
ANNUAL FINANCIAL REPORT MADISON COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2014



**ANNUAL FINANCIAL REPORT
MADISON COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2014**

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

***DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director***

***JAN PAGE, CPA, CFE
Audit Manager***

***LEE ANN WEST, CPA, CGFM
Auditor 4***

***AMANDA MARCH, CFE
JUSTIN NEAL, CPA
KELSEY SCHWEITZER
HAYLEY WILLIAMS
ELISHA CROWELL, CISA, CFE
State Auditors***

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

MADISON COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6-7
<u>INTRODUCTORY SECTION</u>		8
Madison County Officials		9-10
<u>FINANCIAL SECTION</u>		11
Independent Auditor's Report		12-15
BASIC FINANCIAL STATEMENTS:		16
Government-wide Financial Statements:		
Statement of Net Position	A	17-18
Statement of Activities	B	19-20
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	21-22
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	23
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	24-25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	26
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	27-29
Highway/Public Works Fund	C-6	30
Proprietary Fund:		
Statement of Net Position	D-1	31
Statement of Revenues, Expenses, and Changes in Net Position	D-2	32
Statement of Cash Flows	D-3	33
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	34
Index and Notes to the Financial Statements		35-84
REQUIRED SUPPLEMENTARY INFORMATION:		85
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Madison County School Department	F-1	86
Schedule of Funding Progress – Pension Plan – Discretely Presented Madison County School Department (Former City of Jackson Plan)	F-2	87
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Madison County School Department	F-3	88
Notes to the Required Supplementary Information		89

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		90
Nonmajor Governmental Funds:		91-92
Combining Balance Sheet	G-1	93-98
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	99-104
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Juvenile Services Fund	G-3	105
Solid Waste/Sanitation Fund	G-4	106
Local Purpose Tax Fund	G-5	107
Special Purpose Fund	G-6	108
Drug Control Fund	G-7	109
General Capital Projects Fund	G-8	110
Community Development/Industrial Park Fund	G-9	111
Major Governmental Fund:		112
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	113
Fiduciary Funds:		114
Combining Statement of Fiduciary Assets and Liabilities	I-1	115
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	I-2	116-117
Component Unit:		
Discretely Presented Madison County School Department:		118
Statement of Activities	J-1	119
Balance Sheet – Governmental Funds	J-2	120
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	J-3	121
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	122
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	123
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	124
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	J-7	125
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	J-8	126-127
School Federal Projects Fund	J-9	128
Central Cafeteria Fund	J-10	129
Education Capital Projects Fund	J-11	130
Fiduciary Fund:		
Statement of Fiduciary Net Position	J-12	131
Statement of Changes in Fiduciary Net Position	J-13	132

	Exhibit	Page(s)
Miscellaneous Schedules:		133
Schedule of Changes in Long-term Bonds	K-1	134
Schedule of Long-term Debt Requirements by Year	K-2	135
Schedule of Transfers – Primary Government and Discretely Presented Madison County School Department	K-3	136
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Madison County School Department	K-4	137
Schedule of Detailed Revenues – All Governmental Fund Types	K-5	138-158
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Madison County School Department	K-6	159-162
Schedule of Detailed Expenditures – All Governmental Fund Types	K-7	163-188
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Madison County School Department	K-8	189-201
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	K-9	202
 <u>SINGLE AUDIT SECTION</u>		 203
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		204-206
Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards as Required by OMB Circular A-133		207-209
Schedule of Expenditures of Federal Awards and State Grants		210-211
Schedule of Audit Findings Not Corrected		212
Schedule of Findings and Questioned Costs		213-220
Auditee Reporting Responsibilities		221

Summary of Audit Findings

Annual Financial Report
Madison County, Tennessee
For the Year Ended June 30, 2014

Scope

We have audited the basic financial statements of Madison County as of and for the year ended June 30, 2014.

Results

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

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

The following are summaries of the audit findings:

HEALTH DEPARTMENT

- ◆ The Health Department did not report a theft to the county mayor, finance director, or the Comptroller of the Treasury.

OFFICE OF FINANCE DIRECTOR

- ◆ Some purchase orders were issued after purchases were made.
- ◆ A cellular phone policy had not been adopted.
- ◆ Expenditures exceeded appropriations in the Local Purpose Tax Fund.

OFFICES OF FINANCE DIRECTOR AND DIRECTOR OF SCHOOLS

- ◆ The county has not complied with the provisions of the County Financial Management System of 1981.
 - ◆ The School Department failed to comply with state statutes regarding lease agreements.
-

OFFICE OF COUNTY CLERK

- ◆ Cash and checks totaling \$23,178.25 were stolen from the office safe.

INTRODUCTORY SECTION

Madison County Officials

June 30, 2014

Officials

Jimmy Harris, County Mayor
Bart Walls, Highway Engineer
Dr. Verna Ruffin, 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 of Deeds
Tommy Cunningham, Sheriff
Mike Nichols, Finance Director

Board of County Commissioners

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

Board of Education

Jim Campbell, Chairman
Bob Alvey
Dave Bratcher
David Clift
Janice Hampton
Jeffery Head
Dr. Joe Mays
Truman Murray
George Neely

Financial Management Committee

Gary Deaton, Chairman
Bart Walls, Highway Engineer
Dr. Verna Ruffin, Director of Schools
Jimmy Harris, County Mayor
James Pearson
Billy Spain
Doug Stephenson

(Continued)

Madison County Officials (Cont.)

Audit Committee

William Sipes, Jr., Chairman

Scott Brown

Adrian Eddleman

Ann Harrell

Teresa Henson

Larry Lowrance

Thomas Ray Washington, Jr.

FINANCIAL SECTION



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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Madison County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Madison County Emergency Communications District, which represent five percent, 6.3 percent, and 1.2 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report 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 solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally

accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Madison County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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 schedules of funding progress – pension plans and other postemployment benefit plans on pages 86-89 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.

Supplementary and Other Information

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

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Madison County School Department (a discretely presented component unit), and 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining 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 fairly stated, in all material respects, in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2015, on our consideration of Madison County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison County's internal control over financial reporting and compliance.

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
Nashville, Tennessee

February 25, 2015

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Madison County, Tennessee
Statement of Net Position
June 30, 2014

	Primary Government Governmental Activities	Component Units	
		Madison County School Department	Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 50,894	\$ 159,975	\$ 4,187,463
Equity in Pooled Cash and Investments	21,266,020	10,885,970	0
Accounts Receivable	1,202,344	224,057	38,044
Allowance for Uncollectibles	(13,482)	0	0
Due from Other Governments	3,223,543	6,612,423	42,608
Due from Component Units	794,089	0	0
Property Taxes Receivable	34,206,685	11,524,824	0
Allowance for Uncollectible Property Taxes	(1,206,048)	(401,468)	0
Prepaid Items	24,478	0	8,747
Accrued Interest Receivable	0	0	2,634
Capital Assets:			
Assets Not Depreciated:			
Land	8,346,077	2,091,562	16,100
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	15,716,805	64,851,171	272,708
Infrastructure	26,169,708	503,303	0
Other Capital Assets	4,104,864	6,937,958	896,533
Total Assets	<u>\$ 113,885,977</u>	<u>\$ 103,389,775</u>	<u>\$ 5,464,837</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Charge on Refunding	\$ 1,568,514	\$ 0	\$ 0
Total Deferred Outflows of Resources	<u>\$ 1,568,514</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 389,655	\$ 82,250	\$ 60,142
Accrued Payroll	42,600	471	0
Payroll Deductions Payable	628,895	3,070,339	0
Accrued Leave	0	0	22,345
Contracts Payable	1,394,007	0	0
Due to State of Tennessee	3,959	0	0
Other Current Liabilities	42	0	0
Accrued Interest Payable	385,022	0	0
Noncurrent Liabilities:			
Due Within One Year	7,972,583	288,853	0
Due in More Than One Year (net of unamortized premium on debt)	46,680,141	9,065,250	0
Total Liabilities	<u>\$ 57,496,904</u>	<u>\$ 12,507,163</u>	<u>\$ 82,487</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 32,070,338	\$ 10,817,779	\$ 0
Total Deferred Inflows of Resources	<u>\$ 32,070,338</u>	<u>\$ 10,817,779</u>	<u>\$ 0</u>

(Continued)

Exhibit A

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

	Primary Government <u>Governmental Activities</u>	Component Units	
		<u>Madison County School Department</u>	<u>Emergency Communications District</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 50,443,674	\$ 74,383,994	\$ 1,185,341
Restricted for:			
General Government	227,861	0	0
Finance	19,489	0	0
Administration of Justice	217,485	0	0
Public Safety	303,040	0	0
Public Health and Welfare	382,555	0	0
Social, Cultural, and Recreational Services	21,178	0	0
Highways/Public Works	6,505,498	0	0
Capital Outlay	214,260	33,003	0
Debt Service	4,863,946	0	0
Education	0	160,202	0
Operation of Non-instructional Services	0	2,549,788	0
Unrestricted	<u>(37,311,737)</u>	<u>2,937,846</u>	<u>4,197,009</u>
Total Net Position	<u>\$ 25,887,249</u>	<u>\$ 80,064,833</u>	<u>\$ 5,382,350</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, 2014

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						
	Program Revenues			Primary Government Total Governmental Activities	Component Units		Emergency Communications District
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions	Madison County School Department	
Primary Government:							
Governmental Activities:							
General Government	\$ 4,901,022	\$ 1,078,898	\$ 1,323,028	\$ 0	\$ (2,499,096)	\$ 0	\$ 0
Finance	3,432,068	2,797,706	0	0	(634,362)	0	0
Administration of Justice	3,453,198	2,977,505	13,250	0	(462,443)	0	0
Public Safety	23,449,444	3,247,824	330,077	181,125	(19,690,418)	0	0
Public Health and Welfare	6,170,076	1,035,102	3,023,347	0	(2,111,627)	0	0
Social, Cultural, and Recreational Services	2,685,735	192,390	0	1,919	(2,491,426)	0	0
Agriculture and Natural Resources	408,472	79,081	0	0	(329,391)	0	0
Highways/Public Works	6,592,467	149,727	2,431,030	1,085,872	(2,925,838)	0	0
Education	2,342,500	0	0	0	(2,342,500)	0	0
Interest on Long-term Debt	2,257,573	0	0	0	(2,257,573)	0	0
Total Primary Government	\$ 55,692,555	\$ 11,558,233	\$ 7,120,732	\$ 1,268,916	\$ (35,744,674)	\$ 0	\$ 0
Component Units:							
Madison County School Department	\$ 120,319,756	\$ 1,373,711	\$ 16,605,166	\$ 0	\$ 0	\$ (102,340,879)	\$ 0
Emergency Communications District	800,065	643,603	265,860	300,000	0	0	409,398
Total Component Units	\$ 121,119,821	\$ 2,017,314	\$ 16,871,026	\$ 300,000	\$ 0	\$ (102,340,879)	\$ 409,398

(Continued)

Exhibit B

Madison County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Units		
				Primary Government Total	Madison County School Department	Emergency Communications District
Expenses						
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 25,868,036	\$ 11,131,831	\$ 0
Property Taxes Levied for Debt Service				7,590,130	0	0
Local Option Sales Taxes				837,869	35,704,555	0
Hotel/Motel Tax				395,981	0	0
Litigation Tax				782,161	0	0
Business Tax				1,874,373	0	0
Mixed Drink Tax				11,206	184,742	0
Wholesale Beer Tax				272,229	0	0
Other Local Taxes				48,010	9,813	0
Grants and Contributions Not Restricted to Specific Programs				3,511,594	53,180,125	156,239
Unrestricted Investment Income				50,169	0	29,404
Miscellaneous				427,884	90,991	6,295
Total General Revenues				\$ 41,669,642	\$ 100,302,057	\$ 191,938
Change in Net Position				\$ 5,924,968	\$ (2,038,822)	\$ 601,336
Net Position, July 1, 2013				19,962,281	82,103,655	4,781,014
Net Position, June 30, 2014				\$ 25,887,249	\$ 80,064,833	\$ 5,382,350

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

Madison County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2014

ASSETS

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway/ Public Works	General Debt Service	Other Govern- mental Funds		
Cash	\$ 10,000	\$ 0	\$ 0	\$ 40,894	\$	50,894
Equity in Pooled Cash and Investments	4,509,764	6,299,182	4,172,107	4,046,278		19,027,331
Accounts Receivable	934,943	35,339	147,029	85,033		1,202,344
Allowance for Uncollectibles	(13,482)	0	0	0		(13,482)
Due from Other Governments	835,313	1,529,641	0	858,589		3,223,543
Due from Other Funds	141,664	0	100	0		141,764
Due from Component Units	0	0	794,089	0		794,089
Property Taxes Receivable	21,294,401	1,829,600	7,498,509	3,584,175		34,206,685
Allowance for Uncollectible Property Taxes	(754,822)	(65,198)	(269,165)	(116,863)		(1,206,048)
Prepaid Items	21,178	0	0	3,300		24,478
Total Assets	\$ 26,978,959	\$ 9,628,564	\$ 12,342,669	\$ 8,501,406	\$	57,451,598

LIABILITIES

Accounts Payable	\$ 80,043	\$ 3,482	\$ 0	\$ 156,130	\$	239,655
Accrued Payroll	42,600	0	0	0		42,600
Payroll Deductions Payable	454,558	29,230	0	145,107		628,895
Contracts Payable	0	1,394,007	0	0		1,394,007
Due to Other Funds	0	0	0	141,664		141,664
Due to State of Tennessee	0	0	0	3,959		3,959
Other Current Liabilities	0	0	0	42		42
Total Liabilities	\$ 577,201	\$ 1,426,719	\$ 0	\$ 446,902	\$	2,450,822

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	\$ 19,953,946	\$ 1,713,530	\$ 7,017,693	\$ 3,385,169	\$	32,070,338
Deferred Delinquent Property Taxes	487,657	42,267	177,251	66,868		774,043
Other Deferred/Unavailable Revenue	525,165	213,709	0	0		738,874
Total Deferred Inflows of Resources	\$ 20,966,768	\$ 1,969,506	\$ 7,194,944	\$ 3,452,037	\$	33,583,255

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway/ Public Works	General Debt Service	Other Governmental Funds		
\$	21,178	\$ 0	\$ 0	\$ 3,300	\$	24,478
Nonspendable:						
Prepaid Items						
Restricted:						
Restricted for General Government	117,343	0	0	0		117,343
Restricted for Finance	19,489	0	0	0		19,489
Restricted for Administration of Justice	217,485	0	0	0		217,485
Restricted for Public Safety	58,355	0	0	222,029		280,384
Restricted for Public Health and Welfare	0	0	0	359,997		359,997
Restricted for Other Operations	0	0	0	110,518		110,518
Restricted for Highways/Public Works	0	5,897,175	0	671,929		6,569,104
Restricted for Capital Outlay	0	0	0	189,306		189,306
Restricted for Debt Service	0	0	3,503,203	0		3,503,203
Committed:						
Committed for General Government	0	0	0	2,443,202		2,443,202
Committed for Public Safety	0	0	0	109,459		109,459
Committed for Public Health and Welfare	0	0	0	79,769		79,769
Committed for Highways/Public Works	0	335,164	0	0		335,164
Committed for Capital Outlay	0	0	0	412,958		412,958
Committed for Debt Service	0	0	1,644,522	0		1,644,522
Assigned:						
Assigned for General Government	93,826	0	0	0		93,826
Assigned for Finance	2,359	0	0	0		2,359
Assigned for Administration of Justice	5,244	0	0	0		5,244
Assigned for Public Safety	207,763	0	0	0		207,763
Assigned for Public Health and Welfare	6,763	0	0	0		6,763
Unassigned	4,685,185	0	0	0		4,685,185
Total Fund Balances	\$ 5,434,990	\$ 6,232,339	\$ 5,147,725	\$ 4,602,467	\$	\$ 21,417,521
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 26,978,959	\$ 9,628,564	\$ 12,342,669	\$ 8,501,406	\$	\$ 57,451,598

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 Position
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 21,417,521
(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: buildings and improvements net of accumulated depreciation	15,716,805	
Add: infrastructure net of accumulated depreciation	26,169,708	
Add: other capital assets net of accumulated depreciation	<u>4,104,864</u>	54,337,454
(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 position.		2,088,589
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (49,420,000)	
Add: deferred amount on refunding	1,568,514	
Less: compensated absences payable	(1,870,241)	
Less: other postemployment benefits liability	(2,536,802)	
Less: accrued interest on bonds	(385,022)	
Less: other deferred revenue - premium on debt	<u>(825,681)</u>	(53,469,232)
(4) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,512,917</u>
Net position of governmental activities (Exhibit A)		<u>\$ 25,887,249</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, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds		
<u>Revenues</u>						
Local Taxes	\$ 23,698,204	\$ 1,919,766	\$ 7,906,760	\$ 4,954,773	\$	\$ 38,479,503
Licenses and Permits	391,622	0	0	0	0	391,622
Fines, Forfeitures, and Penalties	578,919	0	0	13,092	0	592,011
Charges for Current Services	706,351	0	0	529,721	0	1,236,072
Other Local Revenues	317,293	63,469	43,423	105,710	0	529,895
Fees Received from County Officials	5,342,097	0	0	0	0	5,342,097
State of Tennessee	1,281,078	3,481,396	0	4,153,756	0	8,916,230
Federal Government	202,529	43,625	128,953	249,089	0	624,196
Other Governments and Citizens Groups	1,514,885	0	794,089	323,051	0	2,632,025
Total Revenues	\$ 34,032,978	\$ 5,508,256	\$ 8,873,225	\$ 10,329,192	\$	\$ 58,743,651
<u>Expenditures</u>						
Current:						
General Government	\$ 2,292,302	\$ 0	\$ 0	\$ 31,622	\$	\$ 2,323,924
Finance	3,000,283	0	0	79,268	0	3,079,551
Administration of Justice	2,864,523	0	0	45,868	0	2,910,391
Public Safety	17,269,246	0	0	3,647,568	0	20,916,814
Public Health and Welfare	1,869,586	0	0	3,915,179	0	5,784,765
Social, Cultural, and Recreational Services	2,310,647	0	0	627,740	0	2,938,387
Agriculture and Natural Resources	371,057	0	0	8,700	0	379,757
Other Operations	2,843,789	0	0	1,658,911	0	4,502,700
Highways	0	4,980,902	0	0	0	4,980,902
Debt Service:						
Principal on Debt	0	0	7,655,000	0	0	7,655,000
Interest on Debt	0	0	2,442,129	0	0	2,442,129
Other Debt Service	0	0	275,725	0	0	275,725

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds		
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 1,017,500	\$ 0	\$ 0	\$ 1,017,500
Total Expenditures	\$ 32,821,433	\$ 4,980,902	\$ 11,390,354	\$ 10,014,856	\$	\$ 59,207,545
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,211,545	\$ 527,354	\$ (2,517,129)	\$ 314,336	\$	\$ (463,894)
<u>Other Financing Sources (Uses)</u>						
Refunding Debt Issued	\$ 0	\$ 0	\$ 17,150,000	\$ 0	\$ 0	\$ 17,150,000
Premiums on Debt Issued	0	0	390,473	0	0	390,473
Insurance Recovery	72,868	0	0	2,183		75,051
Transfers In	729,203	0	225,000	64,000		1,018,203
Transfers Out	(225,000)	(29,203)	0	(764,000)		(1,018,203)
Payments to Refunded Debt Escrow Agent	0	0	(17,416,922)	0	0	(17,416,922)
Total Other Financing Sources (Uses)	\$ 577,071	\$ (29,203)	\$ 348,551	\$ (697,817)	\$	\$ 198,602
Net Change in Fund Balances	\$ 1,788,616	\$ 498,151	\$ (2,168,578)	\$ (383,481)	\$	\$ (265,292)
Fund Balance, July 1, 2013	3,646,374	5,734,188	7,316,303	4,985,948		21,682,813
Fund Balance, June 30, 2014	\$ 5,434,990	\$ 6,232,339	\$ 5,147,725	\$ 4,602,467	\$	\$ 21,417,521

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, 2014

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)		\$ (265,292)
(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	\$ 1,670,398	
Less: current-year depreciation expense	<u>(3,369,852)</u>	(1,699,454)
(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, 2014	\$ 1,512,917	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(1,553,337)</u>	(40,420)
(3) The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Less: refunding bond proceeds	(17,150,000)	
Add: change in premium on debt issuances	312,165	
Add: principal payments on bonds	7,655,000	
Add: refunded bond principal	16,450,000	
Add: change in deferred amount on refunding debt	<u>1,364,933</u>	8,632,098
(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	\$ 184,556	
Change in compensated absences payable	29,007	
Change in other postemployment benefits liability	<u>(357,448)</u>	(143,885)
(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 the internal service fund is reported with governmental activities in the statement of activities.		<u>(558,079)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 5,924,968</u>

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

Exhibit C-5

Madison County, Tennessee
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 General Fund
 For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 23,698,204	\$ 0	\$ 0	\$ 23,698,204	\$ 22,995,631	\$ 23,215,239	\$ 482,965
Licenses and Permits	391,622	0	0	391,622	405,246	417,246	(25,624)
Fines, Forfeitures, and Penalties	578,919	0	0	578,919	774,505	529,505	49,414
Charges for Current Services	706,351	0	0	706,351	899,833	759,851	(53,500)
Other Local Revenues	317,293	0	0	317,293	184,215	299,816	17,477
Fees Received from County Officials	5,342,097	0	0	5,342,097	4,727,540	4,987,540	354,557
State of Tennessee	1,281,078	0	0	1,281,078	1,466,130	1,579,483	(298,405)
Federal Government	202,529	0	0	202,529	420,284	441,437	(238,908)
Other Governments and Citizens Groups	1,514,885	0	0	1,514,885	1,750,433	1,707,003	(192,118)
Total Revenues	\$ 34,032,978	\$ 0	\$ 0	\$ 34,032,978	\$ 33,623,817	\$ 33,937,120	\$ 95,858
Expenditures							
General Government							
County Commission	151,576	0	0	151,576	153,801	153,801	2,225
County Mayor/Executive	224,209	(850)	107	223,466	223,001	233,701	10,235
Personnel Office	196,580	0	0	196,580	222,221	215,686	19,106
County Attorney	90,000	0	0	90,000	50,000	90,000	0
Election Commission	365,217	0	0	365,217	345,967	386,607	21,390
Register of Deeds	350,828	0	0	350,828	367,177	375,569	24,741
Codes Compliance	105,302	0	0	105,302	94,257	109,057	3,755
County Buildings	272,777	(6,700)	21,642	287,719	282,141	292,111	4,392
Other Facilities	455,341	0	72,077	527,418	507,730	580,205	52,787
Preservation of Records	55,623	0	0	55,623	54,429	58,929	3,306
Risk Management	24,849	0	0	24,849	30,526	30,526	5,677
Finance							
Accounting and Budgeting	1,006,333	(545)	1,294	1,007,082	1,015,181	1,014,281	7,199
Property Assessor's Office	788,850	0	0	788,850	819,811	819,039	30,189
Reappraisal Program	181,028	0	1,065	182,093	214,972	209,972	27,879
County Trustee's Office	339,857	0	0	339,857	346,763	348,863	9,006
County Clerk's Office	638,563	0	0	638,563	641,431	665,146	26,583
Data Processing	45,652	0	0	45,652	44,926	51,126	5,474

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 1,190,513	\$ 0	\$ 0	\$ 1,190,513	\$ 1,155,903	\$ 1,212,945	\$ 22,432
General Sessions Court	320,405	0	0	320,405	332,532	332,132	11,727
Drug Court	7,487	0	0	7,487	18,000	18,000	10,513
Chancery Court	718,980	0	5,244	724,224	723,277	762,777	38,553
Juvenile Court	355,578	0	0	355,578	399,011	394,011	38,433
District Attorney General	109,887	0	0	109,887	103,532	113,532	3,645
Office of Public Defender	91,781	0	0	91,781	93,524	93,674	1,893
Other Administration of Justice	69,892	0	0	69,892	80,000	70,000	108
<u>Public Safety</u>							
Sheriff's Department	5,848,558	(1,784)	162,056	6,008,830	5,986,193	6,303,222	294,392
Special Patrols	884,641	0	3,100	887,741	1,093,363	1,105,195	217,454
Jail	6,983,336	(6,838)	36,788	7,013,286	7,381,607	7,410,672	397,386
Workhouse	1,847,358	0	5,819	1,853,177	2,060,193	1,968,812	115,635
Juvenile Services	386,487	0	0	386,487	378,670	397,670	11,183
Fire Prevention and Control	725,958	0	0	725,958	745,110	759,112	33,154
Civil Defense	343,570	0	0	343,570	339,748	354,237	10,667
Inspection and Regulation	114,331	0	0	114,331	122,166	123,716	9,385
County Coroner/Medical Examiner	117,641	0	0	117,641	122,257	130,257	12,616
Other Public Safety	17,366	0	0	17,366	17,724	17,724	358
<u>Public Health and Welfare</u>							
Local Health Center	1,663,249	(21,560)	6,263	1,647,952	1,798,907	1,812,206	164,254
Rabies and Animal Control	188,707	(1,725)	500	187,482	204,053	219,544	32,062
Other Local Welfare Services	17,630	0	0	17,630	17,630	17,630	0
<u>Social, Cultural, and Recreational Services</u>							
Libraries	1,249,785	(13,065)	0	1,236,720	1,238,244	1,238,244	1,524
Parks and Fair Boards	996,429	0	0	996,429	997,392	1,022,033	25,604
Other Social, Cultural, and Recreational	64,433	0	0	64,433	93,080	93,080	28,647
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	195,477	(145)	0	195,332	209,817	238,065	42,733
Soil Conservation	105,580	0	0	105,580	106,153	106,153	573

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources (Cont.)</u>							
Flood Control	\$ 70,000	\$ 0	\$ 0	\$ 70,000	\$ 70,000	\$ 70,000	\$ 0
<u>Other Operations</u>							
Industrial Development	72,000	0	0	72,000	72,000	72,000	0
Airport	303,288	0	0	303,288	850,326	305,756	2,468
Veterans' Services	35,317	0	0	35,317	38,942	38,942	3,625
Other Charges	494,359	0	0	494,359	549,293	549,293	54,934
Contributions to Other Agencies	197,333	0	0	197,333	210,000	210,000	12,667
Miscellaneous	1,741,492	0	0	1,741,492	1,965,829	1,872,549	131,057
Total Expenditures	\$ 32,821,433	\$ (53,212)	\$ 315,955	\$ 33,084,176	\$ 34,988,810	\$ 35,067,802	\$ 1,983,626
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ 1,211,545	\$ 53,212	\$ (315,955)	\$ 948,802	\$ (1,364,993)	\$ (1,130,682)	\$ 2,079,484
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	72,868	0	0	72,868	0	74,916	(2,048)
Transfers In	729,203	0	0	729,203	984,309	729,203	0
Transfers Out	(225,000)	0	0	(225,000)	0	(225,000)	0
Total Other Financing Sources	\$ 577,071	\$ 0	\$ 0	\$ 577,071	\$ 984,309	\$ 579,119	\$ (2,048)
Net Change in Fund Balance	\$ 1,788,616	\$ 53,212	\$ (315,955)	\$ 1,525,873	\$ (850,684)	\$ (551,563)	\$ 2,077,436
Fund Balance, July 1, 2013	3,646,374	(53,212)	0	3,593,162	2,328,048	3,593,162	0
Fund Balance, June 30, 2014	\$ 5,434,990	\$ 0	\$ (315,955)	\$ 5,119,035	\$ 1,947,364	\$ 3,041,599	\$ 2,077,436

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

Exhibit C-6

Madison County, Tennessee
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Highway/Public Works Fund
 For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 1,919,766	\$ 0	\$ 0	\$ 1,919,766	\$ 1,867,592	\$ 1,891,483	\$ 28,283
Other Local Revenues	63,469	0	0	63,469	22,000	50,500	12,969
State of Tennessee	3,481,396	0	0	3,481,396	3,873,465	3,873,465	(392,069)
Federal Government	43,625	0	0	43,625	633,708	633,708	(590,083)
Total Revenues	\$ 5,508,256	\$ 0	\$ 0	\$ 5,508,256	\$ 6,396,765	\$ 6,449,156	\$ (940,900)
Expenditures							
Highways							
Administration	\$ 264,634	\$ 0	\$ 0	\$ 264,634	\$ 346,550	\$ 354,950	\$ 90,316
Highway and Bridge Maintenance	2,226,516	0	0	2,226,516	3,392,400	3,392,400	1,165,884
Operation and Maintenance of Equipment	410,204	0	14,238	424,442	614,600	614,600	190,158
Other Charges	178,800	0	0	178,800	211,150	211,150	32,350
Employee Benefits	148,564	0	0	148,564	249,400	249,400	100,836
Capital Outlay	1,752,184	(782)	59,323	1,810,725	2,638,725	2,638,725	828,000
Total Expenditures	\$ 4,980,902	\$ (782)	\$ 73,561	\$ 5,053,681	\$ 7,452,825	\$ 7,461,225	\$ 2,407,544
Excess (Deficiency) of Revenues Over Expenditures	\$ 527,354	\$ 782	\$ (73,561)	\$ 454,575	\$ (1,056,060)	\$ (1,012,069)	\$ 1,466,644
Other Financing Sources (Uses)							
Transfers Out	\$ (29,203)	\$ 0	\$ 0	\$ (29,203)	\$ (29,203)	\$ (29,203)	\$ 0
Total Other Financing Sources	\$ (29,203)	\$ 0	\$ 0	\$ (29,203)	\$ (29,203)	\$ (29,203)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 498,151	\$ 782	\$ (73,561)	\$ 425,372	\$ (1,085,263)	\$ (1,041,272)	\$ 1,466,644
Fund Balance, July 1, 2013	\$ 5,734,188	\$ (782)	\$ 0	\$ 5,733,406	\$ 5,793,981	\$ 5,733,406	\$ 0
Fund Balance, June 30, 2014	\$ 6,232,339	\$ 0	\$ (73,561)	\$ 6,158,778	\$ 4,708,718	\$ 4,692,134	\$ 1,466,644

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

Exhibit D-1

Madison County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2014

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance Fund</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 1,866,795
Due from Other Funds	371,794
Total Assets	<u>\$ 2,238,589</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 150,000
Total Liabilities	<u>\$ 150,000</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 2,088,589</u>
Net Position	<u>\$ 2,088,589</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 Position
Proprietary Fund
For the Year Ended June 30, 2014

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance Fund</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 4,218,616
Total Operating Revenues	<u>\$ 4,218,616</u>
<u>Operating Expenses</u>	
Excess Risk Insurance	\$ 373,510
Medical Claims	4,095,856
Other Charges	309,168
Total Operating Expenses	<u>\$ 4,778,534</u>
Operating Income (Loss)	<u>\$ (559,918)</u>
<u>Nonoperating Revenues</u>	
Investment Income	\$ 1,839
Total Nonoperating Revenues	<u>\$ 1,839</u>
Change in Net Position	\$ (558,079)
Net Position, July 1, 2013	<u>2,646,668</u>
Net Position, June 30, 2014	<u><u>\$ 2,088,589</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, 2014

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self Insurance Premiums	\$ 3,846,822
Excess Risk Insurance Payments	(373,510)
Payments for Medical Claims	(4,095,856)
Payments for Administrative Costs	(309,168)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (931,712)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 1,839
Net Cash Provided By (Used In) Investing Activities	<u>\$ 1,839</u>
Increase (Decrease) in Cash	\$ (929,873)
Cash, July 1, 2013	<u>2,796,668</u>
Cash, June 30, 2014	<u><u>\$ 1,866,795</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (559,918)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
(Increase) Decrease in Due from Other Funds	<u>(371,794)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (931,712)</u></u>
<u>Reconciliation of Cash With the Statement of Net Position</u>	
Equity in Pooled Cash and Investments Per Net Position	<u>\$ 1,866,795</u>
Cash, June 30, 2014	<u><u>\$ 1,866,795</u></u>

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

Exhibit E

Madison County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 4,668,520
Equity in Pooled Cash and Investments	160,631
Accounts Receivable	84,815
Due from Other Governments	<u>2,135,138</u>
Total Assets	<u>\$ 7,049,104</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 2,242,481
Due to Litigants, Heirs, and Others	4,698,381
Other Current Liabilities	<u>108,242</u>
Total Liabilities	<u>\$ 7,049,104</u>

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

MADISON COUNTY, TENNESSEE
Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	37
B. Government-wide and Fund Financial Statements	38
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	39
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	41
2. Receivables and Payables	42
3. Prepaid Items	43
4. Capital Assets	43
5. Deferred Outflows/Inflows of Resources	44
6. Compensated Absences	45
7. Long-term Obligations	45
8. Net Position and Fund Balance	46
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 Position	47
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	48
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	48
B. Cash Shortages - Prior and Current Years	49
C. Expenditures Exceeded Appropriations	49
D. The School Department Failed to Comply with State Statutes When Entering into Lease Agreements	50
IV. Detailed Notes on All Funds	
A. Deposits and Investments	50
B. Capital Assets	51
C. Construction Commitments	54
D. Interfund Receivables, Payables, and Transfers	54
E. Operating Leases	55
F. Long-term Obligations	56
G. On-Behalf Payments	59
H. Short-term Debt	59

MADISON COUNTY, TENNESSEE
Index of Notes to the Financial Statements (Cont.)

Note		Page(s)
V.	Other Information	
	A. Risk Management	60
	B. Accounting Changes	62
	C. Subsequent Events	62
	D. Contingent Liabilities	63
	E. Change in Administration	63
	F. Joint Ventures	63
	G. Jointly Governed Organization	64
	H. Retirement Commitments	64
	I. Other Postemployment Benefits (OPEB)	70
	J. Office of Central Accounting and Budgeting	75
	K. Purchasing Law	76
VI.	Other Notes - Discretely Presented Madison County	
	Emergency Communications District	76

MADISON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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

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

Madison County issues all debt for the discretely presented Madison County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2014.

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, deferred outflows of resources, liabilities, deferred inflows of resources, 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 120 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, hotel/motel taxes for the Jackson-Madison County Community Economic Development Commission, and restricted revenues held for the benefit of the Office of District Attorney General. 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.

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 types:

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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.

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.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

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 position 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 are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. 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. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. 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. Health Department receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.84 percent of total taxes levied.

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 a deferred inflow of resources 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 as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

3. 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. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. 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 and the discretely presented Madison County School Department as assets with an initial, individual cost of \$15,000 or more 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. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or refunded debt.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. 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.

7. 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 Position. Debt premiums and discounts are deferred and are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner 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.

8. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on 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 position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2014, Madison County had \$45,595,050 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 position with no corresponding increase in the county's capital assets.

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.

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, and shall remain binding unless removed in the same manner.

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 Commission has by resolution authorized the county's Finance Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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.

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 Position**

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 Position.

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 Position.

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 position 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 position 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 Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the Highway Capital Projects Fund, which adopts project length budgets. 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/Executive, Personnel Office, 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, 2014, the Madison County School Department reported the following significant encumbrances:

Fund	Description	Amount
School Department:		
Major Fund:		
General Purpose School	Computers	\$ 410,543
"	Professional education training	106,500
Education Capital Projects	School renovations	238,400

B. Cash Shortages – Prior and Current Years

The audit of Madison County for the 2012-13 year reported a cash shortage of \$4,508.75 at the Jackson-Madison County Regional Health Department. Our investigation revealed that from July 1, 2009, through November 30, 2011, the former emergency response director fueled his personal vehicle with the department’s Fuelman gas card, used the county procurement card for his own personal use, and received unauthorized travel reimbursements. This individual pled guilty to official misconduct and theft of property (over \$1,000) on November 18, 2013. The former emergency response director was ordered to pay restitution totaling \$11,198.75. The entire amount was repaid prior to June 30, 2014.

The Jackson-Madison County Regional Health Department had a cash shortage of \$5,513 during the 2013-14 year due to a theft by an employee of a contracted janitorial service. The shortage was liquidated prior to June 30, 2014. Details of this cash shortage are discussed in the Schedule of Findings and Questioned Costs section of this report.

On December 29, 2014, the county clerk filed a fraud reporting form with our office advising of a cash shortage of \$23,178.25 due to a missing deposit. Details of this cash shortage can be found in the Findings and Recommendations Section of this report.

C. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations approved by the County Commission in the Local Purpose Tax Fund by \$1,322,335. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

D. The School Department Failed to Comply with State Statutes When Entering into Lease Agreements

The School Department failed to comply with state statutes when entering into lease agreements for copy machines. Details are discussed in the Schedule of Findings and Questioned Costs section of this report.

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 position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position 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, 2014.

B. Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 8,346,077	\$ 0	\$ 0	\$ 8,346,077
Total Capital Assets Not Depreciated	<u>\$ 8,346,077</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,346,077</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 26,600,031	\$ 485,996	\$ 0	\$ 27,086,027
Roads and Bridges	59,954,473	218,769	0	60,173,242
Other Capital Assets	17,261,435	965,633	20,200	18,206,868
Total Capital Assets Depreciated	<u>\$ 103,815,939</u>	<u>\$ 1,670,398</u>	<u>\$ 20,200</u>	<u>\$ 105,466,137</u>

Governmental Activities (Cont.):

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 10,722,058	\$ 647,164	\$ 0	\$ 11,369,222
Roads and Bridges	32,041,842	1,961,692	0	34,003,534
Other Capital Assets	13,361,208	760,996	20,200	14,102,004
Total Accumulated Depreciation	<u>\$ 56,125,108</u>	<u>\$ 3,369,852</u>	<u>\$ 20,200</u>	<u>\$ 59,474,760</u>
Total Capital Assets Depreciated, Net	<u>\$ 47,690,831</u>	<u>\$ (1,699,454)</u>	<u>\$ 0</u>	<u>\$ 45,991,377</u>
Governmental Activities Capital Assets, Net	<u>\$ 56,036,908</u>	<u>\$ (1,699,454)</u>	<u>\$ 0</u>	<u>\$ 54,337,454</u>

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

Governmental Activities:

General Government	\$ 23,704
Finance	4,663
Administration of Justice	158,485
Public Safety	900,419
Public Health and Welfare	169,611
Social, Cultural, and Recreational Services	58,331
Agriculture and Natural Resources	9,566
Other Operations	60,200
General Administration	3,934
Highways/Public Works	<u>1,980,939</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,369,852</u>

Discretely Presented Madison County School Department

Governmental Activities:

	Balance 7-1-13	Increases	Balance 6-30-14
	<u> </u>		<u> </u>
Capital Assets Not Depreciated:			
Land	\$ 2,091,562	\$ 0	\$ 2,091,562
Total Capital Assets Not Depreciated	<u>\$ 2,091,562</u>	<u>\$ 0</u>	<u>\$ 2,091,562</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 117,459,022	\$ 0	\$ 117,459,022
Infrastructure	661,418	40,995	702,413
Other Capital Assets	16,548,022	584,579	17,132,601
Total Capital Assets Depreciated	<u>\$ 134,668,462</u>	<u>\$ 625,574</u>	<u>\$ 135,294,036</u>
Less Accumulated Depreciated For:			
Buildings and Improvements	\$ 49,992,601	\$ 2,615,250	\$ 52,607,851
Infrastructure	132,712	66,398	199,110
Other Capital Assets	9,128,800	1,065,843	10,194,643
Total Accumulated Depreciation	<u>\$ 59,254,113</u>	<u>\$ 3,747,491</u>	<u>\$ 63,001,604</u>
Total Capital Assets Depreciated, Net	<u>\$ 75,414,349</u>	<u>\$ (3,121,917)</u>	<u>\$ 72,292,432</u>
Governmental Activities Capital Assets, Net	<u>\$ 77,505,911</u>	<u>\$ (3,121,917)</u>	<u>\$ 74,383,994</u>

There were no decreases in capital assets to report during the year ended June 30, 2014. Depreciation expense was charged to functions of the discretely presented Madison County School Department as follows:

Governmental Activities:

Instruction	\$ 2,309,988
Support Services	1,194,318
Operation of Non-instructional Services	<u>243,185</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,747,491</u>

C. Construction Commitments

At June 30, 2014, the School Department's Education Capital Projects Fund had uncompleted construction contracts of \$238,400 for school renovations and new windows. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2014, was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 141,664
General Debt Service	"	100
Employee Insurance	General	295,867
"	Highway/Public Works	21,336
"	Nonmajor governmental	54,591
School Department:		
General Purpose School	Nonmajor governmental	1,349

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 General Debt Service Fund totaling \$100 was in transit from the Solid Waste/Sanitation Fund at June 30, 2014. Also, the receivable in the Employee Insurance Fund totaling \$371,794 was in transit from the General (\$295,867), Juvenile Services (\$19,188), Solid Waste/Sanitation (\$1,115), Special Purpose (\$34,288), and Highway/Public Works (\$21,336) funds at June 30, 2014.

In the discretely presented General Purpose School Fund, the receivable of \$1,349 was in transit from the School Federal Projects (\$1,330) and the Central Cafeteria (\$19) funds at June 30, 2014.

Due to/from Primary Government and Component Unit:

The receivable in the General Debt Service Fund totaling \$794,089 was in transit from the School Department's General Purpose School Fund at June 30, 2014.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2014, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In		
	General Fund	General Debt Service Fund	Nonmajor Governmental Fund
General Fund	\$ 0	\$ 225,000	\$ 0
Highway/Public Works Fund	29,203	0	0
Nonmajor governmental funds	700,000	0	64,000
Total	\$ 729,203	\$ 225,000	\$ 64,000

Discretely Presented Madison County School Department

Transfer Out	Transfer In Nonmajor Governmental Fund
General Purpose School	\$ 200,000

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

E. Operating Leases

The discretely presented Madison County School Department rents copiers under operating leases considered to be noncancelable. The rental expenditures for the year ended June 30, 2014, were \$107,532. There are no provisions for contingent or sublease rentals in the agreements. The future minimum lease payments for these leases are as follows:

Year Ending June 30	Amount
2015	\$ 166,315
2016	166,315
2017	166,315
2018	166,315
2019	166,315
Total	<u>\$ 831,575</u>

F. Long-term Obligations

Primary Government

General Obligation Bonds

Madison County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. 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.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds were issued for original terms of up to 16 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds	1.1 to 5.25 %	4-20-25	\$ 10,820,000	\$ 8,920,000
General Obligation Bonds - Refunding	2 to 5	6-30-23	58,520,000	40,500,000

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2014, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 6,540,000	\$ 1,614,213	\$ 8,154,213
2016	4,770,000	1,381,397	6,151,397
2017	6,930,000	1,275,998	8,205,998
2018	7,110,000	1,125,247	8,235,247
2019	4,255,000	967,823	5,222,823
2020-2024	18,815,000	2,077,308	20,892,308
2025	1,000,000	52,500	1,052,500
Total	\$ 49,420,000	\$ 8,494,486	\$ 57,914,486

There is \$5,147,725 available in the General Debt Service Fund to service long-term debt. Debt per capita totaled \$503, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

Governmental Activities:	Bonds		Compensated Absences
	Balance, July 1, 2013	\$ 56,375,000	\$
Additions	17,150,000		1,427,692
Reductions	(24,105,000)		(1,456,699)
Balance, June 30, 2014	\$ 49,420,000	\$	1,870,241
Balance Due Within One Year	\$ 6,540,000	\$	1,432,583

	Other Postemployment Benefits	
	Balance, July 1, 2013	\$
Additions		554,695
Reductions		(197,247)
Balance, June 30, 2014	\$	2,536,802
Balance Due Within One Year	\$	0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 53,827,043
Less: Balance Due Within One Year	(7,972,583)
Add: Unamortized Premium on Debt	<u>825,681</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 46,680,141</u></u>

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

Advance Refunding

On April 9, 2014, Madison County advance refunded a portion of the School and Public Improvement Refunding Bonds, Series 2004, with a separate general obligation bond issue. The county issued \$17,150,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments on the refunded bonds until they are called on April 1, 2015. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over the next four years will be reduced by \$842,422, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$817,058 was obtained.

Discretely Presented Madison County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Madison County School Department for the year ended June 30, 2014, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	\$ 304,723	\$ 8,451,222
Additions	358,858	1,624,708
Reductions	(374,728)	(1,010,680)
Balance, June 30, 2014	<u>\$ 288,853</u>	<u>\$ 9,065,250</u>
Balance Due Within One Year	<u>\$ 288,853</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 9,354,103
Less: Balance Due Within One Year	<u>(288,853)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 9,065,250</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Madison County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2014, were \$611,670 and \$125,252, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

H. Short-term Debt

During the year, Madison County borrowed \$3,381,927 from the General Debt Service Fund to provide temporary operating funds for the General (\$3,000,000), Solid Waste/Sanitation (\$238,927), and General Capital Projects (\$143,000) funds. These loans were retired prior to June 30, 2014, as required

by state statutes, and therefore have not been reflected in the financial statements of this report. Short-term debt activity for the year ended June 30, 2014, was as follows:

	Balance 7-1-13	Issued	Paid	Balance 6-30-14
Tax Anticipation Notes	\$ 0	\$ 3,381,927	\$ (3,381,927)	\$ 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 \$100,000 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 2013-14 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
2012-13	\$ 150,000	\$ 4,035,177	\$ (4,035,177)	\$ 150,000
2013-14	150,000	4,095,856	(4,095,856)	150,000

Workers' Compensation Insurance

Madison County has elected to implement and administer 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 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 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 LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

Liability, Property, and Casualty

The 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 Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70 relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

C. Subsequent Events

Subsequent to June 30, 2014, Madison County issued tax anticipation notes to provide temporary operating funds as detailed below:

8-6-14	\$	150,000	Juvenile Services	General Debt Service
8-6-14		100,000	Solid Waste/Sanitation	"
8-6-14		350,000	General Capital Projects	"
9-23-14		73,000	Solid Waste/Sanitation	"
9-24-14		100,000	Juvenile Services	"
9-24-14		2,000,000	General	"
9-24-14		200,000	Special Purpose	Local Purpose Tax

On August 31, 2014, Tommy Cunningham left the Office of Sheriff and was succeeded by John Mehr.

D. Contingent Liabilities

The county and School Department are involved in several pending lawsuits. Any potential claims against the county not covered by insurance resulting from such litigation should not materially affect the county's financial statements.

E. Change in Administration

On February 5, 2014, David Woolfork left the Office of Sheriff and was succeeded by Tommy Cunningham on April 21, 2014.

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 \$196,120 to the Airport Authority for its operations in addition to processing the airport's payroll during the year ended June 30, 2014. One-half of this contribution was refunded to Madison County by the City of Jackson per an agreement between Madison County and the City of Jackson. Madison County provides annual support to the library for its operations. Funding for the Community Economic Development Commission is provided through a hotel/motel tax levied jointly by the City of Jackson and Madison County. Twenty percent of the monies collected from this tax is allocated to the Community Economic Development Commission pursuant to the provisions of a private act. Madison County does not have an equity interest in any of the above-mentioned joint ventures. Complete financial statements for the above-noted joint ventures can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

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

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

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

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

G. Jointly Governed Organization

The West Tennessee Railroad Authority (WTRA) was created by Gibson County in conjunction with the counties of Chester, Madison, McNairy, Obion, and Weakley. The WTRA's board includes the mayors of Chester, Gibson, Madison, McNairy, Obion, and Weakley counties, and one at-large member from each of these areas. However, the counties do not have any ongoing financial interest or responsibility for the entity.

H. Retirement Commitments

1. Tennessee Consolidated Retirement Plan (TCRS)

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.

Madison County withdrew from TCRS effective July 1, 2012. Employees hired after the date of withdrawal are not eligible to participate in TCRS. Employees active as of the withdrawal date will continue to accrue salary and service credit in TCRS. The employer remains responsible for the pension liability for employees that were active as of the withdrawal date and for retirees of the employer.

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

Funding Policy

Madison County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 14.35 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, 2014, the county's annual pension cost of \$4,523,436 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, 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 three percent annual rate of inflation, (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement 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 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, 2011, was three years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	\$4,523,436	100%	\$0
6-30-13	4,774,883	100	0
6-30-12	4,889,073	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 83.08 percent funded. The actuarial accrued liability for benefits was \$132.97 million, and the actuarial value of assets was \$110.47 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$22.5 million. The covered payroll (annual payroll of active employees covered by the plan) was \$30.02 million, and the ratio of the UAAL to the covered payroll was 74.95 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.

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. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2014, was 8.88 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, 2014, 2013, and 2012, were \$4,850,804, \$4,850,804, and \$4,942,310, respectively, equal to the required contributions for each year.

2. 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.

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.

Plan Description and Contribution Information

At June 30, 2014, the plan had 23 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, 2014, the Madison County School Department’s annual pension cost of \$288,230 to the CJTRP was equal to the system’s required and actual contributions.

Annual required contribution (ARC)	\$ 288,230
Interest on net pension obligation	0
Adjustment to ARC	0
Annual pension cost	<u>\$ 288,230</u>
Contributions made	<u>(288,230)</u>
Increase (decrease) in net pension obligation	\$ 0
Net pension obligation, July 1, 2013	<u>0</u>
Net pension obligation, June 30, 2014	<u><u>\$ 0</u></u>

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	\$ 288,230	100 %	\$ 0
6-30-13	316,081	100	0
6-30-12	353,430	100	0

The required contribution was determined as part of the July 1, 2013, 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.

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 32 percent funded. The actuarial accrued liability for benefits was \$3,145,868, and the actuarial value of assets was \$999,956, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,145,912. The covered payroll (annual payroll of active employees covered by the plan) was \$49,655, and the ratio of UAAL to the covered payroll was 4,322 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.

3. Deferred Compensation

Madison County offers all employees a deferred compensation plan established pursuant to IRC Section 457 and also offers employees hired on or after July 1, 2012, a deferred compensation plan established pursuant to IRC Sections 401(a). Madison County will match each eligible participant's 457(b) salary deferrals dollar-for-dollar on the first one percent of compensation and 50 percent on the next six percent of compensation. This match will be deposited into a 401(a) account.

The Madison County School Department offers its full-time, non-certified employees hired on or after July 1, 2012, deferred compensation plans established pursuant to IRC Sections 457 and 401(a). The Madison County School Department will contribute four percent to each eligible participant's 401(a) and match each eligible participant's 457(b) salary deferrals dollar-for-dollar on the first three percent of compensation. This match will be deposited into a 401(a) account.

I. 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 \$197,247 were recognized for the primary government.

Annual OPEB Cost and Net OPEB Obligation

	Primary Government Plan
	<hr/>
ARC	\$ 523,558
Interest on NOPEBO	54,657
Adjustment to ARC	(23,520)
Annual OPEB cost	<hr/> \$ 554,695
Less: Amount of contribution	(197,247)
Increase (decrease) in NOPEBO	\$ 357,448
Net OPEB obligation, 7-1-13	<hr/> 2,179,354
	<hr/>
Net OPEB obligation, 6-30-14	<u>\$ 2,536,802</u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Primary Government	\$ 628,165	22 %	\$ 1,821,906
6-30-13	"	554,695	36	2,179,354
6-30-14	"	554,695	36	2,536,802

Funding Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

	<u>Primary Government Plan</u>
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	\$ 5,546,240
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 5,546,240
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 21,415,943
UAAL as a % of covered payroll	26%

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, 2013, 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 health care cost trend rate of eight percent initially, reduced by decrements to an ultimate rate of three percent after 20 years. The rate includes 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 health care 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 local education employees. Prior to reaching age 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for health care benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plan is reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is 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 employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does provide 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 63 percent of single coverage and 57.5 percent of family coverage for all certified and qualifying noncertified personnel. As of June 30, 2014, there were 214 former employees participating. Expenditures totaling \$1,010,680 were recognized for postemployment health care.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 1,616,000
Interest on NOPEBO	338,049
Adjustment to ARC	(329,341)
Annual OPEB cost	<hr/> \$ 1,624,708
Less: Amount of contribution	(1,010,680)
Increase (decrease) in NOPEBO	<hr/> \$ 614,028
Net OPEB obligation, 7-1-13	<hr/> 8,451,222
	<hr/>
Net OPEB obligation, 6-30-14	<hr/> <hr/> \$ 9,065,250

Fiscal Year Ended Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12 Local Education Group	\$ 2,706,293	31 %	\$ 6,617,962
6-30-13 "	2,725,724	33	8,451,222
6-30-14 "	1,624,708	62	9,065,250

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013, was as follows:

	Local Education Group Plan
	<hr/>
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	\$ 15,479,000
Actuarial value of plan assets	\$ 110,941
Unfunded actuarial accrued liability (UAAL)	\$ 15,368,059
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 70,927,962
UAAL as a % of covered payroll	22%

The Board of Education has placed funds with the Tennessee School Board Association (TSBA) GASB 45 Trust to be used to pre-fund a portion of the OPEB liability. The assets of GASB 45 Trust are commingled with other participants' funds for investment purposes, but are held in an irrevocable

trust for each plan participant and may be used only for the payment of benefits to the members of the plan in accordance with the terms of their plan. The TSBA GASB 45 Trust obtains an annual audit, which may be obtained from the TSBA at 525 Brick Church Park Drive, Nashville, TN, 37207.

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, 2013, actuarial valuation for the Local Education Group Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of 7.5 percent for fiscal year 2014. The trend will decrease to seven percent in fiscal year 2015 and then will be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. The rate includes a 2.5 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 July 1, 2007.

J. 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 direction of a finance director. Effective January 2015, the Finance Department has not complied with the provisions of this act. See details in the Schedule of Findings and Questioned Costs section of this report.

K. 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. General Information

Component Unit

Madison County Emergency Communications District provides 911 emergency communications infrastructure to persons living in Madison County. The district is a component unit of Madison County. Accordingly, this financial data is incorporated into the county's financial statements. The district is governed by a nine-member Board of Directors who are appointed by the county mayor and confirmed by the Madison County Commission. The district owns the operational headquarters and maintains all of the repairs and furnishings. The district receives no operational or capital funding from Madison County.

B. Summary of Significant Accounting Policies

1. Basis of Presentation

The accounts of the district are organized on the basis of funds. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses, as appropriate. The accounts in the financial statements in this report fall under one broad fund category as follows:

Proprietary Fund:

Enterprise Fund – The Madison County Emergency Communications District Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily

through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

2. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded 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.

3. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

Cash and Cash Equivalents

Cash and cash equivalents, as used in the Statement of Cash Flows, include demand deposit accounts and certificates of deposit with original maturities of three months or less when purchased, in accordance with GASB Statement No. 9.

Receivables

Receivables consist of all revenues earned at year-end and not yet received. Balances reported at year-end include telephone fees due from phone companies, wireless charges due from the State of Tennessee, and grant receivables due from the Tennessee Emergency Communications Board.

Capital Assets

All capital assets of the district are recorded at original cost, except for donated equipment, which is recorded at fair market value. Expenses, which materially increase values or capacities, or extend useful lives of these assets, are capitalized while expenses for maintenance and repairs are charged to operations as incurred. It is the district's policy to maintain a capitalization threshold of \$7,500.

Gains and losses from the sale of capital assets are reflected in operations, and the asset accounts and related allowances for depreciation are reduced. Also, depreciation expense on all depreciable items is systematically charged against operations using the straight-line method over their estimated useful lives. Any related interest cost is also added to the cost of the asset as appropriate.

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The district does not have any items that qualify for reporting in this category as of June 30, 2014.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The district does not have any items that qualify for reporting in this category as of June 30, 2014.

Net Position Flow Assumption

Sometimes the district will fund outlays for a particular purpose from both restricted (e.g., grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the district's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Net Position

In the district's financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on 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 position – All other net position that does not meet the definition of restricted or net investment in capital assets.

C. Revenues

Revenues are derived from telephone customers in the area served by the district. Telephone companies collect monthly fees from landline customers and remit them to the district. The Tennessee Emergency Communications Board collects monthly fees from wireless customers and remits 25 percent of the fees collected back to the districts based on population.

Operating revenues and expenses are those that result from providing services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. All revenues that are not generated from daily operations are defined as nonoperating.

D. Risk Management

It is the policy of the district to purchase commercial insurance for the risk of losses to which it is exposed. These risks include general liability, property damage, and theft. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. It is also insured against possible loss related to acts of district key officers or directors by official statutory bonds carried by the district. The district has had no insurance settlements in excess of insurance coverage during the past three years.

E. Contract Agreement

In a prior year, the district entered into an agreement with Madison County, Tennessee, whereby the board of the district is charged with the responsibility of establishing and collecting service fees; seeking additional

funding and issuing bonds, if necessary; and creating a dispatch service and determining the mode.

Further, the parties agreed that the city and county would serve as the dispatching authorities with the responsibility to operate the dispatch facility in a manner consistent with statutory requirements. The district provides the 911 infrastructure, 911 equipment, and training funding for dispatchers.

F. Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

Description	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets				
Not Depreciated:				
Land	\$ 16,100	\$ 0	\$ 0	\$ 16,100
Capital Assets Depreciated:				
Buildings	\$ 304,964	\$ 0	\$ 0	\$ 304,964
Furniture and Fixtures	291,805	0	4,220	287,585
Office Equipment	77,838	0	1,475	76,363
Communications Equipment	2,210,800	0	81,513	2,129,287
Vehicles	44,242	0	0	44,242
Total Capital Assets				
Depreciated	\$ 2,929,649	\$ 0	\$ 87,208	\$ 2,842,441
Less Accumulated				
Depreciation For:				
Buildings	\$ 23,229	\$ 9,027	\$ 0	\$ 32,256
Furniture and Fixtures	111,357	29,352	3,941	136,768
Office Equipment	49,901	8,435	1,475	56,861
Communications Equipment	1,239,587	265,297	81,513	1,423,371
Vehicles	15,096	8,848	0	23,944
Total Accumulated				
Depreciation	\$ 1,439,170	\$ 320,959	\$ 86,929	\$ 1,673,200
Total Capital Assets				
Depreciated, Net	\$ 1,490,479	\$ (320,959)	\$ 279	\$ 1,169,241
Total Capital Assets, Net	\$ 1,506,579	\$ (320,959)	\$ 279	\$ 1,185,341

Depreciation expense of \$320,959 was recorded by the district.

G. Stewardship, Compliance, and Accountability

By its nature as a local government unit, the district is subject to various federal, state, and local laws and contractual regulations. An analysis of the district's compliance with significant laws and regulations and demonstration of its stewardship over the district resources follows:

1. Deposits and Investments

The district's investment policies are governed by state statute. Permissible investments include direct obligations of the U.S. Government and agency securities, certificates of deposit, and savings accounts. At June 30, 2014, investments consisted entirely of certificates of deposit with original maturities greater than three months at a local bank. Investments are carried at cost, which approximates fair value.

For deposits and investments, custodial credit risk is the risk that, in the event of a bank failure, the district's deposits may not be returned to it. Collateral is required for demand deposits and certificates of deposit at 105 percent of all amounts not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State of Tennessee and its subdivisions. The district's deposits at year-end were not exposed to custodial credit risk due to being entirely covered by depository insurance (a combination of federal depository insurance with the excess covered by the state's bank collateral pool).

2. Budget Appropriations

In accordance with state law, the board of the district must adopt and operate under an annual budget. Criteria for the information required in the annual adopted budget are detailed in Section 7-86-120, *Tennessee Code Annotated*. However, for financial reporting purposes, it is only necessary to present budgetary revenues and expenses compared to actual. All purchases must be made within the limits of the approved budget. Expenses must be presented at the legal level of control, which is defined to be at the line-item level.

The district's expenses were within appropriations at the line-item level (cash basis).

H. Estimates and Assumptions

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

I. 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, 15th 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, 2014, was 15.93 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the district is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2014, the district's annual pension cost of \$24,641 to TCRS was equal to the district's required and actual contributions. The required contribution was determined as part of the July 1, 2011, 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 three percent annual rate of inflation, (c) 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), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) 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 total investments 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, 2011, was 15 years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	\$ 24,641	100 %	\$ 0
6-30-13	23,969	100	0
6-30-12	23,503	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date available, the plan was 73.9 percent funded. The actuarial accrued liability for benefits was \$.49 million, and the actuarial value of assets was \$.36 million, resulting in an unfunded actuarial liability (UAAL) of \$.13 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.15 million, and the ratio of the UAAL to the covered payroll was 84.15 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, present 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.

J. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*, became effective for the year ended June 30, 2014.

GASB Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Madison County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Madison County School Department
June 30, 2014

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen 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)
7-1-13	\$ 110,466	\$ 132,968	\$ 22,502	83.08	% \$ 30,021	74.95 %
7-1-11	97,823	102,659	4,836	95.29	30,789	15.71
7-1-09	78,399	83,246	4,847	94.18	30,952	15.66

Exhibit F-2

Madison County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Madison County School Department
June 30, 2014

Former City of Jackson Teacher Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	\$ 961,499	\$ 3,812,330	\$ 2,850,831	25.20 %	\$ 57,610	4,948.50 %
7-1-12	997,849	3,624,134	2,626,285	27.53	56,584	4,641.39
7-1-13	999,956	3,145,868	2,145,912	31.79	49,655	4,321.64

Exhibit F-3

Madison County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Madison County School Department
June 30, 2014

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Self-insurance Group	7-1-09	\$ 0	\$ 4,999	\$ 4,999	0	\$ 20,245	25 %
"	7-1-11	0	5,470	5,470	0	20,217	27
"	7-1-13	0	5,546	5,546	0	21,416	26
<u>DISCRETELY PRESENTED MADISON COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-10	0	29,994	29,994	0	68,884	44
"	7-1-11	0	20,431	20,431	0	70,025	29
"	7-1-13	111	15,479	15,368	.72	70,928	22

MADISON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2014

NONE

**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.

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 of deeds, 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.

Madison County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014

	Special Revenue Funds				
	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose	Drug Control
\$	0 \$	0 \$	0 \$	0 \$	0 \$
Cash	85,038	118,701	2,443,202	156,099	35,170
Equity in Pooled Cash and Investments	43,116	19,184	0	0	0
Accounts Receivable	17,330	16,481	0	787,278	0
Due from Other Governments	1,360,057	1,046,113	0	0	0
Property Taxes Receivable	(40,487)	(35,104)	0	0	0
Allowance for Uncollectible Property Taxes	3,300	0	0	0	0
Prepaid Items					
Total Assets	\$ 1,468,354	\$ 1,165,375	\$ 2,443,202	\$ 943,377	\$ 35,170

ASSETS

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

Total Assets

LIABILITIES

Accounts Payable
 Payroll Deductions Payable
 Due to Other Funds
 Due to State of Tennessee
 Other Current Liabilities
 Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
 Deferred Delinquent Property Taxes
 Total Deferred Inflows of Resources

(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
\$ 3,300 \$	0 \$	0 \$	0 \$	0 \$	0
0	0	0	0	186,859	35,170
0	0	0	0	359,997	0
0	0	0	0	110,518	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	2,443,202	0	0
109,459	0	0	0	0	0
0	79,769	0	0	0	0
0	0	0	0	0	0
\$ 112,759 \$	\$ 79,769 \$	\$ 2,443,202 \$	\$ 657,374 \$	\$ 35,170	
\$ 1,468,354 \$	\$ 1,165,375 \$	\$ 2,443,202 \$	\$ 943,377 \$	\$ 35,170	

FUND BALANCES

Nonspendable:	
Prepaid Items	
Restricted:	
Restricted for Public Safety	
Restricted for Public Health and Welfare	
Restricted for Other Operations	
Restricted for Highways/Public Works	
Restricted for Capital Outlay	
Committed:	
Committed for General Government	
Committed for Public Safety	
Committed for Public Health and Welfare	
Committed for Capital Outlay	
Total Fund Balances	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	

(Continued)

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital Projects Funds</u>	
	<u>Constititu- tional Officers - Fees</u>	<u>Total</u>	<u>General Capital Projects</u>	<u>Community Development/ Industrial Park</u>
	\$ 40,894	\$ 40,894	\$ 0	\$ 0
	0	2,838,210	335,358	200,781
	770	63,070	21,963	0
	0	821,089	37,500	0
	0	2,406,170	1,178,005	0
	0	(75,591)	(41,272)	0
	0	3,300	0	0
	\$ 41,664	\$ 6,097,142	\$ 1,531,554	\$ 200,781
<u>ASSETS</u>				
Cash				
Equity in Pooled Cash and Investments				
Accounts Receivable				
Due from Other Governments				
Property Taxes Receivable				
Allowance for Uncollectible Property Taxes				
Prepaid Items				
Total Assets	\$ 41,664	\$ 6,097,142	\$ 1,531,554	\$ 200,781
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 156,130	\$ 0	\$ 0
Payroll Deductions Payable	0	145,107	0	0
Due to Other Funds	41,664	141,664	0	0
Due to State of Tennessee	0	3,959	0	0
Other Current Liabilities	0	42	0	0
Total Liabilities	\$ 41,664	\$ 446,902	\$ 0	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 2,280,052	\$ 1,105,117	\$ 0
Deferred Delinquent Property Taxes	0	41,914	24,954	0
Total Deferred Inflows of Resources	\$ 0	\$ 2,321,966	\$ 1,130,071	\$ 0

(Continued)

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

	Special Revenue Funds (Cont.)		Capital Projects Funds	
	Constitutional Officers - Fees	Total	General Capital Projects	Community Development/Industrial Park
\$	0	3,300	0	0
	0	222,029	0	0
	0	359,997	0	0
	0	110,518	0	0
	0	0	0	0
	0	0	170,458	18,848
	0	2,443,202	0	0
	0	109,459	0	0
	0	79,769	0	0
	0	0	231,025	181,933
\$	0	3,328,274	401,483	200,781
\$	41,664	6,097,142	1,531,554	200,781

FUND BALANCES

Nonspendable:	
Prepaid Items	
Restricted:	
Restricted for Public Safety	
Restricted for Public Health and Welfare	
Restricted for Other Operations	
Restricted for Highways/Public Works	
Restricted for Capital Outlay	
Committed:	
Committed for General Government	
Committed for Public Safety	
Committed for Public Health and Welfare	
Committed for Capital Outlay	
Total Fund Balances	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	

(Continued)

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

	<u>Capital Projects Funds (Cont.)</u>		<u>Total</u>
	<u>Highway</u>	<u>Capital</u>	<u>Nonmajor</u>
	<u>Projects</u>	<u>Projects</u>	<u>Governmental</u>
		<u>Total</u>	<u>Funds</u>
Cash	\$ 0	\$ 0	\$ 40,894
Equity in Pooled Cash and Investments	671,929	1,208,068	4,046,278
Accounts Receivable	0	21,963	85,033
Due from Other Governments	0	37,500	858,589
Property Taxes Receivable	0	1,178,005	3,584,175
Allowance for Uncollectible Property Taxes	0	(41,272)	(116,863)
Prepaid Items	0	0	3,300
Total Assets	\$ 671,929	\$ 2,404,264	\$ 8,501,406
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 0	\$ 156,130
Payroll Deductions Payable	0	0	145,107
Due to Other Funds	0	0	141,664
Due to State of Tennessee	0	0	3,959
Other Current Liabilities	0	0	42
Total Liabilities	\$ 0	\$ 0	\$ 446,902
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$ 1,105,117	\$ 3,385,169
Deferred Delinquent Property Taxes	0	24,954	66,868
Total Deferred Inflows of Resources	\$ 0	\$ 1,130,071	\$ 3,452,037

(Continued)

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

	Capital Projects Funds (Cont.)		Total
	Highway Capital Projects	Total	Nonmajor Governmental Funds
\$	0	\$ 0	\$ 3,300
	0	0	222,029
	0	0	359,997
	0	0	110,518
	671,929	671,929	671,929
	0	189,306	189,306
	0	0	2,443,202
	0	0	109,459
	0	0	79,769
	0	412,958	412,958
\$	671,929	\$ 1,274,193	\$ 4,602,467
\$	671,929	\$ 2,404,264	\$ 8,501,406

FUND BALANCES

Nonspendable:
 Prepaid Items
 Restricted:
 Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Other Operations
 Restricted for Highways/Public Works
 Restricted for Capital Outlay
 Committed:
 Committed for General Government
 Committed for Public Safety
 Committed for Public Health and Welfare
 Committed for Capital Outlay
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, 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, 2014

	Special Revenue Funds				
	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose	Drug Control
<u>Revenues</u>					
Local Taxes	\$ 935,255	\$ 933,484	\$ 1,906,813	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	0	0	0	13,092
Charges for Current Services	550	0	0	526,411	0
Other Local Revenues	4,758	58,046	0	0	0
State of Tennessee	4,500	92,319	0	3,805,018	0
Federal Government	155,964	0	0	93,125	0
Other Governments and Citizens Groups	141,641	0	0	181,410	0
Total Revenues	\$ 1,242,668	\$ 1,083,849	\$ 1,906,813	\$ 4,605,964	\$ 13,092
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	0	0	0	0	0
Administration of Justice	0	0	0	0	0
Public Safety	1,539,712	0	0	1,418,153	3,504
Public Health and Welfare	0	1,055,478	0	2,791,241	0
Social, Cultural, and Recreational Services	0	0	0	0	0
Agriculture and Natural Resources	0	0	0	0	0
Other Operations	0	0	1,343,735	181,035	0
Total Expenditures	\$ 1,539,712	\$ 1,055,478	\$ 1,343,735	\$ 4,390,429	\$ 3,504
Excess (Deficiency) of Revenues Over Expenditures	\$ (297,044)	\$ 28,371	\$ 563,078	\$ 215,535	\$ 9,588

(Continued)

Exhibit G-2

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

	Special Revenue Funds					Drug Control
	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose		
Other Financing Sources (Uses)						
Insurance Recovery	\$ 704 \$	500 \$	0 \$	979 \$	0	0
Transfers In	64,000	0	0	0	0	0
Transfers Out	0	0	(64,000)	(700,000)	0	0
Total Other Financing Sources (Uses)	\$ 64,704 \$	500 \$	(64,000) \$	(699,021) \$	0	0
Net Change in Fund Balances	\$ (232,340) \$	28,871 \$	499,078 \$	(483,486) \$	9,588	9,588
Fund Balance, July 1, 2013	345,099	50,898	1,944,124	1,140,860	25,582	25,582
Fund Balance, June 30, 2014	\$ 112,759 \$	79,769 \$	2,443,202 \$	657,374 \$	35,170	35,170

(Continued)

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

	Special Revenue Funds (Cont.)		Capital Projects Funds	
	Constitutional Officers - Fees	Total	General Capital Projects	Community Development/Industrial Park
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 3,775,552	\$ 1,179,221	\$ 0
Fines, Forfeitures, and Penalties	0	13,092	0	0
Charges for Current Services	2,760	529,721	0	0
Other Local Revenues	0	62,804	0	32,604
State of Tennessee	0	3,901,837	251,919	0
Federal Government	0	249,089	0	0
Other Governments and Citizens Groups	0	323,051	0	0
Total Revenues	\$ 2,760	\$ 8,855,146	\$ 1,431,140	\$ 32,604
<u>Expenditures</u>				
Current:				
General Government	\$ 0	\$ 0	\$ 31,622	\$ 0
Finance	0	0	79,268	0
Administration of Justice	2,760	2,760	43,108	0
Public Safety	0	2,961,369	686,199	0
Public Health and Welfare	0	3,846,719	68,460	0
Social, Cultural, and Recreational Services	0	0	627,740	0
Agriculture and Natural Resources	0	0	8,700	0
Other Operations	0	1,524,770	58,815	75,326
Total Expenditures	\$ 2,760	\$ 8,335,618	\$ 1,603,912	\$ 75,326
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 519,528	\$ (172,772)	\$ (42,722)

(Continued)

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

	Special Revenue Funds (Cont.)		Capital Projects Funds	
	Constitutional Officers - Fees	Total	General Capital Projects	Community Development/Industrial Park
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 2,183	\$ 0	\$ 0
Transfers In	0	64,000	0	0
Transfers Out	0	(764,000)	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ (697,817)	\$ 0	\$ 0
Net Change in Fund Balances	\$ 0	\$ (178,289)	\$ (172,772)	\$ (42,722)
Fund Balance, July 1, 2013	0	3,506,563	574,255	243,503
Fund Balance, June 30, 2014	\$ 0	\$ 3,328,274	\$ 401,483	\$ 200,781

(Continued)

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

	Capital Projects Funds (Cont.)		Total Nonmajor Governmental Funds
	Highway Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 1,179,221	\$ 4,954,773
Fines, Forfeitures, and Penalties	0	0	13,092
Charges for Current Services	0	0	529,721
Other Local Revenues	10,302	42,906	105,710
State of Tennessee	0	251,919	4,153,756
Federal Government	0	0	249,089
Other Governments and Citizens Groups	0	0	323,051
Total Revenues	\$ 10,302	\$ 1,474,046	\$ 10,329,192
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$ 31,622	\$ 31,622
Finance	0	79,268	79,268
Administration of Justice	0	43,108	45,868
Public Safety	0	686,199	3,647,568
Public Health and Welfare	0	68,460	3,915,179
Social, Cultural, and Recreational Services	0	627,740	627,740
Agriculture and Natural Resources	0	8,700	8,700
Other Operations	0	134,141	1,658,911
Total Expenditures	\$ 0	\$ 1,679,238	\$ 10,014,856
Excess (Deficiency) of Revenues Over Expenditures	\$ 10,302	\$ (205,192)	\$ 314,336

(Continued)

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	<u>Highway Capital Projects</u>	<u>Total</u>	
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 0 \$	0 \$	2,183
Transfers In	0	0	64,000
Transfers Out	0	0	(764,000)
Total Other Financing Sources (Uses)	\$ 0 \$	0 \$	(697,817)
Net Change in Fund Balances	\$ 10,302 \$	(205,192) \$	(383,481)
Fund Balance, July 1, 2013	661,627	1,479,385	4,985,948
Fund Balance, June 30, 2014	\$ 671,929 \$	1,274,193 \$	4,602,467

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 935,255	\$ 0	\$ 935,255	\$ 917,688	\$ 916,888	\$ 18,367
Charges for Current Services	550	0	550	0	300	250
Other Local Revenues	4,758	0	4,758	300	800	3,958
State of Tennessee	4,500	0	4,500	9,000	9,000	(4,500)
Federal Government	155,964	0	155,964	169,106	169,106	(13,142)
Other Governments and Citizens Groups	141,641	0	141,641	162,450	192,450	(50,809)
Total Revenues	\$ 1,242,668	\$ 0	\$ 1,242,668	\$ 1,258,544	\$ 1,288,544	\$ (45,876)
<u>Expenditures</u>						
<u>Public Safety</u>						
Juvenile Services	\$ 1,539,712	(72)	\$ 1,539,640	\$ 1,593,722	\$ 1,672,326	\$ 132,686
Total Expenditures	\$ 1,539,712	(72)	\$ 1,539,640	\$ 1,593,722	\$ 1,672,326	\$ 132,686
Excess (Deficiency) of Revenues Over Expenditures	\$ (297,044)	72	(296,972)	(335,178)	(383,782)	86,810
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	704	0	704	0	704	0
Transfers In	64,000	0	64,000	0	64,000	0
Total Other Financing Sources	\$ 64,704	0	\$ 64,704	0	\$ 64,704	0
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (232,340)	72	(232,268)	(335,178)	(319,078)	86,810
Fund Balance, June 30, 2014	\$ 345,099	(72)	345,027	373,705	345,027	0
Fund Balance, June 30, 2014	\$ 112,759	0	\$ 112,759	\$ 38,527	\$ 25,949	\$ 86,810

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 933,484 \$	0 \$	933,484 \$	924,714 \$	923,164 \$	10,320
Other Local Revenues	58,046	0	58,046	13,141	57,159	887
State of Tennessee	92,319	0	92,319	117,000	117,000	(24,681)
Total Revenues	\$ 1,083,849 \$	0 \$	1,083,849 \$	1,054,855 \$	1,097,323 \$	(13,474)
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Convenience Centers	\$ 601,044 \$	(2,043) \$	599,001 \$	602,605 \$	635,369 \$	36,368
Landfill Operation and Maintenance	454,434	0	454,434	469,000	469,000	14,566
Total Expenditures	\$ 1,055,478 \$	(2,043) \$	1,053,435 \$	1,071,605 \$	1,104,369 \$	50,934
Excess (Deficiency) of Revenues Over Expenditures	\$ 28,371 \$	2,043 \$	30,414 \$	(16,750) \$	(7,046) \$	37,460
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 500 \$	0 \$	500 \$	0 \$	3,246 \$	(2,746)
Total Other Financing Sources	\$ 500 \$	0 \$	500 \$	0 \$	3,246 \$	(2,746)
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 28,871 \$	2,043 \$	30,914 \$	(16,750) \$	(3,800) \$	34,714
	50,898	(2,043)	48,855	67,822	48,855	0
Fund Balance, June 30, 2014	\$ 79,769 \$	0 \$	79,769 \$	51,072 \$	45,055 \$	34,714

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,906,813	\$ 1,706,781	\$ 1,756,781	\$ 150,032
Total Revenues	\$ 1,906,813	\$ 1,706,781	\$ 1,756,781	\$ 150,032
<u>Expenditures</u>				
<u>Other Operations</u>				
Miscellaneous	\$ 1,343,735	\$ 19,400	\$ 21,400	\$ (1,322,335)
Total Expenditures	\$ 1,343,735	\$ 19,400	\$ 21,400	\$ (1,322,335)
Excess (Deficiency) of Revenues Over Expenditures	\$ 563,078	\$ 1,687,381	\$ 1,735,381	\$ (1,172,303)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (64,000)	\$ 0	\$ (64,000)	\$ 0
Total Other Financing Sources	\$ (64,000)	\$ 0	\$ (64,000)	\$ 0
Net Change in Fund Balance	\$ 499,078	\$ 1,687,381	\$ 1,671,381	\$ (1,172,303)
Fund Balance, July 1, 2013	1,944,124	1,780,840	1,944,124	0
Fund Balance, June 30, 2014	\$ 2,443,202	\$ 3,468,221	\$ 3,615,505	\$ (1,172,303)

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, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Charges for Current Services	\$ 526,411	\$ 0	\$ 0	\$ 526,411	\$ 566,353	\$ 570,066	\$ (43,655)
State of Tennessee	3,805,018	0	0	3,805,018	4,177,692	4,329,565	(524,547)
Federal Government	93,125	0	0	93,125	13,134	137,885	(44,760)
Other Governments and Citizens Groups	181,410	0	0	181,410	0	186,385	(4,975)
Total Revenues	\$ 4,605,964	\$ 0	\$ 0	\$ 4,605,964	\$ 4,757,179	\$ 5,223,901	\$ (617,937)
Expenditures							
Public Safety							
Correctional Incentive Program Improvements	\$ 473,568	\$ 0	\$ 0	\$ 473,568	\$ 515,768	\$ 520,460	\$ 46,892
Work Release Program	776,521	0	0	776,521	892,177	899,559	123,038
Other Emergency Management	99,422	0	0	99,422	13,134	137,885	38,463
Public Safety Grants Program	68,642	0	144	68,786	50,000	70,000	1,214
Public Health and Welfare							
Maternal and Child Health Services	2,738,013	(70,638)	151,970	2,819,345	3,285,551	3,354,842	535,497
Sanitation Education/Information	53,228	0	0	53,228	0	55,200	1,972
Other Operations							
Miscellaneous	181,035	0	0	181,035	0	192,385	11,350
Total Expenditures	\$ 4,390,429	\$ (70,638)	\$ 152,114	\$ 4,471,905	\$ 4,756,630	\$ 5,230,331	\$ 758,426
Excess (Deficiency) of Revenues Over Expenditures	\$ 215,535	\$ 70,638	\$ (152,114)	\$ 134,059	\$ 549	\$ (6,430)	\$ 140,489
Other Financing Sources (Uses)							
Insurance Recovery	\$ 979	\$ 0	\$ 0	\$ 979	\$ 0	\$ 979	\$ 0
Transfers Out	(700,000)	0	0	(700,000)	(600,000)	(700,000)	0
Total Other Financing Sources	\$ (699,021)	\$ 0	\$ 0	\$ (699,021)	\$ (600,000)	\$ (699,021)	\$ 0
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (483,486)	\$ 70,638	\$ (152,114)	\$ (564,962)	\$ (599,451)	\$ (705,451)	\$ 140,489
Fund Balance, July 1, 2013	1,140,860	(70,638)	0	1,070,222	1,160,505	1,160,505	(90,283)
Fund Balance, June 30, 2014	\$ 657,374	\$ 0	\$ (152,114)	\$ 505,260	\$ 561,054	\$ 455,054	\$ 50,206

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 13,092	\$ 35,800	\$ 35,800	\$ (22,708)
Total Revenues	\$ 13,092	\$ 35,800	\$ 35,800	\$ (22,708)
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 3,504	\$ 3,380	\$ 3,680	\$ 176
Total Expenditures	\$ 3,504	\$ 3,380	\$ 3,680	\$ 176
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,588	\$ 32,420	\$ 32,120	\$ (22,532)
Net Change in Fund Balance	\$ 9,588	\$ 32,420	\$ 32,120	\$ (22,532)
Fund Balance, July 1, 2013	25,582	52,176	25,582	0
Fund Balance, June 30, 2014	\$ 35,170	\$ 84,596	\$ 57,702	\$ (22,532)

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, 2014

	Actual (GAAP Basis)	Less:		Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2013	Encumbrances 6/30/2014			Original	Final	
<u>Revenues</u>								
Local Taxes	\$ 1,179,221	\$ 0	\$ 0	\$ 0	\$ 1,179,221	\$ 1,138,672	\$ 1,160,047	\$ 19,174
State of Tennessee	251,919	0	0	0	251,919	0	250,000	1,919
Total Revenues	\$ 1,431,140	\$ 0	\$ 0	\$ 0	\$ 1,431,140	\$ 1,138,672	\$ 1,410,047	\$ 21,093
<u>Expenditures</u>								
<u>General Government</u>								
Election Commission	\$ 3,453	\$ 0	\$ 0	\$ 0	\$ 3,453	\$ 3,500	\$ 3,500	\$ 47
County Buildings	28,169	0	67,293	0	95,462	29,000	112,000	16,538
<u>Finance</u>								
Accounting and Budgeting	71,683	0	3,453	0	75,136	0	75,359	223
County Trustee's Office	2,200	0	0	0	2,200	3,000	3,000	800
Data Processing	5,385	0	0	0	5,385	6,000	6,000	615
<u>Administration of Justice</u>								
Chancery Court	1,048	(1,048)	0	0	0	0	0	0
Juvenile Court	42,060	0	0	0	42,060	45,000	45,000	2,940
<u>Public Safety</u>								
Sheriff's Department	378,936	(64,304)	51,725	0	366,357	264,465	370,215	3,858
Juvenile Services	10,062	0	0	0	10,062	6,000	11,000	938
Fire Prevention and Control	289,939	0	0	0	289,939	290,500	290,500	561
Civil Defense	7,262	0	0	0	7,262	22,000	22,000	14,738
<u>Public Health and Welfare</u>								
Local Health Center	27,806	0	0	0	27,806	35,983	35,983	8,177
Rabies and Animal Control	3,200	0	41,800	0	45,000	15,000	45,000	0
Convenience Centers	37,454	0	0	0	37,454	42,000	42,000	4,546
<u>Social, Cultural, and Recreational Services</u>								
Libraries	43,435	0	0	0	43,435	40,579	45,169	1,734
Parks and Fair Boards	584,305	(546,849)	0	0	37,456	110,000	110,000	72,544
<u>Agriculture and Natural Resources</u>								
Agricultural Extension Service	8,700	0	0	0	8,700	8,700	8,700	0
<u>Other Operations</u>								
Airport	36,071	0	0	0	36,071	31,321	36,071	0
Miscellaneous	22,744	0	0	0	22,744	28,272	30,272	7,528
Total Expenditures	\$ 1,603,912	\$ (612,201)	\$ 164,271	\$ 1,155,982	\$ 1,155,982	\$ 981,320	\$ 1,291,769	\$ 135,787
Excess (Deficiency) of Revenues Over Expenditures	\$ (172,772)	\$ 612,201	\$ (164,271)	\$ 275,158	\$ 275,158	\$ 157,352	\$ 118,278	\$ 156,880
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (172,772)	\$ 612,201	\$ (164,271)	\$ 275,158	\$ 275,158	\$ 157,352	\$ 118,278	\$ 156,880
	574,255	(612,201)	0	(37,946)	(37,946)	93,542	93,542	(131,488)
Fund Balance, June 30, 2014	\$ 401,483	\$ 0	\$ (164,271)	\$ 237,212	\$ 237,212	\$ 250,894	\$ 211,820	\$ 25,392

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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 32,604	\$ 0	\$ 32,604	\$ 0
Total Revenues	\$ 32,604	\$ 0	\$ 32,604	\$ 0
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 75,326	\$ 0	\$ 75,400	\$ 74
Total Expenditures	\$ 75,326	\$ 0	\$ 75,400	\$ 74
Excess (Deficiency) of Revenues Over Expenditures	\$ (42,722)	\$ 0	\$ (42,796)	\$ 74
Net Change in Fund Balance	\$ (42,722)	\$ 0	\$ (42,796)	\$ 74
Fund Balance, July 1, 2013	243,503	208,826	243,503	0
Fund Balance, June 30, 2014	\$ 200,781	\$ 208,826	\$ 200,707	\$ 74

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 expenditure for 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, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 7,906,760	\$ 7,590,579	\$ 7,854,213	\$ 52,547
Other Local Revenues	43,423	378,725	228,725	(185,302)
Federal Government	128,953	0	0	128,953
Other Governments and Citizens Groups	794,089	0	794,089	0
Total Revenues	<u>\$ 8,873,225</u>	<u>\$ 7,969,304</u>	<u>\$ 8,877,027</u>	<u>\$ (3,802)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 7,655,000	\$ 7,189,428	\$ 8,003,411	\$ 348,411
<u>Interest on Debt</u>				
General Government	2,442,129	0	2,479,928	37,799
<u>Other Debt Service</u>				
General Government	275,725	0	283,051	7,326
<u>Capital Projects</u>				
Education Capital Projects	1,017,500	0	1,017,500	0
Total Expenditures	<u>\$ 11,390,354</u>	<u>\$ 7,189,428</u>	<u>\$ 11,783,890</u>	<u>\$ 393,536</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,517,129)</u>	<u>\$ 779,876</u>	<u>\$ (2,906,863)</u>	<u>\$ 389,734</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 0	\$ 0	\$ 350,000	\$ (350,000)
Refunding Debt Issued	17,150,000	0	17,150,000	0
Premiums on Debt Issued	390,473	0	390,473	0
Transfers In	225,000	794,089	225,000	0
Payments to Refunded Debt Escrow Agent	(17,416,922)	0	(17,416,922)	0
Total Other Financing Sources	<u>\$ 348,551</u>	<u>\$ 794,089</u>	<u>\$ 698,551</u>	<u>\$ (350,000)</u>
Net Change in Fund Balance	<u>\$ (2,168,578)</u>	<u>\$ 1,573,965</u>	<u>\$ (2,208,312)</u>	<u>\$ 39,734</u>
Fund Balance, July 1, 2013	<u>7,316,303</u>	<u>7,193,455</u>	<u>7,316,303</u>	<u>0</u>
Fund Balance, June 30, 2014	<u><u>\$ 5,147,725</u></u>	<u><u>\$ 8,767,420</u></u>	<u><u>\$ 5,107,991</u></u>	<u><u>\$ 39,734</u></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 of deeds, 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.

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

Exhibit I-1

Madison County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	Agency Funds							Total
	Cities - Sales Tax	Cities - Property Tax	Watershed District	Joint Venture	Consti- tional Officers - Agency	Other Agency	District Attorney General	
<u>ASSETS</u>								
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,668,520	\$ 0	\$ 0	\$ 4,668,520
Equity in Pooled Cash and Investments	47,995	3,033	55,973	23,997	0	0	29,633	160,631
Accounts Receivable	56,543	0	0	28,272	0	0	0	84,815
Due from Other Governments	2,119,123	13,332	0	0	0	2,455	228	2,135,138
Total Assets	\$ 2,223,661	\$ 16,365	\$ 55,973	\$ 52,269	\$ 4,668,520	\$ 2,455	\$ 29,861	\$ 7,049,104
<u>LIABILITIES</u>								
Due to Other Taxing Units	\$ 2,223,661	\$ 16,365	\$ 0	\$ 0	\$ 0	\$ 2,455	\$ 0	\$ 2,242,481
Due to Litigants, Heirs, and Others	0	0	0	0	4,668,520	0	29,861	4,698,381
Other Current Liabilities	0	0	55,973	52,269	0	0	0	108,242
Total Liabilities	\$ 2,223,661	\$ 16,365	\$ 55,973	\$ 52,269	\$ 4,668,520	\$ 2,455	\$ 29,861	\$ 7,049,104

Exhibit I-2

Madison County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 58,247	\$ 13,377,795	\$ 13,388,047	\$ 47,995
Accounts Receivable	53,699	56,543	53,699	56,543
Due from Other Governments	2,089,719	2,119,123	2,089,719	2,119,123
Total Assets	\$ 2,201,665	\$ 15,553,461	\$ 15,531,465	\$ 2,223,661
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,201,665	\$ 15,553,461	\$ 15,531,465	\$ 2,223,661
Total Liabilities	\$ 2,201,665	\$ 15,553,461	\$ 15,531,465	\$ 2,223,661
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 6,668	\$ 324,850	\$ 328,485	\$ 3,033
Due from Other Governments	7,962	13,332	7,962	13,332
Total Assets	\$ 14,630	\$ 338,182	\$ 336,447	\$ 16,365
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 14,630	\$ 338,182	\$ 336,447	\$ 16,365
Total Liabilities	\$ 14,630	\$ 338,182	\$ 336,447	\$ 16,365
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 55,973	\$ 0	\$ 0	\$ 55,973
Total Assets	\$ 55,973	\$ 0	\$ 0	\$ 55,973
<u>Liabilities</u>				
Other Current Liabilities	\$ 55,973	\$ 0	\$ 0	\$ 55,973
Total Liabilities	\$ 55,973	\$ 0	\$ 0	\$ 55,973
<u>Joint Venture Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 29,123	\$ 193,404	\$ 198,530	\$ 23,997
Accounts Receivable	26,850	28,272	26,850	28,272
Total Assets	\$ 55,973	\$ 221,676	\$ 225,380	\$ 52,269
<u>Liabilities</u>				
Other Current Liabilities	\$ 55,973	\$ 221,676	\$ 225,380	\$ 52,269
Total Liabilities	\$ 55,973	\$ 221,676	\$ 225,380	\$ 52,269

(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	\$ 4,801,370	\$ 20,445,921	\$ 20,578,771	\$ 4,668,520
Accounts Receivable	0	0	0	0
Total Assets	\$ 4,801,370	\$ 20,445,921	\$ 20,578,771	\$ 4,668,520
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 4,801,370	\$ 20,445,921	\$ 20,578,771	\$ 4,668,520
Total Liabilities	\$ 4,801,370	\$ 20,445,921	\$ 20,578,771	\$ 4,668,520
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 14,561	\$ 14,561	\$ 0
Due from Other Governments	2,119	2,455	2,119	2,455
Total Assets	\$ 2,119	\$ 17,016	\$ 16,680	\$ 2,455
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,119	\$ 17,016	\$ 16,680	\$ 2,455
Total Liabilities	\$ 2,119	\$ 17,016	\$ 16,680	\$ 2,455
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 31,036	\$ 14,773	\$ 16,176	\$ 29,633
Due from Other Governments	228	228	228	228
Total Assets	\$ 31,264	\$ 15,001	\$ 16,404	\$ 29,861
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 31,264	\$ 15,001	\$ 16,404	\$ 29,861
Total Liabilities	\$ 31,264	\$ 15,001	\$ 16,404	\$ 29,861
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 4,801,370	\$ 20,445,921	\$ 20,578,771	\$ 4,668,520
Equity in Pooled Cash and Investments	181,047	13,925,383	13,945,799	160,631
Accounts Receivable	80,549	84,815	80,549	84,815
Due from Other Governments	2,100,028	2,135,138	2,100,028	2,135,138
Total Assets	\$ 7,162,994	\$ 36,591,257	\$ 36,705,147	\$ 7,049,104
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,218,414	\$ 15,908,659	\$ 15,884,592	\$ 2,242,481
Due to Litigants, Heirs, and Others	4,832,634	20,460,922	20,595,175	4,698,381
Other Current Liabilities	111,946	221,676	225,380	108,242
Total Liabilities	\$ 7,162,994	\$ 36,591,257	\$ 36,705,147	\$ 7,049,104

Madison County School Department

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

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

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

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

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

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

Exhibit J-1

Madison County, Tennessee
Statement of Activities
Discretely Presented Madison County School Department
For the Year Ended June 30, 2014

Functions/Programs	Program Revenues		Expenses	Net (Expense) Revenue and Changes in Net Position	
	Charges for Services	Operating Grants and Contributions		Net Position	Governmental Activities
Governmental Activities:					
Instruction	\$ 71,129,791	\$ 403,626	\$ 5,576,381	\$ (65,149,784)	
Support Services	38,684,252	6,568	2,087,120	(36,590,564)	
Operation of Non-instructional Services	10,505,713	963,517	8,941,665	(600,531)	
Total Governmental Activities	\$ 120,319,756	\$ 1,373,711	\$ 16,605,166	\$ (102,340,879)	
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 11,131,831	
Local Option Sales Taxes				35,704,555	
Mixed Drink Tax				184,742	
Other Local Taxes				9,813	
Grants and Contributions Not Restricted to Specific Programs				53,180,125	
Miscellaneous				90,991	
Total General Revenues				\$ 100,302,057	
Change in Net Position				\$ (2,038,822)	
Net Position, July 1, 2013				82,103,655	
Net Position, June 30, 2014				\$ 80,064,833	

Madison County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Madison County School Department
 June 30, 2014

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Purpose School	Education Capital Projects	Other	Governmental Funds	
\$	159,975	0	0	0	159,975
Equity in Pooled Cash and Investments	7,112,794	760,304	3,011,523	10,884,621	10,884,621
Accounts Receivable	179,724	41,128	3,205	224,057	224,057
Due from Other Governments	6,212,473	0	399,950	6,612,423	6,612,423
Due from Other Funds	1,349	0	0	1,349	1,349
Property Taxes Receivable	8,681,426	2,843,398	0	11,524,824	11,524,824
Allowance for Uncollectible Property Taxes	(320,008)	(81,460)	0	(401,468)	(401,468)
Total Assets	22,027,733	3,563,370	3,414,678	29,005,781	29,005,781

ASSETS

Cash	0
Equity in Pooled Cash and Investments	10,884,621
Accounts Receivable	224,057
Due from Other Governments	6,612,423
Due from Other Funds	1,349
Property Taxes Receivable	11,524,824
Allowance for Uncollectible Property Taxes	(401,468)
Total Assets	29,005,781

LIABILITIES

Accounts Payable	0	0	0	82,250
Accrued Payroll	0	471	0	471
Payroll Deductions Payable	2,703,910	0	366,429	3,070,339
Total Liabilities	2,774,491	11,669	366,900	3,153,060

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	8,102,862	2,714,917	0	10,817,779
Deferred Delinquent Property Taxes	213,953	33,003	0	246,956
Other Deferred/Unavailable Revenue	3,090,157	0	0	3,090,157
Total Deferred Inflows of Resources	11,406,972	2,747,920	0	14,154,892

FUND BALANCES

Restricted:				
Restricted for Education	12,212	0	147,990	160,202
Restricted for Operation of Non-instructional Services	0	0	2,549,788	2,549,788
Committed:				
Committed for Education	159,975	0	0	159,975
Committed for Capital Outlay	0	803,781	0	803,781
Assigned:				
Assigned for Education	880,326	0	350,000	1,230,326
Unassigned	6,793,757	0	0	6,793,757
Total Fund Balances	7,846,270	803,781	3,047,778	11,697,829
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	22,027,733	3,563,370	3,414,678	29,005,781

Exhibit J-3

Madison County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Madison County School Department
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 11,697,829
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 2,091,562	
Add: buildings and improvements net of accumulated depreciation	64,851,171	
Add: infrastructure net of accumulated depreciation	503,303	
Add: other capital assets net of accumulated depreciation	<u>6,937,958</u>	74,383,994
(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	\$ (9,065,250)	
Less: compensated absences payable	<u>(288,853)</u>	(9,354,103)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,337,113</u>
Net position of governmental activities (Exhibit A)		<u>\$ 80,064,833</u>

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, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Governmental Funds	Other Governmental Funds		
<u>Revenues</u>						
Local Taxes	\$ 45,807,553	\$ 1,805,636	\$ 0	\$ 0	\$ 47,613,189	
Licenses and Permits	9,384	0	0	0	9,384	
Charges for Current Services	407,471	0	963,517	0	1,370,988	
Other Local Revenues	293,925	0	9,519	0	303,444	
State of Tennessee	49,318,318	0	78,152	0	49,396,470	
Federal Government	119,015	0	17,313,461	0	17,432,476	
Other Governments and Citizens Groups	2,362,500	0	0	0	2,362,500	
Total Revenues	\$ 98,318,166	\$ 1,805,636	\$ 18,364,649	\$ 0	\$ 118,488,451	
<u>Expenditures</u>						
Current:						
Instruction	\$ 59,893,319	\$ 0	\$ 5,576,999	\$ 0	\$ 65,470,318	
Support Services	34,566,150	0	4,130,859	0	38,697,009	
Operation of Non-instructional Services	1,568,193	0	8,593,761	0	10,161,954	
Capital Outlay	26,149	0	0	0	26,149	
Debt Service:						
Other Debt Service	794,089	0	0	0	794,089	
Capital Projects	0	2,028,106	0	0	2,028,106	
Total Expenditures	\$ 96,847,900	\$ 2,028,106	\$ 18,301,619	\$ 0	\$ 117,177,625	
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,470,266	\$ (222,470)	\$ 63,030	\$ 0	\$ 1,310,826	
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 93,715	\$ 483,314	\$ 915	\$ 0	\$ 577,944	
Transfers In	0	0	200,000	0	200,000	
Transfers Out	(200,000)	0	0	0	(200,000)	
Total Other Financing Sources (Uses)	\$ (106,285)	\$ 483,314	\$ 200,915	\$ 0	\$ 577,944	
Net Change in Fund Balances	\$ 1,363,981	\$ 260,844	\$ 263,945	\$ 0	\$ 1,888,770	
Fund Balance, July 1, 2013	6,482,289	542,937	2,783,833	0	9,809,059	
Fund Balance, June 30, 2014	\$ 7,846,270	\$ 803,781	\$ 3,047,778	\$ 0	\$ 11,697,829	

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, 2014

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 1,888,770
(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	\$ 625,574	
Less: current-year depreciation expense	<u>(3,747,491)</u>	(3,121,917)
(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, 2014	\$ 3,337,113	
Add: deferred delinquent property taxes and other deferred June 30, 2013	<u>(3,544,630)</u>	(207,517)
(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 the governmental funds.		
Change in other postemployment benefits liability	\$ (614,028)	
Change in compensated absences payable	<u>15,870</u>	<u>(598,158)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (2,038,822)</u>

Exhibit J-6

Madison County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Madison County School Department
June 30, 2014

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 345,304	\$ 2,666,219	\$ 3,011,523
Accounts Receivable	3,205	0	3,205
Due from Other Governments	399,950	0	399,950
Total Assets	<u>\$ 748,459</u>	<u>\$ 2,666,219</u>	<u>\$ 3,414,678</u>
<u>LIABILITIES</u>			
Accrued Payroll	\$ 471	\$ 0	\$ 471
Payroll Deductions Payable	249,998	116,431	366,429
Total Liabilities	<u>\$ 250,469</u>	<u>\$ 116,431</u>	<u>\$ 366,900</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 147,990	\$ 0	\$ 147,990
Restricted for Operation of Non-instructional Services	0	2,549,788	2,549,788
Assigned:			
Assigned for Education	350,000	0	350,000
Total Fund Balances	<u>\$ 497,990</u>	<u>\$ 2,549,788</u>	<u>\$ 3,047,778</u>
Total Liabilities and Fund Balances	<u>\$ 748,459</u>	<u>\$ 2,666,219</u>	<u>\$ 3,414,678</u>

Exhibit J-7

Madison County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Madison County School Department
For the Year Ended June 30, 2014

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 963,517	\$ 963,517
Other Local Revenues	0	9,519	9,519
State of Tennessee	0	78,152	78,152
Federal Government	9,686,168	7,627,293	17,313,461
Total Revenues	\$ 9,686,168	\$ 8,678,481	\$ 18,364,649
<u>Expenditures</u>			
Current:			
Instruction	\$ 5,576,999	\$ 0	\$ 5,576,999
Support Services	4,130,859	0	4,130,859
Operation of Non-instructional Services	0	8,593,761	8,593,761
Total Expenditures	\$ 9,707,858	\$ 8,593,761	\$ 18,301,619
Excess (Deficiency) of Revenues Over Expenditures	\$ (21,690)	\$ 84,720	\$ 63,030
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 0	\$ 915	\$ 915
Transfers In	200,000	0	200,000
Total Other Financing Sources (Uses)	\$ 200,000	\$ 915	\$ 200,915
Net Change in Fund Balances	\$ 178,310	\$ 85,635	\$ 263,945
Fund Balance, July 1, 2013	319,680	2,464,153	2,783,833
Fund Balance, June 30, 2014	\$ 497,990	\$ 2,549,788	\$ 3,047,778

Exhibit J-8

Madison County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Madison County School Department
 General Purpose School Fund
 For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 45,807,553	\$ 0	\$ 0	\$ 45,807,553	\$ 46,957,745	\$ 46,969,039	\$ (1,161,486)
Licenses and Permits	9,384	0	0	9,384	9,443	9,443	(59)
Charges for Current Services	407,471	0	0	407,471	405,500	405,500	1,971
Other Local Revenues	293,925	0	0	293,925	416,302	416,802	(122,877)
State of Tennessee	49,318,318	0	0	49,318,318	48,409,033	49,269,868	48,450
Federal Government	119,015	0	0	119,015	150,000	150,000	(30,985)
Other Governments and Citizens Groups	2,362,500	0	0	2,362,500	0	1,067,500	1,295,000
Total Revenues	\$ 98,318,166	\$ 0	\$ 0	\$ 98,318,166	\$ 96,348,023	\$ 98,288,152	\$ 30,014
Expenditures							
<u>Instruction</u>							
Regular Instruction Program	\$ 47,066,415	\$ (55,413)	\$ 494,593	\$ 47,505,595	\$ 47,459,190	\$ 48,754,472	\$ 1,248,877
Special Education Program	9,348,709	0	957	9,349,666	9,742,190	9,445,640	95,974
Vocational Education Program	3,321,822	(1,619)	1,198	3,321,401	3,634,900	3,603,900	282,499
Other	156,373	(317)	294	156,350	172,835	172,835	16,485
<u>Support Services</u>							
Attendance	265,654	0	1,750	267,404	314,950	283,870	16,466
Health Services	504,523	0	0	504,523	498,375	515,405	10,882
Other Student Support	3,565,094	0	0	3,565,094	3,740,300	3,663,700	98,606
Regular Instruction Program	2,402,569	(1,251)	116,184	2,517,502	2,612,150	2,864,903	347,401
Special Education Program	513,190	0	29	513,219	525,795	537,795	24,576
Vocational Education Program	81,173	0	0	81,173	88,235	88,735	7,562
Other Programs	1,410,668	(144)	22,497	1,433,021	620,864	1,531,811	98,790
Board of Education	1,870,581	0	304	1,870,885	1,935,020	1,922,820	51,935
Director of Schools	848,429	(2,989)	6,096	851,536	1,002,425	901,425	49,889
Office of the Principal	6,392,686	(58)	0	6,392,628	6,433,125	6,460,107	67,479
Fiscal Services	619,189	(1,464)	2,597	620,322	644,056	658,706	38,384
Human Services/Personnel	364,960	(8,030)	731	357,661	394,850	401,550	43,889
Operation of Plant	6,545,760	(2,000)	24,000	6,567,760	6,790,250	6,775,550	207,790
Maintenance of Plant	3,120,674	(172,182)	174,680	3,123,172	3,061,000	3,178,635	55,463

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 5,480,125	\$ (475)	\$ 34,411	\$ 5,514,061	\$ 5,851,800	\$ 5,874,350	\$ 360,289
Central and Other	580,875	(84,347)	0	496,528	710,150	603,650	107,122
<u>Operation of Non-instructional Services</u>							
Food Service	1,165	0	0	1,165	1,166	1,166	1
Community Services	95,843	0	0	95,843	104,075	104,251	8,408
Early Childhood Education	1,471,185	(54)	5	1,471,136	1,499,973	1,499,973	28,837
<u>Capital Outlay</u>							
Regular Capital Outlay	26,149	0	0	26,149	26,149	26,149	0
<u>Other Debt Service</u>							
Education	794,089	0	0	794,089	794,089	794,089	0
Total Expenditures	\$ 96,847,900	\$ (330,343)	\$ 880,326	\$ 97,397,883	\$ 98,657,912	\$ 100,665,487	\$ 3,267,604
<u>Excess (Deficiency) of Revenues Over Expenditures</u>	\$ 1,470,266	\$ 330,343	\$ (880,326)	\$ 920,283	\$ (2,309,889)	\$ (2,377,335)	\$ 3,297,618
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 93,715	\$ 0	\$ 0	\$ 93,715	\$ 0	\$ 67,445	\$ 26,270
Transfers In	0	0	0	0	150,000	150,000	(150,000)
Transfers Out	(200,000)	0	0	(200,000)	0	(750,000)	550,000
Total Other Financing Sources	\$ (106,285)	\$ 0	\$ 0	\$ (106,285)	\$ 150,000	\$ (532,555)	\$ 426,270
Net Change in Fund Balance	\$ 1,363,981	\$ 330,343	\$ (880,326)	\$ 813,998	\$ (2,159,889)	\$ (2,909,890)	\$ 3,723,888
Fund Balance, July 1, 2013	6,482,289	(330,343)	0	6,151,946	5,192,359	5,192,359	959,587
Fund Balance, June 30, 2014	\$ 7,846,270	\$ 0	\$ (880,326)	\$ 6,965,944	\$ 3,032,470	\$ 2,282,469	\$ 4,683,475

Exhibit J-9

Madison County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Madison County School Department
 School Federal Projects Fund
 For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Federal Government	\$ 9,686,168	\$ 0	\$ 0	\$ 9,686,168	\$ 10,196,106	\$ 11,118,456	\$ (1,432,288)
Total Revenues	\$ 9,686,168	\$ 0	\$ 0	\$ 9,686,168	\$ 10,196,106	\$ 11,118,456	\$ (1,432,288)
Expenditures							
<u>Instruction</u>							
Regular Instruction Program	\$ 2,413,023	\$ (38,298)	\$ 0	\$ 2,374,725	\$ 2,870,839	\$ 2,593,382	\$ 218,657
Alternative Instruction Program	345,000	0	0	345,000	345,000	345,000	0
Special Education Program	2,605,855	0	0	2,605,855	2,414,172	2,769,413	163,558
Vocational Education Program	213,121	0	0	213,121	217,105	214,705	1,584
<u>Support Services</u>							
Health Services	225,723	0	0	225,723	228,408	229,408	3,685
Other Student Support	105,673	0	0	105,673	51,013	127,118	21,445
Regular Instruction Program	3,058,137	(7,777)	29	3,050,389	3,226,856	3,737,773	687,384
Special Education Program	684,019	0	0	684,019	797,043	692,045	8,026
Vocational Education Program	1,632	0	0	1,632	6,000	1,632	0
Transportation	55,675	0	0	55,675	39,670	64,257	8,582
Total Expenditures	\$ 9,707,858	\$ (46,075)	\$ 29	\$ 9,661,812	\$ 10,196,106	\$ 10,774,733	\$ 1,112,921
Excess (Deficiency) of Revenues Over Expenditures	\$ (21,690)	\$ 46,075	\$ (29)	\$ 24,356	\$ 0	\$ 343,723	\$ (319,367)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 200,000	\$ 0	\$ 0	\$ 200,000	\$ 339,371	\$ 750,000	\$ (550,000)
Transfers Out	0	0	0	0	(489,371)	(575,540)	575,540
Total Other Financing Sources	\$ 200,000	\$ 0	\$ 0	\$ 200,000	\$ (150,000)	\$ 174,460	\$ 25,540
Net Change in Fund Balance	\$ 178,310	\$ 46,075	\$ (29)	\$ 224,356	\$ (150,000)	\$ 518,183	\$ (293,827)
Fund Balance, July 1, 2013	319,680	(46,075)	0	273,605	150,000	150,000	123,605
Fund Balance, June 30, 2014	\$ 497,990	\$ 0	\$ (29)	\$ 497,961	\$ 0	\$ 668,183	\$ (170,222)

Exhibit J-10

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Madison County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 963,517	\$ 1,201,185	\$ 1,201,185	\$ (237,668)
Other Local Revenues	9,519	11,000	11,000	(1,481)
State of Tennessee	78,152	76,000	76,000	2,152
Federal Government	7,627,293	7,977,000	8,488,437	(861,144)
Total Revenues	<u>\$ 8,678,481</u>	<u>\$ 9,265,185</u>	<u>\$ 9,776,622</u>	<u>\$ (1,098,141)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 8,593,761	\$ 9,265,185	\$ 9,776,622	\$ 1,182,861
Total Expenditures	<u>\$ 8,593,761</u>	<u>\$ 9,265,185</u>	<u>\$ 9,776,622</u>	<u>\$ 1,182,861</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 84,720</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 84,720</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 915	\$ 0	\$ 0	\$ 915
Total Other Financing Sources	<u>\$ 915</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 915</u>
Net Change in Fund Balance	\$ 85,635	\$ 0	\$ 0	\$ 85,635
Fund Balance, July 1, 2013	<u>2,464,153</u>	<u>2,546,718</u>	<u>2,464,153</u>	<u>0</u>
Fund Balance, June 30, 2014	<u>\$ 2,549,788</u>	<u>\$ 2,546,718</u>	<u>\$ 2,464,153</u>	<u>\$ 85,635</u>

Exhibit J-11

Madison County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Madison County School Department
 Education Capital Projects Fund
 For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,805,636 \$	0 \$	0 \$	1,805,636 \$	1,778,800 \$	1,778,800 \$	26,836
Total Revenues	\$ 1,805,636 \$	0 \$	0 \$	1,805,636 \$	1,778,800 \$	1,778,800 \$	26,836
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 2,028,106 \$	(531,134) \$	368,259 \$	1,865,231 \$	1,791,427 \$	2,092,381 \$	227,150
Total Expenditures	\$ 2,028,106 \$	(531,134) \$	368,259 \$	1,865,231 \$	1,791,427 \$	2,092,381 \$	227,150
Excess (Deficiency) of Revenues Over Expenditures	\$ (222,470) \$	531,134 \$	(368,259) \$	(59,595) \$	(12,627) \$	(313,581) \$	253,986
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 483,314 \$	0 \$	0 \$	483,314 \$	0 \$	516,579 \$	(33,265)
Total Other Financing Sources	\$ 483,314 \$	0 \$	0 \$	483,314 \$	0 \$	516,579 \$	(33,265)
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 260,844 \$	531,134 \$	(368,259) \$	423,719 \$	(12,627) \$	202,998 \$	220,721
	542,937	(531,134)	0	11,803	112,846	11,803	0
Fund Balance, June 30, 2014	\$ 803,781 \$	0 \$	(368,259) \$	435,522 \$	100,219 \$	214,801 \$	220,721

Exhibit J-12

Madison County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Madison County School Department
Fiduciary Fund
June 30, 2014

	<u>Other Trust Pension Trust Fund</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	<u>\$ 1,002,345</u>
Total Assets	<u>\$ 1,002,345</u>
<u>NET POSITION</u>	
Funds Held in Trust for Retirees	<u>\$ 1,002,345</u>
Total Net Position	<u><u>\$ 1,002,345</u></u>

Exhibit J-13

Madison County, Tennessee
Statement of Changes in Fiduciary Net Position
Discretely Presented Madison County School Department
Fiduciary Fund
For the Year Ended June 30, 2014

	<u>Other Trust Pension Trust Fund</u>
<u>ADDITIONS</u>	
<u>Contributions</u>	
Tennessee Consolidated Retirement System Employer	\$ 260,580 288,230
Total Contributions	<u>\$ 548,810</u>
<u>Investment Income</u>	
Interest Earned	\$ 1,018
Total Investment Income	<u>\$ 1,018</u>
Total Additions	<u>\$ 549,828</u>
<u>DEDUCTIONS</u>	
Benefits	\$ 547,428
Trustee's Commission	11
Total Deductions	<u>\$ 547,439</u>
Change in Net Position	\$ 2,389
Net Position, July 1, 2013	<u>999,956</u>
Net Position, June 30, 2014	<u>\$ 1,002,345</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Madison County, Tennessee
Schedule of Changes in Long-term Bonds
For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-14
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
School and Public Improvement									
Refunding Bonds Series 2004	\$ 23,620,000	3.85 to 5 %	12-1-04	4-1-15	\$ 23,620,000	0	1,570,000	\$ 16,450,000	\$ 5,600,000
Refunding Bonds - Series 2004B	2,125,000	5	12-1-04	4-1-14	2,125,000	0	2,125,000	0	0
Refunding Bonds - Series 2006	2,355,000	4.8	3-15-06	4-1-19	2,355,000	0	0	0	2,355,000
Refunding Bonds - Series 2006A	5,035,000	4.04	5-31-06	6-2-14	3,435,000	0	3,435,000	0	0
Build America Bonds	10,820,000	1.1 to 5.25	11-17-09	4-20-25	9,445,000	0	525,000	0	8,920,000
Refunding Bonds, Series 2010	15,395,000	3 to 4	3-31-10	6-30-23	15,395,000	0	0	0	15,395,000
Refunding Bonds, Series 2014	17,150,000	2	4-9-14	4-1-18	0	17,150,000	0	0	17,150,000
Total Bonds Payable					\$ 56,375,000	\$ 17,150,000	\$ 7,655,000	\$ 16,450,000	\$ 49,420,000

Exhibit K-2

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
2015	\$ 6,540,000	\$ 1,614,213	\$ 8,154,213
2016	4,770,000	1,381,397	6,151,397
2017	6,930,000	1,275,998	8,205,998
2018	7,110,000	1,125,247	8,235,247
2019	4,255,000	967,823	5,222,823
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	\$ 49,420,000	\$ 8,494,486	\$ 57,914,486

Exhibit K-3

Madison County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Madison County School Department
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	Debt Payments	\$ 225,000
Local Purpose Tax	Juvenile Services	Operations	64,000
Special Purpose	General	Reimbursement of Cash Flow Funds	700,000
Highway/Public Works	"	Finance Department Operations	29,203
Total Transfers Primary Government			<u>\$ 1,018,203</u>
<u>DISCRETELY PRESENTED MADISON COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash Flow Funds	\$ 200,000
Total Transfers Discretely Presented Madison County School Department			<u>\$ 200,000</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, 2014

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 104,489	\$ 50,000	Travelers Casualty and Surety Company
Highway Engineer	Section 8-24-102, TCA	114,757 (1)	100,000	"
Director of Schools	State Board of Education and County Board of Education	150,000	50,000	"
Trustee	Section 8-24-102, TCA	76,752 (2)	3,681,000	"
Assessor of Property	Section 8-24-102, TCA	76,752 (3)	50,000	"
Director of Finance	County Commission	89,356 (4)	50,000	"
County Clerk	Section 8-24-102, TCA	76,752 (5)	50,000	"
Circuit and General Session Courts Clerk	Section 8-24-102, TCA	84,427 (3)	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	84,427 (6)	70,000	RLI Insurance Company
Juvenile Court Clerk	Chapter 212, Private Acts of 1990	76,752	50,000	Travelers Casualty and Surety Company
Register of Deeds	Section 8-24-102, TCA	76,752 (5)	50,000	"
Sheriff:				
David Woolfork (7-1-13 through 2-5-14)	Section 8-24-102, TCA, and County Commission	58,851 (7)	50,000	"
Tommy Cunningham (4-21-14 through 6-30-14)	Section 8-24-102, TCA, and County Commission	18,971 (8)	100,000	State Automobile Mutual Insurance Company
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 \$8,197.
- (2) Does not include a certified public administrator supplement of \$1,865.
- (3) Does not include a certified public administrator supplement of \$1,755.
- (4) Includes an education incentive pay of \$2,250.
- (5) Does not include a certified public administrator supplement of \$1,751.
- (6) Does not include special commissioner fees of \$2,760 and a certified public administrator supplement of \$1,795.
- (7) Includes compensation of \$8,628 for supervision of the county workhouse (penal farm). Does not include a clothing allowance of \$750.
- (8) Includes compensation of \$2,780 for supervision of the county workhouse (penal farm).

Exhibit K-5

Madison County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2014

	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	\$ 19,727,537	\$ 840,376	\$ 861,681	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	537,084	30,742	16,814	1,586	0	0
Trustee's Collections - Bankruptcy	54,294	2,587	1,961	2,029	0	0
Circuit/Clerk and Master Collections - Prior Years	449,639	28,386	20,691	28,737	0	0
Interest and Penalty	92,757	4,427	2,874	88	0	0
Payments in-Lieu-of Taxes - Local Utilities	405,723	17,283	17,722	0	0	0
Payments in-Lieu-of Taxes - Other	216,507	9,225	9,455	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	836,832	0	0	0	0	0
Hotel/Motel Tax	395,981	0	0	0	0	0
Litigation Tax - General	342,816	0	0	0	0	0
Litigation Tax - Special Purpose	301,325	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse Business Tax	0	0	0	0	0	0
Mixed Drink Tax	9,985	0	0	1,874,373	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	52,329	2,229	2,286	0	0	0
Wholesale Beer Tax	272,229	0	0	0	0	0
Interstate Telecommunications Tax	3,166	0	0	0	0	0
Total Local Taxes	\$ 23,698,204	\$ 935,255	\$ 933,484	\$ 1,906,813	\$ 0	0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 44,781	\$ 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>Licenses and Permits (Cont.)</u>						
<u>Licenses (Cont.)</u>						
Animal Vaccination	9,565 \$	0 \$	0 \$	0 \$	0 \$	0
Cable TV Franchise	272,929	0	0	0	0	0
<u>Permits</u>						
Building Permits	63,902	0	0	0	0	0
Other Permits	445	0	0	0	0	0
Total Licenses and Permits	391,622 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	28,355 \$	0 \$	0 \$	0 \$	0 \$	0
Fines for Littering	5	0	0	0	0	0
Officers Costs	37,718	0	0	0	0	0
Drug Control Fines	630	0	0	0	0	0
Drug Court Fees	3,789	0	0	0	0	0
Jail Fees	25,883	0	0	0	0	0
DUI Treatment Fines	3,098	0	0	0	0	0
Data Entry Fee - Circuit Court	3,601	0	0	0	0	0
Courtroom Security Fee	1,547	0	0	0	0	0
Victims Assistance Assessments	7,954	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	62,209	0	0	0	0	0
Officers Costs	186,661	0	0	0	0	0
Game and Fish Fines	223	0	0	0	0	0
Drug Control Fines	7,267	0	0	0	0	6,707
Drug Court Fees	5,669	0	0	0	0	0

(Continued)

Exhibit K-5

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>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>General Sessions Court (Cont.)</u>							
Jail Fees	\$ 44,668	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Interpreter Fee	356	0	0	0	0	0	0
DUI Treatment Fines	11,376	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	47,986	0	0	0	0	0	0
Courtroom Security Fee	2,048	0	0	0	0	0	0
Victims Assistance Assessments	28,877	0	0	0	0	0	0
<u>Juvenile Court</u>							
Officers Costs	2,518	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	7,339	0	0	0	0	0	0
Data Entry Fee - Chancery Court	23,851	0	0	0	0	0	0
Courtroom Security Fee	16	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	35,275	0	0	0	0	0	6,385
<u>Total Fines, Forfeitures, and Penalties</u>	\$ 578,919	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	13,092
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Patient Charges	3,498	0	0	0	0	0	0
Health Department Collections	184,195	0	0	0	0	0	0
Other General Service Charges	7,866	550	0	0	0	0	0
<u>Fees</u>							
Engineer Review Fees	5,326	0	0	0	0	0	0
Recreation Fees	62,872	0	0	0	0	0	0
Copy Fees	1,174	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>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>	\$					
Telephone Commissions	238,211	0	0	0	0	0
Vending Machine Collections	138,195	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0
Data Processing Fee - Register	31,700	0	0	0	0	0
Data Processing Fee - Sheriff	17,169	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,100	0	0	0	0	0
Data Processing Fee - County Clerk	9,975	0	0	0	0	0
<u>Education Charges</u>						
Community Service Fees - Adults	0	0	0	0	526,411	0
TBI Criminal Background Fee	2,070	0	0	0	0	0
Total Charges for Current Services	\$ 706,351	\$ 550	\$ 0	\$ 0	\$ 526,411	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>	\$					
Investment Income	4,907	0	0	0	0	0
Lease/Rentals	70,592	0	0	0	0	0
Sale of Materials and Supplies	156	0	0	0	0	0
Sale of Gasoline	7,695	0	0	0	0	0
Sale of Recycled Materials	0	0	10,858	0	0	0
Miscellaneous Refunds	204,496	4,758	47,188	0	0	0
Expenditure Credits	3,422	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	16,673	0	0	0	0	0
Sale of Property	8,085	0	0	0	0	0
Damages Recovered from Individuals	898	0	0	0	0	0

(Continued)

Exhibit K-5

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>Other Local Revenues</u>	\$ 369	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 317,293	\$ 4,758	\$ 58,046	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 953,955	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	537,354	0	0	0	0	0	0
General Sessions Court Clerk	935,727	0	0	0	0	0	0
Clerk and Master	637,939	0	0	0	0	0	0
Juvenile Court Clerk	172,814	0	0	0	0	0	0
Register	368,393	0	0	0	0	0	0
Sheriff	55,599	0	0	0	0	0	0
Trustee	1,680,316	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 5,342,097	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Solid Waste Grants	\$ 0	\$ 0	\$ 92,319	\$ 0	\$ 0	\$ 0	\$ 0
Other General Government Grants	8,750	0	0	0	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	43,200	0	0	0	0	0	0
Drug Control Grants	0	0	0	0	63,681	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	0	0	0	0	2,883,137	0	0

(Continued)

Exhibit K-5

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>State of Tennessee (Cont.)</u>						
<u>Public Works Grants</u>						
	0 \$	0 \$	0 \$	0 \$	0 \$	0
Bridge Program	0	0	0	0	0	0
State Aid Program	0	0	0	0	47,891	0
Litter Program						
<u>Other State Revenues</u>						
Income Tax	239,707	0	0	0	0	0
Beer Tax	8,351	0	0	0	0	0
Alcoholic Beverage Tax	136,698	0	0	0	0	0
Prisoner Transportation	11,011	0	0	0	0	0
Contracted Prisoner Boarding	747,215	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	55,493	0	0	0	0	0
Other State Revenues	15,489	4,500	0	0	810,309	0
Total State of Tennessee	\$ 1,281,078	\$ 4,500	\$ 92,319	\$ 0	\$ 3,805,018	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	88,000	0	0	0	0	0
Disaster Relief	0	0	0	0	0	0
Law Enforcement Grants	21,854	0	0	0	0	0
Other Federal through State	70,275	155,964	0	0	93,125	0
<u>Direct Federal Revenue</u>						
Tax Credit Bond Rebate	0	0	0	0	0	0
Other Direct Federal Revenue	22,400	0	0	0	0	0
Total Federal Government	\$ 202,529	\$ 155,964	\$ 0	\$ 0	\$ 93,125	\$ 0

(Continued)

Exhibit K-5

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
Other Governments and Citizens Groups						
Other Governments						
Prisoner Board	\$ 40,359	\$ 141,641	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	555,106	0	0	0	0	0
Contracted Services	919,420	0	0	0	181,410	0
Total Other Governments and Citizens Groups	\$ 1,514,885	\$ 141,641	\$ 0	\$ 0	\$ 181,410	\$ 0
Total	\$ 34,032,978	\$ 1,242,668	\$ 1,083,849	\$ 1,906,813	\$ 4,605,964	\$ 13,092

(Continued)

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

	Special Revenue Funds (Cont.)		Debt Service Fund		Capital Projects Funds		
	Constituti- onal Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	0 \$	1,713,671 \$	7,129,644 \$	1,064,993 \$	0		0
Trustee's Collections - Prior Year	0	47,285	189,120	36,170	0		0
Trustee's Collections - Bankruptcy	0	4,214	15,628	3,314	0		0
Circuit/Clerk and Master Collections - Prior Years	0	43,853	160,931	33,007	0		0
Interest and Penalty	0	7,314	29,631	5,319	0		0
Payments in-Lieu-of Taxes - Local Utilities	0	35,244	146,631	21,903	0		0
Payments in-Lieu-of Taxes - Other	0	18,807	78,243	11,690	0		0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	0	0		0
Hotel/Motel Tax	0	0	0	0	0		0
Litigation Tax - General	0	0	0	0	0		0
Litigation Tax - Special Purpose	0	0	0	0	0		0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	138,020	0	0		0
Business Tax	0	0	0	0	0		0
Mixed Drink Tax	0	0	0	0	0		0
Mineral Severance Tax	0	44,832	0	0	0		0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	0	4,546	18,912	2,825	0		0
Wholesale Beer Tax	0	0	0	0	0		0
Interstate Telecommunications Tax	0	0	0	0	0		0
Total Local Taxes	0 \$	1,919,766 \$	7,906,760 \$	1,179,221 \$	0		0
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Animal Registration	0 \$	0 \$	0 \$	0 \$	0		0

(Continued)

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Capital Projects Funds		
	Constituti- onal Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park			
<u>Licenses and Permits (Cont.)</u>								
<u>Licenses (Cont.)</u>								
Animal Vaccination	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Cable TV Franchise	0	0	0	0	0	0	0	0
<u>Permits</u>								
Building Permits	0	0	0	0	0	0	0	0
Other Permits	0	0	0	0	0	0	0	0
Total Licenses and Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Fines, Forfeitures, and Penalties</u>								
<u>Circuit Court</u>								
Fines	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Fines for Littering	0	0	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	0	0
Drug Court Fees	0	0	0	0	0	0	0	0
Jail Fees	0	0	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0	0	0	0
<u>General Sessions Court</u>								
Fines	0	0	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0	0	0
Drug Court Fees	0	0	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Capital Projects Funds		
	Constituti- onal Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>								
<u>General Sessions Court (Cont.)</u>								
Jail Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Interpreter Fee	0	0	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	0	0	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0	0	0	0
<u>Juvenile Court</u>								
Officers Costs	0	0	0	0	0	0	0	0
<u>Chancery Court</u>								
Officers Costs	0	0	0	0	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>								
Proceeds from Confiscated Property	0	0	0	0	0	0	0	0
<u>Total Fines, Forfeitures, and Penalties</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>								
<u>General Service Charges</u>								
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Health Department Collections	0	0	0	0	0	0	0	0
Other General Service Charges	0	0	0	0	0	0	0	0
<u>Fees</u>								
Engineer Review Fees	0	0	0	0	0	0	0	0
Recreation Fees	0	0	0	0	0	0	0	0
Copy Fees	0	0	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds (Cont.)			Debt Service Fund		Capital Projects Funds		
	Constituti- tional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park			
<u>Charges for Current Services (Cont.)</u>								
<u>Fees (Cont.)</u>								
Telephone Commissions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0			
Vending Machine Collections	0	0	0	0	0			
Constitutional Officers' Fees and Commissions	2,760	0	0	0	0			
Data Processing Fee - Register	0	0	0	0	0			
Data Processing Fee - Sheriff	0	0	0	0	0			
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0			
Data Processing Fee - County Clerk	0	0	0	0	0			
Education Charges								
Community Service Fees - Adults	0	0	0	0	0			
TBI Criminal Background Fee	0	0	0	0	0			
Total Charges for Current Services	\$ 2,760	\$ 0	\$ 0	\$ 0	\$ 0			
<u>Other Local Revenues</u>								
<u>Recurring Items</u>								
Investment Income	\$ 0	\$ 0	\$ 43,423	\$ 0	\$ 0			
Lease/Rentals	0	0	0	0	0			32,604
Sale of Materials and Supplies	0	60,729	0	0	0			0
Sale of Gasoline	0	0	0	0	0			0
Sale of Recycled Materials	0	0	0	0	0			0
Miscellaneous Refunds	0	2,740	0	0	0			0
Expenditure Credits	0	0	0	0	0			0
<u>Nonrecurring Items</u>								
Sale of Equipment	0	0	0	0	0			0
Sale of Property	0	0	0	0	0			0
Damages Recovered from Individuals	0	0	0	0	0			0

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)		Debt Service	Capital Projects Funds		
	Constitutional Officers - Fees	Highway / Public Works	Fund	General Capital Projects	General Capital Projects	Community Development/ Industrial Park
<u>Other Local Revenues (Cont.)</u>						
<u>Other Local Revenues</u>	0 \$	0 \$	0 \$	0 \$	0 \$	0
Total Other Local Revenues	0 \$	63,469 \$	43,423 \$	0 \$	0 \$	32,604
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	0 \$	0 \$	0 \$	0 \$	0 \$	0
Circuit Court Clerk	0	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0	0
Clerk and Master	0	0	0	0	0	0
Juvenile Court Clerk	0	0	0	0	0	0
Register	0	0	0	0	0	0
Sheriff	0	0	0	0	0	0
Trustee	0	0	0	0	0	0
Total Fees Received from County Officials	0 \$	0 \$	0 \$	0 \$	0 \$	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Solid Waste Grants	0 \$	0 \$	0 \$	0 \$	0 \$	0
Other General Government Grants	0	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	0
Drug Control Grants	0	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)		Debt Service Fund		Capital Projects Funds		
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park		
<u>State of Tennessee (Cont.)</u>							
<u>Public Works Grants</u>							
Bridge Program	0 \$	218,769 \$	0 \$	0 \$	0 \$	0	0
State Aid Program	0	867,103	0	0	0	0	0
Litter Program	0	0	0	0	0	0	0
<u>Other State Revenues</u>							
Income Tax	0	0	0	0	0	0	0
Beer Tax	0	0	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0	0	0
Prisoner Transportation	0	0	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	2,324,601	0	0	0	0	0
Petroleum Special Tax	0	70,923	0	0	0	0	0
Registrar's Salary Supplement	0	0	0	0	0	0	0
Other State Grants	0	0	0	0	251,919	0	0
Other State Revenues	0	0	0	0	0	0	0
Total State of Tennessee	0 \$	3,481,396 \$	0 \$	0 \$	251,919 \$	0	0
<u>Federal Government</u>							
<u>Federal Through State</u>							
Civil Defense Reimbursement	0 \$	0 \$	0 \$	0 \$	0 \$	0	0
Disaster Relief	0	43,625	0	0	0	0	0
Law Enforcement Grants	0	0	0	0	0	0	0
Other Federal through State	0	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
Tax Credit Bond Rebate	0	0	128,953	0	0	0	0
Other Direct Federal Revenue	0	0	0	0	0	0	0
Total Federal Government	0 \$	43,625 \$	128,953 \$	0 \$	0 \$	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)		Debt Service Fund		Capital Projects Funds		
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park		
Other Governments and Citizens Groups							
Other Governments							
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	0	0	794,089	0	0	0	0
Contracted Services	0	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 794,089	\$ 0	\$ 0	\$ 0	0
Total	\$ 2,760	\$ 5,508,256	\$ 8,873,225	\$ 1,431,140	\$ 32,604		

(Continued)

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

	Capital Projects Fund (Cont.)	Highway Capital Projects	Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	0 \$		31,337,902
Trustee's Collections - Prior Year	0		858,801
Trustee's Collections - Bankruptcy	0		84,027
Circuit/Clerk and Master Collections - Prior Years	0		765,244
Interest and Penalty	0		142,410
Payments in-Lieu-of Taxes - Local Utilities	0		644,506
Payments in-Lieu-of Taxes - Other	0		343,927
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0		836,832
Hotel/Motel Tax	0		395,981
Litigation Tax - General	0		342,816
Litigation Tax - Special Purpose	0		301,325
Litigation Tax - Jail, Workhouse, or Courthouse	0		138,020
Business Tax	0		1,874,373
Mixed Drink Tax	0		9,985
Mineral Severance Tax	0		44,832
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0		83,127
Wholesale Beer Tax	0		272,229
Interstate Telecommunications Tax	0		3,166
<u>Total Local Taxes</u>	<u>0 \$</u>		<u>38,479,503</u>
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Animal Registration	0 \$		44,781

(Continued)

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

	Capital Projects Fund (Cont.)	Highway Capital Projects	Total
<u>Licenses and Permits (Cont.)</u>			
<u>Licenses (Cont.)</u>			
Animal Vaccination	0 \$		9,565
Cable TV Franchise	0		272,929
<u>Permits</u>			
Building Permits	0		63,902
Other Permits	0		445
<u>Total Licenses and Permits</u>	<u>0 \$</u>		<u>391,622</u>
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	0 \$		28,355
Fines for Littering	0		5
Officers Costs	0		37,718
Drug Control Fines	0		630
Drug Court Fees	0		3,789
Jail Fees	0		25,883
DUI Treatment Fines	0		3,098
Data Entry Fee - Circuit Court	0		3,601
Courtroom Security Fee	0		1,547
Victims Assistance Assessments	0		7,954
<u>General Sessions Court</u>			
Fines	0		62,209
Officers Costs	0		186,661
Game and Fish Fines	0		223
Drug Control Fines	0		13,974
Drug Court Fees	0		5,669

(Continued)

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

	Capital Projects Fund (Cont.)	Highway Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>General Sessions Court (Cont.)</u>			
<u>Jail Fees</u>	\$ 0		44,668
Interpreter Fee	0		356
DUI Treatment Fines	0		11,376
Data Entry Fee - General Sessions Court	0		47,986
Courtroom Security Fee	0		2,048
Victims Assistance Assessments	0		28,877
Juvenile Court			
Officers Costs	0		2,518
<u>Chancery Court</u>			
Officers Costs	0		7,339
Data Entry Fee - Chancery Court	0		23,851
Courtroom Security Fee	0		16
Other Fines, Forfeitures, and Penalties			
Proceeds from Confiscated Property	0		41,660
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	592,011
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Patient Charges	\$ 0		3,498
Health Department Collections	0		184,195
Other General Service Charges	0		8,416
<u>Fees</u>			
Engineer Review Fees	0		5,326
Recreation Fees	0		62,872
Copy Fees	0		1,174

(Continued)

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

	Capital Projects Fund (Cont.)	Highway Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>			
<u>Fees (Cont.)</u>			
Telephone Commissions	0 \$		238,211
Vending Machine Collections	0		138,195
Constitutional Officers' Fees and Commissions	0		2,760
Data Processing Fee - Register	0		31,700
Data Processing Fee - Sheriff	0		17,169
Sexual Offender Registration Fee - Sheriff	0		4,100
Data Processing Fee - County Clerk	0		9,975
Education Charges			
Community Service Fees - Adults	0		526,411
TBI Criminal Background Fee	0		2,070
Total Charges for Current Services	<u>0 \$</u>		<u>1,236,072</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	0 \$		48,330
Lease/Rentals	0		103,196
Sale of Materials and Supplies	0		60,885
Sale of Gasoline	0		7,695
Sale of Recycled Materials	0		10,858
Miscellaneous Refunds	10,302		269,484
Expenditure Credits	0		3,422
<u>Nonrecurring Items</u>			
Sale of Equipment	0		16,673
Sale of Property	0		8,085
Damages Recovered from Individuals	0		898

(Continued)

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

	Capital Projects Fund (Cont.)	Highway Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>			
<u>Other Local Revenues</u>	0 \$		369
<u>Total Other Local Revenues</u>	<u>10,302 \$</u>		<u>529,895</u>
<u>Fees Received from County Officials</u>			
<u>Fees in-Lieu-of Salary</u>			
County Clerk	0 \$		953,955
Circuit Court Clerk	0		537,354
General Sessions Court Clerk	0		935,727
Clerk and Master	0		637,939
Juvenile Court Clerk	0		172,814
Register	0		368,393
Sheriff	0		55,599
Trustee	0		1,680,316
<u>Total Fees Received from County Officials</u>	<u>0 \$</u>		<u>5,342,097</u>
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Solid Waste Grants	0 \$		92,319
Other General Government Grants	0		8,750
<u>Public Safety Grants</u>			
Law Enforcement Training Programs	0		43,200
Drug Control Grants	0		63,681
<u>Health and Welfare Grants</u>			
Health Department Programs	0		2,883,137

(Continued)

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

	Capital Projects Fund (Cont.)	Highway Capital Projects	Total
<u>State of Tennessee (Cont.)</u>			
<u>Public Works Grants</u>			
Bridge Program	0 \$		218,769
State Aid Program	0		867,103
Litter Program	0		47,891
<u>Other State Revenues</u>			
Income Tax	0		239,707
Beer Tax	0		8,351
Alcoholic Beverage Tax	0		136,698
Prisoner Transportation	0		11,011
Contracted Prisoner Boarding	0		747,215
Gasoline and Motor Fuel Tax	0		2,324,601
Petroleum Special Tax	0		70,923
Registrar's Salary Supplement	0		15,164
Other State Grants	0		307,412
Other State Revenues	0		830,298
Total State of Tennessee	0 \$		8,916,230
<u>Federal Government</u>			
<u>Federal Through State</u>			
Civil Defense Reimbursement	0 \$		88,000
Disaster Relief	0		43,625
Law Enforcement Grants	0		21,854
Other Federal through State	0		319,364
<u>Direct Federal Revenue</u>			
Tax Credit Bond Rebate	0		128,953
Other Direct Federal Revenue	0		22,400
Total Federal Government	0 \$		624,196

(Continued)

Exhibit K-5

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

	Capital Projects Fund (Cont.)	Highway Capital Projects	Total
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Prisoner Board	0 \$		182,000
Contributions	0		1,349,195
Contracted Services	0		1,100,830
Total Other Governments and Citizens Groups	0 \$		2,632,025
Total	10,302 \$		58,743,651

Madison County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Madison County School Department
For the Year Ended June 30, 2014

	Special Revenue Funds			Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Projects Fund	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 8,737,000	\$ 0	\$ 0	\$ 1,583,928	\$ 10,320,928
Trustee's Collections - Prior Year	265,123	0	0	77,544	342,667
Trustee's Collections - Bankruptcy	24,667	0	0	6,917	31,584
Circuit/Clerk and Master Collections - Prior Years	254,736	0	0	71,804	326,540
Interest and Penalty	39,596	0	0	11,272	50,868
Payments in-Lieu-of Taxes - T.V.A.	1,539	0	0	0	1,539
Payments in-Lieu-of Taxes - Local Utilities	179,127	0	0	32,576	211,703
Payments in-Lieu-of Taxes - Other	321,389	0	0	17,393	338,782
<u>County Local Option Taxes</u>					
Local Option Sales Tax	35,786,125	0	0	0	35,786,125
Mixed Drink Tax	165,372	0	0	0	165,372
<u>Statutory Local Taxes</u>					
Bank Excise Tax	23,103	0	0	4,202	27,305
Interstate Telecommunications Tax	9,776	0	0	0	9,776
Total Local Taxes	\$ 45,807,553	\$ 0	\$ 0	\$ 1,805,636	\$ 47,613,189
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 6,811	\$ 0	\$ 0	\$ 0	\$ 6,811
<u>Permits</u>					
Other Permits	2,573	0	0	0	2,573
Total Licenses and Permits	\$ 9,384	\$ 0	\$ 0	\$ 0	\$ 9,384

(Continued)

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

	Special Revenue Funds				Capital
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Projects Fund
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Summer School	1,350 \$	0 \$	0 \$	0 \$	1,350
Tuition - Other	402,276	0	0	0	402,276
Lunch Payments - Children	0	0	682,222	0	682,222
Lunch Payments - Adults	0	0	156,428	0	156,428
Income from Breakfast	0	0	11,514	0	11,514
A la carte Sales	0	0	113,353	0	113,353
<u>Other Charges for Services</u>	3,845	0	0	0	3,845
Other Charges for Services	407,471 \$	0 \$	963,517 \$	0 \$	1,370,988
Total Charges for Current Services					
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	0 \$	0 \$	2,519 \$	0 \$	2,519
Lease/Rentals	150	0	0	0	150
E-Rate Funding	26,284	0	0	0	26,284
Miscellaneous Refunds	20,671	0	0	0	20,671
Expenditure Credits	514	0	0	0	514
<u>Nonrecurring Items</u>					
Gain on Investments	24,034	0	0	0	24,034
Sale of Equipment	45,707	0	0	0	45,707
Damages Recovered from Individuals	65	0	0	0	65
Contributions and Gifts	176,500	0	7,000	0	183,500
Total Other Local Revenues	293,925 \$	0 \$	9,519 \$	0 \$	303,444

(Continued)

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

	Special Revenue Funds			Capital
	General Purpose School	School Federal Projects	Central Cafeteria	Projects Fund
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 736,922	\$ 0	\$ 0	\$ 736,922
<u>State Education Funds</u>				
Basic Education Program	44,786,002	0	0	44,786,002
Early Childhood Education	1,232,604	0	0	1,232,604
School Food Service	0	78,152	0	78,152
Other State Education Funds	255,858	0	0	255,858
Career Ladder Program	469,950	0	0	469,950
Career Ladder - Extended Contract	89,020	0	0	89,020
Other Vocational	2,070	0	0	2,070
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	1,156,193	0	0	1,156,193
Other State Grants	153,756	0	0	153,756
Other State Revenues	435,943	0	0	435,943
Total State of Tennessee	\$ 49,318,318	\$ 78,152	\$ 0	\$ 49,396,470
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 4,303,486	\$ 4,303,486
USDA - Commodities	0	0	511,437	511,437
Breakfast	0	0	2,558,312	2,558,312
USDA - Other	0	0	254,058	254,058
Vocational Education - Basic Grants to States	0	262,553	0	262,553
Title I Grants to Local Education Agencies	0	4,105,790	0	4,105,790
Special Education - Grants to States	0	3,653,920	0	3,653,920

(Continued)

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

	Special Revenue Funds			Capital Projects Fund		Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects		
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Special Education Preschool Grants	0 \$	30,694 \$	0 \$	0 \$		30,694
English Language Acquisition Grants	0	50,547	0	0		50,547
Safe and Drug-free Schools - State Grants	0	79,637	0	0		79,637
Education for Homeless Children and Youth	0	14,032	0	0		14,032
Eisenhower Professional Development State Grants	0	578,316	0	0		578,316
Race-to-the-Top - ARRA	0	771,343	0	0		771,343
Other Federal through State	0	139,336	0	0		139,336
<u>Direct Federal Revenue</u>	119,015	0	0	0		119,015
ROTC Reimbursement	119,015 \$	9,686,168 \$	7,627,293 \$	0 \$		17,432,476
Total Federal Government						
<u>Other Governments and Citizens Groups</u>						
Other Governments	2,342,500 \$	0 \$	0 \$	0 \$		2,342,500
Contributions						
Other	20,000	0	0	0		20,000
Total Other Governments and Citizens Groups	2,362,500 \$	0 \$	0 \$	0 \$		2,362,500
Total	98,318,166 \$	9,686,168 \$	8,678,481 \$	1,805,636 \$		118,488,451

Exhibit K-7

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2014

General Fund

General Government

County Commission

Secretary to Board	\$	36,881	
Board and Committee Members Fees		93,600	
Social Security		9,882	
Handling Charges and Administrative Costs		1,100	
State Retirement		5,292	
Employee and Dependent Insurance		3,768	
Life Insurance		50	
Travel		108	
Office Supplies		895	
Total County Commission			\$ 151,576

County Mayor/Executive

County Official/Administrative Officer	\$	104,489	
Educational Incentive - Other County Employees		3,000	
Other Salaries and Wages		41,209	
Social Security		10,773	
Handling Charges and Administrative Costs		1,927	
State Retirement		20,908	
Employee and Dependent Insurance		6,864	
Life Insurance		274	
Communication		1,657	
Data Processing Services		407	
Travel		5,689	
Office Supplies		1,775	
Other Supplies and Materials		3,237	
Other Charges		22,000	
Total County Mayor/Executive			224,209

Personnel Office

Supervisor/Director	\$	74,069	
Educational Incentive - Other County Employees		4,875	
Other Salaries and Wages		44,599	
Social Security		8,549	
Handling Charges and Administrative Costs		3,855	
State Retirement		17,029	
Employee and Dependent Insurance		13,728	
Life Insurance		238	
Communication		1,593	
Contracts with Private Agencies		52	
Data Processing Services		112	
Dues and Memberships		492	
Travel		697	
Other Contracted Services		25,443	
Office Supplies		1,249	
Total Personnel Office			196,580

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

Other Contracted Services	\$	90,000	
Total County Attorney			\$ 90,000

Election Commission

County Official/Administrative Officer	\$	76,752	
Deputy(ies)		80,204	
Election Commission		6,800	
Election Workers		44,701	
Social Security		12,966	
Handling Charges and Administrative Costs		5,782	
State Retirement		18,855	
Employee and Dependent Insurance		20,592	
Life Insurance		299	
Communication		4,717	
Operating Lease Payments		37,500	
Legal Notices, Recording, and Court Costs		5,620	
Maintenance and Repair Services - Equipment		35,092	
Postal Charges		1,893	
Printing, Stationery, and Forms		4,325	
Rentals		310	
Travel		2,955	
Data Processing Supplies		606	
Office Supplies		3,708	
Data Processing Equipment		1,540	
Total Election Commission			365,217

Register of Deeds

County Official/Administrative Officer	\$	76,752	
Deputy(ies)		148,200	
Educational Incentive - Official/Admin Officer		1,751	
Educational Incentive - Other County Employees		4,800	
Social Security		16,816	
Handling Charges and Administrative Costs		6,010	
State Retirement		24,699	
Employee and Dependent Insurance		21,234	
Life Insurance		432	
Travel		200	
Data Processing Supplies		36,723	
Office Supplies		13,211	
Total Register of Deeds			350,828

Codes Compliance

Other Salaries and Wages	\$	36,072	
Social Security		2,440	
Handling Charges and Administrative Costs		1,927	
State Retirement		5,176	
Employee and Dependent Insurance		6,864	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

Life Insurance	\$	70	
Communication		1,671	
Contracts with Private Agencies		44,127	
Maintenance and Repair Services - Vehicles		1,213	
Other Contracted Services		3,371	
Gasoline		2,076	
Office Supplies		295	
Total Codes Compliance			\$ 105,302

County Buildings

Supervisor/Director	\$	47,074	
Custodial Personnel		27,031	
Part-time Personnel		2,234	
Overtime Pay		2,271	
Social Security		5,574	
Handling Charges and Administrative Costs		3,027	
State Retirement		10,960	
Employee and Dependent Insurance		10,632	
Life Insurance		125	
Communication		818	
Maintenance and Repair Services - Buildings		45,495	
Maintenance and Repair Services - Vehicles		1,106	
Other Contracted Services		30,000	
Custodial Supplies		18,410	
Gasoline		2,783	
Utilities		752	
Building Improvements		13,991	
Heating and Air Conditioning Equipment		50,494	
Total County Buildings			272,777

Other Facilities

Custodial Personnel	\$	37,080	
Communication		30,193	
Maintenance and Repair Services - Buildings		92,234	
Pest Control		3,670	
Custodial Supplies		1,971	
Utilities		290,193	
Total Other Facilities			455,341

Preservation of Records

County Official/Administrative Officer	\$	10,546	
Assistant(s)		19,907	
Social Security		2,330	
Maintenance and Repair Services - Office Equipment		1,505	
Travel		3,151	
Office Supplies		2,661	
Utilities		8,821	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Other Supplies and Materials	\$	5,679	
Data Processing Equipment		1,023	
Total Preservation of Records			\$ 55,623

Risk Management

Supervisor/Director	\$	16,000	
Social Security		1,106	
Handling Charges and Administrative Costs		1,100	
State Retirement		2,296	
Employee and Dependent Insurance		2,084	
Life Insurance		56	
Communication		204	
Travel		627	
Office Supplies		1,376	
Total Risk Management			24,849

Finance

Accounting and Budgeting

Supervisor/Director	\$	87,106	
Educational Incentive - Other County Employees		18,375	
Other Salaries and Wages		559,231	
Board and Committee Members Fees		2,000	
Social Security		46,961	
Handling Charges and Administrative Costs		22,065	
State Retirement		92,750	
Employee and Dependent Insurance		77,550	
Life Insurance		1,239	
Audit Services		35,238	
Communication		7,014	
Data Processing Services		23,513	
Travel		6,757	
Office Supplies		11,971	
Utilities		14,422	
Office Equipment		141	
Total Accounting and Budgeting			1,006,333

Property Assessor's Office

County Official/Administrative Officer	\$	76,752	
Deputy(ies)		409,645	
Educational Incentive - Official/Admin Officer		1,755	
Educational Incentive - Other County Employees		1,125	
Board and Committee Members Fees		3,240	
In-service Training		1,554	
Social Security		34,661	
Handling Charges and Administrative Costs		16,838	
State Retirement		69,798	
Employee and Dependent Insurance		62,701	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Life Insurance	\$	898	
Audit Services		65,445	
Communication		2,462	
Data Processing Services		25,568	
Dues and Memberships		2,275	
Maintenance and Repair Services - Vehicles		1,447	
Travel		3,548	
Office Supplies		9,138	
Total Property Assessor's Office			\$ 788,850

Reappraisal Program

Other Salaries and Wages	\$	93,912	
Social Security		6,174	
Handling Charges and Administrative Costs		6,010	
State Retirement		13,476	
Employee and Dependent Insurance		17,496	
Life Insurance		228	
Data Processing Services		11,179	
Maintenance and Repair Services - Vehicles		2,665	
Postal Charges		17,174	
Gasoline		7,570	
Office Supplies		5,144	
Total Reappraisal Program			181,028

County Trustee's Office

County Official/Administrative Officer	\$	76,752	
Deputy(ies)		137,649	
Part-time Personnel		13,357	
Educational Incentive - Official/Admin Officer		1,865	
Educational Incentive - Other County Employees		4,500	
In-service Training		149	
Social Security		16,764	
Handling Charges and Administrative Costs		5,662	
State Retirement		30,767	
Employee and Dependent Insurance		20,982	
Life Insurance		460	
Communication		1,241	
Data Processing Services		12,799	
Dues and Memberships		575	
Printing, Stationery, and Forms		9,989	
Travel		2,348	
Office Supplies		3,998	
Total County Trustee's Office			339,857

County Clerk's Office

County Official/Administrative Officer	\$	76,752	
Deputy(ies)		336,248	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Part-time Personnel	\$	21,540	
Educational Incentive - Official/Admin Officer		1,751	
Social Security		30,536	
Handling Charges and Administrative Costs		16,449	
State Retirement		53,463	
Employee and Dependent Insurance		55,758	
Life Insurance		851	
Audit Services		5,056	
Communication		720	
Dues and Memberships		200	
Maintenance Agreements		2,400	
Maintenance and Repair Services - Office Equipment		14,535	
Travel		819	
Data Processing Supplies		1,258	
Office Supplies		12,612	
Building Improvements		2,949	
Data Processing Equipment		4,666	
Total County Clerk's Office	\$		638,563

Data Processing

Social Security	\$	1,721	
State Retirement		1,399	
Life Insurance		7	
Communication		2,991	
Contracts with Private Agencies		770	
Data Processing Services		10,179	
Travel		3,654	
Other Contracted Services		22,500	
Office Supplies		931	
Motor Vehicles		1,500	
Total Data Processing			45,652

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	84,427	
Deputy(ies)		665,648	
Part-time Personnel		5,481	
Educational Incentive - Official/Admin Officer		1,755	
Educational Incentive - Other County Employees		6,750	
Jury and Witness Expense		53,084	
Social Security		53,980	
Handling Charges and Administrative Costs		26,629	
State Retirement		104,660	
Employee and Dependent Insurance		92,890	
Life Insurance		1,449	
Data Processing Services		19,016	
Operating Lease Payments		10,758	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Travel	\$	3,096	
Data Processing Supplies		452	
Duplicating Supplies		1,513	
Office Supplies		19,975	
Other Supplies and Materials		1,787	
Data Processing Equipment		34,173	
Furniture and Fixtures		2,990	
Total Circuit Court			\$ 1,190,513

General Sessions Court

Judge(s)	\$	156,292	
Other Salaries and Wages		86,986	
Social Security		15,584	
Handling Charges and Administrative Costs		3,855	
State Retirement		34,910	
Employee and Dependent Insurance		13,728	
Life Insurance		457	
Travel		1,407	
Office Supplies		7,186	
Total General Sessions Court			320,405

Drug Court

Social Security	\$	50	
State Retirement		94	
Other Charges		7,343	
Total Drug Court			7,487

Chancery Court

County Official/Administrative Officer	\$	84,427	
Deputy(ies)		311,004	
Part-time Personnel		64,850	
Educational Incentive - Official/Admin Officer		1,795	
Educational Incentive - Other County Employees		3,000	
Jury and Witness Expense		410	
Social Security		33,052	
Handling Charges and Administrative Costs		13,740	
State Retirement		56,744	
Employee and Dependent Insurance		45,624	
Life Insurance		774	
Communication		4,531	
Maintenance and Repair Services - Office Equipment		13,220	
Travel		4,082	
Other Contracted Services		13,330	
Data Processing Supplies		37,755	
Office Supplies		29,256	
Other Charges		1,386	
Total Chancery Court			718,980

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

Judge(s)	\$	156,292	
Part-time Personnel		6,389	
Other Salaries and Wages		81,323	
Social Security		16,509	
Handling Charges and Administrative Costs		1,927	
State Retirement		29,266	
Employee and Dependent Insurance		7,105	
Life Insurance		449	
Data Processing Services		3,000	
Dues and Memberships		1,000	
Janitorial Services		164	
Maintenance and Repair Services - Buildings		7,128	
Maintenance and Repair Services - Equipment		1,467	
Rentals		2,299	
Travel		2,424	
Other Contracted Services		5,900	
Custodial Supplies		1,500	
Office Supplies		3,186	
Periodicals		644	
Utilities		22,022	
Building Improvements		619	
Communication Equipment		100	
Data Processing Equipment		2,865	
Heating and Air Conditioning Equipment		2,000	
Total Juvenile Court			\$ 355,578

District Attorney General

Assistant(s)	\$	76,809	
Social Security		5,626	
Handling Charges and Administrative Costs		1,927	
State Retirement		11,022	
Employee and Dependent Insurance		6,864	
Life Insurance		139	
Other Supplies and Materials		7,500	
Total District Attorney General			109,887

Office of Public Defender

Salary Supplements	\$	68,275	
Social Security		4,948	
Handling Charges and Administrative Costs		1,882	
State Retirement		9,798	
Employee and Dependent Insurance		6,576	
Life Insurance		119	
Travel		183	
Total Office of Public Defender			91,781

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice

Other Charges	\$ 69,892	
Total Other Administration of Justice		\$ 69,892

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 66,414	
Deputy(ies)	3,409,932	
Part-time Personnel	59,228	
Educational Incentive - Other County Employees	6,000	
Overtime Pay	125,129	
Other Salaries and Wages	21,854	
Jury and Witness Expense	215	
In-service Training	48,200	
Social Security	263,344	
Handling Charges and Administrative Costs	119,643	
State Retirement	461,176	
Employee and Dependent Insurance	401,241	
Life Insurance	7,128	
Communication	121,948	
Contracts with Private Agencies	15,381	
Data Processing Services	31,203	
Dues and Memberships	403	
Maintenance and Repair Services - Buildings	9,626	
Maintenance and Repair Services - Vehicles	194,156	
Pest Control	480	
Rentals	9,980	
Travel	29,810	
Custodial Supplies	2,011	
Gasoline	262,471	
Law Enforcement Supplies	24,606	
Office Supplies	19,818	
Uniforms	40,978	
Utilities	37,204	
Refunds	394	
Other Charges	1,472	
Law Enforcement Equipment	6,166	
Motor Vehicles	50,947	
Total Sheriff's Department		5,848,558

Special Patrols

Deputy(ies)	\$ 538,286
Overtime Pay	70,743
Other Salaries and Wages	28,132
Social Security	43,861
Handling Charges and Administrative Costs	13,259
State Retirement	87,396
Employee and Dependent Insurance	62,224

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols (Cont.)

Life Insurance	\$	741	
Maintenance and Repair Services - Vehicles		10,775	
Gasoline		23,974	
Uniforms		5,250	
Total Special Patrols			\$ 884,641

Jail

Deputy(ies)	\$	4,194,127	
Maintenance Personnel		105,096	
Part-time Personnel		11,325	
Overtime Pay		105,575	
In-service Training		54,000	
Social Security		318,596	
Handling Charges and Administrative Costs		148,814	
State Retirement		462,240	
Employee and Dependent Insurance		502,831	
Life Insurance		7,900	
Unemployment Compensation		2,338	
Communication		4,953	
Data Processing Services		9,384	
Maintenance and Repair Services - Equipment		1,498	
Medical and Dental Services		30,000	
Other Contracted Services		17,500	
Custodial Supplies		40,620	
Drugs and Medical Supplies		254,478	
Food Preparation Supplies		13,495	
Food Supplies		509,420	
Law Enforcement Supplies		96,098	
Office Supplies		22,591	
Prisoners Clothing		13,051	
Uniforms		32,547	
Other Supplies and Materials		24,859	
Total Jail			6,983,336

Workhouse

County Official/Administrative Officer	\$	11,408	
Guards		1,107,573	
Overtime Pay		39,797	
In-service Training		15,600	
Social Security		85,397	
Handling Charges and Administrative Costs		35,553	
State Retirement		147,368	
Employee and Dependent Insurance		125,145	
Life Insurance		2,009	
Unemployment Compensation		1,100	
Communication		6,815	
Data Processing Services		2,252	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Maintenance and Repair Services - Buildings	\$	29,574	
Maintenance and Repair Services - Equipment		3,674	
Maintenance and Repair Services - Vehicles		3,835	
Pest Control		840	
Custodial Supplies		7,553	
Drugs and Medical Supplies		11,931	
Food Preparation Supplies		3,312	
Food Supplies		116,222	
Gasoline		7,086	
Law Enforcement Supplies		3,564	
Office Supplies		3,902	
Prisoners Clothing		2,884	
Uniforms		6,447	
Utilities		57,115	
Other Supplies and Materials		9,402	
Total Workhouse			\$ 1,847,358

Juvenile Services

County Official/Administrative Officer	\$	76,752	
Deputy(ies)		67,593	
Accountants/Bookkeepers		47,530	
Clerical Personnel		56,311	
Part-time Personnel		16,571	
Social Security		18,959	
Handling Charges and Administrative Costs		7,934	
State Retirement		35,615	
Employee and Dependent Insurance		27,821	
Life Insurance		471	
Data Processing Services		579	
Maintenance and Repair Services - Equipment		243	
Printing, Stationery, and Forms		748	
Rentals		7,504	
Other Contracted Services		17,350	
Data Processing Supplies		904	
Office Supplies		3,602	
Total Juvenile Services			386,487

Fire Prevention and Control

Supervisor/Director	\$	66,142	
Mechanic(s)		86,734	
Part-time Personnel		47,278	
Other Salaries and Wages		114,081	
In-service Training		9,962	
Social Security		22,361	
Handling Charges and Administrative Costs		10,231	
State Retirement		30,958	
Employee and Dependent Insurance		37,460	

(Continued)

Exhibit K-7

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	\$	486	
Communication		21,189	
Maintenance and Repair Services - Equipment		52,983	
Travel		1,815	
Equipment and Machinery Parts		108,557	
Gasoline		38,573	
Utilities		68,148	
Gravel and Chert		2,500	
Other Charges		6,500	
Total Fire Prevention and Control			\$ 725,958

Civil Defense

Supervisor/Director	\$	66,142	
Part-time Personnel		1,490	
Overtime Pay		2,899	
Other Salaries and Wages		106,949	
Social Security		12,469	
Handling Charges and Administrative Costs		6,997	
State Retirement		17,268	
Employee and Dependent Insurance		23,373	
Life Insurance		314	
Communication		24,761	
Dues and Memberships		898	
Maintenance Agreements		2,646	
Maintenance and Repair Services - Buildings		6,521	
Maintenance and Repair Services - Equipment		12,542	
Maintenance and Repair Services - Vehicles		6,602	
Printing, Stationery, and Forms		197	
Travel		1,487	
Gasoline		7,791	
Office Supplies		1,000	
Utilities		24,249	
Other Supplies and Materials		16,042	
Building Improvements		933	
Total Civil Defense			343,570

Inspection and Regulation

County Official/Administrative Officer	\$	43,970	
Educational Incentive - Other County Employees		750	
Other Salaries and Wages		30,659	
In-service Training		1,186	
Social Security		5,318	
Handling Charges and Administrative Costs		3,027	
State Retirement		10,709	
Employee and Dependent Insurance		10,632	
Life Insurance		152	
Communication		549	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Inspection and Regulation (Cont.)

Dues and Memberships	\$	125	
Maintenance and Repair Services - Vehicles		3,165	
Other Contracted Services		159	
Gasoline		2,597	
Office Supplies		1,333	
Total Inspection and Regulation			\$ 114,331

County Coroner/Medical Examiner

Supervisor/Director	\$	15,425	
Social Security		785	
State Retirement		1,417	
Employee and Dependent Insurance		124	
Contracts with Government Agencies		45,240	
Contracts with Public Carriers		6,905	
Travel		920	
Other Contracted Services		46,825	
Total County Coroner/Medical Examiner			117,641

Other Public Safety

Other Salaries and Wages	\$	12,932	
Social Security		894	
State Retirement		1,856	
Employee and Dependent Insurance		1,684	
Total Other Public Safety			17,366

Public Health and Welfare

Local Health Center

County Official/Administrative Officer	\$	214,581	
Paraprofessionals		23,220	
Part-time Personnel		34,794	
Other Salaries and Wages		800,569	
Social Security		72,506	
Handling Charges and Administrative Costs		20,339	
State Retirement		135,070	
Employee and Dependent Insurance		71,591	
Life Insurance		1,752	
Unemployment Compensation		5,417	
Communication		18,530	
Dues and Memberships		792	
Janitorial Services		22,429	
Maintenance Agreements		7,593	
Maintenance and Repair Services - Buildings		29,047	
Maintenance and Repair Services - Vehicles		7,768	
Postal Charges		3,375	
Printing, Stationery, and Forms		3,185	
Travel		10,899	
Drugs and Medical Supplies		95,716	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Gasoline	\$	10,342	
Office Supplies		17,734	
Utilities		30,966	
Other Supplies and Materials		667	
Judgments		10,831	
Liability Insurance		6,908	
Data Processing Equipment		4,172	
Office Equipment		2,456	
Total Local Health Center			\$ 1,663,249

Rabies and Animal Control

Overtime Pay	\$	11,377	
Other Salaries and Wages		81,752	
Social Security		6,461	
Handling Charges and Administrative Costs		4,794	
State Retirement		13,364	
Employee and Dependent Insurance		15,780	
Life Insurance		171	
Communication		3,901	
Maintenance Agreements		112	
Maintenance and Repair Services - Buildings		11,957	
Maintenance and Repair Services - Vehicles		3,614	
Pest Control		500	
Printing, Stationery, and Forms		543	
Veterinary Services		7,028	
Animal Food and Supplies		2,964	
Drugs and Medical Supplies		1,801	
Gasoline		9,535	
Office Supplies		700	
Uniforms		3,485	
Utilities		5,659	
Refunds		3,209	
Total Rabies and Animal Control			188,707

Other Local Welfare Services

Contributions	\$	17,630	
Total Other Local Welfare Services			17,630

Social, Cultural, and Recreational Services

Libraries

Handling Charges and Administrative Costs	\$	91	
State Retirement		121,608	
Other Fringe Benefits		8,385	
Contributions		1,106,636	
Travel		9,714	
Library Books/Media		2,025	
Office Equipment		1,326	
Total Libraries			1,249,785

(Continued)

Exhibit K-7

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

Supervisor/Director	\$	59,232	
Part-time Personnel		13,112	
Overtime Pay		6,470	
Other Salaries and Wages		438,620	
Social Security		36,259	
Handling Charges and Administrative Costs		22,096	
State Retirement		57,305	
Employee and Dependent Insurance		78,681	
Life Insurance		966	
Communication		11,434	
Legal Notices, Recording, and Court Costs		78	
Maintenance and Repair Services - Equipment		142,682	
Travel		3,960	
Remittance of Revenue Collected		2,515	
Gasoline		38,113	
Office Supplies		3,172	
Utilities		73,393	
Other Supplies and Materials		337	
Other Charges		8,004	
Total Parks and Fair Boards			\$ 996,429

Other Social, Cultural, and Recreational

Other Salaries and Wages	\$	15,225	
Social Security		742	
Other Supplies and Materials		48,466	
Total Other Social, Cultural, and Recreational			64,433

Agriculture and Natural Resources

Agricultural Extension Service

Part-time Personnel	\$	45,408	
Other Salaries and Wages		106,182	
Social Security		3,549	
Other Fringe Benefits		18,659	
Communication		850	
Contributions		3,300	
Travel		2,542	
Office Supplies		10,016	
In Service/Staff Development		4,971	
Total Agricultural Extension Service			195,477

Soil Conservation

Other Salaries and Wages	\$	77,763	
Social Security		5,561	
Handling Charges and Administrative Costs		1,927	
State Retirement		11,159	
Employee and Dependent Insurance		6,864	
Life Insurance		153	
Travel		2,153	
Total Soil Conservation			105,580

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Flood Control

Contributions	\$	70,000	
Total Flood Control			\$ 70,000

Other Operations

Industrial Development

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

Airport

State Retirement	\$	30,979	
Employee and Dependent Insurance		43,851	
Other Fringe Benefits		14,838	
Contributions		196,120	
Liability Insurance		17,500	
Total Airport			303,288

Veterans' Services

Part-time Personnel	\$	26,708	
Social Security		2,043	
Communication		1,270	
Data Processing Services		1,869	
Travel		1,350	
Office Supplies		530	
Other Supplies and Materials		458	
Building Improvements		1,089	
Total Veterans' Services			35,317

Other Charges

Handling Charges and Administrative Costs	\$	20,223	
Disability Insurance		39,564	
Medical and Dental Services		245,173	
Excess Risk Insurance		14,199	
Medical Claims		175,200	
Total Other Charges			494,359

Contributions to Other Agencies

Contributions	\$	197,333	
Total Contributions to Other Agencies			197,333

Miscellaneous

Board and Committee Members Fees	\$	3,080	
Other Fringe Benefits		4,744	
Communication		121,393	
Consultants		2,587	
Contracts with Government Agencies		24,000	
Contracts with Other Public Agencies		3,684	
Data Processing Services		7,915	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Dues and Memberships	\$	16,316	
Evaluation and Testing		2,614	
Legal Services		45,987	
Legal Notices, Recording, and Court Costs		20,678	
Postal Charges		141,988	
Remittance of Revenue Collected		74,043	
Disposal Fees		11,783	
Utilities		162,098	
Excess Risk Insurance		20,688	
Liability Insurance		432,585	
Premiums on Corporate Surety Bonds		277	
Refunds		100	
Trustee's Commission		455,964	
Fines, Assessments, and Penalties		112,423	
Other Charges		76,545	
Total Miscellaneous			\$ 1,741,492

Total General Fund

\$ 32,821,433

Juvenile Services Fund

Public Safety

Juvenile Services

County Official/Administrative Officer	\$	61,965
Supervisor/Director		122,240
Accountants/Bookkeepers		40,794
Social Workers		287,088
Paraprofessionals		67,879
Guards		212,637
Clerical Personnel		105,747
Educational Incentive - Other County Employees		375
Overtime Pay		25,588
Social Security		65,012
Handling Charges and Administrative Costs		35,720
State Retirement		105,560
Employee and Dependent Insurance		127,709
Life Insurance		1,569
Disability Insurance		1,794
Communication		17,022
Data Processing Services		11,919
Maintenance and Repair Services - Buildings		24,913
Maintenance and Repair Services - Equipment		8,862
Maintenance and Repair Services - Vehicles		1,534
Medical and Dental Services		14,725
Printing, Stationery, and Forms		1,155
Travel		11,659
Other Contracted Services		57,415
Custodial Supplies		3,655

(Continued)

Exhibit K-7

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

Juvenile Services Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Data Processing Supplies	\$	57	
Food Supplies		16,175	
Gasoline		3,621	
Instructional Supplies and Materials		358	
Office Supplies		1,450	
Prisoners Clothing		266	
Uniforms		810	
Utilities		36,849	
Other Supplies and Materials		1,137	
Excess Risk Insurance		951	
Liability Insurance		17,885	
Medical Claims		14,880	
Trustee's Commission		18,065	
Data Processing Equipment		6,876	
Office Equipment		5,271	
Other Equipment		525	
Total Juvenile Services			\$ 1,539,712

Total Juvenile Services Fund

\$ 1,539,712

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Truck Drivers	\$	56,789	
Part-time Personnel		281,186	
Social Security		25,792	
Handling Charges and Administrative Costs		665	
State Retirement		8,149	
Employee and Dependent Insurance		5,318	
Life Insurance		155	
Other Fringe Benefits		6,003	
Communication		7,754	
Operating Lease Payments		9,912	
Maintenance and Repair Services - Buildings		1,034	
Maintenance and Repair Services - Equipment		31,105	
Maintenance and Repair Services - Vehicles		45,497	
Travel		2,157	
Gasoline		33,813	
Uniforms		3,696	
Utilities		13,760	
Other Supplies and Materials		4,087	
Trustee's Commission		18,002	
Other Charges		19,859	
Solid Waste Equipment		26,311	
Total Convenience Centers			\$ 601,044

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Landfill Operation and Maintenance

Contracts with Government Agencies	\$ 283,713	
Other Contracted Services	170,721	
Total Landfill Operation and Maintenance		\$ 454,434

Total Solid Waste/Sanitation Fund \$ 1,055,478

Local Purpose Tax Fund

Other Operations

Miscellaneous

Contributions	\$ 1,325,000	
Trustee's Commission	18,735	
Total Miscellaneous		\$ 1,343,735

Total Local Purpose Tax Fund 1,343,735

Special Purpose Fund

Public Safety

Correctional Incentive Program Improvements

Probation Officer(s)	\$ 229,505	
Social Security	16,567	
Handling Charges and Administrative Costs	8,288	
State Retirement	20,210	
Employee and Dependent Insurance	20,092	
Life Insurance	285	
Communication	22,593	
Evaluation and Testing	43,433	
Rentals	31,773	
Travel	22,763	
Office Supplies	12,144	
Utilities	2,856	
Motor Vehicles	39,028	
Other Equipment	4,031	
Total Correctional Incentive Program Improvements		\$ 473,568

Work Release Program

Other Salaries and Wages	\$ 448,239	
Social Security	32,908	
Handling Charges and Administrative Costs	7,452	
State Retirement	43,336	
Employee and Dependent Insurance	38,530	
Life Insurance	844	
Communication	11,445	
Maintenance and Repair Services - Buildings	27,113	
Maintenance and Repair Services - Vehicles	47,345	
Rentals	68,253	
Travel	11,385	
Office Supplies	22,294	

(Continued)

Exhibit K-7

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

Special Purpose Fund (Cont.)

Public Safety (Cont.)

Work Release Program (Cont.)

Utilities	\$	12,877	
Other Equipment		4,500	
Total Work Release Program			\$ 776,521

Other Emergency Management

Instructional Supplies and Materials	\$	12,776	
Other Supplies and Materials		4,132	
Communication Equipment		8,456	
Health Equipment		74,058	
Total Other Emergency Management			99,422

Public Safety Grants Programs

Other Salaries and Wages	\$	48,186	
Social Security		3,666	
Handling Charges and Administrative Costs		87	
Employee and Dependent Insurance		288	
Life Insurance		71	
Communication		2,245	
Rentals		11,000	
Travel		1,636	
Utilities		1,463	
Total Public Safety Grants Programs			68,642

Public Health and Welfare

Maternal and Child Health Services

Part-time Personnel	\$	82,551	
Other Salaries and Wages		1,436,963	
Social Security		108,725	
Handling Charges and Administrative Costs		46,830	
State Retirement		179,646	
Employee and Dependent Insurance		154,120	
Life Insurance		2,857	
Unemployment Compensation		5,838	
Advertising		35,813	
Bank Charges		8,374	
Communication		49,915	
Maintenance Agreements		14,572	
Postal Charges		3,961	
Printing, Stationery, and Forms		9,965	
Travel		33,676	
Remittance of Revenue Collected		23,442	
Drugs and Medical Supplies		61,784	
Office Supplies		337,440	
Utilities		43,335	
Other Supplies and Materials		92,666	
Liability Insurance		2,869	
Other Charges		2,671	
Total Maternal and Child Health Services			2,738,013

(Continued)

Exhibit K-7

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

Special Purpose Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information

Other Salaries and Wages	\$	25,000	
Social Security		1,912	
Unemployment Compensation		210	
Gasoline		7,246	
Other Supplies and Materials		18,860	
Total Sanitation Education/Information			\$ 53,228

Other Operations

Miscellaneous

Other Salaries and Wages	\$	154,685	
Social Security		11,212	
Handling Charges and Administrative Costs		4,128	
Employee and Dependent Insurance		5,208	
Life Insurance		284	
Trustee's Commission		5,265	
Other Charges		253	
Total Miscellaneous			181,035

Total Special Purpose Fund \$ 4,390,429

Drug Control Fund

Public Safety

Drug Enforcement

Other Contracted Services	\$	2,680	
Office Supplies		700	
Trustee's Commission		124	
Total Drug Enforcement			\$ 3,504

Total Drug Control Fund 3,504

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$	2,760	
Total Chancery Court			\$ 2,760

Total Constitutional Officers - Fees Fund 2,760

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	114,757	
Clerical Personnel		61,942	
Custodial Personnel		4,200	
Educational Incentive - Other County Employees		3,000	
Social Security		13,270	
State Retirement		23,441	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Employee and Dependent Insurance	\$	26,534	
Data Processing Services		256	
Dues and Memberships		4,795	
Maintenance and Repair Services - Buildings		2,259	
Maintenance and Repair Services - Office Equipment		557	
Postal Charges		186	
Printing, Stationery, and Forms		813	
Travel		1,201	
Data Processing Supplies		2,856	
Office Supplies		3,068	
Other Charges		1,499	
Total Administration			\$ 264,634

Highway and Bridge Maintenance

Materials Supervisor	\$	80,811	
Foremen		216,630	
Equipment Operators		408,297	
Truck Drivers		114,535	
Laborers		38,252	
Social Security		62,456	
State Retirement		105,867	
Employee and Dependent Insurance		197,238	
Other Contracted Services		12,329	
Asphalt - Cold Mix		36,120	
Asphalt - Hot Mix		9,118	
Asphalt - Liquid		401,833	
Concrete		296	
Crushed Stone		263,786	
Riprap		29,330	
Pipe		22,788	
Pipe - Metal		7,222	
Road Signs		21,322	
Small Tools		2,732	
Uniforms		2,021	
Wood Products		2,859	
Gravel and Chert		88,468	
Chemicals		99,648	
Other Supplies and Materials		2,558	
Total Highway and Bridge Maintenance			2,226,516

Operation and Maintenance of Equipment

Mechanic(s)	\$	67,395	
Social Security		4,769	
State Retirement		9,671	
Employee and Dependent Insurance		31,935	
Laundry Service		1,445	
Maintenance and Repair Services - Equipment		17,599	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Diesel Fuel	\$	94,068	
Equipment and Machinery Parts		87,481	
Garage Supplies		3,413	
Gasoline		52,908	
Lubricants		4,415	
Small Tools		574	
Tires and Tubes		26,925	
Other Supplies and Materials		7,006	
In Service/Staff Development		600	
Total Operation and Maintenance of Equipment			\$ 410,204

Other Charges

Communication	\$	14,173	
Contracts with Private Agencies		470	
Natural Gas		19,711	
Liability Insurance		84,013	
Trustee's Commission		60,433	
Total Other Charges			178,800

Employee Benefits

Handling Charges and Administrative Costs	\$	17,104	
Employee and Dependent Insurance		28,493	
Disability Insurance		1,983	
Medical and Dental Services		50,000	
Excess Risk Insurance		6,447	
Medical Claims		44,537	
Total Employee Benefits			148,564

Capital Outlay

Engineering Services	\$	40,008	
Asphalt - Hot Mix		1,186,314	
Asphalt - Liquid		16,024	
Crushed Stone		6,862	
Riprap		21,301	
Vehicle Parts		8,146	
Gravel and Chert		18,100	
Bridge Construction		218,769	
Building Improvements		12,660	
Highway Equipment		224,000	
Total Capital Outlay			1,752,184

Total Highway/Public Works Fund \$ 4,980,902

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	7,655,000	
Total General Government			\$ 7,655,000

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 2,442,129	
Total General Government		\$ 2,442,129

Other Debt Service

General Government

Trustee's Commission	\$ 150,224	
Underwriter's Discount	40,290	
Other Debt Issuance Charges	83,261	
Other Debt Service	1,950	
Total General Government		275,725

Capital Projects

Education Capital Projects

Contributions	\$ 1,017,500	
Total Education Capital Projects		<u>1,017,500</u>

Total General Debt Service Fund		\$ 11,390,354
---------------------------------	--	---------------

General Capital Projects Fund

General Government

Election Commission

Data Processing Equipment	\$ 3,453	
Total Election Commission		\$ 3,453

County Buildings

Building Improvements	\$ 21,500	
Disabilities Act Improvements	6,669	
Total County Buildings		28,169

Finance

Accounting and Budgeting

Data Processing Equipment	\$ 71,683	
Total Accounting and Budgeting		71,683

County Trustee's Office

Building Improvements	\$ 816	
Data Processing Equipment	1,384	
Total County Trustee's Office		2,200

Data Processing

Data Processing Equipment	\$ 5,385	
Total Data Processing		5,385

Administration of Justice

Chancery Court

Building Improvements	\$ 1,048	
Total Chancery Court		1,048

(Continued)

Exhibit K-7

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

General Capital Projects Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

Data Processing Equipment	\$ 42,060	
Total Juvenile Court		\$ 42,060

Public Safety

Sheriff's Department

Maintenance and Repair Services - Buildings	\$ 153,500	
Communication Equipment	12,579	
Motor Vehicles	212,857	
Total Sheriff's Department		378,936

Juvenile Services

Building Improvements	\$ 6,000	
Furniture and Fixtures	4,062	
Total Juvenile Services		10,062

Fire Prevention and Control

Motor Vehicles	\$ 264,831	
Other Capital Outlay	25,108	
Total Fire Prevention and Control		289,939

Civil Defense

Communication Equipment	\$ 7,262	
Total Civil Defense		7,262

Public Health and Welfare

Local Health Center

Maintenance and Repair Services - Buildings	\$ 27,806	
Total Local Health Center		27,806

Rabies and Animal Control

Building Construction	\$ 3,200	
Total Rabies and Animal Control		3,200

Convenience Centers

Solid Waste Equipment	\$ 37,454	
Total Convenience Centers		37,454

Social, Cultural, and Recreational Services

Libraries

Contributions	\$ 43,435	
Total Libraries		43,435

Parks and Fair Boards

Building Improvements	\$ 20,803	
Site Development	563,502	
Total Parks and Fair Boards		584,305

(Continued)

Exhibit K-7

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

<u>General Capital Projects Fund (Cont.)</u>		
<u>Agriculture and Natural Resources</u>		
<u>Agricultural Extension Service</u>		
Building Improvements	\$ 8,700	
Total Agricultural Extension Service		\$ 8,700
 <u>Other Operations</u>		
<u>Airport</u>		
Airport Improvement	\$ 36,071	
Total Airport		36,071
 <u>Miscellaneous</u>		
Trustee's Commission	\$ 22,744	
Total Miscellaneous		<u>22,744</u>
Total General Capital Projects Fund		\$ 1,603,912
 <u>Community Development/Industrial Park Fund</u>		
<u>Other Operations</u>		
<u>Industrial Development</u>		
Contributions	\$ 75,000	
Trustee's Commission	326	
Total Industrial Development		<u>\$ 75,326</u>
Total Community Development/Industrial Park Fund		<u>75,326</u>
Total Governmental Funds - Primary Government		<u><u>\$ 59,207,545</u></u>

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Madison County School Department
For the Year Ended June 30, 2014

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 32,851,039	
Career Ladder Program	255,328	
Career Ladder Extended Contracts	69,664	
Homebound Teachers	104,938	
Educational Assistants	1,039,261	
Speech Pathologist	16,565	
Bonus Payments	153,025	
Certified Substitute Teachers	578,625	
Social Security	2,507,980	
State Retirement	3,323,850	
Life Insurance	73,941	
Medical Insurance	3,734,335	
Dental Insurance	130,596	
Local Retirement	6,134	
Other Fringe Benefits	648,180	
Other Contracted Services	177,884	
Instructional Supplies and Materials	825,823	
Textbooks	11,000	
Other Supplies and Materials	44,719	
Other Charges	10,967	
Regular Instruction Equipment	502,561	
Total Regular Instruction Program		\$ 47,066,415

Special Education Program

Teachers	\$ 5,583,495	
Career Ladder Program	61,750	
Homebound Teachers	67,391	
Educational Assistants	597,544	
Speech Pathologist	520,152	
Bonus Payments	31,330	
Certified Substitute Teachers	72,942	
Social Security	476,770	
State Retirement	596,154	
Life Insurance	12,607	
Medical Insurance	670,928	
Dental Insurance	27,710	
Local Retirement	2,466	
Contracts with Private Agencies	364,910	
Other Contracted Services	187,471	
Instructional Supplies and Materials	34,867	
Other Supplies and Materials	20,307	
Special Education Equipment	19,915	
Total Special Education Program		9,348,709

Vocational Education Program

Teachers	\$ 2,204,935	
----------	--------------	--

(Continued)

Exhibit K-8

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 (Cont.)

Career Ladder Program	\$	15,500	
Bonus Payments		10,350	
Other Salaries and Wages		298,200	
Certified Substitute Teachers		36,505	
Social Security		183,122	
State Retirement		225,320	
Life Insurance		4,641	
Medical Insurance		199,978	
Dental Insurance		8,287	
Other Contracted Services		6,350	
Instructional Supplies and Materials		88,342	
Textbooks		14,463	
Vocational Instruction Equipment		25,829	
Total Vocational Education Program			\$ 3,321,822

Other

Supervisor/Director	\$	67,199	
Bonus Payments		200	
Social Security		5,128	
State Retirement		5,985	
Life Insurance		131	
Dental Insurance		294	
Travel		1,264	
Other Contracted Services		2,206	
Office Supplies		1,821	
Other Supplies and Materials		71,715	
In Service/Staff Development		430	
Total Other			156,373

Support Services

Attendance

Supervisor/Director	\$	123,531	
Bonus Payments		750	
Other Salaries and Wages		63,085	
Social Security		13,229	
State Retirement		17,939	
Life Insurance		356	
Medical Insurance		16,137	
Dental Insurance		227	
Local Retirement		1,839	
Travel		1,835	
Other Contracted Services		16,167	
Other Supplies and Materials		1,794	
In Service/Staff Development		8,765	
Total Attendance			265,654

(Continued)

Exhibit K-8

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.)

Health Services

Medical Personnel	\$	337,189	
Bonus Payments		1,950	
Social Security		21,907	
State Retirement		22,650	
Life Insurance		641	
Medical Insurance		74,746	
Dental Insurance		2,676	
Local Retirement		7,077	
Travel		8,711	
Other Contracted Services		10,188	
Other Supplies and Materials		13,920	
In Service/Staff Development		2,868	
Total Health Services			\$ 504,523

Other Student Support

Career Ladder Program	\$	16,500	
Guidance Personnel		2,016,007	
Psychological Personnel		360,982	
Social Workers		43,042	
Clerical Personnel		30,280	
Bonus Payments		9,650	
Other Salaries and Wages		21,521	
Social Security		175,007	
State Retirement		221,218	
Life Insurance		4,687	
Medical Insurance		226,841	
Dental Insurance		8,086	
Contracts with Government Agencies		234,327	
Travel		13,914	
Other Contracted Services		100,632	
Other Supplies and Materials		82,400	
Total Other Student Support			3,565,094

Regular Instruction Program

Supervisor/Director	\$	269,210	
Career Ladder Program		40,100	
Librarians		1,206,564	
Clerical Personnel		95,012	
Bonus Payments		6,200	
Other Salaries and Wages		127,874	
Social Security		123,491	
State Retirement		155,674	
Life Insurance		3,045	
Medical Insurance		150,024	
Dental Insurance		6,207	
Local Retirement		1,473	

(Continued)

Exhibit K-8

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.)

Travel	\$	40,253	
Other Contracted Services		23,752	
Instructional Supplies and Materials		28,832	
Library Books/Media		80,150	
Office Supplies		5,452	
Other Supplies and Materials		6,736	
In Service/Staff Development		28,162	
Other Charges		4,358	
Total Regular Instruction Program			\$ 2,402,569

Special Education Program

Supervisor/Director	\$	156,453	
Career Ladder Program		3,000	
Clerical Personnel		30,280	
Bonus Payments		1,050	
Other Salaries and Wages		135,108	
Social Security		22,788	
State Retirement		34,766	
Life Insurance		608	
Medical Insurance		33,323	
Dental Insurance		994	
Maintenance and Repair Services - Equipment		1,935	
Travel		36,261	
Other Supplies and Materials		39,684	
In Service/Staff Development		16,940	
Total Special Education Program			513,190

Vocational Education Program

Supervisor/Director	\$	67,199	
Bonus Payments		200	
Social Security		5,062	
State Retirement		5,985	
Life Insurance		130	
Maintenance and Repair Services - Equipment		759	
Travel		1,751	
Other Supplies and Materials		17	
Other Charges		70	
Total Vocational Education Program			81,173

Other Programs

Supervisor/Director	\$	68,234	
Teachers		75,638	
Educational Assistants		29,231	
Bonus Payments		1,025	
Other Salaries and Wages		246,696	
In-service Training		14,725	

(Continued)

Exhibit K-8

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.)

Other Programs (Cont.)

Social Security	\$	31,499	
State Retirement		44,528	
Life Insurance		244	
Medical Insurance		3,997	
Dental Insurance		591	
Local Retirement		284	
On-behalf Payments to OPEB		736,922	
Communication		2,094	
Postal Charges		214	
Printing, Stationery, and Forms		4,732	
Travel		5,994	
Other Contracted Services		28,493	
Instructional Supplies and Materials		238	
Other Supplies and Materials		69,971	
In Service/Staff Development		14,971	
Other Charges		5,458	
Maintenance Equipment		21,789	
Transportation Equipment		3,100	
Total Other Programs			\$ 1,410,668

Board of Education

Secretary to Board	\$	4,800	
Board and Committee Members Fees		28,200	
Social Security		2,500	
State Retirement		517	
Unemployment Compensation		118,933	
Local Retirement		84	
Audit Services		50,715	
Contributions		50,876	
Dues and Memberships		12,336	
Legal Services		52,560	
Other Contracted Services		1,120	
Premiums on Corporate Surety Bonds		175	
Trustee's Commission		709,568	
Workers' Compensation Insurance		800,873	
In Service/Staff Development		22,974	
Other Charges		14,350	
Total Board of Education			1,870,581

Director of Schools

County Official/Administrative Officer	\$	150,000	
Secretary(ies)		119,828	
Bonus Payments		800	
Other Salaries and Wages		50,384	
Social Security		23,446	
State Retirement		26,496	

(Continued)

Exhibit K-8

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.)

Director of Schools (Cont.)

Life Insurance	\$	535	
Medical Insurance		28,082	
Dental Insurance		1,111	
Local Retirement		4,831	
Other Fringe Benefits		8,400	
Advertising		4,731	
Communication		298,950	
Dues and Memberships		6,389	
Operating Lease Payments		64,003	
Maintenance and Repair Services - Equipment		18,178	
Postal Charges		14,390	
Travel		5,761	
Office Supplies		4,780	
Other Supplies and Materials		3,627	
In Service/Staff Development		3,650	
Other Charges		10,057	
Total Director of Schools			\$ 848,429

Office of the Principal

Principals	\$	2,144,279	
Career Ladder Program		35,120	
Assistant Principals		1,164,937	
Secretary(ies)		1,238,361	
Bonus Payments		21,000	
Other Salaries and Wages		377,393	
Social Security		355,486	
State Retirement		488,061	
Life Insurance		9,297	
Medical Insurance		401,977	
Dental Insurance		17,251	
Local Retirement		2,953	
Travel		15,243	
Other Supplies and Materials		110,146	
Other Charges		11,182	
Total Office of the Principal			6,392,686

Fiscal Services

Supervisor/Director	\$	79,896	
Accountants/Bookkeepers		90,646	
Secretary(ies)		35,845	
Bonus Payments		650	
Social Security		15,161	
State Retirement		22,823	
Life Insurance		366	
Medical Insurance		10,462	
Dental Insurance		677	

(Continued)

Exhibit K-8

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.)

Fiscal Services (Cont.)

Contributions	\$	355,106	
Travel		140	
Other Contracted Services		1,443	
Office Supplies		3,417	
In Service/Staff Development		2,557	
Total Fiscal Services			\$ 619,189

Human Services/Personnel

Supervisor/Director	\$	173,019	
Clerical Personnel		26,902	
Bonus Payments		850	
Other Salaries and Wages		75,257	
Social Security		20,068	
State Retirement		30,111	
Life Insurance		503	
Medical Insurance		7,760	
Dental Insurance		1,223	
Local Retirement		591	
Advertising		626	
Travel		384	
Other Contracted Services		2,260	
Office Supplies		2,079	
Other Supplies and Materials		20,944	
In Service/Staff Development		1,314	
Other Charges		1,069	
Total Human Services/Personnel			364,960

Operation of Plant

Custodial Personnel	\$	1,264,779	
Overtime Pay		975	
Bonus Payments		8,925	
Other Salaries and Wages		33,317	
Social Security		91,735	
State Retirement		124,593	
Life Insurance		2,281	
Medical Insurance		147,209	
Dental Insurance		5,558	
Local Retirement		5,169	
Travel		524	
Other Contracted Services		621,067	
Custodial Supplies		199,153	
Electricity		2,391,466	
Natural Gas		608,736	
Water and Sewer		289,088	
Building and Contents Insurance		751,185	
Total Operation of Plant			6,545,760

(Continued)

Exhibit K-8

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.)

Maintenance of Plant

Secretary(ies)	\$	60,916	
Overtime Pay		7,714	
Bonus Payments		7,275	
Other Salaries and Wages		1,607,050	
Social Security		117,735	
State Retirement		218,830	
Life Insurance		3,131	
Medical Insurance		190,344	
Dental Insurance		7,440	
Local Retirement		6,557	
Travel		109	
Other Supplies and Materials		872,505	
In Service/Staff Development		1,493	
Maintenance Equipment		19,575	
Total Maintenance of Plant			\$ 3,120,674

Transportation

Supervisor/Director	\$	76,103	
Mechanic(s)		303,378	
Bus Drivers		2,010,103	
Overtime Pay		3,716	
Bonus Payments		19,157	
Other Salaries and Wages		505,693	
Social Security		205,352	
State Retirement		315,785	
Life Insurance		4,058	
Medical Insurance		295,160	
Dental Insurance		15,469	
Local Retirement		1,274	
Contracts with Parents		6,773	
Maintenance and Repair Services - Vehicles		17,292	
Other Contracted Services		12,341	
Diesel Fuel		914,770	
Gasoline		147,181	
Lubricants		19,494	
Office Supplies		6,904	
Tires and Tubes		167,446	
Vehicle Parts		365,532	
Other Supplies and Materials		34,227	
In Service/Staff Development		6,656	
Other Charges		17,370	
Transportation Equipment		8,891	
Total Transportation			5,480,125

Central and Other

Supervisor/Director	\$	70,986	
---------------------	----	--------	--

(Continued)

Exhibit K-8

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.)

Central and Other (Cont.)

Bonus Payments	\$	900	
Other Salaries and Wages		212,336	
Social Security		20,184	
State Retirement		33,512	
Life Insurance		448	
Medical Insurance		17,179	
Dental Insurance		301	
Local Retirement		1,722	
Maintenance and Repair Services - Equipment		2,847	
Travel		619	
Other Contracted Services		185,720	
Other Supplies and Materials		25,104	
In Service/Staff Development		579	
Other Equipment		8,438	
Total Central and Other			\$ 580,875

Operation of Non-instructional Services

Food Service

Career Ladder Program	\$	1,000	
Social Security		76	
State Retirement		89	
Total Food Service			1,165

Community Services

Bonus Payments	\$	1,226	
Other Salaries and Wages		79,618	
Social Security		6,078	
State Retirement		3,735	
Medical Insurance		2,199	
Other Supplies and Materials		2,987	
Total Community Services			95,843

Early Childhood Education

Supervisor/Director	\$	2,000	
Teachers		785,918	
Educational Assistants		289,076	
Bonus Payments		6,300	
Certified Substitute Teachers		11,095	
In-service Training		3,050	
Social Security		76,442	
State Retirement		106,245	
Life Insurance		2,025	
Medical Insurance		119,314	
Dental Insurance		4,628	
Local Retirement		831	
Travel		165	

(Continued)

Exhibit K-8

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.)

Early Childhood Education (Cont.)

Other Contracted Services	\$	424	
Instructional Supplies and Materials		55,146	
In Service/Staff Development		7,892	
Other Charges		634	
Total Early Childhood Education			\$ 1,471,185

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$	26,149	
Total Regular Capital Outlay			26,149

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	794,089	
Total Education			794,089

Total General Purpose School Fund \$ 96,847,900

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	259,090	
Educational Assistants		251,432	
Bonus Payments		4,950	
Other Salaries and Wages		491,260	
Certified Substitute Teachers		22,190	
Social Security		71,444	
State Retirement		86,685	
Life Insurance		1,541	
Medical Insurance		77,735	
Dental Insurance		3,642	
Local Retirement		245	
Tuition		360	
Other Contracted Services		86,963	
Instructional Supplies and Materials		866,862	
Other Supplies and Materials		3,087	
Other Charges		23,340	
Regular Instruction Equipment		162,197	
Total Regular Instruction Program			\$ 2,413,023

Alternative Instruction Program

Other Contracted Services	\$	345,000	
Total Alternative Instruction Program			345,000

Special Education Program

Teachers	\$	40,331	
----------	----	--------	--

(Continued)

Exhibit K-8

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.)

Special Education Program (Cont.)

Educational Assistants	\$	1,803,174	
Speech Pathologist		84,670	
Bonus Payments		17,745	
Certified Substitute Teachers		490	
Social Security		134,951	
State Retirement		211,532	
Life Insurance		3,552	
Medical Insurance		196,508	
Dental Insurance		11,383	
Local Retirement		7,501	
Contracts with Private Agencies		16,519	
Other Contracted Services		68,954	
Instructional Supplies and Materials		4,397	
Other Supplies and Materials		4,148	
Total Special Education Program			\$ 2,605,855

Vocational Education Program

Educational Assistants	\$	14,852	
Bonus Payments		300	
Other Salaries and Wages		39,146	
Social Security		3,310	
State Retirement		6,495	
Life Insurance		91	
Medical Insurance		13,938	
Dental Insurance		475	
Local Retirement		542	
Vocational Instruction Equipment		133,972	
Total Vocational Education Program			213,121

Support Services

Health Services

Medical Personnel	\$	168,364	
Bonus Payments		1,000	
Social Security		11,517	
State Retirement		18,989	
Life Insurance		331	
Medical Insurance		21,751	
Dental Insurance		1,174	
Local Retirement		2,597	
Total Health Services			225,723

Other Student Support

Travel	\$	44,428	
Other Supplies and Materials		1,385	
In Service/Staff Development		3,237	
Other Charges		56,623	
Total Other Student Support			105,673

(Continued)

Exhibit K-8

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.)

Regular Instruction Program

Clerical Personnel	\$	27,861	
Bonus Payments		7,200	
Other Salaries and Wages		2,024,181	
Social Security		143,903	
State Retirement		184,767	
Life Insurance		3,618	
Medical Insurance		174,659	
Dental Insurance		6,428	
Consultants		94,040	
Maintenance and Repair Services - Equipment		86	
Travel		2,634	
Other Contracted Services		6,375	
Other Supplies and Materials		52,903	
In Service/Staff Development		324,998	
Other Charges		4,484	
Total Regular Instruction Program			\$ 3,058,137

Special Education Program

Assessment Personnel	\$	87,582	
Secretary(ies)		28,779	
Bonus Payments		2,000	
Other Salaries and Wages		242,488	
Social Security		25,242	
State Retirement		41,367	
Life Insurance		681	
Medical Insurance		33,411	
Dental Insurance		2,010	
Travel		295	
Other Contracted Services		199,218	
Other Supplies and Materials		7,137	
In Service/Staff Development		13,809	
Total Special Education Program			684,019

Vocational Education Program

Travel	\$	1,632	
Total Vocational Education Program			1,632

Transportation

Clerical Personnel	\$	21,548	
Bonus Payments		150	
Social Security		1,466	
State Retirement		3,114	
Life Insurance		40	
Medical Insurance		4,186	
Contracts with Vehicle Owners		25,171	
Total Transportation			55,675

Total School Federal Projects Fund \$ 9,707,858

(Continued)

Exhibit K-8

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

<u>Central Cafeteria Fund</u>		
<u>Operation of Non-instructional Services</u>		
<u>Food Service</u>		
Supervisor/Director	\$	70,750
Accountants/Bookkeepers		95,931
Cafeteria Personnel		2,494,619
Bonus Payments		26,888
Other Salaries and Wages		188,141
Social Security		204,500
State Retirement		316,081
Life Insurance		4,659
Medical Insurance		253,781
Dental Insurance		16,453
Unemployment Compensation		4,391
Local Retirement		16,805
Other Fringe Benefits		19,251
Communication		11,216
Maintenance and Repair Services - Equipment		45,578
Transportation - Other than Students		29,523
Travel		25,006
Other Contracted Services		125,698
Food Supplies		3,659,466
Uniforms		18,363
USDA - Commodities		511,437
Other Supplies and Materials		339,069
Trustee's Commission		863
In Service/Staff Development		11,814
Food Service Equipment		103,478
Total Food Service		<u>\$ 8,593,761</u>
Total Central Cafeteria Fund		\$ 8,593,761
 <u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Engineering Services	\$	26,531
Other Contracted Services		55,736
Trustee's Commission		34,469
Building Improvements		1,169,008
Maintenance Equipment		72,753
Regular Instruction Equipment		498,048
Transportation Equipment		171,561
Total Education Capital Projects		<u>\$ 2,028,106</u>
Total Education Capital Projects Fund		<u>2,028,106</u>
Total Governmental Funds - Madison County School Department		<u><u>\$ 117,177,625</u></u>

Exhibit K-9

Madison County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2014

	Cities - Sales Tax Fund	Cities - Property Tax Fund	Total
<u>Cash Receipts</u>			
Other Statutory Local Taxes	\$ 0	\$ 1,464	\$ 1,464
Current Property Tax	0	252,652	252,652
Prior Year's Property Tax	0	4,087	4,087
Interest and Penalty	0	771	771
Local Option Sales Tax	12,529,703	65,876	12,595,579
Hotel/Motel Tax	848,092	0	848,092
Total Cash Receipts	<u>\$ 13,377,795</u>	<u>\$ 324,850</u>	<u>\$ 13,702,645</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 13,254,269	\$ 322,647	\$ 13,576,916
Trustee's Commission	133,778	5,838	139,616
Total Cash Disbursements	<u>\$ 13,388,047</u>	<u>\$ 328,485</u>	<u>\$ 13,716,532</u>
<u>Excess of Cash Receipts Over (Under)</u>			
Cash Disbursements	\$ (10,252)	\$ (3,635)	\$ (13,887)
Cash Balance, July 1, 2013	58,247	6,668	64,915
Cash Balance, June 30, 2014	<u>\$ 47,995</u>	<u>\$ 3,033</u>	<u>\$ 51,028</u>

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT 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***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2014, and the related notes to the financial statements, which collectively comprise Madison County's basic financial statements, and have issued our report thereon dated February 25, 2015. Our report includes a reference to other auditors who audited the financial statements of the Madison County Emergency Communications District, as described in our report on Madison County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Madison County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Madison County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2014-002 and 2014-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County's financial statements are free from 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: 2014-001, 2014-004, 2014-005, 2014-006, and 2014-007.

Madison County's Responses to Findings

Madison County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Madison County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part

of an audit performed in accordance with *Government Auditing Standards* in considering Madison County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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
Nashville, Tennessee

February 25, 2015

JPW/kp



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

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Madison County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Madison County's major federal programs for the year ended June 30, 2014. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Madison County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Madison County's compliance.

Opinion on Each Major Federal Program

In our opinion, Madison County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Madison County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Madison County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

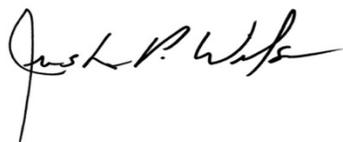
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

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, 2014, and the related notes to the financial statements, which collectively comprise Madison County's basic financial statements. We issued our report thereon dated February 25, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 25, 2015

JPW/kp

Madison County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2014

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	\$ 2,558,312
National School Lunch Program	10.555	N/A	4,557,544 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	511,437 (3)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	(2)	689,356
Total U.S. Department of Agriculture			<u>\$ 8,316,649</u>
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
Crime Victim Assistance	16.575	(2)	\$ 32,135
Passed-through City of Jackson:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	21,854
Total U.S. Department of Justice			<u>\$ 53,989</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	Z14GHS214	\$ 11,967
Total U.S. Department of Transportation			<u>\$ 11,967</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 4,306,733
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	3,509,992
Special Education - Preschool Grants	84.173	N/A	36,110
Career and Technical Education - Basic Grants to States	84.048	(2)	259,182
Safe and Drug-free Schools and Communities - National Programs	84.184	(2)	81,956
Education for Homeless Children and Youth	84.196	N/A	14,032
Twenty-first Century Community Learning Centers	84.287	N/A	79,637
English Language Acquisition State Grants	84.365	(2)	55,786
Improving Teacher Quality State Grants	84.367	(2)	593,087
Investing in Innovation (i3) Fund	84.411	N/A	20,000
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	771,343
Total U.S. Department of Education			<u>\$ 9,727,858</u>
National Archives and Records Administration:			
Passed-through Tennessee Secretary of State:			
National Historical Publications and Records Grants	89.003	(2)	\$ 2,486
Total National Archives and Records Administration			<u>\$ 2,486</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	\$ 39,040
Total U.S. Election Assistance Commission			<u>\$ 39,040</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Public Health Emergency Preparedness	93.069	GG1436908	\$ 400,751
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG1440469	15,101
Family Planning - Services	93.217	GG1337858	153,022

(Continued)

Madison County, Tennessee

Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services (Cont.):			
Passed-through State Department of Health (Cont.):			
Immunization Cooperative Agreements	93.268	GG1336123	\$ 55,973
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	GG1334657	30,579
HIV Prevention Activities - Health Department Based	93.940	GG1439629	243,156
Assistance Programs for Chronic Disease Prevention and Control	93.945	GG1440467	27,728
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	GG1439629	74,201
Preventive Health and Health Services Block Grant	93.991	GG1436903	45,389
Total U.S. Department of Health and Human Services			<u>\$ 1,045,900</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 43,625
Emergency Management Performance Grants	97.042	(2)	88,000
Homeland Security Grant Program	97.067	(2)	93,125
Total U.S. Department of Homeland Security			<u>\$ 224,750</u>
Total Expenditures of Federal Awards			<u>\$ 19,422,639</u>

		<u>Contract Number</u>	
State Grants:			
Child and Family Intervention Services - State Department of Children's Services	N/A	(2)	\$ 123,829
State Supplemental Juvenile Improvement Funds - State Commission on Children and Youth	N/A	(2)	4,500
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	92,319
Local Parks and Recreation Fund Grant - State Department of Environment and Conservation	N/A	(2)	251,919
Archives Development Program - Tennessee Secretary of State	N/A	(2)	2,000
Custodial Parents Access and Visitation - Administrative Office of the Courts	N/A	(2)	8,750
Coordinated School Health - State Department of Education	N/A	(2)	204,251
ACT/Explore - State Department of Education	N/A	(2)	14,439
ConnecTenn - State Department of Education	N/A	(2)	37,168
Arts Student Ticket Subsidy - State Department of Education	N/A	(2)	11,182
Early Childhood Education - State Department of Education	N/A	(2)	1,232,604
Lottery for Education: After School Program - State Department of Education	N/A	(2)	85,040
Safe Schools - State Department of Education	N/A	(2)	27,407
School to Work - State Department of Human Services	N/A	(2)	30,127
High Schools That Work - State Department of Education	N/A	(2)	2,070
Litter Program - State Department of Transportation	N/A	(2)	47,891
Drug Court Grant - State Department of Finance and Administration	N/A	(2)	63,681
Help Us Grow Successfully (HUGS) Services - State Department of Health	N/A	GG1435277	65,543
Administering Environmental Health Programs - State Department of Health	N/A	GU0926918	135,264
TennCare Outreach - State Department of Health	N/A	GG1438204	181,985
Grant in Aid - State Department of Health	N/A	GE1437179	72,300
Tuberculosis Control, Prevention and Outreach Services - State Department of Health	N/A	GG1437244	72,156
TennCare School Based Dental Prevention Program - State Department of Health	N/A	GG1435814	286,545
Total State Grants			<u>\$ 3,052,970</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 \$5,068,981.

Madison County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2014

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Madison County, Tennessee, for the year ended June 30, 2013, which have not been corrected.

OFFICE OF FINANCE DIRECTOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-001 (B)	190	The office had deficiencies in purchasing procedures
2013-003	192	A cellular phone policy had not been adopted
2013-004	193	Expenditures exceeded appropriations in the Local Purpose Tax Fund

MADISON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Madison County is unmodified.
2. The audit of the financial statements of Madison County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed one instance of noncompliance that was material to the financial statements of Madison County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified 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), Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA No. 10.557), the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), and State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$582,679 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.

HEALTH DEPARTMENT

FINDING 2014-001

THE HEALTH DEPARTMENT DID NOT REPORT A THEFT TO THE COUNTY MAYOR, FINANCE DIRECTOR, OR THE COMPTROLLER OF THE TREASURY

(Noncompliance Under *Government Auditing Standards*)

On December 19, 2013, a clerk at the Health Department reconciled the department's bank account and discovered a check had cleared the account that the department had not issued, and the check appeared to have been forged. Upon further investigation, employees determined that ten checks were missing from the department, and seven of these missing checks totaling \$5,513 had cleared the bank account. In January 2014, the bank refunded the \$5,513 to the department. An employee of the company the Health Department contracted with for janitorial services was indicted by a grand jury in June 2014 for the theft. The Comptroller's Office was not informed of this theft until February 11, 2014. Sections 8-4-501 through 8-4-505, *Tennessee Code Annotated*, require a person elected or appointed to any office of a public entity to notify the Comptroller of the Treasury, within a reasonable amount of time under the particular circumstances, but shall not under any circumstances exceed five working days, of any unlawful conduct including theft, forgery, credit card fraud, or any other act of unlawful taking, waste, or abuse of, or official misconduct, involving public money, property, or services. The finance director and the county mayor advised us that they had not been notified of this theft, and they were not aware of the theft until we brought it to their attention.

RECOMMENDATION

The Office of the Comptroller of the Treasury should be informed of any suspected unlawful taking of public money, property, or services within five days of becoming aware of the unlawful conduct. Also, department heads should report any suspected thefts to the finance director and county mayor.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

The Comptroller's Office, county mayor, the Finance Department, and the Audit Committee will be informed of all unlawful taking of public money, property, or services.

OFFICE OF FINANCE DIRECTOR

FINDING 2014-002

SOME PURCHASE ORDERS WERE ISSUED AFTER PURCHASES WERE MADE

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 50 disbursements totaling \$1,575,221 from a population of 10,840 vendor checks totaling \$36,620,782. Our sample revealed that purchase orders were issued after purchases were made in six of 31 applicable instances. This practice defeats the purpose of the purchase order and makes it an approval of payment rather than approval of the purchase. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The Finance Department should issue purchase orders for all applicable purchases before purchases are made to strengthen internal controls over purchasing procedures and to document purchasing commitments.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

The county and School Department internal auditors test disbursements for potential findings every month. This finding is the most common one, but keeping the issue in front of departments should lessen occurrences. The Audit Committee has said that repeat offenders must come to its meetings to explain their actions.

FINDING 2014-003

A CELLULAR PHONE POLICY HAD NOT BEEN ADOPTED

(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The county had cellular phones available for employees to use for business purposes. However, the County Commission had not adopted written guidelines governing the use of these phones. Sound business practices dictate that management should provide written guidelines\ by identifying those who are entitled to use the cellular phones and the purposes for which the phones can be used. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report. The lack of a formal policy increases the risk of abuse.

RECOMMENDATION

The County Commission should adopt written guidelines governing the use of cellular phones. These guidelines should identify those who are entitled to use the phones and the purposes for which the phones can be used.

MANAGEMENT’S RESPONSE – FINANCE DIRECTOR

A sample cell phone policy will be distributed to the County Commission for distribution to the appropriate committee for formal action.

FINDING 2014-004

EXPENDITURES EXCEEDED APPROPRIATIONS IN THE LOCAL PURPOSE TAX FUND

(Material Noncompliance Under *Government Auditing Standards*)

Expenditures exceeded total appropriations approved by the County Commission in the Local Purpose Tax Fund by \$1,322,335. 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.” This deficiency exists because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures, and management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

MANAGEMENT’S RESPONSE – FINANCE DIRECTOR

Everyone on the County Commission and the Board of Education knew of these contributions to the School Department. This office just failed to bring the formal budget amendment before the County Commission in June.

OFFICES OF FINANCE DIRECTOR AND DIRECTOR OF SCHOOLS

FINDING 2014-005

THE COUNTY HAS NOT COMPLIED WITH THE PROVISIONS OF THE COUNTY FINANCIAL MANAGEMENT SYSTEM OF 1981

(Noncompliance Under *Government Auditing Standards*)

Madison County operates under the County Financial Management System of 1981, Section 5-21-103(c), *Tennessee Code Annotated*, which requires the creation of a Finance Department to administer the finances of the county for all funds of the various departments; for all employees performing the functions of purchasing, payroll, accounting, and budgeting to be under the supervision of the director of finance; and such personnel related expenses to be budgeted under the Finance Department. In January 2015, the bookkeeper who maintains the accounting records of the School Department was transferred from the Finance Department to the School Department and placed under the

budget and supervision of the director of schools. The bookkeeper continues to maintain the accounting records of the School Department and inputs data into the Finance Department's accounting system, contrary to the provisions of the 1981 Act. This deficiency exists because management failed to comply with the state statute.

RECOMMENDATION

All employees performing accounting functions for the various departments should be under the budget and supervision of the director of finance.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

By allowing the employee in question to be transferred to the School Department, the employee still did all the accounting functions for the Finance Department as related to schools, which saved this department significant money. Another employee within the Finance Department initials all the accounting work that the new school employee does. By allowing this to happen and with the safety that this double-check provides, the director thought he was following state statute Section 5-21-107, *Tennessee Code Annotated*, which says, "the director shall assist other county officials and employees in achieving an efficient financial system for the county." Again this was done with double-checks in place. However, we did not meet Section 5-21-103(c) completely. To meet the full letter of the law, we have reassigned some duties resulting in less savings. As of March 1, 2015, no one outside the Finance Department will have access to change any Madison County accounting records.

AUDITOR'S COMMENT

All accounting functions for the School Department should be performed by employees under the supervision and budget of the director of finance. Having two employees doing the same function (double-checking) is not cost efficient.

FINDING 2014-006

THE SCHOOL DEPARTMENT FAILED TO COMPLY WITH STATE STATUTES REGARDING LEASE AGREEMENTS

(Noncompliance Under *Government Auditing Standards*)

Our audit revealed the following deficiencies concerning lease agreements for copy machines for the School Department:

- A. In August 2013, the county Finance Department solicited bids for a multi-year digital copier contract for the School Department; however, a contract was never awarded due to a dispute among vendors concerning some of the bid specifications. We were advised by Finance Department personnel that the School Department was asked to clarify the bid specifications so the contract could be rebid. However, the Finance Department never received any revised specifications so the contract was not rebid. The School Department's previous copier contract with Xerox Corporation expired

September 30, 2013, but included a provision that the contract would continue on a month-to-month basis after it expired unless a 30-day notice was given. On February 4, 2014, the chief academic officer at the School Department signed an extension of this contract with the same pricing and terms guaranteed until September 30, 2014. The School Department then began negotiating new leases for these copiers. On July 14, 2014, the chief financial officer at the School Department entered into new five-year operating lease agreements with Xerox Corporation totaling \$183,078 for 26 of the copiers from the previous contract. Also, on July 14, 2014, the chief financial officer entered into a new \$500,520 five-year operating lease agreement with Image Tech Resources, LLC, (a Xerox sales agent) for the remaining 34 oldest copiers from the previous contract. According to school personnel, the original agreement included machines that had actually been added at various times throughout the period with individual leases that expired on different dates. They advised that they had amended and extended all of the various leases in order to have them all expire at the same time five years from now.

- B. During the period of October 1, 2013, through September 30, 2014, there were several other five-year operating lease agreements entered into by the School Department with Xerox Corporation. These leases were signed by various school employees and totaled \$147,976 for 14 new copy machines.

None of the above-noted lease agreements were approved by the County Commission or the Board of Education. Section 7-51-904, *Tennessee Code Annotated*, provides that lease agreements must be approved by the governing body prior to the agreement being finalized. Also, the lease agreements entered into by the School Department were not competitively bid, and the county's director of finance was not involved in the acquisition process. The County Financial Management Act of 1981 provides for a central system of purchasing for all county departments. Also, this statute provides for the finance director to serve as the county purchasing director who is responsible for reviewing specifications, preparing formal and informal bids, collecting sealed bids, opening bids, evaluating bids, and issuing purchase orders and contracts. All purchases exceeding \$10,000 are to be competitively bid through public advertisement. The failure to solicit competitive bids could result in the department paying more than the most competitive price.

RECOMMENDATION

Lease agreements should be approved by the Board of Education and the County Commission as required by state statute. Competitive bids should be solicited for all applicable purchases exceeding \$10,000. The county's finance director should solicit, receive, award all bids, and issue purchasing contracts as required by the County Financial Management System of 1981.

MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

We concur. There was a change in school employees during this time.

OFFICE OF COUNTY CLERK

FINDING 2014-007

**CASH AND CHECKS TOTALING \$23,178.25 WERE
STOLEN FROM THE OFFICE SAFE**

(Noncompliance Under *Government Auditing Standards*)

On December 24, 2014, office employees discovered that \$3,705.31 in cash and \$19,472.94 in checks were missing from an office safe. The Madison County Sheriff's Department was called to investigate the theft, and the office filed a Fraud Reporting Form with the Comptroller's Office. On January 6, 2015, an office employee admitted to Sheriff's Department investigators that she stole the funds and burned the checks. Also, implicated in the theft was the office employee's boyfriend. Both individuals have been charged with theft. The county clerk is in the process of contacting individuals who paid for their transactions by check to ask for replacement checks. This finding has been discussed with the district attorney general.

RECOMMENDATION

Officials should seek to recover the stolen funds. Internal controls over access to the safe should be evaluated.

**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, 2014**

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