

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

**FOR THE YEAR ENDED JUNE 30, 2015**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT  
MADISON COUNTY, TENNESSEE  
FOR THE YEAR ENDED JUNE 30, 2015**

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

***DIVISION OF LOCAL GOVERNMENT AUDIT  
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**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, 2015

## ***Scope***

We have audited the basic financial statements of Madison County as of and for the year ended June 30, 2015.

## ***Results***

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

Our audit resulted in one finding and recommendation, which we have reviewed with Madison County management. Detailed finding, recommendation, and management's response are included in the Single Audit section of this report.

## ***Finding***

The following is a summary of the audit finding:

### **OFFICE OF FINANCE DIRECTOR**

- ◆ The office had deficiencies in budget operations.

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# INTRODUCTORY SECTION

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# Madison County Officials

## June 30, 2015

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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  
Linda Waldon, Register of Deeds  
John Mehr, Sheriff  
Mike Nichols, Finance Director

### **Board of County Commissioners**

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

### **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**

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

(Continued)

## Madison County Officials (Cont.)

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### **Audit Committee**

William Sipes, Jr., Chairman

Scott Brown

Traci Carney

Ann Harrell

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, 2015, 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, 2015, 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. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

### ***Emphasis of Matter***

We draw attention to Note I.D.8. to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position by \$1,293,329 and the discretely presented Madison County School Department's net position by \$20,233,284 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability 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 on pages 85 - 91 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

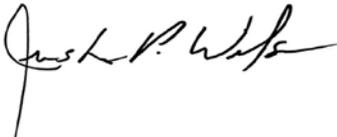
in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial 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 October 30, 2015, on our consideration of Madison County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 30, 2015

JPW/sb

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Madison County, Tennessee  
Statement of Net Position  
June 30, 2015

	Primary Governmental Activities	Component Unit Madison County School Department
<u>ASSETS</u>		
Cash	\$ 48,432	\$ 191,790
Equity in Pooled Cash and Investments	26,728,362	15,271,188
Accounts Receivable	522,682	1,565
Allowance for Uncollectibles	(13,811)	0
Due from Other Governments	2,223,499	7,300,028
Due from Primary Government	0	750,000
Property Taxes Receivable	35,988,386	10,307,230
Allowance for Uncollectible Property Taxes	(1,190,333)	(369,451)
Net Pension Asset - Agent Plan	983,906	1,394,402
Net Pension Asset - Cost-sharing Plan	0	222,339
Capital Assets:		
Assets Not Depreciated:		
Land	7,096,300	2,091,562
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	15,191,986	62,396,495
Infrastructure	24,304,854	436,137
Other Capital Assets	4,491,470	6,006,332
Total Assets	<u>\$ 116,375,733</u>	<u>\$ 105,999,617</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 1,041,101	\$ 0
Pension Changes in Experience	317,015	989,061
Pension Contributions After Measurement Date	2,459,181	5,996,333
Total Deferred Outflows of Resources	<u>\$ 3,817,297</u>	<u>\$ 6,985,394</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 337,313	\$ 61,080
Payroll Deductions Payable	248,422	4,094,675
Due to State of Tennessee	8,768	0
Accrued Interest Payable	329,454	0
Noncurrent Liabilities:		
Due Within One Year	6,045,115	307,040
Due in More Than One Year (net of unamortized premium on debt)	42,698,999	9,868,922
Total Liabilities	<u>\$ 49,668,071</u>	<u>\$ 14,331,717</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 34,085,131	\$ 9,697,299
Pension Changes in Investment Earnings	3,177,678	22,822,802
Pension Other Deferrals	0	559,235
Total Deferred Inflows of Resources	<u>\$ 37,262,809</u>	<u>\$ 33,079,336</u>

(Continued)

Exhibit A

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

	<u>Primary Governmental Activities</u>	<u>Component Unit Madison County School Department</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 47,872,875	\$ 70,930,526
Restricted for:		
General Government	238,028	0
Finance	24,780	0
Administration of Justice	270,075	0
Public Safety	1,030,315	0
Public Health and Welfare	507,367	0
Highways/Public Works	7,030,360	0
Capital Outlay	18,543	1,967,089
Debt Service	4,774,777	0
Other Purposes	582,424	0
Education	0	196,415
Operation of Non-instructional Services	0	3,154,174
Unrestricted	<u>(29,087,394)</u>	<u>(10,674,246)</u>
Total Net Position	<u>\$ 33,262,150</u>	<u>\$ 65,573,958</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, 2015

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
Primary Government: Governmental Activities:						
General Government	\$ 5,381,113	\$ 1,226,023	\$ 164,558	\$ 0	\$ (3,990,532)	\$ 0
Finance	3,290,710	2,895,838	0	0	(394,872)	0
Administration of Justice	3,834,851	3,089,273	58,025	0	(687,553)	0
Public Safety	23,961,405	4,186,282	436,127	672,489	(18,666,507)	0
Public Health and Welfare	6,708,297	1,064,130	3,058,071	0	(2,586,096)	0
Social, Cultural, and Recreational Services	2,359,122	236,744	0	0	(2,122,378)	0
Agriculture and Natural Resources	425,048	76,086	0	0	(348,962)	0
Highways/Public Works	6,392,279	189,287	3,161,397	0	(3,041,595)	0
Education	750,000	0	0	0	(750,000)	0
Interest on Long-term Debt	1,558,645	0	0	0	(1,558,645)	0
<b>Total Primary Government</b>	<b>\$ 54,661,470</b>	<b>\$ 12,963,663</b>	<b>\$ 6,878,178</b>	<b>\$ 672,489</b>	<b>\$ (34,147,140)</b>	<b>\$ 0</b>
Component Unit: Madison County School Department	\$ 113,102,228	\$ 780,474	\$ 16,307,681	\$ 0	\$ 0	\$ (96,014,073)
<b>Total Component Unit</b>	<b>\$ 113,102,228</b>	<b>\$ 780,474</b>	<b>\$ 16,307,681</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (96,014,073)</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					\$ 26,291,965	\$ 11,373,139
Property Taxes Levied for Debt Service					7,376,633	0
Local Option Sales Taxes					810,011	37,151,555
Hotel/Motel Tax					411,801	0
Litigation Tax					737,493	0
Business Tax					1,708,759	0
Mixed Drink Tax					9,268	1,252,842
Wholesale Beer Tax					252,801	0
Other Local Taxes					44,053	9,860
Grants and Contributions Not Restricted to Specific Programs					4,259,710	51,560,313
Unrestricted Investment Income					105,624	0
Miscellaneous					457,189	124,883
Pension Income					0	283,890
Gain on Disposal of Capital Assets					350,063	0
Total General Revenues					<u>\$ 42,815,370</u>	<u>\$ 101,756,482</u>
Change in Net Position					\$ 8,668,230	\$ 5,742,409
Net Position, July 1, 2014					25,887,249	80,064,833
Restatement - Pension Liability (see Note I.D.8)					<u>(1,293,329)</u>	<u>(20,233,284)</u>
Net Position, June 30, 2015					<u>\$ 33,262,150</u>	<u>\$ 65,573,958</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, 2015

	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	\$ 38,432	\$ 48,432
Equity in Pooled Cash and Investments	5,463,208	6,753,448	5,889,926	6,979,174	25,085,756
Accounts Receivable	513,133	545	7,930	1,074	522,682
Allowance for Uncollectibles	(13,811)	0	0	0	(13,811)
Due from Other Governments	779,420	421,972	0	1,022,107	2,223,499
Due from Other Funds	38,866	0	0	0	38,866
Property Taxes Receivable	22,223,285	1,818,581	7,050,870	4,895,650	35,988,386
Allowance for Uncollectible Property Taxes	(737,670)	(61,774)	(246,047)	(144,842)	(1,190,333)
Total Assets	<u>\$ 28,276,431</u>	<u>\$ 8,932,772</u>	<u>\$ 12,702,679</u>	<u>\$ 12,791,595</u>	<u>\$ 62,703,477</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 37,004	\$ 488	\$ 0	\$ 82,141	\$ 119,633
Payroll Deductions Payable	204,092	9,560	0	34,770	248,422
Due to Other Funds	304,242	20,375	0	82,390	407,007
Due to State of Tennessee	0	0	0	8,768	8,768
Total Liabilities	<u>\$ 545,338</u>	<u>\$ 30,423</u>	<u>\$ 0</u>	<u>\$ 208,069</u>	<u>\$ 783,830</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 21,042,040	\$ 1,718,715	\$ 6,648,820	\$ 4,675,556	\$ 34,085,131
Deferred Delinquent Property Taxes	332,723	28,436	115,943	59,608	536,710
Other Deferred/Unavailable Revenue	516,478	194,574	0	75,113	786,165
Total Deferred Inflows of Resources	<u>\$ 21,891,241</u>	<u>\$ 1,941,725</u>	<u>\$ 6,764,763</u>	<u>\$ 4,810,277</u>	<u>\$ 35,408,006</u>

(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	\$ 126,792	\$ 0	\$ 0	\$ 0	\$ 126,792
Restricted for Finance	24,780	0	0	0	24,780
Restricted for Administration of Justice	270,075	0	0	0	270,075
Restricted for Public Safety	106,580	0	0	855,605	962,185
Restricted for Public Health and Welfare	0	0	0	459,319	459,319
Restricted for Other Operations	0	0	0	111,236	111,236
Restricted for Highways/Public Works	0	6,513,010	0	672,545	7,185,555
Restricted for Debt Service	0	0	3,947,187	0	3,947,187
Committed:					
Committed for General Government	0	0	0	3,384,638	3,384,638
Committed for Public Safety	0	0	0	156,530	156,530
Committed for Public Health and Welfare	0	0	0	148,144	148,144
Committed for Highways/Public Works	0	447,614	0	0	447,614
Committed for Capital Outlay	0	0	0	1,985,232	1,985,232
Committed for Debt Service	0	0	1,990,729	0	1,990,729
Assigned:					
Assigned for General Government	46,706	0	0	0	46,706
Assigned for Finance	1,191	0	0	0	1,191
Assigned for Administration of Justice	2,207	0	0	0	2,207
Assigned for Public Safety	125,383	0	0	0	125,383
Assigned for Public Health and Welfare	6,292	0	0	0	6,292
Assigned for Social, Cultural, and Recreational Services	1,061	0	0	0	1,061
Assigned for Other Operations	7,348	0	0	0	7,348
Unassigned	5,121,437	0	0	0	5,121,437
Total Fund Balances	\$ 5,839,852	\$ 6,960,624	\$ 5,937,916	\$ 7,773,249	\$ 26,511,641
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 28,276,431	\$ 8,932,772	\$ 12,702,679	\$ 12,791,595	\$ 62,703,477

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, 2015

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)		\$ 26,511,641
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 7,096,300	
Add: buildings and improvements net of accumulated depreciation	15,191,986	
Add: infrastructure net of accumulated depreciation	24,304,854	
Add: other capital assets net of accumulated depreciation	<u>4,491,470</u>	51,084,610
(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.		1,793,067
(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	\$ (42,880,000)	
Add: deferred amount on refunding	1,041,101	
Less: compensated absences payable	(2,077,314)	
Less: other postemployment benefits liability	(3,109,263)	
Less: accrued interest on bonds	(329,454)	
Less: other deferred revenue - premium on debt	<u>(677,537)</u>	(48,032,467)
(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	\$ 2,776,196	
Less: deferred inflows of resources related to pensions	<u>(3,177,678)</u>	(401,482)
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		983,906
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,322,875</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 33,262,150</u></u>

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

Exhibit C-3

Madison County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2015

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<b>Revenues</b>					
Local Taxes	\$ 23,890,429	\$ 1,916,267	\$ 7,814,853	\$ 5,377,464	\$ 38,999,013
Licenses and Permits	564,494	0	0	0	564,494
Fines, Forfeitures, and Penalties	603,814	0	0	9,765	613,579
Charges for Current Services	748,670	0	0	1,013,431	1,762,101
Other Local Revenues	282,009	52,265	99,722	169,341	603,337
Fees Received from County Officials	5,422,871	0	0	0	5,422,871
State of Tennessee	1,362,268	2,425,706	0	4,026,483	7,814,457
Federal Government	172,141	758,693	123,893	669,990	1,724,717
Other Governments and Citizens Groups	1,842,743	0	834,363	345,614	3,022,720
<b>Total Revenues</b>	<b>\$ 34,889,439</b>	<b>\$ 5,152,931</b>	<b>\$ 8,872,831</b>	<b>\$ 11,612,088</b>	<b>\$ 60,527,289</b>
<b>Expenditures</b>					
Current:					
General Government	\$ 2,454,006	\$ 0	\$ 0	\$ 86,415	\$ 2,540,421
Finance	3,046,865	0	0	74,162	3,121,027
Administration of Justice	3,317,081	0	0	8,478	3,325,559
Public Safety	18,095,480	0	0	3,894,714	21,990,194
Public Health and Welfare	1,846,499	0	0	4,745,596	6,592,095
Social, Cultural, and Recreational Services	2,201,182	0	0	163,924	2,365,106
Agriculture and Natural Resources	397,707	0	0	4,600	402,307
Other Operations	2,959,509	0	0	1,106,618	4,066,127
Highways	0	4,395,443	0	0	4,395,443
Debt Service:					
Principal on Debt	0	0	6,540,000	0	6,540,000
Interest on Debt	0	0	1,614,213	0	1,614,213
Other Debt Service	0	0	153,427	0	153,427
<b>Total Expenditures</b>	<b>\$ 34,318,329</b>	<b>\$ 4,395,443</b>	<b>\$ 8,307,640</b>	<b>\$ 10,084,507</b>	<b>\$ 57,105,919</b>

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Funds Other Govern- mental Funds	
Excess (Deficiency) of Revenues Over Expenditures	\$ 571,110	\$ 757,488	\$ 565,191	\$ 1,527,581	\$ 3,421,370
<u>Other Financing Sources (Uses)</u>					
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 0	\$ 1,599,840	\$ 1,599,840
Insurance Recovery	32,097	0	0	40,813	72,910
Transfers In	29,203	0	225,000	2,548	256,751
Transfers Out	(227,548)	(29,203)	0	0	(256,751)
Total Other Financing Sources (Uses)	\$ (166,248)	\$ (29,203)	\$ 225,000	\$ 1,643,201	\$ 1,672,750
Net Change in Fund Balances	\$ 404,862	\$ 728,285	\$ 790,191	\$ 3,170,782	\$ 5,094,120
Fund Balance, July 1, 2014	5,434,990	6,232,339	5,147,725	4,602,467	21,417,521
Fund Balance, June 30, 2015	\$ 5,839,852	\$ 6,960,624	\$ 5,937,916	\$ 7,773,249	\$ 26,511,641

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, 2015

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)		\$ 5,094,120
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,425,833	
Less: current-year depreciation expense	<u>(3,428,900)</u>	(2,003,067)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: proceeds received from the disposal of capital assets		(1,249,777)
(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, 2015	\$ 1,322,875	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(1,512,917)</u>	(190,042)
(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 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	6,540,000	
Less: change in deferred amount on refunding debt	<u>(527,413)</u>	6,160,731
(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	\$ 55,568	
Change in compensated absences payable	(207,073)	
Change in other postemployment benefits liability	(572,461)	
Change in net pension asset	2,277,235	
Change in deferred outflows related to pensions	2,776,196	
Change in deferred inflows related to pensions	<u>(3,177,678)</u>	1,151,787
(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>(295,522)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 8,668,230</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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 23,890,429	\$ 0	\$ 0	\$ 23,890,429	\$ 23,081,438	\$ 23,081,438	\$ 808,991
Licenses and Permits	564,494	0	0	564,494	411,001	411,001	153,493
Fines, Forfeitures, and Penalties	603,814	0	0	603,814	588,132	590,632	13,182
Charges for Current Services	748,670	0	0	748,670	703,157	705,396	43,274
Other Local Revenues	282,009	0	0	282,009	187,129	211,942	70,067
Fees Received from County Officials	5,422,871	0	0	5,422,871	5,295,970	5,295,970	126,901
State of Tennessee	1,362,268	0	0	1,362,268	1,144,608	1,262,162	100,106
Federal Government	172,141	0	0	172,141	223,587	227,660	(55,519)
Other Governments and Citizens Groups	1,842,743	0	0	1,842,743	871,550	1,507,267	335,476
<b>Total Revenues</b>	<b>\$ 34,889,439</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 34,889,439</b>	<b>\$ 32,506,572</b>	<b>\$ 33,293,468</b>	<b>\$ 1,595,971</b>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 153,000	\$ 0	\$ 0	\$ 153,000	\$ 152,567	\$ 156,155	\$ 3,155
County Mayor/Executive	216,799	(107)	3,209	219,901	218,705	224,573	4,672
Personnel Office	200,814	0	0	200,814	250,189	251,104	50,290
County Attorney	80,248	0	0	80,248	50,000	80,000	(248)
Election Commission	393,862	0	0	393,862	445,688	447,305	53,443
Register of Deeds	333,979	0	0	333,979	356,873	365,703	31,724
Codes Compliance	88,656	0	0	88,656	93,896	94,434	5,778
County Buildings	319,845	(21,642)	13,554	311,757	308,547	331,799	20,042
Other Facilities	541,967	(72,077)	29,818	499,708	476,661	523,855	24,147
Preservation of Records	77,737	0	50	77,787	54,365	84,390	6,603
Risk Management	47,099	0	75	47,174	30,620	50,960	3,786
<u>Finance</u>							
Accounting and Budgeting	996,692	(1,294)	684	996,082	1,010,653	1,015,263	19,181
Property Assessor's Office	679,031	0	0	679,031	723,999	718,332	39,301
Reappraisal Program	274,024	(1,065)	431	273,390	279,971	310,919	37,529
County Trustee's Office	349,686	0	48	349,734	355,537	360,595	10,861
County Clerk's Office	637,533	0	0	637,533	642,402	668,700	31,167
Data Processing	109,899	0	28	109,927	111,092	112,925	2,998

(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 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 1,224,103	\$ 0	\$ 0	\$ 1,224,103	\$ 1,192,188	\$ 1,233,801	\$ 9,698
General Sessions Court	325,492	0	0	325,492	333,953	332,648	7,156
Drug Court	6,694	0	0	6,694	18,000	18,000	11,306
Chancery Court	705,169	(5,244)	1,441	701,366	746,880	746,744	45,378
Juvenile Court	385,286	0	500	385,786	398,138	437,882	52,096
Juvenile Court Clerk	375,681	0	266	375,947	395,070	385,881	9,934
District Attorney General	105,847	0	0	105,847	116,003	116,861	11,014
Office of Public Defender	95,551	0	0	95,551	96,305	97,163	1,612
Other Administration of Justice	93,258	0	0	93,258	100,000	100,000	6,742
<u>Public Safety</u>							
Sheriff's Department	6,138,412	(162,056)	115,641	6,091,997	6,045,007	6,308,817	216,820
Special Patrols	708,767	(3,100)	898	706,565	710,122	722,014	15,449
Drug Enforcement	598,874	0	900	599,774	722,145	632,815	33,041
Jail	7,459,128	(36,788)	2,295	7,424,635	7,284,484	7,569,070	144,435
Workhouse	1,697,401	(5,819)	4,402	1,695,984	1,975,986	1,768,828	72,844
Fire Prevention and Control	903,783	0	0	903,783	899,803	950,019	46,236
Civil Defense	344,505	0	1,130	345,635	346,959	362,400	16,765
Inspection and Regulation	111,887	0	117	112,004	120,814	122,014	10,010
County Coroner/Medical Examiner	116,092	0	0	116,092	131,610	130,600	14,508
Other Public Safety	16,631	0	0	16,631	17,800	17,300	669
<u>Public Health and Welfare</u>							
Local Health Center	1,607,558	(6,263)	1,674	1,602,969	1,676,858	1,692,730	89,761
Rabies and Animal Control	221,311	(500)	4,618	225,429	273,953	275,568	50,139
Other Local Welfare Services	17,630	0	0	17,630	17,630	17,630	0
<u>Social, Cultural, and Recreational Services</u>							
Libraries	1,104,652	0	0	1,104,652	1,106,622	1,106,622	1,970
Parks and Fair Boards	1,029,434	0	1,061	1,030,495	1,020,029	1,091,238	60,743
Other Social, Cultural, and Recreational	67,096	0	0	67,096	98,350	98,350	31,254

(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 7/1/2014	Add: Encumbrances 6/30/2015	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	\$ 213,135	\$ 0	\$ 0	\$ 213,135	\$ 235,824	\$ 244,777	\$ 31,642
Soil Conservation	114,572	0	0	114,572	106,115	116,907	2,335
Flood Control	70,000	0	0	70,000	70,000	70,000	0
<u>Other Operations</u>							
Industrial Development	72,000	0	0	72,000	72,000	72,000	0
Airport	301,098	0	0	301,098	305,966	305,966	4,868
Veterans' Services	36,082	0	50	36,132	32,007	37,607	1,475
Other Charges	651,364	0	0	651,364	549,293	661,293	9,929
Contributions to Other Agencies	209,000	0	0	209,000	210,000	213,000	4,000
Miscellaneous	1,689,965	0	7,298	1,697,263	2,064,308	1,845,766	148,503
Total Expenditures	\$ 34,318,329	\$ (315,955)	\$ 190,188	\$ 34,192,562	\$ 35,051,987	\$ 35,699,323	\$ 1,506,761
Excess (Deficiency) of Revenues Over Expenditures	\$ 571,110	\$ 315,955	\$ (190,188)	\$ 696,877	\$ (2,545,415)	\$ (2,405,855)	\$ 3,102,732
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 32,097	\$ 0	\$ 0	\$ 32,097	\$ 0	\$ 28,688	\$ 3,409
Transfers In	29,203	0	0	29,203	634,309	39,141	(9,938)
Transfers Out	(227,548)	0	0	(227,548)	0	(227,548)	0
Total Other Financing Sources	\$ (166,248)	\$ 0	\$ 0	\$ (166,248)	\$ 634,309	\$ (159,719)	\$ (6,529)
Net Change in Fund Balance	\$ 404,862	\$ 315,955	\$ (190,188)	\$ 530,629	\$ (1,911,106)	\$ (2,565,574)	\$ 3,096,203
Fund Balance, July 1, 2014	5,434,990	(315,955)	0	5,119,035	4,248,653	5,119,035	0
Fund Balance, June 30, 2015	\$ 5,839,852	\$ 0	\$ (190,188)	\$ 5,649,664	\$ 2,337,547	\$ 2,553,461	\$ 3,096,203

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,916,267	\$ 0	\$ 0	\$ 1,916,267	\$ 1,867,296	\$ 1,867,296	\$ 48,971
Other Local Revenues	52,265	0	0	52,265	15,000	15,000	37,265
State of Tennessee	2,425,706	0	0	2,425,706	3,252,112	3,252,112	(826,406)
Federal Government	758,693	0	0	758,693	681,205	681,205	77,488
<b>Total Revenues</b>	<b>\$ 5,152,931</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,152,931</b>	<b>\$ 5,815,613</b>	<b>\$ 5,815,613</b>	<b>\$ (662,682)</b>
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 260,506	\$ 0	\$ 0	\$ 260,506	\$ 354,047	\$ 355,931	\$ 95,425
Highway and Bridge Maintenance	2,807,028	0	100	2,807,128	3,222,153	3,661,148	854,020
Operation and Maintenance of Equipment	383,408	(14,238)	0	369,170	622,139	622,947	253,777
Other Charges	172,262	0	0	172,262	209,000	209,000	36,738
Employee Benefits	136,621	0	0	136,621	249,400	249,400	112,779
Capital Outlay	635,618	(59,323)	0	576,295	2,016,275	2,016,275	1,439,980
<b>Total Expenditures</b>	<b>\$ 4,395,443</b>	<b>\$ (73,561)</b>	<b>\$ 100</b>	<b>\$ 4,321,982</b>	<b>\$ 6,673,014</b>	<b>\$ 7,114,701</b>	<b>\$ 2,792,719</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 757,488	\$ 73,561	\$ (100)	\$ 830,949	\$ (857,401)	\$ (1,299,088)	\$ 2,130,037
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (29,203)	\$ 0	\$ 0	\$ (29,203)	\$ (29,203)	\$ (29,203)	\$ 0
<b>Total Other Financing Sources</b>	<b>\$ (29,203)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (29,203)</b>	<b>\$ (29,203)</b>	<b>\$ (29,203)</b>	<b>\$ 0</b>
Net Change in Fund Balance	\$ 728,285	\$ 73,561	\$ (100)	\$ 801,746	\$ (886,604)	\$ (1,328,291)	\$ 2,130,037
Fund Balance, July 1, 2014	6,232,339	(73,561)	0	6,158,778	5,412,371	6,158,016	762
<b>Fund Balance, June 30, 2015</b>	<b>\$ 6,960,624</b>	<b>\$ 0</b>	<b>\$ (100)</b>	<b>\$ 6,960,524</b>	<b>\$ 4,525,767</b>	<b>\$ 4,829,725</b>	<b>\$ 2,130,799</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, 2015

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance Fund</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 1,625,450
Due from Other Funds	<u>385,297</u>
Total Assets	<u>\$ 2,010,747</u>
<u>LIABILITIES</u>	
Accounts Payable	<u>\$ 217,680</u>
Total Liabilities	<u>\$ 217,680</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 1,793,067</u>
Net Position	<u><u>\$ 1,793,067</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, 2015

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance Fund</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 5,073,209
Total Operating Revenues	<u>\$ 5,073,209</u>
<u>Operating Expenses</u>	
Excess Risk Insurance	\$ 425,907
Medical Claims	4,587,609
Other Charges	359,051
Total Operating Expenses	<u>\$ 5,372,567</u>
Operating Income (Loss)	<u>\$ (299,358)</u>
<u>Nonoperating Revenues</u>	
Investment Income	\$ 3,836
Total Nonoperating Revenues	<u>\$ 3,836</u>
Change in Net Position	\$ (295,522)
Net Position, July 1, 2014	<u>2,088,589</u>
Net Position, June 30, 2015	<u><u>\$ 1,793,067</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, 2015

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 5,059,706
Excess Risk Insurance Payments	(425,907)
Payments for Medical Claims	(4,519,929)
Payments for Administrative Costs	(359,051)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (245,181)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 3,836
Net Cash Provided By (Used In) Investing Activities	<u>\$ 3,836</u>
Increase (Decrease) in Cash	\$ (241,345)
Cash, July 1, 2014	<u>1,866,795</u>
Cash, June 30, 2015	<u>\$ 1,625,450</u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (299,358)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
(Increase) Decrease in Due from Other Funds	(13,503)
Increase (Decrease) in Accounts Payable	67,680
Net Cash Provided By (Used In) Operating Activities	<u>\$ (245,181)</u>
<u>Reconciliation of Cash With the Statement of Net Position</u>	
Equity in Pooled Cash and Investments Per Net Position	<u>\$ 1,625,450</u>
Cash, June 30, 2015	<u>\$ 1,625,450</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, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 4,648,246
Equity in Pooled Cash and Investments	177,055
Accounts Receivable	98,574
Due from Other Governments	2,152,692
Cash Shortage	<u>5,055</u>
Total Assets	<u>\$ 7,081,622</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 2,283,196
Due to Litigants, Heirs, and Others	4,679,375
Other Current Liabilities	<u>119,051</u>
Total Liabilities	<u>\$ 7,081,622</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, 2015**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

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

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

The Madison County School Department operates the public school system in the county, and the voters of Madison County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Madison County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Madison County, and the Madison County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Madison County Emergency Communications District were not available from other auditors in time for inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

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

County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Madison County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Madison County Emergency Communications District  
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, 2015.

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

government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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

Fund financial statements of Madison County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Madison County reports only one proprietary fund, an internal service fund. It has no enterprise funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Madison County considers grants and similar revenues to be available if they are collected within 120 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Madison County reports the following major governmental funds:

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

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

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

Additionally, Madison County reports the following fund types:

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

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

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

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

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

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

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

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

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

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

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

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

**1. Deposits and Investments**

For purposes of the Statement of Cash Flows, cash consists of Equity in Pooled Cash and Investments with the county trustee.

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations

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

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

## **2. Receivables and Payables**

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

All Health Department and property taxes receivables are shown with an allowance for uncollectibles. Health Department receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.75 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 and the governmental funds balance sheet. These items are for the deferred charge on refunding and for pension changes in experience 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 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 and other postemployment benefits, 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, 2015, Madison County had \$39,723,130 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.

**8. Restatements**

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position. Therefore, a restatement decreasing Madison County’s beginning net position by \$1,293,329 has been recognized on the Statement of Activities. In addition, a restatement decreasing the Madison County School Department’s beginning net position by \$20,233,284 has been recognized on the Statement of Activities for liabilities of the pension agent plan (\$1,832,919) and the pension cost-sharing plan (\$18,400,365).

**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 and the Teacher Legacy Pension 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 and the Teacher Legacy Pension 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, 2015, Madison County and the Madison County School Department reported the following significant encumbrances:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Primary Government		
Major Fund:		
Special Purpose	Safe room	\$ 345,022
School Department:		
Major Fund:		
Education Capital Projects	School paving	103,907

#### 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, 2015, \$18,123.55 had been received from the collection of individual checks leaving a cash shortage of \$5,054.70. Subsequent to June 30, 2015, the clerk has collected an additional \$139.50 from individual payors. 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. The remaining cash shortage and restitution totaling \$1,909.89 is outstanding as of the date of this report.

**C. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the County Commission by \$248 in the County Attorney major appropriation category (the legal level of control) of the General Fund and by \$7,415 in the County Buildings major appropriation category of the General Capital Projects Fund. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balances.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

**Deposits**

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

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

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

**Investments**

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

The county had no pooled and nonpooled investments as of June 30, 2015.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2015, was as follows:

**Primary Government**

**Governmental Activities:**

	Balance 7-1-14		Increases		Decreases		Balance 6-30-15
Capital Assets Not Depreciated:							
Land	\$ 8,346,077	\$	0	\$ 1,249,777	\$	7,096,300	
Total Capital Assets Not Depreciated	\$ 8,346,077	\$	0	\$ 1,249,777	\$	7,096,300	

**Governmental Activities (Cont.):**

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets				
Depreciated:				
Buildings and				
Improvements	\$ 27,086,027	\$ 133,845	\$ 0	\$ 27,219,872
Roads and Bridges	60,173,242	81,850	28,000	60,227,092
Other Capital Assets	18,206,868	1,210,138	149,075	19,267,931
Total Capital Assets				
Depreciated	<u>\$ 105,466,137</u>	<u>\$ 1,425,833</u>	<u>\$ 177,075</u>	<u>\$ 106,714,895</u>
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 11,369,222	\$ 658,664	\$ 0	\$ 12,027,886
Roads and Bridges	34,003,534	1,946,704	28,000	35,922,238
Other Capital Assets	14,102,004	823,532	149,075	14,776,461
Total Accumulated				
Depreciation	<u>\$ 59,474,760</u>	<u>\$ 3,428,900</u>	<u>\$ 177,075</u>	<u>\$ 62,726,585</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 45,991,377</u>	<u>\$ (2,003,067)</u>	<u>\$ 0</u>	<u>\$ 43,988,310</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 54,337,454</u>	<u>\$ (2,003,067)</u>	<u>\$ 1,249,777</u>	<u>\$ 51,084,610</u>

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

**Governmental Activities:**

General Government	\$ 87,838
Finance	7,926
Administration of Justice	163,946
Public Safety	927,020
Public Health and Welfare	175,999
Social, Cultural, and Recreational Services	70,156
Agriculture and Natural Resources	9,566
Highways/Public Works	<u>1,986,449</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,428,900</u>

**Discretely Presented Madison County School Department**

**Governmental Activities:**

	Balance 7-1-14	Increases	Balance 6-30-15
	<u>                    </u>		<u>                    </u>
Capital Assets Not Depreciated:			
Land	\$ 2,091,562	\$ 0	\$ 2,091,562
Total Capital Assets Not Depreciated	<u>\$ 2,091,562</u>	<u>\$ 0</u>	<u>\$ 2,091,562</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 117,459,022	\$ 159,275	\$ 117,618,297
Infrastructure	702,413	0	702,413
Other Capital Assets	17,132,601	126,642	17,259,243
Total Capital Assets Depreciated	<u>\$ 135,294,036</u>	<u>\$ 285,917</u>	<u>\$ 135,579,953</u>
Less Accumulated Depreciated For:			
Buildings and Improvements	\$ 52,607,851	\$ 2,613,951	\$ 55,221,802
Infrastructure	199,110	67,166	266,276
Other Capital Assets	10,194,643	1,058,268	11,252,911
Total Accumulated Depreciation	<u>\$ 63,001,604</u>	<u>\$ 3,739,385</u>	<u>\$ 66,740,989</u>
Total Capital Assets Depreciated, Net	<u>\$ 72,292,432</u>	<u>\$ (3,453,468)</u>	<u>\$ 68,838,964</u>
Governmental Activities Capital Assets, Net	<u>\$ 74,383,994</u>	<u>\$ (3,453,468)</u>	<u>\$ 70,930,526</u>

There were no decreases in capital assets to report during the year ended June 30, 2015. Depreciation expense was charged to functions of the discretely presented Madison County School Department as follows:

**Governmental Activities:**

Instruction	\$ 2,305,387
Support Services	1,191,161
Operation of Non-instructional Services	<u>242,837</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 3,739,385</u></u>

**C. Construction Commitments**

At June 30, 2015, the Special Purpose Fund had uncompleted construction contracts of \$345,022 for a safe room and the School Department's Education Capital Projects Fund had uncompleted construction contracts of \$103,907 for school paving. Funding has been received for these future expenditures.

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

The composition of interfund balances as of June 30, 2015, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 38,866
Employee Insurance	General	304,242
"	Highway/Public Works	20,375
"	Nonmajor governmental	60,680

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

A portion of the receivable in the Employee Insurance Fund totaling \$17,156 was in transit from a nonmajor governmental fund at June 30, 2015.

**Due to/from Primary Government and Component Unit:**

The receivable in the School Department's General Purpose School Fund totaling \$750,000 was in transit from the primary government's Local Purpose Tax Fund at June 30, 2015.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2015, consisted of the following amounts:

**Primary Government**

	<u>Transfers In</u>		
	General Fund	General Debt Service Fund	Nonmajor Governmental Fund
<u>Transfers Out</u>			
General Fund	\$ 0	\$ 225,000	\$ 2,548
Highway/Public Works Fund	29,203	0	0
Total	<u>\$ 29,203</u>	<u>\$ 225,000</u>	<u>\$ 2,548</u>

**Discretely Presented Madison County School Department**

	<u>Transfer In</u> Nonmajor Governmental Fund
<u>Transfer Out</u>	
General Purpose School Fund	\$ 400,000

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

**E. Operating Leases**

The discretely presented Madison County School Department rents copiers under operating leases considered to be noncancelable. The rental expenditures for the year ended June 30, 2015, were \$178,107. There are no provisions for contingent or sublease rentals in the agreements. The future minimum lease payments for these leases are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2016	\$ 166,315
2017	166,315
2018	166,315
2019	<u>166,315</u>
Total	<u>\$ 665,260</u>

**F. Long-term Obligations**

**Primary Government**

**General Obligation Bonds**

Madison County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds were issued for original terms of up to 16 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds included in long-term debt as of June 30, 2015, will be retired from the General Debt Service Fund.

General obligation bonds outstanding as of June 30, 2015, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
General Obligation Bonds	1.1 to 5.25 %	4-20-25	\$ 10,820,000	\$ 8,345,000
General Obligation Bonds - Refunding	2 to 4.8	6-30-23	34,900,000	34,535,000

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2015, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 4,770,000	\$ 1,381,397	\$ 6,151,397
2017	6,930,000	1,275,998	8,205,998
2018	7,110,000	1,125,247	8,235,247
2019	4,255,000	967,823	5,222,823
2020	4,830,000	788,482	5,618,482
2021-2025	14,985,000	1,341,326	16,326,326
Total	\$ 42,880,000	\$ 6,880,273	\$ 49,760,273

There is \$5,937,916 available in the General Debt Service Fund to service long-term debt. Debt per capita totaled \$436, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

Governmental Activities:	Bonds	Compensated Absences
Balance, July 1, 2014	\$ 49,420,000	\$ 1,870,241
Additions	0	1,484,064
Reductions	(6,540,000)	(1,276,991)
	\$ 42,880,000	\$ 2,077,314
Balance, June 30, 2015	\$ 42,880,000	\$ 2,077,314
Balance Due Within One Year	\$ 4,770,000	\$ 1,275,115

	Other Postemployment Benefits
Balance, July 1, 2014	\$ 2,536,802
Additions	723,747
Reductions	(151,286)
	\$ 3,109,263
Balance, June 30, 2015	\$ 3,109,263
Balance Due Within One Year	\$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 48,066,577
Less: Balance Due Within One Year	(6,045,115)
Add: Unamortized Premium on Debt	677,537
	\$ 42,698,999
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 42,698,999

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, 2015, was as follows:

**Governmental Activities:**

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2014	\$ 288,853	\$ 9,065,250
Additions	332,311	1,681,340
Reductions	(314,124)	(877,668)
Balance, June 30, 2015	<u>\$ 307,040</u>	<u>\$ 9,868,922</u>
Balance Due Within One Year	<u>\$ 307,040</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 10,175,962
Less: Balance Due Within One Year	<u>(307,040)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 9,868,922</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Madison County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2015, were \$611,670 and \$128,412, 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 \$2,773,000 from the General Debt Service Fund to provide temporary operating funds for the General (\$2,000,000), Juvenile Services (\$250,000), Solid Waste/Sanitation (\$173,000), and General Capital Projects (\$350,000) funds. Also, the county borrowed \$200,000 from the Local Purpose Tax Fund to provide temporary operating funds for the Special Purpose Fund. These loans were retired prior to June 30, 2015, 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, 2015, was as follows:

	Balance			Balance
	7-1-14	Issued	Paid	6-30-15
Tax Anticipation Notes	\$ 0	\$ 2,973,000	\$ (2,973,000)	\$ 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 2014-15 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
2013-14	\$ 150,000	\$ 4,095,856	\$ (4,095,856)	\$ 150,000
2014-15	150,000	4,587,609	(4,519,929)	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. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to amounts of contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**C. Subsequent Events**

Subsequent to June 30, 2015, Madison County issued tax anticipation notes to provide temporary operating funds as detailed below:

Date Issued	Amount	Borrower Fund	Lender Fund
8-6-15	\$ 600,000	General Capital Projects	General Debt Service
8-12-15	90,000	Solid Waste/Sanitation	"
8-12-15	100,000	Juvenile Services	"
8-13-15	250,000	Special Purpose	"
9-11-15	2,000,000	General	"
10-23-15	1,000,000	"	"
10-23-15	100,000	Juvenile Services	"

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

**F. Joint Ventures**

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

Madison County has control over budget and financing of the above joint ventures only to the extent of representation by its appointed board or commission members. Madison County contributed \$196,120 to the Airport Authority for its operations in addition to processing the airport's payroll during the year ended June 30, 2015. 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 comprise 41.37 percent and the non-certified employees of the discretely present School Department comprise 58.63 percent of the plan based on census 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, 2014, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	662
Inactive Employees Entitled to But Not Yet Receiving Benefits	681
Active Employees	<u>1,037</u>
Total	<u><u>2,380</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, employer contributions for Madison County were \$3,938,837 based on a rate of 13.86 percent of pensionable 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 actuarially determined contribution 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, 2014, 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, 2014, 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, 2014, 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, 2013	\$ 113,430,172	\$ 105,780,488	\$ 7,649,684
Changes for the year:			
Service Cost	\$ 2,503,861	\$ 0	\$ 2,503,861
Interest	8,528,421	0	8,528,421
Differences Between Expected and Actual Experience	957,864	0	957,864
Contributions-Employer	0	4,523,436	(4,523,436)
Contributions-Employees	0	2,017	(2,017)
Net Investment Income	0	17,536,366	(17,536,366)
Benefit Payments, Including Refunds of Employee Contributions	(4,443,515)	(4,443,515)	0
Administrative Expense	0	(43,681)	43,681
Other Changes	0	0	0
Net Changes	\$ 7,546,631	\$ 17,574,623	\$ (10,027,992)
Balance, June 30, 2014	\$ 120,976,803	\$ 123,355,111	\$ (2,378,308)

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government 41.37%	\$ 50,048,103	\$ 51,032,009	\$ (983,906)
School Department 58.63%	70,928,700	72,323,102	(1,394,402)
Total	\$ 120,976,803	\$ 123,355,111	\$ (2,378,308)

*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 \$ 13,405,844 \$ (2,378,308) \$ (15,578,343)

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

*Pension Expense.* For the year ended June 30, 2015, Madison County recognized pension expense of \$1,410,269.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, 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
Differences Between Expected and Actual Experience	\$ 766,291	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	7,681,116
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>3,938,837</u>	<u>N/A</u>
Total	<u>\$ 4,705,128</u>	<u>\$ 7,681,116</u>

The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” 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	\$ 2,776,196	\$ 3,177,678
School Department	1,928,932	4,503,438
Total	<u>\$ 4,705,128</u>	<u>\$ 7,681,116</u>

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

Year Ending June 30	Amount
2016	\$ (1,728,706)
2017	(1,728,706)
2018	(1,728,706)
2019	(1,728,707)
2020	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 41.37 percent and the non-certified employees of the discretely present School Department comprise 58.63 percent of the plan based on census 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 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. Members of the Teachers Retirement Plan are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's 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. 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. Teachers contribute five percent of salary. 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 for 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, 2015, to the Teacher Retirement Plan were \$126,269, which is four percent of pensionable 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.* Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2015.

*Pension Expense.* Since the measurement date is June 30, 2014, the Madison County School Department did not recognize any pension expense at June 30, 2015.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, the Madison County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 126,269	N/A

The Madison County School Department's employer contributions of \$126,269 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ending June 30, 2016.

### **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.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. 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, 2015, to the Teacher Legacy Pension Plan were \$4,390,408, which is 9.04 percent of pensionable 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 Assets.* At June 30, 2015, the Madison County School Department reported an asset of \$222,339 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, 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 employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, the Madison County School Department's proportion was 1.368282 percent. The proportion measured as of June 30, 2013, was 1.407929 percent.

*Pension Income.* For the year ended June 30, 2015, the Madison County School Department recognized a pension income of \$283,890.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, 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
Differences Between Expected and Actual Experience	\$ 539,785	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	18,319,364
Changes in Proportion of Net Pension Liability (Asset)	0	559,235
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	4,390,408	N/A
<b>Total</b>	<b>\$ 4,930,193</b>	<b>\$ 18,878,599</b>

The Madison County School Department's employer contributions of \$4,390,408 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, 2016. 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
2016	\$ (4,583,083)
2017	(4,583,083)
2018	(4,583,083)
2019	(4,583,083)
2020	(3,241)
Thereafter	(3,241)

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, 2014, 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, 2014, 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	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 four 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 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 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    \$ 37,500,077    \$ (222,339)    \$ (31,452,411)

*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

	Primary Government Plan
	<hr/>
ARC	\$ 603,821
Interest on NOPEBO	81,809
Adjustment to ARC	38,117
	<hr/>
Annual OPEB cost	\$ 723,747
Less: Amount of contribution	(151,286)
	<hr/>
Increase (decrease) in NOPEBO	\$ 572,461
Net OPEB obligation, 7-1-14	2,536,802
	<hr/>
Net OPEB obligation, 6-30-15	<u>\$ 3,109,263</u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Primary Government	\$ 554,695	36 %	\$ 2,179,354
6-30-14	"	554,695	36	2,536,802
6-30-15	"	723,747	21	3,109,263

## 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/act/cafr.html>.

### **Funding Policy**

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

The discretely presented Madison County School Department, through its participation in the Local Education Group Insurance Fund, makes a contribution toward the health insurance premium of the School Department's group medical plan for all certified 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, 2015, there were 208 former employees participating. Expenditures totaling \$877,668 were recognized for postemployment health care.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 1,672,000
Interest on NOPEBO	362,610
Adjustment to ARC	(353,270)
Annual OPEB cost	<hr/> \$ 1,681,340
Less: Amount of contribution	(877,668)
Increase (decrease) in NOPEBO	<hr/> \$ 803,672
Net OPEB obligation, 7-1-14	<hr/> 9,065,250
	<hr/>
Net OPEB obligation, 6-30-15	<hr/> <hr/> \$ 9,868,922

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Education Group	\$ 2,725,724	33 %	\$ 8,451,222
6-30-14	"	1,624,708	62	9,065,250
6-30-15	"	1,681,340	52	9,868,922

Funded Status and Funding Progress

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

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

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

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

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

#### Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Education Group Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of seven percent for fiscal year 2015. The trend rate will decrease to 6.5 percent in 2016, and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

### **J. Office of Central Accounting and Budgeting**

#### Office of Director of Finance

Madison County operates under the provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act 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>
<b>Total Pension Liability (Asset)</b>	
Service Cost	\$ 2,503,861
Interest	8,528,421
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	957,864
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	<u>(4,443,515)</u>
Net Change in Total Pension Liability (Asset)	\$ 7,546,631
Total Pension Liability (Asset), Beginning	<u>113,430,172</u>
Total Pension Liability (Asset), Ending (a)	<u>\$ 120,976,803</u>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 4,523,436
Contributions - Employee	2,017
Net Investment Income	17,536,366
Benefit Payments, Including Refunds of Employee Contributions	(4,443,515)
Administrative Expense	<u>(43,681)</u>
Net Change in Plan Fiduciary Net Position	\$ 17,574,623
Plan Fiduciary Net Position, Beginning	<u>105,780,488</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 123,355,111</u>
Net Pension Liability (Asset), Ending (a - b)	<u>\$ (2,378,308)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.97%
Covered Employee Payroll	\$ 31,522,191
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	7.54%

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>
Actuarially Determined Contribution	\$ 4,523,436	\$ 3,938,837
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(4,523,436)</u>	<u>(3,938,837)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 31,522,191	\$ 35,119,603
Contributions as a Percentage of Covered Employee Payroll	14.35%	11.22%

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>
Actuarially Determined Contribution	\$ 78,918
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(126,269)</u>
Contribution Deficiency (Excess)	<u>\$ (47,351)</u>
Covered Employee Payroll	\$ 3,156,712
Contributions as a Percentage of Covered Employee Payroll	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>
Actuarially Determined Contribution	\$ 4,769,001	\$ 4,390,408
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(4,769,001)</u>	<u>(4,390,408)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 53,704,931	\$ 48,566,458
Contributions as a Percentage of Covered Employee Payroll	8.88%	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 Legacy Pension Plan of TCRS  
Discretely Presented Madison County School Department  
For the Fiscal Year Ended June 30 \*

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	1.368282%
School Department's Proportionate Share of the Net Pension Asset	\$ 222,339
Covered Employee Payroll	\$ 53,704,931
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

\* 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 Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Madison County School Department  
June 30, 2015

(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	7-1-10	0	29,994	29,994	0	68,884	44
"	7-1-11	0	20,431	20,431	0	70,025	29
"	7-1-13	111	15,479	15,368	.72	70,928	22

**MADISON COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2015**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for 2015 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, Averaging 4.25%
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 Adjustment	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, 2015

	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	255,777	242,109	3,384,638	404,494	40,507
Accounts Receivable	223	313	0	0	0
Due from Other Governments	40,466	31,000	0	950,641	0
Property Taxes Receivable	1,397,481	1,063,722	0	0	0
Allowance for Uncollectible Property Taxes	(47,084)	(35,838)	0	0	0
Total Assets	<u>\$ 1,646,863</u>	<u>\$ 1,301,306</u>	<u>\$ 3,384,638</u>	<u>\$ 1,355,135</u>	<u>\$ 40,507</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 853	\$ 54,367	\$ 0	\$ 26,921	0
Payroll Deductions Payable	10,902	501	0	23,367	0
Due to Other Funds	3,958	1,272	0	38,294	0
Due to State of Tennessee	0	0	0	8,768	0
Total Liabilities	<u>\$ 15,713</u>	<u>\$ 56,140</u>	<u>\$ 0</u>	<u>\$ 97,350</u>	<u>0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 1,321,618	\$ 1,005,978	\$ 0	\$ 0	0
Deferred Delinquent Property Taxes	24,017	17,048	0	0	0
Other Deferred/Unavailable Revenue	0	31,000	0	44,113	0
Total Deferred Inflows of Resources	<u>\$ 1,345,635</u>	<u>\$ 1,054,026</u>	<u>\$ 0</u>	<u>\$ 44,113</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	\$ 128,985	\$ 0	\$ 0	\$ 686,113	\$ 40,507
Restricted for Public Health and Welfare	0	42,996	0	416,323	0
Restricted for Other Operations	0	0	0	111,236	0
Restricted for Highways/Public Works	0	0	0	0	0
Committed:					
Committed for General Government	0	0	3,384,638	0	0
Committed for Public Safety	156,530	0	0	0	0
Committed for Public Health and Welfare	0	148,144	0	0	0
Committed for Capital Outlay	0	0	0	0	0
Total Fund Balances	<u>\$ 285,515</u>	<u>\$ 191,140</u>	<u>\$ 3,384,638</u>	<u>\$ 1,213,672</u>	<u>\$ 40,507</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,646,863</u>	<u>\$ 1,301,306</u>	<u>\$ 3,384,638</u>	<u>\$ 1,355,135</u>	<u>\$ 40,507</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>	
	Constitu- tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
<u>ASSETS</u>				
Cash	\$ 38,432	\$ 38,432	\$ 0	\$ 0
Equity in Pooled Cash and Investments	0	4,327,525	230,495	1,748,609
Accounts Receivable	434	970	104	0
Due from Other Governments	0	1,022,107	0	0
Property Taxes Receivable	0	2,461,203	2,434,447	0
Allowance for Uncollectible Property Taxes	0	(82,922)	(61,920)	0
Total Assets	\$ 38,866	\$ 7,767,315	\$ 2,603,126	\$ 1,748,609
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 82,141	\$ 0	\$ 0
Payroll Deductions Payable	0	34,770	0	0
Due to Other Funds	38,866	82,390	0	0
Due to State of Tennessee	0	8,768	0	0
Total Liabilities	\$ 38,866	\$ 208,069	\$ 0	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 2,327,596	\$ 2,347,960	\$ 0
Deferred Delinquent Property Taxes	0	41,065	18,543	0
Other Deferred/Unavailable Revenue	0	75,113	0	0
Total Deferred Inflows of Resources	\$ 0	\$ 2,443,774	\$ 2,366,503	\$ 0

(Continued)

Exhibit G-1

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

FUND BALANCES

Restricted:

Restricted for Public Safety  
 Restricted for Public Health and Welfare  
 Restricted for Other Operations  
 Restricted for Highways/Public Works

Committed:

Committed for General Government  
 Committed for Public Safety  
 Committed for Public Health and Welfare  
 Committed for Capital Outlay

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Special Revenue Funds (Cont.)</u>		<u>Capital Projects Funds</u>	
Constitu- tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
\$ 0	\$ 855,605	\$ 0	\$ 0
0	459,319	0	0
0	111,236	0	0
0	0	0	0
0	3,384,638	0	0
0	156,530	0	0
0	148,144	0	0
0	0	236,623	1,748,609
<u>\$ 0</u>	<u>\$ 5,115,472</u>	<u>\$ 236,623</u>	<u>\$ 1,748,609</u>
<u>\$ 38,866</u>	<u>\$ 7,767,315</u>	<u>\$ 2,603,126</u>	<u>\$ 1,748,609</u>

(Continued)

Exhibit G-1

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	Highway Capital Projects	Total	Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 38,432
Equity in Pooled Cash and Investments	672,545	2,651,649	6,979,174
Accounts Receivable	0	104	1,074
Due from Other Governments	0	0	1,022,107
Property Taxes Receivable	0	2,434,447	4,895,650
Allowance for Uncollectible Property Taxes	0	(61,920)	(144,842)
Total Assets	<u>\$ 672,545</u>	<u>\$ 5,024,280</u>	<u>\$ 12,791,595</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 0	\$ 82,141
Payroll Deductions Payable	0	0	34,770
Due to Other Funds	0	0	82,390
Due to State of Tennessee	0	0	8,768
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 208,069</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 0	\$ 2,347,960	\$ 4,675,556
Deferred Delinquent Property Taxes	0	18,543	59,608
Other Deferred/Unavailable Revenue	0	0	75,113
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 2,366,503</u>	<u>\$ 4,810,277</u>

(Continued)

Exhibit G-1

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

FUND BALANCES

Restricted:

Restricted for Public Safety

Restricted for Public Health and Welfare

Restricted for Other Operations

Restricted for Highways/Public Works

Committed:

Committed for General Government

Committed for Public Safety

Committed for Public Health and Welfare

Committed for Capital Outlay

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

<u>Capital Projects Funds (Cont.)</u>		Total
Highway Capital Projects	Total	Nonmajor Governmental Funds
\$ 0	\$ 0	\$ 855,605
0	0	459,319
0	0	111,236
672,545	672,545	672,545
0	0	3,384,638
0	0	156,530
0	0	148,144
0	1,985,232	1,985,232
<u>\$ 672,545</u>	<u>\$ 2,657,777</u>	<u>\$ 7,773,249</u>
<u>\$ 672,545</u>	<u>\$ 5,024,280</u>	<u>\$ 12,791,595</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, 2015

	Special Revenue Funds					Total
	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose	Drug Control	
<u>Revenues</u>						
Local Taxes	\$ 1,391,759	\$ 1,068,489	\$ 1,708,972	\$ 0	\$ 0	\$ 4,169,220
Fines, Forfeitures, and Penalties	0	0	0	0	9,765	9,765
Charges for Current Services	830	0	0	1,012,601	0	1,013,431
Other Local Revenues	771	33,483	0	0	0	34,254
State of Tennessee	9,000	98,718	0	3,796,905	0	3,904,623
Federal Government	213,361	0	0	456,629	0	669,990
Other Governments and Citizens Groups	156,353	0	0	185,911	0	342,264
<b>Total Revenues</b>	<b>\$ 1,772,074</b>	<b>\$ 1,200,690</b>	<b>\$ 1,708,972</b>	<b>\$ 5,452,046</b>	<b>\$ 9,765</b>	<b>\$ 10,143,547</b>
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	0	0	0	0	0	0
Administration of Justice	0	0	0	0	0	0
Public Safety	1,602,057	0	0	1,323,814	4,428	2,930,299
Public Health and Welfare	0	1,089,602	0	3,388,593	0	4,478,195
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	767,536	185,193	0	952,729
<b>Total Expenditures</b>	<b>\$ 1,602,057</b>	<b>\$ 1,089,602</b>	<b>\$ 767,536</b>	<b>\$ 4,897,600</b>	<b>\$ 4,428</b>	<b>\$ 8,361,223</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 170,017</b>	<b>\$ 111,088</b>	<b>\$ 941,436</b>	<b>\$ 554,446</b>	<b>\$ 5,337</b>	<b>\$ 1,782,324</b>

(Continued)

Exhibit G-2

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

	Special Revenue Funds					
	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose	Drug Control	Total
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Insurance Recovery	2,739	283	0	1,852	0	4,874
Transfers In	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 2,739	\$ 283	\$ 0	\$ 1,852	\$ 0	4,874
Net Change in Fund Balances	\$ 172,756	\$ 111,371	\$ 941,436	\$ 556,298	\$ 5,337	1,787,198
Fund Balance, July 1, 2014	112,759	79,769	2,443,202	657,374	35,170	3,328,274
Fund Balance, June 30, 2015	\$ 285,515	\$ 191,140	\$ 3,384,638	\$ 1,213,672	\$ 40,507	5,115,472

(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	\$ 1,208,244	\$ 0	\$ 0	\$ 1,208,244	\$ 5,377,464
Fines, Forfeitures, and Penalties	0	0	0	0	9,765
Charges for Current Services	0	0	0	0	1,013,431
Other Local Revenues	107,867	26,604	616	135,087	169,341
State of Tennessee	121,860	0	0	121,860	4,026,483
Federal Government	0	0	0	0	669,990
Other Governments and Citizens Groups	0	3,350	0	3,350	345,614
Total Revenues	<u>\$ 1,437,971</u>	<u>\$ 29,954</u>	<u>\$ 616</u>	<u>\$ 1,468,541</u>	<u>\$ 11,612,088</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 86,415	\$ 0	\$ 0	\$ 86,415	\$ 86,415
Finance	74,162	0	0	74,162	74,162
Administration of Justice	8,478	0	0	8,478	8,478
Public Safety	964,415	0	0	964,415	3,894,714
Public Health and Welfare	267,401	0	0	267,401	4,745,596
Social, Cultural, and Recreational Services	163,924	0	0	163,924	163,924
Agriculture and Natural Resources	4,600	0	0	4,600	4,600
Other Operations	71,923	81,966	0	153,889	1,106,618
Total Expenditures	<u>\$ 1,641,318</u>	<u>\$ 81,966</u>	<u>\$ 0</u>	<u>\$ 1,723,284</u>	<u>\$ 10,084,507</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (203,347)</u>	<u>\$ (52,012)</u>	<u>\$ 616</u>	<u>\$ (254,743)</u>	<u>\$ 1,527,581</u>

(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>					
Proceeds from Sale of Capital Assets	\$ 0	\$ 1,599,840	\$ 0	\$ 1,599,840	\$ 1,599,840
Insurance Recovery	35,939	0	0	35,939	40,813
Transfers In	2,548	0	0	2,548	2,548
<u>Total Other Financing Sources (Uses)</u>	<u>\$ 38,487</u>	<u>\$ 1,599,840</u>	<u>\$ 0</u>	<u>\$ 1,638,327</u>	<u>\$ 1,643,201</u>
Net Change in Fund Balances	\$ (164,860)	\$ 1,547,828	\$ 616	\$ 1,383,584	\$ 3,170,782
Fund Balance, July 1, 2014	401,483	200,781	671,929	1,274,193	4,602,467
Fund Balance, June 30, 2015	<u>\$ 236,623</u>	<u>\$ 1,748,609</u>	<u>\$ 672,545</u>	<u>\$ 2,657,777</u>	<u>\$ 7,773,249</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, 2015

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,391,759	\$ 0	\$ 1,391,759	\$ 1,348,984	\$ 1,348,984	\$ 42,775
Charges for Current Services	830	0	830	0	0	830
Other Local Revenues	771	0	771	300	300	471
State of Tennessee	9,000	0	9,000	9,000	9,000	0
Federal Government	213,361	0	213,361	169,106	241,599	(28,238)
Other Governments and Citizens Groups	156,353	0	156,353	127,682	127,682	28,671
Total Revenues	<u>\$ 1,772,074</u>	<u>\$ 0</u>	<u>\$ 1,772,074</u>	<u>\$ 1,655,072</u>	<u>\$ 1,727,565</u>	<u>\$ 44,509</u>
<u>Expenditures</u>						
<u>Public Safety</u>						
Juvenile Services	\$ 1,602,057	\$ 7,383	\$ 1,609,440	\$ 1,626,727	\$ 1,801,875	\$ 192,435
Total Expenditures	<u>\$ 1,602,057</u>	<u>\$ 7,383</u>	<u>\$ 1,609,440</u>	<u>\$ 1,626,727</u>	<u>\$ 1,801,875</u>	<u>\$ 192,435</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 170,017</u>	<u>\$ (7,383)</u>	<u>\$ 162,634</u>	<u>\$ 28,345</u>	<u>\$ (74,310)</u>	<u>\$ 236,944</u>
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 2,739	\$ 0	\$ 2,739	\$ 0	\$ 2,739	\$ 0
Total Other Financing Sources	<u>\$ 2,739</u>	<u>\$ 0</u>	<u>\$ 2,739</u>	<u>\$ 0</u>	<u>\$ 2,739</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 172,756	\$ (7,383)	\$ 165,373	\$ 28,345	\$ (71,571)	\$ 236,944
Fund Balance, July 1, 2014	<u>112,759</u>	<u>0</u>	<u>112,759</u>	<u>79,097</u>	<u>112,759</u>	<u>0</u>
Fund Balance, June 30, 2015	<u>\$ 285,515</u>	<u>\$ (7,383)</u>	<u>\$ 278,132</u>	<u>\$ 107,442</u>	<u>\$ 41,188</u>	<u>\$ 236,944</u>

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, 2015

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,068,489	\$ 0	\$ 1,068,489	\$ 1,025,883	\$ 1,025,883	\$ 42,606
Charges for Current Services	0	0	0	0	153,375	(153,375)
Other Local Revenues	33,483	0	33,483	6,129	21,116	12,367
State of Tennessee	98,718	0	98,718	153,375	0	98,718
<b>Total Revenues</b>	<b>\$ 1,200,690</b>	<b>\$ 0</b>	<b>\$ 1,200,690</b>	<b>\$ 1,185,387</b>	<b>\$ 1,200,374</b>	<b>\$ 316</b>
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Convenience Centers	\$ 575,474	\$ 11,840	\$ 587,314	\$ 620,306	\$ 646,597	\$ 59,283
Landfill Operation and Maintenance	514,128	0	514,128	516,431	516,431	2,303
<b>Total Expenditures</b>	<b>\$ 1,089,602</b>	<b>\$ 11,840</b>	<b>\$ 1,101,442</b>	<b>\$ 1,136,737</b>	<b>\$ 1,163,028</b>	<b>\$ 61,586</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 111,088	\$ (11,840)	\$ 99,248	\$ 48,650	\$ 37,346	\$ 61,902
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 283	\$ 0	\$ 283	\$ 0	\$ 0	\$ 283
<b>Total Other Financing Sources</b>	<b>\$ 283</b>	<b>\$ 0</b>	<b>\$ 283</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 283</b>
Net Change in Fund Balance	\$ 111,371	\$ (11,840)	\$ 99,531	\$ 48,650	\$ 37,346	\$ 62,185
Fund Balance, July 1, 2014	79,769	0	79,769	73,206	79,769	0
<b>Fund Balance, June 30, 2015</b>	<b>\$ 191,140</b>	<b>\$ (11,840)</b>	<b>\$ 179,300</b>	<b>\$ 121,856</b>	<b>\$ 117,115</b>	<b>\$ 62,185</b>

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,708,972	\$ 1,700,000	\$ 1,700,000	\$ 8,972
Total Revenues	\$ 1,708,972	\$ 1,700,000	\$ 1,700,000	\$ 8,972
<u>Expenditures</u>				
<u>Other Operations</u>				
Miscellaneous	\$ 767,536	\$ 17,000	\$ 817,000	\$ 49,464
Total Expenditures	\$ 767,536	\$ 17,000	\$ 817,000	\$ 49,464
Excess (Deficiency) of Revenues Over Expenditures	\$ 941,436	\$ 1,683,000	\$ 883,000	\$ 58,436
Net Change in Fund Balance	\$ 941,436	\$ 1,683,000	\$ 883,000	\$ 58,436
Fund Balance, July 1, 2014	2,443,202	2,389,688	2,443,202	0
Fund Balance, June 30, 2015	\$ 3,384,638	\$ 4,072,688	\$ 3,326,202	\$ 58,436

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,012,601	\$ 0	\$ 0	\$ 1,012,601	\$ 1,070,066	\$ 884,754	\$ 127,847
State of Tennessee	3,796,905	0	0	3,796,905	4,142,936	4,513,864	(716,959)
Federal Government	456,629	0	0	456,629	37,693	601,924	(145,295)
Other Governments and Citizens Groups	185,911	0	0	185,911	182,080	182,080	3,831
Total Revenues	<u>\$ 5,452,046</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,452,046</u>	<u>\$ 5,432,775</u>	<u>\$ 6,182,622</u>	<u>\$ (730,576)</u>
<u>Expenditures</u>							
<u>Public Safety</u>							
Correctional Incentive Program Improvements	\$ 439,959	\$ 0	\$ 0	\$ 439,959	\$ 519,481	\$ 521,333	\$ 81,374
Work Release Program	754,603	0	109	754,712	899,559	899,559	144,847
Other Emergency Management	60,933	0	389,621	450,554	37,693	601,924	151,370
Public Safety Grants Program	68,319	(144)	0	68,175	70,000	70,000	1,825
<u>Public Health and Welfare</u>							
Maternal and Child Health Services	3,339,106	(151,970)	124,409	3,311,545	3,668,762	3,867,377	555,832
Sanitation Education/Information	49,487	0	538	50,025	55,200	55,200	5,175
<u>Other Operations</u>							
Miscellaneous	185,193	0	0	185,193	188,080	188,080	2,887
Total Expenditures	<u>\$ 4,897,600</u>	<u>\$ (152,114)</u>	<u>\$ 514,677</u>	<u>\$ 5,260,163</u>	<u>\$ 5,438,775</u>	<u>\$ 6,203,473</u>	<u>\$ 943,310</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 554,446</u>	<u>\$ 152,114</u>	<u>\$ (514,677)</u>	<u>\$ 191,883</u>	<u>\$ (6,000)</u>	<u>\$ (20,851)</u>	<u>\$ 212,734</u>
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 1,852	\$ 0	\$ 0	\$ 1,852	\$ 0	\$ 1,852	\$ 0
Total Other Financing Sources	<u>\$ 1,852</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,852</u>	<u>\$ 0</u>	<u>\$ 1,852</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 556,298	\$ 152,114	\$ (514,677)	\$ 193,735	\$ (6,000)	\$ (18,999)	\$ 212,734
Fund Balance, July 1, 2014	657,374	(152,114)	0	505,260	363,242	321,065	184,195
Fund Balance, June 30, 2015	<u>\$ 1,213,672</u>	<u>\$ 0</u>	<u>\$ (514,677)</u>	<u>\$ 698,995</u>	<u>\$ 357,242</u>	<u>\$ 302,066</u>	<u>\$ 396,929</u>

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 9,765	\$ 8,000	\$ 8,000	\$ 1,765
Total Revenues	\$ 9,765	\$ 8,000	\$ 8,000	\$ 1,765
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 4,428	\$ 3,540	\$ 4,540	\$ 112
Total Expenditures	\$ 4,428	\$ 3,540	\$ 4,540	\$ 112
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,337	\$ 4,460	\$ 3,460	\$ 1,877
Net Change in Fund Balance	\$ 5,337	\$ 4,460	\$ 3,460	\$ 1,877
Fund Balance, July 1, 2014	35,170	31,765	35,170	0
Fund Balance, June 30, 2015	\$ 40,507	\$ 36,225	\$ 38,630	\$ 1,877

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, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,208,244	\$ 0	\$ 1,208,244	\$ 1,170,464	\$ 1,170,464	\$ 37,780
Other Local Revenues	107,867	0	107,867	0	110,769	(2,902)
State of Tennessee	121,860	0	121,860	0	121,860	0
<b>Total Revenues</b>	<b>\$ 1,437,971</b>	<b>\$ 0</b>	<b>\$ 1,437,971</b>	<b>\$ 1,170,464</b>	<b>\$ 1,403,093</b>	<b>\$ 34,878</b>
<u>Expenditures</u>						
<u>General Government</u>						
County Buildings	\$ 86,415	\$ (61,900)	\$ 24,515	\$ 17,100	\$ 17,100	\$ (7,415)
<u>Finance</u>						
Accounting and Budgeting	3,453	(3,453)	0	0	0	0
Property Assessor's Office	25,000	0	25,000	25,000	25,000	0
County Trustee's Office	2,605	0	2,605	3,000	3,000	395
Data Processing	43,104	0	43,104	45,000	45,000	1,896
<u>Administration of Justice</u>						
Chancery Court	5,140	0	5,140	10,000	10,000	4,860
Juvenile Court Clerk	3,338	0	3,338	0	3,382	44
<u>Public Safety</u>						
Sheriff's Department	426,040	(36,200)	389,840	238,985	389,877	37
Juvenile Services	14,202	0	14,202	0	24,000	9,798
Fire Prevention and Control	493,236	0	493,236	358,000	493,358	122
Civil Defense	30,937	0	30,937	22,000	34,500	3,563
<u>Public Health and Welfare</u>						
Local Health Center	12,000	0	12,000	12,000	12,000	0
Rabies and Animal Control	65,217	(40,000)	25,217	30,500	34,062	8,845
Convenience Centers	190,184	0	190,184	194,200	254,430	64,246

(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)	Less: Encumbrances 7/1/2014	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</u>						
Libraries	\$ 5,750	\$ 0	\$ 5,750	\$ 4,000	\$ 7,097	\$ 1,347
Parks and Fair Boards	158,174	0	158,174	155,000	158,500	326
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	4,600	0	4,600	4,600	4,600	0
<u>Other Operations</u>						
Airport	43,250	0	43,250	43,250	43,250	0
Contributions to Other Agencies	5,000	0	5,000	5,000	5,000	0
Miscellaneous	23,673	0	23,673	28,272	28,272	4,599
Total Expenditures	\$ 1,641,318	\$ (141,553)	\$ 1,499,765	\$ 1,195,907	\$ 1,592,428	\$ 92,663
Excess (Deficiency) of Revenues Over Expenditures	\$ (203,347)	\$ 141,553	\$ (61,794)	\$ (25,443)	\$ (189,335)	\$ 127,541
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 35,939	\$ 0	\$ 35,939	\$ 0	\$ 35,790	\$ 149
Transfers In	2,548	0	2,548	0	2,548	0
Total Other Financing Sources	\$ 38,487	\$ 0	\$ 38,487	\$ 0	\$ 38,338	\$ 149
Net Change in Fund Balance	\$ (164,860)	\$ 141,553	\$ (23,307)	\$ (25,443)	\$ (150,997)	\$ 127,690
Fund Balance, July 1, 2014	401,483	(141,553)	259,930	233,276	211,769	48,161
Fund Balance, June 30, 2015	\$ 236,623	\$ 0	\$ 236,623	\$ 207,833	\$ 60,772	\$ 175,851

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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 26,604	\$ 32,000	\$ 1,631,840	\$ (1,605,236)
Other Governments and Citizens Groups	3,350	0	0	3,350
Total Revenues	<u>\$ 29,954</u>	<u>\$ 32,000</u>	<u>\$ 1,631,840</u>	<u>\$ (1,601,886)</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 81,966	\$ 75,400	\$ 82,600	\$ 634
Total Expenditures	<u>\$ 81,966</u>	<u>\$ 75,400</u>	<u>\$ 82,600</u>	<u>\$ 634</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (52,012)	\$ (43,400)	\$ 1,549,240	\$ (1,601,252)
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 1,599,840	\$ 0	\$ 0	\$ 1,599,840
Total Other Financing Sources	<u>\$ 1,599,840</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,599,840</u>
Net Change in Fund Balance	\$ 1,547,828	\$ (43,400)	\$ 1,549,240	\$ (1,412)
Fund Balance, July 1, 2014	200,781	200,707	200,781	0
Fund Balance, June 30, 2015	<u>\$ 1,748,609</u>	<u>\$ 157,307</u>	<u>\$ 1,750,021</u>	<u>\$ (1,412)</u>

# **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, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 7,814,853	\$ 7,296,777	\$ 7,296,777	\$ 518,076
Other Local Revenues	99,722	405,714	40,757	58,965
Federal Government	123,893	0	139,957	(16,064)
Other Governments and Citizens Groups	834,363	0	834,363	0
Total Revenues	<u>\$ 8,872,831</u>	<u>\$ 7,702,491</u>	<u>\$ 8,311,854</u>	<u>\$ 560,977</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 6,540,000	\$ 8,328,713	\$ 6,540,000	\$ 0
<u>Interest on Debt</u>				
General Government	1,614,213	0	1,614,213	0
<u>Other Debt Service</u>				
General Government	153,427	0	174,500	21,073
Total Expenditures	<u>\$ 8,307,640</u>	<u>\$ 8,328,713</u>	<u>\$ 8,328,713</u>	<u>\$ 21,073</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 565,191</u>	<u>\$ (626,222)</u>	<u>\$ (16,859)</u>	<u>\$ 582,050</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 225,000	\$ 834,363	\$ 225,000	\$ 0
Total Other Financing Sources	<u>\$ 225,000</u>	<u>\$ 834,363</u>	<u>\$ 225,000</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 790,191	\$ 208,141	\$ 208,141	\$ 582,050
Fund Balance, July 1, 2014	<u>5,147,725</u>	<u>5,052,579</u>	<u>5,147,725</u>	<u>0</u>
Fund Balance, June 30, 2015	<u>\$ 5,937,916</u>	<u>\$ 5,260,720</u>	<u>\$ 5,355,866</u>	<u>\$ 582,050</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, 2015

	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	\$ 4,648,246	\$ 0	\$ 0	\$ 4,648,246
Equity in Pooled Cash and Investments	60,441	4,406	55,973	30,220	0	0	26,015	177,055
Accounts Receivable	65,716	0	0	32,858	0	0	0	98,574
Due from Other Governments	2,137,079	13,702	0	0	0	1,852	59	2,152,692
Cash Shortage	0	0	0	0	5,055	0	0	5,055
Total Assets	<u>\$ 2,263,236</u>	<u>\$ 18,108</u>	<u>\$ 55,973</u>	<u>\$ 63,078</u>	<u>\$ 4,653,301</u>	<u>\$ 1,852</u>	<u>\$ 26,074</u>	<u>\$ 7,081,622</u>
<u>LIABILITIES</u>								
Due to Other Taxing Units	\$ 2,263,236	\$ 18,108	\$ 0	\$ 0	\$ 0	\$ 1,852	\$ 0	\$ 2,283,196
Due to Litigants, Heirs, and Others	0	0	0	0	4,653,301	0	26,074	4,679,375
Other Current Liabilities	0	0	55,973	63,078	0	0	0	119,051
Total Liabilities	<u>\$ 2,263,236</u>	<u>\$ 18,108</u>	<u>\$ 55,973</u>	<u>\$ 63,078</u>	<u>\$ 4,653,301</u>	<u>\$ 1,852</u>	<u>\$ 26,074</u>	<u>\$ 7,081,622</u>

Exhibit I-2

Madison County, Tennessee  
Combining Statement of Changes in Assets and Liabilities - All Agency Funds  
For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 47,995	\$ 13,910,414	\$ 13,897,968	\$ 60,441
Accounts Receivable	56,543	65,716	56,543	65,716
Due from Other Governments	2,119,123	2,137,079	2,119,123	2,137,079
Total Assets	\$ 2,223,661	\$ 16,113,209	\$ 16,073,634	\$ 2,263,236
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,223,661	\$ 16,113,209	\$ 16,073,634	\$ 2,263,236
Total Liabilities	\$ 2,223,661	\$ 16,113,209	\$ 16,073,634	\$ 2,263,236
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 3,033	\$ 356,635	\$ 355,262	\$ 4,406
Due from Other Governments	13,332	13,702	13,332	13,702
Total Assets	\$ 16,365	\$ 370,337	\$ 368,594	\$ 18,108
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 16,365	\$ 370,337	\$ 368,594	\$ 18,108
Total Liabilities	\$ 16,365	\$ 370,337	\$ 368,594	\$ 18,108
<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	\$ 23,997	\$ 205,036	\$ 198,813	\$ 30,220
Accounts Receivable	28,272	32,858	28,272	32,858
Total Assets	\$ 52,269	\$ 237,894	\$ 227,085	\$ 63,078
<u>Liabilities</u>				
Other Current Liabilities	\$ 52,269	\$ 237,894	\$ 227,085	\$ 63,078
Total Liabilities	\$ 52,269	\$ 237,894	\$ 227,085	\$ 63,078

(Continued)

Exhibit I-2

Madison County, Tennessee

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 4,668,520	\$ 21,024,069	\$ 21,044,343	\$ 4,648,246
Cash Shortage	0	5,055	0	5,055
Total Assets	\$ 4,668,520	\$ 21,029,124	\$ 21,044,343	\$ 4,653,301
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 4,668,520	\$ 21,029,124	\$ 21,044,343	\$ 4,653,301
Total Liabilities	\$ 4,668,520	\$ 21,029,124	\$ 21,044,343	\$ 4,653,301
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 15,711	\$ 15,711	\$ 0
Due from Other Governments	2,455	1,852	2,455	1,852
Total Assets	\$ 2,455	\$ 17,563	\$ 18,166	\$ 1,852
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,455	\$ 17,563	\$ 18,166	\$ 1,852
Total Liabilities	\$ 2,455	\$ 17,563	\$ 18,166	\$ 1,852
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 29,633	\$ 15,899	\$ 19,517	\$ 26,015
Due from Other Governments	228	59	228	59
Total Assets	\$ 29,861	\$ 15,958	\$ 19,745	\$ 26,074
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 29,861	\$ 15,958	\$ 19,745	\$ 26,074
Total Liabilities	\$ 29,861	\$ 15,958	\$ 19,745	\$ 26,074
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 4,668,520	\$ 21,024,069	\$ 21,044,343	\$ 4,648,246
Equity in Pooled Cash and Investments	160,631	14,503,695	14,487,271	177,055
Accounts Receivable	84,815	98,574	84,815	98,574
Due from Other Governments	2,135,138	2,152,692	2,135,138	2,152,692
Cash Shortage	0	5,055	0	5,055
Total Assets	\$ 7,049,104	\$ 37,784,085	\$ 37,751,567	\$ 7,081,622
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,242,481	\$ 16,501,109	\$ 16,460,394	\$ 2,283,196
Due to Litigants, Heirs, and Others	4,698,381	21,045,082	21,064,088	4,679,375
Other Current Liabilities	108,242	237,894	227,085	119,051
Total Liabilities	\$ 7,049,104	\$ 37,784,085	\$ 37,751,567	\$ 7,081,622

# 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, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
<b>Governmental Activities:</b>				
Instruction	\$ 66,176,313	\$ 395,038	\$ 4,536,931	\$ (61,244,344)
Support Services	36,629,120	3,795	1,853,720	(34,771,605)
Operation of Non-instructional Services	10,296,795	381,641	9,917,030	1,876
<b>Total Governmental Activities</b>	<b>\$ 113,102,228</b>	<b>\$ 780,474</b>	<b>\$ 16,307,681</b>	<b>\$ (96,014,073)</b>
<b>General Revenues:</b>				
<b>Taxes:</b>				
Property Taxes Levied for General Purposes				\$ 11,373,139
Local Option Sales Taxes				37,151,555
Mixed Drink Tax				1,252,842
Other Local Taxes				9,860
Grants and Contributions Not Restricted to Specific Programs				51,560,313
Miscellaneous				124,883
Pension Income				283,890
<b>Total General Revenues</b>				<b>\$ 101,756,482</b>
Change in Net Position				\$ 5,742,409
Net Position, July 1, 2014				80,064,833
Restatement - Pension Liability (see Note I.D.8)				(20,233,284)
<b>Net Position, June 30, 2015</b>				<b>\$ 65,573,958</b>

Exhibit J-2

Madison County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Madison County School Department  
June 30, 2015

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
	<u>General Purpose School</u>	<u>Education Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$ 191,790	\$ 0	\$ 0	\$ 191,790
Equity in Pooled Cash and Investments	8,894,673	2,805,875	3,570,640	15,271,188
Accounts Receivable	1,565	0	0	1,565
Due from Other Governments	6,499,776	0	800,252	7,300,028
Due from Primary Government	750,000	0	0	750,000
Property Taxes Receivable	7,436,717	2,870,513	0	10,307,230
Allowance for Uncollectible Property Taxes	(271,765)	(97,686)	0	(369,451)
Total Assets	<u>\$ 23,502,756</u>	<u>\$ 5,578,702</u>	<u>\$ 4,370,892</u>	<u>\$ 33,452,350</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 61,080	\$ 0	\$ 0	\$ 61,080
Payroll Deductions Payable	3,649,443	0	445,232	4,094,675
Total Liabilities	<u>\$ 3,710,523</u>	<u>\$ 0</u>	<u>\$ 445,232</u>	<u>\$ 4,155,755</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 6,984,825	\$ 2,712,474	\$ 0	\$ 9,697,299
Deferred Delinquent Property Taxes	130,881	51,303	0	182,184
Other Deferred/Unavailable Revenue	3,170,206	0	0	3,170,206
Total Deferred Inflows of Resources	<u>\$ 10,285,912</u>	<u>\$ 2,763,777</u>	<u>\$ 0</u>	<u>\$ 13,049,689</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 48,660	\$ 0	\$ 21,486	\$ 70,146

(Continued)

Exhibit J-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Funds</u>	
	<u>Purpose</u>	<u>Capital</u>	<u>Other</u>	<u>Governmental</u>
	<u>School</u>	<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
<u>FUND BALANCES (CONT.)</u>				
Restricted (Cont.):				
Restricted for Operation of Non-instructional Services	\$ 0	\$ 0	\$ 3,154,174	\$ 3,154,174
Restricted for Capital Outlay	0	1,915,786	0	1,915,786
Committed:				
Committed for Education	191,790	0	0	191,790
Committed for Capital Outlay	0	899,139	0	899,139
Assigned:				
Assigned for Education	208,332	0	750,000	958,332
Unassigned	9,057,539	0	0	9,057,539
Total Fund Balances	<u>\$ 9,506,321</u>	<u>\$ 2,814,925</u>	<u>\$ 3,925,660</u>	<u>\$ 16,246,906</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 23,502,756</u>	<u>\$ 5,578,702</u>	<u>\$ 4,370,892</u>	<u>\$ 33,452,350</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, 2015

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)		\$ 16,246,906
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 2,091,562	
Add: buildings and improvements net of accumulated depreciation	62,396,495	
Add: infrastructure net of accumulated depreciation	436,137	
Add: other capital assets net of accumulated depreciation	<u>6,006,332</u>	70,930,526
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability	\$ (9,868,922)	
Less: compensated absences payable	<u>(307,040)</u>	(10,175,962)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as a component of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 6,985,394	
Less: deferred inflows of resources related to pensions	<u>(23,382,037)</u>	(16,396,643)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 1,394,402	
Add: net pension asset - cost-sharing plan	<u>222,339</u>	1,616,741
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,352,390</u>
Net position of governmental activities (Exhibit A)		<u>\$ 65,573,958</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, 2015

	Major Funds		Nonmajor	Total
	General Purpose School	Education Capital Projects	Other Governmental Funds	
<u>Revenues</u>				
Local Taxes	\$ 47,465,128	\$ 2,914,292	\$ 0	\$ 50,379,420
Licenses and Permits	9,518	0	0	9,518
Charges for Current Services	397,883	0	380,141	778,024
Other Local Revenues	374,163	0	6,649	380,812
State of Tennessee	48,916,576	0	79,687	48,996,263
Federal Government	104,500	0	17,146,933	17,251,433
Other Governments and Citizens Groups	750,000	0	0	750,000
Total Revenues	<u>\$ 98,017,768</u>	<u>\$ 2,914,292</u>	<u>\$ 17,613,410</u>	<u>\$ 118,545,470</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 59,417,166	\$ 0	\$ 4,764,447	\$ 64,181,613
Support Services	34,141,223	0	3,867,986	38,009,209
Operation of Non-instructional Services	1,609,218	0	8,503,095	10,112,313
Debt Service:				
Other Debt Service	834,363	0	0	834,363
Capital Projects	0	903,148	0	903,148
Total Expenditures	<u>\$ 96,001,970</u>	<u>\$ 903,148</u>	<u>\$ 17,135,528</u>	<u>\$ 114,040,646</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 2,015,798	\$ 2,011,144	\$ 477,882	\$ 4,504,824
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 44,253	\$ 0	\$ 0	\$ 44,253
Transfers In	0	0	400,000	400,000
Transfers Out	(400,000)	0	0	(400,000)
Total Other Financing Sources (Uses)	<u>\$ (355,747)</u>	<u>\$ 0</u>	<u>\$ 400,000</u>	<u>\$ 44,253</u>
Net Change in Fund Balances	\$ 1,660,051	\$ 2,011,144	\$ 877,882	\$ 4,549,077
Fund Balance, July 1, 2014	7,846,270	803,781	3,047,778	11,697,829
Fund Balance, June 30, 2015	<u>\$ 9,506,321</u>	<u>\$ 2,814,925</u>	<u>\$ 3,925,660</u>	<u>\$ 16,246,906</u>

Exhibit J-5

Madison County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Madison County School Department  
For the Year Ended June 30, 2015

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)		\$ 4,549,077
(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	\$ 285,917	
Less: current-year depreciation expense	<u>(3,739,385)</u>	(3,453,468)
(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, 2015	\$ 3,352,390	
Add: deferred delinquent property taxes and other deferred June 30, 2014	<u>(3,337,113)</u>	15,277
(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	\$ (803,672)	
Change in compensated absences payable	(18,187)	
Change in net pension asset - agent plan	3,227,321	
Change in net pension asset - cost-sharing plan	18,622,704	
Change in deferred outflows related to pensions	6,985,394	
Change in deferred inflows related to pensions	<u>(23,382,037)</u>	<u>4,631,523</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 5,742,409</u>

Exhibit J-6

Madison County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Madison County School Department  
June 30, 2015

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 267,668	\$ 3,302,972	\$ 3,570,640
Due from Other Governments	800,252	0	800,252
Total Assets	<u>\$ 1,067,920</u>	<u>\$ 3,302,972</u>	<u>\$ 4,370,892</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 296,434	\$ 148,798	\$ 445,232
Total Liabilities	<u>\$ 296,434</u>	<u>\$ 148,798</u>	<u>\$ 445,232</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 21,486	\$ 0	\$ 21,486
Restricted for Operation of Non-instructional Services	0	3,154,174	3,154,174
Assigned:			
Assigned for Education	750,000	0	750,000
Total Fund Balances	<u>\$ 771,486</u>	<u>\$ 3,154,174</u>	<u>\$ 3,925,660</u>
Total Liabilities and Fund Balances	<u>\$ 1,067,920</u>	<u>\$ 3,302,972</u>	<u>\$ 4,370,892</u>

Exhibit J-7

Madison County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Madison County School Department  
For the Year Ended June 30, 2015

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 380,141	\$ 380,141
Other Local Revenues	0	6,649	6,649
State of Tennessee	0	79,687	79,687
Federal Government	8,580,353	8,566,580	17,146,933
Total Revenues	<u>\$ 8,580,353</u>	<u>\$ 9,033,057</u>	<u>\$ 17,613,410</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 4,764,447	\$ 0	\$ 4,764,447
Support Services	3,867,986	0	3,867,986
Operation of Non-instructional Services	74,424	8,428,671	8,503,095
Total Expenditures	<u>\$ 8,706,857</u>	<u>\$ 8,428,671</u>	<u>\$ 17,135,528</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ (126,504)</u>	<u>\$ 604,386</u>	<u>\$ 477,882</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 400,000	\$ 0	\$ 400,000
Total Other Financing Sources (Uses)	<u>\$ 400,000</u>	<u>\$ 0</u>	<u>\$ 400,000</u>
Net Change in Fund Balances	\$ 273,496	\$ 604,386	\$ 877,882
Fund Balance, July 1, 2014	497,990	2,549,788	3,047,778
Fund Balance, June 30, 2015	<u>\$ 771,486</u>	<u>\$ 3,154,174</u>	<u>\$ 3,925,660</u>

Exhibit J-8

Madison County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Madison County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 47,465,128	\$ 0	\$ 0	\$ 47,465,128	\$ 46,971,727	\$ 47,971,727	\$ (506,599)
Licenses and Permits	9,518	0	0	9,518	9,443	9,443	75
Charges for Current Services	397,883	0	0	397,883	434,600	436,100	(38,217)
Other Local Revenues	374,163	0	0	374,163	277,750	277,750	96,413
State of Tennessee	48,916,576	0	0	48,916,576	48,180,816	49,042,518	(125,942)
Federal Government	104,500	0	0	104,500	150,000	150,000	(45,500)
Other Governments and Citizens Groups	750,000	0	0	750,000	1,000,000	750,000	0
<b>Total Revenues</b>	<b>\$ 98,017,768</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 98,017,768</b>	<b>\$ 97,024,336</b>	<b>\$ 98,637,538</b>	<b>\$ (619,770)</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 47,340,472	\$ (494,593)	\$ 4,731	\$ 46,850,610	\$ 47,965,371	\$ 48,362,077	\$ 1,511,467
Special Education Program	9,018,241	(957)	194	9,017,478	9,480,000	9,476,000	458,522
Vocational Education Program	2,992,090	(1,198)	2,404	2,993,296	3,217,400	3,217,400	224,104
Other	66,363	(294)	140	66,209	147,370	147,370	81,161
<u>Support Services</u>							
Attendance	247,332	(1,750)	0	245,582	289,600	289,600	44,018
Health Services	488,756	0	0	488,756	519,050	519,050	30,294
Other Student Support	3,477,897	0	0	3,477,897	3,736,763	3,736,763	258,866
Regular Instruction Program	2,783,165	(116,184)	0	2,666,981	3,045,950	3,063,350	396,369
Special Education Program	512,803	(29)	0	512,774	546,350	550,350	37,576
Vocational Education Program	81,535	0	0	81,535	88,885	88,885	7,350
Other Programs	1,334,701	(22,497)	0	1,312,204	637,445	1,403,052	90,848
Board of Education	2,148,793	(304)	0	2,148,489	2,123,217	2,215,517	67,028
Director of Schools	808,397	(6,096)	1,855	804,156	910,275	910,275	106,119
Office of the Principal	6,453,393	0	0	6,453,393	6,601,113	6,610,193	156,800
Fiscal Services	704,681	(2,597)	113	702,197	661,556	708,489	6,292
Human Services/Personnel	369,274	(731)	180	368,723	413,600	425,400	56,677
Operation of Plant	6,358,453	(24,000)	34,328	6,368,781	6,576,094	6,565,469	196,688
Maintenance of Plant	2,851,716	(174,680)	127,942	2,804,978	3,148,500	3,138,941	333,963

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 4,940,162	\$ (34,411)	\$ 32,611	\$ 4,938,362	\$ 5,704,500	\$ 5,725,258	\$ 786,896
Central and Other	580,165	0	3,805	583,970	651,050	654,900	70,930
<u>Operation of Non-instructional Services</u>							
Food Service	1,166	0	0	1,166	1,168	1,168	2
Community Services	149,070	0	0	149,070	101,210	211,210	62,140
Early Childhood Education	1,458,982	(5)	29	1,459,006	1,571,578	1,571,578	112,572
<u>Capital Outlay</u>							
Regular Capital Outlay	0	0	0	0	26,933	0	0
<u>Other Debt Service</u>							
Education	834,363	0	0	834,363	834,363	834,363	0
Total Expenditures	\$ 96,001,970	\$ (880,326)	\$ 208,332	\$ 95,329,976	\$ 98,999,341	\$ 100,426,658	\$ 5,096,682
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 2,015,798	\$ 880,326	\$ (208,332)	\$ 2,687,792	\$ (1,975,005)	\$ (1,789,120)	\$ 4,476,912
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 44,253	\$ 0	\$ 0	\$ 44,253	\$ 0	\$ 36,026	\$ 8,227
Transfers In	0	0	0	0	350,000	400,000	(400,000)
Transfers Out	(400,000)	0	0	(400,000)	0	(400,000)	0
Total Other Financing Sources	\$ (355,747)	\$ 0	\$ 0	\$ (355,747)	\$ 350,000	\$ 36,026	\$ (391,773)
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2014	\$ 1,660,051	\$ 880,326	\$ (208,332)	\$ 2,332,045	\$ (1,625,005)	\$ (1,753,094)	\$ 4,085,139
	7,846,270	(880,326)	0	6,965,944	5,760,992	6,965,944	0
Fund Balance, June 30, 2015	\$ 9,506,321	\$ 0	\$ (208,332)	\$ 9,297,989	\$ 4,135,987	\$ 5,212,850	\$ 4,085,139

Exhibit J-9

Madison County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Madison County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 8,580,353	\$ 0	\$ 0	\$ 8,580,353	\$ 8,601,937	\$ 10,737,891	\$ (2,157,538)
Total Revenues	\$ 8,580,353	\$ 0	\$ 0	\$ 8,580,353	\$ 8,601,937	\$ 10,737,891	\$ (2,157,538)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,885,397	\$ 0	\$ 0	\$ 1,885,397	\$ 1,960,034	\$ 2,043,973	\$ 158,576
Special Education Program	2,436,079	0	2,340	2,438,419	2,571,925	2,759,759	321,340
Vocational Education Program	442,971	0	0	442,971	192,883	443,416	445
<u>Support Services</u>							
Health Services	220,610	0	0	220,610	233,906	233,906	13,296
Other Student Support	246,155	0	0	246,155	88,985	872,721	626,566
Regular Instruction Program	2,740,708	(29)	0	2,740,679	2,779,671	3,489,118	748,439
Special Education Program	590,865	0	0	590,865	711,881	734,531	143,666
Vocational Education Program	3,125	0	0	3,125	6,000	3,125	0
Transportation	66,523	0	0	66,523	56,652	79,344	12,821
<u>Operation of Non-instructional Services</u>							
Community Services	74,424	0	0	74,424	0	78,000	3,576
Total Expenditures	\$ 8,706,857	\$ (29)	\$ 2,340	\$ 8,709,168	\$ 8,601,937	\$ 10,737,893	\$ 2,028,725
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (126,504)	\$ 29	\$ (2,340)	\$ (128,815)	\$ 0	\$ (2)	\$ (128,813)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 400,000	\$ 0	\$ 0	\$ 400,000	\$ 391,451	\$ 400,000	\$ 0
Transfers Out	0	0	0	0	(741,451)	(350,000)	350,000
Total Other Financing Sources	\$ 400,000	\$ 0	\$ 0	\$ 400,000	\$ (350,000)	\$ 50,000	\$ 350,000
Net Change in Fund Balance							
Fund Balance, July 1, 2014	\$ 273,496	\$ 29	\$ (2,340)	\$ 271,185	\$ (350,000)	\$ 49,998	\$ 221,187
	497,990	(29)	0	497,961	350,000	497,961	0
Fund Balance, June 30, 2015	\$ 771,486	\$ 0	\$ (2,340)	\$ 769,146	\$ 0	\$ 547,959	\$ 221,187

Exhibit J-10

Madison County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Madison County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 380,141	\$ 395,000	\$ 395,000	\$ (14,859)
Other Local Revenues	6,649	3,000	3,000	3,649
State of Tennessee	79,687	80,000	80,000	(313)
Federal Government	8,566,580	9,079,315	9,511,231	(944,651)
<b>Total Revenues</b>	<b>\$ 9,033,057</b>	<b>\$ 9,557,315</b>	<b>\$ 9,989,231</b>	<b>\$ (956,174)</b>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 8,428,671	\$ 9,557,315	\$ 9,996,231	\$ 1,567,560
<b>Total Expenditures</b>	<b>\$ 8,428,671</b>	<b>\$ 9,557,315</b>	<b>\$ 9,996,231</b>	<b>\$ 1,567,560</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 604,386	\$ 0	\$ (7,000)	\$ 611,386
Net Change in Fund Balance	\$ 604,386	\$ 0	\$ (7,000)	\$ 611,386
Fund Balance, July 1, 2014	2,549,788	2,464,153	2,549,788	0
<b>Fund Balance, June 30, 2015</b>	<b>\$ 3,154,174</b>	<b>\$ 2,464,153</b>	<b>\$ 2,542,788</b>	<b>\$ 611,386</b>

Exhibit J-11

Madison County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Madison County School Department  
Education Capital Projects Fund  
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,914,292	\$ 0	\$ 0	\$ 2,914,292	\$ 2,829,677	\$ 2,829,677	\$ 84,615
Total Revenues	\$ 2,914,292	\$ 0	\$ 0	\$ 2,914,292	\$ 2,829,677	\$ 2,829,677	\$ 84,615
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 903,148	\$ (368,259)	\$ 172,216	\$ 707,105	\$ 2,838,657	\$ 2,838,657	\$ 2,131,552
Total Expenditures	\$ 903,148	\$ (368,259)	\$ 172,216	\$ 707,105	\$ 2,838,657	\$ 2,838,657	\$ 2,131,552
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,011,144	\$ 368,259	\$ (172,216)	\$ 2,207,187	\$ (8,980)	\$ (8,980)	\$ 2,216,167
Net Change in Fund Balance	\$ 2,011,144	\$ 368,259	\$ (172,216)	\$ 2,207,187	\$ (8,980)	\$ (8,980)	\$ 2,216,167
Fund Balance, July 1, 2014	803,781	(368,259)	0	435,522	244,301	435,522	0
Fund Balance, June 30, 2015	\$ 2,814,925	\$ 0	\$ (172,216)	\$ 2,642,709	\$ 235,321	\$ 426,542	\$ 2,216,167

Exhibit J-12

Madison County, Tennessee  
Statement of Fiduciary Net Position  
Discretely Presented Madison County School Department  
Fiduciary Fund  
June 30, 2015

	<u>Other Trust Pension Trust Fund</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	<u>\$ 1,004,841</u>
Total Assets	<u>\$ 1,004,841</u>
<u>NET POSITION</u>	
Funds Held in Trust for Retirees	<u>\$ 1,004,841</u>
Total Net Position	<u>\$ 1,004,841</u>

Exhibit J-13

Madison County, Tennessee  
Statement of Changes in Fiduciary Net Position  
Discretely Presented Madison County School Department  
Fiduciary Fund  
For the Year Ended June 30, 2015

	Other Trust <hr/> Pension Trust Fund <hr/>
<u>ADDITIONS</u>	
<u>Contributions</u>	
Tennessee Consolidated Retirement System Employer	\$ 214,905
Total Contributions	<hr/> 248,215 <hr/> \$ 463,120
<u>Investment Income</u>	
Interest Earned	\$ 2,533
Total Investment Income	<hr/> \$ 2,533
Total Additions	<hr/> \$ 465,653
<u>DEDUCTIONS</u>	
Benefits	\$ 463,131
Trustee's Commission	25
Total Deductions	<hr/> \$ 463,156
Change in Net Position	\$ 2,496
Net Position, July 1, 2014	<hr/> 1,002,345
Net Position, June 30, 2015	<hr/> \$ 1,004,841

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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, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Paid and/or Matured During Period	Outstanding 6-30-15
<b><u>BONDS PAYABLE</u></b>							
<b><u>Payable through General Debt Service Fund</u></b>							
School and Public Improvement							
Refunding Bonds Series 2004	\$ 23,620,000	3.85 to 5 %	12-1-04	4-1-15	\$ 5,600,000	\$ 5,600,000	\$ 0
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	8,920,000	575,000	8,345,000
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	17,150,000	365,000	16,785,000
Total Bonds Payable					<u>\$ 49,420,000</u>	<u>\$ 6,540,000</u>	<u>\$ 42,880,000</u>

Exhibit K-2

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 4,770,000	\$ 1,381,397	\$ 6,151,397
2017	6,930,000	1,275,998	8,205,998
2018	7,110,000	1,125,247	8,235,247
2019	4,255,000	967,823	5,222,823
2020	4,830,000	788,482	5,618,482
2021	5,035,000	592,395	5,627,395
2022	5,235,000	385,775	5,620,775
2023	2,715,000	206,656	2,921,656
2024	1,000,000	104,000	1,104,000
2025	1,000,000	52,500	1,052,500
Total	\$ 42,880,000	\$ 6,880,273	\$ 49,760,273

Exhibit K-3

Madison County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Madison County School Department  
For the Year Ended June 30, 2015

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	General Debt Service	Debt Payments	\$ 225,000
"	General Capital Projects	Capital Outlay	2,548
Highway/Public Works	General	Finance Department Operations	<u>29,203</u>
Total Transfers Primary Government			<u>\$ 256,751</u>
<u>DISCRETELY PRESENTED MADISON COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash Flow Funds	<u>\$ 400,000</u>
Total Transfers Discretely Presented Madison County School Department			<u>\$ 400,000</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, 2015

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>	119,211 (1)	100,000	Travelers Casualty and Surety Company
Director of Schools	State Board of Education and County Board of Education	152,500 (2)	50,000	"
Trustee	Section 8-24-102, <i>TCA</i>	81,085 (3)	4,209,913	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	81,085 (3)	50,000	Travelers Casualty and Surety Company
Director of Finance	County Commission	90,481 (4)	100,000	Cincinnati Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	81,085 (3)	100,000	"
Circuit and General Session Courts Clerk	Section 8-24-102, <i>TCA</i>	89,019 (3)	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	89,019 (3)	120,000	RLI Insurance Company
Juvenile Court Clerk	Chapter 212, Private Acts of 1990	79,338	100,000	Cincinnati Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	81,085 (3)	100,000	"
Sheriff: Tommy Cunningham (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i> , and County Commission	18,163 (5)	100,000	State Automobile Mutual Insurance Company
John Mehr (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i> , and County Commission	84,814 (6)	100,000	Cincinnati Insurance Company
Employees Blanket Bond:				
Office:				
County Mayor:				
All Employees			150,000	Local Government Property and Casualty Fund
Highway Engineer:				
All Employees			150,000	"
Director of Schools:				
All Employees			150,000	"

(1) Includes accrued leave of \$10,154 and a bonus of \$750.

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

(3) Includes a certified public administrator supplement of \$1,747.

(4) Includes education incentive pay of \$2,625 and a bonus of \$750.

(5) Includes compensation of \$2,418 for supervision of the county workhouse (penal farm) and a law enforcement training supplement of \$1,200.

(6) Includes compensation of \$12,087 for supervision of the county workhouse (penal farm).

Exhibit K-5

Madison County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2015

	<u>Special Revenue Funds</u>				
	General	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 19,898,189	\$ 1,291,002	\$ 982,678	\$ 0	0
Trustee's Collections - Prior Year	634,309	25,598	28,936	0	0
Trustee's Collections - Bankruptcy	24,095	1,799	1,437	194	0
Circuit/Clerk and Master Collections - Prior Years	445,105	22,813	15,916	0	0
Interest and Penalty	101,279	5,077	4,913	19	0
Payments in-Lieu-of Taxes - Local Utilities	410,614	26,641	20,278	0	0
Payments in-Lieu-of Taxes - Other	226,236	14,677	11,170	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	802,215	0	0	0	0
Hotel/Motel Tax	411,801	0	0	0	0
Litigation Tax - General	321,591	0	0	0	0
Litigation Tax - Special Purpose	285,475	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	0	0	0	1,708,759	0
Mixed Drink Tax	9,641	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	63,998	4,152	3,161	0	0
Wholesale Beer Tax	252,801	0	0	0	0
Interstate Telecommunications Tax	3,080	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 23,890,429</b>	<b>\$ 1,391,759</b>	<b>\$ 1,068,489</b>	<b>\$ 1,708,972</b>	<b>\$ 0</b>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 45,456	\$ 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
<u>Licenses and Permits (Cont.)</u>					
<u>Licenses (Cont.)</u>					
Animal Vaccination	\$ 7,594	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	285,878	0	0	0	0
<u>Permits</u>					
Building Permits	225,176	0	0	0	0
Other Permits	390	0	0	0	0
Total Licenses and Permits	<u>\$ 564,494</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 23,615	\$ 0	\$ 0	\$ 0	0
Officers Costs	38,653	0	0	0	0
Drug Control Fines	1,054	0	0	0	0
Drug Court Fees	4,380	0	0	0	0
Jail Fees	21,541	0	0	0	0
DUI Treatment Fines	2,949	0	0	0	0
Data Entry Fee - Circuit Court	3,857	0	0	0	0
Courtroom Security Fee	1,266	0	0	0	0
Victims Assistance Assessments	7,554	0	0	0	0
<u>General Sessions Court</u>					
Fines	52,573	0	0	0	0
Officers Costs	174,420	0	0	0	0
Game and Fish Fines	195	0	0	0	0
Drug Control Fines	9,577	0	0	0	0
Drug Court Fees	5,346	0	0	0	0
Jail Fees	56,867	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
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Interpreter Fee	\$ 567	\$ 0	\$ 0	\$ 0	0
DUI Treatment Fines	18,551	0	0	0	0
Data Entry Fee - General Sessions Court	45,398	0	0	0	0
Courtroom Security Fee	2,420	0	0	0	0
Victims Assistance Assessments	30,270	0	0	0	0
<u>Juvenile Court</u>					
Officers Costs	2,166	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	6,455	0	0	0	0
Data Entry Fee - Chancery Court	23,806	0	0	0	0
Courtroom Security Fee	27	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	70,307	0	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 603,814</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0</b>
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	\$ 2,457	\$ 0	\$ 0	\$ 0	0
Health Department Collections	190,712	0	0	0	485,566
Other General Service Charges	4,895	830	0	0	0
<u>Fees</u>					
Engineer Review Fees	18,928	0	0	0	0
Recreation Fees	58,929	0	0	0	0
Copy Fees	925	0	0	0	0
Greenbelt Late Application Fee	50	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
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Telephone Commissions	\$ 274,844	\$ 0	\$ 0	\$ 0	0
Vending Machine Collections	135,201	0	0	0	0
Data Processing Fee - Register	28,050	0	0	0	0
Data Processing Fee - Sheriff	15,772	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,600	0	0	0	0
Data Processing Fee - County Clerk	10,857	0	0	0	0
<u>Education Charges</u>					
Community Service Fees - Adults	0	0	0	0	527,035
TBI Criminal Background Fee	2,450	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 748,670</b>	<b>\$ 830</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>1,012,601</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 2,066	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	70,401	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0
Sale of Gasoline	7,067	0	0	0	0
Sale of Recycled Materials	0	0	15,733	0	0
Miscellaneous Refunds	152,807	771	17,750	0	0
Expenditure Credits	8,618	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	2,262	0	0	0	0
Sale of Property	23,876	0	0	0	0
Damages Recovered from Individuals	1,079	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
<u>Other Local Revenues (Cont.)</u>					
<u>Other Local Revenues</u>					
Other Local Revenues	\$ 13,833	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	<u>\$ 282,009</u>	<u>\$ 771</u>	<u>\$ 33,483</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$ 944,153	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	601,633	0	0	0	0
General Sessions Court Clerk	959,814	0	0	0	0
Clerk and Master	620,644	0	0	0	0
Juvenile Court Clerk	139,107	0	0	0	0
Register	361,905	0	0	0	0
Sheriff	46,672	0	0	0	0
Trustee	1,748,943	0	0	0	0
Total Fees Received from County Officials	<u>\$ 5,422,871</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 17,769	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	0	4,722	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	41,400	0	0	0	0
Drug Control Grants	0	0	0	0	68,324
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	2,738,338

(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
<u>State of Tennessee (Cont.)</u>					
<u>Public Works Grants</u>					
Litter Program	\$ 0	\$ 0	\$ 0	\$ 0	56,799
<u>Other State Revenues</u>					
Income Tax	285,302	0	0	0	0
Beer Tax	18,055	0	0	0	0
Vehicle Certificate of Title Fees	16,061	0	0	0	0
Alcoholic Beverage Tax	143,408	0	0	0	0
Prisoner Transportation	9,850	0	0	0	0
Contracted Prisoner Boarding	710,918	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	87,561	0	0	0	0
Other State Revenues	16,780	9,000	93,996	0	933,444
Total State of Tennessee	<u>\$ 1,362,268</u>	<u>\$ 9,000</u>	<u>\$ 98,718</u>	<u>\$ 0</u>	<u>\$ 3,796,905</u>
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 94,000	\$ 0	\$ 0	\$ 0	0
Disaster Relief	0	0	0	0	0
Law Enforcement Grants	26,537	0	0	0	0
Other Federal through State	30,004	213,361	0	0	456,629
<u>Direct Federal Revenue</u>					
Tax Credit Bond Rebate	0	0	0	0	0
Other Direct Federal Revenue	21,600	0	0	0	0
Total Federal Government	<u>\$ 172,141</u>	<u>\$ 213,361</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 456,629</u>

(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
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 37,510	\$ 156,353	\$ 0	\$ 0	\$ 0
Contributions	555,106	0	0	0	0
Contracted Services	1,250,127	0	0	0	185,911
Total Other Governments and Citizens Groups	<u>\$ 1,842,743</u>	<u>\$ 156,353</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 185,911</u>
Total	<u>\$ 34,889,439</u>	<u>\$ 1,772,074</u>	<u>\$ 1,200,690</u>	<u>\$ 1,708,972</u>	<u>\$ 5,452,046</u>

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)		Debt Service	Capital Projects Funds	
	Drug Control	Highway / Public Works	Fund General Debt Service	General Capital Projects	Community Development/ Industrial Park
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 1,708,741	\$ 6,998,084	\$ 1,102,026	\$ 0
Trustee's Collections - Prior Year	0	54,977	231,187	32,233	0
Trustee's Collections - Bankruptcy	0	3,048	11,959	2,151	0
Circuit/Clerk and Master Collections - Prior Years	0	38,860	158,722	27,312	0
Interest and Penalty	0	9,577	37,989	5,706	0
Payments in-Lieu-of Taxes - Local Utilities	0	35,261	144,411	22,741	0
Payments in-Lieu-of Taxes - Other	0	19,428	79,566	12,531	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0
Litigation Tax - General	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	130,427	0	0
Business Tax	0	0	0	0	0
Mixed Drink Tax	0	0	0	0	0
Mineral Severance Tax	0	40,879	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	5,496	22,508	3,544	0
Wholesale Beer Tax	0	0	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0
Total Local Taxes	\$ 0	\$ 1,916,267	\$ 7,814,853	\$ 1,208,244	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)		Debt Service	Capital Projects Funds	
	Drug Control	Highway / Public Works	Fund General Debt Service	General Capital Projects	Community Development/ Industrial Park
<u>Licenses and Permits (Cont.)</u>					
<u>Licenses (Cont.)</u>					
Animal Vaccination	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	0	0	0	0	0
<u>Permits</u>					
Building Permits	0	0	0	0	0
Other Permits	0	0	0	0	0
Total Licenses and Permits	<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	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	0	0	0	0	0
Drug Control Fines	0	0	0	0	0
Drug Court Fees	0	0	0	0	0
Jail Fees	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0
<u>General Sessions Court</u>					
Fines	0	0	0	0	0
Officers Costs	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0
Drug Control Fines	8,875	0	0	0	0
Drug Court Fees	0	0	0	0	0
Jail Fees	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)		Debt Service	Capital Projects Funds	
	Drug Control	Highway / Public Works	Fund General Debt Service	General Capital Projects	Community Development/ Industrial Park
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Interpreter Fee	\$ 0	\$ 0	\$ 0	\$ 0	0
DUI Treatment Fines	0	0	0	0	0
Data Entry Fee - General Sessions Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0
<u>Juvenile Court</u>					
Officers Costs	0	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	890	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 9,765	\$ 0	\$ 0	\$ 0	0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	\$ 0	\$ 0	\$ 0	\$ 0	0
Health Department Collections	0	0	0	0	0
Other General Service Charges	0	0	0	0	0
<u>Fees</u>					
Engineer Review Fees	0	0	0	0	0
Recreation Fees	0	0	0	0	0
Copy Fees	0	0	0	0	0
Greenbelt Late Application Fee	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)		Debt Service	Capital Projects Funds	
	Drug Control	Highway / Public Works	Fund General Debt Service	General Capital Projects	Community Development/ Industrial Park
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Telephone Commissions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Vending Machine Collections	0	0	0	0	0
Data Processing Fee - Register	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0
Data Processing Fee - County Clerk	0	0	0	0	0
<u>Education Charges</u>					
Community Service Fees - Adults	0	0	0	0	0
TBI Criminal Background Fee	0	0	0	0	0
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 99,722	\$ 0	\$ 0
Lease/Rentals	0	0	0	0	26,604
Sale of Materials and Supplies	0	48,448	0	0	0
Sale of Gasoline	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0
Miscellaneous Refunds	0	3,817	0	0	0
Expenditure Credits	0	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	107,867	0
Sale of Property	0	0	0	0	0
Damages Recovered from Individuals	0	0	0	0	0

(Continued)

Exhibit K-5

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Debt Service</u>	<u>Capital Projects Funds</u>	
	<u>Drug</u>	<u>Highway /</u>	<u>General</u>	<u>General</u>	<u>Community</u>
	<u>Control</u>	<u>Public</u>	<u>Debt</u>	<u>Capital</u>	<u>Development/</u>
		<u>Works</u>	<u>Service</u>	<u>Projects</u>	<u>Industrial</u>
					<u>Park</u>
<u>Other Local Revenues (Cont.)</u>					
<u>Other Local Revenues</u>					
Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 0	\$ 52,265	\$ 99,722	\$ 107,867	\$ 26,604
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0
Clerk and Master	0	0	0	0	0
Juvenile Court Clerk	0	0	0	0	0
Register	0	0	0	0	0
Sheriff	0	0	0	0	0
Trustee	0	0	0	0	0
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Solid Waste Grants	0	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	0
Drug Control Grants	0	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)		Debt Service	Capital Projects Funds	
	Drug Control	Highway / Public Works	General Debt Service Fund	General Capital Projects	Community Development/ Industrial Park
<u>State of Tennessee (Cont.)</u>					
<u>Public Works Grants</u>					
Litter Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	0
Beer Tax	0	0	0	0	0
Vehicle Certificate of Title Fees	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0
Prisoner Transportation	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	2,354,782	0	0	0
Petroleum Special Tax	0	70,924	0	0	0
Registrar's Salary Supplement	0	0	0	0	0
Other State Grants	0	0	0	121,860	0
Other State Revenues	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 2,425,706	\$ 0	\$ 121,860	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	0	587,207	0	0	0
Law Enforcement Grants	0	0	0	0	0
Other Federal through State	0	171,486	0	0	0
<u>Direct Federal Revenue</u>					
Tax Credit Bond Rebate	0	0	123,893	0	0
Other Direct Federal Revenue	0	0	0	0	0
Total Federal Government	\$ 0	\$ 758,693	\$ 123,893	\$ 0	\$ 0

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)		Debt Service	Capital Projects Funds	
	Drug Control	Highway / Public Works	Fund General Debt Service	General Capital Projects	Community Development/ Industrial Park
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	0	0	834,363	0	0
Contracted Services	0	0	0	0	3,350
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 834,363</u>	<u>\$ 0</u>	<u>\$ 3,350</u>
Total	<u>\$ 9,765</u>	<u>\$ 5,152,931</u>	<u>\$ 8,872,831</u>	<u>\$ 1,437,971</u>	<u>\$ 29,954</u>

(Continued)

Exhibit K-5

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

	Capital Projects Fund (Cont.) Highway Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 0	\$ 31,980,720
Trustee's Collections - Prior Year	0	1,007,240
Trustee's Collections - Bankruptcy	0	44,683
Circuit/Clerk and Master Collections - Prior Years	0	708,728
Interest and Penalty	0	164,560
Payments in-Lieu-of Taxes - Local Utilities	0	659,946
Payments in-Lieu-of Taxes - Other	0	363,608
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	802,215
Hotel/Motel Tax	0	411,801
Litigation Tax - General	0	321,591
Litigation Tax - Special Purpose	0	285,475
Litigation Tax - Jail, Workhouse, or Courthouse	0	130,427
Business Tax	0	1,708,759
Mixed Drink Tax	0	9,641
Mineral Severance Tax	0	40,879
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	102,859
Wholesale Beer Tax	0	252,801
Interstate Telecommunications Tax	0	3,080
Total Local Taxes	<u>\$ 0</u>	<u>\$ 38,999,013</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Animal Registration	\$ 0	\$ 45,456

(Continued)

Exhibit K-5

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

	<u>Capital Projects Fund (Cont.)</u>		
	<u>Highway Capital Projects</u>		Total
<u>Licenses and Permits (Cont.)</u>			
<u>Licenses (Cont.)</u>			
Animal Vaccination	\$ 0	\$	7,594
Cable TV Franchise			285,878
<u>Permits</u>			
Building Permits			225,176
Other Permits			390
Total Licenses and Permits	<u>\$ 0</u>	<u>\$</u>	<u>564,494</u>
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$ 0	\$	23,615
Officers Costs			38,653
Drug Control Fines			1,054
Drug Court Fees			4,380
Jail Fees			21,541
DUI Treatment Fines			2,949
Data Entry Fee - Circuit Court			3,857
Courtroom Security Fee			1,266
Victims Assistance Assessments			7,554
<u>General Sessions Court</u>			
Fines			52,573
Officers Costs			174,420
Game and Fish Fines			195
Drug Control Fines			18,452
Drug Court Fees			5,346
Jail Fees			56,867

(Continued)

Exhibit K-5

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

	<u>Capital</u> <u>Projects Fund</u> <u>(Cont.)</u>		
	<u>Highway</u> <u>Capital</u> <u>Projects</u>		<u>Total</u>
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>General Sessions Court (Cont.)</u>			
Interpreter Fee	\$	0	\$ 567
DUI Treatment Fines		0	18,551
Data Entry Fee - General Sessions Court		0	45,398
Courtroom Security Fee		0	2,420
Victims Assistance Assessments		0	30,270
<u>Juvenile Court</u>			
Officers Costs		0	2,166
<u>Chancery Court</u>			
Officers Costs		0	6,455
Data Entry Fee - Chancery Court		0	23,806
Courtroom Security Fee		0	27
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property		0	71,197
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$</b>	<b>0</b>	<b>\$ 613,579</b>
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Patient Charges	\$	0	\$ 2,457
Health Department Collections		0	676,278
Other General Service Charges		0	5,725
<u>Fees</u>			
Engineer Review Fees		0	18,928
Recreation Fees		0	58,929
Copy Fees		0	925
Greenbelt Late Application Fee		0	50

(Continued)

Exhibit K-5

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

	<u>Capital</u> <u>Projects Fund</u> <u>(Cont.)</u>		
	<u>Highway</u> <u>Capital</u> <u>Projects</u>		Total
<u>Charges for Current Services (Cont.)</u>			
<u>Fees (Cont.)</u>			
Telephone Commissions	\$	0	\$ 274,844
Vending Machine Collections		0	135,201
Data Processing Fee - Register		0	28,050
Data Processing Fee - Sheriff		0	15,772
Sexual Offender Registration Fee - Sheriff		0	4,600
Data Processing Fee - County Clerk		0	10,857
<u>Education Charges</u>			
Community Service Fees - Adults		0	527,035
TBI Criminal Background Fee		0	2,450
<b>Total Charges for Current Services</b>	<b>\$</b>	<b>0</b>	<b>\$ 1,762,101</b>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$	0	\$ 101,788
Lease/Rentals		0	97,005
Sale of Materials and Supplies		0	48,448
Sale of Gasoline		0	7,067
Sale of Recycled Materials		0	15,733
Miscellaneous Refunds		616	175,761
Expenditure Credits		0	8,618
<u>Nonrecurring Items</u>			
Sale of Equipment		0	110,129
Sale of Property		0	23,876
Damages Recovered from Individuals		0	1,079

(Continued)

Exhibit K-5

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

	Capital Projects Fund (Cont.) Highway Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>		
<u>Other Local Revenues</u>		
Other Local Revenues	\$ 0	\$ 13,833
Total Other Local Revenues	<u>\$ 616</u>	<u>\$ 603,337</u>
<u>Fees Received from County Officials</u>		
<u>Fees in-Lieu-of Salary</u>		
County Clerk	\$ 0	\$ 944,153
Circuit Court Clerk	0	601,633
General Sessions Court Clerk	0	959,814
Clerk and Master	0	620,644
Juvenile Court Clerk	0	139,107
Register	0	361,905
Sheriff	0	46,672
Trustee	0	1,748,943
Total Fees Received from County Officials	<u>\$ 0</u>	<u>\$ 5,422,871</u>
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	\$ 0	\$ 17,769
Solid Waste Grants	0	4,722
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	0	41,400
Drug Control Grants	0	68,324
<u>Health and Welfare Grants</u>		
Health Department Programs	0	2,738,338

(Continued)

Exhibit K-5

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

	Capital Projects Fund (Cont.)		Total
	Highway Capital Projects		
<u>State of Tennessee (Cont.)</u>			
<u>Public Works Grants</u>			
Litter Program	\$	0	\$ 56,799
<u>Other State Revenues</u>			
Income Tax		0	285,302
Beer Tax		0	18,055
Vehicle Certificate of Title Fees		0	16,061
Alcoholic Beverage Tax		0	143,408
Prisoner Transportation		0	9,850
Contracted Prisoner Boarding		0	710,918
Gasoline and Motor Fuel Tax		0	2,354,782
Petroleum Special Tax		0	70,924
Registrar's Salary Supplement		0	15,164
Other State Grants		0	209,421
Other State Revenues		0	1,053,220
Total State of Tennessee	<u>\$</u>	<u>0</u>	<u>\$ 7,814,457</u>
<u>Federal Government</u>			
<u>Federal Through State</u>			
Civil Defense Reimbursement	\$	0	\$ 94,000
Disaster Relief		0	587,207
Law Enforcement Grants		0	26,537
Other Federal through State		0	871,480
<u>Direct Federal Revenue</u>			
Tax Credit Bond Rebate		0	123,893
Other Direct Federal Revenue		0	21,600
Total Federal Government	<u>\$</u>	<u>0</u>	<u>\$ 1,724,717</u>

(Continued)

Exhibit K-5

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

	Capital Projects Fund (Cont.)		
	Highway Capital Projects		Total
<hr/>			
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Prisoner Board	\$	0	\$ 193,863
Contributions		0	1,389,469
Contracted Services		0	1,439,388
Total Other Governments and Citizens Groups	\$	0	\$ 3,022,720
Total	\$	616	\$ 60,527,289

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, 2015

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 8,080,219	\$ 0	\$ 0	\$ 2,707,333	\$ 10,787,552
Trustee's Collections - Prior Year	277,783	0	0	45,288	323,071
Trustee's Collections - Bankruptcy	15,884	0	0	3,205	19,089
Circuit/Clerk and Master Collections - Prior Years	199,096	0	0	52,859	251,955
Interest and Penalty	45,995	0	0	10,249	56,244
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	317,675	0	0	30,783	348,458
<u>County Local Option Taxes</u>					
Local Option Sales Tax	37,098,314	0	0	0	37,098,314
Mixed Drink Tax	1,226,151	0	0	0	1,226,151
<u>Statutory Local Taxes</u>					
Bank Excise Tax	25,988	0	0	8,707	34,695
Interstate Telecommunications Tax	9,743	0	0	0	9,743
Total Local Taxes	\$ 47,465,128	\$ 0	\$ 0	\$ 2,914,292	\$ 50,379,420
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 7,068	\$ 0	\$ 0	\$ 0	\$ 7,068
<u>Permits</u>					
Other Permits	2,450	0	0	0	2,450
Total Licenses and Permits	\$ 9,518	\$ 0	\$ 0	\$ 0	\$ 9,518

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds School Federal Projects	Central Cafeteria	Capital Projects Fund Education Capital Projects	Total
<u>Charges for Current Services</u>					
<u>Fees</u>					
Vending Machine Collections	\$ 1,500	\$ 0	\$ 0	\$ 0	\$ 1,500
<u>Education Charges</u>					
Tuition - Summer School	450	0	0	0	450
Tuition - Other	394,588	0	0	0	394,588
Lunch Payments - Adults	0	0	151,615	0	151,615
A la carte Sales	0	0	228,526	0	228,526
<u>Other Charges for Services</u>					
Other Charges for Services	1,345	0	0	0	1,345
<b>Total Charges for Current Services</b>	<b>\$ 397,883</b>	<b>\$ 0</b>	<b>\$ 380,141</b>	<b>\$ 0</b>	<b>\$ 778,024</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 6,649	\$ 0	\$ 6,649
E-Rate Funding	73,280	0	0	0	73,280
Miscellaneous Refunds	115,245	0	0	0	115,245
Expenditure Credits	433	0	0	0	433
<u>Nonrecurring Items</u>					
Gain on Investments	6,815	0	0	0	6,815
Sale of Equipment	2,062	0	0	0	2,062
Damages Recovered from Individuals	328	0	0	0	328
Contributions and Gifts	176,000	0	0	0	176,000
<b>Total Other Local Revenues</b>	<b>\$ 374,163</b>	<b>\$ 0</b>	<b>\$ 6,649</b>	<b>\$ 0</b>	<b>\$ 380,812</b>

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 740,082	\$ 0	\$ 0	\$ 0	\$ 740,082
<u>State Education Funds</u>					
Basic Education Program	44,819,000	0	0	0	44,819,000
Early Childhood Education	1,222,346	0	0	0	1,222,346
School Food Service	0	0	79,687	0	79,687
Other State Education Funds	189,838	0	0	0	189,838
Career Ladder Program	421,764	0	0	0	421,764
Career Ladder - Extended Contract	89,020	0	0	0	89,020
Other Vocational	820	0	0	0	820
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	1,214,961	0	0	0	1,214,961
Other State Grants	218,745	0	0	0	218,745
Total State of Tennessee	\$ 48,916,576	\$ 0	\$ 79,687	\$ 0	\$ 48,996,263
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 4,897,832	\$ 0	\$ 4,897,832
USDA - Commodities	0	0	416,916	0	416,916
Breakfast	0	0	2,958,066	0	2,958,066
USDA - Other	0	0	293,766	0	293,766
Vocational Education - Basic Grants to States	0	556,122	0	0	556,122
Title I Grants to Local Education Agencies	0	3,985,983	0	0	3,985,983
Special Education - Grants to States	0	3,233,450	0	0	3,233,450
Special Education Preschool Grants	0	42,143	0	0	42,143

(Continued)

Exhibit K-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
English Language Acquisition Grants	\$ 0	\$ 63,945	\$ 0	\$ 0	\$ 63,945
Safe and Drug-free Schools - State Grants	0	74,542	0	0	74,542
Education for Homeless Children and Youth	0	46,704	0	0	46,704
Eisenhower Professional Development State Grants	0	452,174	0	0	452,174
Other Federal through State	0	125,290	0	0	125,290
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	104,500	0	0	0	104,500
Total Federal Government	\$ 104,500	\$ 8,580,353	\$ 8,566,580	\$ 0	\$ 17,251,433
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 750,000	\$ 0	\$ 0	\$ 0	\$ 750,000
Total Other Governments and Citizens Groups	\$ 750,000	\$ 0	\$ 0	\$ 0	\$ 750,000
Total	\$ 98,017,768	\$ 8,580,353	\$ 9,033,057	\$ 2,914,292	\$ 118,545,470

Exhibit K-7

Madison County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2015

General Fund

General Government

County Commission

Secretary to Board	\$	36,881	
Bonus Payments		750	
Board and Committee Members Fees		93,000	
Social Security		9,860	
Handling Charges and Administrative Costs		1,100	
Pensions		5,112	
Employee and Dependent Insurance		3,880	
Life Insurance		71	
Local Retirement		24	
Travel		147	
Office Supplies		1,788	
Data Processing Equipment		387	
Total County Commission			\$ 153,000

County Mayor/Executive

County Official/Administrative Officer	\$	107,376	
Educational Incentive - Other County Employees		3,100	
Bonus Payments		750	
Other Salaries and Wages		41,209	
Social Security		11,018	
Handling Charges and Administrative Costs		1,927	
Pensions		20,594	
Employee and Dependent Insurance		6,141	
Life Insurance		282	
Communication		1,884	
Data Processing Services		761	
Travel		7,021	
Office Supplies		268	
Other Supplies and Materials		3,468	
Other Charges		11,000	
Total County Mayor/Executive			216,799

Personnel Office

Supervisor/Director	\$	74,069	
Educational Incentive - Other County Employees		5,450	
Bonus Payments		1,500	
Other Salaries and Wages		44,599	
Social Security		8,693	
Handling Charges and Administrative Costs		3,855	
Pensions		16,447	
Employee and Dependent Insurance		12,283	
Life Insurance		247	
Communication		1,213	
Contracts with Private Agencies		70	
Dues and Memberships		440	
Travel		1,293	
Other Contracted Services		28,368	
Office Supplies		2,287	
Total Personnel Office			200,814

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

Other Contracted Services	\$ 80,248	
Total County Attorney		\$ 80,248

Election Commission

County Official/Administrative Officer	\$ 79,338	
Deputy(ies)	69,207	
Bonus Payments	2,500	
Election Commission	5,560	
Election Workers	124,278	
Social Security	15,279	
Handling Charges and Administrative Costs	4,726	
Pensions	17,554	
Employee and Dependent Insurance	16,482	
Life Insurance	275	
Communication	4,379	
Operating Lease Payments	1,413	
Legal Notices, Recording, and Court Costs	7,707	
Maintenance and Repair Services - Equipment	30,690	
Postal Charges	568	
Printing, Stationery, and Forms	5,375	
Rentals	620	
Travel	2,958	
Data Processing Supplies	694	
Office Supplies	4,259	
Total Election Commission		393,862

Register of Deeds

County Official/Administrative Officer	\$ 79,338	
Deputy(ies)	148,200	
Educational Incentive - Official/Admin Officer	1,747	
Educational Incentive - Other County Employees	4,525	
Bonus Payments	3,000	
Social Security	17,204	
Handling Charges and Administrative Costs	6,837	
Pensions	23,221	
Employee and Dependent Insurance	21,836	
Life Insurance	459	
Local Retirement	1,066	
Communication	75	
Dues and Memberships	100	
Data Processing Supplies	18,602	
Office Supplies	7,769	
Total Register of Deeds		333,979

Codes Compliance

Bonus Payments	\$ 750
Other Salaries and Wages	36,072

(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.)

In-service Training	\$	65	
Social Security		2,480	
Handling Charges and Administrative Costs		1,927	
Pensions		5,000	
Employee and Dependent Insurance		6,141	
Life Insurance		71	
Communication		821	
Contracts with Private Agencies		29,650	
Maintenance and Repair Services - Vehicles		271	
Other Contracted Services		3,640	
Gasoline		1,327	
Office Supplies		441	
Total Codes Compliance			\$ 88,656

County Buildings

Supervisor/Director	\$	60,597	
Custodial Personnel		26,927	
Overtime Pay		4,156	
Bonus Payments		1,500	
Social Security		6,730	
Handling Charges and Administrative Costs		3,035	
Pensions		10,833	
Employee and Dependent Insurance		9,199	
Life Insurance		167	
Communication		853	
Maintenance and Repair Services - Buildings		70,937	
Maintenance and Repair Services - Vehicles		1,706	
Other Contracted Services		38,358	
Custodial Supplies		23,633	
Gasoline		2,304	
Utilities		711	
Building Improvements		12,942	
Heating and Air Conditioning Equipment		45,257	
Total County Buildings			319,845

Other Facilities

Custodial Personnel	\$	37,080	
Communication		38,257	
Maintenance and Repair Services - Buildings		180,415	
Pest Control		2,940	
Custodial Supplies		3,238	
Utilities		280,037	
Total Other Facilities			541,967

Preservation of Records

County Official/Administrative Officer	\$	14,990	
Assistant(s)		36,093	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Bonus Payments	\$	750	
Social Security		3,965	
Communication		697	
Maintenance and Repair Services - Office Equipment		1,505	
Travel		881	
Office Supplies		3,803	
Utilities		8,185	
Other Supplies and Materials		6,868	
Total Preservation of Records			\$ 77,737

Risk Management

Supervisor/Director	\$	30,186	
Bonus Payments		750	
Social Security		2,231	
Handling Charges and Administrative Costs		1,100	
Pensions		4,184	
Employee and Dependent Insurance		2,394	
Life Insurance		56	
Communication		102	
Travel		4,817	
Office Supplies		1,279	
Total Risk Management			47,099

Finance

Accounting and Budgeting

Supervisor/Director	\$	87,106	
Educational Incentive - Other County Employees		21,375	
Bonus Payments		11,250	
Other Salaries and Wages		549,733	
Board and Committee Members Fees		1,000	
Social Security		47,657	
Handling Charges and Administrative Costs		21,422	
Pensions		88,214	
Employee and Dependent Insurance		62,468	
Life Insurance		1,244	
Audit Services		34,488	
Communication		6,971	
Data Processing Services		25,382	
Dues and Memberships		1,000	
Travel		5,889	
Other Contracted Services		490	
Office Supplies		15,814	
Utilities		13,365	
Office Equipment		1,824	
Total Accounting and Budgeting			996,692

(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

County Official/Administrative Officer	\$	79,338	
Deputy(ies)		342,078	
Educational Incentive - Official/Admin Officer		1,747	
Educational Incentive - Other County Employees		1,500	
Bonus Payments		588	
Board and Committee Members Fees		3,120	
In-service Training		1,151	
Social Security		30,113	
Handling Charges and Administrative Costs		15,596	
Pensions		58,408	
Employee and Dependent Insurance		41,830	
Life Insurance		882	
Audit Services		58,940	
Communication		2,826	
Data Processing Services		25,677	
Dues and Memberships		2,394	
Maintenance and Repair Services - Vehicles		147	
Travel		4,167	
Office Supplies		8,529	
Total Property Assessor's Office			\$ 679,031

Reappraisal Program

Bonus Payments	\$	462	
Other Salaries and Wages		174,165	
Social Security		11,933	
Handling Charges and Administrative Costs		7,160	
Pensions		24,139	
Employee and Dependent Insurance		27,333	
Life Insurance		277	
Data Processing Services		11,511	
Maintenance and Repair Services - Vehicles		3,395	
Travel		528	
Gasoline		7,772	
Office Supplies		5,349	
Total Reappraisal Program			274,024

County Trustee's Office

County Official/Administrative Officer	\$	79,338
Deputy(ies)		138,539
Part-time Personnel		12,480
Educational Incentive - Official/Admin Officer		1,747
Educational Incentive - Other County Employees		5,625
Bonus Payments		3,500
In-service Training		550
Social Security		17,407
Handling Charges and Administrative Costs		6,055
Pensions		30,198

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office (Cont.)

Employee and Dependent Insurance	\$	17,507	
Life Insurance		475	
Communication		1,053	
Data Processing Services		13,243	
Dues and Memberships		425	
Printing, Stationery, and Forms		11,081	
Travel		2,675	
Other Contracted Services		2,290	
Office Supplies		2,684	
Other Charges		302	
Data Processing Equipment		2,512	
Total County Trustee's Office			\$ 349,686

County Clerk's Office

County Official/Administrative Officer	\$	79,338	
Deputy(ies)		329,483	
Part-time Personnel		20,624	
Educational Incentive - Official/Admin Officer		1,747	
Bonus Payments		7,750	
Social Security		30,820	
Handling Charges and Administrative Costs		16,700	
Pensions		49,935	
Employee and Dependent Insurance		47,739	
Life Insurance		843	
Local Retirement		829	
Communication		1,214	
Dues and Memberships		300	
Maintenance Agreements		2,400	
Maintenance and Repair Services - Office Equipment		14,932	
Printing, Stationery, and Forms		1,685	
Travel		854	
Data Processing Supplies		1,878	
Office Supplies		9,599	
Data Processing Equipment		18,863	
Total County Clerk's Office			637,533

Data Processing

Supervisor/Director	\$	45,000
Educational Incentive - Other County Employees		300
Bonus Payments		750
Social Security		3,500
Pensions		6,237
Life Insurance		86
Communication		5,170
Contracts with Private Agencies		8,779
Data Processing Services		12,544
Maintenance and Repair Services - Vehicles		576

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Data Processing (Cont.)

Travel	\$	4,844	
Data Processing Supplies		19,844	
Gasoline		771	
Office Supplies		1,498	
Total Data Processing			\$ 109,899

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	87,272	
Deputy(ies)		713,298	
Data Processing Personnel		5,771	
Educational Incentive - Official/Admin Officer		1,747	
Educational Incentive - Other County Employees		7,921	
Bonus Payments		9,000	
Jury and Witness Expense		41,790	
Social Security		58,614	
Handling Charges and Administrative Costs		27,524	
Pensions		102,742	
Employee and Dependent Insurance		91,877	
Life Insurance		1,586	
Unemployment Compensation		33	
Local Retirement		487	
Data Processing Services		21,319	
Operating Lease Payments		14,227	
Travel		2,671	
Data Processing Supplies		2,575	
Duplicating Supplies		1,437	
Office Supplies		21,456	
Other Supplies and Materials		2,658	
Data Processing Equipment		7,599	
Furniture and Fixtures		499	
Total Circuit Court			1,224,103

General Sessions Court

Judge(s)	\$	158,636	
Bonus Payments		1,500	
Other Salaries and Wages		86,986	
Social Security		15,724	
Handling Charges and Administrative Costs		3,855	
Pensions		34,043	
Employee and Dependent Insurance		12,283	
Life Insurance		470	
Travel		1,587	
Office Supplies		10,408	
Total General Sessions Court			325,492

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court

Other Charges	\$ 6,694	
Total Drug Court		\$ 6,694

Chancery Court

County Official/Administrative Officer	\$ 87,272	
Deputy(ies)	321,068	
Part-time Personnel	65,071	
Educational Incentive - Official/Admin Officer	1,747	
Educational Incentive - Other County Employees	3,000	
Bonus Payments	1,220	
Social Security	34,046	
Handling Charges and Administrative Costs	14,864	
Pensions	56,596	
Employee and Dependent Insurance	41,134	
Life Insurance	795	
Communication	4,677	
Maintenance and Repair Services - Office Equipment	15,164	
Travel	1,996	
Other Contracted Services	3,368	
Data Processing Supplies	18,780	
Office Supplies	32,838	
Other Charges	1,533	
Total Chancery Court		705,169

Juvenile Court

Judge(s)	\$ 158,636
Part-time Personnel	5,519
Bonus Payments	1,750
Other Salaries and Wages	81,323
Social Security	16,770
Handling Charges and Administrative Costs	2,339
Pensions	27,533
Employee and Dependent Insurance	6,450
Life Insurance	459
Local Retirement	1,116
Data Processing Services	2,469
Dues and Memberships	910
Janitorial Services	60
Maintenance and Repair Services - Buildings	8,411
Maintenance and Repair Services - Equipment	1,482
Rentals	2,163
Travel	1,165
Other Contracted Services	33,785
Custodial Supplies	1,499
Office Supplies	2,710
Periodicals	945
Utilities	18,668

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Building Improvements	\$	3,224	
Communication Equipment		1,000	
Data Processing Equipment		2,900	
Heating and Air Conditioning Equipment		2,000	
Total Juvenile Court			\$ 385,286

Juvenile Court Clerk

County Official/Administrative Officer	\$	79,338	
Deputy(ies)		70,948	
Accountants/Bookkeepers		47,530	
Clerical Personnel		57,711	
Part-time Personnel		17,786	
Bonus Payments		4,250	
Social Security		19,767	
Handling Charges and Administrative Costs		7,844	
Pensions		35,416	
Employee and Dependent Insurance		24,892	
Life Insurance		494	
Maintenance and Repair Services - Equipment		250	
Printing, Stationery, and Forms		487	
Rentals		6,145	
Data Processing Supplies		681	
Office Supplies		2,142	
Total Juvenile Court Clerk			375,681

District Attorney General

Assistant(s)	\$	79,560	
Bonus Payments		750	
Social Security		5,894	
Handling Charges and Administrative Costs		1,927	
Pensions		11,027	
Employee and Dependent Insurance		6,141	
Life Insurance		148	
Other Charges		400	
Total District Attorney General			105,847

Office of Public Defender

Salary Supplements	\$	71,040	
Bonus Payments		750	
Social Security		5,217	
Handling Charges and Administrative Costs		1,882	
Pensions		9,846	
Employee and Dependent Insurance		5,884	
Life Insurance		132	
Other Charges		800	
Total Office of Public Defender			95,551

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice

Other Charges	\$ 93,258	
Total Other Administration of Justice		\$ 93,258

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 87,272	
Deputy(ies)	3,418,664	
Part-time Personnel	125,554	
Educational Incentive - Other County Employees	6,100	
Overtime Pay	168,975	
Bonus Payments	56,000	
Other Salaries and Wages	28,098	
In-service Training	67,000	
Social Security	286,686	
Handling Charges and Administrative Costs	117,475	
Pensions	402,017	
Employee and Dependent Insurance	324,901	
Life Insurance	7,396	
Unemployment Compensation	7,150	
Local Retirement	4,201	
Communication	154,931	
Contracts with Private Agencies	25,517	
Data Processing Services	34,614	
Dues and Memberships	800	
Maintenance and Repair Services - Buildings	25,662	
Maintenance and Repair Services - Vehicles	161,259	
Pest Control	600	
Rentals	5,000	
Travel	46,751	
Custodial Supplies	1,531	
Gasoline	207,628	
Law Enforcement Supplies	82,071	
Office Supplies	31,504	
Uniforms	140,847	
Utilities	33,173	
Other Charges	3,378	
Furniture and Fixtures	4,890	
Law Enforcement Equipment	36,812	
Motor Vehicles	33,955	
Total Sheriff's Department		6,138,412

Special Patrols

Deputy(ies)	\$ 254,596
Overtime Pay	12,542
Bonus Payments	4,500
Social Security	19,299
Handling Charges and Administrative Costs	12,893

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols (Cont.)

Pensions	\$	34,168	
Employee and Dependent Insurance		27,853	
Life Insurance		705	
Maintenance and Repair Services - Vehicles		9,225	
Other Contracted Services		316,744	
Gasoline		13,967	
Uniforms		2,275	
Total Special Patrols	\$		708,767

Drug Enforcement

Deputy(ies)	\$	320,509	
Part-time Personnel		26,190	
Overtime Pay		71,765	
Bonus Payments		6,000	
Other Salaries and Wages		28,132	
Social Security		31,007	
Pensions		54,369	
Employee and Dependent Insurance		29,550	
Maintenance and Repair Services - Vehicles		7,208	
Gasoline		18,894	
Uniforms		5,250	
Total Drug Enforcement			598,874

Jail

Deputy(ies)	\$	4,292,832	
Maintenance Personnel		105,096	
Part-time Personnel		35,314	
Overtime Pay		221,056	
Bonus Payments		78,250	
In-service Training		52,200	
Social Security		343,112	
Handling Charges and Administrative Costs		143,859	
Pensions		504,937	
Employee and Dependent Insurance		439,578	
Life Insurance		8,548	
Unemployment Compensation		14,382	
Local Retirement		4,590	
Communication		7,407	
Data Processing Services		7,712	
Maintenance and Repair Services - Buildings		5,043	
Maintenance and Repair Services - Equipment		2,289	
Medical and Dental Services		30,000	
Other Contracted Services		30,000	
Custodial Supplies		36,413	
Drugs and Medical Supplies		402,459	
Food Preparation Supplies		16,172	
Food Supplies		469,202	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Gasoline	\$	1,435	
Law Enforcement Supplies		112,266	
Office Supplies		16,624	
Prisoners Clothing		23,796	
Uniforms		31,982	
Other Supplies and Materials		22,485	
Other Charges		89	
Total Jail			\$ 7,459,128

Workhouse

County Official/Administrative Officer	\$	14,505	
Guards		1,010,372	
Overtime Pay		44,525	
Bonus Payments		18,750	
In-service Training		15,000	
Social Security		79,527	
Handling Charges and Administrative Costs		36,788	
Pensions		122,353	
Employee and Dependent Insurance		98,591	
Life Insurance		2,088	
Unemployment Compensation		4,950	
Local Retirement		3,072	
Communication		5,451	
Data Processing Services		2,230	
Maintenance and Repair Services - Buildings		15,664	
Maintenance and Repair Services - Equipment		353	
Maintenance and Repair Services - Vehicles		3,361	
Pest Control		910	
Custodial Supplies		7,036	
Diesel Fuel		7	
Drugs and Medical Supplies		24,594	
Food Preparation Supplies		2,341	
Food Supplies		103,788	
Gasoline		5,071	
Law Enforcement Supplies		2,581	
Office Supplies		2,347	
Prisoners Clothing		2,204	
Uniforms		794	
Utilities		58,094	
Other Supplies and Materials		10,054	
Total Workhouse			1,697,401

Fire Prevention and Control

Supervisor/Director	\$	66,142	
Mechanic(s)		84,177	
Part-time Personnel		40,421	
Bonus Payments		7,000	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Other Salaries and Wages	\$	225,722	
In-service Training		9,998	
Social Security		30,594	
Handling Charges and Administrative Costs		11,540	
Pensions		31,740	
Employee and Dependent Insurance		38,148	
Life Insurance		632	
Local Retirement		1,856	
Communication		23,708	
Maintenance and Repair Services - Buildings		49,653	
Maintenance and Repair Services - Equipment		59,559	
Travel		2,476	
Equipment and Machinery Parts		106,833	
Gasoline		39,824	
Utilities		71,499	
Gravel and Chert		2,261	
Total Fire Prevention and Control			\$ 903,783

Civil Defense

Supervisor/Director	\$	68,726	
Part-time Personnel		480	
Overtime Pay		2,968	
Bonus Payments		2,552	
Other Salaries and Wages		111,912	
Social Security		13,119	
Handling Charges and Administrative Costs		6,563	
Pensions		16,010	
Employee and Dependent Insurance		21,899	
Life Insurance		343	
Local Retirement		598	
Communication		20,787	
Dues and Memberships		695	
Maintenance Agreements		2,325	
Maintenance and Repair Services - Buildings		6,987	
Maintenance and Repair Services - Equipment		8,636	
Maintenance and Repair Services - Vehicles		8,707	
Printing, Stationery, and Forms		144	
Travel		4,204	
Gasoline		5,634	
Office Supplies		958	
Utilities		23,334	
Other Supplies and Materials		16,189	
Building Improvements		735	
Total Civil Defense			344,505

Inspection and Regulation

County Official/Administrative Officer	\$	43,970	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Inspection and Regulation (Cont.)

Educational Incentive - Other County Employees	\$	1,125	
Bonus Payments		1,500	
Other Salaries and Wages		30,659	
In-service Training		730	
Social Security		5,450	
Handling Charges and Administrative Costs		3,027	
Pensions		10,344	
Employee and Dependent Insurance		9,513	
Life Insurance		152	
Communication		518	
Dues and Memberships		125	
Maintenance and Repair Services - Vehicles		933	
Gasoline		2,102	
Office Supplies		1,739	
Total Inspection and Regulation			\$ 111,887

County Coroner/Medical Examiner

Supervisor/Director	\$	19,075	
Social Security		928	
Contracts with Government Agencies		40,020	
Contracts with Public Carriers		6,505	
Pauper Burials		1,000	
Travel		1,373	
Other Contracted Services		46,925	
Other Charges		266	
Total County Coroner/Medical Examiner			116,092

Other Public Safety

Other Salaries and Wages	\$	12,932	
Social Security		929	
Pensions		1,792	
Employee and Dependent Insurance		978	
Total Other Public Safety			16,631

Public Health and Welfare

Local Health Center

County Official/Administrative Officer	\$	160,861	
Paraprofessionals		24,772	
Custodial Personnel		27,980	
Part-time Personnel		22,802	
Bonus Payments		13,500	
Other Salaries and Wages		835,313	
Social Security		75,079	
Handling Charges and Administrative Costs		21,331	
Pensions		107,513	
Employee and Dependent Insurance		61,271	
Life Insurance		1,732	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Unemployment Compensation	\$	1,557	
Local Retirement		606	
Communication		16,459	
Data Processing Services		6,656	
Dues and Memberships		870	
Janitorial Services		5,435	
Maintenance Agreements		9,846	
Maintenance and Repair Services - Buildings		35,849	
Maintenance and Repair Services - Vehicles		6,485	
Pest Control		627	
Postal Charges		2,183	
Printing, Stationery, and Forms		2,355	
Travel		13,218	
Drugs and Medical Supplies		92,687	
Gasoline		7,539	
Office Supplies		8,145	
Utilities		29,254	
Other Supplies and Materials		652	
Judgments		2,602	
Liability Insurance		4,001	
Data Processing Equipment		2,870	
Furniture and Fixtures		3,260	
Office Equipment		2,248	
Total Local Health Center			\$ 1,607,558

Rabies and Animal Control

Overtime Pay	\$	11,232
Bonus Payments		1,500
Other Salaries and Wages		108,967
Social Security		8,596
Handling Charges and Administrative Costs		4,861
Pensions		9,256
Employee and Dependent Insurance		15,878
Life Insurance		226
Communication		2,944
Data Processing Services		298
Maintenance Agreements		205
Maintenance and Repair Services - Buildings		7,916
Maintenance and Repair Services - Vehicles		5,608
Pest Control		475
Printing, Stationery, and Forms		1,110
Veterinary Services		6,752
Animal Food and Supplies		5,298
Drugs and Medical Supplies		5,623
Gasoline		7,661
Office Supplies		871
Uniforms		4,986

(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.)

Utilities	\$	6,224	
Refunds		4,824	
Total Rabies and Animal Control			\$ 221,311

Other Local Welfare Services

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

Social, Cultural, and Recreational Services

Libraries

Pensions	\$	120,432	
Other Fringe Benefits		9,638	
Contributions		974,582	
Total Libraries			1,104,652

Parks and Fair Boards

Supervisor/Director	\$	59,232	
Part-time Personnel		13,261	
Overtime Pay		6,844	
Bonus Payments		12,060	
Other Salaries and Wages		476,812	
Social Security		40,086	
Handling Charges and Administrative Costs		22,362	
Pensions		57,481	
Employee and Dependent Insurance		74,516	
Life Insurance		1,008	
Unemployment Compensation		1,622	
Local Retirement		1,747	
Communication		8,344	
Maintenance and Repair Services - Equipment		140,702	
Travel		3,992	
Remittance of Revenue Collected		2,200	
Gasoline		29,646	
Office Supplies		3,806	
Periodicals		50	
Utilities		70,837	
Other Charges		2,826	
Total Parks and Fair Boards			1,029,434

Other Social, Cultural, and Recreational

Other Salaries and Wages	\$	16,019	
Social Security		800	
Other Supplies and Materials		50,277	
Total Other Social, Cultural, and Recreational			67,096

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Part-time Personnel	\$	24,412	
Bonus Payments		500	
Other Salaries and Wages		110,290	
Social Security		1,985	
Unemployment Compensation		3,570	
Other Fringe Benefits		51,824	
Communication		516	
Contributions		3,400	
Travel		736	
Office Supplies		5,621	
In Service/Staff Development		5,492	
Data Processing Equipment		4,789	
Total Agricultural Extension Service			\$ 213,135

Soil Conservation

Bonus Payments	\$	1,500	
Other Salaries and Wages		85,789	
Social Security		6,290	
Handling Charges and Administrative Costs		1,927	
Pensions		11,890	
Employee and Dependent Insurance		6,141	
Life Insurance		152	
Travel		883	
Total Soil Conservation			114,572

Flood Control

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

Other Operations

Industrial Development

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

Airport

Pensions	\$	29,747	
Employee and Dependent Insurance		41,802	
Local Retirement		1,393	
Other Fringe Benefits		15,036	
Contributions		196,120	
Liability Insurance		17,000	
Total Airport			301,098

Veterans' Services

Part-time Personnel	\$	26,703	
Bonus Payments		250	
Social Security		2,062	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Communication	\$	1,582	
Data Processing Services		1,620	
Travel		2,919	
Office Supplies		512	
Other Supplies and Materials		434	
Total Veterans' Services			\$ 36,082

Other Charges

Handling Charges and Administrative Costs	\$	20,285	
Disability Insurance		57,726	
Medical and Dental Services		245,032	
Excess Risk Insurance		16,927	
Medical Claims		311,394	
Total Other Charges			651,364

Contributions to Other Agencies

Contributions	\$	209,000	
Total Contributions to Other Agencies			209,000

Miscellaneous

Board and Committee Members Fees	\$	3,296	
Other Fringe Benefits		4,533	
Communication		127,300	
Consultants		1,412	
Contracts with Government Agencies		24,000	
Contracts with Other Public Agencies		3,435	
Data Processing Services		8,246	
Dues and Memberships		13,681	
Evaluation and Testing		5,300	
Legal Services		16,799	
Legal Notices, Recording, and Court Costs		21,375	
Postal Charges		108,860	
Remittance of Revenue Collected		53,345	
Disposal Fees		2,579	
Other Contracted Services		4,594	
Utilities		162,589	
Excess Risk Insurance		22,919	
Liability Insurance		451,357	
Premiums on Corporate Surety Bonds		17,674	
Refunds		492	
Trustee's Commission		471,592	
Fines, Assessments, and Penalties		113,871	
Other Charges		50,716	
Total Miscellaneous			1,689,965

Total General Fund \$ 34,318,329

(Continued)

Exhibit K-7

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

Juvenile Services Fund

Public Safety

Juvenile Services

County Official/Administrative Officer	\$	61,965	
Supervisor/Director		122,240	
Accountants/Bookkeepers		40,794	
Social Workers		317,503	
Paraprofessionals		76,312	
Guards		202,747	
Clerical Personnel		106,047	
Educational Incentive - Other County Employees		750	
Overtime Pay		26,017	
Bonus Payments		20,000	
Social Security		68,737	
Handling Charges and Administrative Costs		37,270	
Pensions		97,559	
Employee and Dependent Insurance		104,957	
Life Insurance		1,669	
Disability Insurance		2,035	
Unemployment Compensation		6,976	
Local Retirement		998	
Audit Services		5,000	
Communication		16,890	
Data Processing Services		9,914	
Maintenance and Repair Services - Buildings		10,478	
Maintenance and Repair Services - Equipment		9,156	
Maintenance and Repair Services - Vehicles		1,979	
Medical and Dental Services		13,714	
Printing, Stationery, and Forms		704	
Travel		11,312	
Other Contracted Services		100,444	
Custodial Supplies		3,153	
Data Processing Supplies		18	
Food Supplies		15,787	
Gasoline		2,482	
Instructional Supplies and Materials		379	
Office Supplies		1,692	
Prisoners Clothing		261	
Uniforms		291	
Utilities		32,071	
Other Supplies and Materials		2,212	
Excess Risk Insurance		785	
Liability Insurance		19,475	
Medical Claims		8,760	
Trustee's Commission		27,416	
Data Processing Equipment		6,048	
Office Equipment		3,791	
Other Equipment		3,269	
Total Juvenile Services			\$ 1,602,057

Total Juvenile Services Fund

\$ 1,602,057

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Truck Drivers	\$	57,489	
Part-time Personnel		284,016	
Overtime Pay		4,728	
Bonus Payments		10,500	
Social Security		27,031	
Handling Charges and Administrative Costs		2,822	
Pensions		6,176	
Employee and Dependent Insurance		8,577	
Life Insurance		286	
Other Fringe Benefits		10,756	
Communication		6,609	
Operating Lease Payments		9,912	
Maintenance and Repair Services - Buildings		1,368	
Maintenance and Repair Services - Equipment		11,271	
Maintenance and Repair Services - Vehicles		30,130	
Travel		2,791	
Gasoline		26,359	
Uniforms		3,159	
Utilities		12,962	
Other Supplies and Materials		1,548	
Trustee's Commission		21,927	
Other Charges		23,539	
Solid Waste Equipment		11,518	
Total Convenience Centers			\$ 575,474

Landfill Operation and Maintenance

Contracts with Government Agencies	\$	305,227	
Other Contracted Services		208,901	
Total Landfill Operation and Maintenance			514,128

Total Solid Waste/Sanitation Fund \$ 1,089,602

Local Purpose Tax Fund

Other Operations

Miscellaneous

Contributions	\$	750,000	
Trustee's Commission		17,536	
Total Miscellaneous			\$ 767,536

Total Local Purpose Tax Fund 767,536

Special Purpose Fund

Public Safety

Correctional Incentive Program Improvements

Probation Officer(s)	\$	219,521	
Educational Incentive - Other County Employees		3,375	
Social Security		16,122	

(Continued)

Exhibit K-7

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

Special Purpose Fund (Cont.)

Public Safety (Cont.)

Correctional Incentive Program Improvements (Cont.)

Handling Charges and Administrative Costs	\$	7,839	
Pensions		16,031	
Employee and Dependent Insurance		19,065	
Life Insurance		283	
Unemployment Compensation		5,935	
Local Retirement		304	
Communication		19,669	
Data Processing Services		11,748	
Evaluation and Testing		5,521	
Maintenance and Repair Services - Vehicles		6,078	
Postal Charges		467	
Rentals		31,773	
Travel		26,132	
Other Contracted Services		3,043	
Office Supplies		8,016	
Utilities		1,587	
Motor Vehicles		37,450	
Total Correctional Incentive Program Improvements	\$		439,959

Work Release Program

Other Salaries and Wages	\$	440,914	
Social Security		31,861	
Handling Charges and Administrative Costs		16,052	
Pensions		37,647	
Employee and Dependent Insurance		42,906	
Life Insurance		908	
Local Retirement		178	
Communication		11,546	
Data Processing Services		18,912	
Dues and Memberships		1,006	
Evaluation and Testing		3,980	
Maintenance and Repair Services - Buildings		6,897	
Maintenance and Repair Services - Vehicles		35,217	
Postal Charges		1,158	
Rentals		68,253	
Travel		6,924	
Other Contracted Services		4,880	
Office Supplies		11,777	
Utilities		12,938	
Other Equipment		649	
Total Work Release Program			754,603

Other Emergency Management

Other Salaries and Wages	\$	1,200	
In-service Training		1,183	
Instructional Supplies and Materials		5,093	
Law Enforcement Supplies		27,635	

(Continued)

Exhibit K-7

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

Special Purpose Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Building Construction	\$ 14,820	
Communication Equipment	1,305	
Health Equipment	9,697	
Total Other Emergency Management		\$ 60,933

Public Safety Grants Programs

Other Salaries and Wages	\$ 47,200	
Social Security	3,591	
Handling Charges and Administrative Costs	45	
Employee and Dependent Insurance	288	
Life Insurance	88	
Communication	1,868	
Rentals	12,000	
Travel	1,896	
Utilities	1,343	
Total Public Safety Grants Programs		68,319

Public Health and Welfare

Maternal and Child Health Services

Salary Supplements	\$ 8,000	
Part-time Personnel	87,370	
Bonus Payments	28,750	
Other Salaries and Wages	1,563,197	
Social Security	121,324	
Handling Charges and Administrative Costs	52,283	
Pensions	162,826	
Employee and Dependent Insurance	141,452	
Life Insurance	3,109	
Unemployment Compensation	2,175	
Local Retirement	3,347	
Advertising	69,611	
Bank Charges	8,959	
Communication	41,025	
Contracts with Government Agencies	1,846	
Maintenance Agreements	18,294	
Postal Charges	2,649	
Printing, Stationery, and Forms	9,029	
Travel	39,501	
Remittance of Revenue Collected	16,784	
Drugs and Medical Supplies	108,814	
Office Supplies	385,137	
Utilities	49,123	
Other Supplies and Materials	410,325	
Liability Insurance	3,387	
Other Charges	789	
Total Maternal and Child Health Services		3,339,106

(Continued)

Exhibit K-7

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

Special Purpose Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information

Bonus Payments	\$	250	
Other Salaries and Wages		22,644	
Social Security		1,751	
Unemployment Compensation		304	
Gasoline		5,754	
Other Supplies and Materials		18,784	
Total Sanitation Education/Information	\$		49,487

Other Operations

Miscellaneous

Other Salaries and Wages	\$	158,893	
Social Security		11,404	
Handling Charges and Administrative Costs		4,128	
Employee and Dependent Insurance		5,208	
Life Insurance		293	
Trustee's Commission		5,267	
Total Miscellaneous			185,193

Total Special Purpose Fund \$ 4,897,600

Drug Control Fund

Public Safety

Drug Enforcement

Contributions	\$	1,000	
Other Contracted Services		2,680	
Office Supplies		644	
Trustee's Commission		104	
Total Drug Enforcement	\$		4,428

Total Drug Control Fund 4,428

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	119,211	
Clerical Personnel		64,571	
Educational Incentive - Other County Employees		3,000	
Bonus Payments		1,000	
Social Security		13,647	
Pensions		23,383	
Employee and Dependent Insurance		16,541	
Data Processing Services		704	
Dues and Memberships		4,695	
Legal Notices, Recording, and Court Costs		35	
Maintenance and Repair Services - Buildings		6,408	
Maintenance and Repair Services - Office Equipment		845	
Postal Charges		161	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Printing, Stationery, and Forms	\$	314	
Travel		1,397	
Data Processing Supplies		2,130	
Office Supplies		2,274	
Other Charges		190	
Total Administration			\$ 260,506

Highway and Bridge Maintenance

Materials Supervisor	\$	77,316	
Foremen		192,284	
Equipment Operators		372,895	
Truck Drivers		113,737	
Laborers		53,872	
Bonus Payments		13,000	
Social Security		59,415	
Handling Charges and Administrative Costs		2,160	
Pensions		90,013	
Employee and Dependent Insurance		100,374	
Local Retirement		1,228	
Other Contracted Services		21,501	
Asphalt - Cold Mix		34,628	
Asphalt - Hot Mix		22,187	
Asphalt - Liquid		927,524	
Concrete		2,614	
Crushed Stone		369,258	
Riprap		27,070	
Pipe		35,779	
Pipe - Metal		3,780	
Road Signs		35,057	
Salt		1,616	
Small Tools		1,369	
Uniforms		3,123	
Gravel and Chert		136,978	
Chemicals		99,785	
Other Supplies and Materials		7,021	
Other Charges		1,444	
Total Highway and Bridge Maintenance			2,807,028

Operation and Maintenance of Equipment

Mechanic(s)	\$	45,319	
Bonus Payments		750	
Social Security		3,229	
Pensions		6,281	
Employee and Dependent Insurance		9,529	
Laundry Service		1,408	
Maintenance and Repair Services - Equipment		48,434	
Diesel Fuel		81,209	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Equipment and Machinery Parts	\$	114,161	
Garage Supplies		2,450	
Gasoline		25,447	
Lubricants		4,973	
Tires and Tubes		28,305	
Other Supplies and Materials		10,179	
In Service/Staff Development		1,734	
Total Operation and Maintenance of Equipment			\$ 383,408

Other Charges

Communication	\$	11,411	
Contracts with Private Agencies		500	
Utilities		18,685	
Liability Insurance		80,236	
Trustee's Commission		61,430	
Total Other Charges			172,262

Employee Benefits

Handling Charges and Administrative Costs	\$	15,551	
Employee and Dependent Insurance		29,518	
Disability Insurance		2,170	
Medical and Dental Services		50,000	
Excess Risk Insurance		3,238	
Medical Claims		36,144	
Total Employee Benefits			136,621

Capital Outlay

Engineering Services	\$	64,813	
Asphalt - Hot Mix		426,241	
Asphalt - Liquid		8,467	
Crushed Stone		3,170	
Riprap		2,553	
Vehicle Parts		9,826	
Gravel and Chert		10,685	
Bridge Construction		1,000	
Highway Equipment		49,540	
Motor Vehicles		59,323	
Total Capital Outlay			635,618

Total Highway/Public Works Fund \$ 4,395,443

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	6,540,000	
Total General Government			\$ 6,540,000

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)

Interest on Debt

General Government

Interest on Bonds	\$ 1,614,213	
Total General Government		\$ 1,614,213

Other Debt Service

General Government

Trustee's Commission	\$ 151,527	
Other Debt Service	1,900	
Total General Government		<u>153,427</u>

Total General Debt Service Fund		\$ 8,307,640
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General Capital Projects Fund

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$ 17,000	
Heating and Air Conditioning Equipment	8,000	
Other Capital Outlay	<u>61,415</u>	
Total County Buildings		\$ 86,415

Finance

Accounting and Budgeting

Data Processing Equipment	\$ 3,453	
Total Accounting and Budgeting		3,453

Property Assessor's Office

Motor Vehicles	\$ 25,000	
Total Property Assessor's Office		25,000

County Trustee's Office

Building Improvements	\$ 1,718	
Furniture and Fixtures	<u>887</u>	
Total County Trustee's Office		2,605

Data Processing

Data Processing Equipment	\$ 43,104	
Total Data Processing		43,104

Administration of Justice

Chancery Court

Building Improvements	\$ 5,140	
Total Chancery Court		5,140

Juvenile Court Clerk

Furniture and Fixtures	\$ 3,338	
Total Juvenile Court Clerk		3,338

(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	\$ 36,200	
Motor Vehicles	389,840	
Total Sheriff's Department		\$ 426,040

Juvenile Services

Heating and Air Conditioning Equipment	\$ 14,202	
Total Juvenile Services		14,202

Fire Prevention and Control

Motor Vehicles	\$ 357,878	
Other Equipment	135,358	
Total Fire Prevention and Control		493,236

Civil Defense

Communication Equipment	\$ 16,967	
Other Capital Outlay	13,970	
Total Civil Defense		30,937

Public Health and Welfare

Local Health Center

Maintenance and Repair Services - Buildings	\$ 12,000	
Total Local Health Center		12,000

Rabies and Animal Control

Building Construction	\$ 40,000	
Building Improvements	6,100	
Motor Vehicles	19,117	
Total Rabies and Animal Control		65,217

Convenience Centers

Motor Vehicles	\$ 167,334	
Site Development	22,850	
Total Convenience Centers		190,184

Social, Cultural, and Recreational Services

Libraries

Contributions	\$ 5,750	
Total Libraries		5,750

Parks and Fair Boards

Site Development	\$ 99,174	
Other Capital Outlay	59,000	
Total Parks and Fair Boards		158,174

Agriculture and Natural Resources

Agricultural Extension Service

Building Improvements	\$ 4,600	
Total Agricultural Extension Service		4,600

(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	\$ 43,250	
Total Airport		\$ 43,250

Contributions to Other Agencies

Contributions	\$ 5,000	
Total Contributions to Other Agencies		5,000

Miscellaneous

Trustee's Commission	\$ 23,673	
Total Miscellaneous		<u>23,673</u>

Total General Capital Projects Fund		\$ 1,641,318
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Community Development/Industrial Park Fund

Other Operations

Industrial Development

Contributions	\$ 75,000	
Other Contracted Services	6,700	
Trustee's Commission	266	
Total Industrial Development		<u>\$ 81,966</u>

Total Community Development/Industrial Park Fund		<u>81,966</u>
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Total Governmental Funds - Primary Government		<u><u>\$ 57,105,919</u></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, 2015

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 31,768,755	
Career Ladder Program	201,624	
Career Ladder Extended Contracts	58,897	
Homebound Teachers	104,551	
Salary Supplements	648,647	
Educational Assistants	1,061,247	
Speech Pathologist	20,625	
Certified Substitute Teachers	608,373	
Social Security	2,457,653	
Pensions	3,264,853	
Life Insurance	71,927	
Medical Insurance	3,422,447	
Dental Insurance	120,008	
Local Retirement	9,047	
Other Fringe Benefits	689,175	
Other Contracted Services	507,175	
Instructional Supplies and Materials	1,240,123	
Textbooks	439,856	
Other Supplies and Materials	124,533	
Other Charges	11,613	
Regular Instruction Equipment	509,343	
Total Regular Instruction Program		\$ 47,340,472

Special Education Program

Teachers	\$ 5,348,596	
Career Ladder Program	45,070	
Homebound Teachers	76,273	
Educational Assistants	589,456	
Speech Pathologist	550,527	
Certified Substitute Teachers	88,746	
Social Security	458,970	
Pensions	583,056	
Life Insurance	12,065	
Medical Insurance	613,953	
Dental Insurance	27,017	
Local Retirement	3,033	
Contracts with Private Agencies	444,858	
Other Contracted Services	106,955	
Instructional Supplies and Materials	33,176	
Other Supplies and Materials	31,572	
Special Education Equipment	4,918	
Total Special Education Program		9,018,241

Vocational Education Program

Teachers	\$ 1,950,561	
Career Ladder Program	12,500	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Other Salaries and Wages	\$	303,057	
Certified Substitute Teachers		32,690	
Social Security		165,170	
Pensions		205,643	
Life Insurance		4,087	
Medical Insurance		182,335	
Dental Insurance		7,037	
Instructional Supplies and Materials		61,260	
Textbooks		12,903	
Vocational Instruction Equipment		54,847	
Total Vocational Education Program			\$ 2,992,090

Other

Supervisor/Director	\$	10,420	
Social Security		795	
Pensions		511	
Life Insurance		22	
Dental Insurance		24	
Travel		68	
Other Contracted Services		1,262	
Office Supplies		2,734	
Other Supplies and Materials		49,803	
In Service/Staff Development		724	
Total Other			66,363

Support Services

Attendance

Supervisor/Director	\$	95,647	
Other Salaries and Wages		65,757	
Social Security		11,757	
Pensions		15,245	
Life Insurance		312	
Medical Insurance		10,292	
Dental Insurance		123	
Local Retirement		1,898	
Travel		2,118	
Other Contracted Services		31,961	
Other Supplies and Materials		2,644	
In Service/Staff Development		9,578	
Total Attendance			247,332

Health Services

Medical Personnel	\$	336,756	
Social Security		21,633	
Pensions		18,632	
Life Insurance		647	

(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.)

Medical Insurance	\$	67,043	
Dental Insurance		2,444	
Local Retirement		6,836	
Travel		6,636	
Other Contracted Services		9,483	
Other Supplies and Materials		16,918	
In Service/Staff Development		1,728	
Total Health Services			\$ 488,756

Other Student Support

Career Ladder Program	\$	15,000	
Guidance Personnel		1,992,962	
Psychological Personnel		367,588	
Social Workers		44,963	
Clerical Personnel		8,920	
Other Salaries and Wages		11,768	
Social Security		171,660	
Pensions		219,217	
Life Insurance		4,594	
Medical Insurance		202,684	
Dental Insurance		7,784	
Contracts with Government Agencies		240,062	
Travel		20,937	
Other Contracted Services		84,861	
Other Supplies and Materials		84,897	
Total Other Student Support			3,477,897

Regular Instruction Program

Supervisor/Director	\$	339,997	
Career Ladder Program		21,770	
Librarians		1,169,321	
Clerical Personnel		123,718	
Other Salaries and Wages		296,585	
In-service Training		2,500	
Social Security		137,525	
Pensions		175,621	
Life Insurance		3,466	
Medical Insurance		138,639	
Dental Insurance		6,416	
Travel		45,237	
Other Contracted Services		12,600	
Instructional Supplies and Materials		26,320	
Library Books/Media		79,986	
Office Supplies		3,531	
Other Supplies and Materials		21,528	
In Service/Staff Development		171,725	
Other Charges		6,680	
Total Regular Instruction Program			2,783,165

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	155,022	
Career Ladder Program		2,000	
Clerical Personnel		30,583	
Other Salaries and Wages		139,303	
Social Security		23,046	
Pensions		34,710	
Life Insurance		561	
Medical Insurance		31,485	
Dental Insurance		980	
Maintenance and Repair Services - Equipment		2,631	
Travel		31,740	
Other Supplies and Materials		43,465	
In Service/Staff Development		17,277	
Total Special Education Program	\$		512,803

Vocational Education Program

Supervisor/Director	\$	67,871	
Social Security		5,105	
Pensions		6,136	
Life Insurance		131	
Maintenance and Repair Services - Equipment		440	
Travel		1,284	
Other Supplies and Materials		443	
Other Charges		125	
Total Vocational Education Program			81,535

Other Programs

Supervisor/Director	\$	30,439	
Educational Assistants		31,155	
Other Salaries and Wages		276,172	
In-service Training		6,273	
Social Security		23,607	
Pensions		33,992	
Life Insurance		274	
Medical Insurance		22,867	
Dental Insurance		1,694	
Local Retirement		504	
On-behalf Payments to OPEB		740,082	
Communication		2,904	
Postal Charges		63	
Travel		4,539	
Other Contracted Services		27,609	
Other Supplies and Materials		41,275	
In Service/Staff Development		10,459	
Other Charges		4,000	
Maintenance Equipment		59,049	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Programs (Cont.)

Transportation Equipment	\$ 2,997	
Other Equipment	14,747	
Total Other Programs		\$ 1,334,701

Board of Education

Secretary to Board	\$ 7,200	
Board and Committee Members Fees	28,800	
Social Security	2,696	
Pensions	499	
Medical Insurance	293	
Dental Insurance	14	
Unemployment Compensation	148,174	
Local Retirement	252	
Audit Services	82,747	
Contributions	1,488	
Dues and Memberships	12,332	
Legal Services	109,128	
Other Contracted Services	136,116	
Premiums on Corporate Surety Bonds	150	
Trustee's Commission	710,707	
Workers' Compensation Insurance	879,073	
In Service/Staff Development	18,082	
Other Charges	11,042	
Total Board of Education		2,148,793

Director of Schools

County Official/Administrative Officer	\$ 151,500
Career Ladder Program	1,000
Secretary(ies)	120,321
Other Salaries and Wages	50,889
Social Security	21,169
Pensions	23,497
Life Insurance	603
Medical Insurance	30,882
Dental Insurance	1,274
Local Retirement	6,669
Other Fringe Benefits	13,354
Advertising	4,968
Communication	245,480
Dues and Memberships	6,394
Operating Lease Payments	53,929
Maintenance and Repair Services - Equipment	27,874
Postal Charges	9,792
Travel	6,693
Office Supplies	4,276
Other Supplies and Materials	5,478

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

In Service/Staff Development	\$ 10,641	
Other Charges	6,896	
Administration Equipment	4,818	
Total Director of Schools		\$ 808,397

Office of the Principal

Principals	\$ 2,191,353	
Career Ladder Program	30,240	
Career Ladder Extended Contracts	2,000	
Assistant Principals	1,192,408	
Secretary(ies)	1,242,183	
Other Salaries and Wages	373,561	
Social Security	358,277	
Pensions	479,237	
Life Insurance	9,313	
Medical Insurance	405,639	
Dental Insurance	16,583	
Local Retirement	4,526	
Travel	7,355	
Other Supplies and Materials	110,818	
Other Charges	9,080	
Administration Equipment	20,820	
Total Office of the Principal		6,453,393

Fiscal Services

Supervisor/Director	\$ 106,866	
Accountants/Bookkeepers	110,268	
Secretary(ies)	53,260	
Social Security	19,908	
Pensions	21,842	
Life Insurance	456	
Medical Insurance	13,274	
Dental Insurance	757	
Local Retirement	5,315	
Contributions	356,606	
Travel	151	
Other Contracted Services	2,645	
Office Supplies	3,125	
In Service/Staff Development	5,553	
Administration Equipment	4,655	
Total Fiscal Services		704,681

Human Services/Personnel

Supervisor/Director	\$ 156,650	
Clerical Personnel	26,125	
Other Salaries and Wages	71,413	

(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.)

Human Services/Personnel (Cont.)

Social Security	\$	18,396	
Pensions		26,858	
Life Insurance		398	
Medical Insurance		5,528	
Dental Insurance		1,076	
Local Retirement		1,215	
Advertising		2,785	
Travel		3,014	
Other Contracted Services		26,912	
Office Supplies		1,620	
Other Supplies and Materials		23,653	
In Service/Staff Development		2,215	
Other Charges		961	
Administration Equipment		455	
Total Human Services/Personnel			\$ 369,274

Operation of Plant

Custodial Personnel	\$	68,854	
Social Security		4,845	
Pensions		7,353	
Life Insurance		85	
Medical Insurance		7,516	
Dental Insurance		247	
Local Retirement		84	
Other Contracted Services		2,153,856	
Electricity		2,425,570	
Natural Gas		579,247	
Water and Sewer		301,490	
Building and Contents Insurance		809,306	
Total Operation of Plant			6,358,453

Maintenance of Plant

Supervisor/Director	\$	92,769	
Secretary(ies)		61,636	
Overtime Pay		26,989	
Other Salaries and Wages		1,196,254	
Social Security		97,094	
Pensions		156,908	
Life Insurance		2,456	
Medical Insurance		135,425	
Dental Insurance		5,197	
Local Retirement		4,709	
Other Contracted Services		149,667	
Other Supplies and Materials		916,812	
In Service/Staff Development		3,832	
Administration Equipment		1,968	
Total Maintenance of Plant			2,851,716

(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

Supervisor/Director	\$	76,863	
Mechanic(s)		306,187	
Bus Drivers		2,049,756	
Overtime Pay		2,659	
Other Salaries and Wages		443,108	
Social Security		202,706	
Pensions		275,290	
Life Insurance		3,922	
Medical Insurance		302,270	
Dental Insurance		15,013	
Local Retirement		1,619	
Contracts with Parents		5,437	
Maintenance and Repair Services - Vehicles		25,230	
Other Contracted Services		19,060	
Diesel Fuel		628,005	
Gasoline		76,668	
Lubricants		14,574	
Office Supplies		7,499	
Tires and Tubes		118,728	
Vehicle Parts		295,910	
Other Supplies and Materials		37,176	
In Service/Staff Development		2,983	
Other Charges		29,499	
Total Transportation			\$ 4,940,162

Central and Other

Supervisor/Director	\$	71,523	
Other Salaries and Wages		181,365	
Social Security		17,800	
Pensions		20,358	
Life Insurance		413	
Medical Insurance		20,438	
Dental Insurance		556	
Local Retirement		2,055	
Maintenance and Repair Services - Equipment		302	
Other Contracted Services		116,835	
Other Supplies and Materials		63,909	
In Service/Staff Development		1,677	
Other Equipment		82,934	
Total Central and Other			580,165

Operation of Non-instructional Services

Food Service

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

(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

Supervisor/Director	\$	7,168	
Teachers		40,179	
Educational Assistants		1,683	
Other Salaries and Wages		76,840	
Social Security		9,614	
Pensions		6,999	
Dental Insurance		34	
Other Contracted Services		1,679	
Food Supplies		2,043	
Other Supplies and Materials		2,463	
Other Charges		368	
Total Community Services			\$ 149,070

Early Childhood Education

Supervisor/Director	\$	4,000	
Teachers		802,452	
Educational Assistants		291,869	
Certified Substitute Teachers		16,795	
Social Security		77,183	
Pensions		107,307	
Life Insurance		2,077	
Medical Insurance		113,416	
Dental Insurance		4,279	
Local Retirement		541	
Travel		21	
Other Contracted Services		264	
Instructional Supplies and Materials		23,530	
In Service/Staff Development		1,010	
Other Charges		385	
Regular Instruction Equipment		13,853	
Total Early Childhood Education			1,458,982

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	834,363	
Total Education			834,363

Total General Purpose School Fund \$ 96,001,970

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	101,029	
Educational Assistants		147,371	
Other Salaries and Wages		352,560	
Certified Substitute Teachers		17,290	

(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.)

Regular Instruction Program (Cont.)

Social Security	\$	38,976	
Pensions		47,647	
Life Insurance		721	
Medical Insurance		47,008	
Dental Insurance		2,094	
Other Contracted Services		76,748	
Instructional Supplies and Materials		697,696	
Other Supplies and Materials		3,682	
Regular Instruction Equipment		352,575	
Total Regular Instruction Program			\$ 1,885,397

Special Education Program

Teachers	\$	49,794	
Educational Assistants		1,717,859	
Speech Pathologist		86,753	
Certified Substitute Teachers		70	
Social Security		128,599	
Pensions		171,679	
Life Insurance		3,370	
Medical Insurance		167,504	
Dental Insurance		10,261	
Local Retirement		7,309	
Contracts with Private Agencies		32,947	
Other Contracted Services		49,756	
Instructional Supplies and Materials		2,561	
Other Supplies and Materials		7,617	
Total Special Education Program			2,436,079

Vocational Education Program

Educational Assistants	\$	16,151	
Other Salaries and Wages		39,537	
Social Security		3,487	
Pensions		7,718	
Life Insurance		108	
Medical Insurance		12,079	
Dental Insurance		385	
Vocational Instruction Equipment		363,506	
Total Vocational Education Program			442,971

Support Services

Health Services

Medical Personnel	\$	168,263	
Social Security		11,501	
Pensions		17,928	
Life Insurance		330	
Medical Insurance		18,810	

(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.)

Health Services (Cont.)

Dental Insurance	\$ 1,054	
Local Retirement	2,724	
Total Health Services		\$ 220,610

Other Student Support

Other Salaries and Wages	\$ 20,626	
Social Security	1,292	
Pensions	1,865	
Life Insurance	40	
Medical Insurance	3,010	
Dental Insurance	97	
Travel	41,527	
Other Contracted Services	110,500	
Other Supplies and Materials	24	
In Service/Staff Development	3,251	
Other Charges	63,923	
Total Other Student Support		246,155

Regular Instruction Program

Supervisor/Director	\$ 77,197	
Secretary(ies)	39,348	
Clerical Personnel	29,066	
Bonus Payments	142,500	
Other Salaries and Wages	1,495,852	
Social Security	122,137	
Pensions	150,984	
Life Insurance	2,418	
Medical Insurance	121,400	
Dental Insurance	4,800	
Travel	2,379	
Other Contracted Services	64,740	
Other Supplies and Materials	100,740	
In Service/Staff Development	385,749	
Other Equipment	1,398	
Total Regular Instruction Program		2,740,708

Special Education Program

Assessment Personnel	\$ 86,774	
Secretary(ies)	29,038	
Other Salaries and Wages	207,846	
In-service Training	7,615	
Social Security	21,745	
Pensions	34,652	
Life Insurance	566	
Medical Insurance	25,147	
Dental Insurance	1,686	

(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.)

Special Education Program (Cont.)

Travel	\$	2,068	
Other Contracted Services		154,286	
Other Supplies and Materials		12,237	
In Service/Staff Development		7,205	
Total Special Education Program			\$ 590,865

Vocational Education Program

Travel	\$	3,125	
Total Vocational Education Program			3,125

Transportation

Clerical Personnel	\$	21,176	
Social Security		1,328	
Pensions		2,935	
Life Insurance		37	
Medical Insurance		5,151	
Contracts with Vehicle Owners		35,896	
Total Transportation			66,523

Operation of Non-instructional Services

Community Services

Clerical Personnel	\$	15,662	
Other Salaries and Wages		39,372	
Social Security		4,184	
Pensions		5,812	
Life Insurance		30	
Other Contracted Services		6,678	
Instructional Supplies and Materials		2,043	
In Service/Staff Development		643	
Total Community Services			74,424

Total School Federal Projects Fund \$ 8,706,857

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	71,498	
Accountants/Bookkeepers		94,714	
Cafeteria Personnel		2,417,650	
Other Salaries and Wages		177,346	
Social Security		196,948	
Pensions		269,661	
Life Insurance		4,504	
Medical Insurance		232,631	
Dental Insurance		15,344	
Unemployment Compensation		16,109	

(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.)

Local Retirement	\$	24,491	
Other Fringe Benefits		3,009	
Communication		10,329	
Maintenance and Repair Services - Equipment		42,525	
Transportation - Other than Students		18,389	
Travel		21,282	
Other Contracted Services		120,755	
Food Supplies		3,841,470	
Uniforms		17,949	
USDA - Commodities		416,916	
Other Supplies and Materials		344,630	
Trustee's Commission		902	
In Service/Staff Development		8,258	
Food Service Equipment		61,361	
Total Food Service			<u>\$ 8,428,671</u>

Total Central Cafeteria Fund \$ 8,428,671

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Engineering Services	\$	18,277	
Other Contracted Services		77,039	
Trustee's Commission		57,210	
Building Improvements		499,890	
Maintenance Equipment		52,399	
Regular Instruction Equipment		8,271	
Transportation Equipment		139,112	
Other Equipment		50,950	
Total Education Capital Projects			<u>\$ 903,148</u>

Total Education Capital Projects Fund 903,148

Total Governmental Funds - Madison County School Department \$ 114,040,646

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, 2015

	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	248,535	248,535
Prior Year's Property Tax	0	4,540	4,540
Interest and Penalty	0	787	787
Local Option Sales Tax	12,993,744	101,309	13,095,053
Hotel/Motel Tax	916,670	0	916,670
Total Cash Receipts	<u>\$ 13,910,414</u>	<u>\$ 356,635</u>	<u>\$ 14,267,049</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 13,758,864	\$ 349,142	\$ 14,108,006
Trustee's Commission	139,104	6,120	145,224
Total Cash Disbursements	<u>\$ 13,897,968</u>	<u>\$ 355,262</u>	<u>\$ 14,253,230</u>
<u>Excess of Cash Receipts Over (Under)</u>			
Cash Disbursements	\$ 12,446	\$ 1,373	\$ 13,819
Cash Balance, July 1, 2014	47,995	3,033	51,028
Cash Balance, June 30, 2015	<u>\$ 60,441</u>	<u>\$ 4,406</u>	<u>\$ 64,847</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

**Report on Internal Control Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements Performed in Accordance With  
*Government Auditing Standards***

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Madison County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Madison County's basic financial statements, and have issued our report thereon dated October 30, 2015.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be a significant deficiency: 2015-001(C).

### **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: 2015-001(A,B).

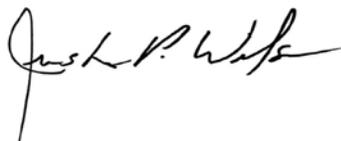
### **Madison County's Response to Findings**

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

### **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

October 30, 2015

JPW/sb



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
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NASHVILLE, TENNESSEE 37243-1402  
PHONE (615) 401-7841

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited Madison County's compliance with the types of compliance requirements described in the *OMB 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, 2015. Madison County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Madison County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan

and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Madison County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Madison County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Madison County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of Madison County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Madison County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Madison County's internal control over compliance.

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

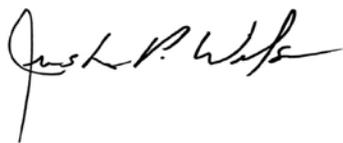
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Madison County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Madison County's basic financial statements. We issued our report thereon dated October 30, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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

October 30, 2015

JPW/sb

Madison County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2015

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 2,958,066
National School Lunch Program	10.555	N/A	5,191,598 (4)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	416,916 (4)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG1543230	<u>743,519</u>
Total U.S. Department of Agriculture			<u>\$ 9,310,099</u>
U.S. Department of Justice:			
Passed-through State Department of Children's Services:			
Juvenile Accountability Block Grants	16.523	(2)	\$ 17,769
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	2013-MU-FX-0018	30,737
Passed-through State Office of Criminal Justice Programs:			
Crime Victim Assistance	16.575	(2)	32,057
Passed-through City of Jackson:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	<u>26,537</u>
Total U.S. Department of Justice			<u>\$ 107,100</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	(2)	\$ 171,486
State and Community Highway Safety	20.600	(3)	56,983
Alcohol Open Container Requirements	20.607	Z15GHS211	4,366
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	(2)	<u>6,337</u>
Total U.S. Department of Transportation			<u>\$ 239,172</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 4,086,553
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	3,235,865
Special Education - Preschool Grants	84.173	N/A	42,311
Career and Technical Education - Basic Grants to States	84.048	N/A	596,856
Safe and Drug-free Schools and Communities - National Programs	84.184	(2)	125,319
Education for Homeless Children and Youth	84.196	N/A	46,704
Twenty-first Century Community Learning Centers	84.287	N/A	74,425
English Language Acquisition State Grants	84.365	N/A	63,948
Improving Teacher Quality State Grants	84.367	N/A	<u>450,068</u>
Total U.S. Department of Education			<u>\$ 8,722,049</u>
National Archives and Records Administration:			
Passed-through Tennessee Secretary of State:			
National Historical Publications and Records Grants	89.003	(2)	<u>\$ 1,250</u>
Total National Archives and Records Administration			<u>\$ 1,250</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Public Health Emergency Preparedness	93.069	GG1542790	\$ 440,194
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG1440469	32,918

(Continued)

Madison County, Tennessee

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services (Cont.):			
Passed-through State Department of Health (Cont.):			
Family Planning - Services	93.217	GG1337858	\$ 130,936
Immunization Cooperative Agreements	93.268	GG1543566	81,394
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	GG1440468	33,304
National Bioterrorism Hospital Preparedness Program	93.889	GE1543567	250,000
HIV Prevention Activities - Health Department Based	93.940	GG1439629	159,893
Assistance Programs for Chronic Disease Prevention and Control	93.945	GG1440467	93,186
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	GG1439629	67,267
Preventive Health and Health Services Block Grant	93.991	GG1541393	47,958
Total U.S. Department of Health and Human Services			<u>\$ 1,337,050</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 587,207
Hazard Mitigation Grant	97.039	(2)	404,441
Emergency Management Performance Grants	97.042	(2)	94,000
Assistance to Firefighters Grant	97.044	EMW213FO03200	121,860
Homeland Security Grant Program	97.067	EMW2013SS00008	39,557
Total U.S. Department of Homeland Security			<u>\$ 1,247,065</u>
Total Expenditures of Federal Awards			<u>\$ 20,963,785</u>

State Grants:	<u>Contract Number</u>		
Child and Family Intervention Services - State Department of Children's Services	N/A	(2)	\$ 135,375
Juvenile Improvement Funds - State Commission on Children and Youth	N/A	(2)	9,000
Litter Program - State Department of Transportation	N/A	(2)	56,799
Drug Court Grant - State Department of Finance and Administration	N/A	(2)	68,324
Help Us Grow Successfully (HUGS) Services - State Department of Health	N/A	GG1541175	60,000
Administering Environmental Health Programs - State Department of Health	N/A	GU1339402	4,290
TennderCare Outreach - State Department of Health	N/A	GG1542498	174,671
Grant in Aid - State Department of Health	N/A	GE1542231	63,500
Tuberculosis Control, Prevention and Outreach Services - State Department of Health	N/A	GG1542424	114,540
TennCare School Based Dental Prevention Program - State Department of Health	N/A	GG1541173	240,768
Custodial Parents Access and Visitation - Administrative Office of the Courts	N/A	(2)	1,724
Coordinated School Health - State Department of Education	N/A	(2)	135,000
ACT/Explore - State Department of Education	N/A	(2)	18,016
ConnecTenn - State Department of Education	N/A	(2)	36,822
Arts Student Ticket Subsidy - State Department of Education	N/A	(2)	9,080
Lottery for Education: After School Program - State Department of Education	N/A	(2)	96,328
Safe Schools - State Department of Education	N/A	(2)	68,467
School to Work - State Department of Human Services	N/A	(2)	44,870
Early Childhood Education - State Department of Education	N/A	(2)	1,222,346
Parent Education and Mediation Fund - Administrative Office of the Courts	N/A	(2)	29,531
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	4,722
Total State Grants			<u>\$ 2,594,173</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Information not available.

(3) Z15GHS172: \$6,294, Z15GHS212: \$43,808, and Z15GHS213: \$6,881.

(4) Total for CFDA No. 10.555 is \$5,608,514.

Madison County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2015

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. There are no findings from the Annual Financial Report of Madison County, Tennessee, for the year ended June 30, 2014, which have not been corrected.

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**MADISON COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2015**

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

1. Our report on the financial statements of Madison County is unmodified.
2. The audit of the financial statements of Madison County disclosed a significant deficiency in internal control. This deficiency was not considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Madison County.
4. The audit reported no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555) and Title I Grants to Local Educational Agencies (CFDA No. 84.010) were determined to be major programs.
8. A \$628,914 threshold was used to distinguish between Type A and Type B federal programs.
9. Madison County qualified as a low-risk auditee.

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

A finding and recommendation, as a result of our examination, are presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response. The finance director provided a written response, which is paraphrased in this report.

### **OFFICE OF FINANCE DIRECTOR**

#### **FINDING 2015-001**

#### **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

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

The office had the following deficiencies in budget operations:

- A. Expenditures exceeded appropriations approved by the County Commission by \$248 in the County Attorney major appropriation category (the legal level of control) of the General Fund and by \$7,415 in the County Buildings major appropriation category of the General Capital Projects Fund.
- B. Salaries exceeded appropriations in five of 156 salary line-items of the General Fund by amounts ranging from \$486 to \$5,671, and in one of 13 salary line-items of the Special Purpose Fund by \$612. 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.
- C. Several budget amendments were posted in the General Fund that were not approved by the County Commission. This deficiency was due to an oversight by management. Accurate budgetary statements are necessary to provide county officials and departments with available spending limits. We have recognized only those budget amendments approved by the County Commission in the financial statements of this report.

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.

## RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission. Budget amendments should be accurately posted to the accounting records after approval by the County Commission.

## MANAGEMENT'S RESPONSE – FINANCE DIRECTOR

I concur. A journal entry was not posted to correct an expenditure classification, and a purchase order for the 2013-14 fiscal year was cancelled and reissued for the 2014-15 fiscal year. These items caused the major categories to be overspent. Controls will be put in place, and budget amendments will be done as needed to keep all salary line-items within appropriations. In the future, all applicable budget amendments will be presented to the County Commission for their consideration.

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

There were no findings and questioned costs for federal awards.

**MADISON COUNTY, TENNESSEE  
AUDITEE REPORTING RESPONSIBILITIES  
For the Year Ended June 30, 2015**

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