cash Provided By (Used In) Operating Activities	<hr/> <u>\$ 823,568</u>
<u>Reconciliation of Cash with Statement of Net Assets</u>	
Equity in Pooled Cash and Investments per Net Assets	<hr/> <u>\$ 1,578,693</u>
Cash, June 30, 2011	<hr/> <u>\$ 1,578,693</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, 2011

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 4,258,672
Equity in Pooled Cash and Investments	139,492
Accounts Receivable	82,900
Due from Other Governments	<u>1,997,275</u>
Total Assets	<u>\$ 6,478,339</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 2,109,632
Due to Litigants, Heirs, and Others	4,258,672
Other Current Liabilities	<u>110,035</u>
Total Liabilities	<u>\$ 6,478,339</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, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

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

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

Administrative Office:

Madison County Emergency Communications District
914 N. Highland Avenue
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.

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 special revenue fund accounts for transactions of the county’s Highway Department. Local and state gasoline/fuel taxes are the foundational revenues of this fund.

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

Additionally, Madison County reports the following fund types:

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

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

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

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

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.

School Federal Projects Fund – This special revenue fund accounts for restricted federal revenues, which must be expended on specific education programs.

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

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

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.

It is the county's policy that restricted amounts would be reduced first followed by unrestricted amounts when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Also, it is the county's policy that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

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 2.6 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 Education Capital Projects Fund 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 Education Capital Projects Fund.

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. Prepaids are offset in the nonspendable fund balance account in governmental funds.

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
Schools	10

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.

Madison County and the discretely presented Madison County School Department permit employees to accumulate a limited amount of earned but unused sick leave; however, the granting of sick leave has no guaranteed payment attached, except for employees of the Highway Department.

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, 2011, Madison County had \$55,851,578 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 fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance – includes amounts that have constraints placed on the use of the resources that are either (a) externally imposed by creditors, grantors, contributors or laws and regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The county's Budget/Finance

Committee and the Board of Education are authorized bodies to make assignments.

Unassigned Fund Balance – the residual classification of the General and General Purpose School funds. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

8. Prior-period Adjustments

Capital assets of the primary government were restated \$115,927 from the prior year because an asset that had been disposed of was not removed from the records and an addition was incorrectly valued. Capital assets of the discretely presented Madison County School Department were restated \$8,713,803 from the prior year because construction in progress for energy efficiency improvements had been omitted.

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), the Constitutional Officers - Fees Fund (special revenue fund), and the Other Capital Projects Fund (capital projects 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.

At June 30, 2011, Madison County and the Madison County School Department reported the following significant encumbrances:

Funds	Description	Amount
Primary Government		
Major Fund:		
General	Flood Control	\$ 237,358
School Department		
Major Fund:		
General Purpose School	Computers and Equipment	579,793
School Federal Projects	Video Conference Equipment	71,926
Education Capital Projects	Equipment	721,790

B. Expenditures and Encumbrances Exceeded Appropriations

Expenditures and encumbrances exceeded appropriations in the major appropriation categories (the legal level of control) of the following funds of the primary government:

Funds	Major Appropriation Category	Amount Overspent
General	Drug Enforcement	\$ 8,292
"	Flood Control	3,059
Solid Waste/Sanitation	Convenience Centers	1,037
Special Purpose	Airport	14,471
"	Miscellaneous	4,167
General Capital Projects	Civil Defense	290
"	Airport	30

Also, expenditures and encumbrances exceeded total appropriations in the Education Capital Projects Fund of the discretely presented Madison County School Department by \$195,505.

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balances.

C. Appropriations Exceeded Estimated Available Funds

The budget and subsequent amendments submitted to and approved by the County Commission for the discretely presented School Federal Projects Fund resulted in appropriations exceeding estimated available funding by \$28,623.

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.

The county had no pooled and nonpooled investments as of June 30, 2011.

B. Note Receivable

The note receivable in the General Fund represents a long-term loan made to the Pinson Utility District. The amount of the note that is not expected to be collected within one year is \$180,064 and is offset by nonexpendable fund balance.

C. Capital Assets

Capital assets activity for the year ended June 30, 2011, was as follows:

Primary Government

Governmental Activities:

	* Restated			
	Balance			Balance
	7-1-10	Increases	Decreases	6-30-11
Capital Assets Not Depreciated:				
Land	\$ 8,346,077	\$ 0	\$ 0	\$ 8,346,077
Construction in Progress	0	31,479	0	31,479
Total Capital Assets				
Not Depreciated	<u>\$ 8,346,077</u>	<u>\$ 31,479</u>	<u>\$ 0</u>	<u>\$ 8,377,556</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 25,870,535	\$ 0	\$ 0	\$ 25,870,535
Roads and Bridges	57,495,708	534,601	0	58,030,309
Other Capital Assets	15,172,912	696,971	87,863	15,782,020
Total Capital Assets				
Depreciated	<u>\$ 98,539,155</u>	<u>\$ 1,231,572</u>	<u>\$ 87,863</u>	<u>\$ 99,682,864</u>

Governmental Activities (Cont.):

	* Restated			
	Balance			Balance
	7-1-10	Increases	Decreases	6-30-11
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 8,778,899	\$ 630,258	\$ 0	\$ 9,409,157
Roads and Bridges	25,921,563	1,893,505	0	27,815,068
Other Capital Assets	11,012,542	821,030	87,863	11,745,709
Total Accumulated				
Depreciation	\$ 45,713,004	\$ 3,344,793	\$ 87,863	\$ 48,969,934
Total Capital Assets				
Depreciated, Net	\$ 52,826,151	\$ (2,113,221)	\$ 0	\$ 50,712,930
Governmental Activities				
Capital Assets, Net	\$ 61,172,228	\$ (2,081,742)	\$ 0	\$ 59,090,486

* See footnote I.D.8. for prior-period adjustment.

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

Governmental Activities:

General Government	\$ 18,036
Finance	9,876
Administration of Justice	155,924
Public Safety	927,950
Public Health and Welfare	150,172
Social, Cultural, and Recreational Services	57,580
Agriculture and Natural Resources	5,152
Other Operations	43,047
General Administration	890
Highways/Public Works	1,976,166
Total Depreciation Expense -	
Governmental Activities	\$ 3,344,793

Discretely Presented Madison County School Department

Governmental Activities:

	*Restated			
	Balance			Balance
	7-1-10	Increases	Decreases	6-30-11
	<hr/>			
Capital Assets Not Depreciated:				
Land	\$ 2,091,562	\$ 0	\$ 0	\$ 2,091,562
Construction in Progress	8,713,803	0	8,713,803	0
Total Capital Assets Not Depreciated	<hr/> \$ 10,805,365	\$ 0	\$ 8,713,803	<hr/> \$ 2,091,562
Capital Assets Depreciated:				
Buildings and Improvements	\$ 106,577,314	\$ 10,881,708	\$ 0	\$ 117,459,022
Infrastructure	0	256,568	0	256,568
Other Capital Assets	12,387,314	2,102,490	0	14,489,804
Total Capital Assets Depreciated	<hr/> \$ 118,964,628	\$ 13,240,766	\$ 0	<hr/> \$ 132,205,394
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 42,303,474	\$ 2,458,628	\$ 0	\$ 44,762,102
Infrastructure	0	19,820	0	19,820
Other Capital Assets	6,993,077	832,393	0	7,825,470
Total Accumulated Depreciation	<hr/> \$ 49,296,551	\$ 3,310,841	\$ 0	<hr/> \$ 52,607,392
Total Capital Assets Depreciated, Net	<hr/> \$ 69,668,077	\$ 9,929,925	\$ 0	<hr/> \$ 79,598,002
Governmental Activities Capital Assets, Net	<hr/> \$ 80,473,442	\$ 9,929,925	\$ 8,713,803	<hr/> \$ 81,689,564

* See footnote I.D.8. for prior-period adjustment.

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

Governmental Activities:

Instruction	\$ 2,195,246
Support Services	903,722
Operation of Non-Instructional Services	<u>211,873</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,310,841</u>

D. Construction Commitments

At June 30, 2011, the School Department's Education Capital Projects Fund had uncompleted construction contracts of \$235,290 for portable classroom relocation and a fire protection system. Funding for these future expenditures is expected to be received from property taxes.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2011, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 68,515
Discretely Presented		
School Department:		
General Purpose School	School Federal Projects	6,707
General Purpose School	Nonmajor governmental	1,631

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.

The receivable in the discretely presented School Department's General Purpose School Fund (\$8,338) was in transit from the School Federal Projects (\$6,707) and nonmajor governmental (\$1,631) funds at June 30, 2011.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2011, consisted of the following amounts:

Primary Government

	<u>Transfers In</u>		
	General Fund	Debt Service Fund	Nonmajor Governmental Funds
Transfers Out			
General Fund	\$ 0	\$ 0	700,000
Highway/Public Works Fund	29,203	0	0
Nonmajor governmental funds	0	122,294	0
Total	<u>\$ 29,203</u>	<u>\$ 122,294</u>	<u>\$ 700,000</u>

Discretely Presented Madison County School Department

	<u>Transfer In</u>
Transfer Out	General Purpose School Fund
School Federal Projects Fund	\$ 452,170

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, 2011, 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, 2011, for governmental activities are as follows:

Type	Interest Rate	Original Amount of Issue	Balance 6-30-11
General Obligation Bonds	1.1 to 5.25 %	\$ 10,820,000	\$ 10,395,000
General Obligation Bonds - Refunding	3 to 5	50,455,000	49,555,000
Capital Outlay Notes	3.3	250,000	40,948
Capital Outlay Notes - Refunding	4 to 5	21,315,000	5,600,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2011, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2017-2021	29,885,000	5,466,107	35,351,107
2022-2025	9,950,000	748,931	10,698,931
Total	\$ 59,950,000	\$ 18,278,035	\$ 78,228,035

Year Ending June 30	Notes		
	Principal	Interest	Total
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	\$ 5,640,948	\$ 361,764	\$ 6,002,712

There is \$6,211,888 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$610, based on the 2010 federal census. Debt per capita, including bonds and notes, totaled \$667, based on the 2010 federal census.

Changes in Long-term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2010	\$ 60,575,000	\$ 9,921,416
Deductions	(625,000)	(4,280,468)
Balance, June 30, 2011	\$ 59,950,000	\$ 5,640,948
Balance Due Within One Year	\$ 650,000	\$ 4,015,984

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2010	\$ 1,602,973	\$ 834,610
Additions	1,302,942	553,939
Deductions	(1,258,628)	(53,568)
Balance, June 30, 2011	\$ 1,647,287	\$ 1,334,981
Balance Due Within One Year	\$ 1,284,041	\$ 0

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, 2011	\$ 68,573,216
Add: Unamortized Premium on Debt	2,055,685
Less: Balance Due Within One Year	(5,950,025)
Less: Deferred Amount on Refunding	<u>(975,305)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 63,703,571</u></u>

Defeasance of Prior Debt

In the prior year, Madison County defeased certain outstanding general obligation bonds by placing the proceeds of new bonds into an irrevocable trust fund to provide for all future debt service payments on the old bonds. The trustee is empowered and required to pay all principal and interest on the defeased bonds as originally scheduled. Accordingly, the trust accounts and the defeased bonds are not included in the county's financial statements. At June 30, 2011, the following outstanding bonds are considered defeased:

<u>Bonds</u>	<u>Amount</u>	<u>Call Date</u>
School and Public Improvement Bonds Series 2002	\$ 1,000,000	4-1-13
School and Public Improvement Bonds Series 2003	7,100,000	4-1-13

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, 2011, was as follows:

Governmental Activities:

	<u>Compensated Absences</u>	<u>Other Postemployment Benefits</u>
Balance, July 1, 2010	\$ 346,640	\$ 2,734,218
Additions	378,742	2,987,497
Deductions	<u>(380,449)</u>	<u>(961,163)</u>
Balance, June 30, 2011	<u>\$ 344,933</u>	<u>\$ 4,760,552</u>
Balance Due Within One Year	<u>\$ 316,433</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2011	\$ 5,105,485
Less: Balance Due Within One Year	<u>(316,433)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,789,052</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

Primary Government

The State of Tennessee pays health insurance premiums for some retired employees on-behalf of Madison County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2011 were \$4,857. The county has recognized these on-behalf payments as revenues and expenditures in the General and Highway/Public Works funds.

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, 2011, were \$611,783 and \$95,226, 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 (\$4,000,000), Juvenile Services (\$100,000), Solid Waste/Sanitation (\$200,000), and General Capital Projects (\$150,000) 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, 2011, was as follows:

	Balance 7-1-10		Issued		Paid		Balance 6-30-11
Revenue							
Anticipation Notes	\$ 0	\$	4,450,000	\$	(4,450,000)	\$	0

Discretely Presented Madison County School Department

Madison County issued revenue anticipation notes and deposited the proceeds in the discretely presented School Federal Projects Fund. These notes were necessary to provide operating funds until federal reimbursements of grant expenditures were received. Short-term debt activity for the year ended June 30, 2011, was as follows:

	Balance 7-1-10		Issued		Paid		Balance 6-30-11
Revenue							
Anticipation Notes	\$ 0	\$	600,000	\$	(600,000)	\$	0

V. OTHER INFORMATION

A. Risk Management

Primary Government

Employee Health Insurance

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 2010-11 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
2009-10	\$ 160,470	\$ 4,215,111	\$(4,225,581)	150,000
2010-11	150,000	3,000,066	(3,000,066)	150,000

Workers’ Compensation Insurance

Madison County has elected to implement and administrate an On-the-Job Program under the provisions of Section 50-6-106(16), *Tennessee Code Annotated (TCA)*, to provide uniform procedures for the reporting, treatment, and compensation of qualified individuals who are injured or fall ill while performing their duties.

Liability, Property, and Casualty

Madison County participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

Discretely Presented Madison County School Department

Employee Health Insurance

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, *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.

Workers' Compensation Insurance

The discretely presented Madison County School Department participates in the Local Government Workers' Compensation Fund (LWCF), a public entity risk pool established under the provisions of Section 29-20-401, *TCA*, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The school department pays an annual premium to the LWCF for its workers' compensation insurance coverage. The LWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

Liability, Property, and Casualty

The discretely presented Madison County School Department participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The School Department pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

B. Accounting Change

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* became effective for the year ended June 30, 2011.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications include nonspendable, restricted, committed, assigned, and unassigned and are based on the relative strength of the constraints that control how specific amounts can be spent. Also, Statement No. 54 clarified the definitions of the General Fund and the special revenue, capital projects, debt service, and permanent fund types. Madison County and the Madison County School Department have implemented provisions of this statement in the financial statements of this report for their governmental funds.

C. Subsequent Event

Director of Schools Nancy Zambito resigned June 30, 2011, and was succeeded by interim superintendent Buddy White on July 1, 2011.

D. Contingent Liabilities

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

The attorney for the School Department advised that there were no pending lawsuits, unasserted claims, or assessments involving the School Department that would materially affect the School Department's financial statements.

E. Changes in Administration

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

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

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 \$210,240 to the Airport Authority for its operations during the year ended June 30, 2011. One-half of this contribution was refunded to Madison County by the City of Jackson per an agreement between Madison County and the City of Jackson. Madison County provides annual support to the library for its operations. Funding for the Community Economic Development Commission is provided through a hotel/motel tax levied jointly by the City of Jackson and Madison County. Twenty percent of the monies collected from this tax is allocated to the Community Economic Development Commission pursuant to the provisions of a private act. Madison County does not have an equity interest in any of the above-mentioned joint ventures. Complete financial statements for the above-noted joint ventures can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

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

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

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

Jackson-Madison County Library
101 North Highland Avenue
Jackson, TN 38301

G. Retirement Commitments

Tennessee Consolidated Retirement System

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 requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 14.53 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2011, the county's annual pension cost of \$4,862,694 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2009, 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), and (c) projected 3.5 percent annual increase in the Social Security wage base. 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 ten-year period. The 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, 2009, was nine 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
6-30-11	\$4,862,694	100%	\$0
6-30-10	4,520,048	100	0
6-30-09	4,545,746	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 million, and the actuarial value of assets was \$78 million, resulting in an

unfunded actuarial accrued liability (UAAL) of \$14 million. The covered payroll (annual payroll of active employees covered by the plan) was \$31 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 multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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

SCHOOL TEACHERS

Plan Description

The 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 salary 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, 2011, was 9.05 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, 2011, 2010, and 2009 were \$5,004,994, 3,474,278, and \$3,549,187, 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, 2011, the plan had 34 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, 2011, the Madison County School Department's annual pension cost of \$326,830 to the CJTRP was equal to the system's required and actual contributions.

Annual required contribution (ARC)	\$ 326,830
Interest on net pension obligation	0
Adjustment to ARC	0
Annual pension cost	<u>\$ 326,830</u>
Contributions made	<u>(326,830)</u>
Increase (decrease) in net pension obligation	\$ 0
Net pension obligation, July 1, 2010	<u>0</u>
Net pension obligation, June 30, 2011	<u><u>\$ 0</u></u>

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-11	\$ 326,830	100	% \$ 0
6-30-10	321,005	100	0
6-30-09	377,755	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, 2011, the most recent actuarial valuation date, the plan was 25 percent funded. The actuarial accrued liability for benefits was \$3,812,330, and the actuarial value of assets was \$961,499, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,850,831. The covered payroll (annual payroll of active employees covered by the plan) was \$57,610, and the ratio of UAAL to the covered payroll was 4,949 percent.

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.

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 \$53,568 were recognized for the primary government.

Annual OPEB Cost and Net OPEB Obligation

	Primary Government Plan
	<hr/>
ARC	\$ 551,956
Interest on NPO	37,557
Adjustment to ARC	(35,574)
Annual OPEB cost	<hr/> \$ 553,939
Less: Amount of contribution	(53,568)
Increase (decrease) in NPO	<hr/> \$ 500,371
Net OPEB obligation, 7-1-10	<hr/> 834,610
	<hr/>
Net OPEB obligation, 6-30-11	<hr/> <hr/> \$ 1,334,981

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
6-30-11	"	553,939	10	1,334,981

Funding Status and Funding Progress

The funded status of the plan as of July 1, 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 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 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. In previous fiscal years, prior to reaching age 65, all members had the option of choosing a preferred provider organization (PPO), point of service (POS), or health maintenance organization (HMO) plan for healthcare benefits. However, as of January 1, 2010, the insurance plan structure was changed and as a result all members now have the option of choosing between the standard or partnership preferred provider organization (PPO) 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 plans are 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 employee reaches age 65 and is Medicare eligible. The School Department pays 62 percent of single coverage and 57 percent of family coverage for all certified and qualifying noncertified personnel. As of June 30, 2011, there were 205 former employees participating. Expenditures totaling \$961,163 were recognized for postemployment health care.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<u>Plan</u>
ARC	\$ 2,981,000
Interest on NPO	123,040
Adjustment to ARC	(116,543)
Annual OPEB cost	<u>\$ 2,987,497</u>
Less: Amount of contribution	<u>(961,163)</u>
Increase (decrease) in NPO	\$ 2,026,334
Net OPEB obligation, 7-1-10	<u>2,734,218</u>
Net OPEB obligation, 6-30-11	<u><u>\$ 4,760,552</u></u>

Fiscal Year Ended Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-09 Local Education Group	\$ 846,258	75 %	% \$ 423,990
6-30-10 "	2,965,008	22	2,734,218
6-30-11 "	2,987,497	32	4,760,552

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010, was as follows:

	Local Education Group Plan
	<u>Plan</u>
Actuarial valuation date	7-1-10
Actuarial accrued liability (AAL)	\$ 29,994,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 29,994,000
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, 2010, actuarial valuation for the Local Education Group Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of ten percent for fiscal year 2011. The trend will decrease to 9.5 percent in fiscal year 2012 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.

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

A. **Significant Accounting Policies**

1. **Reporting Entity**

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

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

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

2. **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

The accounting and reporting treatment applied to a fund is determined by its measurement focus. Enterprise funds are accounted for on a cost of services or capital maintenance measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with this activity are included on their

statement of net assets. Enterprise fund operating statements present increases (revenues) and decreases (expenses) in total net assets.

3. Assets, Liabilities, and Net Assets

Deposits and Investments

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

State statutes allow investments in obligations of the U.S. Treasury, agencies, instrumentalities and obligations guaranteed as to principal and interest of the United States or any of its agencies, repurchase agreements, the Tennessee Local Government Investment Pool and certificates of deposits.

Accounts Receivable

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

Capital Assets

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

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

Compensated Absences

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

Net Assets

Equity is reported as net assets, which are classified into the following components, as applicable:

Invested in capital assets – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any payables that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – net assets when constraints are placed on their use by external third parties or imposed by law.

Unrestricted – all other net assets that do not meet the definition of the other categories.

Revenues

The district receives remittances from telephone companies and the State of Tennessee representing fees that have been collected on behalf of the district for 911 services. These fees are remitted to the district on a monthly or bi-monthly schedule, depending on the telephone company. Fees collected are considered operating revenues.

B. Stewardship, Compliance, and Accountability

Budgetary Information

The district adopts a budget in accordance with the requirements of the Tennessee Emergency Communications Board and *Tennessee Code Annotated*, 7-86-120. This budget is adopted on another comprehensive basis of accounting, which is not in accordance with generally accepted accounting principals. The budgetary basis of accounting includes expenditures for fixed assets and reduction of principal on long-term debt, but does not include depreciation. Expenditures are required to be within budgetary limits at the line-item level of control.

C. Detailed Notes on Accounts

1. Deposits and Investments

The district's policies limit deposits and investments to those instruments allowed by applicable state laws and described below. State statute requires that all deposits with financial institutions must be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the district's agent in the district's name, or by the Federal Reserve banks acting as third-party agents. State statutes also authorize the district to invest in bonds, notes or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the

United States or its agencies as the underlying securities, the state pooled investment fund, and mutual funds. Statutes also require that securities underlying repurchase agreements must have a market value of at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2011, \$500,228 of the district's bank balance was covered by federal depository insurance, and the remaining bank balance of \$2,777,051 was covered by the Tennessee Bank Collateral Pool.

2. Capital Assets

Capital assets activity for the year was as follows:

Description	Balance 7-1-10		Balance 6-30-11	
		Increases	Decreases	
Capital Assets				
Not Depreciated:				
Land	\$ 0	\$ 16,100	\$ 0	\$ 16,100
Capital Assets Depreciated:				
Buildings	\$ 0	\$ 294,664	\$ 0	\$ 294,664
Furniture and Fixtures	136,467	0	3,612	132,855
Office Equipment	43,888	45,503	9,968	79,423
Communications Equipment	1,545,049	49,863	3,394	1,591,518
Vehicles	30,691	0	0	30,691
Total Capital Assets Being Depreciated	\$ 1,756,095	\$ 390,030	\$ 16,974	\$ 2,129,151
Less Accumulated Depreciation For:				
Buildings	\$ 0	\$ 6,463	\$ 0	\$ 6,463
Furniture and Fixtures	65,049	13,195	3,612	74,632
Office Equipment	31,614	8,451	9,968	30,097
Communications Equipment	1,103,396	171,153	3,394	1,271,155
Vehicles	11,457	6,138	0	17,595
Total Capital Assets Being Depreciated	\$ 1,211,516	\$ 205,400	\$ 16,974	\$ 1,399,942
Total Capital Assets Depreciated, Net	\$ 544,579	\$ 184,630	\$ 0	\$ 729,209
Total Capital Assets, Net	\$ 544,579	\$ 200,730	\$ 0	\$ 745,309

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

D. Other Information

1. Funding Sources

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

2. Retirement Plan

Plan Description

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

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

Andrew Jackson Building, Nashville, Tennessee 37243-0230 or can be accessed at www.tn.gov/treasury/tcrs/PS.

Funding Policy

The district has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2011, was 16.05 percent of annual covered payroll. The contribution requirements of plan members are set by state statute. Contribution requirements for the district are established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2011, the district’s annual pension cost of \$23,008 to TCRS was equal to the district’s required and actual contributions.

The required contribution was determined as part of the July 1, 2009, 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 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 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of equities over a ten-year period. The district’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2009, was 20 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
6-30-11	\$ 23,008	100 %	\$ 0
6-30-10	18,960	100	0
6-30-09	18,565	100	0

3. Commitments

The district is obligated to AT&T for the monthly operating and maintenance services of the emergency communications system. The maintenance portion of this contract is \$10,722 per month for a 72-month period, beginning in 2006. The operating portion under this contract is based on the actual number of lines used and is adjusted annually. The current base operating charge is \$6,060 monthly. During this fiscal year, the communications equipment used by the County Fire Department was added and has a monthly maintenance fee of \$1,886. The projections of the obligations under this contract are as follows:

Year Ending	Maintenance
2012	\$ 22,632
2013	22,632
2014	22,632
2015	22,632
2016	<u>11,316</u>
Total	<u><u>\$ 101,844</u></u>

4. Risk Management

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 20,627,226	\$ 0	\$ 0	\$ 20,627,226	\$ 19,993,652	\$ 20,067,751	\$ 559,475
Licenses and Permits	306,659	0	0	306,659	376,100	382,500	(75,841)
Fines, Forfeitures, and Penalties	470,910	0	0	470,910	562,545	479,064	(8,154)
Charges for Current Services	397,995	0	0	397,995	737,540	834,539	(436,544)
Other Local Revenues	420,585	0	0	420,585	192,368	358,151	62,434
Fees Received from County Officials	4,722,178	0	0	4,722,178	4,670,500	4,604,500	117,678
State of Tennessee	1,559,143	0	0	1,559,143	1,444,041	1,607,541	(48,398)
Federal Government	797,021	0	0	797,021	624,446	1,038,193	(241,172)
Other Governments and Citizens Groups	1,441,082	0	0	1,441,082	983,882	1,702,755	(261,673)
Total Revenues	\$ 30,742,799	\$ 0	\$ 0	\$ 30,742,799	\$ 29,585,074	\$ 31,074,994	\$ (332,195)
Expenditures							
General Government							
County Commission	\$ 147,999	\$ 0	\$ 0	\$ 147,999	\$ 143,514	\$ 150,529	\$ 2,530
County Mayor/Executive	233,547	0	0	233,547	240,939	240,179	6,632
Personnel Office	189,105	0	0	189,105	195,857	195,475	6,370
County Attorney	40,443	0	0	40,443	38,297	40,807	364
Election Commission	382,811	0	0	382,811	423,617	420,972	38,161
Register of Deeds	328,543	0	0	328,543	363,618	362,892	34,349
Codes Compliance	76,563	0	0	76,563	68,132	78,216	1,653
County Buildings	307,479	(12,000)	0	295,479	291,761	324,561	29,082
Other Facilities	469,966	0	0	469,966	504,400	485,100	15,134
Preservation of Records	36,308	0	0	36,308	44,971	43,798	7,490
Finance							
Accounting and Budgeting	963,178	0	0	963,178	974,885	966,877	3,699

(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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)	
					Original			Final
					Original	Final		
<u>Expenditures (Cont.)</u>								
<u>Finance (Cont.)</u>								
Property Assessor's Office	\$ 754,219	\$ (680)	\$ 0	\$ 753,539	\$ 805,633	\$ 803,483	\$ 49,944	
Reappraisal Program	192,743	0	0	192,743	231,606	231,606	38,863	
County Trustee's Office	313,924	0	583	314,507	363,312	354,879	40,372	
County Clerk's Office	630,013	0	0	630,013	661,880	655,555	25,542	
<u>Administration of Justice</u>								
Circuit Court	1,012,732	0	225	1,012,957	1,034,388	1,052,333	39,376	
General Sessions Court	301,402	0	321	301,723	326,876	320,653	18,930	
Drug Court	7,401	0	0	7,401	7,620	7,620	219	
Chancery Court	655,018	0	3,395	658,413	643,091	665,322	6,909	
Juvenile Court	349,672	0	170	349,842	371,444	368,816	18,974	
District Attorney General	83,869	0	0	83,869	84,130	83,938	69	
Office of Public Defender	74,374	0	0	74,374	74,647	74,395	21	
Other Administration of Justice	288,799	0	0	288,799	225,778	306,778	17,979	
<u>Public Safety</u>								
Sheriff's Department	5,377,183	0	0	5,377,183	5,360,443	5,596,448	219,265	
Special Patrols	848,367	0	0	848,367	868,283	886,905	38,538	
Drug Enforcement	8,292	0	0	8,292	8,342	0	(8,292)	
Jail	6,393,331	0	0	6,393,331	6,386,519	6,553,039	159,708	
Workhouse	1,687,588	0	0	1,687,588	1,874,321	1,748,988	61,400	
Juvenile Services	353,465	0	0	353,465	368,413	358,412	4,947	
Fire Prevention and Control	617,081	0	0	617,081	639,220	650,527	33,446	
Civil Defense	334,129	0	0	334,129	299,795	335,142	1,013	
Disaster Relief	144,692	0	0	144,692	0	237,174	92,482	
Inspection and Regulation	163,286	0	138	163,424	193,545	190,685	27,261	

(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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Public Safety (Cont.)</u>							
County Coroner/Medical Examiner	\$ 83,300	\$ 0	\$ 0	\$ 83,300	\$ 98,762	\$ 98,897	\$ 15,597
Other Public Safety	17,968	0	0	17,968	18,149	18,442	474
<u>Public Health and Welfare</u>							
Local Health Center	1,675,868	(16,030)	11,079	1,670,917	1,774,049	1,777,918	107,001
Rabies and Animal Control	177,311	0	1,437	178,748	184,893	184,893	6,145
Maternal and Child Health Services	107,732	(108,210)	478	0	0	0	0
Alcohol and Drug Programs	28,692	0	0	28,692	28,692	28,692	0
Other Local Health Services	32,130	0	0	32,130	32,130	32,130	0
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	34,708	0	0	34,708	31,500	34,708	0
Libraries	1,033,917	0	0	1,033,917	975,194	1,035,734	1,817
Parks and Fair Boards	865,959	0	0	865,959	926,270	918,456	52,497
Other Social, Cultural, and Recreational	66,788	0	630	67,418	85,198	85,198	17,780
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	172,934	0	0	172,934	188,256	192,826	19,892
Forest Service	2,000	0	0	2,000	2,000	2,000	0
Soil Conservation	97,057	0	0	97,057	111,920	100,780	3,723
Flood Control	50,000	0	237,358	287,358	50,000	284,299	(3,059)
<u>Other Operations</u>							
Industrial Development	72,000	0	0	72,000	72,000	72,000	0
Airport	227,707	0	0	227,707	227,740	227,740	33
Other Charges	457,949	0	0	457,949	517,568	520,446	62,497
Contributions to Other Agencies	177,960	0	0	177,960	177,960	177,960	0
Employee Benefits	4,230	0	0	4,230	0	4,230	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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
Miscellaneous	\$ 1,442,356	\$ 0	\$ 7,000	\$ 1,449,356	\$ 1,417,683	\$ 1,450,183	\$ 827
Principal on Debt							
General Government	15,468	0	0	15,468	17,088	15,468	0
Interest on Debt							
General Government	1,620	0	0	1,620	0	1,620	0
Total Expenditures	\$ 30,613,176	\$ (136,920)	\$ 262,814	\$ 30,739,070	\$ 31,056,329	\$ 32,056,724	\$ 1,317,654
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ 129,623	\$ 136,920	\$ (262,814)	\$ 3,729	\$ (1,471,255)	\$ (981,730)	\$ 985,459
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 150,662	\$ 0	\$ 0	\$ 150,662	\$ 0	\$ 153,536	\$ (2,874)
Transfers In	29,203	0	0	29,203	384,309	29,203	0
Transfers Out	(700,000)	0	0	(700,000)	(500,000)	(1,001,703)	301,703
Total Other Financing Sources (Uses)	\$ (520,135)	\$ 0	\$ 0	\$ (520,135)	\$ (115,691)	\$ (818,964)	\$ 298,829
Net Change in Fund Balance	\$ (390,512)	\$ 136,920	\$ (262,814)	\$ (516,406)	\$ (1,586,946)	\$ (1,800,694)	\$ 1,284,288
Fund Balance, July 1, 2010	3,931,835	(136,920)	0	3,794,915	2,849,541	3,794,915	0
Fund Balance, June 30, 2011	\$ 3,541,323	\$ 0	\$ (262,814)	\$ 3,278,509	\$ 1,262,595	\$ 1,994,221	\$ 1,284,288

Exhibit F-2

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,857,902	\$ 1,866,146	\$ 1,862,756	\$ (4,854)
Other Local Revenues	17,926	26,000	16,307	1,619
State of Tennessee	3,074,888	3,059,441	3,646,656	(571,768)
Federal Government	1,653,665	0	1,562,034	91,631
Total Revenues	<u>\$ 6,604,381</u>	<u>\$ 4,951,587</u>	<u>\$ 7,087,753</u>	<u>\$ (483,372)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Disaster Relief	\$ 930,625	\$ 0	\$ 995,033	\$ 64,408
<u>Highways</u>				
Administration	363,566	351,161	388,432	24,866
Highway and Bridge Maintenance	2,608,566	3,151,012	3,337,673	729,107
Operation and Maintenance of Equipment	365,288	563,031	540,351	175,063
Other Charges	166,090	207,650	197,150	31,060
Employee Benefits	140,380	285,972	355,524	215,144
Capital Outlay	578,863	1,207,926	1,880,491	1,301,628
Total Expenditures	<u>\$ 5,153,378</u>	<u>\$ 5,766,752</u>	<u>\$ 7,694,654</u>	<u>\$ 2,541,276</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,451,003</u>	<u>\$ (815,165)</u>	<u>\$ (606,901)</u>	<u>\$ 2,057,904</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 7,281	\$ 0	\$ 6,781	\$ 500
Transfers Out	(29,203)	(29,203)	(29,203)	0
Total Other Financing Sources (Uses)	<u>\$ (21,922)</u>	<u>\$ (29,203)</u>	<u>\$ (22,422)</u>	<u>\$ 500</u>
Net Change in Fund Balance	\$ 1,429,081	\$ (844,368)	\$ (629,323)	\$ 2,058,404
Fund Balance, July 1, 2010	<u>4,172,004</u>	<u>3,640,042</u>	<u>4,172,004</u>	<u>0</u>
Fund Balance, June 30, 2011	<u>\$ 5,601,085</u>	<u>\$ 2,795,674</u>	<u>\$ 3,542,681</u>	<u>\$ 2,058,404</u>

Exhibit F-3

Madison County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Madison County School Department
June 30, 2011

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
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, 2011

Former City of Jackson Teacher Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-07	\$ 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	20.13	51,963	7,544.17
7-1-11	961,499	3,812,330	2,850,831	25.20	57,610	4,948.50

Exhibit F-5

Madison County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Madison County Emergency Communications District
June 30, 2011

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-07	\$ 194	\$ 282	\$ 88	68.79 %	\$ 118	74.58 %
7-1-09	221	373	152	59.12	137	111.54

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-6

Madison County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Madison County School Department
June 30, 2011

(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	\$ 4,623	\$ 4,623	0	\$ 18,550	25 %
"	7-1-09	0	4,999	4,999	0	20,245	25
<u>DISCRETELY PRESENTED MADISON</u> <u>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	65,785	46
"	7-1-10	0	29,994	29,994	0	68,884	44

* Data only available for two actuarial valuations.

MADISON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2011

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.

At June 30, 2011, Madison County reported the following significant encumbrance in the General Fund:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
General	Flood Control	\$ 237,358

B. EXPENDITURES AND ENCUMBRANCES EXCEEDED APPROPRIATIONS

Expenditures and encumbrances exceeded appropriations approved by the County Commission in the Drug Enforcement and Flood Control major appropriation categories (the legal level of control) of the General Fund by \$8,292 and \$3,059, respectively. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations 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 and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

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.

Special Purpose Fund – The Special Purpose Fund is used to account for transactions related to certain public safety, health and welfare programs.

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

General Capital Projects Fund – The General Capital Projects Fund is 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.

Other Capital Projects Fund – The Other Capital Projects Fund was used to account for debt issued by Madison County that was subsequently contributed to the discretely presented Madison County School Department for energy efficiency improvements. This fund was closed during the 2010-11 year.

Madison County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2011

	Special Revenue Funds					
	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose	Drug Control	District Attorney General
\$	0	0	0	0	0	0
Cash	275,997	173,711	3,575,350	332,356	28,972	8,630
Equity in Pooled Cash and Investments	19,229	19,859	43,382	223,328	0	0
Accounts Receivable	0	0	0	(15,618)	0	0
Allowance for Uncollectibles	46,226	41,755	0	642,728	0	0
Due from Other Governments	1,200,911	966,744	1,757,550	0	0	0
Property Taxes Receivable	(58,270)	(46,908)	(107,112)	0	0	0
Allowance for Uncollectible Property Taxes						
Total Assets	\$ 1,484,093	\$ 1,155,161	\$ 5,269,170	\$ 1,182,794	\$ 28,972	\$ 8,630

ASSETS

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

Total Assets

LIABILITIES AND FUND BALANCES

Liabilities						
Accounts Payable	\$ 9,089	\$ 7,408	\$ 0	\$ 127,903	\$ 0	\$ 0
Payroll Deductions Payable	65,155	2,011	0	30,580	0	0
Due to Other Funds	0	0	0	34,585	0	0
Due to State of Tennessee	0	0	0	23	0	0
Deferred Revenue - Current Property Taxes	1,101,076	886,377	1,556,082	0	0	0
Deferred Revenue - Delinquent Property Taxes	37,565	30,359	85,756	0	0	0
Other Deferred Revenues	0	0	0	207,710	0	0
Total Liabilities	\$ 1,212,885	\$ 926,155	\$ 1,641,838	\$ 400,801	\$ 0	\$ 0

Fund Balances

Restricted:
 Restricted for Administration of Justice
 Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Highways/Public Works

\$	0	0	0	0	0	0
236,678	0	0	0	18,996	28,972	0
0	201,214	0	359,360	0	0	0
0	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose	Drug Control	District Attorney General
\$	0	0	0	0	0	0
	0	0	3,549,026	0	0	0
	0	0	78,306	0	0	0
	34,530	0	0	0	0	0
	0	27,792	0	0	0	0
	0	0	0	0	0	0
	0	0	0	403,637	0	0
\$	271,208	229,006	3,627,332	781,993	28,972	8,630
\$	1,484,093	1,155,161	5,269,170	1,182,794	28,972	8,630

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)	
Restricted (Cont.):	
Restricted for Capital Outlay	
Restricted for Other Purposes	
Committed:	
Committed for General Government	
Committed for Public Safety	
Committed for Public Health and Welfare	
Committed for Capital Outlay	
Assigned:	
Assigned for Public Health and Welfare	
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 (Cont.)	Capital Projects Funds					Total Nonmajor Governmental Funds
	Constituti onal Officers - Fees	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	Total	
\$ 33,507 \$	33,507 \$	0 \$	0 \$	0 \$	0 \$	33,507
0	4,395,016	2,893,547	208,826	685,457	3,787,830	8,182,846
423	306,221	61,740	0	0	61,740	367,961
0	(15,618)	0	0	0	0	(15,618)
0	730,709	0	0	0	0	730,709
0	3,925,205	1,542,122	0	0	1,542,122	5,467,327
0	(212,290)	(127,515)	0	0	(127,515)	(339,805)
\$ 33,930 \$	9,162,750 \$	4,369,894 \$	208,826 \$	685,457 \$	5,264,177 \$	14,426,927

ASSETS

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

LIABILITIES AND FUND BALANCES

<u>Liabilities</u>	
Accounts Payable	
Payroll Deductions Payable	
Due to Other Funds	
Due to State of Tennessee	
Deferred Revenue - Current Property Taxes	
Deferred Revenue - Delinquent Property Taxes	
Other Deferred Revenues	
Total Liabilities	
<u>Fund Balances</u>	
Restricted:	
Restricted for Administration of Justice	
Restricted for Public Safety	
Restricted for Public Health and Welfare	
Restricted for Highways/Public Works	

(Continued)

Exhibit G-1

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

Special Revenue Funds (Cont.)	Capital Projects Funds					Total Nonmajor Governmental Funds
	Constituti- onal Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	
\$ 0 \$	0 \$	2,846,899 \$	208,826 \$	0 \$	3,055,725 \$	3,055,725
0	3,549,026	0	0	0	0	3,549,026
0	78,306	0	0	0	0	78,306
0	34,530	0	0	0	0	34,530
0	27,792	0	0	0	0	27,792
0	0	121,388	0	0	121,388	121,388
0	403,637	0	0	0	0	403,637
\$ 0 \$	\$ 4,947,141	\$ 2,968,287	\$ 208,826	\$ 685,457	\$ 3,862,570	\$ 8,809,711
\$ 33,930	\$ 9,162,750	\$ 4,369,894	\$ 208,826	\$ 685,457	\$ 5,264,177	\$ 14,426,927

LIABILITIES AND FUND BALANCES (Cont.)

Fund Balances (Cont.)

Restricted (Cont.):	
Restricted for Capital Outlay	
Restricted for Other Purposes	
Committed:	
Committed for General Government	
Committed for Public Safety	
Committed for Public Health and Welfare	
Committed for Capital Outlay	
Assigned:	
Assigned for Public Health and Welfare	
Total Fund Balances	
Total Liabilities and Fund Balances	

Madison County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2011

	Special Revenue Funds							Total
	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose	Drug Control	District Attorney General		
Revenues								
Local Taxes	\$ 1,145,802	\$ 934,399	\$ 2,552,916	\$ 0	\$ 0	\$ 0	\$ 4,633,117	
Fines, Forfeitures, and Penalties	0	0	0	0	38,581	21,031	59,612	
Charges for Current Services	1,505	0	0	547,293	0	0	548,798	
Other Local Revenues	18	19,635	0	2,280	0	0	21,933	
State of Tennessee	9,000	131,866	0	3,826,483	0	0	3,967,349	
Federal Government	175,156	0	0	114,100	0	0	289,256	
Other Governments and Citizens Groups	92,285	0	0	427,161	0	0	519,446	
Total Revenues	\$ 1,423,766	\$ 1,085,900	\$ 2,552,916	\$ 4,917,317	\$ 38,581	\$ 21,031	\$ 10,039,511	
Expenditures								
Current:								
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
Finance	0	0	0	0	0	0	0	
Administration of Justice	0	0	0	0	0	34,059	34,059	
Public Safety	1,418,160	0	0	1,567,088	19,088	0	3,004,336	
Public Health and Welfare	0	1,054,875	0	2,664,003	0	0	3,718,878	
Other Operations	0	0	49,523	604,233	0	0	653,756	
Total Expenditures	\$ 1,418,160	\$ 1,054,875	\$ 49,523	\$ 4,835,324	\$ 19,088	\$ 34,059	\$ 7,411,029	
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,606	\$ 31,025	\$ 2,503,393	\$ 81,993	\$ 19,493	\$ (13,028)	\$ 2,628,482	
Other Financing Sources (Uses)								
Transfers In	\$ 0	\$ 0	\$ 0	\$ 700,000	\$ 0	\$ 0	\$ 700,000	
Transfers Out	0	0	0	0	0	0	0	
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 700,000	\$ 0	\$ 0	\$ 700,000	
Net Change in Fund Balances	\$ 5,606	\$ 31,025	\$ 2,503,393	\$ 781,993	\$ 19,493	\$ (13,028)	\$ 3,328,482	
Fund Balance, July 1, 2010	265,602	197,981	1,123,939	0	9,479	21,658	1,618,659	
Fund Balance, June 30, 2011	\$ 271,208	\$ 229,006	\$ 3,627,332	\$ 781,993	\$ 28,972	\$ 8,630	\$ 4,947,141	

(Continued)

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

	Capital Projects Funds					Total Nonmajor Governmental Funds
	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	Other Capital Projects	Total	
<u>Revenues</u>						
Local Taxes	\$ 3,531,581	\$ 0	\$ 0	\$ 0	\$ 3,531,581	\$ 8,164,698
Fines, Forfeitures, and Penalties	0	0	0	0	0	59,612
Charges for Current Services	0	0	0	0	0	548,798
Other Local Revenues	10,028	61,483	0	4,721	76,232	98,165
State of Tennessee	0	0	0	0	0	3,967,349
Federal Government	0	0	0	0	0	289,256
Other Governments and Citizens Groups	0	0	0	0	0	519,446
Total Revenues	\$ 3,541,609	\$ 61,483	\$ 0	\$ 4,721	\$ 3,607,813	\$ 13,647,324
<u>Expenditures</u>						
Current:						
General Government	\$ 31,479	\$ 0	\$ 0	\$ 0	\$ 31,479	\$ 31,479
Finance	20,000	0	0	0	20,000	20,000
Administration of Justice	0	0	0	0	0	34,059
Public Safety	417,113	0	0	0	417,113	3,421,449
Public Health and Welfare	42,044	0	0	0	42,044	3,760,922
Other Operations	107,966	429	0	47	108,442	762,198
Total Expenditures	\$ 618,602	\$ 429	\$ 0	\$ 47	\$ 619,078	\$ 8,030,107
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,923,007	\$ 61,054	\$ 0	\$ 4,674	\$ 2,988,735	\$ 5,617,217
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 700,000
Transfers Out	0	0	0	(122,294)	(122,294)	(122,294)
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ (122,294)	\$ (122,294)	\$ 577,706
Net Change in Fund Balances	\$ 2,923,007	\$ 61,054	\$ 0	\$ (117,620)	\$ 2,866,441	\$ 6,194,923
Fund Balance, July 1, 2010	45,280	147,772	685,457	117,620	996,129	2,614,788
Fund Balance, June 30, 2011	\$ 2,968,287	\$ 208,826	\$ 685,457	\$ 0	\$ 3,862,570	\$ 8,809,711

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,145,802	\$ 0	\$ 0	\$ 1,145,802	\$ 1,135,813	\$ 1,140,913	\$ 4,889
Charges for Current Services	1,505	0	0	1,505	0	2,500	(995)
Other Local Revenues	18	0	0	18	500	500	(482)
State of Tennessee	9,000	0	0	9,000	9,000	9,000	0
Federal Government	175,156	0	0	175,156	200,441	200,441	(25,285)
Other Governments and Citizens Groups	92,285	0	0	92,285	50,000	50,000	42,285
Total Revenues	\$ 1,423,766	\$ 0	\$ 0	\$ 1,423,766	\$ 1,395,754	\$ 1,403,354	\$ 20,412
<u>Expenditures</u>							
Public Safety							
Juvenile Services	\$ 1,418,160	\$ (746)	\$ 1,611	\$ 1,419,025	\$ 1,540,071	\$ 1,542,571	\$ 123,546
Total Expenditures	\$ 1,418,160	\$ (746)	\$ 1,611	\$ 1,419,025	\$ 1,540,071	\$ 1,542,571	\$ 123,546
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,606	\$ 746	\$ (1,611)	\$ 4,741	\$ (144,317)	\$ (139,217)	\$ 143,958
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 5,606	\$ 746	\$ (1,611)	\$ 4,741	\$ (144,317)	\$ (139,217)	\$ 143,958
	265,602	(746)	0	264,856	172,983	264,856	0
Fund Balance, June 30, 2011	\$ 271,208	\$ 0	\$ (1,611)	\$ 269,597	\$ 28,666	\$ 125,639	\$ 143,958

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 934,399	\$ 0	\$ 0	\$ 934,399	\$ 889,314	\$ 927,542	\$ 6,857
Other Local Revenues	19,635	0	0	19,635	4,450	10,845	8,790
State of Tennessee	131,866	0	0	131,866	117,000	147,000	(15,134)
Total Revenues	\$ 1,085,900	\$ 0	\$ 0	\$ 1,085,900	\$ 1,010,764	\$ 1,085,387	\$ 513
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Convenience Centers	\$ 607,045	(895)	7,358	\$ 613,508	\$ 612,471	\$ 612,471	\$ (1,037)
Landfill Operation and Maintenance	447,830	0	0	447,830	472,500	502,500	54,670
Total Expenditures	\$ 1,054,875	(895)	7,358	\$ 1,061,338	\$ 1,084,971	\$ 1,114,971	\$ 53,633
Excess (Deficiency) of Revenues Over Expenditures	\$ 31,025	\$ 895	(7,358)	\$ 24,562	\$ (74,207)	\$ (29,584)	\$ 54,146
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 31,025	\$ 895	(7,358)	\$ 24,562	\$ (74,207)	\$ (29,584)	\$ 54,146
	197,981	(895)	0	197,086	82,128	197,086	0
Fund Balance, June 30, 2011	\$ 229,006	\$ 0	(7,358)	\$ 221,648	\$ 7,921	\$ 167,502	\$ 54,146

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,552,916	\$ 2,468,321	\$ 2,509,249	\$ 43,667
Total Revenues	\$ 2,552,916	\$ 2,468,321	\$ 2,509,249	\$ 43,667
<u>Expenditures</u>				
<u>Other Operations</u>				
Miscellaneous	\$ 49,523	\$ 50,000	\$ 51,000	\$ 1,477
Total Expenditures	\$ 49,523	\$ 50,000	\$ 51,000	\$ 1,477
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,503,393	\$ 2,418,321	\$ 2,458,249	\$ 45,144
Net Change in Fund Balance	\$ 2,503,393	\$ 2,418,321	\$ 2,458,249	\$ 45,144
Fund Balance, July 1, 2010	1,123,939	1,113,137	1,123,939	0
Fund Balance, June 30, 2011	\$ 3,627,332	\$ 3,531,458	\$ 3,582,188	\$ 45,144

Exhibit G-6

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Special Purpose Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 547,293	\$ 0	\$ 547,293	\$ 528,887	\$ 566,831	\$ (19,538)
Other Local Revenues	2,280	0	2,280	0	194	2,086
State of Tennessee	3,826,483	0	3,826,483	3,511,331	4,271,959	(445,476)
Federal Government	114,100	0	114,100	211,721	830,397	(716,297)
Other Governments and Citizens Groups	427,161	0	427,161	476,137	476,137	(48,976)
Total Revenues	\$ 4,917,317	\$ 0	\$ 4,917,317	\$ 4,728,076	\$ 6,145,518	\$ (1,228,201)
<u>Expenditures</u>						
<u>Public Safety</u>						
Correctional Incentive Program Improvements	\$ 479,745	\$ 17,796	\$ 497,541	\$ 483,027	\$ 547,957	\$ 50,416
Work Release Program	720,181	1,200	721,381	784,376	887,513	166,132
Other Emergency Management	222,127	0	222,127	0	586,964	364,837
Public Safety Grant Programs	145,035	0	145,035	151,310	150,000	4,965
<u>Public Health and Welfare</u>						
Maternal and Child Health Services	2,633,366	25,374	2,658,740	2,572,700	3,236,420	577,680
Sanitation Education/Information	30,637	0	30,637	48,805	48,805	18,168
<u>Other Operations</u>						
Airport	366,555	0	366,555	312,752	352,084	(14,471)
ARRA Grant # 10	70,126	0	70,126	211,721	211,721	141,595
Miscellaneous	167,552	0	167,552	163,385	163,385	(4,167)
Total Expenditures	\$ 4,835,324	\$ 44,370	\$ 4,879,694	\$ 4,728,076	\$ 6,184,849	\$ 1,305,155
Excess (Deficiency) of Revenues Over Expenditures	\$ 81,993	\$ (44,370)	\$ 37,623	\$ 0	\$ (39,331)	\$ 76,954

(Continued)

Exhibit G-6

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 700,000	\$ 0	\$ 700,000	\$ 500,000	\$ 1,000,000	\$ (300,000)
Total Other Financing Sources (Uses)	\$ 700,000	\$ 0	\$ 700,000	\$ 500,000	\$ 1,000,000	\$ (300,000)
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 781,993	\$ (44,370)	\$ 737,623	\$ 500,000	\$ 960,669	\$ (223,046)
	0	0	0	0	0	0
Fund Balance, June 30, 2011	\$ 781,993	\$ (44,370)	\$ 737,623	\$ 500,000	\$ 960,669	\$ (223,046)

Exhibit G-7

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 38,581	\$ 10,800	\$ 35,800	\$ 2,781
Total Revenues	\$ 38,581	\$ 10,800	\$ 35,800	\$ 2,781
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 19,088	\$ 8,342	\$ 27,092	\$ 8,004
Total Expenditures	\$ 19,088	\$ 8,342	\$ 27,092	\$ 8,004
Excess (Deficiency) of Revenues Over Expenditures	\$ 19,493	\$ 2,458	\$ 8,708	\$ 10,785
Net Change in Fund Balance	\$ 19,493	\$ 2,458	\$ 8,708	\$ 10,785
Fund Balance, July 1, 2010	9,479	9,478	9,479	0
Fund Balance, June 30, 2011	\$ 28,972	\$ 11,936	\$ 18,187	\$ 10,785

Exhibit G-8

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 3,531,581	\$ 0	\$ 3,531,581	\$ 3,396,144	\$ 3,442,502	\$ 89,079
Other Local Revenues	10,028	0	10,028	0	10,000	28
Total Revenues	\$ 3,541,609	\$ 0	\$ 3,541,609	\$ 3,396,144	\$ 3,452,502	\$ 89,107
<u>Expenditures</u>						
<u>General Government</u>						
County Buildings	\$ 31,479	\$ 65,784	\$ 97,263	\$ 0	\$ 103,500	\$ 6,237
Finance	20,000	0	20,000	20,000	20,000	0
Property Assessor's Office						
Public Safety						
Sheriff's Department	145,141	0	145,141	112,380	145,150	9
Juvenile Services	35,000	0	35,000	35,000	35,000	0
Fire Prevention and Control	191,682	0	191,682	193,000	193,000	1,318
Civil Defense	45,290	0	45,290	0	45,000	(290)
<u>Public Health and Welfare</u>						
Rabies and Animal Control	17,069	0	17,069	20,000	20,000	2,931
Convenience Centers	24,975	0	24,975	25,000	25,000	25
<u>Other Operations</u>						
Airport	39,330	0	39,330	39,300	39,300	(30)
Miscellaneous	68,636	0	68,636	68,000	2,814,226	2,745,590
Total Expenditures	\$ 618,602	\$ 65,784	\$ 684,386	\$ 512,680	\$ 3,440,176	\$ 2,755,790
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,923,007	\$ (65,784)	\$ 2,857,223	\$ 2,883,464	\$ 12,326	\$ 2,844,897
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 2,923,007	\$ (65,784)	\$ 2,857,223	\$ 2,883,464	\$ 12,326	\$ 2,844,897
	45,280	0	45,280	46,424	45,280	0
Fund Balance, June 30, 2011	\$ 2,968,287	\$ (65,784)	\$ 2,902,503	\$ 2,929,888	\$ 57,606	\$ 2,844,897

Exhibit G-9

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 61,483	\$ 32,000	\$ 60,625	\$ 858
Total Revenues	\$ 61,483	\$ 32,000	\$ 60,625	\$ 858
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 429	\$ 320	\$ 820	\$ 391
Total Expenditures	\$ 429	\$ 320	\$ 820	\$ 391
Excess (Deficiency) of Revenues Over Expenditures	\$ 61,054	\$ 31,680	\$ 59,805	\$ 1,249
Net Change in Fund Balance	\$ 61,054	\$ 31,680	\$ 59,805	\$ 1,249
Fund Balance, July 1, 2010	147,772	145,503	147,772	0
Fund Balance, June 30, 2011	\$ 208,826	\$ 177,183	\$ 207,577	\$ 1,249

Major Governmental Fund

General Debt Service Fund

The General Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to the expenditure of principal and interest.

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, 2011

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,024,571	\$ 3,200,629	\$ 3,089,324	\$ (64,753)
Other Local Revenues	299,626	529,006	375,579	(75,953)
Federal Government	153,146	0	0	153,146
Other Governments and Citizens Groups	567,206	0	567,206	0
Total Revenues	<u>\$ 4,044,549</u>	<u>\$ 3,729,635</u>	<u>\$ 4,032,109</u>	<u>\$ 12,440</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 4,890,000	\$ 7,900,142	\$ 4,890,000	\$ 0
<u>Interest on Debt</u>				
General Government	3,093,220	0	3,093,220	0
<u>Other Debt Service</u>				
General Government	61,924	0	72,500	10,576
Total Expenditures	<u>\$ 8,045,144</u>	<u>\$ 7,900,142</u>	<u>\$ 8,055,720</u>	<u>\$ 10,576</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (4,000,595)</u>	<u>\$ (4,170,507)</u>	<u>\$ (4,023,611)</u>	<u>\$ 23,016</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 122,294	\$ 567,206	\$ 198,867	\$ (76,573)
Total Other Financing Sources (Uses)	<u>\$ 122,294</u>	<u>\$ 567,206</u>	<u>\$ 198,867</u>	<u>\$ (76,573)</u>
Net Change in Fund Balance	\$ (3,878,301)	\$ (3,603,301)	\$ (3,824,744)	\$ (53,557)
Fund Balance, July 1, 2010	10,090,189	10,163,748	10,090,189	0
Fund Balance, June 30, 2011	<u>\$ 6,211,888</u>	<u>\$ 6,560,447</u>	<u>\$ 6,265,445</u>	<u>\$ (53,557)</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, 2011

	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	\$ 4,258,672	\$ 0	\$ 4,258,672
Equity in Pooled Cash and Investments	52,924	4,133	55,973	26,462	0	0	139,492
Accounts Receivable	55,300	0	0	27,600	0	0	82,900
Due from Other Governments	1,990,000	5,175	0	0	0	2,100	1,997,275
Total Assets	<u>\$ 2,098,224</u>	<u>\$ 9,308</u>	<u>\$ 55,973</u>	<u>\$ 54,062</u>	<u>\$ 4,258,672</u>	<u>\$ 2,100</u>	<u>\$ 6,478,339</u>
<u>LIABILITIES</u>							
Due to Other Taxing Units	\$ 2,098,224	\$ 9,308	\$ 0	\$ 0	\$ 0	\$ 2,100	\$ 2,109,632
Due to Litigants, Heirs, and Others	0	0	0	0	4,258,672	0	4,258,672
Other Current Liabilities	0	0	55,973	54,062	0	0	110,035
Total Liabilities	<u>\$ 2,098,224</u>	<u>\$ 9,308</u>	<u>\$ 55,973</u>	<u>\$ 54,062</u>	<u>\$ 4,258,672</u>	<u>\$ 2,100</u>	<u>\$ 6,478,339</u>

Exhibit I-2

Madison County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2011

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 54,134	\$ 12,773,859	\$ 12,775,069	\$ 52,924
Accounts Receivable	54,000	55,300	54,000	55,300
Due from Other Governments	1,860,000	1,990,000	1,860,000	1,990,000
Total Assets	\$ 1,968,134	\$ 14,819,159	\$ 14,689,069	\$ 2,098,224
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,968,134	\$ 14,819,159	\$ 14,689,069	\$ 2,098,224
Total Liabilities	\$ 1,968,134	\$ 14,819,159	\$ 14,689,069	\$ 2,098,224
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 4,222	\$ 302,535	\$ 302,624	\$ 4,133
Due from Other Governments	4,300	5,175	4,300	5,175
Total Assets	\$ 8,522	\$ 307,710	\$ 306,924	\$ 9,308
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 8,522	\$ 307,710	\$ 306,924	\$ 9,308
Total Liabilities	\$ 8,522	\$ 307,710	\$ 306,924	\$ 9,308
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 55,748	\$ 20,605	\$ 20,380	\$ 55,973
Total Assets	\$ 55,748	\$ 20,605	\$ 20,380	\$ 55,973
<u>Liabilities</u>				
Other Current Liabilities	\$ 55,748	\$ 20,605	\$ 20,380	\$ 55,973
Total Liabilities	\$ 55,748	\$ 20,605	\$ 20,380	\$ 55,973
<u>Joint Venture Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 27,067	\$ 203,141	\$ 203,746	\$ 26,462
Accounts Receivable	25,000	27,600	25,000	27,600
Total Assets	\$ 52,067	\$ 230,741	\$ 228,746	\$ 54,062
<u>Liabilities</u>				
Other Current Liabilities	\$ 52,067	\$ 230,741	\$ 228,746	\$ 54,062
Total Liabilities	\$ 52,067	\$ 230,741	\$ 228,746	\$ 54,062

(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	\$ 3,467,023	\$ 20,904,065	\$ 20,112,416	\$ 4,258,672
Total Assets	\$ 3,467,023	\$ 20,904,065	\$ 20,112,416	\$ 4,258,672
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 3,467,023	\$ 20,904,065	\$ 20,112,416	\$ 4,258,672
Total Liabilities	\$ 3,467,023	\$ 20,904,065	\$ 20,112,416	\$ 4,258,672
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 13,710	\$ 13,710	\$ 0
Due from Other Governments	3,400	2,100	3,400	2,100
Total Assets	\$ 3,400	\$ 15,810	\$ 17,110	\$ 2,100
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 3,400	\$ 15,810	\$ 17,110	\$ 2,100
Total Liabilities	\$ 3,400	\$ 15,810	\$ 17,110	\$ 2,100
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 3,467,023	\$ 20,904,065	\$ 20,112,416	\$ 4,258,672
Equity in Pooled Cash and Investments	141,171	13,313,850	13,315,529	139,492
Accounts Receivable	79,000	82,900	79,000	82,900
Due from Other Governments	1,867,700	1,997,275	1,867,700	1,997,275
Total Assets	\$ 5,554,894	\$ 36,298,090	\$ 35,374,645	\$ 6,478,339
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,980,056	\$ 15,142,679	\$ 15,013,103	\$ 2,109,632
Due to Litigants, Heirs, and Others	3,467,023	20,904,065	20,112,416	4,258,672
Other Current Liabilities	107,815	251,346	249,126	110,035
Total Liabilities	\$ 5,554,894	\$ 36,298,090	\$ 35,374,645	\$ 6,478,339

Exhibit J-1

Madison County, Tennessee
Statement of Activities
Discretely Presented Madison County School Department
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 74,313,823	\$ 395,326	\$ 11,265,628	\$ (62,652,869)
Support Services	39,623,408	9,238	1,639,979	(37,974,191)
Operation of Non-Instructional Services	9,063,855	1,221,757	7,779,639	(62,459)
Other Debt Service	567,206	0	0	(567,206)
Total Governmental Activities	\$ 123,568,292	\$ 1,626,321	\$ 20,685,246	\$ (101,256,725)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 14,372,050
Local Option Sales Taxes				34,521,259
Other Local Taxes				6,412
Grants and Contributions Not Restricted to Specific Programs				52,045,028
Miscellaneous				84,892
Total General Revenues				\$ 101,029,641
Change in Net Assets				\$ (227,084)
Net Assets, July 1, 2010				85,200,378
Prior-period Adjustment				8,713,803
Net Assets, June 30, 2011				\$ 93,687,097

Exhibit J-2

Madison County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Madison County School Department
June 30, 2011

	Major Funds			Nonmajor	Total
	General Purpose School	School Federal Projects	Education Capital Projects	Fund Central Cafeteria Fund	
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 7,172,453	\$ 399,803	\$ 636,863	\$ 2,672,102	\$ 10,881,221
Accounts Receivable	237,264	3,242	276	0	240,782
Due from Other Governments	7,365,645	991,128	17,311	19,639	8,393,723
Due from Other Funds	8,338	0	0	0	8,338
Property Taxes Receivable	11,448,589	0	2,923,649	0	14,372,238
Allowance for Uncollectible Property Taxes	(617,718)	0	(100,612)	0	(718,330)
Total Assets	<u>\$ 25,614,571</u>	<u>\$ 1,394,173</u>	<u>\$ 3,477,487</u>	<u>\$ 2,691,741</u>	<u>\$ 33,177,972</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts Payable	\$ 85,383	\$ 12,146	\$ 3,537	\$ 725	\$ 101,791
Payroll Deductions Payable	2,384,172	365,821	0	86,776	2,836,769
Contracts Payable	0	0	7,600	0	7,600
Retainage Payable	0	0	4,517	0	4,517
Deferred Revenue - Current Property Taxes	10,339,086	0	2,785,191	0	13,124,277
Deferred Revenue - Delinquent Property Taxes	444,785	0	33,646	0	478,431
Other Deferred Revenues	2,749,266	0	0	0	2,749,266
Total Liabilities	<u>\$ 16,002,692</u>	<u>\$ 377,967</u>	<u>\$ 2,834,491</u>	<u>\$ 87,501</u>	<u>\$ 19,302,651</u>
<u>Fund Balances</u>					
Restricted:					
Restricted for Education	\$ 166,758	\$ 566,206	\$ 0	\$ 0	\$ 732,964
Restricted for Operation of Non-Instructional Services	0	0	0	2,604,240	2,604,240
Committed:					
Committed for Capital Outlay	0	0	642,996	0	642,996
Assigned:					
Assigned for Education	775,527	450,000	0	0	1,225,527
Unassigned	8,669,594	0	0	0	8,669,594
Total Fund Balances	<u>\$ 9,611,879</u>	<u>\$ 1,016,206</u>	<u>\$ 642,996</u>	<u>\$ 2,604,240</u>	<u>\$ 13,875,321</u>
Total Liabilities and Fund Balances	<u>\$ 25,614,571</u>	<u>\$ 1,394,173</u>	<u>\$ 3,477,487</u>	<u>\$ 2,691,741</u>	<u>\$ 33,177,972</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, 2011

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)		\$ 13,875,321
(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	72,696,920	
Add: infrastructure net of accumulated depreciation	236,748	
Add: other capital assets net of accumulated depreciation	<u>6,664,334</u>	81,689,564
(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	\$ (4,760,552)	
Less: compensated absences payable	<u>(344,933)</u>	(5,105,485)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,227,697</u>
Net assets of governmental activities (Exhibit A)		<u>\$ 93,687,097</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, 2011

	Major Funds			Nonmajor	Total
	General Purpose School	School Federal Projects	Education Capital Projects	Funds Other Governmental Funds	
<u>Revenues</u>					
Local Taxes	\$ 48,384,903	\$ 0	\$ 1,053,057	\$ 0	\$ 49,437,960
Licenses and Permits	9,470	0	0	0	9,470
Charges for Current Services	399,329	0	0	1,221,757	1,621,086
Other Local Revenues	308,016	3,242	197,440	17,989	526,687
State of Tennessee	47,340,584	0	0	73,594	47,414,178
Federal Government	334,587	17,450,685	0	6,322,435	24,107,707
Other Governments and Citizens Groups	95,235	0	0	0	95,235
Total Revenues	<u>\$ 96,872,124</u>	<u>\$ 17,453,927</u>	<u>\$ 1,250,497</u>	<u>\$ 7,635,775</u>	<u>\$ 123,212,323</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 58,958,502	\$ 10,038,877	\$ 0	\$ 0	\$ 68,997,379
Support Services	33,404,029	7,547,423	0	0	40,951,452
Operation of Non-Instructional Services	1,311,353	106,744	0	7,477,752	8,895,849
Capital Outlay	0	0	0	1,683,653	1,683,653
Debt Service:					
Other Debt Service	567,206	0	0	0	567,206
Capital Projects	0	0	1,829,538	0	1,829,538
Total Expenditures	<u>\$ 94,241,090</u>	<u>\$ 17,693,044</u>	<u>\$ 1,829,538</u>	<u>\$ 9,161,405</u>	<u>\$ 122,925,077</u>
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 2,631,034	\$ (239,117)	\$ (579,041)	\$ (1,525,630)	\$ 287,246
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 104,111	\$ 0	\$ 61,179	\$ 0	\$ 165,290
Transfers In	452,170	0	0	0	452,170
Transfers Out	0	(452,170)	0	0	(452,170)
Total Other Financing Sources (Uses)	<u>\$ 556,281</u>	<u>\$ (452,170)</u>	<u>\$ 61,179</u>	<u>\$ 0</u>	<u>\$ 165,290</u>
Net Change in Fund Balances	\$ 3,187,315	\$ (691,287)	\$ (517,862)	\$ (1,525,630)	\$ 452,536
Fund Balance, July 1, 2010	6,424,564	1,707,493	1,160,858	4,129,870	13,422,785
Fund Balance, June 30, 2011	<u>\$ 9,611,879</u>	<u>\$ 1,016,206</u>	<u>\$ 642,996</u>	<u>\$ 2,604,240</u>	<u>\$ 13,875,321</u>

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, 2011

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)		\$	452,536
(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	\$	4,526,963	
Less: current-year depreciation expense		<u>(3,310,841)</u>	1,216,122
(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, 2011	\$	3,227,697	
Less: deferred delinquent property taxes and other deferred June 30, 2010		<u>(3,098,812)</u>	128,885
(3) 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	\$	1,707	
Change in other postemployment benefits liability		<u>(2,026,334)</u>	<u>(2,024,627)</u>
Change in net assets of governmental activities (Exhibit B)			<u>\$ (227,084)</u>

Exhibit J-6

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, 2011

	Special Revenue Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Central Cafeteria	Other Capital Projects	
<u>Revenues</u>			
Charges for Current Services	\$ 1,221,757	\$ 0	\$ 1,221,757
Other Local Revenues	17,989	0	17,989
State of Tennessee	73,594	0	73,594
Federal Government	6,322,435	0	6,322,435
Total Revenues	<u>\$ 7,635,775</u>	<u>\$ 0</u>	<u>\$ 7,635,775</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 7,477,752	\$ 0	\$ 7,477,752
Capital Outlay	0	1,683,653	1,683,653
Total Expenditures	<u>\$ 7,477,752</u>	<u>\$ 1,683,653</u>	<u>\$ 9,161,405</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 158,023</u>	<u>\$ (1,683,653)</u>	<u>\$ (1,525,630)</u>
Net Change in Fund Balances	\$ 158,023	\$ (1,683,653)	\$ (1,525,630)
Fund Balance, July 1, 2010	2,446,217	1,683,653	4,129,870
Fund Balance, June 30, 2011	<u>\$ 2,604,240</u>	<u>\$ 0</u>	<u>\$ 2,604,240</u>

Exhibit J-7

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 48,384,903	\$ 0	\$ 0	\$ 48,384,903	\$ 47,006,065	\$ 47,006,065	\$ 1,378,838
Licenses and Permits	9,470	0	0	9,470	8,800	9,978	(508)
Charges for Current Services	399,329	0	0	399,329	348,050	348,050	51,279
Other Local Revenues	308,016	0	0	308,016	262,243	314,162	(6,146)
State of Tennessee	47,340,584	0	0	47,340,584	46,221,671	47,304,844	35,740
Federal Government	334,587	0	0	334,587	177,000	320,119	14,468
Other Governments and Citizens Groups	95,235	0	0	95,235	31,250	111,140	(15,905)
Total Revenues	\$ 96,872,124	\$ 0	\$ 0	\$ 96,872,124	\$ 94,055,079	\$ 95,414,358	\$ 1,457,766
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 45,278,311	\$ (87,363)	\$ 260,566	\$ 45,451,514	\$ 47,323,975	\$ 47,400,442	\$ 1,948,928
Special Education Program	9,114,694	(14,995)	7,069	9,106,768	9,357,500	9,357,500	250,732
Vocational Education Program	4,053,582	0	2,690	4,056,272	4,473,050	4,215,006	158,734
Other	511,915	0	329	512,244	600,500	551,900	39,656
<u>Support Services</u>							
Attendance	345,093	0	120	345,213	342,925	382,647	37,434
Health Services	455,270	0	0	455,270	477,611	480,111	24,841
Other Student Support	3,286,930	0	0	3,286,930	3,356,835	3,380,335	93,405
Regular Instruction Program	2,533,706	(5,197)	5,513	2,534,022	2,495,725	2,591,825	57,803
Special Education Program	462,912	0	0	462,912	477,600	492,100	29,188
Vocational Education Program	109,270	0	0	109,270	129,630	130,130	20,860
Other Programs	1,571,021	(15,378)	215,333	1,770,976	1,032,021	1,851,306	80,330
Board of Education	1,850,004	0	0	1,850,004	1,923,750	1,875,437	25,433

(Continued)

Exhibit J-7

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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Director of Schools	\$ 652,717	\$ 0	1,000	\$ 653,717	\$ 685,180	\$ 747,234	\$ 93,517
Office of the Principal	5,910,393	0	0	5,910,393	6,046,588	6,050,968	140,575
Fiscal Services	633,597	0	1,458	635,055	636,426	637,726	2,671
Human Services/Personnel	318,939	0	0	318,939	336,050	336,450	17,511
Operation of Plant	6,619,744	0	2,410	6,622,154	6,459,750	6,963,250	341,096
Maintenance of Plant	3,042,796	(17,896)	90,796	3,115,696	3,134,400	3,195,835	80,139
Transportation	5,096,642	0	0	5,096,642	5,359,300	5,424,588	327,946
Central and Other	514,995	(20,581)	188,243	682,657	693,660	694,760	12,103
<u>Operation of Non-Instructional Services</u>							
Food Service	1,166	0	0	1,166	1,168	1,168	2
Community Services	88,724	0	0	88,724	102,383	102,383	13,659
Early Childhood Education	1,221,463	(13,083)	0	1,208,380	1,184,314	1,216,430	8,050
<u>Capital Outlay</u>							
Regular Capital Outlay	0	0	0	0	25,387	25,387	25,387
Other Debt Service							
Education	567,206	0	0	567,206	567,206	567,206	0
Total Expenditures	\$ 94,241,090	\$ (174,493)	\$ 775,527	\$ 94,842,124	\$ 97,222,934	\$ 98,672,124	\$ 3,830,000
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,631,034	\$ 174,493	\$ (775,527)	\$ 2,030,000	\$ (3,167,855)	\$ (3,257,766)	\$ 5,287,766
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 104,111	\$ 0	\$ 0	\$ 104,111	\$ 0	\$ 88,522	\$ 15,589

(Continued)

Exhibit J-7

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 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Other Financing Sources (Uses) (Cont.)							
Transfers In	\$ 452,170	\$ 0	\$ 0	\$ 452,170	\$ 0	\$ 601,703	\$ (149,533)
Total Other Financing Sources (Uses)	\$ 556,281	\$ 0	\$ 0	\$ 556,281	\$ 0	\$ 690,225	\$ (133,944)
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 3,187,315	\$ 174,493	\$ (775,527)	\$ 2,586,281	\$ (3,167,855)	\$ (2,567,541)	\$ 5,153,822
	6,424,564	(174,493)	0	6,250,071	6,125,474	6,250,071	0
Fund Balance, June 30, 2011	\$ 9,611,879	\$ 0	\$ (775,527)	\$ 8,836,352	\$ 2,957,619	\$ 3,682,530	\$ 5,153,822

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
School Federal Projects Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 3,242	\$ 0	\$ 0	\$ 3,242	\$ 0	\$ 0	\$ 3,242
Federal Government	17,450,685	0	0	17,450,685	15,268,376	20,798,574	(3,347,889)
Total Revenues	\$ 17,453,927	\$ 0	\$ 0	\$ 17,453,927	\$ 15,268,376	\$ 20,798,574	\$ (3,344,647)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 6,043,483	\$ (155,159)	\$ 87,566	\$ 5,975,890	\$ 3,957,892	\$ 6,575,031	\$ 599,141
Alternative Instruction Program	169,500	0	0	169,500	0	169,500	0
Special Education Program	3,596,623	(5,605)	6,567	3,597,585	4,550,433	4,892,044	1,294,459
Vocational Education Program	229,271	0	7,748	237,019	194,510	239,901	2,882
<u>Support Services</u>							
Attendance	3,607	0	0	3,607	0	3,607	0
Health Services	218,933	0	0	218,933	271,085	259,984	41,051
Other Student Support	206,464	0	0	206,464	226,186	222,391	15,927
Regular Instruction Program	4,247,344	(4,616)	1,700	4,244,428	4,095,940	6,041,937	1,797,509
Special Education Program	1,124,003	(169)	446	1,124,280	1,677,565	1,395,602	271,322
Vocational Education Program	2,346	0	0	2,346	5,000	2,500	154
Office of the Principal	65,121	0	0	65,121	7,400	65,121	0
Fiscal Services	47,465	0	0	47,465	0	47,465	0
Operation of Plant	32,135	0	0	32,135	0	32,135	0
Maintenance of Plant	24,573	0	0	24,573	0	24,573	0
Transportation	1,573,336	(970,567)	0	602,769	280,195	715,773	113,004
Central and Other	2,096	0	0	2,096	0	2,096	0

(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
School Federal Projects Fund (Cont.)

	Actual (GAAP Basis)	Less:		Add: 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2010	Encumbrances 6/30/2011			Original	Final	
<u>Expenditures (Cont.)</u>								
<u>Operation of Non-Instructional Services</u>								
Food Service	\$ 87,102	\$ 0	\$ 0	\$ 0	\$ 87,102	\$ 0	\$ 87,102	\$ 0
Community Services	2,603	0	0	0	2,603	0	2,603	0
Early Childhood Education	17,039	0	0	0	17,039	0	17,039	0
Total Expenditures	\$ 17,693,044	\$ (1,136,116)	\$ 104,027	\$ 15,266,206	\$ 16,660,955	\$ 15,266,206	\$ 20,796,404	\$ 4,135,449
Excess (Deficiency) of Revenues Over Expenditures	\$ (239,117)	\$ 1,136,116	\$ (104,027)	\$ 2,170	\$ 792,972	\$ 2,170	\$ 2,170	\$ 790,802
<u>Other Financing Sources (Uses)</u>								
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 393,650	\$ 377,650	\$ (377,650)
Transfers Out	(452,170)	0	0	0	(452,170)	(395,820)	(979,820)	527,650
Total Other Financing Sources (Uses)	\$ (452,170)	\$ 0	\$ 0	\$ 0	\$ (452,170)	\$ (2,170)	\$ (602,170)	\$ 150,000
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (691,287)	\$ 1,136,116	\$ (104,027)	\$ 0	\$ 340,802	\$ 0	\$ (600,000)	\$ 940,802
Fund Balance, July 1, 2010	1,707,493	(1,136,116)	0	0	571,377	0	571,377	0
Fund Balance, June 30, 2011	\$ 1,016,206	\$ 0	\$ (104,027)	\$ 0	\$ 912,179	\$ 0	\$ (28,623)	\$ 940,802

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
Central Cafeteria Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 1,221,757	\$ 0	\$ 1,221,757	\$ 1,746,000	\$ 1,746,000	\$ (524,243)
Other Local Revenues	17,989	0	17,989	15,000	24,742	(6,753)
State of Tennessee	73,594	0	73,594	80,000	80,000	(6,406)
Federal Government	6,322,435	0	6,322,435	5,817,753	6,369,262	(46,827)
Total Revenues	\$ 7,635,775	\$ 0	\$ 7,635,775	\$ 7,658,753	\$ 8,220,004	\$ (584,229)
<u>Expenditures</u>						
<u>Operation of Non-Instructional Services</u>						
Food Service	\$ 7,477,752	\$ 104,866	\$ 7,582,618	\$ 7,658,753	\$ 8,220,004	\$ 637,386
Total Expenditures	\$ 7,477,752	\$ 104,866	\$ 7,582,618	\$ 7,658,753	\$ 8,220,004	\$ 637,386
Excess (Deficiency) of Revenues Over Expenditures	\$ 158,023	\$ (104,866)	\$ 53,157	\$ 0	\$ 0	\$ 53,157
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ 158,023	\$ (104,866)	\$ 53,157	\$ 0	\$ 0	\$ 53,157
	2,446,217	0	2,446,217	2,165,495	2,446,217	0
Fund Balance, June 30, 2011	\$ 2,604,240	\$ (104,866)	\$ 2,499,374	\$ 2,165,495	\$ 2,446,217	\$ 53,157

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, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Add: Encumbrances 6/30/2011	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,053,057	\$ 0	\$ 0	\$ 1,053,057	\$ 1,048,132	\$ 1,048,132	\$ 4,925
Other Local Revenues	197,440	0	0	197,440	0	197,440	0
Total Revenues	\$ 1,250,497	\$ 0	\$ 0	\$ 1,250,497	\$ 1,048,132	\$ 1,245,572	\$ 4,925
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 1,829,538	\$ (539,590)	\$ 745,331	\$ 2,035,279	\$ 1,211,877	\$ 1,839,774	\$ (195,505)
Total Expenditures	\$ 1,829,538	\$ (539,590)	\$ 745,331	\$ 2,035,279	\$ 1,211,877	\$ 1,839,774	\$ (195,505)
Excess (Deficiency) of Revenues Over Expenditures	\$ (579,041)	\$ 539,590	\$ (745,331)	\$ (784,782)	\$ (163,745)	\$ (594,202)	\$ (190,580)
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 61,179	\$ 0	\$ 0	\$ 61,179	\$ 0	\$ 55,457	\$ 5,722
Total Other Financing Sources (Uses)	\$ 61,179	\$ 0	\$ 0	\$ 61,179	\$ 0	\$ 55,457	\$ 5,722
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (517,862)	\$ 539,590	\$ (745,331)	\$ (723,603)	\$ (163,745)	\$ (538,745)	\$ (184,858)
Fund Balance, July 1, 2010	1,160,858	(539,590)	0	621,268	269,098	621,268	0
Fund Balance, June 30, 2011	\$ 642,996	\$ 0	\$ (745,331)	\$ (102,335)	\$ 105,353	\$ 82,523	\$ (184,858)

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
Other Capital Projects Fund
For the Year Ended June 30, 2011

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2010	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Total Revenues	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Expenditures</u>						
<u>Capital Outlay</u>						
Regular Capital Outlay	\$ 1,683,653 \$	(1,683,653) \$	0 \$	860,867 \$	0 \$	0
Total Expenditures	\$ 1,683,653 \$	(1,683,653) \$	0 \$	860,867 \$	0 \$	0
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,683,653) \$	1,683,653 \$	0 \$	(860,867) \$	0 \$	0
Net Change in Fund Balance Fund Balance, July 1, 2010	\$ (1,683,653) \$	1,683,653 \$	0 \$	(860,867) \$	0 \$	0
	1,683,653	(1,683,653)	0	860,867	0	0
Fund Balance, June 30, 2011	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0

Exhibit J-12

Madison County, Tennessee
Statement of Fiduciary Net Assets
Discretely Presented Madison County School Department
Fiduciary Fund
June 30, 2011

	<u>Other Trust Pension Trust Fund</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 961,499
Total Assets	<u>\$ 961,499</u>
<u>NET ASSETS</u>	
Funds Held in Trust for Retirees	<u>\$ 961,499</u>
Total Net Assets	<u><u>\$ 961,499</u></u>

Exhibit J-13

Madison County, Tennessee
Statement of Changes in Fiduciary Net Assets
Discretely Presented Madison County School Department
Fiduciary Fund
For the Year Ended June 30, 2011

	<u>Other Trust Pension Trust Fund</u>
<u>ADDITIONS</u>	
<u>Contributions</u>	
Tennessee Consolidated Retirement System	\$ 367,148
Employer	326,830
Plan Members	252
Total Contributions	<u>\$ 694,230</u>
<u>Investment Income</u>	
Interest Earned	\$ 3,157
Total Investment Income	<u>\$ 3,157</u>
Total Additions	<u>\$ 697,387</u>
<u>DEDUCTIONS</u>	
Benefits	\$ 699,048
Trustee's Commission	32
Total Deductions	<u>\$ 699,080</u>
Change in Net Assets	\$ (1,693)
Net Assets, July 1, 2010	<u>963,192</u>
Net Assets, June 30, 2011	<u>\$ 961,499</u>

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.

MISCELLANEOUS SCHEDULES

Exhibit K-1

Madison County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2011

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-10	Paid and/or Matured During Period	Outstanding 6-30-11
<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	\$ 56,416	\$ 15,468	\$ 40,948
Total Payable through General Fund					<u>\$ 56,416</u>	<u>\$ 15,468</u>	<u>\$ 40,948</u>
<u>Payable through General Debt Service Fund</u>							
Refunding Notes, Series 2004	21,315,000	4 to 5	3-15-04	4-1-13	\$ 9,865,000	\$ 4,265,000	\$ 5,600,000
Total Payable through General Debt Service Fund					<u>\$ 9,865,000</u>	<u>\$ 4,265,000</u>	<u>\$ 5,600,000</u>
Total Notes Payable					<u>\$ 9,921,416</u>	<u>\$ 4,280,468</u>	<u>\$ 5,640,948</u>
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Refunding Bonds - Series 2004 School and Public Improvement	1,925,000	5	3-15-04	4-1-16	\$ 1,925,000	\$ 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	23,620,000
Refunding Bonds - Series 2004B	2,125,000	5	12-1-04	4-1-14	2,125,000	0	2,125,000
Refunding Bonds - Series 2006	2,355,000	4.8	3-15-06	4-1-19	2,355,000	0	2,355,000
Refunding Bonds - Series 2006A	5,035,000	4.04	5-31-06	6-1-19	4,335,000	200,000	4,135,000
Build America Bonds	10,820,000	1.1 to 5.25	11-17-09	4-20-25	10,820,000	425,000	10,395,000
Refunding Bonds, Series 2010	15,395,000	3 to 4	3-31-10	6-30-23	15,395,000	0	15,395,000
Total Bonds Payable					<u>\$ 60,575,000</u>	<u>\$ 625,000</u>	<u>\$ 59,950,000</u>

Exhibit K-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
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>\$ 5,640,948</u>	<u>\$ 361,764</u>	<u>\$ 6,002,712</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	<u>\$ 59,950,000</u>	<u>\$ 18,278,035</u>	<u>\$ 78,228,035</u>

Exhibit K-3

Madison County, Tennessee
Schedule of Notes Receivable
June 30, 2011

<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 6-30-11</u>
<u>General Fund</u> Wastewater Facility Construction	Jackson Energy Authority - Pinson Utility District	\$ 250,000	4-1-1994	4-1-34	3.3 %	\$ 180,064
Total Notes Receivable						<u><u>\$ 180,064</u></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, 2011

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Special Purpose	Cash flow funds	\$ 700,000
Highway/Public Works	General	Finance department operations	29,203
Other Capital Projects	General Debt Service	To close fund	<u>122,294</u>
Total Transfers Primary Government			<u>\$ 851,497</u>
<u>DISCRETELY PRESENTED MADISON COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Cash flow funds	\$ 450,000
School Federal Projects	General Purpose School	Indirect costs	<u>2,170</u>
Total Transfers Discretely Presented Madison County School Department			<u>\$ 452,170</u>

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, 2011

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 98,052	\$ 50,000	Travelers Casualty and Surety Company
Highway Engineer	Section 8-24-102, TCA	124,819 (1)	100,000	Fidelity and Deposit Company of Maryland
Director of Schools	State Board of Education and County Board of Education	161,284 (2)	50,000	Western Surety Company
Trustee:				
Wilma Allen (7-1-10 through 8-31-10)	Section 8-24-102, TCA	13,817 (3)	3,450,000	Fidelity and Deposit Company of Maryland
John Newman (9-1-10 through 6-30-11)	Section 8-24-102, TCA	60,178	3,681,000	Travelers Casualty and Surety Company
Assessor of Property	Section 8-24-102, TCA	74,014 (4)	10,000	Hartford Fire Insurance Company
Director of Finance	County Commission	83,369 (5)	50,000	Fidelity and Deposit Company of Maryland
County Clerk:				
Freddie Pruitt (7-1-10 through 8-31-10)	Section 8-24-102, TCA	13,817 (3)	50,000	"
Fred Birmingham (9-1-10 through 6-30-11)	Section 8-24-102, TCA	60,897 (6)	50,000	Travelers Casualty and Surety Company
Circuit and General Session Courts Clerk:				
Judy Barnhill (7-1-10 through 8-31-10)	Section 8-24-102, TCA	15,020 (3)	50,000	Fidelity and Deposit Company of Maryland
Kathy Blount (9-1-10 through 6-30-11)	Section 8-24-102, TCA	66,196	50,000	Travelers Casualty and Surety Company
Clerk and Master	Section 8-24-102, TCA	81,216 (3)	70,000	RLI Insurance Company
Juvenile Court Clerk	Chapter 212, Private Acts of 1990	72,214	50,000	Travelers Casualty and Surety Company
Register	Section 8-24-102, TCA	73,995 (3)	50,000	"
Sheriff	Section 8-24-102, TCA, and County Commission	94,733 (7)	50,000	"
Employees Blanket Bond:				
Office:				
County Mayor:				
All Employees			150,000	Local Government Property and Casualty Fund
Highway Engineer:				
All Employees			150,000	"
Director of Schools:				
All Employees			150,000	"

(1) Includes accrued leave of \$18,443.
(2) Includes accrued leave of \$27,797.
(3) Includes a certified public administrator supplement of \$1,781.
(4) Includes a certified public administrator supplement of \$1,800.
(5) Includes education incentive pay of \$1,125.
(6) Includes a certified public administrator supplement of \$719.
(7) Includes compensation of \$13,947 for supervision of the county workhouse (penal farm), a law enforcement training supplement of \$600, and a clothing allowance of \$750.

Exhibit K-6

Madison County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2011

	Special Revenue Funds					
	General	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose	Drug Control
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 15,229,838	\$ 1,041,659	\$ 841,605	\$ 2,364,661	\$ 0	\$ 0
Trustee's Collections - Prior Year	481,755	29,979	25,952	48,231	0	0
Trustee's Collections - Bankruptcy	12,961	843	637	1,334	0	0
Circuit/Clerk & Master Collections - Prior Years	536,803	33,253	33,253	50,672	0	0
Interest and Penalty	89,709	5,556	5,160	9,712	0	0
Payments in-Lieu-of Taxes - Local Utilities	277,964	19,012	15,304	43,158	0	0
Payments in-Lieu-of Taxes - Other	190,871	15,500	10,515	29,584	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	860,701	0	0	0	0	0
Hotel/Motel Tax	398,919	0	0	0	0	0
Litigation Tax - General	283,361	0	0	0	0	0
Litigation Tax - Special Purpose	261,428	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Business Tax	1,641,519	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	35,837	0	1,973	5,564	0	0
Wholesale Beer Tax	323,450	0	0	0	0	0
Interstate Telecommunications Tax	2,110	0	0	0	0	0
<u>Total Local Taxes</u>	\$ 20,627,226	\$ 1,145,802	\$ 934,399	\$ 2,552,916	\$ 0	\$ 0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 19,561	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Animal Vaccination	4,092	0	0	0	0	0
Cable TV Franchise	221,634	0	0	0	0	0
<u>Permits</u>						
Building Permits	61,212	0	0	0	0	0
Other Permits	160	0	0	0	0	0
<u>Total Licenses and Permits</u>	\$ 306,659	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	General	Juvenile Services	Special Revenue Funds				Drug Control
			Solid Waste / Sanitation	Local Purpose Tax	Special Purpose		
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 35,251	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	44,021	0	0	0	0	0	0
Drug Control Fines	501	0	0	0	0	0	0
Drug Court Fees	4,950	0	0	0	0	0	0
Jail Fees	28,270	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0
DUI Treatment Fines	3,762	0	0	0	0	0	0
Data Entry Fee - Circuit Court	2,214	0	0	0	0	0	0
Courtroom Security Fee	808	0	0	0	0	0	0
Victims Assistance Assessments	10,012	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	36,134	0	0	0	0	0	0
Officers Costs	161,027	0	0	0	0	0	0
Game and Fish Fines	621	0	0	0	0	0	0
Drug Control Fines	16,745	0	0	0	0	0	13,174
Drug Court Fees	8,428	0	0	0	0	0	0
Jail Fees	39,832	0	0	0	0	0	0
Interpreter Fees	214	0	0	0	0	0	0
District Attorney General Fees	0	0	0	0	0	0	0
DUI Treatment Fines	7,142	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	21,393	0	0	0	0	0	0
Courtroom Security Fee	1,715	0	0	0	0	0	0
Victims Assistance Assessments	29,159	0	0	0	0	0	0
<u>Juvenile Court</u>							
Officers Costs	600	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	4,712	0	0	0	0	0	0
Data Entry Fee - Chancery Court	11,781	0	0	0	0	0	0
Courtroom Security Fee	76	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						Drug Control
	General	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Courts in Other District Counties</u>							
District Attorney General Fees		0 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	1,542	0	0	0	0	0	25,407
Total Fines, Forfeitures, and Penalties	\$ 470,910	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,407
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Patient Charges	5,702	0	0	0	0	0	0
Health Department Collections	8,796	0	0	0	0	0	0
Other General Service Charges	5,633	1,505	0	0	0	0	0
<u>Fees</u>							
Engineer Review Fees	406	0	0	0	0	0	0
Recreation Fees	66,097	0	0	0	0	0	0
Copy Fees	692	0	0	0	0	0	0
Telephone Commissions	154,838	0	0	0	0	0	0
Vending Machine Collections	94,878	0	0	0	0	0	0
Data Processing Fee - Register	29,834	0	0	0	0	0	0
Data Processing Fee - Sheriff	18,855	0	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	4,000	0	0	0	0	0	0
Data Processing Fee - County Clerk	7,094	0	0	0	0	0	0
<u>Education Charges</u>							
Community Service Fees - Adults	0	0	0	0	547,293	0	0
TBI Criminal Background Fees	1,170	0	0	0	0	0	0
Total Charges for Current Services	\$ 397,995	\$ 1,505	\$ 0	\$ 0	\$ 547,293	\$ 0	\$ 0
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	0	0	0	0	0	0	0
Lease/Rentals	80,919	0	0	0	0	0	0
Sale of Materials and Supplies	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	Special Purpose	Drug Control
<u>Other Local Revenues (Cont.)</u>						
<u>Recurring Items (Cont.)</u>						
Sale of Gasoline	\$ 7,168	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Sale of Recycled Materials	0	0	6,456	0	180	0
Miscellaneous Refunds	288,776	18	13,179	0	2,100	0
Expenditure Credits	3,543	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	1,890	0	0	0	0	0
Sale of Property	22,236	0	0	0	0	0
Damages Recovered from Individuals	305	0	0	0	0	0
Contributions and Gifts	8,941	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	6,807	0	0	0	0	0
Total Other Local Revenues	\$ 420,585	\$ 18	\$ 19,635	\$ 0	\$ 2,280	\$ 0
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 911,761	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	324,529	0	0	0	0	0
General Sessions Court Clerk	690,319	0	0	0	0	0
Clerk and Master	606,239	0	0	0	0	0
Juvenile Court Clerk	181,022	0	0	0	0	0
Register	362,247	0	0	0	0	0
Sheriff	40,291	0	0	0	0	0
Trustee	1,605,770	0	0	0	0	0
Total Fees Received from County Officials	\$ 4,722,178	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 224,814	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	0	131,866	0	0	0
On-Behalf Contributions for OPEB	4,230	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds						Drug Control
	General	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose		
<u>State of Tennessee (Cont.)</u>							
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	\$ 40,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Drug Control Grants	0	0	0	0	49,696	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	0	0	0	0	2,992,711	0	0
<u>Public Works Grants</u>							
Bridge Program	0	0	0	0	0	0	0
Litter Program	0	0	0	0	30,472	0	0
<u>State Education Funds</u>							
Other State Education Funds	0	0	0	0	70,126	0	0
<u>Other State Revenues</u>							
Income Tax	292,960	0	0	0	0	0	0
Beer Tax	18,724	0	0	0	0	0	0
Alcoholic Beverage Tax	122,468	0	0	0	0	0	0
Mixed Drink Tax	11,264	0	0	0	0	0	0
Prisoner Transportation	14,772	0	0	0	0	0	0
Contracted Prisoner Boarding	773,284	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0	0
Registrar's Salary Supplement	15,468	0	0	0	0	0	0
Other State Grants	28,013	0	0	0	0	0	0
Other State Revenues	12,346	9,000	0	0	683,478	0	0
Total State of Tennessee	\$ 1,559,143	\$ 9,000	\$ 131,866	\$ 0	\$ 3,826,483	\$ 0	\$ 0
<u>Federal Government</u>							
<u>Federal Through State</u>							
Civil Defense Reimbursement	\$ 164,299	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	410,755	0	0	0	0	0	0
Law Enforcement Grants	46,284	0	0	0	0	0	0
ARRA Grant # 1	0	11,639	0	0	0	0	0
Other Federal through State	150,683	163,517	0	0	19,479	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds						Drug Control
	General	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose		
<u>Federal Government (Cont.)</u>							
<u>Direct Federal Revenue</u>							
Tax Credit Bond Rebate	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
ARRA Grant # 6	0	0	0	0	94,621	0	0
Other Direct Federal Revenue	25,000	0	0	0	0	0	0
Total Federal Government	\$ 797,021	\$ 175,156	\$ 0	\$ 0	\$ 114,100	\$ 0	0
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 27,594	\$ 92,285	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	555,225	0	0	0	0	0	0
Contracted Services	858,263	0	0	0	427,161	0	0
Total Other Governments and Citizens Groups	\$ 1,441,082	\$ 92,285	\$ 0	\$ 0	\$ 427,161	\$ 0	0
Total	\$ 30,742,799	\$ 1,423,766	\$ 1,085,900	\$ 2,552,916	\$ 4,917,317	\$ 38,581	

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Debt Service Fund			Capital Projects Funds				Total	
	District Attorney General	Highway / Public Works	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	0	1,645,820	2,310,881	3,365,282	0	0	0	0	0	0	26,799,746	
Trustee's Collections - Prior Year	0	48,291	212,232	27,583	0	0	0	0	0	0	874,023	
Trustee's Collections - Bankruptcy	0	1,547	6,578	721	0	0	0	0	0	0	24,621	
Circuit/Clerk & Master Collections - Prior Years	0	61,757	262,859	19,002	0	0	0	0	0	0	997,599	
Interest and Penalty	0	9,844	35,069	7,633	0	0	0	0	0	0	162,683	
Payments in-Lieu-of Taxes - Local Utilities	0	29,929	42,172	61,422	0	0	0	0	0	0	488,961	
Payments in-Lieu-of Taxes - Other	0	20,558	29,247	42,019	0	0	0	0	0	0	338,294	
<u>County Local Option Taxes</u>												
Local Option Sales Tax	0	0	0	0	0	0	0	0	0	0	860,701	
Hotel/Motel Tax	0	0	0	0	0	0	0	0	0	0	398,919	
Litigation Tax - General	0	0	0	0	0	0	0	0	0	0	283,361	
Litigation Tax - Special Purpose	0	0	0	0	0	0	0	0	0	0	261,428	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	120,096	0	0	0	0	0	0	0	120,096	
Business Tax	0	0	0	0	0	0	0	0	0	0	1,641,519	
Mineral Severance Tax	0	36,297	0	0	0	0	0	0	0	0	36,297	
<u>Statutory Local Taxes</u>												
Bank Excise Tax	0	3,859	5,437	7,919	0	0	0	0	0	0	60,589	
Wholesale Beer Tax	0	0	0	0	0	0	0	0	0	0	323,450	
Interstate Telecommunications Tax	0	0	0	0	0	0	0	0	0	0	2,110	
Total Local Taxes	0	1,857,902	3,024,571	3,531,581	0	0	0	0	0	0	33,674,397	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>Licenses and Permits</u>												
<u>Licenses</u>												
Animal Registration	0	0	0	0	0	0	0	0	0	0	19,561	
Animal Vaccination	0	0	0	0	0	0	0	0	0	0	4,092	
Cable TV Franchise	0	0	0	0	0	0	0	0	0	0	221,634	
<u>Permits</u>												
Building Permits	0	0	0	0	0	0	0	0	0	0	61,212	
Other Permits	0	0	0	0	0	0	0	0	0	0	160	
Total Licenses and Permits	0	0	0	0	0	0	0	0	0	0	306,659	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

(Continued)

Exhibit K-6

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

	Special Revenue Funds		Debt Service Fund		Capital Projects Funds				Total
	District Attorney General	Highway / Public Works	General Debt Service	General	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects		
<u>Circuit Court</u>									
Fines	0	0	0	0	0	0	0	0	35,251
Officers Costs	0	0	0	0	0	0	0	0	44,021
Drug Control Fines	0	0	0	0	0	0	0	0	501
Drug Court Fees	0	0	0	0	0	0	0	0	4,950
Jail Fees	0	0	0	0	0	0	0	0	28,270
District Attorney General Fees	10,451	0	0	0	0	0	0	0	10,451
DUI Treatment Fines	0	0	0	0	0	0	0	0	3,762
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	0	2,214
Courtroom Security Fee	0	0	0	0	0	0	0	0	808
Victims Assistance Assessments	0	0	0	0	0	0	0	0	10,012
<u>General Sessions Court</u>									
Fines	0	0	0	0	0	0	0	0	36,134
Officers Costs	0	0	0	0	0	0	0	0	161,027
Game and Fish Fines	0	0	0	0	0	0	0	0	621
Drug Control Fines	0	0	0	0	0	0	0	0	29,919
Drug Court Fees	0	0	0	0	0	0	0	0	8,428
Jail Fees	0	0	0	0	0	0	0	0	39,832
Interpreter Fees	0	0	0	0	0	0	0	0	214
District Attorney General Fees	6,984	0	0	0	0	0	0	0	6,984
DUI Treatment Fines	0	0	0	0	0	0	0	0	7,142
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	0	21,393
Courtroom Security Fee	0	0	0	0	0	0	0	0	1,715
Victims Assistance Assessments	0	0	0	0	0	0	0	0	29,159
<u>Juvenile Court</u>									
Officers Costs	0	0	0	0	0	0	0	0	600
<u>Chancery Court</u>									
Officers Costs	0	0	0	0	0	0	0	0	4,712
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	0	11,781
Courtroom Security Fee	0	0	0	0	0	0	0	0	76

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds				Total
	District Attorney General	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>									
<u>Courts in Other District Counties</u>									
District Attorney General Fees	3,596	0	0	0	0	0	0	3,596	
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0	0	0	
Proceeds from Confiscated Property	21,031	0	0	0	0	0	0	26,949	
Total Fines, Forfeitures, and Penalties	\$ 21,031	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 530,522	
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Patient Charges	0	0	0	0	0	0	0	5,702	
Health Department Collections	0	0	0	0	0	0	0	8,796	
Other General Service Charges	0	0	0	0	0	0	0	7,138	
<u>Fees</u>									
Engineer Review Fees	0	0	0	0	0	0	0	406	
Recreation Fees	0	0	0	0	0	0	0	66,097	
Copy Fees	0	0	0	0	0	0	0	692	
Telephone Commissions	0	0	0	0	0	0	0	154,838	
Vending Machine Collections	0	0	0	0	0	0	0	94,878	
Data Processing Fee - Register	0	0	0	0	0	0	0	29,834	
Data Processing Fee - Sheriff	0	0	0	0	0	0	0	18,855	
Sexual Offender Registration Fees - Sheriff	0	0	0	0	0	0	0	4,000	
Data Processing Fee - County Clerk	0	0	0	0	0	0	0	7,094	
<u>Education Charges</u>									
Community Service Fees - Adults	0	0	0	0	0	0	0	547,293	
TBI Criminal Background Fees	0	0	0	0	0	0	0	1,170	
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 946,793	
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	0	0	299,626	0	0	0	4,721	304,347	
Lease/Rentals	0	0	0	0	0	42,858	0	123,777	
Sale of Materials and Supplies	0	17,913	0	0	0	0	0	17,913	

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Debt Service Fund			Capital Projects Funds				Total	
	District Attorney General	Highway / Public Works	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 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	7,168
Sale of Recycled Materials	0	0	0	0	0	0	0	0	0	0	0	6,636
Miscellaneous Refunds	0	13	0	10,028	0	0	0	0	0	0	0	314,114
Expenditure Credits	0	0	0	0	0	0	0	0	0	0	0	3,543
<u>Nonrecurring Items</u>												
Sale of Equipment	0	0	0	0	0	0	0	0	0	0	0	1,890
Sale of Property	0	0	0	0	18,625	0	0	0	0	0	0	40,861
Damages Recovered from Individuals	0	0	0	0	0	0	0	0	0	0	0	305
Contributions and Gifts	0	0	0	0	0	0	0	0	0	0	0	8,941
<u>Other Local Revenues</u>												
Other Local Revenues	0	0	0	0	0	0	0	0	0	0	0	6,807
Total Other Local Revenues	0 \$	17,926 \$	299,626 \$	10,028 \$	61,483 \$	4,721 \$	0 \$	0 \$	0 \$	0 \$	0 \$	836,302
<u>Fees Received from County Officials</u>												
<u>Fees in-Lieu-of Salary</u>												
County Clerk	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	911,761
Circuit Court Clerk	0	0	0	0	0	0	0	0	0	0	0	324,529
General Sessions Court Clerk	0	0	0	0	0	0	0	0	0	0	0	690,319
Clerk and Master	0	0	0	0	0	0	0	0	0	0	0	606,239
Juvenile Court Clerk	0	0	0	0	0	0	0	0	0	0	0	181,022
Register	0	0	0	0	0	0	0	0	0	0	0	362,247
Sheriff	0	0	0	0	0	0	0	0	0	0	0	40,291
Trustee	0	0	0	0	0	0	0	0	0	0	0	1,605,770
Total Fees Received from County Officials	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	4,722,178
<u>State of Tennessee</u>												
<u>General Government Grants</u>												
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	224,814
Solid Waste Grants	0	0	0	0	0	0	0	0	0	0	0	131,866
On-Behalf Contributions for OPEB	0	627	0	0	0	0	0	0	0	0	0	4,857

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds				Total
	District Attorney General	Highway / Public Works	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 \$	0 \$	0 \$	0 \$	40,800
Drug Control Grants	0	0	0	0	0	0	0	0	49,696
<u>Health and Welfare Grants</u>									
Health Department Programs	0	0	0	0	0	0	0	0	2,992,711
<u>Public Works Grants</u>									
Bridge Program	0	644,198	0	0	0	0	0	0	644,198
Litter Program	0	0	0	0	0	0	0	0	30,472
<u>State Education Funds</u>									
Other State Education Funds	0	0	0	0	0	0	0	0	70,126
<u>Other State Revenues</u>									
Income Tax	0	0	0	0	0	0	0	0	292,960
Beer Tax	0	0	0	0	0	0	0	0	18,724
Alcoholic Beverage Tax	0	0	0	0	0	0	0	0	122,468
Mixed Drink Tax	0	0	0	0	0	0	0	0	11,264
Prisoner Transportation	0	0	0	0	0	0	0	0	14,772
Contracted Prisoner Boarding	0	0	0	0	0	0	0	0	773,284
Gasoline and Motor Fuel Tax	0	2,356,308	0	0	0	0	0	0	2,356,308
Petroleum Special Tax	0	73,755	0	0	0	0	0	0	73,755
Registrar's Salary Supplement	0	0	0	0	0	0	0	0	15,468
Other State Grants	0	0	0	0	0	0	0	0	28,013
Other State Revenues	0	0	0	0	0	0	0	0	704,824
Total State of Tennessee	0 \$	3,074,888 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	8,601,380
<u>Federal Government</u>									
<u>Federal Through State</u>									
Civil Defense Reimbursement	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	164,299
Disaster Relief	0	1,653,665	0	0	0	0	0	0	2,064,420
Law Enforcement Grants	0	0	0	0	0	0	0	0	46,284
ARRA Grant # 1	0	0	0	0	0	0	0	0	11,639
Other Federal through State	0	0	0	0	0	0	0	0	333,679

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds				Total
	District Attorney General	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects		
<u>Federal Government (Cont.)</u>									
Direct Federal Revenue									
Tax Credit Bond Rebate	\$ 0	\$ 0	\$ 153,146	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 153,146
ARRA Grant # 6	0	0	0	0	0	0	0	0	94,621
Other Direct Federal Revenue	0	0	0	0	0	0	0	0	25,000
Total Federal Government	\$ 0	\$ 1,653,665	\$ 153,146	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,893,088
<u>Other Governments and Citizens Groups</u>									
Other Governments									
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 119,879
Contributions	0	0	567,206	0	0	0	0	0	1,122,431
Contracted Services	0	0	0	0	0	0	0	0	1,285,424
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 567,206	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,527,734
Total	\$ 21,031	\$ 6,604,381	\$ 4,044,549	\$ 3,541,609	\$ 61,483	\$ 4,721	\$ 55,039,053		

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, 2011

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 12,371,786	\$ 0	\$ 0	\$ 948,550	\$ 13,320,336
Trustee's Collections - Prior Year	337,008	0	0	31,059	368,067
Trustee's Collections - Bankruptcy	10,844	0	0	1,259	12,103
Circuit/Clerk & Master Collections - Prior Years	430,709	0	0	34,838	465,547
Interest and Penalty	70,203	0	0	5,919	76,122
Payments in-Lieu-of Taxes - T.V.A.	1,539	0	0	0	1,539
Payments in-Lieu-of Taxes - Local Utilities	224,942	0	0	17,311	242,253
Payments in-Lieu-of Taxes - Other	380,210	0	0	11,889	392,099
<u>County Local Option Taxes</u>					
Local Option Sales Tax	34,522,249	0	0	0	34,522,249
<u>Statutory Local Taxes</u>					
Bank Excise Tax	29,001	0	0	2,232	31,233
Interstate Telecommunications Tax	6,412	0	0	0	6,412
Total Local Taxes	\$ 48,384,903	\$ 0	\$ 0	\$ 1,053,057	\$ 49,437,960
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 7,236	\$ 0	\$ 0	\$ 0	\$ 7,236
<u>Permits</u>					
Other Permits	2,234	0	0	0	2,234
Total Licenses and Permits	\$ 9,470	\$ 0	\$ 0	\$ 0	\$ 9,470
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Summer School	\$ 4,645	\$ 0	\$ 0	\$ 0	\$ 4,645
Tuition - Other	390,681	0	0	0	390,681
Lunch Payments - Children	0	0	780,144	0	780,144
Lunch Payments - Adults	0	0	182,473	0	182,473
Income from Breakfast	0	0	35,831	0	35,831
A la carte Sales	0	0	223,309	0	223,309
<u>Other Charges for Services</u>					
Other Charges for Services	4,003	0	0	0	4,003
Total Charges for Current Services	\$ 399,329	\$ 0	\$ 1,221,757	\$ 0	\$ 1,621,086
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 8,247	\$ 0	\$ 8,247
Lease/Rentals	3,001	0	0	0	3,001
Refund of Telecommunication & Internet Fees (E-Rate)	85,641	0	0	0	85,641
Miscellaneous Refunds	5,510	3,242	0	0	8,752
Expenditure Credits	946	0	0	0	946
<u>Nonrecurring Items</u>					
Sale of Equipment	45,658	0	9,742	19,794	75,194
Contributions and Gifts	167,260	0	0	0	167,260
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	177,646	177,646
Total Other Local Revenues	\$ 308,016	\$ 3,242	\$ 17,989	\$ 197,440	\$ 526,687

(Continued)

Exhibit K-7

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

	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 707,009	\$ 0	\$ 0	\$ 0	\$ 707,009
<u>State Education Funds</u>					
Basic Education Program	38,963,855	0	0	0	38,963,855
Basic Education Program - ARRA	3,784,144	0	0	0	3,784,144
Early Childhood Education	1,208,970	0	0	0	1,208,970
School Food Service	0	0	73,594	0	73,594
Other State Education Funds	46,774	0	0	0	46,774
Coordinated School Health - ARRA	134,953	0	0	0	134,953
Internet Connectivity - ARRA	38,524	0	0	0	38,524
Family Resource Centers - ARRA	33,300	0	0	0	33,300
Statewide Student Management System (SSMS) - ARRA	32,722	0	0	0	32,722
Career Ladder Program	792,420	0	0	0	792,420
Career Ladder - Extended Contract - ARRA	169,567	0	0	0	169,567
<u>Other State Revenues</u>					
Mixed Drink Tax	11,263	0	0	0	11,263
State Revenue Sharing - T.V.A.	1,145,433	0	0	0	1,145,433
Other State Grants	218,575	0	0	0	218,575
Safe Schools - ARRA	53,075	0	0	0	53,075
Total State of Tennessee	\$ 47,340,584	\$ 0	\$ 73,594	\$ 0	\$ 47,414,178
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 3,783,878	\$ 0	\$ 3,783,878
USDA - Commodities	0	0	480,009	0	480,009
Breakfast	0	0	1,929,639	0	1,929,639
USDA - Other	0	0	128,909	0	128,909
Vocational Education - Basic Grants to States	0	257,168	0	0	257,168
Other Vocational	3,560	0	0	0	3,560
Title I Grants to Local Education Agencies	0	7,025,832	0	0	7,025,832
Special Education - Grants to States	0	5,800,517	0	0	5,800,517
Special Education Preschool Grants	0	237,132	0	0	237,132
English Language Acquisition Grants	0	72,747	0	0	72,747
Eisenhower Professional Development State Grants	0	845,923	0	0	845,923
Race to the Top - ARRA	0	887,320	0	0	887,320
Other Federal through State	144,619	2,324,046	0	0	2,468,665
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	186,408	0	0	0	186,408
Total Federal Government	\$ 334,587	\$ 17,450,685	\$ 6,322,435	\$ 0	\$ 24,107,707
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 20,095	\$ 0	\$ 0	\$ 0	\$ 20,095
<u>Other</u>					
Other	75,140	0	0	0	75,140
Total Other Governments and Citizens Groups	\$ 95,235	\$ 0	\$ 0	\$ 0	\$ 95,235
Total	\$ 96,872,124	\$ 17,453,927	\$ 7,635,775	\$ 1,250,497	\$ 123,212,323

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2011

General Fund

General Government

County Commission

Secretary to Board	\$	28,560	
Board and Committee Members Fees		93,000	
Social Security		9,201	
Handling Charges and Administrative Costs		849	
State Retirement		4,150	
Employee and Dependent Insurance		3,768	
Life Insurance		55	
Travel		183	
Office Supplies		1,472	
Data Processing Equipment		6,761	
Total County Commission			\$ 147,999

County Mayor/Executive

County Official/Administrative Officer	\$	98,052	
Educational Incentive - Other County Employees		3,300	
Other Salaries and Wages		64,822	
Social Security		11,990	
Handling Charges and Administrative Costs		2,647	
State Retirement		23,666	
Employee and Dependent Insurance		13,156	
Life Insurance		288	
Communication		1,474	
Data Processing Services		399	
Travel		5,706	
Other Contracted Services		3,253	
Office Supplies		1,388	
Other Supplies and Materials		3,406	
Total County Mayor/Executive			233,547

Personnel Office

Educational Incentive - Other County Employees	\$	4,350	
Other Salaries and Wages		108,657	
Social Security		7,994	
Handling Charges and Administrative Costs		2,350	
State Retirement		15,788	
Employee and Dependent Insurance		13,728	
Life Insurance		207	
Communication		1,182	
Data Processing Services		728	
Dues and Memberships		235	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Personnel Office (Cont.)

Travel	\$	150	
Other Contracted Services		33,435	
Office Supplies		301	
Total Personnel Office			\$ 189,105

County Attorney

County Official/Administrative Officer	\$	24,365	
Social Security		1,847	
Handling Charges and Administrative Costs		25	
State Retirement		3,540	
Employee and Dependent Insurance		240	
Life Insurance		49	
Legal Services		377	
Other Contracted Services		10,000	
Total County Attorney			40,443

Election Commission

County Official/Administrative Officer	\$	72,214	
Deputy(ies)		77,975	
Election Commission		6,490	
Election Workers		105,658	
Social Security		14,692	
Handling Charges and Administrative Costs		3,849	
State Retirement		21,823	
Employee and Dependent Insurance		18,944	
Life Insurance		268	
Communication		4,379	
Legal Notices, Recording, and Court Costs		9,396	
Maintenance and Repair Services - Equipment		32,371	
Postal Charges		185	
Printing, Stationery, and Forms		6,926	
Rentals		730	
Travel		1,818	
Office Supplies		5,093	
Total Election Commission			382,811

Register of Deeds

County Official/Administrative Officer	\$	72,214
Deputy(ies)		142,808
Educational Incentive - Official/Admin Officer		1,781

(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.)

Educational Incentive - Other County Employees	\$	2,475	
Social Security		15,783	
Handling Charges and Administrative Costs		4,790	
State Retirement		31,243	
Employee and Dependent Insurance		24,072	
Life Insurance		419	
Communication		442	
Data Processing Supplies		19,073	
Office Supplies		13,443	
Total Register of Deeds			\$ 328,543

Codes Compliance

Other Salaries and Wages	\$	30,941	
In-Service Training		921	
Social Security		2,135	
Handling Charges and Administrative Costs		1,368	
State Retirement		4,496	
Employee and Dependent Insurance		6,864	
Life Insurance		59	
Communication		1,348	
Contracts with Private Agencies		21,670	
Maintenance and Repair Services - Vehicles		247	
Other Contracted Services		3,460	
Gasoline		2,708	
Office Supplies		346	
Total Codes Compliance			76,563

County Buildings

Supervisor/Director	\$	40,672	
Custodial Personnel		22,308	
Part-time Personnel		16,477	
Overtime Pay		5,091	
Social Security		6,086	
Handling Charges and Administrative Costs		2,167	
State Retirement		9,891	
Employee and Dependent Insurance		10,632	
Life Insurance		131	
Communication		1,116	
Maintenance and Repair Services - Buildings		41,620	
Maintenance and Repair Services - Vehicles		144	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Other Contracted Services	\$	7,036	
Custodial Supplies		21,419	
Gasoline		2,277	
Utilities		37,006	
Building Improvements		34,923	
Heating and Air Conditioning Equipment		48,483	
Total County Buildings			\$ 307,479

Other Facilities

Custodial Personnel	\$	37,080	
Communication		18,941	
Maintenance and Repair Services - Buildings		107,867	
Pest Control		2,640	
Custodial Supplies		2,390	
Utilities		301,048	
Total Other Facilities			469,966

Preservation of Records

Assistant(s)	\$	3,495	
Equipment Operators - Light		11,965	
Social Security		1,156	
Handling Charges and Administrative Costs		185	
State Retirement		214	
Employee and Dependent Insurance		903	
Life Insurance		11	
Communication		366	
Travel		411	
Office Supplies		1,778	
Utilities		10,190	
Other Supplies and Materials		5,634	
Total Preservation of Records			36,308

Finance

Accounting and Budgeting

Supervisor/Director	\$	82,244	
Educational Incentive - Other County Employees		12,300	
Other Salaries and Wages		542,318	
Board and Committee Members Fees		2,500	
Social Security		45,508	
Handling Charges and Administrative Costs		15,124	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

State Retirement	\$	90,749	
Employee and Dependent Insurance		74,437	
Life Insurance		1,189	
Audit Services		30,301	
Communication		5,329	
Data Processing Services		17,006	
Travel		2,423	
Office Supplies		21,594	
Utilities		20,156	
Total Accounting and Budgeting			\$ 963,178

Property Assessor's Office

County Official/Administrative Officer	\$	72,214	
Deputy(ies)		353,534	
Educational Incentive - Official/Admin Officer		1,800	
Board and Committee Members Fees		3,730	
In-Service Training		1,592	
Social Security		29,945	
Handling Charges and Administrative Costs		11,798	
State Retirement		59,331	
Employee and Dependent Insurance		61,645	
Life Insurance		897	
Audit Services		62,425	
Communication		1,457	
Data Processing Services		30,300	
Dues and Memberships		1,767	
Maintenance and Repair Services - Vehicles		140	
Rentals		44,740	
Travel		7,254	
Office Supplies		9,650	
Total Property Assessor's Office			754,219

Reappraisal Program

Part-time Personnel	\$	16,506	
Other Salaries and Wages		84,818	
Social Security		7,191	
Handling Charges and Administrative Costs		3,623	
State Retirement		11,219	
Employee and Dependent Insurance		13,870	
Life Insurance		195	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Data Processing Services	\$ 11,431	
Maintenance and Repair Services - Vehicles	1,858	
Rentals	22,300	
Travel	3,004	
Gasoline	8,943	
Office Supplies	7,785	
Total Reappraisal Program		\$ 192,743

County Trustee's Office

County Official/Administrative Officer	\$ 72,214	
Deputy(ies)	118,765	
Part-time Personnel	17,982	
Educational Incentive - Official/Admin Officer	1,781	
Educational Incentive - Other County Employees	1,500	
Social Security	15,254	
Handling Charges and Administrative Costs	5,606	
State Retirement	23,644	
Employee and Dependent Insurance	22,477	
Life Insurance	392	
Communication	926	
Data Processing Services	14,959	
Travel	3,676	
Office Supplies	14,748	
Total County Trustee's Office		313,924

County Clerk's Office

County Official/Administrative Officer	\$ 72,214	
Deputy(ies)	372,849	
Educational Incentive - Official/Admin Officer	2,500	
Social Security	32,078	
Handling Charges and Administrative Costs	8,772	
State Retirement	60,489	
Employee and Dependent Insurance	43,003	
Life Insurance	813	
Communication	845	
Travel	2,742	
Data Processing Supplies	162	
Office Supplies	27,038	
Data Processing Equipment	6,508	
Total County Clerk's Office		630,013

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 79,435	
Deputy(ies)	578,893	
Educational Incentive - Official/Admin Officer	1,781	
Educational Incentive - Other County Employees	10,950	
Jury and Witness Expense	49,299	
Social Security	47,949	
Handling Charges and Administrative Costs	16,808	
State Retirement	92,518	
Employee and Dependent Insurance	81,970	
Life Insurance	1,174	
Communication	165	
Data Processing Services	11,180	
Operating Lease Payments	10,054	
Travel	2,822	
Duplicating Supplies	1,188	
Office Supplies	17,456	
Data Processing Equipment	9,090	
Total Circuit Court		\$ 1,012,732

General Sessions Court

Judge(s)	\$ 145,994	
Other Salaries and Wages	80,784	
Social Security	14,294	
Handling Charges and Administrative Costs	2,251	
State Retirement	32,951	
Employee and Dependent Insurance	13,728	
Life Insurance	425	
Communication	68	
Travel	1,469	
Office Supplies	9,438	
Total General Sessions Court		301,402

Drug Court

Other Charges	\$ 7,401	
Total Drug Court		7,401

Chancery Court

County Official/Administrative Officer	\$ 79,435
Deputy(ies)	290,100
Part-time Personnel	70,854

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Educational Incentive - Official/Admin Officer	\$	1,781	
Educational Incentive - Other County Employees		3,000	
Social Security		32,291	
Handling Charges and Administrative Costs		10,283	
State Retirement		53,694	
Employee and Dependent Insurance		44,480	
Life Insurance		728	
Unemployment Compensation		1,760	
Communication		469	
Maintenance and Repair Services - Office Equipment		12,973	
Travel		4,273	
Data Processing Supplies		14,346	
Office Supplies		31,272	
Other Charges		3,279	
		<hr/>	
Total Chancery Court	\$		655,018

Juvenile Court

Judge(s)	\$	145,994
Deputy(ies)		3,251
Part-time Personnel		9,164
Other Salaries and Wages		78,156
Social Security		15,374
Handling Charges and Administrative Costs		2,221
State Retirement		32,928
Employee and Dependent Insurance		10,880
Life Insurance		430
Communication		3,936
Data Processing Services		1,665
Dues and Memberships		920
Janitorial Services		553
Maintenance and Repair Services - Buildings		5,993
Maintenance and Repair Services - Equipment		702
Rentals		2,215
Travel		2,746
Custodial Supplies		491
Office Supplies		1,258
Periodicals		322
Utilities		26,319
Other Supplies and Materials		725
Building Improvements		3,129

(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 (Cont.)

Data Processing Equipment	\$ 300	
Total Juvenile Court		\$ 349,672

District Attorney General

Assistant(s)	\$ 64,524	
Social Security	4,824	
Handling Charges and Administrative Costs	854	
State Retirement	9,375	
Employee and Dependent Insurance	3,768	
Life Insurance	124	
Other Charges	400	
Total District Attorney General		83,869

Office of Public Defender

Salary Supplements	\$ 53,712	
Social Security	3,859	
Handling Charges and Administrative Costs	1,316	
State Retirement	7,804	
Employee and Dependent Insurance	6,576	
Life Insurance	103	
Travel	1,004	
Total Office of Public Defender		74,374

Other Administration of Justice

Contracts with Government Agencies	\$ 63,985	
Other Contracted Services	224,814	
Total Other Administration of Justice		288,799

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 79,436
Deputy(ies)	3,011,242
Part-time Personnel	43,323
Educational Incentive - Other County Employees	6,300
Overtime Pay	147,912
Other Salaries and Wages	46,275
Jury and Witness Expense	2,231
In-Service Training	50,200
Social Security	242,986
Handling Charges and Administrative Costs	78,727

(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.)

State Retirement	\$	454,873	
Employee and Dependent Insurance		364,908	
Life Insurance		6,425	
Communication		101,505	
Contracts with Private Agencies		20,103	
Data Processing Services		26,505	
Maintenance and Repair Services - Buildings		12,669	
Maintenance and Repair Services - Vehicles		136,604	
Pest Control		480	
Rentals		5,000	
Travel		32,012	
Custodial Supplies		2,328	
Gasoline		260,620	
Law Enforcement Supplies		23,479	
Office Supplies		39,834	
Uniforms		36,801	
Utilities		41,890	
Law Enforcement Equipment		14,866	
Motor Vehicles		87,649	
Total Sheriff's Department			\$ 5,377,183

Special Patrols

Deputy(ies)	\$	462,422	
Overtime Pay		94,391	
Other Salaries and Wages		32,031	
Social Security		40,488	
Handling Charges and Administrative Costs		11,984	
State Retirement		80,905	
Employee and Dependent Insurance		64,908	
Life Insurance		744	
Maintenance and Repair Services - Vehicles		19,010	
Gasoline		34,321	
Uniforms		7,163	
Total Special Patrols			848,367

Drug Enforcement

Maintenance Agreements	\$	4,500	
Other Contracted Services		2,680	
Office Supplies		1,112	
Total Drug Enforcement			8,292

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail

Deputy(ies)	\$ 3,688,932	
Maintenance Personnel	92,568	
Part-time Personnel	26,250	
Overtime Pay	139,716	
In-Service Training	58,200	
Social Security	287,740	
Handling Charges and Administrative Costs	103,615	
State Retirement	541,809	
Employee and Dependent Insurance	474,282	
Life Insurance	7,296	
Unemployment Compensation	3,859	
Communication	4,215	
Data Processing Services	7,427	
Maintenance and Repair Services - Equipment	7,592	
Medical and Dental Services	30,000	
Custodial Supplies	42,308	
Drugs and Medical Supplies	312,385	
Food Preparation Supplies	14,243	
Food Supplies	385,820	
Law Enforcement Supplies	77,455	
Office Supplies	27,595	
Prisoners Clothing	15,419	
Uniforms	24,075	
Other Supplies and Materials	20,530	
Total Jail		\$ 6,393,331

Workhouse

County Official/Administrative Officer	\$ 13,947
Guards	984,920
Overtime Pay	18,073
In-Service Training	13,200
Social Security	74,119
Handling Charges and Administrative Costs	26,940
State Retirement	128,680
Employee and Dependent Insurance	129,442
Life Insurance	2,013
Communication	7,834
Data Processing Services	2,172
Maintenance and Repair Services - Buildings	19,755
Maintenance and Repair Services - Equipment	2,945

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Maintenance and Repair Services - Vehicles	\$	5,581	
Pest Control		840	
Custodial Supplies		7,278	
Drugs and Medical Supplies		14,579	
Food Preparation Supplies		5,267	
Food Supplies		109,726	
Gasoline		4,474	
Law Enforcement Supplies		5,212	
Office Supplies		3,854	
Prisoners Clothing		2,767	
Uniforms		9,237	
Utilities		87,073	
Other Supplies and Materials		7,660	
Total Workhouse			\$ 1,687,588

Juvenile Services

County Official/Administrative Officer	\$	72,214	
Deputy(ies)		58,741	
Accountants/Bookkeepers		44,949	
Clerical Personnel		73,893	
Part-time Personnel		1,590	
Social Security		18,114	
Handling Charges and Administrative Costs		6,723	
State Retirement		32,228	
Employee and Dependent Insurance		29,286	
Life Insurance		489	
Unemployment Compensation		2,905	
Communication		3,610	
Printing, Stationery, and Forms		750	
Rentals		4,718	
Office Supplies		3,255	
Total Juvenile Services			353,465

Fire Prevention and Control

Mechanic(s)	\$	80,970	
Other Salaries and Wages		180,722	
Social Security		18,654	
Handling Charges and Administrative Costs		6,677	
State Retirement		21,138	
Employee and Dependent Insurance		34,320	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Life Insurance	\$	362	
Communication		12,752	
Maintenance and Repair Services - Equipment		47,332	
Travel		529	
Equipment and Machinery Parts		123,115	
Gasoline		34,928	
Utilities		55,062	
Gravel and Chert		520	
Total Fire Prevention and Control			\$ 617,081

Civil Defense

Supervisor/Director	\$	58,800	
Part-time Personnel		1,962	
Overtime Pay		555	
Other Salaries and Wages		106,827	
Social Security		11,720	
Handling Charges and Administrative Costs		5,427	
State Retirement		23,000	
Employee and Dependent Insurance		26,639	
Life Insurance		338	
Communication		25,492	
Dues and Memberships		425	
Operating Lease Payments		84	
Maintenance Agreements		2,635	
Maintenance and Repair Services - Equipment		16,061	
Maintenance and Repair Services - Vehicles		8,193	
Travel		1,220	
Gasoline		5,797	
Office Supplies		1,001	
Utilities		21,470	
Other Supplies and Materials		15,801	
Building Improvements		682	
Total Civil Defense			334,129

Disaster Relief

Overtime Pay	\$	9,537	
Social Security		688	
State Retirement		1,386	
Employee and Dependent Insurance		869	
Communication		4,146	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Disaster Relief (Cont.)

Operating Lease Payments	\$	30,000	
Other Contracted Services		86,430	
Office Supplies		283	
Other Supplies and Materials		11,078	
Building Improvements		275	
Total Disaster Relief			\$ 144,692

Inspection and Regulation

County Official/Administrative Officer	\$	48,828	
Other Salaries and Wages		63,432	
In-Service Training		108	
Social Security		8,059	
Handling Charges and Administrative Costs		3,333	
State Retirement		15,799	
Employee and Dependent Insurance		15,026	
Life Insurance		241	
Unemployment Compensation		1,255	
Communication		1,506	
Dues and Memberships		200	
Maintenance and Repair Services - Vehicles		976	
Gasoline		3,234	
Office Supplies		1,289	
Total Inspection and Regulation			163,286

County Coroner/Medical Examiner

Social Security	\$	656	
State Retirement		2,155	
Employee and Dependent Insurance		235	
Contracts with Government Agencies		21,200	
Contracts with Public Carriers		3,350	
Travel		1,629	
Other Contracted Services		53,750	
Other Charges		325	
Total County Coroner/Medical Examiner			83,300

Other Public Safety

Other Salaries and Wages	\$	12,932	
Social Security		963	
State Retirement		1,872	
Employee and Dependent Insurance		789	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety (Cont.)

Travel	\$ 1,412	
Total Other Public Safety		\$ 17,968

Public Health and Welfare

Local Health Center

County Official/Administrative Officer	\$ 210,552	
Paraprofessionals	23,378	
Other Salaries and Wages	799,084	
Social Security	69,043	
Handling Charges and Administrative Costs	14,900	
State Retirement	142,039	
Employee and Dependent Insurance	73,690	
Life Insurance	2,038	
Unemployment Compensation	3,850	
Communication	34,211	
Data Processing Services	31,917	
Janitorial Services	36,000	
Maintenance and Repair Services - Buildings	27,389	
Maintenance and Repair Services - Vehicles	7,669	
Postal Charges	3,755	
Travel	19,617	
Drugs and Medical Supplies	90,055	
Gasoline	10,657	
Office Supplies	27,006	
Utilities	41,516	
Other Supplies and Materials	1,173	
Liability Insurance	6,329	
Total Local Health Center		1,675,868

Rabies and Animal Control

Overtime Pay	\$ 8,985
Other Salaries and Wages	85,169
Social Security	6,540
Handling Charges and Administrative Costs	3,506
State Retirement	13,206
Employee and Dependent Insurance	17,754
Life Insurance	173
Communication	5,026
Maintenance and Repair Services - Buildings	4,113
Maintenance and Repair Services - Vehicles	697

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Printing, Stationery, and Forms	\$ 782	
Veterinary Services	2,001	
Animal Food and Supplies	5,031	
Drugs and Medical Supplies	5,468	
Gasoline	8,451	
Uniforms	3,910	
Utilities	6,499	
Total Rabies and Animal Control		\$ 177,311

Maternal and Child Health Services

Drugs and Medical Supplies	\$ 2,900	
Office Supplies	76,887	
Other Supplies and Materials	500	
Health Equipment	27,445	
Total Maternal and Child Health Services		107,732

Alcohol and Drug Programs

Contributions	\$ 28,692	
Total Alcohol and Drug Programs		28,692

Other Local Health Services

Contributions	\$ 32,130	
Total Other Local Health Services		32,130

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 34,708	
Total Senior Citizens Assistance		34,708

Libraries

State Retirement	\$ 60,540	
Other Fringe Benefits	9,483	
Contributions	963,894	
Total Libraries		1,033,917

Parks and Fair Boards

Part-time Personnel	\$ 13,613	
Overtime Pay	7,488	
Other Salaries and Wages	443,156	
Social Security	33,205	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Handling Charges and Administrative Costs	\$	12,013	
State Retirement		61,173	
Employee and Dependent Insurance		60,091	
Life Insurance		871	
Unemployment Compensation		1,030	
Communication		11,399	
Legal Notices, Recording, and Court Costs		136	
Maintenance and Repair Services - Equipment		116,831	
Travel		495	
Remittance of Revenue Collected		2,550	
Gasoline		29,864	
Utilities		65,751	
Other Supplies and Materials		3,014	
Other Charges		3,279	
Total Parks and Fair Boards			\$ 865,959

Other Social, Cultural, and Recreational

Other Salaries and Wages	\$	17,528	
Social Security		792	
Other Supplies and Materials		48,468	
Total Other Social, Cultural, and Recreational			66,788

Agriculture and Natural Resources

Agriculture Extension Service

Other Salaries and Wages	\$	139,987	
Social Security		4,651	
Other Fringe Benefits		15,096	
Communication		5,597	
Contracts with Other Public Agencies		17	
Contributions		3,300	
Office Supplies		4,286	
Total Agriculture Extension Service			172,934

Forest Service

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

Soil Conservation

Other Salaries and Wages	\$	74,204	
Social Security		5,385	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Handling Charges and Administrative Costs	\$	1,367	
State Retirement		7,611	
Employee and Dependent Insurance		7,492	
Life Insurance		135	
Travel		863	
Total Soil Conservation			\$ 97,057

Flood Control

Contributions	\$	50,000	
Total Flood Control			50,000

Other Operations

Industrial Development

Contributions	\$	72,000	
Total Industrial Development			72,000

Airport

Contributions	\$	210,240	
Liability Insurance		17,467	
Total Airport			227,707

Other Charges

Handling Charges and Administrative Costs	\$	37,858	
Disability Insurance		36,530	
Medical and Dental Services		251,029	
Medical Claims		132,532	
Total Other Charges			457,949

Contributions to Other Agencies

Contributions	\$	177,960	
Total Contributions to Other Agencies			177,960

Employee Benefits

On-Behalf Payments to OPEB	\$	4,230	
Total Employee Benefits			4,230

Miscellaneous

Board and Committee Members Fees	\$	2,690	
Employee and Dependent Insurance		144	
Unemployment Compensation		2,753	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Communication	\$ 56,651	
Consultants	1,027	
Contracts with Government Agencies	24,000	
Contracts with Other Public Agencies	4,742	
Data Processing Services	6,120	
Dues and Memberships	16,191	
Evaluation and Testing	960	
Legal Services	656	
Legal Notices, Recording, and Court Costs	30,955	
Postal Charges	134,496	
Remittance of Revenue Collected	35,352	
Other Contracted Services	11,650	
Utilities	133,214	
Excess Risk Insurance	25,982	
Liability Insurance	400,060	
Premiums on Corporate Surety Bonds	15,602	
Refunds	2,062	
Trustee's Commission	385,761	
Fines, Assessments, and Penalties	143,629	
Other Charges	<u>7,659</u>	
Total Miscellaneous		\$ 1,442,356

Principal on Debt

General Government

Principal on Notes	\$ <u>15,468</u>	
Total General Government		15,468

Interest on Debt

General Government

Interest on Notes	\$ <u>1,620</u>	
Total General Government		<u>1,620</u>

Total General Fund \$ 30,613,176

Juvenile Services Fund

Public Safety

Juvenile Services

County Official/Administrative Officer	\$ 55,212
Supervisor/Director	161,003
Accountants/Bookkeepers	39,416

(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.)

Social Workers	\$ 279,060	
Paraprofessionals	99,012	
Guards	175,666	
Clerical Personnel	28,121	
Overtime Pay	20,649	
Social Security	60,741	
Handling Charges and Administrative Costs	23,603	
State Retirement	103,925	
Employee and Dependent Insurance	125,790	
Life Insurance	1,499	
Disability Insurance	1,647	
Unemployment Compensation	2,931	
Communication	11,921	
Data Processing Services	6,124	
Maintenance and Repair Services - Buildings	18,035	
Maintenance and Repair Services - Equipment	6,305	
Maintenance and Repair Services - Vehicles	2,542	
Medical and Dental Services	14,236	
Printing, Stationery, and Forms	1,283	
Travel	6,199	
Other Contracted Services	41,626	
Custodial Supplies	2,468	
Data Processing Supplies	1,111	
Food Supplies	10,337	
Gasoline	3,478	
Instructional Supplies and Materials	414	
Office Supplies	2,191	
Utilities	44,609	
Other Supplies and Materials	1,094	
Excess Risk Insurance	6,991	
Liability Insurance	18,160	
Medical Claims	11,057	
Refunds	2,780	
Trustee's Commission	22,207	
Data Processing Equipment	4,000	
Office Equipment	249	
Other Equipment	468	
Total Juvenile Services		<u>\$ 1,418,160</u>
Total Juvenile Services Fund		\$ 1,418,160

(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	\$ 55,531	
Part-time Personnel	283,595	
Other Salaries and Wages	34,584	
Social Security	28,494	
Handling Charges and Administrative Costs	762	
State Retirement	10,426	
Employee and Dependent Insurance	3,140	
Life Insurance	101	
Unemployment Compensation	1,046	
Other Fringe Benefits	10,905	
Communication	4,706	
Operating Lease Payments	9,912	
Maintenance and Repair Services - Equipment	27,321	
Maintenance and Repair Services - Vehicles	30,642	
Travel	9,656	
Gasoline	31,097	
Uniforms	2,730	
Utilities	13,196	
Other Supplies and Materials	1,274	
Trustee's Commission	18,076	
Other Charges	29,851	
Total Convenience Centers		\$ 607,045

Landfill Operation and Maintenance

Contracts with Government Agencies	\$ 267,411	
Other Contracted Services	180,419	
Total Landfill Operation and Maintenance		447,830

Total Solid Waste/Sanitation Fund \$ 1,054,875

Local Purpose Tax Fund

Other Operations

Miscellaneous

Trustee's Commission	\$ 49,523	
Total Miscellaneous		\$ 49,523

Total Local Purpose Tax Fund 49,523

(Continued)

Exhibit K-8

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

Special Purpose Fund

Public Safety

Correctional Incentive Program Improvements

Probation Officer(s)	\$	217,853	
Social Security		16,722	
Handling Charges and Administrative Costs		3,301	
State Retirement		24,755	
Employee and Dependent Insurance		12,050	
Life Insurance		275	
Communication		18,615	
Evaluation and Testing		66,946	
Maintenance and Repair Services - Buildings		350	
Rentals		33,296	
Travel		21,317	
Office Supplies		4,104	
Utilities		4,808	
Motor Vehicles		50,258	
Other Equipment		5,095	
Total Correctional Incentive Program Improvements	\$		479,745

Work Release Program

Other Salaries and Wages	\$	393,575	
Social Security		28,967	
Handling Charges and Administrative Costs		5,925	
State Retirement		44,789	
Employee and Dependent Insurance		27,518	
Life Insurance		1,029	
Unemployment Compensation		2,246	
Communication		19,534	
Maintenance and Repair Services - Buildings		46,087	
Maintenance and Repair Services - Vehicles		41,717	
Printing, Stationery, and Forms		1,000	
Rentals		60,900	
Travel		13,495	
Office Supplies		18,538	
Utilities		12,481	
Other Equipment		2,380	
Total Work Release Program			720,181

Other Emergency Management

Other Contracted Services	\$	985	
Data Processing Supplies		8,998	
Vehicle Parts		12,580	

(Continued)

Exhibit K-8

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

Special Purpose Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Other Supplies and Materials	\$	15,367	
Litter Enforcement Awards		24,600	
Communication Equipment		49,031	
Office Equipment		175	
Other Equipment		<u>110,391</u>	
Total Other Emergency Management	\$		222,127

Public Safety Grant Programs

Educational Incentive - Other County Employees	\$	1,500	
Other Salaries and Wages		93,623	
Social Security		6,647	
Handling Charges and Administrative Costs		1,381	
State Retirement		13,603	
Employee and Dependent Insurance		8,390	
Life Insurance		326	
Other Fringe Benefits		376	
Communication		1,657	
Postal Charges		300	
Printing, Stationery, and Forms		267	
Travel		5,177	
Office Supplies		<u>11,788</u>	
Total Public Safety Grant Programs			145,035

Public Health and Welfare

Maternal and Child Health Services

Part-time Personnel	\$	62,088	
Other Salaries and Wages		1,426,378	
Social Security		106,879	
Handling Charges and Administrative Costs		35,491	
State Retirement		199,497	
Employee and Dependent Insurance		168,806	
Life Insurance		2,700	
Advertising		21,565	
Bank Charges		632	
Communication		26,544	
Maintenance Agreements		12,697	
Postal Charges		4,900	
Printing, Stationery, and Forms		735	
Travel		34,707	
Remittance of Revenue Collected		32,903	

(Continued)

Exhibit K-8

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

Special Purpose Fund (Cont.)

Public Health and Welfare (Cont.)

Maternal and Child Health Services (Cont.)

Other Contracted Services	\$ 1,441	
Drugs and Medical Supplies	63,533	
Office Supplies	352,381	
Utilities	9,552	
Other Supplies and Materials	20,230	
Liability Insurance	2,857	
Other Charges	6,331	
Building Improvements	29,569	
Heating and Air Conditioning Equipment	10,950	
Total Maternal and Child Health Services		\$ 2,633,366

Sanitation Education/Information

Other Salaries and Wages	\$ 7,365	
Social Security	558	
Unemployment Compensation	86	
Gasoline	11,544	
Other Supplies and Materials	11,084	
Total Sanitation Education/Information		30,637

Other Operations

Airport

Part-time Personnel	\$ 57,688	
Other Salaries and Wages	197,076	
Social Security	18,644	
State Retirement	25,148	
Employee and Dependent Insurance	23,292	
Life Insurance	451	
Other Fringe Benefits	4,924	
Refunds	39,332	
Total Airport		366,555

ARRA Grant # 10

Travel	\$ 1,662	
Data Processing Equipment	28,052	
Law Enforcement Equipment	40,412	
Total ARRA Grant # 10		70,126

Miscellaneous

Other Salaries and Wages	\$ 143,352	
Social Security	10,547	

(Continued)

Exhibit K-8

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

Special Purpose Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Handling Charges and Administrative Costs	\$	2,281	
Employee and Dependent Insurance		5,096	
Life Insurance		951	
Trustee's Commission		5,325	
Total Miscellaneous			<u>\$ 167,552</u>

Total Special Purpose Fund \$ 4,835,324

Drug Control Fund

Public Safety

Drug Enforcement

Trustee's Commission	\$	338	
Motor Vehicles		18,750	
Total Drug Enforcement			<u>\$ 19,088</u>

Total Drug Control Fund 19,088

District Attorney General Fund

Administration of Justice

District Attorney General

Temporary Personnel	\$	12,739	
Communication		2,583	
Dues and Memberships		2,030	
Travel		10,614	
Data Processing Supplies		2,170	
Office Supplies		3,334	
Trustee's Commission		200	
Other Charges		389	
Total District Attorney General			<u>\$ 34,059</u>

Total District Attorney General Fund 34,059

Highway/Public Works Fund

Public Safety

Disaster Relief

Overtime Pay	\$	17,304	
Social Security		1,276	
State Retirement		2,365	
Employee and Dependent Insurance		1,792	
Other Contracted Services		561,024	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Public Safety (Cont.)

Disaster Relief (Cont.)

Other Supplies and Materials	\$ 346,864	
Total Disaster Relief		\$ 930,625

Highways

Administration

County Official/Administrative Officer	\$ 124,819	
Clerical Personnel	123,226	
Part-time Personnel	17,360	
Educational Incentive - Other County Employees	6,000	
Social Security	19,571	
State Retirement	36,181	
Employee and Dependent Insurance	19,139	
Data Processing Services	1,320	
Dues and Memberships	4,755	
Maintenance and Repair Services - Buildings	6,044	
Maintenance and Repair Services - Office Equipment	563	
Postal Charges	422	
Printing, Stationery, and Forms	6	
Travel	894	
Office Supplies	2,421	
Other Charges	845	
Total Administration		363,566

Highway and Bridge Maintenance

Materials Supervisor	\$ 92,961
Foremen	373,235
Equipment Operators	470,928
Truck Drivers	84,873
Laborers	39,470
Social Security	77,557
State Retirement	154,322
Employee and Dependent Insurance	127,288
Travel	215
Asphalt - Hot Mix	134,028
Asphalt - Liquid	504,609
Concrete	4,763
Crushed Stone	204,132
Riprap	36,344
Lubricants	663
Pipe - Metal	61,331

(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.)

Road Signs	\$	31,836	
Salt		12,063	
Sand		456	
Small Tools		2,713	
Gravel and Chert		84,972	
Chemicals		100,981	
Other Supplies and Materials		3,244	
Other Charges		5,582	
Total Highway and Bridge Maintenance			\$ 2,608,566

Operation and Maintenance of Equipment

Mechanic(s)	\$	85,813	
Social Security		6,108	
State Retirement		12,454	
Employee and Dependent Insurance		15,209	
Laundry Service		1,935	
Maintenance and Repair Services - Equipment		35,623	
Diesel Fuel		63,089	
Equipment Parts - Heavy		4,273	
Equipment and Machinery Parts		70,530	
Garage Supplies		1,648	
Gasoline		35,067	
Lubricants		4,565	
Small Tools		354	
Tires and Tubes		18,830	
Other Supplies and Materials		8,825	
Other Capital Outlay		965	
Total Operation and Maintenance of Equipment			365,288

Other Charges

Communication	\$	17,496	
Contracts with Private Agencies		497	
Natural Gas		18,740	
Liability Insurance		69,329	
Trustee's Commission		60,028	
Total Other Charges			166,090

Employee Benefits

Handling Charges and Administrative Costs	\$	22,048	
Employee and Dependent Insurance		19,761	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits (Cont.)

Disability Insurance	\$ 2,802	
On-Behalf Payments to OPEB	627	
Medical and Dental Services	46,110	
Medical Claims	49,032	
Total Employee Benefits		\$ 140,380

Capital Outlay

Engineering Services	\$ 54,847	
Bridge Construction	522,888	
Other Capital Outlay	1,128	
Total Capital Outlay		578,863

Total Highway/Public Works Fund \$ 5,153,378

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 625,000	
Principal on Notes	4,265,000	
Total General Government		\$ 4,890,000

Interest on Debt

General Government

Interest on Bonds	\$ 2,599,970	
Interest on Notes	493,250	
Total General Government		3,093,220

Other Debt Service

General Government

Trustee's Commission	\$ 58,889	
Other Debt Service	3,035	
Total General Government		61,924

Total General Debt Service Fund 8,045,144

General Capital Projects Fund

General Government

County Buildings

Building Improvements	\$ 31,479	
Total County Buildings		\$ 31,479

(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

Motor Vehicles	\$ 20,000	
Total Property Assessor's Office		\$ 20,000

Public Safety

Sheriff's Department

Heating and Air Conditioning Equipment	\$ 32,770	
Motor Vehicles	112,371	
Total Sheriff's Department		145,141

Juvenile Services

Data Processing Equipment	\$ 35,000	
Total Juvenile Services		35,000

Fire Prevention and Control

Motor Vehicles	\$ 191,682	
Total Fire Prevention and Control		191,682

Civil Defense

Communication	\$ 575	
Communication Equipment	44,715	
Total Civil Defense		45,290

Public Health and Welfare

Rabies and Animal Control

Motor Vehicles	\$ 17,069	
Total Rabies and Animal Control		17,069

Convenience Centers

Solid Waste Equipment	\$ 24,975	
Total Convenience Centers		24,975

Other Operations

Airport

Airport Improvement	\$ 39,330	
Total Airport		39,330

Miscellaneous

Trustee's Commission	\$ 68,636	
Total Miscellaneous		68,636

Total General Capital Projects Fund		\$ 618,602
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(Continued)

Exhibit K-8

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

<u>Community Development/Industrial Park Fund</u>		
<u>Other Operations</u>		
<u>Industrial Development</u>		
Trustee's Commission	<u>\$ 429</u>	
Total Industrial Development		<u>\$ 429</u>
Total Community Development/Industrial Park Fund		\$ 429
 <u>Other Capital Projects Fund</u>		
<u>Other Operations</u>		
<u>Miscellaneous</u>		
Trustee's Commission	<u>\$ 47</u>	
Total Miscellaneous		<u>\$ 47</u>
Total Other Capital Projects Fund		<u>47</u>
Total Governmental Funds - Primary Government		<u><u>\$ 51,841,805</u></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, 2011

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 31,645,496	
Career Ladder Program	350,285	
Career Ladder Extended Contracts	144,302	
Homebound Teachers	98,407	
Salary Supplements	6,000	
Educational Assistants	1,022,857	
Certified Substitute Teachers	599,047	
Social Security	2,443,916	
State Retirement	3,363,763	
Life Insurance	69,838	
Medical Insurance	3,024,510	
Dental Insurance	127,718	
Other Fringe Benefits	460,693	
Other Contracted Services	34,500	
Instructional Supplies and Materials	742,408	
Textbooks	938,960	
Other Supplies and Materials	108,720	
Other Charges	12,993	
Regular Instruction Equipment	83,898	
Total Regular Instruction Program		\$ 45,278,311

Special Education Program

Teachers	\$ 5,303,659	
Career Ladder Program	65,081	
Homebound Teachers	50,393	
Educational Assistants	599,972	
Speech Pathologist	563,462	
Certified Substitute Teachers	121,447	
Social Security	470,593	
State Retirement	601,576	
Life Insurance	11,189	
Medical Insurance	558,619	
Dental Insurance	25,056	
Contracts with Private Agencies	312,460	
Other Contracted Services	353,494	
Instructional Supplies and Materials	40,995	
Other Supplies and Materials	15,383	
Special Education Equipment	21,315	
Total Special Education Program		9,114,694

(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.)

Vocational Education Program

Teachers	\$ 2,753,464	
Career Ladder Program	29,000	
Other Salaries and Wages	287,915	
Certified Substitute Teachers	40,045	
Social Security	221,454	
State Retirement	279,021	
Life Insurance	5,710	
Medical Insurance	250,339	
Dental Insurance	11,466	
Instructional Supplies and Materials	94,454	
Vocational Instruction Equipment	80,714	
Total Vocational Education Program		\$ 4,053,582

Other

Supervisor/Director	\$ 162,120	
Clerical Personnel	28,413	
Social Security	13,883	
State Retirement	24,072	
Life Insurance	358	
Medical Insurance	10,167	
Dental Insurance	874	
Legal Services	157,999	
Travel	2,500	
Other Contracted Services	12,600	
Office Supplies	5,398	
Other Supplies and Materials	87,379	
In Service/Staff Development	6,152	
Total Other		511,915

Support Services

Attendance

Supervisor/Director	\$ 113,578
Career Ladder Program	1,000
Other Salaries and Wages	110,302
Social Security	16,081
State Retirement	27,083
Life Insurance	419
Medical Insurance	17,259
Dental Insurance	951

(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.)

Travel	\$	4,611	
Other Contracted Services		52,817	
Other Supplies and Materials		992	
Total Attendance			\$ 345,093

Health Services

Medical Personnel	\$	316,430	
Social Security		22,083	
State Retirement		38,818	
Life Insurance		599	
Medical Insurance		33,117	
Dental Insurance		1,478	
Travel		6,480	
Other Contracted Services		4,993	
Other Supplies and Materials		23,710	
In Service/Staff Development		7,562	
Total Health Services			455,270

Other Student Support

Career Ladder Program	\$	29,000	
Guidance Personnel		1,894,147	
Psychological Personnel		371,437	
Clerical Personnel		107,434	
Other Salaries and Wages		16,793	
Social Security		173,700	
State Retirement		224,748	
Life Insurance		4,538	
Medical Insurance		177,813	
Dental Insurance		7,213	
Contracts with Government Agencies		101,199	
Travel		20,311	
Other Contracted Services		158,597	
Total Other Student Support			3,286,930

Regular Instruction Program

Supervisor/Director	\$	311,228	
Career Ladder Program		50,375	
Librarians		1,195,090	
Clerical Personnel		92,117	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Other Salaries and Wages	\$	106,865	
Social Security		128,036	
State Retirement		173,582	
Life Insurance		3,148	
Medical Insurance		125,604	
Dental Insurance		5,949	
Travel		43,089	
Other Contracted Services		9,600	
Instructional Supplies and Materials		33,545	
Library Books/Media		100,000	
Office Supplies		2,854	
Other Supplies and Materials		112,411	
In Service/Staff Development		36,176	
Other Charges		4,037	
Total Regular Instruction Program			\$ 2,533,706

Special Education Program

Supervisor/Director	\$	161,069	
Career Ladder Program		4,000	
Clerical Personnel		39,082	
Other Salaries and Wages		121,530	
Social Security		24,345	
State Retirement		34,052	
Life Insurance		585	
Medical Insurance		17,193	
Dental Insurance		816	
Maintenance and Repair Services - Equipment		1,941	
Travel		54,085	
In Service/Staff Development		4,214	
Total Special Education Program			462,912

Vocational Education Program

Supervisor/Director	\$	65,354	
Secretary(ies)		23,876	
Social Security		6,599	
State Retirement		7,138	
Life Insurance		125	
Medical Insurance		2,688	
Dental Insurance		85	

(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.)

Travel	\$	3,301	
Other Supplies and Materials		54	
Other Charges		50	
Total Vocational Education Program			\$ 109,270

Other Programs

Supervisor/Director	\$	98,240	
Teachers		99,553	
Bus Drivers		15,000	
Educational Assistants		37,723	
Other Salaries and Wages		223,291	
Social Security		31,148	
State Retirement		45,611	
Life Insurance		223	
Medical Insurance		6,759	
Dental Insurance		453	
On-Behalf Payments to OPEB		707,009	
Communication		1,139	
Postal Charges		39	
Printing, Stationery, and Forms		3,497	
Travel		6,800	
Other Contracted Services		19,587	
Diesel Fuel		8,893	
Instructional Supplies and Materials		55,394	
Other Supplies and Materials		111,785	
In Service/Staff Development		12,243	
Other Charges		2,512	
Maintenance Equipment		32,042	
Regular Instruction Equipment		40,268	
Special Education Equipment		969	
Transportation Equipment		5,000	
Other Equipment		5,843	
Total Other Programs			1,571,021

Board of Education

Secretary to Board	\$	3,600	
Board and Committee Members Fees		32,400	
Social Security		2,680	
State Retirement		520	

(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 (Cont.)

Unemployment Compensation	\$	195,794	
Audit Services		46,000	
Contributions		620	
Dues and Memberships		13,310	
Premiums on Corporate Surety Bonds		175	
Trustee's Commission		770,090	
Workers' Compensation Insurance		757,360	
In Service/Staff Development		12,058	
Other Charges		15,397	
Total Board of Education			\$ 1,850,004

Director of Schools

County Official/Administrative Officer	\$	161,284	
Assistant(s)		101,500	
Secretary(ies)		139,457	
Social Security		26,859	
State Retirement		41,149	
Life Insurance		708	
Medical Insurance		14,781	
Dental Insurance		973	
Communication		100,762	
Dues and Memberships		6,446	
Maintenance and Repair Services - Equipment		16,876	
Postal Charges		13,463	
Travel		6,411	
Office Supplies		8,781	
Other Supplies and Materials		165	
In Service/Staff Development		6,690	
Other Charges		6,412	
Total Director of Schools			652,717

Office of the Principal

Principals	\$	2,080,135	
Career Ladder Program		34,000	
Assistant Principals		1,014,959	
Secretary(ies)		1,103,049	
Other Salaries and Wages		377,943	
Social Security		328,011	
State Retirement		476,927	

(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.)

Life Insurance	\$	8,547	
Medical Insurance		340,675	
Dental Insurance		16,578	
Travel		20,876	
Other Supplies and Materials		108,693	
Total Office of the Principal			\$ 5,910,393

Fiscal Services

Supervisor/Director	\$	92,617	
Accountants/Bookkeepers		88,533	
Secretary(ies)		34,847	
Social Security		15,905	
State Retirement		26,247	
Life Insurance		412	
Medical Insurance		10,291	
Dental Insurance		701	
Travel		2,823	
Other Contracted Services		356,613	
Office Supplies		2,362	
In Service/Staff Development		2,246	
Total Fiscal Services			633,597

Human Services/Personnel

Supervisor/Director	\$	149,976	
Clerical Personnel		27,942	
Other Salaries and Wages		67,995	
Social Security		17,978	
State Retirement		26,594	
Life Insurance		410	
Medical Insurance		13,463	
Dental Insurance		1,167	
Travel		2,283	
Other Contracted Services		1,411	
Other Supplies and Materials		1,580	
In Service/Staff Development		437	
Other Charges		7,703	
Total Human Services/Personnel			318,939

(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.)

Operation of Plant

Custodial Personnel	\$ 1,359,671	
Overtime Pay	15,983	
Other Salaries and Wages	28,413	
Social Security	99,350	
State Retirement	159,129	
Life Insurance	2,368	
Medical Insurance	139,225	
Dental Insurance	6,109	
Other Contracted Services	484,535	
Custodial Supplies	281,969	
Electricity	2,482,606	
Natural Gas	640,741	
Water and Sewer	237,141	
Building and Contents Insurance	677,767	
Plant Operation Equipment	4,737	
Total Operation of Plant		\$ 6,619,744

Maintenance of Plant

Secretary(ies)	\$ 63,697	
Overtime Pay	24,487	
Other Salaries and Wages	1,555,788	
Social Security	116,656	
State Retirement	232,003	
Life Insurance	3,012	
Medical Insurance	154,223	
Dental Insurance	7,486	
Travel	1,727	
Other Supplies and Materials	880,295	
In Service/Staff Development	3,422	
Total Maintenance of Plant		3,042,796

Transportation

Supervisor/Director	\$ 73,981	
Mechanic(s)	292,962	
Bus Drivers	1,961,734	
Overtime Pay	17,357	
Other Salaries and Wages	450,435	
Social Security	197,704	
State Retirement	321,795	

(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.)

Life Insurance	\$	3,748	
Medical Insurance		263,565	
Dental Insurance		13,910	
Contracts with Vehicle Owners		640	
Travel		5,654	
Diesel Fuel		775,791	
Gasoline		121,264	
Tires and Tubes		100,872	
Vehicle Parts		440,534	
Other Charges		44,380	
Transportation Equipment		10,316	
Total Transportation			\$ 5,096,642

Central and Other

Supervisor/Director	\$	78,288	
Other Salaries and Wages		152,165	
Social Security		16,485	
State Retirement		33,243	
Life Insurance		429	
Medical Insurance		18,361	
Dental Insurance		430	
Travel		1,587	
Other Contracted Services		22,163	
Other Supplies and Materials		25,448	
In Service/Staff Development		4,985	
Other Equipment		161,411	
Total Central and Other			514,995

Operation of Non-Instructional Services

Food Service

Career Ladder Program	\$	1,000	
Social Security		76	
State Retirement		90	
Total Food Service			1,166

Community Services

Other Salaries and Wages	\$	75,341	
Social Security		5,663	
State Retirement		3,438	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Medical Insurance	\$	2,043	
Other Supplies and Materials		<u>2,239</u>	
Total Community Services			\$ 88,724

Early Childhood Education

Teachers	\$	623,116	
Clerical Personnel		22,899	
Educational Assistants		219,893	
Certified Substitute Teachers		26,218	
Social Security		60,001	
State Retirement		88,567	
Life Insurance		1,644	
Medical Insurance		79,274	
Dental Insurance		3,297	
Other Contracted Services		1,769	
Instructional Supplies and Materials		72,107	
In Service/Staff Development		9,470	
Other Charges		708	
Regular Instruction Equipment		<u>12,500</u>	
Total Early Childhood Education			1,221,463

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	<u>567,206</u>	
Total Education			<u>567,206</u>

Total General Purpose School Fund \$ 94,241,090

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	2,258,346	
Clerical Personnel		213,549	
Educational Assistants		215,965	
Bonus Payments		424,947	
Other Salaries and Wages		199,755	
Certified Substitute Teachers		21,420	
Social Security		239,896	
State Retirement		314,133	

(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	\$	4,512	
Medical Insurance		236,277	
Dental Insurance		8,733	
Other Contracted Services		68,119	
Instructional Supplies and Materials		456,283	
Other Supplies and Materials		750	
Other Charges		67,646	
Regular Instruction Equipment		<u>1,313,152</u>	
Total Regular Instruction Program			\$ 6,043,483

Alternative Instruction Program

Other Contracted Services	\$	<u>169,500</u>	
Total Alternative Instruction Program			169,500

Special Education Program

Teachers	\$	145,867	
Educational Assistants		1,673,882	
Speech Pathologist		20,547	
Bonus Payments		131,199	
Other Salaries and Wages		3,185	
Certified Substitute Teachers		8,855	
Non-certified Substitute Teachers		2,132	
Social Security		144,246	
State Retirement		231,720	
Life Insurance		3,181	
Medical Insurance		117,553	
Dental Insurance		6,902	
Contracts with Private Agencies		208,178	
Other Contracted Services		31,862	
Instructional Supplies and Materials		242,953	
Other Supplies and Materials		17,789	
Special Education Equipment		<u>606,572</u>	
Total Special Education Program			3,596,623

Vocational Education Program

Educational Assistants	\$	15,701	
Bonus Payments		32,216	
Other Salaries and Wages		58,744	
Social Security		6,576	

(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.)

Vocational Education Program (Cont.)

State Retirement	\$	13,815	
Life Insurance		136	
Medical Insurance		8,063	
Dental Insurance		268	
Employer Medicare		1,079	
Vocational Instruction Equipment		92,673	
Total Vocational Education Program			\$ 229,271

Support Services

Attendance

Bonus Payments	\$	3,003	
Social Security		230	
State Retirement		374	
Total Attendance			3,607

Health Services

Medical Personnel	\$	167,106	
Bonus Payments		8,151	
Social Security		12,871	
State Retirement		20,760	
Life Insurance		205	
Medical Insurance		7,605	
Dental Insurance		621	
Other Supplies and Materials		1,614	
Total Health Services			218,933

Other Student Support

Guidance Personnel	\$	56,974	
Psychological Personnel		11,230	
Clerical Personnel		5,876	
Bonus Payments		26,145	
Social Security		7,101	
State Retirement		9,502	
Life Insurance		144	
Medical Insurance		8,285	
Dental Insurance		294	
Communication		6,650	
Travel		62,072	
Other Contracted Services		2,293	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Supplies and Materials	\$	4,545	
In Service/Staff Development		165	
Other Equipment		5,188	
Total Other Student Support			\$ 206,464

Regular Instruction Program

Supervisor/Director	\$	79,838	
Instructional Computer Personnel		1,434,462	
Secretary(ies)		36,108	
Clerical Personnel		31,097	
Bonus Payments		32,787	
Other Salaries and Wages		617,504	
Certified Substitute Teachers		25,105	
In-Service Training		296,950	
Social Security		193,923	
State Retirement		242,367	
Life Insurance		3,596	
Medical Insurance		148,132	
Dental Insurance		5,943	
Consultants		124,675	
Travel		41,672	
Other Contracted Services		238,609	
Other Supplies and Materials		101,069	
In Service/Staff Development		518,641	
Other Charges		43,527	
Other Equipment		31,339	
Total Regular Instruction Program			4,247,344

Special Education Program

Assessment Personnel	\$	103,078	
Secretary(ies)		35,570	
Bonus Payments		8,077	
Other Salaries and Wages		325,254	
In-Service Training		6,050	
Social Security		33,719	
State Retirement		56,268	
Life Insurance		864	
Medical Insurance		45,652	
Dental Insurance		3,025	

(Continued)

Exhibit K-9

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

<u>School Federal Projects Fund (Cont.)</u>		
<u>Support Services (Cont.)</u>		
<u>Special Education Program (Cont.)</u>		
Maintenance and Repair Services - Equipment	\$ 3,561	
Other Contracted Services	133,648	
Other Supplies and Materials	40,195	
In Service/Staff Development	131,258	
Other Equipment	197,784	
Total Special Education Program		\$ 1,124,003
 <u>Vocational Education Program</u>		
Travel	\$ 2,346	
Total Vocational Education Program		2,346
 <u>Office of the Principal</u>		
Bonus Payments	\$ 54,604	
Social Security	4,146	
State Retirement	6,371	
Total Office of the Principal		65,121
 <u>Fiscal Services</u>		
Contributions	\$ 47,465	
Total Fiscal Services		47,465
 <u>Operation of Plant</u>		
Bonus Payments	\$ 26,812	
Social Security	2,051	
State Retirement	3,272	
Total Operation of Plant		32,135
 <u>Maintenance of Plant</u>		
Bonus Payments	\$ 20,163	
Social Security	1,543	
State Retirement	2,867	
Total Maintenance of Plant		24,573
 <u>Transportation</u>		
Clerical Personnel	\$ 20,129	
Bonus Payments	51,780	
Social Security	5,501	
State Retirement	9,376	
Life Insurance	29	

(Continued)

Exhibit K-9

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

<u>School Federal Projects Fund (Cont.)</u>		
<u>Support Services (Cont.)</u>		
<u>Transportation (Cont.)</u>		
Contracts with Vehicle Owners	\$ 121,953	
Transportation Equipment	1,364,568	
Total Transportation		\$ 1,573,336
<u>Central and Other</u>		
Bonus Payments	\$ 1,716	
Social Security	131	
State Retirement	249	
Total Central and Other		2,096
<u>Operation of Non-Instructional Services</u>		
<u>Food Service</u>		
Bonus Payments	\$ 72,883	
Social Security	5,576	
State Retirement	8,643	
Total Food Service		87,102
<u>Community Services</u>		
Bonus Payments	\$ 2,368	
Social Security	181	
State Retirement	54	
Total Community Services		2,603
<u>Early Childhood Education</u>		
Bonus Payments	\$ 14,364	
Social Security	1,061	
State Retirement	1,614	
Total Early Childhood Education		17,039
Total School Federal Projects Fund		\$ 17,693,044
<u>Central Cafeteria Fund</u>		
<u>Operation of Non-Instructional Services</u>		
<u>Food Service</u>		
Supervisor/Director	\$ 68,820	
Accountants/Bookkeepers	94,581	
Cafeteria Personnel	2,403,351	
Other Salaries and Wages	155,494	
Social Security	196,610	

(Continued)

Exhibit K-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

State Retirement	\$	329,037	
Life Insurance		4,228	
Medical Insurance		175,969	
Dental Insurance		13,233	
Unemployment Compensation		21,783	
Other Fringe Benefits		13,455	
Communication		6,638	
Maintenance and Repair Services - Equipment		37,957	
Transportation - Other than Students		36,354	
Travel		19,088	
Other Contracted Services		117,109	
Food Supplies		2,776,107	
Uniforms		18,206	
USDA - Commodities		480,009	
Other Supplies and Materials		365,565	
Trustee's Commission		10,373	
In Service/Staff Development		11,919	
Food Service Equipment		121,866	
Total Food Service			<u>\$ 7,477,752</u>

Total Central Cafeteria Fund \$ 7,477,752

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Engineering Services	\$	46,887	
Trustee's Commission		20,420	
Building Improvements		1,019,059	
Maintenance Equipment		43,167	
Regular Instruction Equipment		21,580	
Transportation Equipment		678,425	
Total Education Capital Projects			<u>\$ 1,829,538</u>

Total Education Capital Projects Fund 1,829,538

Other Capital Projects Fund

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	1,683,653	
Total Regular Capital Outlay			<u>\$ 1,683,653</u>

Total Other Capital Projects Fund 1,683,653

Total Governmental Funds - Madison County School Department \$ 122,925,077

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, 2011

	Cities - Sales Tax Fund	Cities - Property Tax Fund	Total
<u>Cash Receipts</u>			
Current Property Tax	\$ 0	\$ 245,452	\$ 245,452
Prior Year's Property Tax	0	6,090	6,090
Interest and Penalty	0	1,144	1,144
Local Option Sales Tax	11,991,791	49,849	12,041,640
Hotel/Motel Tax	782,068	0	782,068
Total Cash Receipts	<u>\$ 12,773,859</u>	<u>\$ 302,535</u>	<u>\$ 13,076,394</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 12,647,621	\$ 297,075	\$ 12,944,696
Trustee's Commission	127,448	5,549	132,997
Total Cash Disbursements	<u>\$ 12,775,069</u>	<u>\$ 302,624</u>	<u>\$ 13,077,693</u>
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ (1,210)	\$ (89)	\$ (1,299)
Cash Balance, July 1, 2010	54,134	4,222	58,356
Cash Balance, June 30, 2011	<u>\$ 52,924</u>	<u>\$ 4,133</u>	<u>\$ 57,057</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

October 3, 2011

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, 2011, which collectively comprise Madison County's basic financial statements and have issued our report thereon dated October 3, 2011. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the auditing standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Madison County Emergency Communications District, a discretely presented component unit, as described in our report on Madison County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and 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 and other deficiencies that we consider to be significant deficiencies.

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 deficiency described in the accompany Schedule of Findings and Questioned Costs to be a material weakness: 11.02.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 11.03(B), 11.04(B), and 11.07.

Compliance and Other Matters

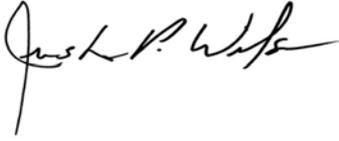
As part of obtaining reasonable assurance about whether Madison County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 11.01, 11.03(A), 11.04(A), 11.05, and 11.06.

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, highway engineer, finance director, director of schools, 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,

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/yu



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
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

October 3, 2011

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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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

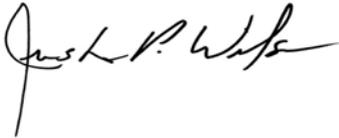
We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Madison County as of and for the year ended June 30, 2011, and have issued our report thereon dated October 3, 2011. Our audit was performed for the purpose of forming our opinions on the financial statements as a whole. The 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and

reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements 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, director of schools, County Commission, Board of Education, Financial Management Committee, others within the entity, and 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,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is written in a cursive style with a large initial "J" and "W".

Justin P. Wilson
Comptroller of the Treasury

JPW/yu

Madison County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2011

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	\$ 1,929,639
National School Lunch Program	10.555	N/A	3,783,878 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	480,009 (3)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	(2)	600,830
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	(2)	128,909
Total U.S. Department of Agriculture			\$ 6,923,265
U.S. Department of Justice:			
Passed-through State Department of Children's Services:			
Juvenile Accountability Block Grants	16.523	GG0902642100	\$ 224,814
Passed-through State Office of Criminal Justice Programs:			
Crime Victim Assistance	16.575	(2)	30,880
Recovery Act - State Victim Assistance Formula Grant Program	16.801	(2)	12,541
Passed-through State Department of Human Services:			
Local Law Enforcement Block Grant Program	16.592	(2)	46,284
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)	94,621
Total U.S. Department of Justice			\$ 409,140
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	(2)	\$ 28,013
Total U.S. Department of Transportation			\$ 28,013
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	\$ 5,821,764
Title I Grants to Local Educational Agencies, Recovery Act	84.389	N/A	1,384,173
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	N/A	2,787,895
Special Education - Preschool Grants	84.173	N/A	47,469
Special Education - Grants to States, Recovery Act	84.391	N/A	3,113,337
Special Education - Preschool Grants, Recovery Act	84.392	N/A	186,306
Career and Technical Education - Basic Grants to States	84.048	(2)	257,168
Safe and Drug-free Schools and Communities - State Grants	84.186	(2)	21,912
Educational Technology State Grants Cluster:			
Education Technology State Grants	84.318	(2)	18,005
Education Technology State Grants, Recovery Act	84.386	(2)	36,191

(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 - State Grants for Protection and Advocacy	84.343	(2)	\$ 34,953
Reading First State Grants	84.357	(2)	26,895
English Language Acquisition Grants	84.365	(2)	73,228
Improving Teacher Quality State Grants	84.367	(2)	755,842
Education for Homeless Children and Youth, Recovery Act	84.387	(2)	491
State Fiscal Stabilization Fund Cluster:			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	(2)	3,784,144
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	(2)	462,141
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	887,320
Education Jobs Fund	84.410	(2)	2,269,159
Total U.S. Department of Education			\$ 21,968,393
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
ARRA - Emergency Contingency Fund for Temporary Assistance for Needy Families (TANF) State Program	93.714	(2)	\$ 143,119
Passed-through State Department of Health:			
Injury Prevention and Control Research and State and Community Based Programs	93.136	(2)	27,329
Family Planning - Services	93.217	GU1029791	197,796
Immunization Grants	93.268	(2)	152,249
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	GG1134127	381,001
HIV Prevention Activities - Health Department Based	93.940	GG1300817	206,674
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	(2)	67,622
Preventive Health and Health Services Block Grant	93.991	(2)	42,401
Total U.S. Department of Health and Human Services			\$ 1,218,191
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 2,064,420
Emergency Management Performance Grants	97.042	(2)	164,299
Homeland Security Grant Program	97.067	(2)	19,479
Total U.S. Department of Homeland Security			\$ 2,248,198
Total Expenditures of Federal Awards			\$ 32,795,200

State Grants:	Contract Number		Expenditures
Litter Program - State Department of Transportation	N/A	(2)	\$ 30,472
Drug Court Grant - State Department of Finance and Administration	N/A	(2)	49,696
Help Us Grow Successfully (HUGS) Services - State Department of Health	N/A	(2)	67,940
TennCare Outreach - State Department of Health	N/A	GG102878400	171,264
Grant in Aid - State Department of Health	N/A	(2)	49,500
Tuberculosis Control Prevention and Outreach Services - State Department of Health	N/A	GG102802000	75,534

(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.)			
TennCare School Based Dental Prevention Program - State Department of Health	N/A	GG092924500	\$ 258,954
Lottery for Education: After School Program - State Department of Education	N/A	(2)	124,559
Schools to Work - State Department of Human Services	N/A	GG082211900	28,224
ACT/Explore - State Department of Education	N/A	(2)	30,210
ConnecTenn - State Department of Education	N/A	(2)	16,053
GED +2 Grant - State Department of Education	N/A	(2)	34,390
Principal and Teacher Evaluations - State Department of Education	N/A	(2)	4,507
Early Childhood Education - State Department of Education	N/A	(2)	1,208,970
High Schools That Work - State Department of Education	N/A	(2)	3,560
Title IV A - State Department of Children's Services	N/A	(2)	132,637
State Supplement Juvenile Improvement Funds - Tennessee Commission on Children and Youth	N/A	GG102984800	9,000
Waste Tire Option Grant Program - State Department of Transportation	N/A	(2)	<u>131,866</u>
Total State Grants			<u>\$ 2,427,336</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 \$4,263,887.

Madison County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2011

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below is a finding from the Annual Financial Report for Madison County, Tennessee, for the year ended June 30, 2010, which has not been corrected.

OFFICE OF FINANCE DIRECTOR

Finding Number	Page Number	Subject
10.02	191	The office had deficiencies in budget operations

MADISON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Madison County is unqualified.
2. The audit of the financial statements of Madison County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that is 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 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); 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); the State Fiscal Stabilization Fund Cluster: State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act and State Fiscal Stabilization Fund (SFSF) – Government Services, Recovery Act (CFDA Nos. 84.394 and 84.397); State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395); Education Jobs Fund (CFDA No. 84.410); and Disaster Grants – Public Assistance (Presidentially Declared Disasters) (CFDA No. 97.036) were determined to be major programs.
8. A \$983,856 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 on certain findings, which are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

MADISON COUNTY

FINDING 11.01 **THE LEGALITY OF THE LOCAL PURPOSE TAX FUND IS QUESTIONED**

(Material Noncompliance Under Government Auditing Standards)

In 2008, the Madison County Commission established the Local Purpose Tax Fund as a special revenue fund to stabilize future revenue shortfalls and fund unexpected expenditures at the discretion of the County Commission. The Local Purpose Tax Fund was funded by a general property tax. As of June 30, 2011, the only expenditures from the Local Purpose Tax Fund, except for annual trustee's commissions, have been contributions to the General Purpose School Fund (2008 for \$1,200,000; 2009 for \$1,600,000; 2010 for \$1,650,000). Therefore, property taxes collected for nonschool purposes were expended for school purposes. In opinion number 92-03, the state attorney general opined that the General Assembly has, by various statutes, authorized counties to levy taxes for county general purposes. County general purposes levy is defined as a levy for all county purposes except roads, bridges, schools, debt service, sinking funds, and levies pursuant to special tax laws.

RECOMMENDATION

The Local Purpose Tax Fund should be maintained in accordance with state statute. Property taxes levied for county general purposes should not be used for roads, bridges, schools, debt service, sinking funds, and levies pursuant to special tax laws.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

The issue of having or not having a Local Purpose Tax Fund and the use of those funds is a County Commission decision. This office will discuss with management the ramifications and consequences of having this fund. Some research with the state Department of Education concerning school maintenance of effort and with the legislature about potential changes in the law, if necessary, will be done.

OFFICE OF FINANCE DIRECTOR

FINDING 11.02 **THE EDUCATION CAPITAL PROJECTS FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION**

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2011, various general ledger account balances of the Education Capital Projects Fund were not materially correct, and audit adjustments were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require Madison County to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the county's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the county has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

Departments, within reason, accept or reject bids. In this case, the School Department accepted part of a bid, which we encumbered. In July, they accepted the rest of the bid. Officially, in June, we did not know if they were going to accept all of the bid. The departments keep the contracts because the bidder and the department are entering a contractual agreement, not the Finance Office. We have since obtained the contract in which the whole bid was dated and signed in July. To facilitate better communication between departments and the Finance Office, we will review bids twice during the last quarter of the year.

AUDITOR'S REBUTTAL

The Education Capital Projects Fund was adjusted due to an unrecognized encumbrance on a contract. There was no documentation provided during the audit of the acceptance and encumbrance of only part of the contract bid. An invoice for work performed on the contract prior to June 30, 2011, was obtained. In addition to the work performed through June 30, 2011, that the School Department did encumber, this invoice also included the remaining balance of the entire contract amount and gave a contract date of May 31, 2011. Therefore the remaining balance of the entire contract amount was encumbered and adjusted in the financial statements as of June 30, 2011.

All contracts should be on file in the Finance Office. Section 5-21-118, *Tennessee Code Annotated*, provides that the finance director or a deputy appointed by him shall serve as

the county purchasing agent, not individual departments. Furthermore, it is the responsibility of the finance director as purchasing agent for the county to contract or obligate the county for materials, supplies, building construction, and land.

FINDING 11.03 THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS
 (A. – Noncompliance Under *Government Auditing Standards*; B. – Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations:

A: Expenditures exceeded appropriations approved by the County Commission as noted below:

1. Total expenditures and encumbrances of the Education Capital Projects Fund exceeded appropriations by \$195,505.
2. Expenditures and encumbrances exceeded appropriations in the major appropriation categories (the legal level of control) of the following funds:

<u>Fund</u>	<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
General	Drug Enforcement	\$ 8,292
	Flood Control	3,059
Solid Waste/Sanitation Special Purpose	Convenience Centers	1,037
	Airport	14,471
General Capital Projects	Miscellaneous	4,167
	Civil Defense	290
	Airport	30

3. In numerous instances, salaries exceeded line-item appropriations in the General, Special Purpose, and Highway/Public Works funds by amounts ranging from \$354 to \$13,718. The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed expenditures that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

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, and management's failure to correct budgetary deficiencies noted in prior-audit reports.

- B. The budget and subsequent amendments submitted to and approved by the County Commission for the School Federal Projects Fund resulted in appropriations exceeding estimated available funding by \$28,623. Sound budgetary principles dictate that appropriations be held within estimated available funding. The budget deficiency resulted from a lack of management oversight.

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

In response to 11.03(A.1.) - if item 11.02 had not happened this would not have occurred.

In response to 11.03(A.2.) - amendments should have been made to correct all of these items. In each case, revenue came in or will come in to offset these expenditures. The exceptions to this were Special Purpose Fund - Miscellaneous category where we did not budget trustee's commissions and the Solid Waste category where we did not budget on-the-job injury expenditures.

In response to 11.03(A.3.) - we concur. However, in most cases, other salary line-items in the function could cover the salary overage. In these cases, the salary was misclassified in the wrong salary line-item. In the future, payroll and the director will communicate beginning in late May with department heads about possible problems in salary line-items. This will allow them to make budget amendments in June if necessary. Departments are now given reports of the status of all line-items, and we feel this will make sure salary line-items are correct.

In response to 11.03(B) - we concur. This has to do with a budgeted repayment of \$600,000 in cash flow funds from the General Purpose School Fund. There was not enough fund balance to budget such an expenditure. If the budget would have been amended to reflect that, the problem would not have occurred.

FINDING 11.04 DEFICIENCIES WERE NOTED IN THE OFFICE OF COMMUNITY CORRECTIONS

(A. – Noncompliance Under *Government Auditing Standards*, B. – Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our audit revealed the following deficiencies in the Office of Community Corrections:

- A. In some instances, funds were not deposited within three days of collection. Section 5-8-207, *Tennessee Code Annotated*, requires county officials to deposit public funds to the office bank account within three days of collection. During the period under examination, as many as ten days lapsed between the date funds were received and the date funds were deposited to the bank. This deficiency was the result of management's failure to ensure compliance with this statute. The delay in depositing funds increases the risks of fraud and misappropriation.
- B. Duties were not adequately segregated. One employee is responsible for receipting and depositing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

Officials should ensure that all funds are deposited to the office bank account within three days of collection as required by state statute. Officials should segregate duties to the extent possible using available resources.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

I have made management and the department in question aware of these findings. This office has no authority of the department in question. If the Financial Management Committee deems necessary, this office will offer some basic training in accounting practices. The department has pledged full cooperation to rectify these findings.

FINDING 11.05 THE OFFICE OF HUMAN RESOURCES DID NOT DEPOSIT SOME FUNDS WITHIN THREE DAYS OF COLLECTION

(Noncompliance Under *Government Auditing Standards*)

In some instances, retiree's insurance payments were not deposited within three days of collection. Section 5-8-207, *Tennessee Code Annotated*, requires county officials to deposit public funds to the office bank account within three days of collection. Although insurance payments were collected monthly by the office, none were deposited with the trustee for the

months of August through October 2010. This deficiency was the result of management's failure to ensure compliance with this statute. The delay in depositing funds increases the risks of fraud and misappropriation.

RECOMMENDATION

Officials should ensure that all funds are deposited to the office bank account within three days of collection as required by state statute.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

I have already brought this to the attention of management and human resources. The Human Resources director has already had discussions with the County Trustee's Office and the county's bank. They have a plan for Human Resources to deposit checks from their work station. This practice is supposed to take place soon.

OFFICE OF COUNTY CLERK

FINDING 11.06 **A DEPUTY CLERK IMPROPERLY PROCESSED CERTAIN TITLE APPLICATIONS** (Noncompliance Under *Government Auditing Standards*)

As a follow-up to a citizen complaint, the county clerk filed a fraud reporting form with our office dated May 9, 2011, alleging certain irregularities on title applications that had been processed by a deputy clerk of the office. With the assistance of the county clerk, we reviewed eight transactions involving the citizen complainant that were processed by the deputy clerk, and we discovered the following irregularities:

- A. Two title applications were processed for out-of-county residents in violation of Section 55-4-101(a)(1)(c), *Tennessee Code Annotated (TCA)*. This statute requires that application for registration be made to the county clerk of the county of the owner's residence or of a county where the vehicle is based or is to be operated.
- B. Sales tax of \$40 was not collected on one title application in violation of Section 55-3-105, *TCA*. This statute provides that it is unlawful for a county clerk to accept an application for a certificate of title unless the applicant presents evidence that a sales or use tax at the rate specified has been paid on the sales price of the vehicle.

On May 20, 2011, the deputy clerk's employment with the Madison County Clerk's Office was terminated for these violations of state statutes.

RECOMMENDATION

The county clerk should ensure that employees comply with state statutes when processing applications for certificates of title. Title applications should not be processed for out-of-county residents, and sales tax should be collected in all applicable instances.

FINDING 11.07 **THE OFFICE DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The office did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Sound business practices dictate that proper controls be implemented. Without these controls, unauthorized system activity could occur. After this deficiency was brought to the attention of the official, it was resolved.

BEST PRACTICE

MADISON COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE

Madison County does not have an Audit Committee. Sound business practices dictate that establishing an Audit Committee would significantly improve management oversight and accountability. The absence of an Audit Committee has been a management decision by the County Commission. The Division of County Audit strongly believes that an Audit Committee is a best practice that should be adopted to assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks.

**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, 2011**

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