

**ANNUAL FINANCIAL REPORT**  
**MADISON COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2016**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT  
MADISON COUNTY, TENNESSEE  
FOR THE YEAR ENDED JUNE 30, 2016**

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

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

***LEE ANN WEST, CPA, CGFM  
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JUSTIN PETERING  
ELISHA CROWELL, CISA, CFE  
State Auditors***

**This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)**

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# ***Summary of Audit Findings***

Annual Financial Report  
Madison County, Tennessee  
For the Year Ended June 30, 2016

## ***Scope***

We have audited the basic financial statements of Madison County as of and for the year ended June 30, 2016.

## ***Results***

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

Our audit resulted in two 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 is a summary of the audit findings:

### **OFFICE OF FINANCE DIRECTOR**

- ◆ The office had deficiencies in budget operations.
- ◆ The School Department failed to comply with state statutes regarding lease agreements.

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# INTRODUCTORY SECTION

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# Madison County Officials

## June 30, 2016

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### **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  
Anjanette Byers, Register of Deeds  
John Mehr, Sheriff  
Mike Nichols, Finance Director

### **Board of County Commissioners**

Gary Deaton, Chairman	Luther Mercer
Jimmy Arnold	Gerry Neese
Katie Brantley	James Pearson
Claudell Brown, Jr.	Harold Petty
Scott Brown	William Ragon
Traci Carney	Joe Roland
Jason Compton	Larry Sipes
Adrian Eddleman	Billy Spain
Jim Ed Hart	Doug Stephenson
Arthur Johnson, Jr.	Mike Taylor
Barbara Johnson	Bill Walls
Larry Lowrance	Savannah Williamson
William Martin	

### **Board of Education**

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

### **Financial Management Committee**

Billy Spain, Chairman  
Jimmy Harris, County Mayor  
Bart Walls, Highway Engineer  
Dr. Verna Ruffin, Director of Schools  
Gary Deaton  
Arthur Johnson, Jr.  
Luther Mercer

(Continued)

## Madison County Officials (Cont.)

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### **Audit Committee**

William Sipes, Jr., Chairman

Scott Brown

Traci Carney

Jason Compton

Teresa Henson

Larry Lowrance

Thomas Ray Washington, Jr.

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## FINANCIAL SECTION

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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, 2016, 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 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, 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, 2016, 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. 72, *Fair Value Measurement and Application*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68 and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Our opinion is not modified with respect to these matters.

### ***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 schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension asset, and schedule of funding progress - other postemployment benefits plans, etc. on pages 91-98 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.

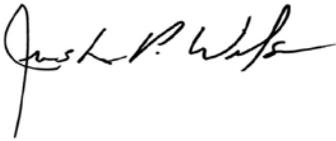
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Madison County School Department (a discretely presented component unit), and miscellaneous 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 September 28, 2016, 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

September 28, 2016

JPW/sb

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Madison County, Tennessee  
Statement of Net Position  
June 30, 2016

	Primary Government Governmental Activities	Component Unit Madison County School Department
<u>ASSETS</u>		
Cash	\$ 48,527	\$ 213,256
Equity in Pooled Cash and Investments	31,668,314	19,583,952
Accounts Receivable	972,573	984,002
Allowance for Uncollectibles	(21,352)	0
Due from Other Governments	1,956,113	6,449,269
Property Taxes Receivable	39,633,282	7,529,480
Allowance for Uncollectible Property Taxes	(1,127,187)	(263,283)
Net Pension Asset - Agent Plan	566,980	341,205
Net Pension Asset - Teacher Retirement Plan	0	61,608
Capital Assets:		
Assets Not Depreciated:		
Land	7,196,300	2,091,562
Construction in Progress	299,298	311,640
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	14,924,326	59,853,892
Infrastructure	22,874,186	368,970
Other Capital Assets	5,546,440	5,433,683
Total Assets	<u>\$ 124,537,800</u>	<u>\$ 102,959,236</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 553,112	\$ 0
Pension Changes in Experience	358,796	642,100
Pension Changes in Investment Earnings	2,711,424	11,225,535
Pension Contributions After Measurement Date	2,397,213	5,829,529
Total Deferred Outflows of Resources	<u>\$ 6,020,545</u>	<u>\$ 17,697,164</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 779,147	\$ 222,860
Payroll Deductions Payable	335,999	4,472,810
Due to State of Tennessee	19,044	0
Accrued Interest Payable	304,042	0
Contracts Payable	79	0
Noncurrent Liabilities:		
Due Within One Year	8,432,863	292,031
Due in More Than One Year	35,618,644	11,343,161
Total Liabilities	<u>\$ 45,489,818</u>	<u>\$ 16,330,862</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Madison County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 37,653,866	\$ 7,023,735
Pension Change in Experience	3,596,491	9,030,995
Pension Changes in Investment Earnings	1,238,461	15,181,714
Pension Other Deferrals	0	1,235,042
Total Deferred Inflows of Resources	<u>\$ 42,488,818</u>	<u>\$ 32,471,486</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 48,107,019	\$ 68,059,747
Restricted for:		
General Government	244,576	0
Finance	40,048	0
Administration of Justice	276,744	0
Public Safety	720,044	0
Public Health and Welfare	804,828	0
Highways/Public Works	7,595,762	0
Capital Outlay	301,058	2,653,478
Debt Service	6,339,831	0
Other Purposes	566,980	0
Education	0	494,782
Operation of Non-instructional Services	0	3,503,837
Unrestricted	<u>(22,417,181)</u>	<u>(2,857,792)</u>
Total Net Position	<u>\$ 42,579,709</u>	<u>\$ 71,854,052</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, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit Madison County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 5,367,024	\$ 1,135,177	\$ 164,133	\$ 0	\$ (4,067,714)	\$ 0
Finance	4,027,806	2,947,822	0	0	(1,079,984)	0
Administration of Justice	4,241,620	3,222,501	45,631	0	(973,488)	0
Public Safety	26,519,330	3,980,081	515,835	285,490	(21,737,924)	0
Public Health and Welfare	7,110,383	1,276,891	3,204,051	0	(2,629,441)	0
Social, Cultural, and Recreational Services	2,783,827	272,055	0	9,500	(2,502,272)	0
Agriculture and Natural Resources	415,626	79,937	0	0	(335,689)	0
Highways/Public Works	4,849,076	211,777	2,603,052	559,460	(1,474,787)	0
Interest on Long-term Debt	1,355,985	0	0	0	(1,355,985)	0
<b>Total Primary Government</b>	<b>\$ 56,670,677</b>	<b>\$ 13,126,241</b>	<b>\$ 6,532,702</b>	<b>\$ 854,450</b>	<b>\$ (36,157,284)</b>	<b>\$ 0</b>
Component Unit:						
Madison County School Department	\$ 113,977,502	\$ 728,490	\$ 16,810,707	\$ 0	\$ 0	\$ (96,438,305)
<b>Total Component Unit</b>	<b>\$ 113,977,502</b>	<b>\$ 728,490</b>	<b>\$ 16,810,707</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (96,438,305)</b>

(Continued)

Exhibit B

Madison County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total Governmental Activities	Component Unit Madison County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 28,848,645	\$ 10,266,877
Property Taxes Levied for Debt Service					7,029,109	0
Local Option Sales Taxes					904,372	39,270,616
Hotel/Motel Tax					428,298	0
Litigation Tax					881,004	0
Business Tax					1,973,296	0
Mixed Drink Tax					8,647	288,807
Wholesale Beer Tax					259,325	0
Other Local Taxes					40,160	7,666
Grants and Contributions Not Restricted to Specific Programs					4,473,483	52,747,965
Unrestricted Investment Income					195,341	0
Miscellaneous					433,163	136,468
Total General Revenues					<u>\$ 45,474,843</u>	<u>\$ 102,718,399</u>
Change in Net Position					\$ 9,317,559	\$ 6,280,094
Net Position, July 1, 2015					<u>33,262,150</u>	<u>65,573,958</u>
Net Position, June 30, 2016					<u>\$ 42,579,709</u>	<u>\$ 71,854,052</u>

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

Exhibit C-1

Madison County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2016

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 10,000	\$ 0	\$ 0	\$ 38,527	\$ 48,527
Equity in Pooled Cash and Investments	5,718,968	8,313,200	8,109,496	7,975,514	30,117,178
Accounts Receivable	679,472	35,421	152,643	105,037	972,573
Allowance for Uncollectibles	(21,352)	0	0	0	(21,352)
Due from Other Governments	860,099	416,965	0	679,049	1,956,113
Due from Other Funds	230,216	0	225,000	0	455,216
Property Taxes Receivable	25,150,541	1,819,757	7,626,439	5,036,545	39,633,282
Allowance for Uncollectible Property Taxes	(706,328)	(54,099)	(218,272)	(148,488)	(1,127,187)
<b>Total Assets</b>	<b>\$ 31,921,616</b>	<b>\$ 10,531,244</b>	<b>\$ 15,895,306</b>	<b>\$ 13,686,184</b>	<b>\$ 72,034,350</b>
<u>LIABILITIES</u>					
Accounts Payable	\$ 66,868	\$ 346,252	\$ 0	\$ 148,347	\$ 561,467
Payroll Deductions Payable	285,423	10,121	0	40,455	335,999
Contracts Payable	0	79	0	0	79
Due to Other Funds	7,165	888	0	232,779	240,832
Due to State of Tennessee	0	0	0	19,044	19,044
<b>Total Liabilities</b>	<b>\$ 359,456</b>	<b>\$ 357,340</b>	<b>\$ 0</b>	<b>\$ 440,625</b>	<b>\$ 1,157,421</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 23,918,101	\$ 1,722,685	\$ 7,241,927	\$ 4,771,153	\$ 37,653,866
Deferred Delinquent Property Taxes	445,333	36,036	137,831	103,200	722,400
Other Deferred/Unavailable Revenue	468,322	204,858	0	0	673,180
<b>Total Deferred Inflows of Resources</b>	<b>\$ 24,831,756</b>	<b>\$ 1,963,579</b>	<b>\$ 7,379,758</b>	<b>\$ 4,874,353</b>	<b>\$ 39,049,446</b>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 135,714	\$ 0	\$ 0	\$ 0	\$ 135,714
Restricted for Finance	40,048	0	0	0	40,048
Restricted for Administration of Justice	276,744	0	0	0	276,744
Restricted for Public Safety	241,260	0	0	450,980	692,240
Restricted for Public Health and Welfare	0	0	0	783,664	783,664
Restricted for Other Operations	0	0	0	108,862	108,862
Restricted for Highways/Public Works	0	7,057,850	0	672,545	7,730,395
Restricted for Capital Outlay	0	0	0	246,826	246,826
Restricted for Debt Service	0	0	5,952,930	0	5,952,930
Committed:					
Committed for General Government	1,229,513	0	0	3,390,893	4,620,406
Committed for Finance	0	0	0	595,470	595,470
Committed for Public Safety	0	0	0	207,531	207,531
Committed for Public Health and Welfare	0	0	0	214,163	214,163
Committed for Highways/Public Works	0	1,152,475	0	0	1,152,475
Committed for Capital Outlay	0	0	0	1,700,272	1,700,272
Committed for Debt Service	0	0	2,562,618	0	2,562,618
Assigned:					
Assigned for General Government	21,008	0	0	0	21,008
Assigned for Finance	17,035	0	0	0	17,035
Assigned for Administration of Justice	6,356	0	0	0	6,356
Assigned for Public Safety	202,080	0	0	0	202,080
Assigned for Public Health and Welfare	42,864	0	0	0	42,864
Assigned for Agriculture and Natural Resources	36,234	0	0	0	36,234
Assigned for Other Operations	23,853	0	0	0	23,853

(Continued)

Exhibit C-1

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

FUND BALANCES (CONT.)

	Major Funds			Nonmajor Funds	
	Highway / Public Works	General Debt Service	Other Govern- mental Funds		Total Governmental Funds
Unassigned	\$ 4,457,695	\$ 0	\$ 0	\$ 0	\$ 4,457,695
Total Fund Balances	\$ 6,730,404	\$ 8,210,325	\$ 8,515,548	\$ 8,371,206	\$ 31,827,483
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 31,921,616	\$ 10,531,244	\$ 15,895,306	\$ 13,686,184	\$ 72,034,350

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, 2016

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)		\$ 31,827,483
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 7,196,300	
Add: construction in progress	299,298	
Add: buildings and improvements net of accumulated depreciation	14,924,326	
Add: infrastructure net of accumulated depreciation	22,874,186	
Add: other capital assets net of accumulated depreciation	<u>5,546,440</u>	50,840,550
(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.		1,119,072
(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	\$ (38,110,000)	
Add: deferred amount on refunding	553,112	
Less: compensated absences payable	(1,920,549)	
Less: other postemployment benefits liability	(3,491,565)	
Less: accrued interest on bonds	(304,042)	
Less: other deferred revenue - premium on debt	<u>(529,393)</u>	(43,802,437)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 5,467,433	
Less: deferred inflows of resources related to pensions	<u>(4,834,952)</u>	632,481
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		566,980
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,395,580</u>
Net position of governmental activities (Exhibit A)		<u>\$ 42,579,709</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, 2016

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 26,955,293	\$ 1,907,903	\$ 7,559,732	\$ 4,980,750	\$ 41,403,678
Licenses and Permits	519,954	0	0	0	519,954
Fines, Forfeitures, and Penalties	682,732	0	0	33,760	716,492
Charges for Current Services	821,385	0	0	1,324,173	2,145,558
Other Local Revenues	321,218	118,073	189,405	72,248	700,944
Fees Received From County Officials	5,532,329	0	0	0	5,532,329
State of Tennessee	1,543,516	3,079,607	0	3,960,876	8,583,999
Federal Government	172,581	68,754	124,440	313,895	679,670
Other Governments and Citizens Groups	1,877,638	0	872,964	270,354	3,020,956
<b>Total Revenues</b>	<b>\$ 38,426,646</b>	<b>\$ 5,174,337</b>	<b>\$ 8,746,541</b>	<b>\$ 10,956,056</b>	<b>\$ 63,303,580</b>
<u>Expenditures</u>					
Current:					
General Government	\$ 2,285,578	\$ 0	\$ 0	\$ 9,000	\$ 2,294,578
Finance	3,118,995	0	0	540,213	3,659,208
Administration of Justice	3,422,147	0	0	0	3,422,147
Public Safety	20,215,835	0	0	4,744,926	24,960,761
Public Health and Welfare	1,887,142	0	0	4,715,614	6,602,756
Social, Cultural, and Recreational Services	2,390,906	0	0	103,891	2,494,797
Agriculture and Natural Resources	369,719	0	0	11,663	381,382
Other Operations	3,396,475	0	0	404,006	3,800,481
Highways	0	3,971,144	0	0	3,971,144
Debt Service:					
Principal on Debt	0	0	4,770,000	0	4,770,000
Interest on Debt	0	0	1,381,397	0	1,381,397
Other Debt Service	0	0	142,512	0	142,512

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 100,404	\$ 100,404
Total Expenditures	\$ 37,086,797	\$ 3,971,144	\$ 6,293,909	\$ 10,629,717	\$ 57,981,567
<u>Excess (Deficiency) of Revenues Over Expenditures</u>					
	\$ 1,339,849	\$ 1,203,193	\$ 2,452,632	\$ 326,339	\$ 5,322,013
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 45,300	\$ 128,586	\$ 0	\$ 194,943	\$ 368,829
Transfers In	29,203	0	225,000	100,000	354,203
Transfers Out	(523,800)	(82,078)	(100,000)	(23,325)	(729,203)
Total Other Financing Sources (Uses)	\$ (449,297)	\$ 46,508	\$ 125,000	\$ 271,618	\$ (6,171)
<u>Net Change in Fund Balances</u>					
Fund Balance, July 1, 2015	\$ 5,839,852	\$ 6,960,624	\$ 5,937,916	\$ 7,773,249	\$ 26,511,641
<u>Fund Balance, June 30, 2016</u>					
	\$ 6,730,404	\$ 8,210,325	\$ 8,515,548	\$ 8,371,206	\$ 31,827,483

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, 2016

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ 5,315,842
(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	\$ 3,005,354	
Less: current-year depreciation expense	<u>(3,411,792)</u>	(406,438)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized		162,378
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2016	\$ 1,395,580	
Less: deferred delinquent property taxes and other deferred June 30, 2015	<u>(1,322,875)</u>	72,705
(4) 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 net effect of these differences in the treatment of long-term debt and related items.		
Add: change in premium on debt issuances	\$ 148,144	
Add: principal payments on bonds	4,770,000	
Less: change in deferred amount on refunding debt	<u>(487,989)</u>	4,430,155
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 25,412	
Change in compensated absences payable	156,765	
Change in other postemployment benefits liability	(382,302)	
Change in net pension asset	(416,926)	
Change in deferred outflows related to pensions	2,691,237	
Change in deferred inflows related to pensions	<u>(1,657,274)</u>	416,912
(6) Internal service funds are used by management to charge the costs of employee insurance to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.		<u>(673,995)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 9,317,559</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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 26,955,293	\$ 0	\$ 0	\$ 26,955,293	\$ 26,191,371	\$ 26,200,983	\$ 754,310
Licenses and Permits	519,954	0	0	519,954	359,720	359,720	160,234
Fines, Forfeitures, and Penalties	682,732	0	0	682,732	608,370	614,345	68,387
Charges for Current Services	821,385	0	0	821,385	695,021	736,164	85,221
Other Local Revenues	321,218	0	0	321,218	190,700	277,078	44,140
Fees Received From County Officials	5,532,329	0	0	5,532,329	5,320,231	5,320,231	212,098
State of Tennessee	1,543,516	0	0	1,543,516	866,410	1,018,389	525,127
Federal Government	172,581	0	0	172,581	193,298	245,470	(72,889)
Other Governments and Citizens Groups	1,877,638	0	0	1,877,638	1,098,015	1,806,474	71,164
<b>Total Revenues</b>	<b>\$ 38,426,646</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 38,426,646</b>	<b>\$ 35,523,136</b>	<b>\$ 36,578,854</b>	<b>\$ 1,847,792</b>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 153,576	\$ 0	\$ 102	\$ 153,678	\$ 155,775	\$ 155,825	\$ 2,147
County Mayor/Executive	224,447	(3,209)	3,650	224,888	225,019	229,439	4,551
Personnel Office	203,652	0	0	203,652	217,011	216,611	12,959
County Attorney	50,144	0	0	50,144	50,000	60,014	9,870
Election Commission	333,064	0	1,480	334,544	358,656	359,226	24,682
Register of Deeds	314,160	0	1,916	316,076	365,217	353,017	36,941
Codes Compliance	103,370	0	0	103,370	95,096	109,796	6,426
County Buildings	269,020	(13,554)	3,650	259,116	305,003	305,273	46,157
Other Facilities	510,531	(29,818)	10,031	490,744	478,414	498,414	7,670
Preservation of Records	75,341	(50)	110	75,401	85,217	85,217	9,816
Risk Management	48,273	(75)	68	48,266	50,634	50,754	2,488
<u>Finance</u>							
Accounting and Budgeting	975,886	(684)	3,028	978,230	985,638	990,785	12,555
Property Assessor's Office	685,816	0	0	685,816	725,009	719,209	33,393
Reappraisal Program	250,548	(431)	11,507	261,624	319,107	311,586	49,962
County Trustee's Office	369,149	(48)	1,500	370,601	391,575	391,475	20,874
County Clerk's Office	643,328	0	0	643,328	663,346	672,532	29,204

(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 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Data Processing	\$ 194,268	\$ (28)	\$ 1,000	\$ 195,240	\$ 138,561	\$ 219,061	\$ 23,821
<u>Administration of Justice</u>							
Circuit Court	1,321,928	0	0	1,321,928	1,261,078	1,347,969	26,041
General Sessions Court	332,606	0	0	332,606	337,308	337,233	4,627
Drug Court	7,458	0	0	7,458	18,000	18,000	10,542
Chancery Court	711,617	(1,441)	900	711,076	766,484	772,484	61,408
Juvenile Court	390,636	(500)	4,456	394,592	410,787	443,287	48,695
Juvenile Court Clerk	400,659	(266)	0	400,393	408,943	412,343	11,950
District Attorney General	93,291	0	0	93,291	119,534	109,834	16,543
Office of Public Defender	98,510	0	0	98,510	99,895	99,695	1,185
Other Administration of Justice	65,442	0	1,000	66,442	100,000	100,000	33,558
<u>Public Safety</u>							
Sheriff's Department	7,299,428	(115,641)	104,834	7,288,621	6,703,198	7,403,370	114,749
Special Patrols	709,619	(898)	517	709,238	727,320	733,092	23,854
Drug Enforcement	594,517	(900)	1,227	594,844	690,251	614,762	19,918
Jail	8,400,892	(2,295)	72,707	8,471,304	8,334,101	8,725,972	254,668
Workhouse	1,569,251	(4,402)	11,112	1,575,961	1,598,324	1,615,134	39,173
Fire Prevention and Control	1,012,426	0	10,002	1,022,428	1,055,592	1,060,392	37,964
Civil Defense	353,191	(1,130)	1,357	353,418	370,307	363,657	10,239
Inspection and Regulation	126,893	(117)	325	127,101	121,554	131,004	3,903
County Coroner/Medical Examiner	132,889	0	0	132,889	131,610	130,800	(2,089)
Other Public Safety	16,729	0	0	16,729	17,800	17,800	1,071
<u>Public Health and Welfare</u>							
Local Health Center	1,661,750	(1,674)	30,092	1,690,168	1,750,566	1,773,666	83,498
Rabies and Animal Control	207,762	(4,618)	12,772	215,916	265,928	265,928	50,012
Other Local Welfare Services	17,630	0	0	17,630	17,630	17,630	0
<u>Social, Cultural, and Recreational Services</u>							
Libraries	1,275,467	0	0	1,275,467	1,278,244	1,278,244	2,777
Parks and Fair Boards	1,035,602	(1,061)	0	1,034,541	1,094,079	1,102,358	67,817

(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 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services (Cont.)</u>							
Other Social, Cultural, and Recreational	\$ 79,837	\$ 0	\$ 0	\$ 79,837	\$ 106,892	\$ 118,192	\$ 38,355
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	179,137	0	36,234	215,371	238,485	242,787	27,416
Soil Conservation	115,582	0	0	115,582	115,467	118,502	2,920
Flood Control	75,000	0	0	75,000	75,000	75,000	0
<u>Other Operations</u>							
Tourism	50,000	0	0	50,000	50,000	50,000	0
Industrial Development	72,000	0	0	72,000	72,000	72,000	0
Airport	199,369	0	0	199,369	179,346	179,346	(20,023)
Veterans' Services	62,025	(50)	1,842	63,817	37,308	63,751	(66)
Other Charges	534,234	0	0	534,234	619,000	619,000	84,766
Contributions to Other Agencies	222,110	0	7,250	229,360	208,000	230,000	640
Employee Benefits	825	0	0	825	0	825	0
Miscellaneous	2,255,912	(7,298)	14,761	2,263,375	2,231,034	2,466,796	203,421
Total Expenditures	\$ 37,086,797	\$ (190,188)	\$ 349,430	\$ 37,246,039	\$ 37,220,343	\$ 38,839,087	\$ 1,593,048
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 1,339,849	\$ 190,188	\$ (349,430)	\$ 1,180,607	\$ (1,697,207)	\$ (2,260,233)	\$ 3,440,840
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 45,300	\$ 0	\$ 0	\$ 45,300	\$ 0	\$ 38,013	\$ 7,287
Transfers In	29,203	0	0	29,203	634,309	16,606	12,597
Transfers Out	(523,800)	0	0	(523,800)	0	(585,465)	61,665
Total Other Financing Sources	\$ (449,297)	\$ 0	\$ 0	\$ (449,297)	\$ 634,309	\$ (530,846)	\$ 81,549
Net Change in Fund Balance							
Fund Balance, July 1, 2015	\$ 890,552	\$ 190,188	\$ (349,430)	\$ 731,310	\$ (1,062,898)	\$ (2,791,079)	\$ 3,522,389
	5,839,852	(190,188)	0	5,649,664	4,319,963	5,649,664	0
Fund Balance, June 30, 2016							
	\$ 6,730,404	\$ 0	\$ (349,430)	\$ 6,380,974	\$ 3,257,065	\$ 2,858,585	\$ 3,522,389

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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,907,903	\$ 0	\$ 0	\$ 1,907,903	\$ 1,878,304	\$ 1,878,304	\$ 29,599
Other Local Revenues	118,073	0	0	118,073	15,000	15,000	103,073
State of Tennessee	3,079,607	0	0	3,079,607	3,403,355	3,403,355	(323,748)
Federal Government	68,754	0	0	68,754	1,305,016	1,305,016	(1,236,262)
<b>Total Revenues</b>	<b>\$ 5,174,337</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,174,337</b>	<b>\$ 6,601,675</b>	<b>\$ 6,601,675</b>	<b>\$ (1,427,338)</b>
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 274,564	\$ 0	\$ 0	\$ 274,564	\$ 356,103	\$ 356,103	\$ 81,539
Highway and Bridge Maintenance	2,071,462	(100)	110,300	2,181,662	3,230,370	3,526,305	1,344,643
Operation and Maintenance of Equipment	310,212	0	3,400	313,612	632,586	632,586	318,974
Other Charges	171,918	0	0	171,918	224,000	224,000	52,082
Employee Benefits	143,651	0	0	143,651	249,400	249,400	105,749
Capital Outlay	999,337	0	280,074	1,279,411	1,863,162	2,202,601	923,190
<b>Total Expenditures</b>	<b>\$ 3,971,144</b>	<b>\$ (100)</b>	<b>\$ 393,774</b>	<b>\$ 4,364,818</b>	<b>\$ 6,555,621</b>	<b>\$ 7,190,995</b>	<b>\$ 2,826,177</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,203,193	\$ 100	\$ (393,774)	\$ 809,519	\$ 46,054	\$ (589,320)	\$ 1,398,839
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 128,586	\$ 0	\$ 0	\$ 128,586	\$ 0	\$ 0	\$ 128,586
Transfers Out	(82,078)	0	0	(82,078)	(29,203)	(82,078)	0
<b>Total Other Financing Sources</b>	<b>\$ 46,508</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 46,508</b>	<b>\$ (29,203)</b>	<b>\$ (82,078)</b>	<b>\$ 128,586</b>
Net Change in Fund Balance	\$ 1,249,701	\$ 100	\$ (393,774)	\$ 856,027	\$ 16,851	\$ (671,398)	\$ 1,527,425
Fund Balance, July 1, 2015	6,960,624	(100)	0	6,960,524	6,309,306	6,960,524	0
<b>Fund Balance, June 30, 2016</b>	<b>\$ 8,210,325</b>	<b>\$ 0</b>	<b>\$ (393,774)</b>	<b>\$ 7,816,551</b>	<b>\$ 6,326,157</b>	<b>\$ 6,289,126</b>	<b>\$ 1,527,425</b>

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, 2016

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance Fund</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 1,326,136
Due from Other Funds	<u>10,616</u>
Total Assets	<u>\$ 1,336,752</u>
<u>LIABILITIES</u>	
Accounts Payable	<u>\$ 217,680</u>
Total Liabilities	<u>\$ 217,680</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 1,119,072</u>
Net Position	<u><u>\$ 1,119,072</u></u>

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

Exhibit D-2

Madison County, Tennessee  
Statement of Revenues, Expenses, and  
Changes in Net Position  
Proprietary Fund  
For the Year Ended June 30, 2016

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance Fund</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 4,860,786
Total Operating Revenues	<u>\$ 4,860,786</u>
<u>Operating Expenses</u>	
Excess Risk Insurance	\$ 453,843
Medical Claims	5,078,621
Other Charges	381,042
Total Operating Expenses	<u>\$ 5,913,506</u>
Operating Income (Loss)	<u>\$ (1,052,720)</u>
<u>Nonoperating Revenues</u>	
Investment Income	\$ 3,725
Total Nonoperating Revenues	<u>\$ 3,725</u>
Income (Loss) Before Transfers	\$ (1,048,995)
Transfers In (Out)	<u>375,000</u>
Change in Net Position	\$ (673,995)
Net Position, July 1, 2015	<u>1,793,067</u>
Net Position, June 30, 2016	<u><u>\$ 1,119,072</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, 2016

	Governmental Activities - Internal Service Fund <hr/> Employee Insurance Fund <hr/>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 5,235,467
Excess Risk Insurance Payments	(453,843)
Payments for Medical Claims	(5,078,621)
Payments for Administrative Costs	(381,042)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (678,039)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	<u>\$ 3,725</u>
Net Cash Provided By (Used In) Investing Activities	<u>\$ 3,725</u>
<u>Cash Flow from Noncapital Financing Activities</u>	
Transfers from Other Funds	<u>\$ 375,000</u>
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 375,000</u>
Increase (Decrease) in Cash	\$ (299,314)
Cash, July 1, 2015	<u>1,625,450</u>
Cash, June 30, 2016	<u><u>\$ 1,326,136</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (1,052,720)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
(Increase) Decrease in Due from Other Funds	<u>374,681</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (678,039)</u></u>
<u>Reconciliation of Cash With the Statement of Net Position</u>	
Equity in Pooled Cash and Investments Per Net Position	<u>\$ 1,326,136</u>
Cash, June 30, 2016	<u><u>\$ 1,326,136</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, 2016

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 4,901,382
Equity in Pooled Cash and Investments	182,137
Accounts Receivable	101,168
Due from Other Governments	2,304,427
Cash Shortage	<u>653</u>
Total Assets	<u>\$ 7,489,767</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 2,440,091
Due to Litigants, Heirs, and Others	4,926,968
Other Current Liabilities	<u>122,708</u>
Total Liabilities	<u>\$ 7,489,767</u>

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

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**MADISON COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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

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**MADISON COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2016**

**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 financial statements of the Madison County Emergency Communications District, a component unit requiring discrete presentation, was excluded from this report due to materiality calculations; therefore, the effect of its omission is not material to the aggregate discretely presented component units' opinion unit and will not affect our opinion thereon. 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 financial statements of the Madison County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Madison County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. 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, 2016.

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.

**Central Cafeteria Fund** – This special revenue fund is used to account for the cafeteria operations in each of the schools. Charges for services and federal funds are the foundational revenues of this fund.

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

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

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

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 1.53 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. 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

**4. 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. Deferred outflows of resources represent 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 has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for the deferred charge on refunding and for pension changes in experience and investment earnings, as well as employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent 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 items are from the following sources: current and delinquent property taxes, pension changes in experience and investment earnings, pension changes in proportionate share of contributions, 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.

**5. Compensated Absences**

Madison County and the discretely presented Madison County School Department permit employees to accumulate a limited amount of earned but unused vacation benefits that will be paid to employees upon separation from service. All vacation leave is accrued when incurred in the government-wide statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

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

**6. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net 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, other postemployment benefits, and pension liabilities, are recognized to the extent that the liabilities have matured (come due for payment) each period.

**7. 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, 2016, Madison County had \$35,417,370 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.

**E. Pension Plans**

**Primary Government**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of Madison County’s participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Madison County’s fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

**Discretely Presented Madison County School Department**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan. Investments are reported at fair value.

**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, 2016, Madison County and the Madison County School Department reported the following significant encumbrances:

Fund	Description	Amount
Primary Government		
Major Fund:		
Highway/Public Works	Tractor	\$ 279,074
"	Asphalt	100,000
Nonmajor Fund:		
General Capital Projects	Munis software	592,020
School Department:		
Major Funds:		
General Purpose School	Moving services	172,504
Education Capital Projects	School paving	276,848
"	Cabling projects	296,839
"	Roofing projects	295,101
"	School renovations	503,830
"	HVAC projects	199,567
"	Networking projects	234,649
"	Computers	759,649

**B. Cash Shortage – Prior Year**

The audit of Madison County for the 2013-14 year reported a cash shortage of \$23,178.25 in the Office of County Clerk due to the theft of cash and checks from an office safe in December 2014. On January 6, 2015, an office employee admitted to Sheriff's Department investigators that she stole the funds and burned the checks. The former employee plead guilty to the theft on July 14, 2015, and was ordered to pay restitution totaling \$700. No restitution has been paid as of the date of this report. The actual missing checks (\$19,472.94) that were stolen were not located; however, the county clerk recovered some of these checks by contacting individual payors and having

them reissue their checks to the county. As of June 30, 2016, \$18,820.30 had been received from the collection of individual checks leaving a cash shortage of \$4,357.95. In addition, the missing cash of \$3,705.31 was seized by the Sheriff's Department during the arrest of the former employee. This cash was returned to the County Clerk's Office after the case was settled in September 2015. As of June 30, 2016, the cash shortage (\$652.64) and restitution outstanding (\$700) totaled \$1,352.64. The remaining cash shortage and restitution totaling \$1,352.64 is outstanding as of the date of this report.

**C. Expenditures Exceeded Appropriations**

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

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
Public Safety - County Coroner/Medical Examiner	\$ 2,089
Other Operations - Airport	20,023
Other Operations - Veterans' Services	66
Special Purpose:	
Public Safety - Other Emergency Management	2,617
Other Operations - Miscellaneous	4,557
General Capital Projects:	
General Government - County Buildings	5,393
Finance - Accounting and Budgeting	8,139
Public Safety - Sheriff's Department	12,701
Capital Projects - Administration of Justice Projects	404

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

**D. The School Department Failed to Comply with State Statutes When Entering into a Lease Agreement**

The School Department failed to comply with state statutes when entering into a lease agreement for copier software. 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.

**Investment Balances.** As of June 30, 2016, Madison County had the following investments carried at fair value within the fair value hierarchy established by generally accepted accounting principles. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Madison County and the discretely presented Madison County School Department since both pool their deposits and investments through the county trustee.

Investment	Maturities	Fair Value
Federal Home Loan Mortgage Corporation	4-14-21 to 6-30-21	\$ 1,501,170
		Fair Value Measurements Using
		Quoted Prices in Active Markets for Identical Assets
Investment by fair value level	Fair Value 6-30-16	(Level 1)
Federal Home Loan Mortgage Corporation	\$ 1,501,170	\$ 1,501,170
Total	\$ 1,501,170	\$ 1,501,170

Fair value investments classified at Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Fair value investments classified as Level 2 of the fair value hierarchy are valued using the active market rates for the underlying securities. Fair value investments classified as Level 3 of the fair value hierarchy are valued using non-observable inputs.

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Madison County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Madison County has no investment policy that would further limit its investment choices. As of June 30, 2016, Madison County's investment in the Federal Home Loan Mortgage Corporation was rated Aaa by Moody's Investor's Service and AA+ by Standard & Poor's and Fitch Ratings.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Madison County places no limit on the amount the county may invest in one issuer. More than five percent of the county's investments are in the Federal Home Loan Mortgage Corporation. These investments represent all of the county's investments.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2016, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-15	Increases	Decreases	Balance 6-30-16
Capital Assets Not Depreciated:				
Land	\$ 7,096,300	\$ 100,000	\$ 0	\$ 7,196,300
Construction in Progress	0	299,298	0	299,298
Total Capital Assets Not Depreciated	<u>\$ 7,096,300</u>	<u>\$ 399,298</u>	<u>\$ 0</u>	<u>\$ 7,495,598</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 27,219,872	\$ 395,636	\$ 0	\$ 27,615,508
Roads and Bridges	60,227,092	367,741	0	60,594,833
Other Capital Assets	19,267,931	2,005,057	52,197	21,220,791
Total Capital Assets Depreciated	<u>\$ 106,714,895</u>	<u>\$ 2,768,434</u>	<u>\$ 52,197</u>	<u>\$ 109,431,132</u>

**Governmental Activities (Cont.):**

	Balance 7-1-15	Increases	Decreases	Balance 6-30-16
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 12,027,886	\$ 663,296	\$ 0	\$ 12,691,182
Roads and Bridges	35,922,238	1,798,409	0	37,720,647
Other Capital Assets	14,776,461	950,087	52,197	15,674,351
Total Accumulated Depreciation	<u>\$ 62,726,585</u>	<u>\$ 3,411,792</u>	<u>\$ 52,197</u>	<u>\$ 66,086,180</u>
Total Capital Assets Depreciated, Net	<u>\$ 43,988,310</u>	<u>\$ (643,358)</u>	<u>\$ 0</u>	<u>\$ 43,344,952</u>
Governmental Activities Capital Assets, Net	<u>\$ 51,084,610</u>	<u>\$ (244,060)</u>	<u>\$ 0</u>	<u>\$ 50,840,550</u>

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

**Governmental Activities:**

General Government	\$ 116,380
Finance	9,354
Administration of Justice	163,946
Public Safety	1,008,874
Public Health and Welfare	188,736
Social, Cultural, and Recreational Services	79,492
Agriculture and Natural Resources	9,566
Highways/Public Works	<u>1,835,444</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,411,792</u>

**Discretely Presented Madison County School Department**

**Governmental Activities:**

	Balance 7-1-15	Increases	Balance 6-30-16
	<hr/>		<hr/>
Capital Assets Not Depreciated:			
Land	\$ 2,091,562	\$ 0	\$ 2,091,562
Construction in Progress	0	311,640	311,640
Total Capital Assets Not Depreciated	<hr/> \$ 2,091,562	\$ 311,640	<hr/> \$ 2,403,202
Capital Assets Depreciated:			
Buildings and Improvements	\$ 117,618,297	\$ 0	\$ 117,618,297
Infrastructure	702,413	0	702,413
Other Capital Assets	17,259,243	454,684	17,713,927
Total Capital Assets Depreciated	<hr/> \$ 135,579,953	\$ 454,684	<hr/> \$ 136,034,637
Less Accumulated Depreciated For:			
Buildings and Improvements	\$ 55,221,802	\$ 2,542,603	\$ 57,764,405
Infrastructure	266,276	67,167	333,443
Other Capital Assets	11,252,911	1,027,333	12,280,244
Total Accumulated Depreciation	<hr/> \$ 66,740,989	\$ 3,637,103	<hr/> \$ 70,378,092
Total Capital Assets Depreciated, Net	<hr/> \$ 68,838,964	\$ (3,182,419)	<hr/> \$ 65,656,545
Governmental Activities Capital Assets, Net	<hr/> \$ 70,930,526	\$ (2,870,779)	<hr/> \$ 68,059,747

There were no decreases in capital assets to report during the year ended June 30, 2016. Depreciation expense was charged to functions of the discretely presented Madison County School Department as follows:

**Governmental Activities:**

Instruction	\$ 2,257,190
Support Services	1,136,660
Operation of Non-instructional Services	<hr/> 243,253
Total Depreciation Expense - Governmental Activities	<hr/> <hr/> \$ 3,637,103

**C. Construction Commitments**

At June 30, 2016, the Highway/Public Works Fund had uncompleted construction contracts of \$100,000 for asphalt projects, and the School Department's Education Capital Projects Fund had uncompleted construction contracts of \$276,848 for school paving, \$295,101 for roofing projects, \$503,830 for school renovations, and \$199,567 for HVAC renovations. Funding has been received for these future expenditures.

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2016, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 230,216
General Debt Service	General	225,000
Employee Insurance	"	7,165
"	Highway/Public Works	888
"	Nonmajor governmental	2,563
Discretely Presented		
School Department:		
General Purpose School	Central Cafeteria	779
"	Nonmajor governmental	1,651

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 \$225,000 was in transit from the General Fund at June 30, 2016.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2016, consisted of the following amounts:

Transfers Out	Transfers In			
	General Fund	General Debt Service Fund	Employee Insurance Fund	Nonmajor Governmental Fund
General Fund	\$ 0	\$ 225,000	\$ 298,800	\$ 0
Highway/Public Works Fund	29,203	0	52,875	0
General Debt Service	0	0	0	100,000
Nonmajor Governmental	0	0	23,325	0
Total	\$ 29,203	\$ 225,000	\$ 375,000	\$ 100,000

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 and software under operating leases considered to be noncancelable. The rental expenditures for the year ended June 30, 2016, were \$175,178. 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
2017	\$ 181,663
2018	181,663
2019	181,663
2020	15,348
2021	15,348
Total	\$ 575,685

**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, 2016, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2016, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-16
General Obligation Bonds	1.1 to 5.25 %	4-20-25	\$ 10,820,000	\$ 7,720,000
General Obligation Bonds - Refunding	2 to 4.8	6-30-23	34,900,000	30,390,000

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2016, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
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
2022-2025	9,950,000	748,931	10,698,931
Total	\$ 38,110,000	\$ 5,498,876	\$ 43,608,876

There is \$8,515,548 available in the General Debt Service Fund to service long-term debt. Debt per capita totaled \$388, based on the 2010 federal census.

#### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2016, was as follows:

Governmental Activities:

	Bonds	Compensated Absences
Balance, July 1, 2015	\$ 42,880,000	\$ 2,077,314
Additions	0	1,403,220
Reductions	(4,770,000)	(1,559,985)
Balance, June 30, 2016	<u>\$ 38,110,000</u>	<u>\$ 1,920,549</u>
Balance Due Within One Year	<u>\$ 6,930,000</u>	<u>\$ 1,502,863</u>

	Other Postemployment Benefits
Balance, July 1, 2015	\$ 3,109,263
Additions	533,588
Reductions	(151,286)
Balance, June 30, 2016	<u>\$ 3,491,565</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 43,522,114
Less: Balance Due Within One Year	(8,432,863)
Add: Unamortized Premium on Debt	<u>529,393</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 35,618,644</u>

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

**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, 2016, was as follows:

**Governmental Activities:**

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2015	\$ 307,040	\$ 9,868,922
Additions	304,758	1,790,514
Reductions	(293,233)	(873,844)
Balance, June 30, 2016	\$ 318,565	\$ 10,785,592
Balance Due Within One Year	\$ 292,031	\$ 0

	Net Pension Liability - Teacher Legacy Pension Plan*
Balance, July 1, 2015	\$ (222,339)
Additions	17,989,984
Reductions	(17,236,610)
Balance, June 30, 2016	\$ 531,035
Balance Due Within One Year	\$ 0

\*At July 1, 2015, the teacher legacy pension plan had a net pension asset.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 11,635,192
Less: Balance Due Within One Year	(292,031)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 11,343,161

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

**G. On-Behalf Payments – Primary Government and Discretely Presented Madison County School Department**

**Primary Government**

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Madison County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state’s Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2016, were \$825. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

**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, 2016, were \$627,062 and \$136,000, 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 \$3,890,000 from the General Debt Service Fund and \$250,000 from the Local Purpose Tax Fund to provide temporary operating funds for the General (\$3,000,000), Juvenile Services (\$200,000), Solid Waste/Sanitation (\$90,000), Special Purpose (\$250,000) and General Capital Projects (\$600,000) funds. These loans were retired prior to June 30, 2016, 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, 2016, was as follows:

	Balance			Balance
	7-1-15	Issued	Paid	6-30-16
Tax Anticipation Notes	\$ 0	\$ 4,140,000	\$ (4,140,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

Employee Health Insurance

The county has chosen to establish the Employee Insurance Fund for risks associated with the employees' health insurance plan. The Employee Insurance Fund is accounted for as an internal service fund where assets are set aside for claim settlements. The county retains the risk of loss to a limit of \$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 2015-16 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
2014-15	\$ 150,000	\$ 4,587,609	\$ (4,519,929)	\$ 217,680
2015-16	217,680	5,078,621	(5,078,621)	217,680

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 (LGWCF), 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 LGWCF 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. 72, *Fair Value Measurement and Application*; Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*; Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and Statement No. 79, *Certain External Investment Pools and Pool Participants* became effective for the year ended June 30, 2016.

GASB Statement No. 72, establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. This standard supersedes previous statements as they relate to measuring fair value of certain assets and liabilities.

GASB Statement No. 73, established accounting and reporting requirements for pensions that are not administered through a trust account and also addresses changes made to Statements No. 67 and No. 68. The changes to Statements No. 67 and No. 68 require new RSI disclosures concerning plan investments, address specific payables to defined benefit plans, and address specific payables to defined benefit plans.

GASB Statement No. 76, addresses changes made to the hierarchy of generally accepted accounting principles. This standard supersedes Statement No. 55 and reduces the hierarchy from four to two categories.

GASB Statement No. 79, addresses issues related to certain external investment pools and pool participants because of changes in Security and Exchange rules relative to money market funds. This standard establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost rather than fair value for financial reporting purposes.

**C. Subsequent Events**

Subsequent to June 30, 2016, Madison County issued tax anticipation notes to provide temporary operating funds as detailed below:

Date Issued	Amount	Borrower Fund	Lender Fund
8-24-16	\$ 200,000	General Capital Projects	General Debt Service
8-26-16	50,000	"	"
8-29-16	42,304	"	"
9-26-16	2,000,000	General	"
9-26-16	100,000	Solid Waste/Sanitation	"

**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 November 30, 2015, Linda Waldon left the Office of Register of Deeds and was succeeded by Anjanette Byers on March 21, 2016.

**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 budgeting and financing of the above joint ventures only to the extent of representation by its appointed board or commission members. Madison County contributed \$68,500 to the Airport Authority for its operations in addition to processing the airport's payroll during the year ended June 30, 2016. 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 Organizations**

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.

The Gibson County Railroad Authority (GCRA) was created by the county, in conjunction with Madison County and the cities of Trenton, Humboldt, Dyer, Rutherford, and Kenton. The GCRA's board includes the mayors of Gibson and Madison counties; the city mayors of Trenton, Humboldt, Dyer, Rutherford, and Kenton; and one at-large member from each of these areas. However, the counties and cities do not have any ongoing financial interest or responsibility for the entity.

**H. Retirement Commitments**

**1. Tennessee Consolidated Retirement Plan (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Madison County and non-certified employees of the discretely presented Madison County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 62.43 percent and the non-certified employees of the discretely presented School Department comprised 37.57 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions plus any accumulated interest.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2015, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	714
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	717
Active Employees	897
 Total	 <u><u>2,328</u></u>

Madison County closed the retirement plan for new hires effective July 1, 2012. Employees hired prior to July 1, 2012, remain on the plan.

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are non-contributory. Madison County makes employer contributions at the rate set by the

Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, the Actuarial Determined Contribution (ADC) for Madison County was \$3,938,838 based on a rate of 13.86 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Madison County's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Net Pension Liability (Asset)**

Madison County's net pension liability (asset) was measured as of June 30, 2015, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

*Actuarial Assumptions.* The total pension liability as of the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and

(3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46	% 33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income	4.61	8
Real Estate	0.98	29
Short-term Securities	4.73	7
	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Madison County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all

periods of projected benefit payments to determine the total pension liability.

**Changes in the Net Pension Liability (Asset)**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2014	\$ 120,976,803	\$ 123,355,111	\$ (2,378,308)
Changes for the Year:			
Service Cost	\$ 2,546,359	\$ 0	\$ 2,546,359
Interest	9,078,436	0	9,078,436
Differences Between Expected and Actual Experience	(2,479,699)	0	(2,479,699)
Contributions-Employer	0	3,938,838	(3,938,838)
Contributions-Employees	0	300	(300)
Net Investment Income	0	3,782,858	(3,782,858)
Benefit Payments, Including Refunds of Employee Contributions	(4,954,709)	(4,954,709)	0
Administrative Expense	0	(47,023)	47,023
Other Changes	0	0	0
Net Changes	\$ 4,190,387	\$ 2,720,264	\$ 1,470,123
Balance, June 30, 2015	\$ 125,167,190	\$ 126,075,375	\$ (908,185)

**Allocation of Agent Plan Changes in the Net Pension Liability (Asset)**

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	62.43%	\$ 78,141,877	\$ 78,708,857	\$ (566,980)
School Department	37.57%	47,025,313	47,366,518	(341,205)
Total		\$ 125,167,190	\$ 126,075,375	\$ (908,185)

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the net pension liability (asset) of Madison County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was

calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
<u>Madison County</u>	6.5%	7.5%	8.5%

Net Pension Liability    \$ 15,128,986    \$ (908,185)    \$ (14,336,506)

**Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions**

*Pension Expense.* For the year ended June 30, 2016, Madison County recognized pension expense of \$1,320,872.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2016, Madison County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 574,718	\$ 1,983,759
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,343,142	5,760,837
Contributions Subsequent to the Measurement Date of June 30, 2015 (1)	3,718,184	N/A
Total	<u>\$ 8,636,044</u>	<u>\$ 7,744,596</u>

1. The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2015,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and  
Deferred Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 5,467,433	\$ 4,834,952
School Department	3,168,611	2,909,644
Total	<u>\$ 8,636,044</u>	<u>\$ 7,744,596</u>

Amounts reported as deferred outflows of resources, with the exception of contributions subsequent to the measurement date, and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (1,138,860)
2018	(1,138,860)
2019	(1,138,860)
2020	589,844
2021	0
Thereafter	0

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

**Discretely Presented Madison County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Madison County and non-certified employees of the discretely presented Madison County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 62.43 percent and the non-certified employees of the discretely presented School Department comprise 37.57 percent of the plan based on contribution data.

## **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Madison County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be

adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2016, to the Teacher Retirement Plan were \$260,088, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

### **Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liabilities (Assets).* At June 30, 2016, the Madison County School Department reported an asset of \$61,608 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Madison County School Department's proportion of the net pension asset was based on the Madison County School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Madison County School Department's proportion was 1.531421 percent.

*Pension Expense.* For the year ended June 30, 2016, the Madison County School Department recognized pension expense of \$80,739.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2016, the Madison County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 20,052
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,980	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	260,088	N/A
Total	<u>\$ 265,068</u>	<u>\$ 20,052</u>

The Madison County School Department's employer contributions of \$260,088, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (426)
2018	(426)
2019	(426)
2020	(426)
2021	(1,671)
Thereafter	(11,697)

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

*Actuarial Assumptions.* The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	%	Percentage Target Allocations	%
U.S. Equity Developed Market	6.46	%	33	%
International Equity Emerging Market	6.26		17	
International Equity Private Equity and Strategic Lending	6.40		5	
U.S. Fixed Income Real Estate	4.61		8	
	0.98		29	
	4.73		7	
Short-term Securities	0.00		1	
Total			100	%

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the Madison County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Madison County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability      \$      10,925      \$      (61,608)      \$      (114,805)

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

**Teacher Legacy Pension Plan**

**General Information About the Pension Plan**

*Plan Description.* Teachers of the Madison County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living

adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Madison County School Department for the year ended June 30, 2016, to the Teacher Legacy Pension Plan were \$4,248,470, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

### **Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liability (Assets).* At June 30, 2016, the Madison County School Department reported a liability of \$531,035 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Madison County School Department's proportion of the net pension liability (asset) was based on the Madison County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Madison County School Department's proportion was 1.296365 percent. The proportion measured at June 30, 2014, was 1.368282 percent.

*Negative Pension Expense.* For the year ended June 30, 2016, the Madison County School Department recognized negative pension expense of \$695,336.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2016, the Madison County School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 426,178	\$ 8,265,645
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	9,588,837	13,017,368
Changes in Proportion of Net Pension Liability (Asset)	0	1,235,042
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	<u>4,248,470</u>	N/A
Total	<u>\$ 14,263,485</u>	<u>\$ 22,518,055</u>

The Madison County School Department's employer contributions of \$4,248,470 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (3,756,815)
2018	(3,756,815)
2019	(3,756,815)
2020	582,307
2021	(1,814,902)
Thereafter	0

In the table above, positive amounts will increase pension expense, while negative amounts will decrease pension expense.

*Actuarial Assumptions.* The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.5%

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustments for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income Real Estate	4.61	8
	0.98	29
	4.73	7
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the Madison County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what the Madison County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability    \$ 36,204,206    \$ 531,035    \$ (29,002,143)

*Pension Plan Fiduciary Net Position.* Detailed information about the pension plan’s fiduciary net position is available in a separately issued TCRS financial report.

**2. 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 \$151,286 were recognized for the primary government.

Annual OPEB Cost and Net OPEB Obligation

	<u>Primary Government Plan</u>
ARC	\$ 603,821
Interest on NOPEBO	81,809
Adjustment to ARC	<u>(152,042)</u>
Annual OPEB cost	\$ 533,588
Less: Amount of contribution	<u>(151,286)</u>
Increase (decrease) in NOPEBO	\$ 382,302
Net OPEB obligation, 7-1-15	<u>3,109,263</u>
 Net OPEB obligation, 6-30-16	 <u>\$ 3,491,565</u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-14	Primary Government	\$ 554,695	36	% \$ 2,536,802
6-30-15	"	723,747	21	3,109,263
6-30-16	"	533,588	28	3,491,565

### Funding Status and Funding Progress

The funded status of the plan as of July 1, 2014, was as follows:

	<u>Primary Government Plan</u>
Actuarial valuation date	7-1-14
Actuarial accrued liability (AAL)	\$ 5,433,766
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 5,433,766
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 21,232,192
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, 2014, 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 6.25 percent for 2013, reduced each year by 0.25 percent until a rate of three percent is reached. 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 healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated*, for local education employees. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plan is reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/article/fa-accfm-cafr>.

### **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 a 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 and noncertified employees who retire with: 1) 30 years of service or have reached age 60 with five years vested; 2) 25 years of service or have reached age 55 with five years vested; 3) 20 years of service and one year of state insurance coverage; or 4) ten years of service and three years of state insurance coverage. This contribution continues until the employee reaches age 65 and is Medicare eligible. Retirees' contributions vary depending on the insurance options they select. As of June 30, 2016, there were 191 former employees participating. Expenditures totaling \$873,844 were recognized for postemployment health care.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 1,792,000
Interest on NOPEBO	370,085
Adjustment to ARC	(371,571)
Annual OPEB cost	<hr/> \$ 1,790,514
Less: Amount of contribution	(873,844)
Increase (decrease) in NOPEBO	<hr/> \$ 916,670
Net OPEB obligation, 7-1-15	<hr/> 9,868,922
Net OPEB obligation, 6-30-16	<hr/> <hr/> \$ 10,785,592

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
<hr/>				
6-30-14	Local Education Group	\$ 1,624,708	62	\$ 9,065,250
6-30-15	"	1,681,340	52	9,868,922
6-30-16	"	1,790,514	49	10,785,592

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

	Local Education Group Plan
	<hr/>
Actuarial valuation date	7-1-15
Actuarial accrued liability (AAL)	\$ 17,405,000
Actuarial value of plan assets	\$ 191,790
Unfunded actuarial accrued liability (UAAL)	\$ 17,213,210
Actuarial value of assets as a % of the AAL	1%
Covered payroll (active plan members)	\$ 68,824,517
UAAL as a % of covered payroll	25%

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, 2015, actuarial valuation for the Local Education Group Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of 6.5 percent initially. The trend rate will decrease to six percent in fiscal year 2016, and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2050. 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. Payroll is assumed to grow at a rate of three percent.

### **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 also provides for the creation of a Finance Department operated under the direction of a finance director.

**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.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F-1

Madison County, Tennessee  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on  
Participation in the Public Employee Pension Plan of TCRS  
Primary Government  
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>
<b>Total Pension Liability (Asset)</b>		
Service Cost	\$ 2,503,861	\$ 2,546,359
Interest	8,528,421	9,078,436
Differences Between Actual and Expected Experience	957,864	(2,479,699)
Benefit Payments, Including Refunds of Employee Contributions	(4,443,515)	(4,954,709)
Net Change in Total Pension Liability (Asset)	\$ 7,546,631	\$ 4,190,387
Total Pension Liability (Asset), Beginning	113,430,172	120,976,803
Total Pension Liability (Asset), Ending (a)	\$ 120,976,803	\$ 125,167,190
<b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 4,523,436	\$ 3,938,838
Contributions - Employee	2,017	300
Net Investment Income	17,536,366	3,782,858
Benefit Payments, Including Refunds of Employee Contributions	(4,443,515)	(4,954,709)
Administrative Expense	(43,681)	(47,023)
Net Change in Plan Fiduciary Net Position	\$ 17,574,623	\$ 2,720,264
Plan Fiduciary Net Position, Beginning	105,780,488	123,355,111
Plan Fiduciary Net Position, Ending (b)	\$ 123,355,111	\$ 126,075,375
Net Pension Liability (Asset), Ending (a - b)	\$ (2,378,308)	\$ (908,185)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.97%	100.73%
Covered Employee Payroll	\$ 31,522,191	\$ 28,410,764
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	7.54%	3.20%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit F-2

Madison County, Tennessee  
Schedule of Contributions Based on Participation in the Public  
Employee Pension Plan of TCRS  
Primary Government  
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 4,523,436	\$ 3,938,838	\$ 3,718,184
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(4,523,436)</u>	<u>(3,938,838)</u>	<u>(3,718,184)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 31,522,191	\$ 28,410,764	\$ 26,826,760
Contributions as a Percentage of Covered Employee Payroll	14.35%	13.86%	13.86%

Note: ten years of data will be presented when available.

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit F-3

Madison County, Tennessee  
Schedule of Contributions Based on Participation in the Teacher  
Retirement Plan of TCRS  
Discretely Presented Madison County School Department  
For the Fiscal Year Ended June 30

	<u>2015</u>	<u>2016</u>
Contractually Determined Contribution	\$ 79,547	\$ 162,497
Less Contributions in Relation to the Contractually Determined Contribution	<u>(127,275)</u>	<u>(260,088)</u>
Contribution Deficiency (Excess)	<u>\$ (47,728)</u>	<u>\$ (97,591)</u>
Covered Employee Payroll	\$ 3,181,880	\$ 6,499,898
Contributions as a Percentage of Covered Employee Payroll	4.00%	4.00%

Note: ten years of data will be presented when available.

Exhibit F-4

Madison County, Tennessee  
Schedule of Contributions Based on Participation in the Teacher  
Legacy Pension Plan of TCRS  
Discretely Presented Madison County School Department  
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually Determined Contribution	\$ 4,769,001	\$ 4,387,063	\$ 4,248,470
Less Contributions in Relation to the Contractually Determined Contribution	<u>(4,769,001)</u>	<u>(4,387,063)</u>	<u>(4,248,470)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 53,704,969	\$ 48,529,483	\$ 46,996,350
Contributions as a Percentage of Covered Employee Payroll	8.88%	9.04%	9.04%

Note: ten years of data will be presented when available.

Exhibit F-5

Madison County, Tennessee  
Schedule of Proportionate Share of the Net Pension Asset  
in the Teacher Retirement Plan of TCRS  
Discretely Presented Madison County School Department  
For the Fiscal Year Ended June 30 \*

	<u>2016</u>
School Department's Proportion of the Net Pension Asset	1.531421%
School Department's Proportionate Share of the Net Pension Asset	\$ (61,608)
Covered Employee Payroll	\$ 3,181,880
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	(1.94)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%

\* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit F-6

Madison County, Tennessee  
Schedule of Proportionate Share of the Net Pension Asset  
in the Teacher Legacy Pension Plan of TCRS  
Discretely Presented Madison County School Department  
For the Fiscal Year Ended June 30 \*

	<u>2015</u>	<u>2016</u>
School Department's Proportion of the Net Pension Asset	1.368282%	1.296365%
School Department's Proportionate Share of the Net Pension Asset (Liability)	\$ (222,339)	\$ 531,035
Covered Employee Payroll	\$ 53,704,969	\$ 48,529,483
School Department's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of its Covered Employee Payroll	(.41)%	1.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%

\* The amounts presented were determined as of June 30 of the prior fiscal year.

Note: ten years of data will be presented when available.

Exhibit F-7

Madison County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Madison County School Department  
June 30, 2016

(Dollar amounts in thousands)

Plans	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)
<u>PRIMARY GOVERNMENT</u>							
Self-insurance Group	7-1-11	\$ 0	\$ 5,470	\$ 5,470	0	% \$ 20,217	27 %
"	7-1-13	0	5,546	5,546	0	21,416	26
"	7-1-14	0	5,434	5,434	0	21,232	26
<u>DISCRETELY PRESENTED MADISON COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-11	0	20,431	20,431	0	70,025	29
"	7-1-13	111	15,479	15,368	.72	70,928	22
"	7-1-15	192	17,405	17,213	1	68,825	25

**MADISON COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2016**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for 2016 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	7 Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustments	2.5%

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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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.

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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

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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.

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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.

Exhibit G-1

Madison County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2016

	Special Revenue Funds				
	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose	Drug Control
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	0
Equity in Pooled Cash and Investments	336,546	243,291	3,385,500	738,728	47,852
Accounts Receivable	27,018	53,982	0	0	0
Due from Other Governments	87,243	0	0	591,806	0
Property Taxes Receivable	1,423,658	1,083,647	0	0	0
Allowance for Uncollectible Property Taxes	(41,972)	(31,948)	0	0	0
Total Assets	<u>\$ 1,832,493</u>	<u>\$ 1,348,972</u>	<u>\$ 3,385,500</u>	<u>\$ 1,330,534</u>	<u>\$ 47,852</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 4,323	\$ 41,783	\$ 0	\$ 81,616	\$ 0
Payroll Deductions Payable	13,885	1,016	0	25,554	0
Due to Other Funds	221	0	0	193,054	0
Due to State of Tennessee	0	0	0	19,044	0
Total Liabilities	<u>\$ 18,429</u>	<u>\$ 42,799</u>	<u>\$ 0</u>	<u>\$ 319,268</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 1,348,641	\$ 1,026,546	\$ 0	\$ 0	0
Deferred Delinquent Property Taxes	27,804	21,164	0	0	0
Total Deferred Inflows of Resources	<u>\$ 1,376,445</u>	<u>\$ 1,047,710</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit G-1

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
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 230,088	\$ 0	\$ 0	\$ 173,040	\$ 47,852
Restricted for Public Health and Welfare	0	54,300	0	729,364	0
Restricted for Other Operations	0	0	0	108,862	0
Restricted for Highways/Public Works	0	0	0	0	0
Restricted for Capital Outlay	0	0	0	0	0
Committed:					
Committed for General Government	0	0	3,385,500	0	0
Committed for Finance	0	0	0	0	0
Committed for Public Safety	207,531	0	0	0	0
Committed for Public Health and Welfare	0	204,163	0	0	0
Committed for Capital Outlay	0	0	0	0	0
Total Fund Balances	\$ 437,619	\$ 258,463	\$ 3,385,500	\$ 1,011,266	\$ 47,852
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,832,493	\$ 1,348,972	\$ 3,385,500	\$ 1,330,534	\$ 47,852

(Continued)

Exhibit G-1

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital Projects Funds</u>	
	Constitu- tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
<u>ASSETS</u>				
Cash	\$ 38,527	\$ 38,527	\$ 0	\$ 0
Equity in Pooled Cash and Investments	0	4,751,917	851,105	1,699,947
Accounts Receivable	977	81,977	23,060	0
Due from Other Governments	0	679,049	0	0
Property Taxes Receivable	0	2,507,305	2,529,240	0
Allowance for Uncollectible Property Taxes	0	(73,920)	(74,568)	0
Total Assets	<u>\$ 39,504</u>	<u>\$ 7,984,855</u>	<u>\$ 3,328,837</u>	<u>\$ 1,699,947</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 127,722	\$ 20,625	\$ 0
Payroll Deductions Payable	0	40,455	0	0
Due to Other Funds	39,504	232,779	0	0
Due to State of Tennessee	0	19,044	0	0
Total Liabilities	<u>\$ 39,504</u>	<u>\$ 420,000</u>	<u>\$ 20,625</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 2,375,187	\$ 2,395,966	\$ 0
Deferred Delinquent Property Taxes	0	48,968	54,232	0
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 2,424,155</u>	<u>\$ 2,450,198</u>	<u>\$ 0</u>

(Continued)

Exhibit G-1

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital Projects Funds</u>	
	<u>Constitu- tional Officers - Fees</u>	<u>Total</u>	<u>General Capital Projects</u>	<u>Community Development/ Industrial Park</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 0	\$ 450,980	\$ 0	\$ 0
Restricted for Public Health and Welfare	0	783,664	0	0
Restricted for Other Operations	0	108,862	0	0
Restricted for Highways/Public Works	0	0	0	0
Restricted for Capital Outlay	0	0	246,826	0
Committed:				
Committed for General Government	0	3,385,500	5,393	0
Committed for Finance	0	0	595,470	0
Committed for Public Safety	0	207,531	0	0
Committed for Public Health and Welfare	0	204,163	10,000	0
Committed for Capital Outlay	0	0	325	1,699,947
Total Fund Balances	\$ 0	\$ 5,140,700	\$ 858,014	\$ 1,699,947
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 39,504	\$ 7,984,855	\$ 3,328,837	\$ 1,699,947

(Continued)

Exhibit G-1

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

	<u>Capital Projects Funds (Cont.)</u>		
	<u>Highway Capital Projects</u>	<u>Total</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 38,527
Equity in Pooled Cash and Investments	672,545	3,223,597	7,975,514
Accounts Receivable	0	23,060	105,037
Due from Other Governments	0	0	679,049
Property Taxes Receivable	0	2,529,240	5,036,545
Allowance for Uncollectible Property Taxes	0	(74,568)	(148,488)
Total Assets	<u>\$ 672,545</u>	<u>\$ 5,701,329</u>	<u>\$ 13,686,184</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 20,625	\$ 148,347
Payroll Deductions Payable	0	0	40,455
Due to Other Funds	0	0	232,779
Due to State of Tennessee	0	0	19,044
Total Liabilities	<u>\$ 0</u>	<u>\$ 20,625</u>	<u>\$ 440,625</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$ 2,395,966	\$ 4,771,153
Deferred Delinquent Property Taxes	0	54,232	103,200
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 2,450,198</u>	<u>\$ 4,874,353</u>

(Continued)

Exhibit G-1

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

	<u>Capital Projects Funds (Cont.)</u>		Total Nonmajor Governmental Funds
	Highway Capital Projects	Total	
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Public Safety	\$ 0	\$ 0	\$ 450,980
Restricted for Public Health and Welfare	0	0	783,664
Restricted for Other Operations	0	0	108,862
Restricted for Highways/Public Works	672,545	672,545	672,545
Restricted for Capital Outlay	0	246,826	246,826
Committed:			
Committed for General Government	0	5,393	3,390,893
Committed for Finance	0	595,470	595,470
Committed for Public Safety	0	0	207,531
Committed for Public Health and Welfare	0	10,000	214,163
Committed for Capital Outlay	0	1,700,272	1,700,272
Total Fund Balances	<u>\$ 672,545</u>	<u>\$ 3,230,506</u>	<u>\$ 8,371,206</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 672,545</u>	<u>\$ 5,701,329</u>	<u>\$ 13,686,184</u>

Exhibit G-2

Madison County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2016

	Special Revenue Funds					
	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose	Drug Control	Total
<u>Revenues</u>						
Local Taxes	\$ 1,429,045	\$ 1,091,020	\$ 880	\$ 0	\$ 0	\$ 2,520,945
Fines, Forfeitures, and Penalties	0	0	0	0	33,760	33,760
Charges for Current Services	580	165,542	0	1,158,051	0	1,324,173
Other Local Revenues	1,329	18,680	0	1,257	0	21,266
State of Tennessee	13,500	0	0	3,947,376	0	3,960,876
Federal Government	284,783	0	0	29,112	0	313,895
Other Governments and Citizens Groups	77,904	0	0	190,263	0	268,167
Total Revenues	<u>\$ 1,807,141</u>	<u>\$ 1,275,242</u>	<u>\$ 880</u>	<u>\$ 5,326,059</u>	<u>\$ 33,760</u>	<u>\$ 8,443,082</u>
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	0	0	0	0	0	0
Public Safety	1,641,537	0	0	1,852,426	26,415	3,520,378
Public Health and Welfare	0	1,198,094	0	3,492,175	0	4,690,269
Social, Cultural, and Recreational Services	0	0	0	0	0	0
Agriculture and Natural Resources	0	0	0	0	0	0
Other Operations	0	0	18	192,637	0	192,655
Capital Projects	0	0	0	0	0	0
Total Expenditures	<u>\$ 1,641,537</u>	<u>\$ 1,198,094</u>	<u>\$ 18</u>	<u>\$ 5,537,238</u>	<u>\$ 26,415</u>	<u>\$ 8,403,302</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 165,604</u>	<u>\$ 77,148</u>	<u>\$ 862</u>	<u>\$ (211,179)</u>	<u>\$ 7,345</u>	<u>\$ 39,780</u>

(Continued)

Exhibit G-2

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

	Special Revenue Funds					Total
	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose	Drug Control	
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 8,773	\$ 0	\$ 8,773
Transfers In	0	0	0	0	0	0
Transfers Out	(13,500)	(9,825)	0	0	0	(23,325)
Total Other Financing Sources (Uses)	\$ (13,500)	\$ (9,825)	\$ 0	\$ 8,773	\$ 0	\$ (14,552)
Net Change in Fund Balances	\$ 152,104	\$ 67,323	\$ 862	\$ (202,406)	\$ 7,345	\$ 25,228
Fund Balance, July 1, 2015	285,515	191,140	3,384,638	1,213,672	40,507	5,115,472
Fund Balance, June 30, 2016	\$ 437,619	\$ 258,463	\$ 3,385,500	\$ 1,011,266	\$ 47,852	\$ 5,140,700

(Continued)

Exhibit G-2

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

	Capital Projects Funds				Total Nonmajor Governmental Funds
	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	Total	
<u>Revenues</u>					
Local Taxes	\$ 2,459,805	\$ 0	\$ 0	\$ 2,459,805	\$ 4,980,750
Fines, Forfeitures, and Penalties	0	0	0	0	33,760
Charges for Current Services	0	0	0	0	1,324,173
Other Local Revenues	24,378	26,604	0	50,982	72,248
State of Tennessee	0	0	0	0	3,960,876
Federal Government	0	0	0	0	313,895
Other Governments and Citizens Groups	2,187	0	0	2,187	270,354
<b>Total Revenues</b>	<b>\$ 2,486,370</b>	<b>\$ 26,604</b>	<b>\$ 0</b>	<b>\$ 2,512,974</b>	<b>\$ 10,956,056</b>
<u>Expenditures</u>					
Current:					
General Government	\$ 9,000	\$ 0	\$ 0	\$ 9,000	\$ 9,000
Finance	540,213	0	0	540,213	540,213
Public Safety	1,224,548	0	0	1,224,548	4,744,926
Public Health and Welfare	25,345	0	0	25,345	4,715,614
Social, Cultural, and Recreational Services	103,891	0	0	103,891	103,891
Agriculture and Natural Resources	11,663	0	0	11,663	11,663
Other Operations	136,085	75,266	0	211,351	404,006
Capital Projects	100,404	0	0	100,404	100,404
<b>Total Expenditures</b>	<b>\$ 2,151,149</b>	<b>\$ 75,266</b>	<b>\$ 0</b>	<b>\$ 2,226,415</b>	<b>\$ 10,629,717</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 335,221	\$ (48,662)	\$ 0	\$ 286,559	\$ 326,339

(Continued)

Exhibit G-2

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

	Capital Projects Funds				Total Nonmajor Governmental Funds
	General Capital Projects	Community Development/ Industrial Park	Highway Capital Projects	Total	
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 186,170	\$ 0	\$ 0	\$ 186,170	\$ 194,943
Transfers In	100,000	0	0	100,000	100,000
Transfers Out	0	0	0	0	(23,325)
Total Other Financing Sources (Uses)	<u>\$ 286,170</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 286,170</u>	<u>\$ 271,618</u>
Net Change in Fund Balances	\$ 621,391	\$ (48,662)	\$ 0	\$ 572,729	\$ 597,957
Fund Balance, July 1, 2015	236,623	1,748,609	672,545	2,657,777	7,773,249
Fund Balance, June 30, 2016	<u>\$ 858,014</u>	<u>\$ 1,699,947</u>	<u>\$ 672,545</u>	<u>\$ 3,230,506</u>	<u>\$ 8,371,206</u>

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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,429,045	\$ 0	\$ 0	\$ 1,429,045	\$ 1,376,978	\$ 1,376,978	\$ 52,067
Charges for Current Services	580	0	0	580	0	0	580
Other Local Revenues	1,329	0	0	1,329	300	300	1,029
State of Tennessee	13,500	0	0	13,500	9,000	9,000	4,500
Federal Government	284,783	0	0	284,783	201,874	321,187	(36,404)
Other Governments and Citizens Groups	77,904	0	0	77,904	127,682	127,682	(49,778)
Total Revenues	\$ 1,807,141	\$ 0	\$ 0	\$ 1,807,141	\$ 1,715,834	\$ 1,835,147	\$ (28,006)
<u>Expenditures</u>							
<u>Public Safety</u>							
Juvenile Services	\$ 1,641,537	\$ (7,383)	\$ 1,900	\$ 1,636,054	\$ 1,684,237	\$ 1,803,550	\$ 167,496
Total Expenditures	\$ 1,641,537	\$ (7,383)	\$ 1,900	\$ 1,636,054	\$ 1,684,237	\$ 1,803,550	\$ 167,496
Excess (Deficiency) of Revenues Over Expenditures	\$ 165,604	\$ 7,383	\$ (1,900)	\$ 171,087	\$ 31,597	\$ 31,597	\$ 139,490
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (13,500)	\$ 0	\$ 0	\$ (13,500)	\$ 0	\$ (13,500)	\$ 0
Total Other Financing Sources	\$ (13,500)	\$ 0	\$ 0	\$ (13,500)	\$ 0	\$ (13,500)	\$ 0
Net Change in Fund Balance	\$ 152,104	\$ 7,383	\$ (1,900)	\$ 157,587	\$ 31,597	\$ 18,097	\$ 139,490
Fund Balance, July 1, 2015	285,515	(7,383)	0	278,132	184,802	278,132	0
Fund Balance, June 30, 2016	\$ 437,619	\$ 0	\$ (1,900)	\$ 435,719	\$ 216,399	\$ 296,229	\$ 139,490

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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,091,020	\$ 0	\$ 0	\$ 1,091,020	\$ 1,056,536	\$ 1,070,536	\$ 20,484
Charges for Current Services	165,542	0	0	165,542	129,332	134,332	31,210
Other Local Revenues	18,680	0	0	18,680	15,214	16,837	1,843
Total Revenues	\$ 1,275,242	\$ 0	\$ 0	\$ 1,275,242	\$ 1,201,082	\$ 1,221,705	\$ 53,537
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Convenience Centers	\$ 662,486	\$ (11,840)	\$ 9,985	\$ 660,631	\$ 718,779	\$ 720,402	\$ 59,771
Landfill Operation and Maintenance	535,608	0	15,359	550,967	503,986	563,986	13,019
Total Expenditures	\$ 1,198,094	\$ (11,840)	\$ 25,344	\$ 1,211,598	\$ 1,222,765	\$ 1,284,388	\$ 72,790
Excess (Deficiency) of Revenues Over Expenditures	\$ 77,148	\$ 11,840	\$ (25,344)	\$ 63,644	\$ (21,683)	\$ (62,683)	\$ 126,327
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (9,825)	\$ 0	\$ 0	\$ (9,825)	\$ 0	\$ (9,825)	\$ 0
Total Other Financing Sources	\$ (9,825)	\$ 0	\$ 0	\$ (9,825)	\$ 0	\$ (9,825)	\$ 0
Net Change in Fund Balance	\$ 67,323	\$ 11,840	\$ (25,344)	\$ 53,819	\$ (21,683)	\$ (72,508)	\$ 126,327
Fund Balance, July 1, 2015	191,140	(11,840)	0	179,300	243,023	179,300	0
Fund Balance, June 30, 2016	\$ 258,463	\$ 0	\$ (25,344)	\$ 233,119	\$ 221,340	\$ 106,792	\$ 126,327

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 880	\$ 0	\$ 0	\$ 880
Total Revenues	\$ 880	\$ 0	\$ 0	\$ 880
<u>Expenditures</u>				
<u>Other Operations</u>				
Miscellaneous	\$ 18	\$ 200	\$ 200	\$ 182
Total Expenditures	\$ 18	\$ 200	\$ 200	\$ 182
Excess (Deficiency) of Revenues Over Expenditures	\$ 862	\$ (200)	\$ (200)	\$ 1,062
Net Change in Fund Balance	\$ 862	\$ (200)	\$ (200)	\$ 1,062
Fund Balance, July 1, 2015	3,384,638	3,324,467	3,384,638	0
Fund Balance, June 30, 2016	\$ 3,385,500	\$ 3,324,267	\$ 3,384,438	\$ 1,062

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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,158,051	\$ 0	\$ 0	\$ 1,158,051	\$ 1,035,776	\$ 916,900	\$ 241,151
Other Local Revenues	1,257	0	0	1,257	0	0	1,257
State of Tennessee	3,947,376	0	0	3,947,376	4,368,030	4,539,230	(591,854)
Federal Government	29,112	0	0	29,112	163,859	210,539	(181,427)
Other Governments and Citizens Groups	190,263	0	0	190,263	182,080	182,080	8,183
Total Revenues	\$ 5,326,059	\$ 0	\$ 0	\$ 5,326,059	\$ 5,749,745	\$ 5,848,749	\$ (522,690)
<u>Expenditures</u>							
<u>Public Safety</u>							
Correctional Incentive Program Improvements	\$ 511,691	\$ 0	\$ 0	\$ 511,691	\$ 519,481	\$ 571,454	\$ 59,763
Work Release Program	758,071	(109)	0	757,962	899,559	899,559	141,597
Other Emergency Management	517,150	(389,621)	85,627	213,156	163,859	210,539	(2,617)
Public Safety Grants Program	65,514	0	0	65,514	70,000	70,000	4,486
<u>Public Health and Welfare</u>							
Maternal and Child Health Services	3,438,008	(124,409)	62,822	3,376,421	3,859,566	3,896,272	519,851
Sanitation Education/Information	54,167	(538)	90	53,719	55,200	55,200	1,481
<u>Other Operations</u>							
Miscellaneous	192,637	0	0	192,637	188,080	188,080	(4,557)
Total Expenditures	\$ 5,537,238	\$ (514,677)	\$ 148,539	\$ 5,171,100	\$ 5,755,745	\$ 5,891,104	\$ 720,004
Excess (Deficiency) of Revenues Over Expenditures	\$ (211,179)	\$ 514,677	\$ (148,539)	\$ 154,959	\$ (6,000)	\$ (42,355)	\$ 197,314
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 8,773	\$ 0	\$ 0	\$ 8,773	\$ 0	\$ 8,773	\$ 0
Total Other Financing Sources	\$ 8,773	\$ 0	\$ 0	\$ 8,773	\$ 0	\$ 8,773	\$ 0
Net Change in Fund Balance	\$ (202,406)	\$ 514,677	\$ (148,539)	\$ 163,732	\$ (6,000)	\$ (33,582)	\$ 197,314
Fund Balance, July 1, 2015	1,213,672	(514,677)	0	698,995	383,873	698,995	0
Fund Balance, June 30, 2016	\$ 1,011,266	\$ 0	\$ (148,539)	\$ 862,727	\$ 377,873	\$ 665,413	\$ 197,314

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 33,760	\$ 10,000	\$ 10,000	\$ 23,760
Total Revenues	\$ 33,760	\$ 10,000	\$ 10,000	\$ 23,760
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 26,415	\$ 7,050	\$ 29,250	\$ 2,835
Total Expenditures	\$ 26,415	\$ 7,050	\$ 29,250	\$ 2,835
Excess (Deficiency) of Revenues Over Expenditures	\$ 7,345	\$ 2,950	\$ (19,250)	\$ 26,595
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 0	\$ 61,665	\$ (61,665)
Total Other Financing Sources	\$ 0	\$ 0	\$ 61,665	\$ (61,665)
Net Change in Fund Balance	\$ 7,345	\$ 2,950	\$ 42,415	\$ (35,070)
Fund Balance, July 1, 2015	40,507	42,398	40,507	0
Fund Balance, June 30, 2016	\$ 47,852	\$ 45,348	\$ 82,922	\$ (35,070)

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, 2016

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 2,459,805	\$ 0	\$ 2,459,805	\$ 2,417,490	\$ 2,418,490	\$ 41,315
Other Local Revenues	24,378	0	24,378	0	24,378	0
Other Governments and Citizens Groups	2,187	0	2,187	0	9,453	(7,266)
<b>Total Revenues</b>	<b>\$ 2,486,370</b>	<b>\$ 0</b>	<b>\$ 2,486,370</b>	<b>\$ 2,417,490</b>	<b>\$ 2,452,321</b>	<b>\$ 34,049</b>
<u>Expenditures</u>						
<u>General Government</u>						
County Buildings	\$ 9,000	\$ 5,393	\$ 14,393	\$ 9,000	\$ 9,000	\$ (5,393)
<u>Finance</u>						
Accounting and Budgeting	512,669	595,470	1,108,139	1,100,000	1,100,000	(8,139)
Data Processing	27,544	0	27,544	28,000	28,000	456
<u>Administration of Justice</u>						
Circuit Court	0	0	0	6,000	6,000	6,000
<u>Public Safety</u>						
Sheriff's Department	299,190	0	299,190	231,658	286,489	(12,701)
Juvenile Services	17,100	0	17,100	22,500	22,500	5,400
Fire Prevention and Control	861,333	0	861,333	710,000	865,717	4,384
Civil Defense	46,925	0	46,925	38,000	47,454	529
<u>Public Health and Welfare</u>						
Local Health Center	10,000	0	10,000	10,000	10,000	0
Rabies and Animal Control	8,845	10,000	18,845	10,000	18,845	0
Sanitation Education/Information	6,500	0	6,500	0	6,500	0
Convenience Centers	0	0	0	0	55,475	55,475
<u>Social, Cultural, and Recreational Services</u>						
Libraries	33,267	0	33,267	33,267	33,267	0
Parks and Fair Boards	70,624	0	70,624	75,500	75,500	4,876

(Continued)

Exhibit G-8

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	\$ 11,663	\$ 0	\$ 11,663	\$ 26,500	\$ 26,500	\$ 14,837
<u>Other Operations</u>						
Airport	38,125	0	38,125	38,125	38,125	0
Contributions to Other Agencies	50,000	0	50,000	50,000	50,000	0
Miscellaneous	47,960	0	47,960	48,000	49,000	1,040
<u>Capital Projects</u>						
Administration of Justice Projects	100,404	0	100,404	0	100,000	(404)
Total Expenditures	<u>\$ 2,151,149</u>	<u>\$ 610,863</u>	<u>\$ 2,762,012</u>	<u>\$ 2,436,550</u>	<u>\$ 2,828,372</u>	<u>\$ 66,360</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 335,221</u>	<u>\$ (610,863)</u>	<u>\$ (275,642)</u>	<u>\$ (19,060)</u>	<u>\$ (376,051)</u>	<u>\$ 100,409</u>
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 186,170	\$ 0	\$ 186,170	\$ 0	\$ 186,170	\$ 0
Transfers In	100,000	0	100,000	0	100,000	0
Total Other Financing Sources	<u>\$ 286,170</u>	<u>\$ 0</u>	<u>\$ 286,170</u>	<u>\$ 0</u>	<u>\$ 286,170</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 621,391	\$ (610,863)	\$ 10,528	\$ (19,060)	\$ (89,881)	\$ 100,409
Fund Balance, July 1, 2015	<u>236,623</u>	<u>0</u>	<u>236,623</u>	<u>187,922</u>	<u>236,623</u>	<u>0</u>
Fund Balance, June 30, 2016	<u>\$ 858,014</u>	<u>\$ (610,863)</u>	<u>\$ 247,151</u>	<u>\$ 168,862</u>	<u>\$ 146,742</u>	<u>\$ 100,409</u>

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 26,604	\$ 20,604	\$ 20,604	\$ 6,000
Total Revenues	\$ 26,604	\$ 20,604	\$ 20,604	\$ 6,000
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 75,266	\$ 87,900	\$ 117,900	\$ 42,634
Total Expenditures	\$ 75,266	\$ 87,900	\$ 117,900	\$ 42,634
Excess (Deficiency) of Revenues Over Expenditures	\$ (48,662)	\$ (67,296)	\$ (97,296)	\$ 48,634
Net Change in Fund Balance	\$ (48,662)	\$ (67,296)	\$ (97,296)	\$ 48,634
Fund Balance, July 1, 2015	1,748,609	1,748,609	1,748,609	0
Fund Balance, June 30, 2016	\$ 1,699,947	\$ 1,681,313	\$ 1,651,313	\$ 48,634

# **Major Governmental Fund**

## **General Debt Service Fund**

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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.

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Exhibit H

Madison County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 7,559,732	\$ 7,402,272	\$ 7,412,272	\$ 147,460
Other Local Revenues	189,405	428,788	304,894	(115,489)
Federal Government	124,440	0	123,894	546
Other Governments and Citizens Groups	872,964	0	872,964	0
Total Revenues	<u>\$ 8,746,541</u>	<u>\$ 7,831,060</u>	<u>\$ 8,714,024</u>	<u>\$ 32,517</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 4,770,000	\$ 6,285,898	\$ 4,770,000	\$ 0
<u>Interest on Debt</u>				
General Government	1,381,397	0	1,381,398	1
<u>Other Debt Service</u>				
General Government	142,512	0	144,500	1,988
Total Expenditures	<u>\$ 6,293,909</u>	<u>\$ 6,285,898</u>	<u>\$ 6,295,898</u>	<u>\$ 1,989</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,452,632</u>	<u>\$ 1,545,162</u>	<u>\$ 2,418,126</u>	<u>\$ 34,506</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 225,000	\$ 872,964	\$ 0	\$ 225,000
Transfers Out	(100,000)	0	(100,000)	0
Total Other Financing Sources	<u>\$ 125,000</u>	<u>\$ 872,964</u>	<u>\$ (100,000)</u>	<u>\$ 225,000</u>
Net Change in Fund Balance	\$ 2,577,632	\$ 2,418,126	\$ 2,318,126	\$ 259,506
Fund Balance, July 1, 2015	<u>5,937,916</u>	<u>5,856,294</u>	<u>5,937,916</u>	<u>0</u>
Fund Balance, June 30, 2016	<u>\$ 8,515,548</u>	<u>\$ 8,274,420</u>	<u>\$ 8,256,042</u>	<u>\$ 259,506</u>

# Fiduciary Funds

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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.

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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, 2016

	Agency Funds							
	Cities - Sales Tax	Cities - Property Tax	Watershed District	Joint Venture	Constitu- tional Officers - Agency	Other Agency	District Attorney General	Total
<u>ASSETS</u>								
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,901,382	\$ 0	\$ 0	\$ 4,901,382
Equity in Pooled Cash and Investments	66,024	2,428	55,973	33,012	0	0	24,700	182,137
Accounts Receivable	67,445	0	0	33,723	0	0	0	101,168
Due from Other Governments	2,281,983	20,081	0	0	0	2,130	233	2,304,427
Cash Shortage	0	0	0	0	653	0	0	653
Total Assets	<u>\$ 2,415,452</u>	<u>\$ 22,509</u>	<u>\$ 55,973</u>	<u>\$ 66,735</u>	<u>\$ 4,902,035</u>	<u>\$ 2,130</u>	<u>\$ 24,933</u>	<u>\$ 7,489,767</u>
<u>LIABILITIES</u>								
Due to Other Taxing Units	\$ 2,415,452	\$ 22,509	\$ 0	\$ 0	\$ 0	\$ 2,130	\$ 0	\$ 2,440,091
Due to Litigants, Heirs, and Others	0	0	0	0	4,902,035	0	24,933	4,926,968
Other Current Liabilities	0	0	55,973	66,735	0	0	0	122,708
Total Liabilities	<u>\$ 2,415,452</u>	<u>\$ 22,509</u>	<u>\$ 55,973</u>	<u>\$ 66,735</u>	<u>\$ 4,902,035</u>	<u>\$ 2,130</u>	<u>\$ 24,933</u>	<u>\$ 7,489,767</u>

Exhibit I-2

Madison County, Tennessee  
Combining Statement of Changes in Assets and Liabilities - All Agency Funds  
For the Year Ended June 30, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 60,441	\$ 14,898,322	\$ 14,892,739	\$ 66,024
Accounts Receivable	65,716	67,445	65,716	67,445
Due from Other Governments	2,137,079	2,281,983	2,137,079	2,281,983
Total Assets	\$ 2,263,236	\$ 17,247,750	\$ 17,095,534	\$ 2,415,452
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,263,236	\$ 17,247,750	\$ 17,095,534	\$ 2,415,452
Total Liabilities	\$ 2,263,236	\$ 17,247,750	\$ 17,095,534	\$ 2,415,452
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 4,406	\$ 378,823	\$ 380,801	\$ 2,428
Due from Other Governments	13,702	20,081	13,702	20,081
Total Assets	\$ 18,108	\$ 398,904	\$ 394,503	\$ 22,509
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 18,108	\$ 398,904	\$ 394,503	\$ 22,509
Total Liabilities	\$ 18,108	\$ 398,904	\$ 394,503	\$ 22,509
<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	\$ 30,220	\$ 214,526	\$ 211,734	\$ 33,012
Accounts Receivable	32,858	33,723	32,858	33,723
Total Assets	\$ 63,078	\$ 248,249	\$ 244,592	\$ 66,735
<u>Liabilities</u>				
Other Current Liabilities	\$ 63,078	\$ 248,249	\$ 244,592	\$ 66,735
Total Liabilities	\$ 63,078	\$ 248,249	\$ 244,592	\$ 66,735

(Continued)

## Exhibit I-2

Madison County, TennesseeCombining 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	\$ 4,648,246	\$ 22,012,113	\$ 21,758,977	\$ 4,901,382
Cash Shortage	5,055	0	4,402	653
Total Assets	\$ 4,653,301	\$ 22,012,113	\$ 21,763,379	\$ 4,902,035
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 4,653,301	\$ 22,012,113	\$ 21,763,379	\$ 4,902,035
Total Liabilities	\$ 4,653,301	\$ 22,012,113	\$ 21,763,379	\$ 4,902,035
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 16,520	\$ 16,520	\$ 0
Due from Other Governments	1,852	2,130	1,852	2,130
Total Assets	\$ 1,852	\$ 18,650	\$ 18,372	\$ 2,130
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 1,852	\$ 18,650	\$ 18,372	\$ 2,130
Total Liabilities	\$ 1,852	\$ 18,650	\$ 18,372	\$ 2,130
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 26,015	\$ 19,599	\$ 20,914	\$ 24,700
Due from Other Governments	59	233	59	233
Total Assets	\$ 26,074	\$ 19,832	\$ 20,973	\$ 24,933
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 26,074	\$ 19,832	\$ 20,973	\$ 24,933
Total Liabilities	\$ 26,074	\$ 19,832	\$ 20,973	\$ 24,933
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 4,648,246	\$ 22,012,113	\$ 21,758,977	\$ 4,901,382
Equity in Pooled Cash and Investments	177,055	15,527,790	15,522,708	182,137
Accounts Receivable	98,574	101,168	98,574	101,168
Due from Other Governments	2,152,692	2,304,427	2,152,692	2,304,427
Cash Shortage	5,055	0	4,402	653
Total Assets	\$ 7,081,622	\$ 39,945,498	\$ 39,537,353	\$ 7,489,767
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,283,196	\$ 17,665,304	\$ 17,508,409	\$ 2,440,091
Due to Litigants, Heirs, and Others	4,679,375	22,031,945	21,784,352	4,926,968
Other Current Liabilities	119,051	248,249	244,592	122,708
Total Liabilities	\$ 7,081,622	\$ 39,945,498	\$ 39,537,353	\$ 7,489,767

# Madison County School Department

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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.

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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, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 66,625,245	\$ 405,941	\$ 4,435,983	\$ (61,783,321)
Support Services	36,445,417	2,533	2,036,059	(34,406,825)
Operation of Non-instructional Services	10,906,840	320,016	10,338,665	(248,159)
Total Governmental Activities	<u>\$ 113,977,502</u>	<u>\$ 728,490</u>	<u>\$ 16,810,707</u>	<u>\$ (96,438,305)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 10,266,877
Local Option Sales Taxes				39,270,616
Mixed Drink Tax				288,807
Other Local Taxes				7,666
Grants and Contributions Not Restricted to Specific Programs				52,747,965
Miscellaneous				136,468
Total General Revenues				<u>\$ 102,718,399</u>
Change in Net Position				\$ 6,280,094
Net Position, July 1, 2015				<u>65,573,958</u>
Net Position, June 30, 2016				<u>\$ 71,854,052</u>

Exhibit J-2

Madison County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Madison County School Department  
June 30, 2016

	Major Funds			Nonmajor	Total
	General Purpose School	Central Cafeteria	Education Capital Projects	Fund School Federal Projects	
<u>ASSETS</u>					
Cash	\$ 213,256	\$ 0	\$ 0	\$ 0	\$ 213,256
Equity in Pooled Cash and Investments	11,816,788	3,658,177	3,779,597	329,390	19,583,952
Accounts Receivable	168,598	0	55,867	759,537	984,002
Due from Other Governments	6,449,269	0	0	0	6,449,269
Due from Other Funds	2,430	0	0	0	2,430
Property Taxes Receivable	4,464,078	0	3,065,402	0	7,529,480
Allowance for Uncollectible Property Taxes	(174,940)	0	(88,343)	0	(263,283)
Total Assets	<u>\$ 22,939,479</u>	<u>\$ 3,658,177</u>	<u>\$ 6,812,523</u>	<u>\$ 1,088,927</u>	<u>\$ 34,499,106</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 56,600	\$ 0	\$ 166,260	\$ 0	\$ 222,860
Payroll Deductions Payable	4,028,790	153,561	0	290,459	4,472,810
Due to Other Funds	0	779	0	1,651	2,430
Total Liabilities	<u>\$ 4,085,390</u>	<u>\$ 154,340</u>	<u>\$ 166,260</u>	<u>\$ 292,110</u>	<u>\$ 4,698,100</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 4,114,496	\$ 0	\$ 2,909,239	\$ 0	\$ 7,023,735
Deferred Delinquent Property Taxes	141,839	0	56,829	0	198,668
Other Deferred/Unavailable Revenue	3,186,646	0	0	0	3,186,646
Total Deferred Inflows of Resources	<u>\$ 7,442,981</u>	<u>\$ 0</u>	<u>\$ 2,966,068</u>	<u>\$ 0</u>	<u>\$ 10,409,049</u>

(Continued)

Exhibit J-2

Madison County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Madison County School Department (Cont.)

	Major Funds			Nonmajor	Total
	General Purpose School	Central Cafeteria	Education Capital Projects	Fund School Federal Projects	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 45,152	\$ 0	\$ 0	\$ 46,817	\$ 91,969
Restricted for Operation of Non-instructional Services	0	3,503,837	0	0	3,503,837
Restricted for Capital Outlay	0	0	2,596,649	0	2,596,649
Committed:					
Committed for Education	2,875,632	0	0	0	2,875,632
Committed for Capital Outlay	0	0	1,083,546	0	1,083,546
Assigned:					
Assigned for Education	331,066	0	0	750,000	1,081,066
Unassigned	8,159,258	0	0	0	8,159,258
Total Fund Balances	<u>\$ 11,411,108</u>	<u>\$ 3,503,837</u>	<u>\$ 3,680,195</u>	<u>\$ 796,817</u>	<u>\$ 19,391,957</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 22,939,479</u>	<u>\$ 3,658,177</u>	<u>\$ 6,812,523</u>	<u>\$ 1,088,927</u>	<u>\$ 34,499,106</u>

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, 2016

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)		\$ 19,391,957
(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: construction in progress	311,640	
Add: buildings and improvements net of accumulated depreciation	59,853,892	
Add: infrastructure net of accumulated depreciation	368,970	
Add: other capital assets net of accumulated depreciation	<u>5,433,683</u>	68,059,747
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: net pension liability - teacher legacy pension plan	\$ (531,035)	
Less: other postemployment benefits liability	(10,785,592)	
Less: compensated absences payable	<u>(318,565)</u>	(11,635,192)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 17,697,164	
Less: deferred inflows of resources related to pensions	<u>(25,447,751)</u>	(7,750,587)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 341,205	
Add: net pension asset - teacher retirement plan	<u>61,608</u>	402,813
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,385,314</u>
Net position of governmental activities (Exhibit A)		<u>\$ 71,854,052</u>

Exhibit J-4

Madison County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Madison County School Department  
For the Year Ended June 30, 2016

	Major Funds			Nonmajor	Total
	General Purpose School	Central Cafeteria	Education Capital Projects	Fund School Federal Projects	
<u>Revenues</u>					
Local Taxes	\$ 47,482,071	\$ 0	\$ 2,934,464	\$ 0	\$ 50,416,535
Licenses and Permits	11,023	0	0	0	11,023
Charges for Current Services	407,803	318,176	0	0	725,979
Other Local Revenues	457,011	12,916	0	0	469,927
State of Tennessee	49,632,430	80,248	0	0	49,712,678
Federal Government	249,571	8,845,465	0	9,744,494	18,839,530
Other Governments and Citizens Groups	49,000	0	0	0	49,000
<b>Total Revenues</b>	<b>\$ 98,288,909</b>	<b>\$ 9,256,805</b>	<b>\$ 2,934,464</b>	<b>\$ 9,744,494</b>	<b>\$ 120,224,672</b>
<u>Expenditures</u>					
Current:					
Instruction	\$ 58,682,106	\$ 0	\$ 0	\$ 6,047,694	\$ 64,729,800
Support Services	34,821,693	0	0	3,597,756	38,419,449
Operation of Non-Instructional Services	2,015,372	8,911,350	0	73,713	11,000,435
Debt Service:					
Other Debt Service	872,964	0	0	0	872,964
Capital Projects	0	0	2,151,424	0	2,151,424
<b>Total Expenditures</b>	<b>\$ 96,392,135</b>	<b>\$ 8,911,350</b>	<b>\$ 2,151,424</b>	<b>\$ 9,719,163</b>	<b>\$ 117,174,072</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,896,774	\$ 345,455	\$ 783,040	\$ 25,331	\$ 3,050,600
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 8,013	\$ 4,208	\$ 82,230	\$ 0	\$ 94,451
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 8,013</b>	<b>\$ 4,208</b>	<b>\$ 82,230</b>	<b>\$ 0</b>	<b>\$ 94,451</b>
Net Change in Fund Balances	\$ 1,904,787	\$ 349,663	\$ 865,270	\$ 25,331	\$ 3,145,051
Fund Balance, July 1, 2015	9,506,321	3,154,174	2,814,925	771,486	16,246,906
<b>Fund Balance, June 30, 2016</b>	<b>\$ 11,411,108</b>	<b>\$ 3,503,837</b>	<b>\$ 3,680,195</b>	<b>\$ 796,817</b>	<b>\$ 19,391,957</b>

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, 2016

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)		\$	3,145,051
(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		\$	766,324
Less: current-year depreciation expense			<u>(3,637,103)</u>
			(2,870,779)
(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, 2016		\$	3,385,314
Less: deferred delinquent property taxes and other deferred June 30, 2015			<u>(3,352,390)</u>
			32,924
(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		\$	(916,670)
Change in compensated absences payable			(11,525)
Change in net pension asset - agent plan			(1,053,197)
Change in net pension asset - teacher retirement plan			61,608
Change in net pension liability - teacher legacy pension plan			(753,374)
Change in deferred outflows related to pensions			10,711,770
Change in deferred inflows related to pensions			<u>(2,065,714)</u>
			<u>5,972,898</u>
Change in net position of governmental activities (Exhibit B)		\$	<u>6,280,094</u>

Exhibit J-6

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, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 47,482,071	\$ 0	\$ 0	\$ 47,482,071	\$ 46,976,297	\$ 46,976,297	\$ 505,774
Licenses and Permits	11,023	0	0	11,023	9,443	9,443	1,580
Charges for Current Services	407,803	0	0	407,803	388,500	388,500	19,303
Other Local Revenues	457,011	0	0	457,011	227,750	300,066	156,945
State of Tennessee	49,632,430	0	0	49,632,430	47,899,977	49,750,245	(117,815)
Federal Government	249,571	0	0	249,571	120,000	247,000	2,571
Other Governments and Citizens Groups	49,000	0	0	49,000	0	10,000	39,000
<b>Total Revenues</b>	<b>\$ 98,288,909</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 98,288,909</b>	<b>\$ 95,621,967</b>	<b>\$ 97,681,551</b>	<b>\$ 607,358</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 46,297,443	\$ (4,731)	\$ 4,098	\$ 46,296,810	\$ 46,987,881	\$ 47,903,549	\$ 1,606,739
Special Education Program	9,412,557	(194)	600	9,412,963	9,740,709	9,742,454	329,491
Vocational Education Program	2,971,966	(2,404)	0	2,969,562	3,254,600	3,165,600	196,038
Other	140	(140)	0	0	0	0	0
<u>Support Services</u>							
Attendance	196,307	0	0	196,307	201,850	222,450	26,143
Health Services	622,576	0	0	622,576	661,150	661,150	38,574
Other Student Support	3,662,037	0	59,364	3,721,401	3,822,500	3,836,200	114,799
Regular Instruction Program	3,260,717	0	1,287	3,262,004	3,301,600	3,458,512	196,508
Special Education Program	500,681	0	0	500,681	629,341	620,596	119,915
Vocational Education Program	88,148	0	0	88,148	86,935	95,635	7,487
Other Programs	763,062	0	0	763,062	0	763,062	0
Board of Education	2,099,164	0	0	2,099,164	2,227,925	2,210,825	111,661
Director of Schools	899,214	(1,855)	2,175	899,534	969,250	962,050	62,516
Office of the Principal	6,789,105	0	0	6,789,105	6,627,200	6,907,081	117,976
Fiscal Services	717,403	(113)	0	717,290	711,410	729,210	11,920
Human Services/Personnel	501,735	(180)	934	502,489	531,950	556,950	54,461
Operation of Plant	6,067,375	(34,328)	206,832	6,239,879	6,751,200	6,701,200	461,321

(Continued)

Exhibit J-6

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 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 2,842,708	\$ (127,942)	\$ 18,535	\$ 2,733,301	\$ 3,347,600	\$ 3,431,408	\$ 698,107
Transportation	5,020,673	(32,611)	2,677	4,990,739	5,659,250	5,775,623	784,884
Central and Other	790,788	(3,805)	34,564	821,547	908,100	991,300	169,753
<u>Operation of Non-instructional Services</u>							
Food Service	1,166	0	0	1,166	1,168	1,168	2
Community Services	529,464	0	0	529,464	607,400	615,950	86,486
Early Childhood Education	1,484,742	(29)	0	1,484,713	1,494,478	1,509,878	25,165
<u>Other Debt Service</u>							
Education	872,964	0	0	872,964	872,964	872,964	0
Total Expenditures	\$ 96,392,135	\$ (208,332)	\$ 331,066	\$ 96,514,869	\$ 99,396,461	\$ 101,734,815	\$ 5,219,946
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 1,896,774	\$ 208,332	\$ (331,066)	\$ 1,774,040	\$ (3,774,494)	\$ (4,053,264)	\$ 5,827,304
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 8,013	\$ 0	\$ 0	\$ 8,013	\$ 0	\$ 7,225	\$ 788
Total Other Financing Sources	\$ 8,013	\$ 0	\$ 0	\$ 8,013	\$ 0	\$ 7,225	\$ 788
Net Change in Fund Balance	\$ 1,904,787	\$ 208,332	\$ (331,066)	\$ 1,782,053	\$ (3,774,494)	\$ (4,046,039)	\$ 5,828,092
Fund Balance, July 1, 2015	9,506,321	(208,332)	0	9,297,989	8,556,462	9,297,989	0
Fund Balance, June 30, 2016	\$ 11,411,108	\$ 0	\$ (331,066)	\$ 11,080,042	\$ 4,781,968	\$ 5,251,950	\$ 5,828,092

Exhibit J-7

Madison County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Madison County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 9,744,494	\$ 0	\$ 0	\$ 9,744,494	\$ 8,893,155	\$ 11,424,076	\$ (1,679,582)
Total Revenues	\$ 9,744,494	\$ 0	\$ 0	\$ 9,744,494	\$ 8,893,155	\$ 11,424,076	\$ (1,679,582)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 3,071,730	\$ 0	\$ 24,670	\$ 3,096,400	\$ 1,312,421	\$ 3,255,908	\$ 159,508
Special Education Program	2,615,626	(2,340)	0	2,613,286	2,626,681	3,036,102	422,816
Vocational Education Program	360,338	0	0	360,338	192,505	361,969	1,631
<u>Support Services</u>							
Health Services	221,071	0	0	221,071	239,143	237,543	16,472
Other Student Support	204,369	0	0	204,369	119,378	592,831	388,462
Regular Instruction Program	2,463,282	0	0	2,463,282	3,593,063	3,025,420	562,138
Special Education Program	647,061	0	0	647,061	649,598	734,138	87,077
Vocational Education Program	2,441	0	0	2,441	6,000	3,000	559
Transportation	59,532	0	0	59,532	81,366	100,954	41,422
<u>Operation of Non-instructional Services</u>							
Community Services	73,713	0	0	73,713	73,000	78,000	4,287
Total Expenditures	\$ 9,719,163	\$ (2,340)	\$ 24,670	\$ 9,741,493	\$ 8,893,155	\$ 11,425,865	\$ 1,684,372
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 25,331	\$ 2,340	\$ (24,670)	\$ 3,001	\$ 0	\$ (1,789)	\$ 4,790
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2015	\$ 771,486	(2,340)	0	769,146	350,000	769,146	0
Fund Balance, June 30, 2016	\$ 796,817	\$ 0	\$ (24,670)	\$ 772,147	\$ 350,000	\$ 767,357	\$ 4,790

Exhibit J-8

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, 2016

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 318,176	\$ 416,000	\$ 416,000	\$ (97,824)
Other Local Revenues	12,916	10,000	14,236	(1,320)
State of Tennessee	80,248	80,000	80,000	248
Federal Government	8,845,465	9,359,920	9,640,325	(794,860)
Total Revenues	<u>\$ 9,256,805</u>	<u>\$ 9,865,920</u>	<u>\$ 10,150,561</u>	<u>\$ (893,756)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 8,911,350	\$ 9,865,920	\$ 10,150,535	\$ 1,239,185
Total Expenditures	<u>\$ 8,911,350</u>	<u>\$ 9,865,920</u>	<u>\$ 10,150,535</u>	<u>\$ 1,239,185</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 345,455</u>	<u>\$ 0</u>	<u>\$ 26</u>	<u>\$ 345,429</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 4,208	\$ 0	\$ 4,210	\$ (2)
Total Other Financing Sources	<u>\$ 4,208</u>	<u>\$ 0</u>	<u>\$ 4,210</u>	<u>\$ (2)</u>
Net Change in Fund Balance	\$ 349,663	\$ 0	\$ 4,236	\$ 345,427
Fund Balance, July 1, 2015	<u>3,154,174</u>	<u>2,688,165</u>	<u>3,154,174</u>	<u>0</u>
Fund Balance, June 30, 2016	<u>\$ 3,503,837</u>	<u>\$ 2,688,165</u>	<u>\$ 3,158,410</u>	<u>\$ 345,427</u>

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  
Education Capital Projects Fund  
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,934,464	\$ 0	\$ 0	\$ 2,934,464	\$ 2,829,677	\$ 2,829,677	\$ 104,787
Total Revenues	\$ 2,934,464	\$ 0	\$ 0	\$ 2,934,464	\$ 2,829,677	\$ 2,829,677	\$ 104,787
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 2,151,424	\$ (172,216)	\$ 2,956,605	\$ 4,935,813	\$ 5,300,337	\$ 5,382,567	\$ 446,754
Total Expenditures	\$ 2,151,424	\$ (172,216)	\$ 2,956,605	\$ 4,935,813	\$ 5,300,337	\$ 5,382,567	\$ 446,754
Excess (Deficiency) of Revenues Over Expenditures	\$ 783,040	\$ 172,216	\$ (2,956,605)	\$ (2,001,349)	\$ (2,470,660)	\$ (2,552,890)	\$ 551,541
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 82,230	\$ 0	\$ 0	\$ 82,230	\$ 0	\$ 82,230	\$ 0
Total Other Financing Sources	\$ 82,230	\$ 0	\$ 0	\$ 82,230	\$ 0	\$ 82,230	\$ 0
Net Change in Fund Balance	\$ 865,270	\$ 172,216	\$ (2,956,605)	\$ (1,919,119)	\$ (2,470,660)	\$ (2,470,660)	\$ 551,541
Fund Balance, July 1, 2015	2,814,925	(172,216)	0	2,642,709	2,570,679	2,642,709	0
Fund Balance, June 30, 2016	\$ 3,680,195	\$ 0	\$ (2,956,605)	\$ 723,590	\$ 100,019	\$ 172,049	\$ 551,541

Exhibit J-10

Madison County, Tennessee  
Statement of Fiduciary Net Position  
Discretely Presented Madison County School Department  
Fiduciary Fund  
June 30, 2016

	<u>Other Trust Pension Trust Fund</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	<u>\$ 1,007,728</u>
Total Assets	<u>\$ 1,007,728</u>
<u>NET POSITION</u>	
Funds Held in Trust for Retirees	<u>\$ 1,007,728</u>
Total Net Position	<u>\$ 1,007,728</u>

Exhibit J-11

Madison County, Tennessee  
Statement of Changes in Fiduciary Net Position  
Discretely Presented Madison County School Department  
Fiduciary Fund  
For the Year Ended June 30, 2016

	Other Trust <hr/> Pension Trust Fund <hr/>
<u>ADDITIONS</u>	
<u>Contributions</u>	
Tennessee Consolidated Retirement System Employer	\$ 172,927 250,539
Total Contributions	<hr/> \$ 423,466 <hr/>
<u>Investment Income</u>	
Interest Earned	\$ 3,017
Total Investment Income	<hr/> \$ 3,017 <hr/>
Total Additions	<hr/> \$ 426,483 <hr/>
<u>DEDUCTIONS</u>	
Benefits	\$ 423,566
Trustee's Commission	30
Total Deductions	<hr/> \$ 423,596 <hr/>
Change in Net Position	\$ 2,887
Net Position, July 1, 2015	<hr/> 1,004,841 <hr/>
Net Position, June 30, 2016	<hr/> \$ 1,007,728 <hr/>

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## MISCELLANEOUS SCHEDULES

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Exhibit K-1

Madison County, Tennessee  
Schedule of Changes in Long-term Bonds  
For the Year Ended June 30, 2016

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-15	Paid and/or Matured During Period	Outstanding 6-30-16
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Refunding Bonds - Series 2006	\$ 2,355,000	4.8 %	3-15-06	4-1-19	\$ 2,355,000	\$ 0	\$ 2,355,000
Build America Bonds	10,820,000	1.1 to 5.25	11-17-09	4-20-25	8,345,000	625,000	7,720,000
Refunding Bonds, Series 2010	15,395,000	3 to 4	3-31-10	6-30-23	15,395,000	0	15,395,000
Refunding Bonds, Series 2014	17,150,000	2	4-9-14	4-1-18	16,785,000	4,145,000	12,640,000
Total Bonds Payable					\$ 42,880,000	\$ 4,770,000	\$ 38,110,000

Exhibit K-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
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	<u>\$ 38,110,000</u>	<u>\$ 5,498,876</u>	<u>\$ 43,608,876</u>

Exhibit K-3

Madison County, Tennessee  
Schedule of Transfers  
For the Year Ended June 30, 2016

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General	General Debt Service	Debt payments	\$ 225,000
"	Employee Insurance	Contribution in addition to premiums	298,800
Juvenile Services	"	"	13,500
Solid Waste/Sanitation	"	"	9,825
Highway/Public Works	"	"	52,875
"	General	Finance Department operations	29,203
General Debt Service	Capital Projects	Land purchase	<u>100,000</u>
Total Transfers			<u>\$ 729,203</u>

Exhibit K-4

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, 2016

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 107,376	\$ 100,000	Cincinnati Insurance Company
Highway Engineer	Section 8-24-102, <i>TCA</i>	116,638 (1)	100,000	Travelers Casualty and Surety Company
Director of Schools	State Board of Education and County Board of Education	155,530 (2)	100,000	Cincinnati Insurance Company
Trustee	Section 8-24-102, <i>TCA</i>	80,939 (3)	4,209,913	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	80,934 (4)	50,000	Travelers Casualty and Surety Company
Director of Finance	County Commission	92,284 (5)	100,000	Cincinnati Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	80,939 (3)	100,000	"
Circuit and General Session Courts Clerk	Section 8-24-102, <i>TCA</i>	88,873 (6)	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	88,873 (6)	120,000	RLI Insurance Company
Juvenile Court Clerk	Chapter 212, Private Acts of 1990	79,338	100,000	Cincinnati Insurance Company
Register of Deeds:				
Linda Waldon (7-1-15 through 11-30-15)	Section 8-24-102, <i>TCA</i>	34,653 (4)	100,000	"
Anjanette Byers (3-21-16 through 6-30-16)	Section 8-24-102, <i>TCA</i>	21,967	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	102,377 (7)	100,000	"
Employees Blanket Bond:				
Office:				
County Mayor:				
All Employees			150,000	Local Government Property and Casualty Fund
Highway Engineer:				
All Employees			150,000	"
Director of Schools:				
All Employees			150,000	"

(1) Includes accrued leave of \$8,331.

(2) Includes a chief executive officer training supplement of \$1,000.

(3) Includes a certified public administrator supplement of \$1,601.

(4) Includes a certified public administrator supplement of \$1,596.

(5) Includes education incentive pay of \$3,000.

(6) Includes additional compensation of \$7,934 for multiple courts and a certified public administrator supplement of \$1,601.

(7) Includes compensation of \$14,505 for supervision of the county workhouse (penal farm) and a law enforcement training supplement of \$600.

Exhibit K-5

Madison County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2016

	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	\$ 20,864,736	\$ 1,310,478	\$ 997,503	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	451,130	31,635	22,895	514	0	0
Trustee's Collections - Bankruptcy	55,719	3,433	2,591	301	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	576,780	27,714	25,999	0	0	0
Interest and Penalty	98,191	6,693	4,693	65	0	0
Payments in-Lieu-of Taxes - Local Utilities	410,614	26,641	20,278	0	0	0
Payments in-Lieu-of Taxes - Other	260,133	16,400	12,456	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	883,274	0	0	0	0	0
Hotel/Motel Tax	428,298	0	0	0	0	0
Litigation Tax - General	309,204	0	0	0	0	0
Litigation Tax - Special Purpose	276,773	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Business Tax	1,973,296	0	0	0	0	0
Mixed Drink Tax	8,878	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	96,333	6,051	4,605	0	0	0
Wholesale Beer Tax	259,325	0	0	0	0	0
Interstate Telecommunications Tax	2,609	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 26,955,293</b>	<b>\$ 1,429,045</b>	<b>\$ 1,091,020</b>	<b>\$ 880</b>	<b>\$ 0</b>	<b>0</b>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 42,149	\$ 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>Licenses and Permits (Cont.)</u>						
<u>Licenses (Cont.)</u>						
Animal Vaccination	\$ 5,883	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	294,430	0	0	0	0	0
<u>Permits</u>						
Building Permits	177,202	0	0	0	0	0
Other Permits	290	0	0	0	0	0
Total Licenses and Permits	<u>\$ 519,954</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 20,988	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	42,259	0	0	0	0	0
Drug Control Fines	1,349	0	0	0	0	0
Drug Court Fees	3,941	0	0	0	0	0
Jail Fees	21,137	0	0	0	0	0
DUI Treatment Fines	3,005	0	0	0	0	0
Data Entry Fee - Circuit Court	4,125	0	0	0	0	0
Courtroom Security Fee	1,185	0	0	0	0	0
Victims Assistance Assessments	7,288	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	50,433	0	0	0	0	0
Officers Costs	166,309	0	0	0	0	0
Game and Fish Fines	898	0	0	0	0	0
Drug Control Fines	14,953	0	0	0	0	13,709
Drug Court Fees	5,556	0	0	0	0	0
Jail Fees	57,022	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>						
Interpreter Fee	\$ 71	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
DUI Treatment Fines	20,770	0	0	0	0	0
Data Entry Fee - General Sessions Court	46,355	0	0	0	0	0
Courtroom Security Fee	1,779	0	0	0	0	0
Victims Assistance Assessments	27,176	0	0	0	0	0
<u>Juvenile Court</u>						
Officers Costs	1,768	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	6,089	0	0	0	0	0
Data Entry Fee - Chancery Court	24,345	0	0	0	0	0
Courtroom Security Fee	10	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	149,853	0	0	0	0	20,051
Other Fines, Forfeitures, and Penalties	4,068	0	0	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 682,732</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 33,760</b>
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 165,542	\$ 0	\$ 0	\$ 0
Patient Charges	29,510	0	0	0	0	0
Health Department Collections	190,712	0	0	0	599,908	0
Other General Service Charges	10,178	580	0	0	0	0
<u>Fees</u>						
Engineer Review Fees	10,154	0	0	0	0	0
Recreation Fees	101,841	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>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Copy Fees	\$ 384	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Greenbelt Late Application Fee	150	0	0	0	0	0
Telephone Commissions	298,265	0	0	0	0	0
Vending Machine Collections	121,246	0	0	0	0	0
Data Processing Fee - Register	29,552	0	0	0	0	0
Data Processing Fee - Sheriff	13,683	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,100	0	0	0	0	0
Data Processing Fee - County Clerk	9,340	0	0	0	0	0
<u>Education Charges</u>						
Community Service Fees - Adults	0	0	0	0	558,143	0
TBI Criminal Background Fee	2,270	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 821,385</b>	<b>\$ 580</b>	<b>\$ 165,542</b>	<b>\$ 0</b>	<b>\$ 1,158,051</b>	<b>\$ 0</b>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 2,211	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	69,600	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0
Sale of Gasoline	5,675	0	0	0	0	0
Sale of Recycled Materials	0	0	9,455	0	0	0
Miscellaneous Refunds	165,533	1,329	9,225	0	1,257	0
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	0
Sale of Property	61,070	0	0	0	0	0
Damages Recovered from Individuals	4,718	0	0	0	0	0
Contributions and Gifts	750	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>						
Other Local Revenues	\$ 11,661	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<b>Total Other Local Revenues</b>	<b>\$ 321,218</b>	<b>\$ 1,329</b>	<b>\$ 18,680</b>	<b>\$ 0</b>	<b>\$ 1,257</b>	<b>\$ 0</b>
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 968,796	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	605,521	0	0	0	0	0
General Sessions Court Clerk	1,000,556	0	0	0	0	0
Clerk and Master	629,594	0	0	0	0	0
Juvenile Court Clerk	123,211	0	0	0	0	0
Register	370,847	0	0	0	0	0
Sheriff	47,608	0	0	0	0	0
Trustee	1,786,196	0	0	0	0	0
<b>Total Fees Received From County Officials</b>	<b>\$ 5,532,329</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 825	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	46,800	0	0	0	0	0
Drug Control Grants	0	0	0	0	64,590	0
<u>Health and Welfare Grants</u>						
Health Department Programs	0	0	0	0	3,001,473	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	0
Litter Program	0	0	0	0	38,362	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>Other State Revenues</u>						
Income Tax	\$ 282,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Beer Tax	18,488	0	0	0	0	0
Vehicle Certificate of Title Fees	21,050	0	0	0	0	0
Alcoholic Beverage Tax	153,494	0	0	0	0	0
Emergency Hospital - Prisoners	12,117	0	0	0	0	0
Prisoner Transportation	10,682	0	0	0	0	0
Contracted Prisoner Boarding	837,154	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	81,991	0	0	0	0	0
Other State Revenues	63,251	13,500	0	0	842,951	0
Total State of Tennessee	\$ 1,543,516	\$ 13,500	\$ 0	\$ 0	\$ 3,947,376	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 94,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	0	0	0	0	0	0
Law Enforcement Grants	35,903	0	0	0	0	0
Other Federal through State	22,078	284,783	0	0	29,112	0
<u>Direct Federal Revenue</u>						
Tax Credit Bond Rebate	0	0	0	0	0	0
Other Direct Federal Revenue	20,600	0	0	0	0	0
Total Federal Government	\$ 172,581	\$ 284,783	\$ 0	\$ 0	\$ 29,112	\$ 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 Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 38,452	\$ 77,904	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	600,147	0	0	0	0	0
Contracted Services	1,239,039	0	0	0	190,263	0
Total Other Governments and Citizens Groups	<u>\$ 1,877,638</u>	<u>\$ 77,904</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 190,263</u>	<u>\$ 0</u>
Total	<u>\$ 38,426,646</u>	<u>\$ 1,807,141</u>	<u>\$ 1,275,242</u>	<u>\$ 880</u>	<u>\$ 5,326,059</u>	<u>\$ 33,760</u>

(Continued)

Exhibit K-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,704,234	\$ 6,592,786	\$ 2,328,189	\$ 0	\$ 33,797,926
Trustee's Collections - Prior Year	38,676	158,077	25,749	0	728,676
Trustee's Collections - Bankruptcy	4,691	18,400	5,202	0	90,337
Circuit Clerk/Clerk and Master Collections - Prior Years	49,963	203,376	31,335	0	915,167
Interest and Penalty	8,234	34,582	7,500	0	159,958
Payments in-Lieu-of Taxes - Local Utilities	35,261	144,411	22,743	0	659,948
Payments in-Lieu-of Taxes - Other	21,299	82,634	28,338	0	421,260
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	883,274
Hotel/Motel Tax	0	0	0	0	428,298
Litigation Tax - General	0	0	0	0	309,204
Litigation Tax - Special Purpose	0	0	0	0	276,773
Litigation Tax - Jail, Workhouse, or Courthouse	0	295,027	0	0	295,027
Business Tax	0	0	0	0	1,973,296
Mixed Drink Tax	0	0	0	0	8,878
Mineral Severance Tax	37,677	0	0	0	37,677
<u>Statutory Local Taxes</u>					
Bank Excise Tax	7,868	30,439	10,749	0	156,045
Wholesale Beer Tax	0	0	0	0	259,325
Interstate Telecommunications Tax	0	0	0	0	2,609
<b>Total Local Taxes</b>	<b>\$ 1,907,903</b>	<b>\$ 7,559,732</b>	<b>\$ 2,459,805</b>	<b>\$ 0</b>	<b>\$ 41,403,678</b>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	42,149

(Continued)

Exhibit K-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	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	5,883
Cable TV Franchise	0	0	0	0	294,430
<u>Permits</u>					
Building Permits	0	0	0	0	177,202
Other Permits	0	0	0	0	290
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>519,954</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	20,988
Officers Costs	0	0	0	0	42,259
Drug Control Fines	0	0	0	0	1,349
Drug Court Fees	0	0	0	0	3,941
Jail Fees	0	0	0	0	21,137
DUI Treatment Fines	0	0	0	0	3,005
Data Entry Fee - Circuit Court	0	0	0	0	4,125
Courtroom Security Fee	0	0	0	0	1,185
Victims Assistance Assessments	0	0	0	0	7,288
<u>General Sessions Court</u>					
Fines	0	0	0	0	50,433
Officers Costs	0	0	0	0	166,309
Game and Fish Fines	0	0	0	0	898
Drug Control Fines	0	0	0	0	28,662
Drug Court Fees	0	0	0	0	5,556
Jail Fees	0	0	0	0	57,022

(Continued)

Exhibit K-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Interpreter Fee	\$ 0	\$ 0	\$ 0	\$ 0	71
DUI Treatment Fines	0	0	0	0	20,770
Data Entry Fee - General Sessions Court	0	0	0	0	46,355
Courtroom Security Fee	0	0	0	0	1,779
Victims Assistance Assessments	0	0	0	0	27,176
<u>Juvenile Court</u>					
Officers Costs	0	0	0	0	1,768
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	6,089
Data Entry Fee - Chancery Court	0	0	0	0	24,345
Courtroom Security Fee	0	0	0	0	10
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	169,904
Other Fines, Forfeitures, and Penalties	0	0	0	0	4,068
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>716,492</b>
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Surcharge - Waste Tire Disposal	\$ 0	\$ 0	\$ 0	\$ 0	165,542
Patient Charges	0	0	0	0	29,510
Health Department Collections	0	0	0	0	790,620
Other General Service Charges	0	0	0	0	10,758
<u>Fees</u>					
Engineer Review Fees	0	0	0	0	10,154
Recreation Fees	0	0	0	0	101,841

(Continued)

Exhibit K-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Copy Fees	\$ 0	\$ 0	\$ 0	\$ 0	384
Greenbelt Late Application Fee	0	0	0	0	150
Telephone Commissions	0	0	0	0	298,265
Vending Machine Collections	0	0	0	0	121,246
Data Processing Fee - Register	0	0	0	0	29,552
Data Processing Fee - Sheriff	0	0	0	0	13,683
Sexual Offender Registration Fee - Sheriff	0	0	0	0	4,100
Data Processing Fee - County Clerk	0	0	0	0	9,340
<u>Education Charges</u>					
Community Service Fees - Adults	0	0	0	0	558,143
TBI Criminal Background Fee	0	0	0	0	2,270
<b>Total Charges for Current Services</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>2,145,558</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 189,405	\$ 0	\$ 0	191,616
Lease/Rentals	0	0	0	26,604	96,204
Sale of Materials and Supplies	89,271	0	0	0	89,271
Sale of Gasoline	0	0	0	0	5,675
Sale of Recycled Materials	0	0	0	0	9,455
Miscellaneous Refunds	28,802	0	0	0	206,146
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	24,378	0	24,378
Sale of Property	0	0	0	0	61,070
Damages Recovered from Individuals	0	0	0	0	4,718
Contributions and Gifts	0	0	0	0	750

(Continued)

Exhibit K-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Total
<u>Other Local Revenues (Cont.)</u>					
<u>Other Local Revenues</u>					
Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,661
<b>Total Other Local Revenues</b>	<b>\$ 118,073</b>	<b>\$ 189,405</b>	<b>\$ 24,378</b>	<b>\$ 26,604</b>	<b>\$ 700,944</b>
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 968,796
Circuit Court Clerk	0	0	0	0	605,521
General Sessions Court Clerk	0	0	0	0	1,000,556
Clerk and Master	0	0	0	0	629,594
Juvenile Court Clerk	0	0	0	0	123,211
Register	0	0	0	0	370,847
Sheriff	0	0	0	0	47,608
Trustee	0	0	0	0	1,786,196
<b>Total Fees Received From County Officials</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,532,329</b>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 0	\$ 0	\$ 0	\$ 0	\$ 825
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	46,800
Drug Control Grants	0	0	0	0	64,590
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	3,001,473
<u>Public Works Grants</u>					
Bridge Program	559,460	0	0	0	559,460
Litter Program	0	0	0	0	38,362

(Continued)

Exhibit K-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		Total
	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 282,500
Beer Tax	0	0	0	0	18,488
Vehicle Certificate of Title Fees	0	0	0	0	21,050
Alcoholic Beverage Tax	0	0	0	0	153,494
Emergency Hospital - Prisoners	0	0	0	0	12,117
Prisoner Transportation	0	0	0	0	10,682
Contracted Prisoner Boarding	0	0	0	0	837,154
Gasoline and Motor Fuel Tax	2,449,223	0	0	0	2,449,223
Petroleum Special Tax	70,924	0	0	0	70,924
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	81,991
Other State Revenues	0	0	0	0	919,702
Total State of Tennessee	<u>\$ 3,079,607</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,583,999</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 94,000
Disaster Relief	68,754	0	0	0	68,754
Law Enforcement Grants	0	0	0	0	35,903
Other Federal through State	0	0	0	0	335,973
<u>Direct Federal Revenue</u>					
Tax Credit Bond Rebate	0	124,440	0	0	124,440
Other Direct Federal Revenue	0	0	0	0	20,600
Total Federal Government	<u>\$ 68,754</u>	<u>\$ 124,440</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 679,670</u>

(Continued)

Exhibit K-5

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

	Special Revenue Fund	Debt Service Fund	Capital Projects Funds		
	Highway / Public Works	General Debt Service	General Capital Projects	Community Development/ Industrial Park	Total
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	116,356
Contributions	0	872,964	0	0	1,473,111
Contracted Services	0	0	2,187	0	1,431,489
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 872,964</u>	<u>\$ 2,187</u>	<u>\$ 0</u>	<u>\$ 3,020,956</u>
Total	<u>\$ 5,174,337</u>	<u>\$ 8,746,541</u>	<u>\$ 2,486,370</u>	<u>\$ 26,604</u>	<u>\$ 63,303,580</u>

Exhibit K-6

Madison County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Madison County School Department  
For the Year Ended June 30, 2016

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Projects Fund Education Capital Projects</u>	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 6,925,950	\$ 0	\$ 0	\$ 2,689,615	\$ 9,615,565
Trustee's Collections - Prior Year	180,460	0	0	66,873	247,333
Trustee's Collections - Bankruptcy	21,479	0	0	7,129	28,608
Circuit Clerk/Clerk and Master Collections - Prior Years	249,651	0	0	54,178	303,829
Interest and Penalty	40,566	0	0	14,492	55,058
Payments in-Lieu-of Taxes - T.V.A.	1,539	0	0	0	1,539
Payments in-Lieu-of Taxes - Local Utilities	166,741	0	0	55,868	222,609
Payments in-Lieu-of Taxes - Other	313,059	0	0	33,621	346,680
<u>County Local Option Taxes</u>					
Local Option Sales Tax	39,207,624	0	0	0	39,207,624
Mixed Drink Tax	334,774	0	0	0	334,774
<u>Statutory Local Taxes</u>					
Bank Excise Tax	31,977	0	0	12,688	44,665
Interstate Telecommunications Tax	8,251	0	0	0	8,251
<b>Total Local Taxes</b>	<b>\$ 47,482,071</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,934,464</b>	<b>\$ 50,416,535</b>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 8,512	\$ 0	\$ 0	\$ 0	\$ 8,512
<u>Permits</u>					
Other Permits	2,511	0	0	0	2,511
<b>Total Licenses and Permits</b>	<b>\$ 11,023</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 11,023</b>

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Projects Fund</u>	
<u>Charges for Current Services</u>					
<u>Fees</u>					
Vending Machine Collections	\$ 1,840	\$ 0	\$ 0	\$ 0	\$ 1,840
<u>Education Charges</u>					
Tuition - Other	405,941	0	0	0	405,941
Lunch Payments - Adults	0	0	147,990	0	147,990
A la Carte Sales	0	0	170,186	0	170,186
Other Charges for Services	22	0	0	0	22
<b>Total Charges for Current Services</b>	<b>\$ 407,803</b>	<b>\$ 0</b>	<b>\$ 318,176</b>	<b>\$ 0</b>	<b>\$ 725,979</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 8,680	\$ 0	\$ 8,680
E-Rate Funding	120,628	0	0	0	120,628
Miscellaneous Refunds	96,750	0	0	0	96,750
<u>Nonrecurring Items</u>					
Sale of Equipment	35,287	0	4,236	0	39,523
Damages Recovered from Individuals	195	0	0	0	195
Contributions and Gifts	204,151	0	0	0	204,151
<b>Total Other Local Revenues</b>	<b>\$ 457,011</b>	<b>\$ 0</b>	<b>\$ 12,916</b>	<b>\$ 0</b>	<b>\$ 469,927</b>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 763,062	\$ 0	\$ 0	\$ 0	\$ 763,062
<u>State Education Funds</u>					
Basic Education Program	45,717,000	0	0	0	45,717,000

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Projects Fund Education Capital Projects</u>	
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Early Childhood Education	\$ 1,234,533	\$ 0	\$ 0	\$ 0	\$ 1,234,533
School Food Service	0	0	80,248	0	80,248
Other State Education Funds	189,996	0	0	0	189,996
Career Ladder Program	318,178	0	0	0	318,178
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	1,233,824	0	0	0	1,233,824
Other State Grants	175,837	0	0	0	175,837
<b>Total State of Tennessee</b>	<b>\$ 49,632,430</b>	<b>\$ 0</b>	<b>\$ 80,248</b>	<b>\$ 0</b>	<b>\$ 49,712,678</b>
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 5,069,265	\$ 0	\$ 5,069,265
USDA - Commodities	0	0	268,255	0	268,255
Breakfast	0	0	3,200,208	0	3,200,208
USDA - Other	0	0	307,737	0	307,737
Vocational Education - Basic Grants to States	0	480,121	0	0	480,121
Title I Grants to Local Education Agencies	0	4,968,985	0	0	4,968,985
Special Education - Grants to States	0	3,414,837	0	0	3,414,837
Special Education Preschool Grants	0	80,885	0	0	80,885
English Language Acquisition Grants	0	52,502	0	0	52,502
Safe and Drug-free Schools - State Grants	0	73,596	0	0	73,596
Education for Homeless Children and Youth	0	36,408	0	0	36,408
Eisenhower Professional Development State Grants	0	606,084	0	0	606,084
Other Federal through State	0	31,076	0	0	31,076

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u> <u>Projects Fund</u>	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	\$ 249,571	\$ 0	\$ 0	\$ 0	\$ 249,571
Total Federal Government	\$ 249,571	\$ 9,744,494	\$ 8,845,465	\$ 0	\$ 18,839,530
<u>Other Governments and Citizens Groups</u>					
<u>Other</u>					
Other	\$ 49,000	\$ 0	\$ 0	\$ 0	\$ 49,000
Total Other Governments and Citizens Groups	\$ 49,000	\$ 0	\$ 0	\$ 0	\$ 49,000
Total	\$ 98,288,909	\$ 9,744,494	\$ 9,256,805	\$ 2,934,464	\$ 120,224,672

Exhibit K-7

Madison County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2016

General Fund

General Government

County Commission

Secretary to Board	\$	37,898	
Board and Committee Members Fees		93,750	
Social Security		9,936	
Handling Charges and Administrative Costs		1,100	
Pensions		5,253	
Employee and Dependent Insurance		4,279	
Life Insurance		65	
Local Retirement		30	
Travel		159	
Office Supplies		1,106	
Total County Commission			\$ 153,576

County Mayor/Executive

County Official/Administrative Officer	\$	107,376	
Educational Incentive - Other County Employees		3,100	
Other Salaries and Wages		42,217	
Social Security		11,026	
Handling Charges and Administrative Costs		1,951	
Pensions		20,734	
Employee and Dependent Insurance		6,864	
Life Insurance		212	
Communication		1,332	
Data Processing Services		2,961	
Travel		10,073	
Office Supplies		3,431	
Other Supplies and Materials		2,170	
Other Charges		11,000	
Total County Mayor/Executive			224,447

Personnel Office

Supervisor/Director	\$	75,920	
Educational Incentive - Other County Employees		5,825	
Other Salaries and Wages		46,405	
Social Security		8,932	
Handling Charges and Administrative Costs		3,855	
Pensions		16,954	
Employee and Dependent Insurance		13,728	
Life Insurance		227	
Communication		1,179	
Dues and Memberships		440	
Other Contracted Services		29,448	
Office Supplies		739	
Total Personnel Office			203,652

County Attorney

Other Contracted Services	\$	50,144	
Total County Attorney			50,144

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission

County Official/Administrative Officer	\$	79,338	
Deputy(ies)		81,765	
Election Commission		5,100	
Election Workers		51,141	
Social Security		13,462	
Handling Charges and Administrative Costs		5,782	
Pensions		17,331	
Employee and Dependent Insurance		20,568	
Life Insurance		278	
Communication		4,479	
Operating Lease Payments		1,509	
Legal Notices, Recording, and Court Costs		3,207	
Maintenance and Repair Services - Equipment		35,623	
Postal Charges		1,933	
Printing, Stationery, and Forms		5,526	
Rentals		250	
Travel		1,173	
Data Processing Supplies		938	
Office Supplies		3,661	
Total Election Commission			\$ 333,064

Register of Deeds

County Official/Administrative Officer	\$	55,024	
Deputy(ies)		159,882	
Educational Incentive - Official/Admin Officer		1,596	
Educational Incentive - Other County Employees		5,650	
Social Security		16,401	
Handling Charges and Administrative Costs		5,938	
Pensions		17,702	
Employee and Dependent Insurance		19,333	
Life Insurance		385	
Local Retirement		2,293	
Dues and Memberships		100	
Data Processing Supplies		19,555	
Office Supplies		10,301	
Total Register of Deeds			314,160

Codes Compliance

Other Salaries and Wages	\$	36,966	
In-service Training		1,316	
Social Security		2,509	
Handling Charges and Administrative Costs		1,927	
Pensions		5,124	
Employee and Dependent Insurance		6,606	
Life Insurance		65	
Communication		888	
Contracts with Private Agencies		42,785	

(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.)

Maintenance and Repair Services - Vehicles	\$	300	
Other Contracted Services		3,460	
Gasoline		746	
Office Supplies		678	
Total Codes Compliance			\$ 103,370

County Buildings

Supervisor/Director	\$	46,366	
Custodial Personnel		29,004	
Part-time Personnel		914	
Overtime Pay		1,961	
Social Security		5,672	
Handling Charges and Administrative Costs		2,064	
Pensions		4,292	
Employee and Dependent Insurance		7,128	
Life Insurance		146	
Communication		730	
Maintenance and Repair Services - Buildings		36,606	
Maintenance and Repair Services - Vehicles		317	
Other Contracted Services		46,129	
Custodial Supplies		18,121	
Gasoline		2,032	
Utilities		633	
Building Improvements		16,098	
Heating and Air Conditioning Equipment		50,807	
Total County Buildings			269,020

Other Facilities

Custodial Personnel	\$	35,700	
Communication		23,438	
Maintenance and Repair Services - Buildings		158,695	
Pest Control		2,460	
Custodial Supplies		165	
Utilities		290,073	
Total Other Facilities			510,531

Preservation of Records

County Official/Administrative Officer	\$	14,230	
Assistant(s)		40,631	
Social Security		4,197	
Communication		1,579	
Operating Lease Payments		899	
Maintenance and Repair Services - Office Equipment		1,505	
Travel		768	
Disposal Fees		100	
Office Supplies		1,675	
Utilities		7,608	
Other Supplies and Materials		2,149	
Total Preservation of Records			75,341

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Risk Management

Supervisor/Director	\$	32,535	
Social Security		2,349	
Handling Charges and Administrative Costs		1,100	
Pensions		4,509	
Employee and Dependent Insurance		2,696	
Life Insurance		51	
Communication		136	
Travel		3,812	
Office Supplies		1,085	
Total Risk Management			\$ 48,273

Finance

Accounting and Budgeting

Supervisor/Director	\$	89,284	
Educational Incentive - Other County Employees		22,125	
Other Salaries and Wages		541,612	
Board and Committee Members Fees		1,000	
Social Security		46,500	
Handling Charges and Administrative Costs		20,961	
Pensions		86,248	
Employee and Dependent Insurance		67,952	
Life Insurance		1,093	
Audit Services		32,988	
Communication		6,827	
Data Processing Services		26,736	
Dues and Memberships		900	
Travel		6,151	
Office Supplies		10,817	
Utilities		11,889	
Other Charges		1,997	
Office Equipment		806	
Total Accounting and Budgeting			975,886

Property Assessor's Office

County Official/Administrative Officer	\$	79,338	
Deputy(ies)		351,672	
Educational Incentive - Official/Admin Officer		1,596	
Educational Incentive - Other County Employees		1,500	
Board and Committee Members Fees		2,610	
In-service Training		552	
Social Security		30,804	
Handling Charges and Administrative Costs		14,449	
Pensions		59,738	
Employee and Dependent Insurance		48,456	
Life Insurance		779	
Audit Services		53,790	
Communication		2,810	

(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.)

Data Processing Services	\$	27,647	
Dues and Memberships		2,340	
Maintenance and Repair Services - Vehicles		463	
Travel		2,819	
Office Supplies		4,453	
Total Property Assessor's Office			\$ 685,816

Reappraisal Program

Other Salaries and Wages	\$	163,557	
Social Security		11,392	
Handling Charges and Administrative Costs		6,376	
Pensions		18,479	
Employee and Dependent Insurance		23,462	
Life Insurance		241	
Unemployment Compensation		6,685	
Data Processing Services		2,884	
Maintenance and Repair Services - Vehicles		2,465	
Travel		1,544	
Gasoline		4,564	
Office Supplies		8,899	
Total Reappraisal Program			250,548

County Trustee's Office

County Official/Administrative Officer	\$	79,338	
Deputy(ies)		166,863	
Part-time Personnel		7,504	
Educational Incentive - Official/Admin Officer		1,601	
Educational Incentive - Other County Employees		6,375	
In-service Training		550	
Social Security		18,988	
Handling Charges and Administrative Costs		6,260	
Pensions		30,745	
Employee and Dependent Insurance		22,082	
Life Insurance		478	
Local Retirement		73	
Communication		718	
Data Processing Services		13,398	
Dues and Memberships		525	
Printing, Stationery, and Forms		7,914	
Travel		3,122	
Office Supplies		1,595	
Data Processing Equipment		1,020	
Total County Trustee's Office			369,149

County Clerk's Office

County Official/Administrative Officer	\$	79,338	
Deputy(ies)		346,006	

(Continued)

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	\$	14,626	
Educational Incentive - Official/Admin Officer		1,601	
Social Security		30,936	
Handling Charges and Administrative Costs		17,847	
Pensions		48,293	
Employee and Dependent Insurance		58,722	
Life Insurance		787	
Local Retirement		1,310	
Communication		1,230	
Dues and Memberships		300	
Maintenance Agreements		2,400	
Maintenance and Repair Services - Office Equipment		15,799	
Printing, Stationery, and Forms		3,249	
Travel		1,044	
Data Processing Supplies		2,553	
Office Supplies		9,197	
Data Processing Equipment		8,090	
Total County Clerk's Office			\$ 643,328

Data Processing

Supervisor/Director	\$	55,000	
Other Salaries and Wages		31,875	
Social Security		6,524	
Pensions		9,962	
Employee and Dependent Insurance		1,413	
Life Insurance		94	
Communication		4,481	
Contracts with Private Agencies		4,240	
Data Processing Services		50,876	
Maintenance and Repair Services - Vehicles		894	
Travel		4,596	
Data Processing Supplies		22,070	
Gasoline		788	
Office Supplies		1,455	
Total Data Processing			194,268

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	87,272	
Deputy(ies)		734,008	
Part-time Personnel		11,537	
Educational Incentive - Official/Admin Officer		1,601	
Educational Incentive - Other County Employees		8,400	
Jury and Witness Expense		46,300	
Social Security		60,410	
Handling Charges and Administrative Costs		27,875	
Pensions		105,698	

(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.)

Employee and Dependent Insurance	\$	98,783	
Life Insurance		1,459	
Local Retirement		584	
Data Processing Services		33,043	
Operating Lease Payments		57,796	
Travel		2,845	
Data Processing Supplies		4,445	
Duplicating Supplies		1,470	
Office Supplies		16,624	
Other Supplies and Materials		2,063	
Data Processing Equipment		14,837	
Furniture and Fixtures		4,878	
Total Circuit Court			\$ 1,321,928

General Sessions Court

Judge(s)	\$	161,174	
Other Salaries and Wages		93,954	
Social Security		16,313	
Handling Charges and Administrative Costs		3,855	
Pensions		35,361	
Employee and Dependent Insurance		13,728	
Life Insurance		431	
Travel		2,310	
Office Supplies		5,480	
Total General Sessions Court			332,606

Drug Court

Other Charges	\$	7,458	
Total Drug Court			7,458

Chancery Court

County Official/Administrative Officer	\$	87,272	
Deputy(ies)		313,594	
Part-time Personnel		88,250	
Educational Incentive - Official/Admin Officer		1,601	
Educational Incentive - Other County Employees		3,000	
Social Security		35,015	
Handling Charges and Administrative Costs		16,195	
Pensions		53,306	
Employee and Dependent Insurance		51,590	
Life Insurance		706	
Communication		3,701	
Maintenance and Repair Services - Office Equipment		20,337	
Travel		3,055	
Other Contracted Services		8,000	
Data Processing Supplies		9,617	
Office Supplies		15,714	
Other Charges		664	
Total Chancery Court			711,617

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court

Judge(s)	\$	161,174	
Part-time Personnel		5,312	
Other Salaries and Wages		83,355	
Social Security		16,759	
Handling Charges and Administrative Costs		3,027	
Pensions		27,443	
Employee and Dependent Insurance		10,868	
Life Insurance		421	
Local Retirement		1,715	
Data Processing Services		2,973	
Dues and Memberships		1,460	
Maintenance and Repair Services - Buildings		7,784	
Maintenance and Repair Services - Equipment		4,911	
Rentals		2,204	
Travel		2,267	
Other Contracted Services		34,611	
Custodial Supplies		1,220	
Office Supplies		1,413	
Periodicals		952	
Utilities		17,817	
Building Improvements		2,950	
Total Juvenile Court			\$ 390,636

Juvenile Court Clerk

County Official/Administrative Officer	\$	79,338	
Deputy(ies)		72,032	
Accountants/Bookkeepers		48,718	
Clerical Personnel		84,930	
Part-time Personnel		7,076	
Social Security		20,898	
Handling Charges and Administrative Costs		9,080	
Pensions		36,073	
Employee and Dependent Insurance		31,792	
Life Insurance		491	
Data Processing Services		386	
Maintenance and Repair Services - Equipment		110	
Printing, Stationery, and Forms		769	
Rentals		5,502	
Data Processing Supplies		132	
Office Supplies		3,332	
Total Juvenile Court Clerk			400,659

District Attorney General

Assistant(s)	\$	62,015	
Social Security		4,582	
Handling Charges and Administrative Costs		1,674	
Pensions		4,855	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

District Attorney General (Cont.)

Employee and Dependent Insurance	\$	5,058	
Life Insurance		107	
Other Supplies and Materials		15,000	
Total District Attorney General			\$ 93,291

Office of Public Defender

Salary Supplements	\$	73,908	
Social Security		5,379	
Handling Charges and Administrative Costs		1,882	
Pensions		10,244	
Employee and Dependent Insurance		6,576	
Life Insurance		121	
Other Charges		400	
Total Office of Public Defender			98,510

Other Administration of Justice

Other Charges	\$	65,442	
Total Other Administration of Justice			65,442

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	87,272	
Deputy(ies)		4,298,358	
Part-time Personnel		231,486	
Educational Incentive - Other County Employees		3,100	
Overtime Pay		249,175	
Other Salaries and Wages		29,689	
In-service Training		74,300	
Social Security		358,604	
Handling Charges and Administrative Costs		132,902	
Pensions		414,158	
Employee and Dependent Insurance		408,824	
Life Insurance		7,218	
Local Retirement		11,242	
Communication		165,613	
Contracts with Private Agencies		19,119	
Data Processing Services		30,265	
Dues and Memberships		840	
Maintenance and Repair Services - Buildings		7,834	
Maintenance and Repair Services - Vehicles		201,188	
Pest Control		480	
Rentals		5,000	
Travel		45,877	
Custodial Supplies		2,338	
Gasoline		176,243	
Law Enforcement Supplies		44,306	
Office Supplies		24,209	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Uniforms	\$	103,667	
Utilities		37,916	
Refunds		56	
Other Charges		4,419	
Furniture and Fixtures		1,727	
Law Enforcement Equipment		122,003	
Total Sheriff's Department			\$ 7,299,428

Special Patrols

Deputy(ies)	\$	362,884	
Overtime Pay		28,934	
Social Security		28,371	
Handling Charges and Administrative Costs		14,156	
Pensions		38,674	
Employee and Dependent Insurance		38,834	
Life Insurance		587	
Maintenance and Repair Services - Vehicles		9,616	
Other Contracted Services		174,382	
Gasoline		8,078	
Uniforms		4,518	
Law Enforcement Equipment		585	
Total Special Patrols			709,619

Drug Enforcement

Deputy(ies)	\$	328,246	
Part-time Personnel		29,600	
Overtime Pay		78,578	
Other Salaries and Wages		8,451	
Social Security		31,672	
Pensions		56,386	
Employee and Dependent Insurance		35,101	
Maintenance and Repair Services - Vehicles		4,080	
Gasoline		13,029	
Uniforms		5,279	
Law Enforcement Equipment		4,095	
Total Drug Enforcement			594,517

Jail

Deputy(ies)	\$	4,573,346	
Maintenance Personnel		139,534	
Part-time Personnel		74,397	
Overtime Pay		180,180	
In-service Training		23,700	
Social Security		357,697	
Handling Charges and Administrative Costs		157,384	
Pensions		469,913	
Employee and Dependent Insurance		516,027	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Life Insurance	\$	8,325	
Unemployment Compensation		13,475	
Local Retirement		5,876	
Communication		8,474	
Data Processing Services		6,156	
Maintenance and Repair Services - Buildings		10,459	
Maintenance and Repair Services - Equipment		264,808	
Maintenance and Repair Services - Vehicles		764	
Medical and Dental Services		7,568	
Other Contracted Services		756,555	
Custodial Supplies		33,008	
Drugs and Medical Supplies		202,169	
Food Preparation Supplies		14,075	
Food Supplies		408,570	
Gasoline		844	
Law Enforcement Supplies		69,032	
Office Supplies		19,167	
Prisoners Clothing		10,592	
Uniforms		46,980	
Other Supplies and Materials		21,142	
Other Charges		90	
Law Enforcement Equipment		585	
Total Jail			\$ 8,400,892

Workhouse

County Official/Administrative Officer	\$	14,505
Guards		958,126
Overtime Pay		57,079
In-service Training		6,900
Social Security		74,428
Handling Charges and Administrative Costs		35,388
Pensions		110,986
Employee and Dependent Insurance		106,878
Life Insurance		1,831
Local Retirement		4,719
Communication		5,275
Data Processing Services		1,343
Maintenance and Repair Services - Buildings		18,230
Maintenance and Repair Services - Vehicles		2,899
Pest Control		840
Custodial Supplies		5,893
Drugs and Medical Supplies		7,253
Food Preparation Supplies		1,950
Food Supplies		83,795
Gasoline		2,617
Law Enforcement Supplies		4,351
Office Supplies		3,058

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Prisoners Clothing	\$	6,781	
Uniforms		1,419	
Utilities		47,676	
Other Supplies and Materials		5,031	
Total Workhouse			\$ 1,569,251

Fire Prevention and Control

Supervisor/Director	\$	66,142	
Mechanic(s)		98,956	
Part-time Personnel		44,983	
Other Salaries and Wages		301,128	
In-service Training		7,678	
Social Security		37,007	
Handling Charges and Administrative Costs		15,073	
Pensions		33,253	
Employee and Dependent Insurance		53,532	
Life Insurance		817	
Local Retirement		5,962	
Communication		22,717	
Maintenance and Repair Services - Buildings		61,013	
Maintenance and Repair Services - Equipment		59,376	
Travel		2,448	
Equipment and Machinery Parts		100,846	
Gasoline		31,397	
Utilities		56,198	
Gravel and Chert		1,249	
Other Supplies and Materials		6,733	
Data Processing Equipment		5,918	
Total Fire Prevention and Control			1,012,426

Civil Defense

Supervisor/Director	\$	70,443	
Part-time Personnel		1,334	
Overtime Pay		2,994	
Other Salaries and Wages		115,988	
Social Security		13,499	
Handling Charges and Administrative Costs		5,920	
Pensions		15,985	
Employee and Dependent Insurance		24,360	
Life Insurance		286	
Local Retirement		983	
Communication		22,457	
Dues and Memberships		365	
Operating Lease Payments		750	
Maintenance Agreements		2,499	
Maintenance and Repair Services - Buildings		7,000	
Maintenance and Repair Services - Equipment		3,492	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Maintenance and Repair Services - Vehicles	\$	6,979	
Printing, Stationery, and Forms		177	
Travel		4,997	
Gasoline		5,715	
Office Supplies		948	
Utilities		24,463	
Other Supplies and Materials		16,057	
Building Improvements		5,500	
Total Civil Defense			\$ 353,191

Inspection and Regulation

County Official/Administrative Officer	\$	47,120	
Educational Incentive - Other County Employees		1,500	
Other Salaries and Wages		31,425	
In-service Training		1,283	
Social Security		5,506	
Handling Charges and Administrative Costs		4,312	
Pensions		6,201	
Employee and Dependent Insurance		12,640	
Life Insurance		146	
Communication		1,611	
Dues and Memberships		135	
Maintenance and Repair Services - Vehicles		2,964	
Other Contracted Services		2,857	
Gasoline		1,417	
Office Supplies		4,307	
Small Tools		991	
Data Processing Equipment		2,478	
Total Inspection and Regulation			126,893

County Coroner/Medical Examiner

Supervisor/Director	\$	20,450	
Social Security		1,564	
Contracts with Government Agencies		55,700	
Contracts with Public Carriers		6,360	
Pauper Burials		800	
Other Contracted Services		47,850	
Other Charges		165	
Total County Coroner/Medical Examiner			132,889

Other Public Safety

Other Salaries and Wages	\$	12,932	
Social Security		933	
Pensions		1,792	
Employee and Dependent Insurance		1,072	
Total Other Public Safety			16,729

(Continued)

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

County Official/Administrative Officer	\$	187,352	
Paraprofessionals		24,885	
Custodial Personnel		15,090	
Part-time Personnel		21,527	
Other Salaries and Wages		806,644	
Social Security		77,593	
Handling Charges and Administrative Costs		24,465	
Pensions		101,767	
Employee and Dependent Insurance		73,516	
Life Insurance		1,627	
Unemployment Compensation		2,835	
Local Retirement		1,741	
Communication		18,206	
Data Processing Services		477	
Dues and Memberships		934	
Janitorial Services		6,942	
Maintenance Agreements		11,961	
Maintenance and Repair Services - Buildings		39,680	
Maintenance and Repair Services - Vehicles		3,807	
Pest Control		809	
Postal Charges		1,887	
Printing, Stationery, and Forms		2,518	
Travel		12,287	
Other Contracted Services		28,693	
Data Processing Supplies		2,999	
Drugs and Medical Supplies		112,292	
Gasoline		5,741	
Office Supplies		7,972	
Utilities		28,828	
Other Supplies and Materials		953	
Liability Insurance		5,071	
In Service/Staff Development		969	
Specialized Medical Treatment		11,442	
Data Processing Equipment		10,213	
Furniture and Fixtures		5,575	
Office Equipment		2,452	
Total Local Health Center			\$ 1,661,750

Rabies and Animal Control

Overtime Pay	\$	10,371
Other Salaries and Wages		109,741
Social Security		8,722
Handling Charges and Administrative Costs		5,228
Pensions		5,236
Employee and Dependent Insurance		11,304
Life Insurance		216
Local Retirement		92

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Communication	\$	3,224	
Maintenance Agreements		107	
Maintenance and Repair Services - Buildings		9,322	
Maintenance and Repair Services - Vehicles		3,782	
Pest Control		500	
Printing, Stationery, and Forms		643	
Travel		590	
Veterinary Services		6,570	
Animal Food and Supplies		5,031	
Drugs and Medical Supplies		3,288	
Gasoline		5,877	
Office Supplies		860	
Uniforms		5,339	
Utilities		5,675	
Refunds		5,375	
In Service/Staff Development		669	
Total Rabies and Animal Control			\$ 207,762

Other Local Welfare Services

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

Social, Cultural, and Recreational Services

Libraries

Social Security	\$	6,947	
Handling Charges and Administrative Costs		1,872	
Pensions		100,360	
Employee and Dependent Insurance		9,689	
Local Retirement		1,269	
Other Fringe Benefits		8,694	
Contributions		1,146,636	
Total Libraries			1,275,467

Parks and Fair Boards

Supervisor/Director	\$	61,104	
Part-time Personnel		9,834	
Overtime Pay		4,118	
Other Salaries and Wages		494,826	
Social Security		40,103	
Handling Charges and Administrative Costs		23,394	
Pensions		59,083	
Employee and Dependent Insurance		82,670	
Life Insurance		921	
Local Retirement		2,701	
Communication		7,662	
Legal Notices, Recording, and Court Costs		136	
Maintenance and Repair Services - Equipment		154,709	

(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 (Cont.)

Travel	\$	3,708	
Remittance of Revenue Collected		2,125	
Gasoline		22,262	
Office Supplies		4,349	
Utilities		61,296	
Other Charges		601	
Total Parks and Fair Boards			\$ 1,035,602

Other Social, Cultural, and Recreational

Other Salaries and Wages	\$	17,137	
Social Security		1,204	
Other Supplies and Materials		61,496	
Total Other Social, Cultural, and Recreational			79,837

Agriculture and Natural Resources

Agricultural Extension Service

Part-time Personnel	\$	24,574	
Other Salaries and Wages		93,723	
Social Security		1,985	
Other Fringe Benefits		40,912	
Communication		773	
Contributions		6,163	
Travel		396	
Office Supplies		8,001	
In Service/Staff Development		1,959	
Data Processing Equipment		651	
Total Agricultural Extension Service			179,137

Soil Conservation

Other Salaries and Wages	\$	86,637	
Social Security		6,261	
Handling Charges and Administrative Costs		2,202	
Pensions		12,008	
Employee and Dependent Insurance		7,806	
Life Insurance		139	
Travel		529	
Total Soil Conservation			115,582

Flood Control

Contributions	\$	75,000	
Total Flood Control			75,000

Other Operations

Tourism

Contributions	\$	50,000	
Total Tourism			50,000

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development

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

Airport

Social Security	\$ 6,879	
Pensions	31,716	
Employee and Dependent Insurance	56,446	
Local Retirement	2,341	
Other Fringe Benefits	16,487	
Contributions	68,500	
Liability Insurance	17,000	
Total Airport		199,369

Veterans' Services

Part-time Personnel	\$ 49,192	
Social Security	3,763	
Communication	1,804	
Data Processing Services	1,689	
Travel	4,407	
Office Supplies	671	
Other Supplies and Materials	499	
Total Veterans' Services		62,025

Other Charges

Handling Charges and Administrative Costs	\$ 36,749	
Disability Insurance	58,929	
Medical and Dental Services	244,417	
Excess Risk Insurance	18,201	
Medical Claims	175,938	
Total Other Charges		534,234

Contributions to Other Agencies

Contributions	\$ 222,110	
Total Contributions to Other Agencies		222,110

Employee Benefits

On-behalf Payments to OPEB	\$ 825	
Total Employee Benefits		825

Miscellaneous

Board and Committee Members Fees	\$ 2,266	
Social Security	14,150	
Pensions	4,435	
Other Fringe Benefits	4,953	
Communication	197,232	
Consultants	1,718	
Contracts with Government Agencies	24,000	

(Continued)

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Contracts with Other Public Agencies	\$	983	
Data Processing Services		7,317	
Dues and Memberships		11,900	
Evaluation and Testing		755	
Legal Services		1,158	
Legal Notices, Recording, and Court Costs		32,312	
Postal Charges		127,241	
Remittance of Revenue Collected		92,645	
Disposal Fees		2,759	
Other Contracted Services		4,106	
Utilities		148,720	
Excess Risk Insurance		24,000	
Judgments		285,155	
Liability Insurance		478,525	
Refunds		704	
Trustee's Commission		502,229	
Fines, Assessments, and Penalties		270,875	
Other Charges		15,774	
Total Miscellaneous			\$ 2,255,912

Total General Fund

\$ 37,086,797

Juvenile Services Fund

Public Safety

Juvenile Services

County Official/Administrative Officer	\$	62,634	
Supervisor/Director		126,828	
Accountants/Bookkeepers		41,827	
Social Workers		377,684	
Paraprofessionals		93,501	
Guards		204,115	
Clerical Personnel		97,998	
Educational Incentive - Other County Employees		1,125	
Overtime Pay		24,468	
Social Security		73,122	
Handling Charges and Administrative Costs		42,196	
Pensions		93,768	
Employee and Dependent Insurance		136,599	
Life Insurance		1,570	
Disability Insurance		2,525	
Local Retirement		1,704	
Communication		18,163	
Data Processing Services		13,182	
Maintenance and Repair Services - Buildings		14,883	
Maintenance and Repair Services - Equipment		8,252	
Maintenance and Repair Services - Vehicles		1,506	
Medical and Dental Services		14,453	

(Continued)

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

Juvenile Services Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Printing, Stationery, and Forms	\$	186	
Travel		8,672	
Other Contracted Services		52,925	
Custodial Supplies		1,883	
Food Supplies		19,044	
Gasoline		1,790	
Instructional Supplies and Materials		857	
Office Supplies		913	
Prisoners Clothing		410	
Uniforms		652	
Utilities		28,577	
Other Supplies and Materials		1,804	
Excess Risk Insurance		817	
Liability Insurance		21,275	
Medical Claims		8,760	
Trustee's Commission		27,618	
Data Processing Equipment		10,108	
Office Equipment		426	
Other Equipment		2,717	
Total Juvenile Services			\$ 1,641,537

Total Juvenile Services Fund

\$ 1,641,537

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Truck Drivers	\$	60,938	
Part-time Personnel		286,621	
Other Salaries and Wages		62,998	
Social Security		30,398	
Handling Charges and Administrative Costs		3,716	
Pensions		14,633	
Employee and Dependent Insurance		13,013	
Life Insurance		477	
Other Fringe Benefits		10,417	
Communication		7,756	
Operating Lease Payments		10,312	
Maintenance and Repair Services - Buildings		4,908	
Maintenance and Repair Services - Equipment		25,043	
Maintenance and Repair Services - Vehicles		29,214	
Travel		2,447	
Gasoline		25,873	
Uniforms		2,670	
Utilities		12,744	
Other Supplies and Materials		2,772	
Trustee's Commission		22,283	
In Service/Staff Development		732	

(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.)

Convenience Centers (Cont.)

Other Charges	\$ 20,981	
Solid Waste Equipment	11,540	
Total Convenience Centers		\$ 662,486

Landfill Operation and Maintenance

Contracts with Government Agencies	\$ 320,380	
Other Contracted Services	215,228	
Total Landfill Operation and Maintenance		<u>535,608</u>

Total Solid Waste/Sanitation Fund \$ 1,198,094

Local Purpose Tax Fund

Other Operations

Miscellaneous

Trustee's Commission	\$ 18	
Total Miscellaneous		<u>\$ 18</u>

Total Local Purpose Tax Fund 18

Special Purpose Fund

Public Safety

Correctional Incentive Program Improvements

Probation Officer(s)	\$ 267,067	
Educational Incentive - Other County Employees	3,750	
Social Security	19,743	
Handling Charges and Administrative Costs	8,453	
Pensions	18,024	
Employee and Dependent Insurance	24,673	
Life Insurance	314	
Local Retirement	86	
Communication	17,366	
Data Processing Services	9,867	
Dues and Memberships	1,122	
Evaluation and Testing	3,191	
Maintenance and Repair Services - Buildings	4,689	
Maintenance and Repair Services - Vehicles	9,289	
Postal Charges	648	
Rentals	32,773	
Travel	22,278	
Office Supplies	12,155	
Utilities	2,478	
Other Charges	188	
Motor Vehicles	52,129	
Other Equipment	1,408	
Total Correctional Incentive Program Improvements		\$ 511,691

(Continued)

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

Special Purpose Fund (Cont.)

Public Safety (Cont.)

Work Release Program

Other Salaries and Wages	\$	450,141	
Social Security		32,788	
Handling Charges and Administrative Costs		17,200	
Pensions		36,339	
Employee and Dependent Insurance		48,889	
Life Insurance		776	
Local Retirement		228	
Communication		10,085	
Data Processing Services		18,229	
Dues and Memberships		956	
Evaluation and Testing		3,354	
Maintenance and Repair Services - Buildings		6,864	
Maintenance and Repair Services - Vehicles		26,508	
Postal Charges		459	
Rentals		69,003	
Travel		3,105	
Office Supplies		17,041	
Utilities		10,618	
Other Equipment		5,488	
Total Work Release Program			\$ 758,071

Other Emergency Management

In-service Training	\$	2,054	
Other Contracted Services		5,850	
Instructional Supplies and Materials		10,725	
Other Charges		33,005	
Building Construction		454,771	
Communication Equipment		2,752	
Law Enforcement Equipment		4,000	
Other Equipment		3,993	
Total Other Emergency Management			517,150

Public Safety Grants Program

Other Salaries and Wages	\$	42,103	
Social Security		3,158	
Handling Charges and Administrative Costs		558	
Employee and Dependent Insurance		2,270	
Life Insurance		15	
Communication		1,077	
Rentals		12,000	
Travel		2,890	
Office Supplies		137	
Utilities		1,306	
Total Public Safety Grants Program			65,514

(Continued)

Exhibit K-7

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

Special Purpose Fund (Cont.)

Public Health and Welfare

Maternal and Child Health Services

Part-time Personnel	\$	112,559	
Bonus Payments		500	
Other Salaries and Wages		1,586,177	
Social Security		122,935	
Handling Charges and Administrative Costs		49,606	
Pensions		142,136	
Employee and Dependent Insurance		155,886	
Life Insurance		2,447	
Unemployment Compensation		5,856	
Local Retirement		7,316	
Advertising		10,819	
Bank Charges		11,828	
Communication		39,706	
Maintenance Agreements		18,141	
Postal Charges		3,714	
Printing, Stationery, and Forms		13,626	
Travel		37,775	
Remittance of Revenue Collected		41,119	
Other Contracted Services		220	
Drugs and Medical Supplies		105,458	
Office Supplies		287,454	
Utilities		58,731	
Other Supplies and Materials		529,154	
Liability Insurance		2,505	
In Service/Staff Development		442	
Other Charges		201	
Building Improvements		38,382	
Communication Equipment		53,315	
Total Maternal and Child Health Services			\$ 3,438,008

Sanitation Education/Information

Other Salaries and Wages	\$	25,000	
Social Security		1,913	
Unemployment Compensation		272	
Gasoline		7,757	
Other Supplies and Materials		19,225	
Total Sanitation Education/Information			54,167

Other Operations

Miscellaneous

Other Salaries and Wages	\$	163,743	
Social Security		11,841	
Handling Charges and Administrative Costs		4,128	
Employee and Dependent Insurance		5,208	
Life Insurance		244	
Refunds		1,894	
Trustee's Commission		5,579	
Total Miscellaneous			192,637

Total Special Purpose Fund \$ 5,537,238

(Continued)

Exhibit K-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Contributions	\$	2,000	
Other Contracted Services		2,680	
Law Enforcement Supplies		672	
Office Supplies		828	
Trustee's Commission		335	
Motor Vehicles		19,900	
Total Drug Enforcement			\$ 26,415

Total Drug Control Fund \$ 26,415

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	116,638	
Clerical Personnel		65,334	
Custodial Personnel		4,200	
Educational Incentive - Other County Employees		3,000	
Social Security		13,435	
Pensions		23,413	
Employee and Dependent Insurance		17,514	
Data Processing Services		1,575	
Dues and Memberships		4,901	
Maintenance and Repair Services - Buildings		4,041	
Postal Charges		98	
Printing, Stationery, and Forms		882	
Travel		3,015	
Data Processing Supplies		13,398	
Office Supplies		1,390	
Other Charges		1,730	
Total Administration			\$ 274,564

Highway and Bridge Maintenance

Materials Supervisor	\$	80,022	
Foremen		176,629	
Equipment Operators		372,427	
Truck Drivers		122,025	
Laborers		93,574	
Social Security		60,821	
Handling Charges and Administrative Costs		1,015	
Pensions		88,933	
Employee and Dependent Insurance		120,537	
Local Retirement		4,554	
Travel		373	
Other Contracted Services		20,432	
Asphalt - Cold Mix		44,866	
Asphalt - Hot Mix		22,009	
Asphalt - Liquid		259,128	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Crushed Stone	\$	259,972	
Riprap		39,104	
Pipe		74,859	
Road Signs		45,427	
Salt		6,883	
Small Tools		2,416	
Uniforms		670	
Utilities		946	
Wood Products		1,360	
Gravel and Chert		65,846	
Chemicals		99,688	
Other Supplies and Materials		6,281	
Other Charges		665	
Total Highway and Bridge Maintenance			\$ 2,071,462

Operation and Maintenance of Equipment

Mechanic(s)	\$	39,105	
Social Security		2,691	
Pensions		29	
Employee and Dependent Insurance		10,169	
Local Retirement		583	
Laundry Service		1,327	
Maintenance and Repair Services - Equipment		37,141	
Diesel Fuel		42,653	
Equipment and Machinery Parts		116,072	
Garage Supplies		2,888	
Gasoline		13,240	
Lubricants		4,448	
Small Tools		3,144	
Tires and Tubes		21,566	
Other Supplies and Materials		12,446	
In Service/Staff Development		2,710	
Total Operation and Maintenance of Equipment			310,212

Other Charges

Communication	\$	10,803	
Contracts with Private Agencies		110	
Utilities		16,108	
Liability Insurance		83,261	
Trustee's Commission		61,636	
Total Other Charges			171,918

Employee Benefits

Handling Charges and Administrative Costs	\$	19,710	
Employee and Dependent Insurance		31,350	
Disability Insurance		2,614	
Medical and Dental Services		50,000	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits (Cont.)

Excess Risk Insurance	\$ 3,833	
Medical Claims	36,144	
Total Employee Benefits		\$ 143,651

Capital Outlay

Engineering Services	\$ 56,685	
Riprap	7,768	
Bridge Construction	593,765	
Building Improvements	129	
Highway Equipment	310,365	
Motor Vehicles	30,625	
Total Capital Outlay		999,337

Total Highway/Public Works Fund \$ 3,971,144

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 4,770,000	
Total General Government		\$ 4,770,000

Interest on Debt

General Government

Interest on Bonds	\$ 1,381,397	
Total General Government		1,381,397

Other Debt Service

General Government

Trustee's Commission	\$ 140,862	
Other Debt Service	1,650	
Total General Government		142,512

Total General Debt Service Fund 6,293,909

General Capital Projects Fund

General Government

County Buildings

Building Improvements	\$ 9,000	
Total County Buildings		\$ 9,000

Finance

Accounting and Budgeting

Data Processing Equipment	\$ 512,669	
Total Accounting and Budgeting		512,669

Data Processing

Data Processing Equipment	\$ 27,544	
Total Data Processing		27,544

(Continued)

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

General Capital Projects Fund (Cont.)

Public Safety

Sheriff's Department

Communication Equipment	\$	15,525	
Motor Vehicles		283,665	
Total Sheriff's Department			\$ 299,190

Juvenile Services

Heating and Air Conditioning Equipment	\$	6,000	
Motor Vehicles		11,100	
Total Juvenile Services			17,100

Fire Prevention and Control

Motor Vehicles	\$	700,094	
Other Equipment		161,239	
Total Fire Prevention and Control			861,333

Civil Defense

Communication Equipment	\$	15,845	
Motor Vehicles		16,388	
Other Capital Outlay		14,692	
Total Civil Defense			46,925

Public Health and Welfare

Local Health Center

Maintenance and Repair Services - Buildings	\$	10,000	
Total Local Health Center			10,000

Rabies and Animal Control

Building Improvements	\$	8,845	
Total Rabies and Animal Control			8,845

Sanitation Education/Information

Motor Vehicles	\$	6,500	
Total Sanitation Education/Information			6,500

Social, Cultural, and Recreational Services

Libraries

Contributions	\$	33,267	
Total Libraries			33,267

Parks and Fair Boards

Motor Vehicles	\$	62,422	
Site Development		8,202	
Total Parks and Fair Boards			70,624

Agriculture and Natural Resources

Agricultural Extension Service

Building Improvements	\$	11,663	
Total Agricultural Extension Service			11,663

(Continued)

Exhibit K-7

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

General Capital Projects Fund (Cont.)

Other Operations

Airport

Airport Improvement	\$ 38,125	
Total Airport		\$ 38,125

Contributions to Other Agencies

Contributions	\$ 50,000	
Total Contributions to Other Agencies		50,000

Miscellaneous

Trustee's Commission	\$ 47,960	
Total Miscellaneous		47,960

Capital Projects

Administration of Justice Projects

Land	\$ 100,404	
Total Administration of Justice Projects		<u>100,404</u>

Total General Capital Projects Fund		\$ 2,151,149
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Community Development/Industrial Park Fund

Other Operations

Industrial Development

Contributions	\$ 75,000	
Trustee's Commission	266	
Total Industrial Development		<u>\$ 75,266</u>

Total Community Development/Industrial Park Fund		<u>75,266</u>
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Total Governmental Funds - Primary Government		<u>\$ 57,981,567</u>
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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, 2016

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 32,147,447	
Career Ladder Program	165,431	
Career Ladder Extended Contracts	28,750	
Homebound Teachers	106,642	
Salary Supplements	650,220	
Educational Assistants	922,389	
Bonus Payments	281,120	
Certified Substitute Teachers	214,991	
Non-certified Substitute Teachers	366,748	
Social Security	2,465,142	
Pensions	3,291,643	
Life Insurance	68,289	
Medical Insurance	3,231,065	
Dental Insurance	117,176	
Local Retirement	8,625	
Other Fringe Benefits	258,748	
Other Contracted Services	123,195	
Instructional Supplies and Materials	699,010	
Textbooks	886,443	
Other Supplies and Materials	48,376	
Other Charges	21,550	
Regular Instruction Equipment	194,443	
Total Regular Instruction Program		\$ 46,297,443

Special Education Program

Teachers	\$ 5,580,257	
Career Ladder Program	38,135	
Homebound Teachers	67,606	
Educational Assistants	648,507	
Speech Pathologist	547,495	
Bonus Payments	29,090	
Other Salaries and Wages	917	
Certified Substitute Teachers	27,087	
Non-certified Substitute Teachers	59,463	
Social Security	481,203	
Pensions	594,824	
Life Insurance	11,321	
Medical Insurance	583,119	
Dental Insurance	25,983	
Local Retirement	3,738	
Contracts with Private Agencies	398,390	
Other Contracted Services	218,813	
Instructional Supplies and Materials	31,066	
Other Supplies and Materials	33,519	
Special Education Equipment	32,024	
Total Special Education Program		9,412,557

(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

Teachers	\$ 1,910,937	
Career Ladder Program	10,010	
Bonus Payments	14,970	
Other Salaries and Wages	309,464	
Certified Substitute Teachers	9,218	
Non-certified Substitute Teachers	16,501	
Social Security	163,638	
Pensions	204,090	
Life Insurance	3,932	
Medical Insurance	175,643	
Dental Insurance	7,022	
Instructional Supplies and Materials	87,987	
Textbooks	13,834	
Vocational Instruction Equipment	44,720	
Total Vocational Education Program		\$ 2,971,966

Other

Other Contracted Services	\$ 140	
Total Other		140

Support Services

Attendance

Supervisor/Director	\$ 58,131	
Other Salaries and Wages	66,126	
Social Security	9,179	
Pensions	11,718	
Life Insurance	238	
Medical Insurance	8,740	
Dental Insurance	114	
Local Retirement	1,986	
Travel	107	
Other Contracted Services	30,103	
Other Supplies and Materials	1,139	
In Service/Staff Development	8,726	
Total Attendance		196,307

Health Services

Medical Personnel	\$ 362,176	
Other Salaries and Wages	29,200	
Social Security	26,024	
Pensions	24,561	
Life Insurance	718	
Medical Insurance	62,724	
Dental Insurance	2,505	
Local Retirement	7,013	
Postal Charges	219	

(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 (Cont.)

Travel	\$	9,010	
Other Contracted Services		31,190	
Other Supplies and Materials		55,520	
In Service/Staff Development		11,716	
Total Health Services			\$ 622,576

Other Student Support

Career Ladder Program	\$	14,000	
Guidance Personnel		2,138,208	
Psychological Personnel		378,191	
Social Workers		38,336	
Bonus Payments		17,490	
Other Salaries and Wages		18,688	
Social Security		183,979	
Pensions		234,417	
Life Insurance		4,881	
Medical Insurance		201,358	
Dental Insurance		8,102	
Contracts with Government Agencies		250,000	
Travel		18,429	
Other Contracted Services		74,097	
Office Supplies		998	
Other Supplies and Materials		79,611	
Other Equipment		1,252	
Total Other Student Support			3,662,037

Regular Instruction Program

Supervisor/Director	\$	475,071	
Career Ladder Program		26,100	
Librarians		1,237,247	
Clerical Personnel		96,394	
Bonus Payments		17,240	
Other Salaries and Wages		470,145	
In-service Training		2,692	
Social Security		161,415	
Pensions		202,219	
Life Insurance		4,072	
Medical Insurance		152,245	
Dental Insurance		6,773	
Local Retirement		1,837	
Travel		57,981	
Other Contracted Services		17,442	
Instructional Supplies and Materials		25,152	
Library Books/Media		80,000	
Office Supplies		8,302	
Other Supplies and Materials		46,517	

(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.)

In Service/Staff Development	\$	130,755	
Other Charges		10,713	
Other Equipment		30,405	
Total Regular Instruction Program			\$ 3,260,717

Special Education Program

Supervisor/Director	\$	140,999	
Career Ladder Program		1,000	
Clerical Personnel		31,213	
Other Salaries and Wages		149,208	
Social Security		18,965	
Pensions		28,943	
Life Insurance		477	
Medical Insurance		23,624	
Dental Insurance		881	
Maintenance and Repair Services - Equipment		2,213	
Travel		43,212	
Other Supplies and Materials		40,112	
In Service/Staff Development		19,834	
Total Special Education Program			500,681

Vocational Education Program

Supervisor/Director	\$	73,488	
Social Security		5,535	
Pensions		6,258	
Life Insurance		134	
Maintenance and Repair Services - Equipment		120	
Travel		1,232	
Other Supplies and Materials		231	
Other Charges		1,150	
Total Vocational Education Program			88,148

Other Programs

On-behalf Payments to OPEB	\$	763,062	
Total Other Programs			763,062

Board of Education

Secretary to Board	\$	6,300	
Board and Committee Members Fees		28,800	
Social Security		3,223	
Medical Insurance		307	
Dental Insurance		12	
Unemployment Compensation		116,865	
Local Retirement		210	
Audit Services		69,328	
Contributions		744	

(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.)

Board of Education (Cont.)

Dues and Memberships	\$	13,323	
Legal Services		125,382	
Other Contracted Services		132,800	
Premiums on Corporate Surety Bonds		405	
Trustee's Commission		708,186	
Workers' Compensation Insurance		863,554	
Loss on Investments		3,534	
In Service/Staff Development		15,146	
Other Charges		11,045	
Total Board of Education			\$ 2,099,164

Director of Schools

County Official/Administrative Officer	\$	154,530	
Career Ladder Program		1,000	
Secretary(ies)		102,581	
Other Salaries and Wages		51,906	
Social Security		19,767	
Pensions		17,991	
Life Insurance		540	
Medical Insurance		24,173	
Dental Insurance		937	
Local Retirement		7,253	
Other Fringe Benefits		36,268	
Advertising		7,385	
Communication		351,422	
Dues and Memberships		6,500	
Operating Lease Payments		53,928	
Maintenance and Repair Services - Equipment		1,205	
Postal Charges		6,763	
Travel		5,945	
Other Contracted Services		31,329	
Office Supplies		4,516	
Other Supplies and Materials		6,932	
In Service/Staff Development		3,645	
Other Charges		2,698	
Total Director of Schools			899,214

Office of the Principal

Principals	\$	2,188,487	
Career Ladder Program		19,000	
Assistant Principals		1,445,564	
Secretary(ies)		1,303,408	
Bonus Payments		15,230	
Other Salaries and Wages		370,594	
Social Security		376,742	
Pensions		483,279	

(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.)

Office of the Principal (Cont.)

Life Insurance	\$	10,003	
Medical Insurance		433,295	
Dental Insurance		17,942	
Local Retirement		8,236	
Travel		7,056	
Other Supplies and Materials		104,827	
Other Charges		5,442	
Total Office of the Principal			\$ 6,789,105

Fiscal Services

Supervisor/Director	\$	109,003	
Accountants/Bookkeepers		133,274	
Secretary(ies)		20,811	
Social Security		19,330	
Pensions		21,356	
Life Insurance		582	
Medical Insurance		14,916	
Dental Insurance		814	
Local Retirement		7,630	
Contributions		367,703	
Travel		823	
Other Contracted Services		1,711	
Office Supplies		6,948	
In Service/Staff Development		6,187	
Administration Equipment		6,315	
Total Fiscal Services			717,403

Human Services/Personnel

Supervisor/Director	\$	253,861	
Clerical Personnel		33,680	
Other Salaries and Wages		90,692	
Social Security		27,779	
Pensions		37,058	
Life Insurance		573	
Medical Insurance		11,268	
Dental Insurance		1,300	
Local Retirement		903	
Advertising		1,696	
Dues and Memberships		265	
Travel		237	
Other Contracted Services		6,936	
Office Supplies		1,737	
Other Supplies and Materials		25,570	
In Service/Staff Development		5,059	
Other Charges		505	
Administration Equipment		2,616	
Total Human Services/Personnel			501,735

(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.)

Operation of Plant

Other Contracted Services	\$	2,371,626	
Electricity		2,240,030	
Natural Gas		378,888	
Water and Sewer		298,787	
Building and Contents Insurance		778,044	
Total Operation of Plant			\$ 6,067,375

Maintenance of Plant

Supervisor/Director	\$	60,377	
Secretary(ies)		62,906	
Overtime Pay		21,832	
Other Salaries and Wages		1,155,788	
Social Security		92,242	
Pensions		137,352	
Life Insurance		2,390	
Medical Insurance		119,878	
Dental Insurance		4,551	
Local Retirement		10,911	
Travel		567	
Other Contracted Services		181,369	
Other Supplies and Materials		945,453	
In Service/Staff Development		849	
Administration Equipment		46,243	
Total Maintenance of Plant			2,842,708

Transportation

Supervisor/Director	\$	131,015	
Mechanic(s)		309,481	
Bus Drivers		2,060,762	
Overtime Pay		3,252	
Other Salaries and Wages		536,394	
Social Security		214,763	
Pensions		262,183	
Life Insurance		4,436	
Medical Insurance		309,485	
Dental Insurance		17,383	
Local Retirement		3,832	
Contracts with Parents		7,370	
Maintenance and Repair Services - Vehicles		15,044	
Other Contracted Services		21,910	
Diesel Fuel		371,383	
Gasoline		70,330	
Lubricants		15,591	
Office Supplies		8,149	
Tires and Tubes		103,362	
Vehicle Parts		406,736	

(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.)

Transportation (Cont.)

Other Supplies and Materials	\$	63,038	
In Service/Staff Development		6,865	
Other Charges		44,260	
Transportation Equipment		33,649	
Total Transportation			\$ 5,020,673

Central and Other

Supervisor/Director	\$	128,905	
Other Salaries and Wages		252,140	
Social Security		26,928	
Pensions		16,865	
Life Insurance		663	
Medical Insurance		31,582	
Dental Insurance		1,004	
Local Retirement		8,487	
Maintenance and Repair Services - Equipment		1,895	
Other Contracted Services		170,594	
Other Supplies and Materials		38,601	
In Service/Staff Development		1,161	
Other Equipment		111,963	
Total Central and Other			790,788

Operation of Non-instructional Services

Food Service

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

Community Services

Supervisor/Director	\$	73,677	
Teachers		63,759	
Educational Assistants		5,841	
Other Salaries and Wages		282,741	
Social Security		29,799	
Pensions		33,436	
Life Insurance		102	
Medical Insurance		16,683	
Dental Insurance		921	
Local Retirement		471	
Communication		2,232	
Travel		53	
Other Contracted Services		120	
Food Supplies		1,269	
Instructional Supplies and Materials		1,295	
Other Supplies and Materials		12,164	

(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.)

Community Services (Cont.)

Other Charges	\$	4,412	
Other Equipment		489	
Total Community Services			\$ 529,464

Early Childhood Education

Supervisor/Director	\$	4,000	
Teachers		813,286	
Educational Assistants		298,974	
Bonus Payments		6,170	
Certified Substitute Teachers		8,502	
Non-certified Substitute Teachers		10,526	
Social Security		79,185	
Pensions		109,754	
Life Insurance		2,109	
Medical Insurance		113,726	
Dental Insurance		4,442	
Local Retirement		726	
Travel		136	
Other Contracted Services		374	
Instructional Supplies and Materials		28,458	
In Service/Staff Development		4,374	
Total Early Childhood Education			1,484,742

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	872,964	
Total Education			872,964

Total General Purpose School Fund \$ 96,392,135

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	52,846	
Educational Assistants		66,461	
Other Salaries and Wages		1,100,570	
Certified Substitute Teachers		2,008	
Non-certified Substitute Teachers		3,627	
Social Security		80,198	
Pensions		101,555	
Life Insurance		1,488	
Medical Insurance		66,255	
Dental Insurance		4,059	
Other Contracted Services		84,604	
Instructional Supplies and Materials		861,148	
Other Supplies and Materials		3,749	
Regular Instruction Equipment		643,162	
Total Regular Instruction Program			\$ 3,071,730

(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

Teachers	\$	44,366	
Educational Assistants		1,819,826	
Speech Pathologist		93,572	
Certified Substitute Teachers		171	
Social Security		134,222	
Pensions		144,125	
Life Insurance		3,495	
Medical Insurance		222,369	
Dental Insurance		11,819	
Local Retirement		10,096	
Contracts with Private Agencies		18,098	
Other Contracted Services		66,234	
Instructional Supplies and Materials		20,491	
Other Supplies and Materials		18,285	
Special Education Equipment		8,457	
Total Special Education Program			\$ 2,615,626

Vocational Education Program

Educational Assistants	\$	16,291	
Other Salaries and Wages		39,110	
Social Security		3,405	
Pensions		7,700	
Life Insurance		109	
Medical Insurance		11,206	
Dental Insurance		387	
Vocational Instruction Equipment		282,130	
Total Vocational Education Program			360,338

Support Services

Health Services

Medical Personnel	\$	176,382	
Social Security		12,677	
Pensions		16,133	
Life Insurance		336	
Medical Insurance		10,947	
Dental Insurance		994	
Local Retirement		3,602	
Total Health Services			221,071

Other Student Support

Other Salaries and Wages	\$	11,712	
Social Security		896	
Pensions		1,057	
Travel		21,703	
Other Contracted Services		80,492	
Other Supplies and Materials		6,307	

(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.)

Other Student Support (Cont.)

In Service/Staff Development	\$	21,605	
Other Charges		60,597	
Total Other Student Support			\$ 204,369

Regular Instruction Program

Supervisor/Director	\$	78,741	
Secretary(ies)		39,834	
Clerical Personnel		29,666	
Bonus Payments		10,000	
Other Salaries and Wages		1,276,274	
Social Security		97,462	
Pensions		116,080	
Life Insurance		1,557	
Medical Insurance		61,971	
Dental Insurance		2,769	
Local Retirement		553	
Travel		2,108	
Other Contracted Services		37,609	
Other Supplies and Materials		41,986	
In Service/Staff Development		655,304	
Other Equipment		11,368	
Total Regular Instruction Program			2,463,282

Special Education Program

Assessment Personnel	\$	111,205	
Secretary(ies)		24,722	
Other Salaries and Wages		191,479	
In-service Training		11,861	
Social Security		22,382	
Pensions		35,225	
Life Insurance		566	
Medical Insurance		30,820	
Dental Insurance		1,761	
Travel		1,905	
Other Contracted Services		162,504	
Other Supplies and Materials		25,718	
In Service/Staff Development		26,913	
Total Special Education Program			647,061

Vocational Education Program

Travel	\$	2,441	
Total Vocational Education Program			2,441

Transportation

Clerical Personnel	\$	6,446	
Social Security		386	

(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.)

Transportation (Cont.)

Pensions	\$	893	
Life Insurance		14	
Medical Insurance		1,802	
Contracts with Vehicle Owners		49,991	
Total Transportation			\$ 59,532

Operation of Non-instructional Services

Community Services

Clerical Personnel	\$	15,162	
Other Salaries and Wages		39,591	
Social Security		4,050	
Pensions		5,804	
Life Insurance		26	
Dental Insurance		294	
Other Contracted Services		4,142	
Instructional Supplies and Materials		3,655	
In Service/Staff Development		989	
Total Community Services			73,713

Total School Federal Projects Fund \$ 9,719,163

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	72,928	
Accountants/Bookkeepers		101,789	
Cafeteria Personnel		2,475,526	
Other Salaries and Wages		197,942	
Social Security		205,829	
Pensions		251,015	
Life Insurance		4,554	
Medical Insurance		255,682	
Dental Insurance		14,859	
Unemployment Compensation		932	
Local Retirement		31,016	
Other Fringe Benefits		33,626	
Communication		11,454	
Maintenance and Repair Services - Equipment		57,183	
Transportation - Other than Students		16,280	
Travel		19,060	
Other Contracted Services		121,317	
Food Supplies		4,175,598	
Uniforms		17,471	
USDA - Commodities		268,255	
Other Supplies and Materials		388,252	
Trustee's Commission		922	

(Continued)

Exhibit K-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Food Service (Cont.)

In Service/Staff Development	\$	7,616	
Food Service Equipment		182,244	
Total Food Service			\$ 8,911,350

Total Central Cafeteria Fund \$ 8,911,350

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Engineering Services	\$	179,468	
Other Contracted Services		71,352	
Trustee's Commission		56,494	
Building Improvements		1,063,749	
Maintenance Equipment		12,386	
Regular Instruction Equipment		522,387	
Transportation Equipment		243,373	
Other Equipment		2,215	
Total Education Capital Projects			\$ 2,151,424

Total Education Capital Projects Fund 2,151,424

Total Governmental Funds - Madison County School Department \$ 117,174,072

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, 2016

	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	255,531	255,531
Prior Year's Property Tax	0	12,612	12,612
Interest and Penalty	0	1,557	1,557
Local Option Sales Tax	13,776,278	107,659	13,883,937
Hotel/Motel Tax	1,122,044	0	1,122,044
Total Cash Receipts	<u>\$ 14,898,322</u>	<u>\$ 378,823</u>	<u>\$ 15,277,145</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 14,743,756	\$ 374,301	\$ 15,118,057
Trustee's Commission	148,983	6,500	155,483
Total Cash Disbursements	<u>\$ 14,892,739</u>	<u>\$ 380,801</u>	<u>\$ 15,273,540</u>
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ 5,583	\$ (1,978)	\$ 3,605
Cash Balance, July 1, 2015	60,441	4,406	64,847
Cash Balance, June 30, 2016	<u>\$ 66,024</u>	<u>\$ 2,428</u>	<u>\$ 68,452</u>

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# SINGLE AUDIT SECTION

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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 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***

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, 2016, and the related notes to the financial statements, which collectively comprise Madison County's basic financial statements, and have issued our report thereon dated September 28, 2016.

**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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **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: 2016-001 and 2016-002.

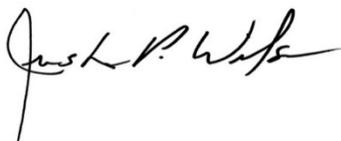
### **Madison County's Responses to Findings**

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,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

September 28, 2016

JPW/sb



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 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 the Uniform Guidance**

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 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, 2016. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

### **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 the Uniform Guidance, 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.

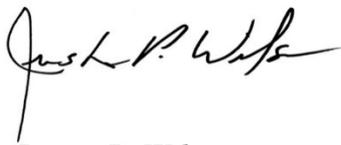
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The sole purpose of this report on internal control over compliance is to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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, 2016, and the related notes to the financial statements, which collectively comprise Madison County's basic financial statements. We issued our report thereon dated September 28, 2016, 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 the Uniform Guidance 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 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 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

September 28, 2016

JPW/sb

Madison County, Tennessee, and the Madison County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2)  
For the Year Ended June 30, 2016

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	\$ 3,200,208
National School Lunch Program	10.555	N/A	5,377,002 (6)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	268,255 (6)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG1543230	<u>746,534</u>
Total U.S. Department of Agriculture			<u>\$ 9,591,999</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	<u>\$ 459,442 (7)</u>
Total U.S. Department of Defense			<u>\$ 459,442</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(3)	\$ 84,145
Passed-through State Office of Criminal Justice Programs:			
Crime Victim Assistance	16.575	(3)	36,000
Passed-through City of Jackson:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(3)	<u>35,903</u>
Total U.S. Department of Justice			<u>\$ 156,048</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
State and Community Highway Safety	20.600	(4)	\$ 19,893
Alcohol Open Container Requirements	20.607	(5)	<u>23,817</u>
Total U.S. Department of Transportation			<u>\$ 43,710</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 4,617,901
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	3,406,099
Special Education - Preschool Grants	84.173	N/A	87,200
Career and Technical Education - Basic Grants to States	84.048	N/A	480,210
School Safety National Activities	84.184	N/A	31,076
Education for Homeless Children and Youth	84.196	N/A	36,408
Twenty-first Century Community Learning Centers	84.287	N/A	73,713
English Language Acquisition State Grants	84.365	N/A	52,502
Supporting Effective Instruction State Grant	84.367	N/A	608,114
School Improvement Grants	84.377	N/A	355,203
Investing in Innovation (i3) Fund	84.411	N/A	<u>20,000</u>
Total U.S. Department of Education			<u>\$ 9,768,426</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Public Health Emergency Preparedness	93.069	GG1646492	\$ 444,530
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG1544238	43,128
Family Planning - Services	93.217	GG1337858	127,882
Immunization Cooperative Agreements	93.268	GG1648472	95,298
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	GG1644972	35,989
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	GE1647720	100,000

(Continued)

Madison County, Tennessee, and the Madison County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (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.):			
National Bioterrorism Hospital Preparedness Program	93.889	GE1543567	\$ 250,000
HIV Prevention Activities - Health Department Based	93.940	GG1648200	224,734
Assistance Programs for Chronic Disease Prevention and Control	93.945	GG1440467	62,202
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	GU1545112	4,500
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	GG1543615	46,787
Preventive Health and Health Services Block Grant	93.991	GG1645227	<u>32,768</u>
Total U.S. Department of Health and Human Services			<u>\$ 1,467,818</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(3)	\$ 68,754
Emergency Management Performance Grants	97.042	(3)	94,000
Pre-Disaster Mitigation	97.047	(3)	5,850
Homeland Security Grant Program	97.067	(3)	<u>19,913</u>
Total U.S. Department of Homeland Security			<u>\$ 188,517</u>
Total Expenditures of Federal Awards			<u>\$ 21,675,960</u>

	Contract Number		
State Grants:			
Child and Family Intervention Services - State Department of Children's Services	N/A	(3)	\$ 135,375
State Supplement Juvenile Improvement Funds - State Commission on Children & Youth	N/A	(3)	13,500
Litter Program - State Department of Transportation	N/A	(3)	38,362
Drug Court Grant - State Department of Finance and Administration	N/A	(3)	64,590
Help Us Grow Successfully (HUGS) Services - State Department of Health	N/A	GG1541175	73,094
Administering Environmental Health Programs - State Department of Health	N/A	GU1339402	36,833
TennderCare Outreach - State Department of Health	N/A	GG1645648	157,865
Grant in Aid - State Department of Health	N/A	GE1647960	112,900
Tuberculosis Control, Prevention and Outreach Services - State Department of Health	N/A	GG1645117	124,483
TennCare School Based Dental Prevention Program - State Department of Health	N/A	GG1646718	281,946
Tennessee Agricultural Enhancement Program - State Department of Agriculture	N/A	(3)	9,500
Custodial Parents Access and Visitation - Administrative Office of the Courts	N/A	(3)	8,014
Coordinated School Health - State Department of Education	N/A	(3)	135,000
ACT/Explore - State Department of Education	N/A	(3)	20,062
ConnecTenn - State Department of Education	N/A	(3)	33,809
Arts Student Ticket Subsidy - State Department of Education	N/A	(3)	7,169
Lottery for Education: After School Program - State Department of Education	N/A	(3)	99,219
Safe Schools - State Department of Education	N/A	(3)	11,238
School to Work - State Department of Human Services	N/A	(3)	46,799
Early Childhood Education - State Department of Education	N/A	(3)	1,234,533
Teacher Leader Grants - State Department of Education	N/A	(3)	10,000
Governor's Academy for School Leadership - State Department of Education	N/A	(3)	1,412
Parent Education and Mediation Fund - Administrative Office of the Courts	N/A	(3)	<u>24,117</u>
Total State Grants			<u>\$ 2,679,820</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) Madison County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Z15GHS172: \$3,349; Z15GHS212: \$9,784; Z15GHS213: \$1,782; and Z16GHS212: \$4,978.
- (5) Z15GHS210: \$12,431; Z16GHS211: \$11,386.
- (6) Total for CFDA No. 10.555 is \$5,645,257.
- (7) During the year ended June 30, 2016, Madison County received excess military equipment from the U.S. Department of Military valued at \$459,442.

Madison County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2016

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or uncorrected. Presented below is a financial statement finding along with its current status from the Annual Financial Report for Madison County, Tennessee, for the year ended June 30, 2016.

***Prior-year Financial Statement Finding***

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
2015	217	2015-001	The Office had Deficiencies in Budget Operations	N/A	Not Corrected - See Explanation on Corrective Action Plan

***Prior-year Federal Award Findings***

There were no prior-year federal award findings to report.

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**MADISON COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2016**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

1. Our report on the financial statements of Madison County is unmodified.
2. Internal Control Over Financial Reporting:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NO**
3. Noncompliance material to the financial statements noted? **NO**

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs: **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
  - \* CFDA Numbers: 10.553 and 10.555 Nutrition Cluster: School Breakfast Program and National School Lunch Program
8. Dollar threshold used to distinguish between Type A and Type B Programs: **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

**PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

Findings and recommendations, as a result of our audit of the financial statements, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. The finance director provided corrective action plans, which are included in the Management’s Corrective Action Plan section of this report.

Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

**OFFICE OF FINANCE DIRECTOR**

**FINDING 2016-001                      **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**  
(Noncompliance Under *Government Auditing Standards*)**

Our examination revealed the following deficiencies in budget operations of the office:

- A. Expenditures exceeded appropriations approved by the County Commission in three of 53 major appropriation categories (the legal level of control) of the General Fund, in two of seven major appropriation categories of the Special Purpose Fund, and in four of 19 major appropriation categories of the General Capital Projects Fund as reflected in the following table:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
Public Safety - County Coroner/Medical Examiner	\$       2,089
Other Operations - Airport	20,023
Other Operations - Veterans' Services	66
Special Purpose:	
Public Safety - Other Emergency Management	2,617
Other Operations - Miscellaneous	4,557
General Capital Projects:	
General Government - County Buildings	5,393
Finance - Accounting and Budgeting	8,139
Public Safety - Sheriff's Department	12,701
Capital Projects - Administration of Justice Projects	404

- B. Salaries exceeded appropriations in nine of 121 salary line-items of the General Fund by amounts ranging from \$150 to \$12,392, in one of nine salary line-items of the Juvenile Services Fund by \$18,334, and in one of nine salary

line-items in the Special Purpose Fund by \$3,743. The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county shall not exceed appropriations that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.” These deficiencies exist because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures, and because 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

I concur. There were a variety of reasons why the major categories were overspent. Overall, the funds in question had positive budget variances of \$2,379,412 even after the individual items over budget were taken into consideration. Salaries were placed in the wrong line-item in certain instances. No one was overpaid, and salaries totaled \$498,152 under budget for the funds mentioned.

#### FINDING 2016-002

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

(Noncompliance Under *Government Auditing Standards*)

On May 19, 2016, the director of schools signed a five-year lease agreement totaling \$76,742 with Xerox Financial Services LLC for copier software. This lease agreement was not 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, this lease agreement entered into by the School Department was 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

I concur. The School Department felt that this was an amendment to their present contract.

### **PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

There were no findings and questioned costs related to federal awards for the year ended June 30, 2016. Our audit followed audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Findings relating specifically to the audit of the financial statements of Madison County, Tennessee, are separately presented under Part II, Findings Relating to the Financial Statements.

**Madison County, Tennessee  
Management's Corrective Action Plan  
For the Year Ended June 30, 2016**

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented below:

**Corrective Action - Financial Statement Findings**

**OFFICE OF FINANCE DIRECTOR**

**FINDING 2016-001                    **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS****

Response and Corrective Action Plan Prepared by:	Mike Nichols, Finance Director, Madison County, Tennessee
Person Responsible for Implementing the Corrective Action:	Same
Anticipated Completion Date of Corrective Action:	June 30, 2017
Repeat Finding:	Yes
Reason Why Corrective Action was Not Taken – PY	Our office was not diligent enough in June 2016 to get all major categories and salary line-items in order.

**Planned Corrective Action:**

All major categories will be looked at in detail in May to make the necessary budget amendments in June. Department heads will be consulted. Our new software system will also help prevent this from happening again.

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**FINDING 2016-002                    **THE SCHOOL DEPARTMENT FAILED TO COMPLY WITH STATE STATUTES REGARDING LEASE AGREEMENTS****

Response and Corrective Action Plan Prepared by:	Mike Nichols, Finance Director, Madison County, Tennessee
Person Responsible for Implementing the Corrective Action:	Same
Anticipated Completion Date of Corrective Action:	October 31, 2016
Repeat Finding:	No
Reason Why Corrective Action was Not Taken – PY	N/A

Planned Corrective Action:

The finance director will remind department heads that all lease agreements must be approved by the governing body and bid out if necessary.