

ANNUAL FINANCIAL REPORT
MADISON COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2019



DIVISION OF LOCAL GOVERNMENT AUDIT



**ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDED JUNE 30, 2019**

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

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

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Summary of Audit Findings

Annual Financial Report
Madison County, Tennessee
For the Year Ended June 30, 2019

Scope

We have audited the basic financial statements of Madison County as of and for the year ended June 30, 2019.

Results

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

Our audit resulted in three findings and recommendations, which we have reviewed with Madison County management. Detailed findings, recommendations, and management's responses are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF FINANCE DIRECTOR

- ◆ The office had deficiencies related to time and attendance records.
- ◆ An investigation of the Jackson-Madison County Regional Health Department disclosed deficiencies related to inventory.

OFFICE OF SHERIFF

- ◆ Time sheets did not always accurately reflect time worked.

INTRODUCTORY SECTION

Madison County Officials
June 30, 2019

Officials

Jimmy Harris, County Mayor
Bart Walls, Highway Engineer
Dr. Eric Jones, Director of Schools
John Newman, Trustee
Frances Hunley, Assessor of Property
Fred Birmingham, County Clerk
Kathy Blount, Circuit and General Sessions Courts Clerk
Bart Swift, Juvenile Court Clerk
Pam Carter, Clerk and Master
Anjanette Byers, Register of Deeds
John Mehr, Sheriff
Mike Nichols, Finance Director

Board of County Commissioners

Gary Deaton, Chairman	Arthur Johnson, Jr.
Carl Alexander	Barbara Johnson
Jimmy Arnold	William Martin
Brett Beckham	Luther Mercer
Katie Brantley	Adrian Montague
Claudell Brown, Jr.	James Pearson
Scott Brown	Harold Petty
Cyndi Bryant	Billy Spain
Jay Bush	Terry Spearman
Jason Compton	Doug Stephenson
Aaron Ellison	Mike Taylor
Tommy Gobbell	Jeff Wall
Joey Hale	

Board of Education

Kevin Alexander, Chairman
Wayne Arnold
Doris Black
Jim Campbell
Janice Hampton
James Johnson
A. J. Massey
Morris Merriweather
Shannon Stewart

Financial Management Committee

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

(Continued)

Madison County Officials (Cont.)

Audit Committee

Jason Compton, Chairman

Jim Campbell

Marcus Love

Adrian Montague

Jason Schultz

Doug Stephenson

Mike Taylor

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

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, 2019, 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, 2019, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the county's net pension asset and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension assets, and schedules of county and school changes in the total OPEB liability and related ratios - other postemployment benefits plans, as listed in the table of contents, 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and General Debt Service and General Capital funds, combining and individual fund financial statements of the Madison County School Department (a discretely presented component unit), miscellaneous schedules, and the other information such as the introductory section and management's corrective action plans are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is 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 General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Madison County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are

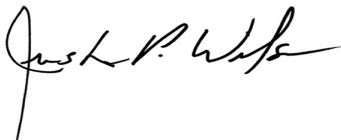
the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional 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 General Debt Service and General Capital Projects funds, combining and individual fund financial statements of the Madison County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and management's corrective action plans have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Madison County's 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

November 21, 2019

JPW/tg

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Madison County Government (the county), we offer readers of the county's financial statements this narrative overview and analysis of the financial activities of the county for the fiscal year ended June 30, 2019.

Accounting principles generally accepted in the United States of America for governmental entities are established by the Governmental Accounting Standards Board (GASB). The county follows all GASB standards as well as other authoritative literature known collectively within the accounting profession as "generally accepted accounting principles."

Management's Discussion and Analysis (MD&A) serves as an introduction to, and should be read in conjunction with, the financial statements and required supplementary information. The MD&A represents management's examination of the county's financial condition and performance.

FINANCIAL HIGHLIGHTS

Management believes that the county's financial condition is strong. The county as a whole is within its budget, and continues to implement procedures and controls to improve the accuracy and effectiveness of its financial reporting. The following are some key financial highlights:

- Total assets and deferred outflows of resources at year-end exceeded liabilities and deferred inflows of resources by \$51,025,812 (i.e., net position).
- Total revenues of the governmental funds were \$82,243,517 a decrease of \$1,551,742 from fiscal year 2018.
- Total expenditures of the governmental funds were \$81,056,803 a decrease of \$739,456 from fiscal year 2018. The major decreases came from decreased expenses in general government and in education.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

The Annual Financial Report consists of three sections: 1) the government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements. These statements are organized so the reader can understand the county as a financial whole. The statements then proceed to provide an increasingly detailed look at specific financial activities.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the county's finances in a manner similar to a private-sector business. These statements include all assets and liabilities using the accrual basis of accounting. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. Because these statements are designed to give a broad overview, they use highly summarized information.

The Statement of Net Position presents information on all of the county's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources, with the difference between the two reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

The Statement of Activities presents information illustrating the changes in the county's net position during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the county that are principally supported by taxes and intergovernmental revenues, known as governmental activities, from other functions that are intended to recover all or a significant portion of their costs through user fees and charges, known as business-type activities. The governmental activities of the county include: general government; finance; administration of justice; public safety; public health and welfare; social, cultural, and recreational services; agriculture and natural resources; highways/public works; education; and interest on long-term debt. These services are funded primarily by taxes and intergovernmental revenues including federal and state grants and other shared revenues.

The government-wide financial statements not only include the county, known as the primary government, but also legally separate entities for which the county is financially accountable. These entities, Madison County School Department and Madison County Emergency Communications District, are listed as component units and are reported separately from the financial information presented for the primary government itself.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The county, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the county can be divided into two categories: governmental and fiduciary.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund

balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Madison County maintains 14 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Highway/Public Works, General Debt Service, General Capital Projects, and Education Capital Projects funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the nonmajor governmental funds combining statements elsewhere in this report.

Proprietary fund. Madison County uses an internal service fund to account for its self-insured employee health insurance program. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the county's programs.

Notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. "Notes" is the traditional term applied to this information; however the term is misleading in that the notes can vary in length from one paragraph to several pages. Please refer to the table of contents to locate these notes.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning pension information and other postemployment benefits information. This required information has been presented in the required supplementary information section of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Madison County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$51,025,812 at the close of the most recent fiscal year for the governmental activities. The Constitution for the State of Tennessee allows only the local legislative body authorization to issue debt. Therefore, whenever the Madison County Board of Education requires additional money to fund school construction and equipment, the related debt must be issued by the Madison County Government. As of June 30, 2019, Madison County had outstanding debt totaling \$37,961,800 for capital purposes for the Madison County Board of Education, but the capital assets are reported in the financial statements of the Madison County Board of Education. As a result, the county has incurred the related liability without a corresponding increase in the county's capital assets, thereby significantly decreasing its unrestricted net position.

Madison County Net Position

	Governmental Activities	
	2019	2018
Assets:		
Current and Other Assets	\$ 144,240,262	\$ 122,347,084
Capital Assets	55,278,600	52,998,769
Total Assets	\$ 199,518,862	\$ 175,345,853
Deferred Outflows of Resources:		
Pension Changes in Experience	\$ 0	\$ 123,851
Pension Changes in Investment Earning	0	8,944
Pension Changes in Assumptions	1,017,825	1,517,350
Pension Contributions after Measurement Date	2,214,504	2,280,255
Total Deferred Outflows of Resources	\$ 3,232,329	\$ 3,930,400
Liabilities:		
Other Liabilities	\$ 4,764,830	\$ 9,259,857
Long-term Liabilities Outstanding	100,004,887	75,007,406
Total Liabilities	\$ 104,769,717	\$ 84,267,263
Deferred Inflows of Resources:		
Deferred Current Property Taxes	\$ 44,909,873	\$ 43,351,593
Pension Changes in Experience	1,131,908	1,818,299
Pension Changes in Investment Earnings	364,202	0
OPEB Changes in Assumptions	549,679	0
Total Deferred Inflows of Resources	\$ 46,955,662	\$ 45,169,892
Net Position:		
Net Investment in Capital Assets	\$ 3,541,806	\$ 19,201,544
Restricted	67,092,110	51,816,727
Unrestricted	(19,608,104)	(21,179,173)
Total Net Position	\$ 51,025,812	\$ 49,839,098

A large portion of the county's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that

is still outstanding. Madison County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although Madison County's investments in capital assets are reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the county's net position (\$67,092,110) represents resources that are subject to external restrictions on how they may be used.

Madison County Changes in Net Position

	Governmental Activities	
	2019	2018
Revenues:		
Program Revenues:		
Charges for Services	12,906,530	13,603,920
Operating Grants and Contributions	8,136,941	7,106,104
Capital Grants and Contributions	230,472	3,265,630
General Revenues:		
Property Taxes	45,722,191	48,721,275
Other Taxes	5,221,093	4,861,799
Grants and Contributions Not Restricted to Specific Programs	7,639,378	5,346,528
Unrestricted Investment Income	1,794,036	369,532
Miscellaneous	592,876	520,471
Total Revenues	\$ 82,243,517	\$ 83,795,259
Expenses:		
General Government	\$ 6,481,575	\$ 11,305,157
Finance	4,578,723	4,248,888
Administration of Justice	4,030,336	3,928,148
Public Safety	31,727,609	29,023,860
Public Health and Welfare	7,197,659	6,958,425
Social, Cultural, and Recreational Services	2,945,343	2,749,920
Agriculture and Natural Resources	522,597	532,028
Highway/Public Works	8,001,712	4,156,494
Education	12,260,497	17,500,896
Interest on Long-term Debt	3,310,752	1,392,443
Total Expenses	\$ 81,056,803	\$ 81,796,259
Change in Net Position	\$ 1,186,714	\$ 1,999,000
Net Position, July 1	49,839,098	49,269,869
Restatement - OPEB	0	(1,429,771)
Net Position, June 30	\$ 51,025,812	\$ 49,839,098

Capital Assets and Debt Administration

Capital assets. The county's investment in capital assets for its governmental activities as of June 30, 2019, totaled \$55,278,600 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, other capital assets (includes equipment), and infrastructure (roads, highway, and bridges). The major increases in assets and long-term liabilities were mostly caused by the large borrowing for the jail and school improvements.

Long-term debt. For a county the size of Madison, debt is relatively low. The county borrowed \$26,840,000 in fiscal year 2019 for capital improvements to schools and jail expansion. Moody's, Madison County's credit rating agency, says, "Madison County's credit position is very strong, has manageable debt, and has a moderate pension liability." It is rated Aa2. All debt is backed by full faith and credit of the county.

Madison County's Outstanding Debt As of June 30, 2019

	<u>Governmental Activities</u>
Notes Payable through General Debt Service Fund	\$ 9,104,000
Bonds Payable through General Debt Service Fund	<u>\$ 75,915,000</u>
Total Long-term Debt	<u>\$ 85,019,000</u>

ECONOMIC FACTORS

Private business activity of Madison County citizens fuel the progress of governmental activity. A few of the drivers of Madison County's economy are listed below:

- A. Agriculture: From the University of Tennessee for 2015, "total direct agricultural output was estimated at \$1.8 billion. With multiplier effects, agricultural outputs had a total estimated economic impact of \$2.4 billion. This means, for every dollar of direct output from agriculture, the total economic impact on the county's economy is \$1.37.
- B. Workforce: From the Jackson, TN Chamber, 300,000 people make up Jackson's workforce. Jackson is Madison County's largest city. Half of the workforce commutes to Jackson for work, which means they leave sales tax money without having to provide all government services.
- C. Manufacturing: With over 70 manufacturing and distributor's facilities in the county, the county continues on a steady growth pattern from these companies. Many of the companies have been in Madison County for decades.

- D. Location: (1) Located on I-40 with 10 interchanges and easy access to I-55. (2) Major highways include US 70 and US 412 providing east-west routes. US 45 and US 45 bypass provide north-south routes. State routes include Highways 18, 198, and 223. (3) Madison County is within one-day's drive of 76 percent of the United States population. (4) CSX, Norfolk-Southern, and West Tennessee Railroad serve Madison County. (5) McKellar-Sipes Regional Airport offers multiple daily flights to St. Louis, Missouri, and Atlanta, Georgia, with plans for expansion. (6) The World FedEx headquarters is located in nearby Memphis, TN, which means lower transportation costs and faster delivery times for Madison County's industries.
- E. Healthcare: Madison County is home to West Tennessee Healthcare, which is a public organization that owns seven hospitals, two medical centers, an outpatient surgical facility, along with other healthcare related facilities and services. They employ over 7,000 employees, and their services are a major draw to our community.
- F. Education: Madison County is home to Union University; University of Memphis at Lambuth; University of Tennessee at Martin, Jackson Center; Lane College; Tennessee College of Applied Technology-Jackson; and Jackson State Community College. Also, there are several other institutions located nearby. Also, Madison County has several private schools, which attract several thousands of students. This gives parents choices in their children's education. Choice, in economic terms, is usually good.

The largest problem with the economy of Madison County is the perception that public schools are not good. With public schools' education the vast majority of the workforce, public education must produce quality workers for Madison County's growing economy. The school system is continuing with their 10-year plan to re-vamp buildings and curriculum. This plan, even though it's in the beginning stages, seems to have the support of a majority of elected officials. The plan is being completed without a tax increase. Lower taxes are usually good for the economy.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Madison County's finances for all those with an interest in the county's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Karen Bell, Finance Director
Suite 100
1981 Hollywood
Jackson, Tennessee 38305

BASIC FINANCIAL STATEMENTS

Exhibit A

Madison County, Tennessee
Statement of Net Position
June 30, 2019

	Primary Governmental Activities	Component Unit Madison County School Department
<u>ASSETS</u>		
Cash	\$ 47,243	\$ 0
Equity in Pooled Cash and Investments	90,627,305	30,433,269
Accounts Receivable	1,236,180	241,763
Allowance for Uncollectibles	(96,155)	0
Due from Other Governments	3,084,587	7,616,055
Due from Primary Government	0	2,325,384
Property Taxes Receivable	47,224,833	9,847,773
Allowance for Uncollectible Property Taxes	(1,144,338)	(241,917)
Cash Shortage	937	0
Net Pension Asset - Agent Plan	3,259,670	1,702,245
Net Pension Asset - Teacher Retirement Plan	0	614,707
Net Pension Asset - Teacher Legacy Pension Plan	0	4,356,027
Restricted Assets		
Amounts Accumulated for Pension Benefits	0	275,152
Amounts Accumulated for OPEB Benefits	0	357,132
Capital Assets:		
Assets Not Depreciated:		
Land	7,196,300	2,098,171
Construction in Progress	5,721,119	6,215,666
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	14,600,815	62,750,376
Infrastructure	19,895,381	167,469
Other Capital Assets	7,864,985	6,573,594
Total Assets	<u>\$ 199,518,862</u>	<u>\$ 135,332,866</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension Changes in Experience	\$ 0	\$ 915,317
Pension Changes in Assumptions	1,017,825	3,133,213
Pension Other Deferrals	0	40,587
Pension Contributions After Measurement Date	2,214,504	5,817,618
OPEB Changes in Assumptions	0	595,606
OPEB Other Deferrals	0	952,271
OPEB Contributions After Measurement Date	0	1,321,802
Total Deferred Outflows of Resources	<u>\$ 3,232,329</u>	<u>\$ 12,776,414</u>

LIABILITIES

Accounts Payable	\$ 680,025	\$ 277,263
Accrued Payroll	464,202	0
Payroll Deductions Payable	591,465	3,890,894
Contracts Payable	78,911	427,772
Retainage Payable	0	22,514
Due to Component Units	2,325,384	0
Accrued Interest Payable	624,533	0
Other Current Liabilities	310	0
Noncurrent Liabilities:		
Due Within One Year - Debt	9,303,000	0
Due Within One Year - Other	1,857,000	243,100
Due in More Than One Year - Debt	82,730,979	0
Due in More Than One Year - Other	6,113,908	14,765,482
Total Liabilities	<u>\$ 104,769,717</u>	<u>\$ 19,627,025</u>

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Unit Madison County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 44,909,873	\$ 9,354,733
Pension Change in Experience	1,131,908	6,492,207
Pension Changes in Investment Earnings	364,202	1,172,967
Pension Other Deferrals	0	721,336
OPEB Changes in Experience	549,679	517,710
OPEB Changes in Assumptions	0	498,773
Total Deferred Inflows of Resources	<u>\$ 46,955,662</u>	<u>\$ 18,757,726</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 3,541,806	\$ 77,805,276
Restricted for:		
General Government	469,426	0
Finance	61,288	0
Administration of Justice	381,775	0
Public Safety	980,983	0
Public Health and Welfare	865,338	0
Highways/Public Works	6,720,097	0
Capital Outlay	46,455,217	12,420,663
Debt Service	7,898,316	0
Education	0	128,020
Operation of Non-instructional Services	0	2,505,480
Pensions	3,259,670	6,672,979
Hybrid Retirement Stabilization Funds	0	275,152
OPEB	0	357,132
Unrestricted	<u>(19,608,104)</u>	<u>9,559,827</u>
Total Net Position	<u>\$ 51,025,812</u>	<u>\$ 109,724,529</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, 2019

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	Component Unit
					Governmental Total Activities	Madison County School Department
Primary Government:						
Governmental Activities:						
General Government	\$ 6,481,575	\$ 1,148,589	\$ 624,866	\$ 0	\$ (4,708,120)	\$ 0
Finance	4,578,723	3,039,856	0	0	(1,538,867)	0
Administration of Justice	4,030,336	3,414,943	154,693	0	(460,700)	0
Public Safety	31,727,609	3,538,491	1,091,953	230,472	(26,866,693)	0
Public Health and Welfare	7,197,659	1,382,346	2,905,599	0	(2,909,714)	0
Social, Cultural, and Recreational Services	2,945,343	237,398	0	0	(2,707,945)	0
Agriculture and Natural Resources	522,597	66,142	0	0	(456,455)	0
Highways/Public Works	8,001,712	78,765	3,359,830	0	(4,563,117)	0
Education	12,260,497	0	0	0	(12,260,497)	0
Interest on Long-term Debt	3,310,752	0	0	0	(3,310,752)	0
Total Primary Government	\$ 81,056,803	\$ 12,906,530	\$ 8,136,941	\$ 230,472	\$ (59,782,860)	\$ 0
Component Unit:						
Madison County School Department	\$ 119,552,911	\$ 736,046	\$ 17,040,513	\$ 10,000,000	\$ 0	\$ (91,776,352)
Total Component Unit	\$ 119,552,911	\$ 736,046	\$ 17,040,513	\$ 10,000,000	\$ 0	\$ (91,776,352)

(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	Component Unit
					Government Total Governmental Activities	Madison County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 34,056,496	\$ 9,750,234
Property Taxes Levied for Debt Service					11,665,695	0
Local Option Sales Taxes					1,159,521	37,045,315
Hotel/Motel Tax					642,597	0
Litigation Tax					1,056,284	0
Business Tax					2,063,403	0
Mixed Drink Tax					392	239,507
Wholesale Beer Tax					251,007	0
Other Local Taxes					47,889	0
Grants and Contributions Not Restricted to Specific Programs					7,639,378	59,610,632
Unrestricted Investment Income					1,794,036	0
Miscellaneous					592,876	67,376
Total General Revenues					<u>\$ 60,969,574</u>	<u>\$ 106,713,064</u>
Change in Net Position					\$ 1,186,714	\$ 14,936,712
Net Position, July 1, 2018					<u>49,839,098</u>	<u>94,787,817</u>
Net Position, June 30, 2019					<u>\$ 51,025,812</u>	<u>\$ 109,724,529</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, 2019

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	General Capital Projects	Funds Other Govern- mental Funds	
<u>ASSETS</u>						
Cash	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 37,243	\$ 47,243
Equity in Pooled Cash and Investments	9,156,109	11,549,936	13,519,159	47,787,315	7,433,539	89,446,058
Accounts Receivable	824,608	32,987	224,765	61,368	92,452	1,236,180
Allowance for Uncollectibles	(96,155)	0	0	0	0	(96,155)
Due from Other Governments	1,540,146	608,009	0	40,767	895,665	3,084,587
Due from Other Funds	38,696	0	0	0	0	38,696
Property Taxes Receivable	27,055,799	1,822,863	12,516,215	3,200,109	2,629,847	47,224,833
Allowance for Uncollectible Property Taxes	(662,615)	(44,288)	(298,541)	(80,459)	(58,435)	(1,144,338)
Cash Shortage	64	0	0	0	873	937
Total Assets	\$ 37,866,652	\$ 13,969,507	\$ 25,961,598	\$ 51,009,100	\$ 11,031,184	\$ 139,838,041
<u>LIABILITIES</u>						
Accounts Payable	\$ 183,058	\$ 253,270	\$ 800	\$ 20,660	\$ 24,709	\$ 482,497
Accrued Payroll	377,190	18,241	0	0	68,771	464,202
Payroll Deductions Payable	494,722	17,536	0	0	79,207	591,465
Contracts Payable	0	0	0	42,180	36,731	78,911
Due to Other Funds	1,133	6,602	0	0	38,861	46,596
Due to Component Units	25,384	0	0	0	2,300,000	2,325,384
Other Current Liabilities	0	0	0	0	310	310
Total Liabilities	\$ 1,081,487	\$ 295,649	\$ 800	\$ 62,840	\$ 2,548,589	\$ 3,989,365
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 25,707,569	\$ 1,733,142	\$ 11,917,547	\$ 3,034,107	\$ 2,517,508	\$ 44,909,873

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	General Capital Projects	Funds Other Govern- mental Funds	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Deferred Delinquent Property Taxes	\$ 579,060	\$ 38,376	\$ 253,482	\$ 72,248	\$ 45,534	\$ 988,700
Other Deferred/Unavailable Revenue	288,723	291,934	0	0	0	580,657
Total Deferred Inflows of Resources	\$ 26,575,352	\$ 2,063,452	\$ 12,171,029	\$ 3,106,355	\$ 2,563,042	\$ 46,479,230

FUND BALANCES

Restricted:

Restricted for General Government	\$ 152,854	\$ 0	\$ 0	\$ 0	\$ 177,803	\$ 330,657
Restricted for Finance	61,288	0	0	0	0	61,288
Restricted for Administration of Justice	381,775	0	0	0	0	381,775
Restricted for Public Safety	320,635	0	0	0	632,549	953,184
Restricted for Public Health and Welfare	0	0	0	0	847,603	847,603
Restricted for Other Operations	0	0	0	0	138,769	138,769
Restricted for Highways/Public Works	0	6,120,349	0	0	672,545	6,792,894
Restricted for Capital Outlay	0	0	0	46,382,969	0	46,382,969
Restricted for Debt Service	0	0	8,269,367	0	0	8,269,367

Committed:

Committed for General Government	2,284,746	0	0	20,657	1,427,171	3,732,574
Committed for Finance	0	0	0	90,034	0	90,034
Committed for Administration of Justice	0	0	0	2,000	0	2,000
Committed for Public Safety	0	0	0	871,016	332,437	1,203,453
Committed for Public Health and Welfare	0	0	0	75	291,755	291,830
Committed for Highways/Public Works	0	5,490,057	0	0	0	5,490,057
Committed for Capital Outlay	0	0	0	473,154	1,398,921	1,872,075
Committed for Debt Service	0	0	5,520,402	0	0	5,520,402

Assigned:

Assigned for General Government	33,752	0	0	0	0	33,752
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(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor	Total
	General	Highway / Public Works	General Debt Service	General Capital Projects	Funds Other Govern- mental Funds	
<u>FUND BALANCES (Cont.)</u>						
Assigned (Cont.):						
Assigned for Finance	\$ 27,395	\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,395
Assigned for Administration of Justice	38,894	0	0	0	0	38,894
Assigned for Public Safety	126,605	0	0	0	0	126,605
Assigned for Public Health and Welfare	51,625	0	0	0	0	51,625
Assigned for Social, Cultural, and Recreational Services	4,875	0	0	0	0	4,875
Assigned for Agriculture and Natural Resources	15,000	0	0	0	0	15,000
Assigned for Other Operations	1,064	0	0	0	0	1,064
Unassigned	6,709,305	0	0	0	0	6,709,305
Total Fund Balances	\$ 10,209,813	\$ 11,610,406	\$ 13,789,769	\$ 47,839,905	\$ 5,919,553	\$ 89,369,446
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 37,866,652	\$ 13,969,507	\$ 25,961,598	\$ 51,009,100	\$ 11,031,184	\$ 139,838,041

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, 2019

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)		\$	89,369,446
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	7,196,300	
Add: construction in progress		5,721,119	
Add: buildings and improvements net of accumulated depreciation		14,600,815	
Add: infrastructure net of accumulated depreciation		19,895,381	
Add: other capital assets net of accumulated depreciation		<u>7,864,985</u>	55,278,600
(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.			991,619
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(9,104,000)	
Less: bonds payable		(75,915,000)	
Less: compensated absences payable		(2,612,142)	
Less: net OPEB liability		(5,358,766)	
Less: accrued interest payable		(624,533)	
Less: other deferred revenue - premium on debt		<u>(7,014,979)</u>	(100,629,420)
(4) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	3,232,329	
Less: deferred inflows of resources related to pensions		(1,496,110)	
Less: deferred inflows of resources related to OPEB		<u>(549,679)</u>	1,186,540
(5) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			3,259,670
(6) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,569,357</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>51,025,812</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, 2019

	Major Funds				
	General	Highway / Public Works	General Debt Service	General Capital Projects	Education Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 31,205,410	\$ 1,880,509	\$ 12,827,575	\$ 3,416,060	\$ 0
Licenses and Permits	454,598	0	0	0	0
Fines, Forfeitures, and Penalties	709,710	0	0	0	0
Charges for Current Services	936,440	0	0	0	0
Other Local Revenues	608,139	11,849	1,788,932	24,231	0
Fees Received From County Officials	5,943,398	0	0	0	0
State of Tennessee	1,932,371	3,248,469	0	239,779	0
Federal Government	162,867	0	0	0	0
Other Governments and Citizens Groups	3,112,413	0	972,344	1,635,000	0
Total Revenues	\$ 45,065,346	\$ 5,140,827	\$ 15,588,851	\$ 5,315,070	\$ 0
<u>Expenditures</u>					
Current:					
General Government	\$ 2,717,097	\$ 0	\$ 0	\$ 231,286	\$ 0
Finance	3,820,834	0	0	529,198	0
Administration of Justice	3,764,784	0	0	16,531	0
Public Safety	24,364,828	0	0	6,177,975	0
Public Health and Welfare	2,078,046	0	0	120,030	0
Social, Cultural, and Recreational Services	2,708,090	0	0	94,583	0
Agriculture and Natural Resources	494,624	0	0	0	0
Other Operations	3,356,728	0	0	120,917	0
Highways	0	6,797,133	0	0	0
Debt Service:					
Principal on Debt	0	0	10,611,000	0	0
Interest on Debt	0	0	3,130,428	0	0
Other Debt Service	0	0	356,541	274,316	37,814

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Highway / Public Works	General Debt Service	General Capital Projects	Education Capital Projects
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,960,497
Total Expenditures	\$ 43,305,031	\$ 6,797,133	\$ 14,097,969	\$ 7,564,836	\$ 9,998,311
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,760,315	\$ (1,656,306)	\$ 1,490,882	\$ (2,249,766)	\$ (9,998,311)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 17,820,000	\$ 9,020,000
Premiums on Debt Sold	0	0	0	1,182,676	978,311
Insurance Recovery	289,100	0	0	0	0
Transfers In	29,203	0	225,000	271,640	0
Transfers Out	(225,000)	(29,203)	(271,640)	0	0
Total Other Financing Sources (Uses)	\$ 93,303	\$ (29,203)	\$ (46,640)	\$ 19,274,316	\$ 9,998,311
Net Change in Fund Balances	\$ 1,853,618	\$ (1,685,509)	\$ 1,444,242	\$ 17,024,550	\$ 0
Fund Balance, July 1, 2018	8,356,195	13,295,915	12,345,527	30,815,355	0
Fund Balance, June 30, 2019	\$ 10,209,813	\$ 11,610,406	\$ 13,789,769	\$ 47,839,905	\$ 0

(Continued)

Exhibit C-3

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<hr/>			
<u>Revenues</u>			
Local Taxes	\$ 2,899,112	\$	52,228,666
Licenses and Permits	0		454,598
Fines, Forfeitures, and Penalties	46,059		755,769
Charges for Current Services	1,551,723		2,488,163
Other Local Revenues	86,663		2,519,814
Fees Received From County Officials	0		5,943,398
State of Tennessee	3,852,152		9,272,771
Federal Government	291,165		454,032
Other Governments and Citizens Groups	299,126		6,018,883
Total Revenues	<u>\$ 9,026,000</u>	<u>\$</u>	<u>80,136,094</u>
<u>Expenditures</u>			
Current:			
General Government	\$	0	\$ 2,948,383
Finance		0	4,350,032
Administration of Justice		6,933	3,788,248
Public Safety		3,270,146	33,812,949
Public Health and Welfare		4,989,564	7,187,640
Social, Cultural, and Recreational Services		0	2,802,673
Agriculture and Natural Resources		0	494,624
Other Operations		2,757,486	6,235,131
Highways		0	6,797,133
Debt Service:			
Principal on Debt		0	10,611,000
Interest on Debt		0	3,130,428
Other Debt Service		0	668,671

(Continued)

Exhibit C-3

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

	<u>Nonmajor Funds</u>		Total Governmental Funds
<hr/>			
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 0	\$	9,960,497
Total Expenditures	<u>\$ 11,024,129</u>	<u>\$</u>	<u>92,787,409</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>\$ (1,998,129)</u>	 <u>\$</u>	 <u>(12,651,315)</u>
 <u>Other Financing Sources (Uses)</u>			
Bonds Issued	\$ 0	\$	26,840,000
Premiums on Debt Sold	0		2,160,987
Insurance Recovery	16,148		305,248
Transfers In	0		525,843
Transfers Out	0		(525,843)
Total Other Financing Sources (Uses)	<u>\$ 16,148</u>	<u>\$</u>	<u>29,306,235</u>
 Net Change in Fund Balances	 <u>\$ (1,981,981)</u>	 <u>\$</u>	 <u>16,654,920</u>
Fund Balance, July 1, 2018	7,901,534		72,714,526
 Fund Balance, June 30, 2019	 <u><u>\$ 5,919,553</u></u>	 <u><u>\$</u></u>	 <u><u>89,369,446</u></u>

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, 2019

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)		\$ 16,654,920
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 6,392,816	
Less: current-year depreciation expense	<u>(4,112,985)</u>	2,279,831
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2019	\$ 1,569,357	
Less: deferred delinquent property taxes and other deferred June 30, 2018	<u>(1,537,713)</u>	31,644
<p>(3) The issuance of long-term debt (e.g., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Add: principal payments on bonds	\$ 9,800,000	
Add: principal payments on notes	811,000	
Less: bond proceeds	(26,840,000)	
Less: change in premium on debt issued	<u>(1,551,285)</u>	(17,780,285)
<p>(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in accrued interest payable	\$ (180,324)	
Change in compensated absences payable	(188,695)	
Change in net OPEB liability	(280,501)	
Change in deferred inflows related to OPEB	(549,679)	
Change in net pension asset - agent plan	2,041,500	
Change in deferred outflows related to pensions	(698,071)	
Change in deferred inflows related to pensions	<u>322,189</u>	466,419
<p>(5) Internal service funds are used by management to charge the costs of employee insurance to individual funds. The net revenue (expense) of certain activities of the internal service fund is reported with governmental activities in the statement of activities.</p>		
		<u>(465,815)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,186,714</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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 31,205,410	\$ 0	\$ 0	\$ 31,205,410	\$ 31,301,913	\$ 31,301,913	\$ (96,503)
Licenses and Permits	454,598	0	0	454,598	445,581	460,581	(5,983)
Fines, Forfeitures, and Penalties	709,710	0	0	709,710	600,393	594,493	115,217
Charges for Current Services	936,440	0	0	936,440	634,766	714,271	222,169
Other Local Revenues	608,139	0	0	608,139	159,538	299,501	308,638
Fees Received From County Officials	5,943,398	0	0	5,943,398	5,922,969	5,922,969	20,429
State of Tennessee	1,932,371	0	0	1,932,371	766,831	1,528,803	403,568
Federal Government	162,867	0	0	162,867	120,060	169,715	(6,848)
Other Governments and Citizens Groups	3,112,413	0	0	3,112,413	1,268,873	2,000,514	1,111,899
Total Revenues	\$ 45,065,346	\$ 0	\$ 0	\$ 45,065,346	\$ 41,220,924	\$ 42,992,760	\$ 2,072,586
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 213,559	\$ (211)	\$ 383	\$ 213,731	\$ 211,210	\$ 215,966	\$ 2,235
County Mayor/Executive	241,329	(1,446)	0	239,883	244,793	245,103	5,220
Personnel Office	232,394	0	0	232,394	222,614	236,204	3,810
County Attorney	91,575	0	0	91,575	60,000	91,575	0
Election Commission	449,550	(924)	1,284	449,910	483,270	487,860	37,950
Register of Deeds	371,606	(3,158)	1,716	370,164	376,313	377,068	6,904
County Buildings	422,166	(6,482)	23,552	439,236	391,184	456,805	17,569
Other Facilities	534,106	(8,523)	5,381	530,964	531,010	540,095	9,131
Preservation of Records	91,047	0	624	91,671	88,975	96,576	4,905
Risk Management	69,765	0	812	70,577	72,004	74,029	3,452
<u>Finance</u>							
Accounting and Budgeting	926,395	(31,595)	6,574	901,374	895,038	922,756	21,382
Property Assessor's Office	730,378	0	0	730,378	739,883	739,003	8,625
Reappraisal Program	394,375	(2,426)	0	391,949	418,823	416,911	24,962
County Trustee's Office	427,673	0	971	428,644	439,954	436,874	8,230
County Clerk's Office	694,403	(225)	0	694,178	712,815	725,730	31,552
Data Processing	560,772	(9,764)	19,850	570,858	460,650	597,759	26,901

(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 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Finance (Cont.)</u>							
Other Finance	\$ 86,838	\$ 0	\$ 0	\$ 86,838	\$ 86,274	\$ 88,173	1,335
<u>Administration of Justice</u>							
Circuit Court	1,418,847	0	19,005	1,437,852	1,368,237	1,465,568	27,716
General Sessions Court	381,367	(794)	0	380,573	395,900	394,090	13,517
Drug Court	4,996	0	0	4,996	18,000	18,000	13,004
Chancery Court	817,593	(8,331)	18,118	827,380	873,949	911,849	84,469
Juvenile Court	430,657	(4,762)	634	426,529	431,764	446,464	19,935
Juvenile Court Clerk	453,756	(66)	676	454,366	467,445	459,795	5,429
District Attorney General	59,509	0	0	59,509	81,356	79,956	20,447
Office of Public Defender	121,265	0	0	121,265	67,862	134,132	12,867
Other Administration of Justice	76,794	0	461	77,255	100,000	101,460	24,205
<u>Public Safety</u>							
Sheriff's Department	9,336,115	(110,760)	59,310	9,284,665	8,797,583	9,577,508	292,843
Special Patrols	903,105	(1,436)	2,042	903,711	693,230	925,317	21,606
Drug Enforcement	807,458	(1,886)	1,569	807,141	777,073	820,511	13,370
Jail	9,373,522	(11,315)	19,772	9,381,979	8,931,785	9,400,943	18,964
Workhouse	1,700,437	(7,174)	195	1,693,458	1,602,619	1,704,306	10,848
Work Release Program	30,709	0	0	30,709	39,058	38,208	7,499
Fire Prevention and Control	1,373,940	(10,129)	21,917	1,385,728	1,417,130	1,424,276	38,548
Civil Defense	372,654	(44)	712	373,322	384,625	377,525	4,203
Disaster Relief	55,640	0	5,000	60,640	0	61,000	360
Inspection and Regulation	265,537	(35)	16,088	281,590	316,012	316,464	34,874
County Coroner/Medical Examiner	140,865	(220)	0	140,645	165,400	165,900	25,255
Other Public Safety	4,846	0	0	4,846	0	10,461	5,615
<u>Public Health and Welfare</u>							
Local Health Center	1,815,373	(10,769)	50,294	1,854,898	1,903,599	1,933,222	78,324
Rabies and Animal Control	245,043	(1,900)	1,331	244,474	268,537	283,893	39,419
Other Local Welfare Services	17,630	0	0	17,630	17,630	17,630	0

(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 7/1/2018	Add: Encumbrances 6/30/2019	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	\$ 1,343,094	\$ 0	\$ 0	\$ 1,343,094	\$ 1,353,147	\$ 1,353,147	\$ 10,053
Parks and Fair Boards	1,201,349	(31,578)	649	1,170,420	1,188,197	1,201,445	31,025
Other Social, Cultural, and Recreational	163,647	(534)	4,226	167,339	209,925	219,925	52,586
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	288,234	0	15,000	303,234	302,375	304,976	1,742
Soil Conservation	124,190	0	0	124,190	123,814	128,639	4,449
Flood Control	82,200	0	0	82,200	82,200	82,200	0
<u>Other Operations</u>							
Tourism	40,000	0	0	40,000	40,000	40,000	0
Industrial Development	72,000	0	0	72,000	72,000	72,000	0
Airport	238,106	0	0	238,106	246,457	255,907	17,801
Veterans' Services	99,500	(206)	0	99,294	91,994	102,540	3,246
Other Charges	557,745	0	0	557,745	632,000	636,100	78,355
Contributions to Other Agencies	162,160	0	0	162,160	160,000	164,000	1,840
Miscellaneous	2,187,217	(5,996)	1,064	2,182,285	2,492,331	2,335,163	152,878
Total Expenditures	\$ 43,305,031	\$ (272,689)	\$ 299,210	\$ 43,331,552	\$ 42,548,044	\$ 44,713,007	\$ 1,381,455
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 1,760,315	\$ 272,689	\$ (299,210)	\$ 1,733,794	\$ (1,327,120)	\$ (1,720,247)	\$ 3,454,041
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 289,100	\$ 0	\$ 0	\$ 289,100	\$ 0	\$ 110,924	\$ 178,176
Transfers In	29,203	0	0	29,203	634,309	29,203	0
Transfers Out	(225,000)	0	0	(225,000)	0	(225,000)	0
Total Other Financing Sources	\$ 93,303	\$ 0	\$ 0	\$ 93,303	\$ 634,309	\$ (84,873)	\$ 178,176

(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 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Net Change in Fund Balance	\$ 1,853,618	\$ 272,689	\$ (299,210)	\$ 1,827,097	\$ (692,811)	\$ (1,805,120)	\$ 3,632,217
Fund Balance, July 1, 2018	8,356,195	(272,689)	0	8,083,506	5,299,357	8,077,921	5,585
Fund Balance, June 30, 2019	\$ 10,209,813	\$ 0	\$ (299,210)	\$ 9,910,603	\$ 4,606,546	\$ 6,272,801	\$ 3,637,802

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,880,509	\$ 0	\$ 0	\$ 1,880,509	\$ 1,916,423	\$ 1,916,423	\$ (35,914)
Other Local Revenues	11,849	0	0	11,849	15,000	15,000	(3,151)
State of Tennessee	3,248,469	0	0	3,248,469	3,466,915	3,466,915	(218,446)
Total Revenues	<u>\$ 5,140,827</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,140,827</u>	<u>\$ 5,398,338</u>	<u>\$ 5,398,338</u>	<u>\$ (257,511)</u>
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 315,838	\$ 0	\$ 24,060	\$ 339,898	\$ 484,572	\$ 484,572	\$ 144,674
Highway and Bridge Maintenance	2,332,060	(56)	3,625	2,335,629	3,427,707	3,427,707	1,092,078
Operation and Maintenance of Equipment	359,738	(4,322)	3,763	359,179	596,675	596,675	237,496
Other Charges	211,004	(4,900)	265	206,369	230,117	230,117	23,748
Employee Benefits	96,172	0	0	96,172	103,200	103,200	7,028
Capital Outlay	3,482,321	(3,229,498)	620,921	873,744	2,093,875	2,107,726	1,233,982
Total Expenditures	<u>\$ 6,797,133</u>	<u>\$ (3,238,776)</u>	<u>\$ 652,634</u>	<u>\$ 4,210,991</u>	<u>\$ 6,936,146</u>	<u>\$ 6,949,997</u>	<u>\$ 2,739,006</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,656,306)</u>	<u>\$ 3,238,776</u>	<u>\$ (652,634)</u>	<u>\$ 929,836</u>	<u>\$ (1,537,808)</u>	<u>\$ (1,551,659)</u>	<u>\$ 2,481,495</u>
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (29,203)	\$ 0	\$ 0	\$ (29,203)	\$ (29,203)	\$ (29,203)	\$ 0
Total Other Financing Sources	<u>\$ (29,203)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (29,203)</u>	<u>\$ (29,203)</u>	<u>\$ (29,203)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (1,685,509)	\$ 3,238,776	\$ (652,634)	\$ 900,633	\$ (1,567,011)	\$ (1,580,862)	\$ 2,481,495
Fund Balance, July 1, 2018	13,295,915	(3,238,776)	0	10,057,139	9,268,939	10,051,922	5,217
Fund Balance, June 30, 2019	<u>\$ 11,610,406</u>	<u>\$ 0</u>	<u>\$ (652,634)</u>	<u>\$ 10,957,772</u>	<u>\$ 7,701,928</u>	<u>\$ 8,471,060</u>	<u>\$ 2,486,712</u>

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, 2019

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance Fund</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	\$ 1,181,247
Due from Other Funds	<u>7,900</u>
Total Assets	<u>\$ 1,189,147</u>
<u>LIABILITIES</u>	
Accounts Payable	<u>\$ 197,528</u>
Total Liabilities	<u>\$ 197,528</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 991,619</u>
Net Position	<u><u>\$ 991,619</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, 2019

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance Fund</u>
<u>Operating Revenues</u>	
Self-Insurance Premiums/Contributions	\$ 5,249,734
Total Operating Revenues	<u>\$ 5,249,734</u>
<u>Operating Expenses</u>	
Excess Risk Insurance	\$ 527,007
Medical Claims	4,759,084
Other Charges	434,134
Total Operating Expenses	<u>\$ 5,720,225</u>
Operating Income (Loss)	<u>\$ (470,491)</u>
<u>Nonoperating Revenues</u>	
Investment Income	\$ 4,676
Total Nonoperating Revenues	<u>\$ 4,676</u>
Change in Net Position	\$ (465,815)
Net Position, July 1, 2018	<u>1,457,434</u>
Net Position, June 30, 2019	<u><u>\$ 991,619</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, 2019

	Governmental Activities - Internal Service Fund
	<u>Employee Insurance Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts for Self-Insurance Premiums	\$ 5,246,269
Excess Risk Insurance Payments	(527,007)
Payments for Medical Claims	(4,790,435)
Payments for Administrative Costs	(434,134)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (505,307)</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 4,676
Net Cash Provided By (Used In) Investing Activities	<u>\$ 4,676</u>
Increase (Decrease) in Cash	\$ (500,631)
Cash, July 1, 2018	<u>1,681,878</u>
Cash, June 30, 2019	<u><u>\$ 1,181,247</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (470,491)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
(Increase) Decrease in Due from Other Funds	(3,465)
Increase (Decrease) in Accounts Payable	<u>(31,351)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (505,307)</u>
<u>Reconciliation of Cash With the Statement of Net Position</u>	
Equity in Pooled Cash and Investments Per Net Position	<u>\$ 1,181,247</u>
Cash, June 30, 2019	<u><u>\$ 1,181,247</u></u>

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

Exhibit E

Madison County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 6,195,972
Equity in Pooled Cash and Investments	182,857
Accounts Receivable	124,805
Due from Other Governments	<u>3,565,076</u>
Total Assets	<u>\$ 10,068,710</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 3,729,466
Due to Litigants, Heirs, and Others	6,202,392
Other Current Liabilities	<u>136,852</u>
Total Liabilities	<u>\$ 10,068,710</u>

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

MADISON COUNTY, TENNESSEE
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MADISON COUNTY, TENNESSEE
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MADISON COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Madison County is a public municipal corporation governed by an elected 25-member board. As required by GAAP, these financial statements present Madison County (the primary government) and its component units. The financial statements of the Madison County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of its omission did not affect the independent auditor's opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The Madison County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Madison County, and the Madison County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the county commission's approval. The financial statements of the Madison County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

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

Administrative Office:

Madison County Emergency Communications District
914 N. Highland Avenue
Jackson, TN 38301

B. Government-wide and Fund Financial Statements

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

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

Madison County issues all debt for the discretely presented Madison County School Department. Net debt issues totaling \$9,960,497 were contributed by the county to the school department during the year ended June 30, 2019.

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.

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

Education Capital Projects Fund – This fund accounts for debt issued by Madison County that is subsequently contributed to the discretely presented Madison County School Department for construction and renovation projects.

Additionally, Madison County reports the following fund types:

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Madison County, assessments for the watershed district, 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 amortized cost using a stable net asset value. 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 1.26 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.

Retainage payable in the school department's Education Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the Education Capital Projects Fund.

3. Restricted Assets

Restricted assets consist of amounts held in a pension stabilization trust by the Tennessee Consolidated Retirement System (TCRS) for the benefit of the discretely presented Madison County School Department's Teacher Retirement Plan. The purpose of this trust is to accumulate funds to provide stabilization (smoothing) of retirement costs to the school system in times of fluctuating investment returns and market downturns. These funds are held and invested by TCRS pursuant to an irrevocable agreement and may only be used for the benefit of the Madison County School Department to fund retirement benefits upon approval of the TCRS Board of Directors. To date, the Madison County School Department has not withdrawn any funds from the trust to pay pension cost. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

Restricted Assets also consist of amounts held in trust by the Tennessee School Board Association (TSBA) OPEB Trust for the benefit of the discretely presented Madison County School Department. These funds are held and invested by the trust pursuant to an irrevocable agreement and may only be used to reimburse the Madison County School Department for postemployment benefits paid from school department funds. To date, the Madison County School Department has not requested any amounts to be reimbursed by the trust. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

Since the payment of postemployment benefits has not been administered through this trust, the trust is not considered to be in compliance with paragraph 4 of Governmental Accounting Standards Board Statement No. 75. OPEB liabilities of the school department are therefore reported gross and have not been reduced by balances of the trust. The trust is reported as an asset and restricted fund balance of the school department's General Purpose School Fund.

4. Capital Assets

Governmental funds do not capitalize the cost of capital outlays; these funds report capital outlays as expenditures upon acquisition.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government and the discretely presented Madison County School Department as assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or

estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government and the discretely presented school department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25 - 40
Other Capital Assets	5 - 30
Infrastructure:	
Roads	5 - 30
Bridges	30
Schools	10

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for the pension changes in experience, pension and OPEB changes in assumptions, pension and OPEB changes in proportionate share of contributions, and employer contributions made to the pension OPEB plans 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 and OPEB changes in experience, pension changes in investment earnings, pension changes in proportionate share of contributions, OPEB changes

in assumptions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

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

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

7. Long-term Debt and Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and are amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, other postemployment benefits, and

pension liabilities, are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2019, Madison County had \$37,961,800 in outstanding debt for capital purposes for the discretely presented Madison County School Department. This debt is a liability of Madison County, but the capital assets acquired are reported in the financial statements of the school department. Therefore, Madison County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

In the fund financial statements, governmental funds report fund balance in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in these funds can be spent. These classifications may consist of the following:

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the county commission, the county's highest level of decision-making authority and the Board of Education, the school department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county's Finance Committee to make assignments for the general government. The Board of Education makes assignments for the school department.

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

E. Pension Plans

Primary Government

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

Discretely Presented Madison County School Department

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan 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.

F. Other Postemployment Benefit (OPEB) Plans

Primary Government

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by Madison County. For this purpose, Madison County recognizes benefit payments when due and payable in accordance with benefit terms. Madison County's OPEB plan is not administered through a trust.

Discretely Presented Madison County School Department

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Madison County School Department. For this purpose, the school department recognizes benefit payments when due and payable in accordance with benefit terms. The school department's OPEB plan is not administered through a trust.

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, 2019, Madison County had outstanding encumbrances in budgeted funds as follows:

<u>Fund</u>	<u>Amount</u>
Primary Government:	
General	\$ 299,210
Highway/Public Works	652,634
General Capital Projects	983,782
Nonmajor Governmental	73,109
Total	<u>\$ 652,634</u>
Discretely Presented School Department:	
General Purpose School	\$ 284,219
Central Cafeteria	111,275
Education Capital Projects	6,247,026
Total	<u>\$ 6,642,520</u>

B. Cash Shortages – Prior and Current Years

The audit of Madison County for the 2017-18 year reported a cash shortage of \$8,282 in the Finance Department due to two former county employees improperly receiving county funds. On September 17, 2018, the former employees pled guilty to two counts each of theft of property and were ordered to pay restitution. As of June 30, 2019, the two former employees had paid restitution of \$8,218 leaving an unpaid shortage of \$64.

On May 1, 2019, the Comptroller's Division of Investigations issued an investigative report on the Jackson-Madison County Regional Health Department. This report disclosed that a former employee returned purchased items for personal gain resulting in a cash shortage of \$1,333. Details of the cash shortage can be found in the Findings and Questioned Costs section of this report. As of June 30, 2019, the former employee had paid restitution of \$460 leaving an unpaid shortage of \$873.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Madison County and the Madison County School Department participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of

this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

Investments

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

Investment Balances. As of June 30, 2019, Madison County had the following investments carried at amortized cost using a Stable Net Asset Value or fair value within the fair value hierarchy established by generally accepted accounting principles. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Madison County and the discretely presented Madison County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value or Amortized Cost
Investments at Amortized Cost:			
State Treasurer's Investment Pool	1 to 86	N/A	\$ 19,003
Investments at Fair Value:			
Federal Home Loan Mortgage Corporation	N/A	6-30-21 to 8-17-21	<u>999,165</u>
Total			<u><u>\$ 1,018,168</u></u>
			Fair Value Measurements Using
			<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Investment by Fair Value Level	Fair Value 6-30-19		
Federal Home Loan Mortgage Corporation	<u>\$ 999,165</u>		<u>\$ 999,165</u>
Total	<u>\$ 999,165</u>		<u>\$ 999,165</u>

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

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Madison County has no investment policy that would further limit its investment choices. As of June 30, 2019, Madison County's investment in the Federal Home Loan Mortgage Corporation was rated Aaa by Moody's Investor's Service and AAA by Fitch Ratings.

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

TCRS Stabilization Trust

Legal Provisions. The Madison County School Department is a member of the Tennessee Consolidated Retirement System (TCRS) Stabilization Reserve Trust. The school department has placed funds into the irrevocable trust as authorized by 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 trust. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member's funds are restricted for the payment of retirement benefits of that member's employees. Trust funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments as directed by the TCRS Board of Trustees. The Madison County School Department may not impose any restrictions on investments placed by the trust on their behalf.

Investment Balances. Assets of the TCRS, including the Stabilization Reserve Trust, are invested in the Tennessee Retiree Group Trust (TRGT). The TRGT is not registered with the Securities and Exchange Commission (SEC) as an investment company. The State of Tennessee has not obtained a credit quality rating for the TRGT from a nationally recognized credit ratings agency. The fair value of investment positions in the TRGT is determined daily based on the fair value of the pool's underlying portfolio. Furthermore, TCRS had not obtained or provided any legally binding guarantees to support the value of participant shares during the fiscal year. There are no restrictions on the sale or redemption of shares.

Investments are reported at fair value or amortized cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investment income consists of realized and unrealized appreciation (depreciation) in the securities and securities transactions are recorded in the financial statements on a trade-date basis. The fair value of

assets of the TRGT held at June 30, 2019, represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Assets held are categorized for fair value measurement within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets that can be accessed at the measurement date.
- Level 2 - Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; assets or liabilities that have a bid-ask spread price in an inactive dealer market, brokered market and principal-to-principal market; and Level 1 assets or liabilities that are adjusted.
- Level 3 - Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments using the Net Asset Value (“NAV”) per share have no readily determinable fair value and have been determined using amortized cost, which approximates fair value.

Where inputs used in the measurement of fair value fall into different levels of the hierarchy, fair value of the instrument in its entirety is categorized based on the lowest level input that is significant to the valuation. This assessment requires professional judgement and as such management of the TRGT developed a fair value committee that worked in conjunction with the plan’s custodian and investment professionals to make these valuations. All assets held were valued individually and aggregated into classes to be represented in the table below.

Short-term securities generally include investments in money market-type securities reported at cost plus accrued interest.

Equity and equity derivative securities classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume.

U.S. Treasury Bills, Bonds, Notes and Futures classified in Level 1 are valued using last reported sales prices quoted in active markets that can be accessed at the measurement date. Debt and debt derivative securities classified in Level 2 are valued using a bid-ask spread price from multiple independent

brokers, dealers, or market principals, which are known to be actively involved in the market. Level 3 debt securities are valued using proprietary information, a single pricing source, or other unobservable inputs related to similar assets or liabilities.

Real estate investments classified in Level 3 are valued using the last valuations provided by external investment advisors or independent external appraisers. Generally, all direct real estate investments are appraised by a qualified independent appraiser(s) with the professional designation of Member of the Appraisal Institute (“MAI”), or its equivalent, every three (3) years beginning from the acquisition date of the property. The appraisals are performed using generally accepted valuation approaches applicable to the property type.

Investments in private mutual funds, traditional private equity funds, strategic lending funds and real estate funds that report using GAAP, the fair value, as well as the unfunded commitments, were determined using the prior quarter’s NAV, as reported by the fund managers, plus the current cash flows. These assets were then categorized by investment strategy. In instances where the fund investment reported using non-GAAP standards, the investment was valued using the same method, but was classified in Level 3.

At June 30, 2019, the Madison County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 85,298
Developed Market International Equity	N/A	N/A	38,521
Emerging Market International Equity	N/A	N/A	11,006
U.S. Fixed Income	N/A	N/A	55,030
Real Estate	N/A	N/A	27,515
Short-term Securities	N/A	N/A	2,752
Investments at Amortized Cost using the NAV:			
Private Equity and Strategic Lending	N/A	N/A	55,030
Total			\$ 275,152

Investment by Fair Value Level	Fair Value 6-30-19	Fair Value Measurements Using			Amortized
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Cost
					NAV
U.S. Equity	\$ 85,298	\$ 85,298	0 \$	0 \$	0
Developed Market					
International Equity	38,521	38,521	0	0	0
Emerging Market					
International Equity	11,006	11,006	0	0	0
U.S. Fixed Income	55,030	0	55,030	0	0
Real Estate	27,515	0	0	27,515	0
Short-term Securities	2,752	0	2,752	0	0
Private Equity and Strategic Lending	55,030	0	0	0	55,030
Total	\$ 275,152	\$ 134,825	\$ 57,782	\$ 27,515	55,030

Risks and Uncertainties. The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Madison County School Department does not have the ability to limit trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Madison County School Department does not have the ability to limit the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Madison County School Department places no limit on the amount the county may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Madison County School Department to pay retirement benefits of the school department employees.

For further information concerning the school department’s investments with the TCRS Stabilization Reserve Trust, audited financial statements of the Tennessee Consolidated Retirement System may be obtained at <https://comptroller.tn.gov/content/dam/cot/sa/advanced-search/disclaimer/2019/ag18092.pdf>.

OPEB Trust

Legal Provisions. The Madison County School Department is a member of the Tennessee School Board OPEB Trust. The school department has placed funds into the irrevocable trust as authorized by the Other Postemployment Benefit Trust Act of 2006, Section 8-50-1201, et. seq., *Tennessee Code Annotated*. Funds of trust members are held and invested in the name of the trust for the benefit of each member. Each member’s funds are restricted for the payment of postemployment benefits of that member’s employees. Trust documents provide that the funds are not subject to the claims of general creditors of the school department.

The trust is authorized to make investments in securities as authorized by each member’s investment committee. The Madison County School Department has authorized investments in equity investments, fixed income investments, and cash and equivalents.

Investment Balances. At June 30, 2019, the Madison County School Department had the following investments held by the trust on its behalf.

Investment	Weighted Average Maturity (days)	Maturities	Fair Value
Investments at Fair Value:			
U.S. Equity	N/A	N/A	\$ 159,281
International Equity	N/A	N/A	67,855
Emerging and Frontier Market	N/A	N/A	13,928
Fixed Income	N/A	N/A	103,925
Alternatives	N/A	N/A	6,786
Cash	N/A	N/A	5,357
Total			\$ 357,132

Investment by Fair Value Level	Fair Value 6-30-19	Fair Value Measurements Using			Amortized
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Cost
					NAV
U.S. Equity	\$ 159,281	\$ 85,298	0 \$	0 \$	0
International Equity	67,855	38,521	0	0	0
Emerging and Frontier Market	13,928	11,006	0	0	0
U.S. Fixed Income	103,925	0	55,030	0	0
Alternatives	6,786	0	0	27,515	0
Cash	5,357	0	5,357	0	0
Total	\$ 357,132	\$ 134,825	\$ 60,387	\$ 27,515	0

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

Risks and Uncertainties

The trust's investments include various types of investment funds, which in turn invest in any combination of stock, bonds and other investments exposed to various risks, such as interest rate, credit, and market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported for trust investments.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Madison County School Department does not have a formal investment policy that limits trust investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Madison County School Department does not have a formal investment policy that limits the credit ratings of individual investments made by the trust.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the county's investment in a single issuer. Madison County School Department places no limit on the amount the county may invest in one issuer.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Pursuant to the trust agreement, investments are held in the name of the trust for the benefit of the Madison County School Department to pay postemployment benefits of the school department employees.

For further information concerning the school departments investments with the TSBA, audited financial statements of the TSBA OPEB Trust may be obtained from the TSBA administrative office at 525 Brick Church Park Drive, Nashville, TN 37207.

B. Capital Assets

Capital assets activity for the year ended June 30, 2019, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 7,196,300	\$ 0	\$ 0	\$ 7,196,300
Construction in Progress	2,197,084	3,524,035	0	5,721,119
Total Capital Assets Not Depreciated	<u>\$ 9,393,384</u>	<u>\$ 3,524,035</u>	<u>\$ 0</u>	<u>\$ 12,917,419</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 28,799,894	\$ 593,218	\$ 0	\$ 29,393,112
Roads and Bridges	62,288,271	456,758	0	62,745,029
Other Capital Assets	25,565,148	1,818,805	300,861	27,083,092
Total Capital Assets Depreciated	<u>\$ 116,653,313</u>	<u>\$ 2,868,781</u>	<u>\$ 300,861</u>	<u>\$ 119,221,233</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 14,066,198	\$ 726,099	\$ 0	\$ 14,792,297
Roads and Bridges	41,118,547	1,731,101	0	42,849,648
Other Capital Assets	17,863,183	1,655,785	300,861	19,218,107
Total Accumulated Depreciation	<u>\$ 73,047,928</u>	<u>\$ 4,112,985</u>	<u>\$ 300,861</u>	<u>\$ 76,860,052</u>
Total Capital Assets Depreciated, Net	<u>\$ 43,605,385</u>	<u>\$ (1,244,204)</u>	<u>\$ 0</u>	<u>\$ 42,361,181</u>
Governmental Activities Capital Assets, Net	<u>\$ 52,998,769</u>	<u>\$ 2,279,831</u>	<u>\$ 0</u>	<u>\$ 55,278,600</u>

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

Governmental Activities:

General Government	\$ 128,962
Finance	96,878
Administration of Justice	175,781
Public Safety	1,454,716
Public Health and Welfare	212,269
Social, Cultural, and Recreational Services	87,666
Agriculture and Natural Resources	9,565
Highways/Public Works	<u>1,947,148</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 4,112,985</u>
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Discretely Presented Madison County School Department**Governmental Activities:**

	Balance 7-1-18	Increases	Decreases	Balance 6-30-19
Capital Assets Not Depreciated:				
Land	\$ 2,091,562	\$ 6,609	\$ 0	\$ 2,098,171
Construction in Progress	3,399,979	6,215,666	3,399,979	6,215,666
Total Capital Assets Not Depreciated	<u>\$ 5,491,541</u>	<u>\$ 6,222,275</u>	<u>\$ 3,399,979</u>	<u>\$ 8,313,837</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 122,797,179	\$ 5,520,011	\$ 0	\$ 128,317,190
Infrastructure	702,413	0	0	702,413
Other Capital Assets	20,223,930	1,531,020	1,669,167	20,085,783
Total Capital Assets Depreciated	<u>\$ 143,723,522</u>	<u>\$ 7,051,031</u>	<u>\$ 1,669,167</u>	<u>\$ 149,105,386</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 62,923,946	\$ 2,642,868	\$ 0	\$ 65,566,814
Infrastructure	467,777	67,167	0	534,944
Other Capital Assets	14,246,013	935,343	1,669,167	13,512,189
Total Accumulated Depreciation	<u>\$ 77,637,736</u>	<u>\$ 3,645,378</u>	<u>\$ 1,669,167</u>	<u>\$ 79,613,947</u>
Total Capital Assets Depreciated, Net	<u>\$ 66,085,786</u>	<u>\$ 3,405,653</u>	<u>\$ 0</u>	<u>\$ 69,491,439</u>
Governmental Activities Capital Assets, Net	<u>\$ 71,577,327</u>	<u>\$ 9,627,928</u>	<u>\$ 3,399,979</u>	<u>\$ 77,805,276</u>

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

Governmental Activities:

Instruction	\$ 2,248,720
Support Services	1,151,181
Operation of Non-instructional Services	<u>245,477</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 3,645,378</u>

C. Construction Commitments

At June 30, 2019, the General Capital Projects Fund had uncompleted construction contracts \$48,798,881 for the jail expansion project and \$395,477 for the fire department dispatch addition, and the school department's Education Capital Projects Fund had uncompleted construction contracts of \$268,619 for paving projects, \$895,029 for two new football stadiums, \$653,879 for renovation projects, and \$2,153,207 for roofing and HVAC projects. The majority of the funding has been received for these future expenditures. The rest is expected to be received from local taxes.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 38,696
Employee Insurance	General	1,133
"	Highway/Public Works	6,602
"	Nonmajor governmental	165
Discretely Presented		
School Department:		
General Purpose School	Nonmajor governmental	14,110

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

The receivable in the General Purpose School Fund totaling \$8,230 was in transit from the School Federal Projects Fund at June 30, 2019.

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government:		
Primary Government:	School Department:	
General	General Purpose School	\$ 25,384
Nonmajor Governmental	"	2,300,000

Interfund Transfers:

Interfund transfers for the year ended June 30, 2019, consisted of the following amounts:

Primary Government

Transfers Out	Transfers In			Purpose
	General Fund	General Debt Service Fund	General Capital Projects Fund	
General Fund	\$ 0	\$ 225,000	\$ 0	Debt payments
Highway/Public Works Fund	29,203	0	0	Finance Department operations
General Debt Service Fund	0	0	271,640	Capital outlay
Total	\$ 29,203	\$ 225,000	\$ 271,640	

Discretely Presented Madison County School Department

Transfer Out	Transfer In	Purpose
	School Federal Projects Fund	
General Purpose School Fund	\$ 250,000	Cash flow funds
Total	\$ 250,000	

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

E. Operating Leases

The discretely presented Madison County School Department rents copiers and software under operating leases considered to be noncancelable. The rental expenditures for the year ended June 30, 2019, were \$174,883. There are no provisions for contingent or sublease rentals in the agreements. The future minimum lease payments for these leases are as follows:

Year Ending June 30	Amount
2020	\$ 15,348
2021	<u>15,348</u>
Total	<u>\$ 30,696</u>

F. Long-term Debt

Primary Government

General Obligation Bonds and Notes

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. 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, 2019, will be retired from the General Debt Service Fund.

Direct Borrowing and Direct Placements – Madison County issues capital outlay notes to fund capital facilities and other capital outlay purchases, such as equipment. Capital outlay notes are direct obligations and pledge the full faith, credit, and taxing authority of the government. Capital outlay notes were issued for original terms of up to 12 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All notes included in long-term debt as of June 30, 2019, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes outstanding as of June 30, 2019, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-19
General Obligation Bonds	2.5 to 5% %	5-1-34	\$ 61,645,000	\$ 61,645,000
General Obligation Bonds - Refunding	3 to 4	6-30-23	15,395,000	14,270,000
Direct Borrowing and Direct Placement:				
Capital Outlay Notes	2.48 to 2.51	4-1-29	10,000,000	9,104,000

The annual requirements to amortize all general obligation bonds and notes outstanding as of June 30, 2019, including interest payments, are presented in the following table:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 8,475,000	\$ 3,293,998	\$ 11,768,998
2021	8,830,000	2,944,581	11,774,581
2022	9,230,000	2,544,732	11,774,732
2023	6,905,000	2,164,512	9,069,512
2024	5,395,000	1,852,356	7,247,356
2025-2029	26,320,000	5,019,381	31,339,381
2030-2034	10,760,000	1,003,213	11,763,213
Total	\$ 75,915,000	\$ 18,822,773	\$ 94,737,773

Year Ending June 30	Notes - Direct Placement		
	Principal	Interest	Total
2020	\$ 828,000	\$ 228,260	\$ 1,056,260
2021	850,000	207,502	1,057,502
2022	868,000	186,193	1,054,193
2023	890,000	164,432	1,054,432
2024	907,000	142,120	1,049,120
2025-2029	4,761,000	358,203	5,119,203
Total	\$ 9,104,000	\$ 1,286,710	\$ 10,390,710

There is \$13,789,769 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$772, based on the 2010 federal census. Total debt per capita, including bonds, notes, and unamortized debt premiums, totaled \$936, based on the 2010 federal census.

Changes in Long-term Debt

Long-term debt activity for the year ended June 30, 2019, was as follows:

Governmental Activities:

	Bonds	Notes - Direct Placement
Balance, July 1, 2018	\$ 58,875,000	\$ 9,915,000
Additions	26,840,000	0
Reductions	(9,800,000)	(811,000)
Balance, June 30, 2019	<u>\$ 75,915,000</u>	<u>\$ 9,104,000</u>
Balance Due Within One Year	<u>\$ 8,475,000</u>	<u>\$ 828,000</u>

Analysis of Noncurrent Liabilities for Debt Presented on Exhibit A:

Total Noncurrent Liabilities - Debt, June 30, 2019	\$ 85,019,000
Less: Balance Due Within One Year - Debt	(9,303,000)
Add: Unamortized Premium on Debt	<u>7,014,979</u>
Noncurrent Liabilities - Due in More Than One Year - Debt - Exhibit A	<u>\$ 82,730,979</u>

G. Long-term Obligations

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2019, was as follows:

Governmental Activities:

	Compensated Absences	Net OPEB Liability
Balance, July 1, 2018	\$ 2,423,447	\$ 5,078,265
Additions	1,821,244	406,848
Reductions	(1,632,549)	(126,347)
Balance, June 30, 2019	<u>\$ 2,612,142</u>	<u>\$ 5,358,766</u>
Balance Due Within One Year	<u>\$ 1,857,000</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2019	\$ 7,970,908
Less: Balance Due Within One Year - Other	<u>(1,857,000)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 6,113,908</u>

Compensated absences and the net OPEB liability 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, 2019, was as follows:

Governmental Activities:

	<u>Compensated Absences</u>	<u>Net OPEB Liability</u>
Balance, July 1, 2018	\$ 345,446	\$ 14,908,347
Additions	389,267	3,066,553
Reductions	<u>(415,303)</u>	<u>(3,285,728)</u>
Balance, June 30, 2019	<u>\$ 319,410</u>	<u>\$ 14,689,172</u>
Balance Due Within One Year	<u>\$ 243,100</u>	<u>\$ 0</u>

Analysis of Other Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities - Other, June 30, 2019	\$ 15,008,582
Less: Balance Due Within One Year - Other	<u>(243,100)</u>
Noncurrent Liabilities - Due in More Than One Year - Other - Exhibit A	<u>\$ 14,765,482</u>

Compensated absences and the net OPEB liability will be paid from the employing funds, primarily the General Purpose School and Central Cafeteria funds.

H. 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. The plan is 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 for the year ended June 30, 2019, were \$505,292. The school department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Short-term Debt

During the year, Madison County borrowed \$2,000,000 from the General Debt Service Fund to provide temporary operating funds for the General Fund. This loan was retired prior to June 30, 2019, as required by state statutes. Short-term debt activity for the year ended June 30, 2019, was as follows:

	Balance 7-1-18	Issued	Paid	Balance 6-30-19
Tax Anticipation Notes	\$ 0	\$ 2,000,000	\$ (2,000,000)	\$ 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 2018-19 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
2017-18	\$ 479,461	\$ 4,451,310	\$ (4,701,892)	\$ 228,879
2018-19	228,879	4,790,435	(4,821,786)	197,528

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. 83, *Certain Asset Retirement Obligations*; Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements* became effective for the year ended June 30, 2019. In addition, Madison County early implemented the provisions of GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*.

GASB Statement No. 83, *Certain Asset Retirement Obligations* establishes accounting and reporting requirements for certain asset retirement obligations (AROs) associated with tangible capital assets. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, and expense/expenditures. In addition, this standard establishes note disclosure requirements for AROs.

GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements* addresses note disclosure requirements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should report when disclosing information related to debt. These required disclosures include direct borrowings and direct placements, unused lines of credit, assets pledged as collateral for debt, terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination

events with finance-related consequences, and significant acceleration clauses.

GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period* amends paragraphs 5 through 22 of GASB Statement No. 62. This standard establishes that interest cost incurred before the end of a construction period should be recognized as an expense/expenditure. The changes adopted to conform with this standard are to be applied prospectively.

C. Contingent Liabilities

The county is 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.

On November 18, 2019, Madison County reached a settlement with employees in a collective action lawsuit regarding unpaid overtime. The county has agreed to pay the employees \$1.25 million, from which attorney fees will be deducted.

D. Joint Ventures

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

Madison County has control over budgeting and financing of the above joint ventures only to the extent of representation by its appointed board or commission members. Madison County contributed \$73,900 to the Airport Authority for its operations in addition to processing the airport's payroll during the year ended June 30, 2019. 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

E. 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.

F. Retirement Commitments

1. Tennessee Consolidated Retirement Plan (TCRS)

Primary Government

General Information About the Pension Plan

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

Plan Description. Employees of Madison County, non-certified employees of the discretely presented Madison County School Department, and employees of the Madison County Airport are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 65.05 percent, the non-certified employees of the discretely presented school department comprised 33.97 percent, and employees of the Madison County Airport comprised 0.98 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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, 2018, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	827
Inactive Employees Entitled to But Not Yet Receiving Benefits	776
Active Employees	651
Total	2,254

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees are noncontributory. 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, 2019, the employer contribution for Madison County was \$3,406,068 based on a rate of 14.28 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Madison County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contributions (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Madison County’s net pension liability (asset) was measured as of June 30, 2018, 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, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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	5.69	% 31 %
International Equity Emerging Market	5.29	14
International Equity	6.36	4
Private Equity and Strategic Lending	5.79	20
U.S. Fixed Income	2.01	20
Real Estate	4.32	10
Short-term Securities	0.00	1
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 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 (Asset) (a)-(b)
Balance, July 1, 2017	\$ 137,894,549	\$ 139,778,803	\$ (1,884,254)
Changes for the Year:			
Service Cost	\$ 2,084,731	\$ 0	\$ 2,084,731
Interest	9,932,081	0	9,932,081
Differences Between Expected and Actual Experience	(236,715)	0	(236,715)
Changes in Assumptions	0	0	0
Contributions-Employer	0	3,474,411	(3,474,411)
Contributions-Employees	0	192	(192)
Net Investment Income	0	11,496,238	(11,496,238)
Benefit Payments, Including Refunds of Employee Contributions	(5,970,114)	(5,970,114)	0
Administrative Expense	0	(63,975)	63,975
Other Changes	0	0	0
Net Changes	\$ 5,809,983	\$ 8,936,752	\$ (3,126,769)
Balance, June 30, 2018	\$ 143,704,532	\$ 148,715,555	\$ (5,011,023)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	65.05%	\$ 93,479,798	\$ 96,739,469	\$ (3,259,670)
Airport	0.98%	1,408,304	1,457,412	(49,108)
School Department	33.97%	48,816,430	50,518,674	(1,702,245)
Total		\$ 143,704,532	\$ 148,715,555	\$ (5,011,023)

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 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability (Asset)	\$ 12,934,219	\$ (5,011,023)	\$ (20,060,445)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Expense. For the year ended June 30, 2019, Madison County recognized pension expense of \$822,801.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, Madison County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 1,740,059
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	559,880
Changes in Assumptions	1,564,681	0
Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	3,406,068	N/A
Total	<u>\$ 4,970,749</u>	<u>\$ 2,299,939</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2018,” 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	\$ 3,232,329	\$ 1,496,110
Airport	50,511	22,540
School Department	1,687,909	781,289
Total	<u>\$ 4,970,749</u>	<u>\$ 2,299,939</u>

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

Year Ending June 30	Amount
2020	\$ 512,095
2021	304,615
2022	(1,260,955)
2023	(291,013)
2024	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, non-certified employees of the discretely presented Madison County School Department, and employees of the Madison County Airport are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 65.05 percent, the non-certified employees of the discretely presented school department comprised 33.97 percent, and employees of the Madison County Airport comprised .98 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Madison County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The

Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies.

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer

contributions for the year ended June 30, 2019, to the Teacher Retirement Plan were \$256,013, which is 1.94 percent of covered payroll. In addition, employer contributions of \$261,262, which is 2.06 percent of covered payroll were made to the Pension Stabilization Reserve Trust Fund to fund future pension costs. The employer rate, when combined with member contributions and the stabilization reserve trust funds, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities (Assets). At June 30, 2019, the school department reported a liability (asset) of (\$614,707) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, the school department's proportion was 1.355390 percent. The proportion as of June 30, 2017, was 1.364917 percent.

Pension Expense. For the year ended June 30, 2019, the school department recognized pension expense of \$211,059.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 34,815	\$ 24,484
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	34,723
Changes in Assumptions	29,000	0
Changes in Proportion of Net Pension Liability (Asset)	14,068	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018 (1)	256,013	N/A
Total	<u>\$ 333,896</u>	<u>\$ 59,207</u>

The school department's employer contributions of \$256,013, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2020. 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
2020	\$ (3,368)
2021	(4,470)
2022	(9,419)
2023	(346)
2024	4,280
Thereafter	32,999

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, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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	5.69	%	31	%
International Equity Emerging Market	5.29		14	
International Equity Private Equity and Strategic Lending	6.36		4	
U.S. Fixed Income Real Estate	5.79		20	
	2.01		20	
	4.32		10	
Short-term Securities	0.00		1	
			100	%
Total				

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability (Asset) \$ 95,034 \$ (614,707) \$ (1,137,619)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Madison County School Department for the year ended June 30, 2019, to the Teacher Legacy Pension Plan were \$4,405,218, which is 10.46 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liability (Assets). At June 30, 2019, the school department reported a liability (asset) of (\$4,356,027) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The school department's proportion of the net pension liability (asset) was based on the school department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2018, the school department's proportion was 1.237889 percent. The proportion measured at June 30, 2017, was 1.259538 percent.

Pension Expense (Negative Pension Expense). For the year ended June 30, 2019, the school department recognized (negative) pension expense of (\$1,578,430).

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 880,502	\$ 5,876,625
Changes in Assumptions	2,572,691	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	948,053
Changes in Proportion of Net Pension Liability (Asset)	26,519	721,336
LEA's Contributions Subsequent to the Measurement Date of June 30, 2018	4,405,218	N/A
Total	<u>\$ 7,884,930</u>	<u>\$ 7,546,014</u>

The school department's employer contributions of \$4,405,218 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2020. 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
2020	\$ 566,473
2021	(1,722,604)
2022	(2,492,687)
2023	(417,484)
2024	0
Thereafter	0

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

Actuarial Assumptions. The total pension liability in the June 30, 2018, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2018, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income Real Estate	5.79	20
	2.01	20
	4.32	10
Short-term Securities	0.00	1
		100 %
Total		100 %

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the school department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the school department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability \$ 33,579,001 \$ (4,356,027) \$ (35,741,978)

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.

Teachers hired after July 1, 2014, by the school department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state’s 401 (K) plan and is managed by the employee. The defined contribution portion of the plan requires that the school department contribute five percent of each teacher’s salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year the school department contributed \$649,025 and teachers contributed \$125,094 to this deferred compensation pension plan.

G. Other Postemployment Benefits (OPEB)

Madison County and the discretely presented Madison County School Department provide OPEB benefits to its retirees under various OPEB plans. These include OPEB provided through state administered public entity risk pools and self-insured health plans. For reporting purposes the plans are all considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). All of the plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Self-Insured Postemployment Benefits Plan

Primary Government

Madison County and the Jackson-Madison County Airport Authority provide OPEB benefits to its employees through a self-insured health plan. The primary government employees comprised 98.5 percent and the airport employees comprised 1.5 percent.

Plan Description. The county and the airport participate in a self-insured postemployment benefits plan administered by Blue Cross Blue Shield for its retirees. Employees are eligible for OPEB benefits if they retire at age 55 with at least five year of service or any age with at least 30 years of service. Coverage ends at age 65. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by the county commission. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

Benefits Provided. The plan provides healthcare, dental, and life insurance benefits to retirees and their dependents.

The benefit terms provide for the county and the airport to pay a percentage of healthcare costs depending on years of service. The county and the airport pay 75 percent of the healthcare cost for employees with over 30 years of service and 65 percent for employees with 20-29 years of service. A retiree who is at least age 55 with five years of service is required to pay 100 percent of the premium. Employees are eligible to participate in the healthcare plan until they reach age 65. Surviving spouses of eligible retirees may be able to continue coverage until they reach Medicare eligibility.

The benefit terms provide for eligible retirees to receive vision and dental benefits for life by paying 100 percent of the premium cost.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	17
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	621
Total	<u>638</u>

Total OPEB Liability

The total OPEB liability of \$5,440,372 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Discount Rate	3%
Healthcare Cost Trend Rate	5.55%
Retirees share of Benefit-related Cost	25% to 100% depending on years of service

The discount rate was based on the Bond Buyer GO-20 bond index.

Mortality rates were based on RHP-14 Total Table with Projection MP-2017.

The actuarial assumptions used in the June 30, 2019, valuation were based on plan data and costs presented by the county with concurrence by the actuary.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2018	\$ 5,078,265
Changes for the Year:	
Service Cost	\$ 330,039
Interest	160,339
Difference Between Expected and Actual Benefit Payments	0 (128,271)
Net Changes	<u>\$ 362,107</u>
Balance June 30, 2019	<u>\$ 5,440,372</u>

Allocation of the Total OPEB Liability

		<u>Total OPEB Liability</u>
Primary Government	98.5%	\$ 5,358,766
Airport	1.5%	<u>81,606</u>
Total		<u>\$ 5,440,372</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the county recognized OPEB expense of \$428,373. For the year ended June 30, 2019, Madison County reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 0	\$ 558,050
Changes of Assumptions/Inputs	0	0
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	0	0
Benefits Paid After the Measurement Date	<u>0</u>	<u>0</u>
Total	<u>\$ 0</u>	<u>\$ 558,050</u>

**Allocation of Deferred Outflows or Resources and
Deferred Inflows of Resources**

		Deferred Outflows	Deferred Inflows
Primary Government	98.5%	\$ 0	\$ 549,679
Airport	1.5%	0	8,371
Total		\$ 0	\$ 558,050

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2020	\$ (62,005)
2021	(62,005)
2022	(62,005)
2023	(62,005)
2024	(62,005)
Thereafter	(248,025)

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

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the county calculated using the discount rate of three percent, as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (two percent) or one percentage point higher (four percent) than the current rate:

	1% Decrease	Current Discount Rate 3%	1% Increase
Total OPEB Liability	\$ 6,027,321	\$ 5,440,372	\$ 4,915,875

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the total OPEB liability of the county calculated using the healthcare cost trend rate of 5.55 percent, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower (4.55 percent) or one percentage point higher (6.55 percent) than the current rate:

	1% Decrease	Current Trend Rate	1% Increase
	4.55%	5.55%	6.55%

Total OPEB Liability \$ 4,788,082 \$ 5,440,372 \$ 6,215,529

OPEB Provided through State Administered Public Entity Risk Pool

Discretely Presented Madison County School Department

The school department provides healthcare benefits to its employees under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified employees of the school department may then join the Tennessee Plan - Medicare (TNM) which provides supplemental medical insurance for retirees with Medicare. However, the school department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

The school department’s total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2018, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2017 TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.62%
Healthcare Cost Trend Rates	Based on the Getzen Model, with trend starting at 6.75% for the 2019 calendar year, and gradually decreasing over 32 years to an ultimate trend rate of 3.53 percent with .28% added to approximate the effect of the excise tax
Retirees Share of Benefit Related Cost	Discussed below

The discount rate was 3.62 percent, based on the daily rate of Fidelity’s 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2018, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2018, valuations were the same as those employed in the July 1, 2018, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

Changes in Assumptions. The discount rate changed from 3.56 percent as of the beginning of the measurement period to 3.62 percent as of the measurement date of June 30, 2018. The assumed initial costs and premium amounts were revised to reflect rates adopted for the 2019 plan year. The assumed initial trend rate applicable to the 2019 plan year was revised from 5.4 percent to 6.75 percent.

Closed Local Education (LEP) OPEB Plan (Discretely Presented School Department)

Plan Description. Employees of the Madison County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

Benefits Provided. The Madison County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard

PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. During the year, Madison County provided direct subsidies of \$35 to \$839 per month toward the cost of the insurance plan selected by the retiree. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees' premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45 percent; 20 but less than 30 years, 35 percent; and less than 20 years, 20 percent of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2018, the following employees were covered by the benefit terms:

	<u>School Department</u>
Retirees and Beneficiaries	165
Inactive, nonretired members	1
Active Members Eligible for Future Benefits	1,242
Active Members Not Eligible for Future Benefits	152
Total	<u><u>1,560</u></u>

A state insurance committee, created in accordance with *TCA 8-27-301*, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the school department paid \$1,321,802 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	<u>Madison County School Department</u> 75.191%	<u>State of TN</u> 24.809%	<u>Total OPEB Liability</u>
Balance July 1, 2017	\$ 14,908,347	\$ 6,366,193	\$ 21,274,540
Changes for the Year:			
Service Cost	\$ 740,515	\$ 244,335	\$ 984,850
Interest	572,253	188,817	761,070
Changes in Benefit Terms	(1,382,224)	(456,069)	(1,838,293)
Difference between Expected and Actuarial Experience	(578,616)	(190,917)	(769,533)
Changes in Proportion	1,088,108	(1,088,108)	0
Changes in Assumption and Other Inputs	665,677	219,642	885,319
Benefit Payments	(1,324,887)	(437,151)	(1,762,038)
Net Changes	\$ (219,175)	\$ (1,519,450)	\$ (1,738,625)
Balance June 30, 2018	\$ 14,689,172	\$ 4,846,743	\$ 19,535,915

The Madison County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Madison County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers' long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The school department recognized (\$154,165) in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for school department retirees.

During the year, the Madison County School Department's proportionate share of the collective OPEB liability was 75.191 percent and the State of Tennessee's share was 24.809 percent.

OPEB Expense (Negative OPEB Expense) and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2019, the school department recognized negative OPEB expense of (\$169,826), including the state's share of the expense. At June 30, 2019, the school department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 517,710
Changes of Assumptions/Inputs	595,606	498,773
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employer and Nonemployer Contributors As Benefits Came Due	952,271	0
Benefits Paid After the Measurement Date of June 30, 2018	<u>1,321,802</u>	<u>0</u>
Total	<u>\$ 2,869,679</u>	<u>\$ 1,016,483</u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	School Department
2020	\$ 53,795
2021	53,795
2022	53,795
2023	53,795
2024	53,795
Thereafter	262,419

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

Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.

<u>Discount Rate</u>	1% Decrease	Current Discount Rate	1% Increase
	2.62%	3.62%	4.62%

Proportionate Share of the Collective Total OPEB Liability	\$ 15,511,178	\$ 14,689,172	\$ 13,905,380
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Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate. The following presents the school department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease	Current Rate	1% Increase
	5.75 to 2.85%	6.75 to 3.85%	7.75 to 4.85%

Proportionate Share of the Collective Total OPEB Liability	\$ 13,482,143	\$ 14,689,172	\$ 16,083,099
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H. 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.

I. 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 \$25,000 for the Office of County Mayor, Office of Highway Engineer, and for the discretely presented school department are required to be competitively bid.

J. Subsequent Events

On June 30, 2019, Dr. Eric Jones left the Office of Director of Schools and was succeeded by Thomas Ray Washington on July 1, 2019.

On June 30, 2019, Mike Nichols left the position of finance director and was succeeded by Karen Bell on July 1, 2019.

Subsequent to June 30, 2019, Madison County issued tax anticipation notes to provide temporary operating funds as detailed below:

Date Issued	Amount	Borrower Fund	Lender Fund
9/6/2019	\$ 150,000	Solid Waste/Sanitation Fund	General Debt Service
9/12/2019	100,000	Juvenile Services Fund	"
10/3/2019	2,500,000	General Fund	"
10/18/2019	80,000	Solid Waste/Sanitation Fund	"
11/14/2019	90,000	Juvenile Services Fund	"

**REQUIRED SUPPLEMENTARY
INFORMATION**

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

	2014	2015	2016	2017	2018
Total Pension Liability					
Service Cost	\$ 2,503,861	\$ 2,546,359	\$ 2,320,142	\$ 2,184,793	\$ 2,084,731
Interest	8,528,421	9,078,436	9,360,868	9,698,497	9,932,081
Differences Between Actual and Expected Experience	957,864	(2,479,699)	(1,529,465)	(1,407,887)	(236,715)
Change in Assumptions	0	0	0	3,129,363	0
Benefit Payments, Including Refunds of Employee Contributions	(4,443,515)	(4,954,709)	(5,351,522)	(5,677,430)	(5,970,114)
Net Change in Total Pension Liability	\$ 7,546,631	\$ 4,190,387	\$ 4,800,023	\$ 7,927,336	\$ 5,809,983
Total Pension Liability, Beginning	113,430,172	120,976,803	125,167,190	129,967,213	137,894,549
Total Pension Liability, Ending (a)	\$ 120,976,803	\$ 125,167,190	\$ 129,967,213	\$ 137,894,549	\$ 143,704,532
Plan Fiduciary Net Position					
Contributions - Employer	\$ 4,523,436	\$ 3,938,838	\$ 3,717,662	\$ 3,471,879	\$ 3,474,411
Contributions - Employee	2,017	300	652	0	192
Net Investment Income	17,536,366	3,782,858	3,321,558	14,342,408	11,496,238
Benefit Payments, Including Refunds of Employee Contributions	(4,443,515)	(4,954,709)	(5,351,522)	(5,677,430)	(5,970,114)
Administrative Expense	(43,681)	(47,023)	(61,810)	(61,023)	(63,975)
Other	0	0	0	1,054	0
Net Change in Plan Fiduciary Net Position	\$ 17,574,623	\$ 2,720,264	\$ 1,626,540	\$ 12,076,888	\$ 8,936,752
Plan Fiduciary Net Position, Beginning	105,780,488	123,355,111	126,075,375	127,701,915	139,778,803
Plan Fiduciary Net Position, Ending (b)	\$ 123,355,111	\$ 126,075,375	\$ 127,701,915	\$ 139,778,803	\$ 148,715,555
Net Pension Liability (Asset), Ending (a - b)	\$ (2,378,308)	\$ (908,185)	\$ 2,265,298	\$ (1,884,254)	\$ (5,011,023)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.97%	100.73%	98.26%	101.37%	103.49%
Covered Payroll	\$ 31,522,191	\$ 28,410,764	\$ 26,853,345	\$ 25,031,554	\$ 24,330,219
Net Pension Liability (Asset) as a Percentage of Covered Payroll	7.54%	3.20%	8.44%	7.53%	(20.6)%

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

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government, non-certified employees of the discretely presented school department, and the Madison County Airport.

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

	2014	2015	2016	2017	2018	2019
Actuarially Determined Contribution	\$ 4,523,436	\$ 3,938,838	\$ 3,717,662	\$ 3,471,879	\$ 3,474,411	\$ 3,406,068
Less Contributions in Relation to the Actuarially Determined Contribution	(4,523,436)	(3,938,838)	(3,717,662)	(3,471,879)	(3,474,411)	(3,406,068)
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contribution Deficiency (Excess)	\$ 31,522,191	\$ 28,410,764	\$ 26,853,345	\$ 25,031,554	\$ 24,330,219	\$ 23,852,020
Covered Payroll	14.35%	13.86%	13.84%	13.87%	14.28%	14.28%
Contributions as a Percentage of Covered Payroll						

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

Note: The agent plan is a single plan reported under one account with the Tennessee Consolidated Retirement System. This plan covers employees of the primary government, non-certified employees of the discretely presented school department, and the Madison County Airport.

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

	2015	2016	2017	2018	2019*
Contractually Required Contribution	\$ 127,275	\$ 259,449	358,339	193,153	256,013
Less Contributions in Relation to the Contractually Required Contribution	(127,275)	(259,449)	(358,339)	(473,779)	(256,013)
Contribution Deficiency (Excess)	\$ 0	\$ 0	0	(280,626)	0
Covered Payroll	\$ 3,181,880	\$ 6,486,246	9,038,854	11,947,819	13,196,546
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	3.96%	3.97%	1.94%

* In FY 2019 the school department placed the actuarially determined contribution rate (1.94%) of covered payroll into the pension plan and placed 2.06% of covered payroll into the Pension Stabilization Reserve Trust.

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

	2014	2015	2016	2017	2018	2019
Contractually Required Contribution	\$ 4,769,001	\$ 4,387,063	\$ 4,249,389	\$ 4,024,974	\$ 3,935,894	\$ 4,405,218
Less Contributions in Relation to the Contractually Required Contribution	(4,769,001)	(4,387,063)	(4,249,389)	(4,024,974)	(3,935,894)	(4,405,218)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 53,704,969	\$ 48,529,483	\$ 47,006,484	\$ 44,443,645	\$ 43,280,981	\$ 42,115,015
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.06%	9.09%	10.46%

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

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	1.499811%	1.474128%	1.364917%	1.355390%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (61,608)	\$ (153,461)	\$ (360,112)	\$ (614,707)
Covered Payroll	\$ 3,181,880	\$ 6,486,246	\$ 9,038,854	\$ 11,947,819
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(3.98)%	(5.14)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%	126.97%

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

Exhibit F-6

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
School Department's Proportion of the Net Pension Liability/Asset	1.368282%	1.296365%	1.302192%	1.259538%	1.237889%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (222,339)	\$ 531,035	\$ 8,137,980	\$ (412,101)	\$ (4,356,027)
Covered Payroll	\$ 53,704,969	\$ 48,529,483	\$ 47,006,484	\$ 44,443,645	\$ 43,280,981
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.41)%	1.09%	17.31%	(.93)%	(10.06)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%	101.49%

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

Exhibit F-7

Madison County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Self-Insurance Plan
Primary Government
For the Fiscal Year Ended June 30

Self-Insurance Plan - Madison County

	2018	2019
Total OPEB Liability		
Service Cost	\$ 319,886	\$ 330,039
Interest	169,667	160,339
Changes in Benefit Terms	0	0
Differences Between Actual and Expected Experience	(682,060)	0
Changes in Assumptions or Other Inputs	0	0
Benefit Payments	(64,908)	(128,271)
Net Change in Total OPEB Liability	\$ (257,415)	\$ 362,107
Total OPEB Liability, Beginning	5,335,680	5,078,265
Total OPEB Liability, Ending	\$ 5,078,265	\$ 5,440,372
Madison County's Proportionate Share of the Total OPEB Liability	\$ 5,020,880	\$ 5,358,766
Airport's Proportionate Share of the Total OPEB Liability	57,385	81,606
Covered Employee Payroll	\$ 15,970,104	\$ 26,577,658
Net OPEB Liability as a Percentage of Covered Employee Payroll	31.80%	20.24%

Note 1: Ten years of data will be presented when available.

Note 2: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Exhibit F-8

Madison County, Tennessee
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan
Discretely Presented Madison County School Department
For the Fiscal Year Ended June 30

	2017	2018
Total OPEB Liability		
Service Cost	\$ 1,054,227	\$ 984,850
Interest	650,762	761,070
Changes in Benefit Terms	0	(1,838,293)
Differences Between Actual and Expected Experience	0	(769,533)
Changes in Assumptions or Other Inputs	(842,627)	885,319
Benefit Payments	(1,639,932)	(1,762,038)
Net Change in Total OPEB Liability	\$ (777,570)	\$ (1,738,625)
Total OPEB Liability, Beginning	22,052,110	21,274,540
Total OPEB Liability, Ending	<u>\$ 21,274,540</u>	<u>\$ 19,535,915</u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 6,366,193	\$ 4,846,743
Employer Proportionate Share of the Total OPEB Liability	14,908,347	14,689,172
Covered Employee Payroll	\$ 63,477,191	\$ 63,193,440
Net OPEB Liability as a Percentage of Covered Employee Payroll	23.49%	23.24%

Note 1: Ten years of data will be presented when available.

Note 2. Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2.92%
2018	3.56%
2019	3.62 %

MADISON COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for fiscal year 2019 were calculated based on the June 30, 2017, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by Year
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.44% Based on Age, Including Inflation Averaging 4.0%
Investment Rate of Return	7.25%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustments	2.25%

Changes in Assumptions: In 2017, the following assumptions were changed: (1) decreased the inflation rate from 3.0 to 2.5 percent; (2) decreased the investment rate from 7.5 to 7.25 percent; (3) decreased the cost-of-living adjustment from 2.5 to 2.25 percent; (4) decreased the salary growth rate graded ranges from an average of 4.25 to 4.0 percent; and (5) modified the mortality assumptions.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Juvenile Services Fund – The Juvenile Services Fund is used to account for transactions related to the supervision, care, and detention of those children who are defined by the general laws of the State of Tennessee as delinquent, unruly, dependent, neglected, or abused.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for solid waste activities related to the county's convenience centers.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for local tax collections to be used at the discretion of the county commission.

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

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Other Special Revenue Fund – The Other Special Revenue Fund is used to account for local tax collections to be contributed to the School Department to cover the revenue shortfall that resulted when the City of Jackson ended some of their optional funding.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

Capital Projects Funds

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

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, 2019

	Special Revenue Funds					
	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose	Drug Control	Other Special Revenue
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	325,284	196,101	3,568,530	773,324	143,249	332,512
Accounts Receivable	23,892	63,175	30	0	0	3,902
Due from Other Governments	18,241	46,692	0	817,074	0	0
Property Taxes Receivable	1,671,284	958,563	0	0	0	0
Allowance for Uncollectible Property Taxes	(36,505)	(21,930)	0	0	0	0
Cash Shortage	0	0	0	873	0	0
Total Assets	\$ 2,002,196	\$ 1,242,601	\$ 3,568,560	\$ 1,591,271	\$ 143,249	\$ 336,414
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 5,022	\$ 0	\$ 19,687	\$ 0	\$ 0
Accrued Payroll	17,296	7,662	0	43,813	0	0
Payroll Deductions Payable	22,796	4,787	0	51,624	0	0
Contracts Payable	0	0	0	0	0	0
Due to Other Funds	0	0	0	165	0	0
Due to Component Units	0	0	2,300,000	0	0	0
Other Current Liabilities	0	0	0	310	0	0
Total Liabilities	\$ 40,092	\$ 17,471	\$ 2,300,000	\$ 115,599	\$ 0	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 1,601,868	\$ 915,640	\$ 0	\$ 0	\$ 0	\$ 0

(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	Other Special Revenue
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Deferred Delinquent Property Taxes	\$ 27,799	\$ 17,735	\$ 0	\$ 0	\$ 0	\$ 0
Total Deferred Inflows of Resources	\$ 1,629,667	\$ 933,375	\$ 0	\$ 0	\$ 0	\$ 0
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 177,803
Restricted for Public Safety	0	0	0	489,300	143,249	0
Restricted for Public Health and Welfare	0	0	0	847,603	0	0
Restricted for Other Operations	0	0	0	138,769	0	0
Restricted for Highways/Public Works	0	0	0	0	0	0
Committed:						
Committed for General Government	0	0	1,268,560	0	0	158,611
Committed for Public Safety	332,437	0	0	0	0	0
Committed for Public Health and Welfare	0	291,755	0	0	0	0
Committed for Capital Outlay	0	0	0	0	0	0
Total Fund Balances	\$ 332,437	\$ 291,755	\$ 1,268,560	\$ 1,475,672	\$ 143,249	\$ 336,414
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,002,196	\$ 1,242,601	\$ 3,568,560	\$ 1,591,271	\$ 143,249	\$ 336,414

(Continued)

Exhibit G-1

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital Projects Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Constitu - tional Officers - Fees</u>	<u>Total</u>	<u>Community Development/ Industrial Park</u>	<u>Highway Capital Projects</u>	<u>Total</u>	
<u>ASSETS</u>						
Cash	\$ 37,243	\$ 37,243	\$ 0	\$ 0	\$ 0	\$ 37,243
Equity in Pooled Cash and Investments	0	5,339,000	1,421,994	672,545	2,094,539	7,433,539
Accounts Receivable	1,453	92,452	0	0	0	92,452
Due from Other Governments	0	882,007	13,658	0	13,658	895,665
Property Taxes Receivable	0	2,629,847	0	0	0	2,629,847
Allowance for Uncollectible Property Taxes	0	(58,435)	0	0	0	(58,435)
Cash Shortage	0	873	0	0	0	873
Total Assets	\$ 38,696	\$ 8,922,987	\$ 1,435,652	\$ 672,545	\$ 2,108,197	\$ 11,031,184
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 24,709	\$ 0	\$ 0	\$ 0	\$ 24,709
Accrued Payroll	0	68,771	0	0	0	68,771
Payroll Deductions Payable	0	79,207	0	0	0	79,207
Contracts Payable	0	0	36,731	0	36,731	36,731
Due to Other Funds	38,696	38,861	0	0	0	38,861
Due to Component Units	0	2,300,000	0	0	0	2,300,000
Other Current Liabilities	0	310	0	0	0	310
Total Liabilities	\$ 38,696	\$ 2,511,858	\$ 36,731	\$ 0	\$ 36,731	\$ 2,548,589
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 2,517,508	\$ 0	\$ 0	\$ 0	\$ 2,517,508

(Continued)

Exhibit G-1

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital Projects Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Constitu - tional Officers - Fees</u>	<u>Total</u>	<u>Community Development/ Industrial Park</u>	<u>Highway Capital Projects</u>	<u>Total</u>	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Deferred Delinquent Property Taxes	\$ 0	\$ 45,534	\$ 0	\$ 0	\$ 0	\$ 45,534
Total Deferred Inflows of Resources	\$ 0	\$ 2,563,042	\$ 0	\$ 0	\$ 0	\$ 2,563,042
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 0	\$ 177,803	\$ 0	\$ 0	\$ 0	\$ 177,803
Restricted for Public Safety	0	632,549	0	0	0	632,549
Restricted for Public Health and Welfare	0	847,603	0	0	0	847,603
Restricted for Other Operations	0	138,769	0	0	0	138,769
Restricted for Highways/Public Works	0	0	0	672,545	672,545	672,545
Committed:						
Committed for General Government	0	1,427,171	0	0	0	1,427,171
Committed for Public Safety	0	332,437	0	0	0	332,437
Committed for Public Health and Welfare	0	291,755	0	0	0	291,755
Committed for Capital Outlay	0	0	1,398,921	0	1,398,921	1,398,921
Total Fund Balances	\$ 0	\$ 3,848,087	\$ 1,398,921	\$ 672,545	\$ 2,071,466	\$ 5,919,553
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 38,696	\$ 8,922,987	\$ 1,435,652	\$ 672,545	\$ 2,108,197	\$ 11,031,184

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, 2019

	Special Revenue Funds					
	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose	Drug Control	Other Special Revenue
<u>Revenues</u>						
Local Taxes	\$ 1,328,749	\$ 854,368	\$ 532,409	\$ 0	\$ 0	\$ 183,586
Fines, Forfeitures, and Penalties	0	0	0	0	46,059	0
Charges for Current Services	102	272,646	0	1,272,042	0	0
Other Local Revenues	1,020	57,196	0	1,843	0	0
State of Tennessee	9,000	0	0	3,767,825	0	0
Federal Government	154,693	0	0	136,472	0	0
Other Governments and Citizens Groups	73,704	0	0	225,422	0	0
Total Revenues	<u>\$ 1,567,268</u>	<u>\$ 1,184,210</u>	<u>\$ 532,409</u>	<u>\$ 5,403,604</u>	<u>\$ 46,059</u>	<u>\$ 183,586</u>
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Public Safety	1,815,133	0	0	1,425,228	29,785	0
Public Health and Welfare	0	1,341,548	0	3,648,016	0	0
Other Operations	0	0	2,305,329	230,367	0	4,589
Total Expenditures	<u>\$ 1,815,133</u>	<u>\$ 1,341,548</u>	<u>\$ 2,305,329</u>	<u>\$ 5,303,611</u>	<u>\$ 29,785</u>	<u>\$ 4,589</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (247,865)</u>	<u>\$ (157,338)</u>	<u>\$ (1,772,920)</u>	<u>\$ 99,993</u>	<u>\$ 16,274</u>	<u>\$ 178,997</u>
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 16,148	\$ 0	\$ 0
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 16,148</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit G-2

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

	Special Revenue Funds					
	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose	Drug Control	Other Special Revenue
Net Change in Fund Balances	\$ (247,865)	\$ (157,338)	\$ (1,772,920)	\$ 116,141	\$ 16,274	\$ 178,997
Fund Balance, July 1, 2018	580,302	449,093	3,041,480	1,359,531	126,975	157,417
Fund Balance, June 30, 2019	\$ 332,437	\$ 291,755	\$ 1,268,560	\$ 1,475,672	\$ 143,249	\$ 336,414

(Continued)

Exhibit G-2

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital Projects Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Constitu - tional Officers - Fees</u>	<u>Total</u>	<u>Community Development/ Industrial Park</u>	<u>Highway Capital Projects</u>	<u>Total</u>	
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 2,899,112	\$ 0	\$ 0	\$ 0	\$ 2,899,112
Fines, Forfeitures, and Penalties	0	46,059	0	0	0	46,059
Charges for Current Services	6,933	1,551,723	0	0	0	1,551,723
Other Local Revenues	0	60,059	26,604	0	26,604	86,663
State of Tennessee	0	3,776,825	75,327	0	75,327	3,852,152
Federal Government	0	291,165	0	0	0	291,165
Other Governments and Citizens Groups	0	299,126	0	0	0	299,126
Total Revenues	\$ 6,933	\$ 8,924,069	\$ 101,931	\$ 0	\$ 101,931	\$ 9,026,000
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 6,933	\$ 6,933	\$ 0	\$ 0	\$ 0	\$ 6,933
Public Safety	0	3,270,146	0	0	0	3,270,146
Public Health and Welfare	0	4,989,564	0	0	0	4,989,564
Other Operations	0	2,540,285	217,201	0	217,201	2,757,486
Total Expenditures	\$ 6,933	\$ 10,806,928	\$ 217,201	\$ 0	\$ 217,201	\$ 11,024,129
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (1,882,859)	\$ (115,270)	\$ 0	\$ (115,270)	\$ (1,998,129)
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 16,148	\$ 0	\$ 0	\$ 0	\$ 16,148
Total Other Financing Sources (Uses)	\$ 0	\$ 16,148	\$ 0	\$ 0	\$ 0	\$ 16,148

(Continued)

Exhibit G-2

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital Projects Funds</u>			Total Nonmajor Governmental Funds
	Constitu - tional Officers - Fees	Total	Community Development/ Industrial Park	Highway Capital Projects	Total	
Net Change in Fund Balances	\$ 0	\$ (1,866,711)	\$ (115,270)	\$ 0	\$ (115,270)	\$ (1,981,981)
Fund Balance, July 1, 2018	0	5,714,798	1,514,191	672,545	2,186,736	7,901,534
Fund Balance, June 30, 2019	\$ 0	\$ 3,848,087	\$ 1,398,921	\$ 672,545	\$ 2,071,466	\$ 5,919,553

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 1,328,749	\$ 0	\$ 0	\$ 1,328,749	\$ 1,315,785	\$ 1,315,785	\$ 12,964
Charges for Current Services	102	0	0	102	0	0	102
Other Local Revenues	1,020	0	0	1,020	67	580	440
State of Tennessee	9,000	0	0	9,000	9,000	9,000	0
Federal Government	154,693	0	0	154,693	169,106	169,106	(14,413)
Other Governments and Citizens Groups	73,704	0	0	73,704	100,000	100,000	(26,296)
Total Revenues	\$ 1,567,268	\$ 0	\$ 0	\$ 1,567,268	\$ 1,593,958	\$ 1,594,471	\$ (27,203)
Expenditures							
Public Safety							
Juvenile Services	\$ 1,815,133	\$ (7,680)	\$ 6,342	\$ 1,813,795	\$ 1,949,177	\$ 1,949,690	\$ 135,895
Total Expenditures	\$ 1,815,133	\$ (7,680)	\$ 6,342	\$ 1,813,795	\$ 1,949,177	\$ 1,949,690	\$ 135,895
Excess (Deficiency) of Revenues Over Expenditures	\$ (247,865)	\$ 7,680	\$ (6,342)	\$ (246,527)	\$ (355,219)	\$ (355,219)	\$ 108,692
Net Change in Fund Balance	\$ (247,865)	\$ 7,680	\$ (6,342)	\$ (246,527)	\$ (355,219)	\$ (355,219)	\$ 108,692
Fund Balance, July 1, 2018	580,302	(7,680)	0	572,622	531,209	572,552	70
Fund Balance, June 30, 2019	\$ 332,437	\$ 0	\$ (6,342)	\$ 326,095	\$ 175,990	\$ 217,333	\$ 108,762

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 854,368	\$ 0	\$ 0	\$ 854,368	\$ 858,656	\$ 858,656	\$ (4,288)
Charges for Current Services	272,646	0	0	272,646	253,932	253,932	18,714
Other Local Revenues	57,196	0	0	57,196	35,400	64,196	(7,000)
Total Revenues	\$ 1,184,210	\$ 0	\$ 0	\$ 1,184,210	\$ 1,147,988	\$ 1,176,784	\$ 7,426
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Convenience Centers	\$ 764,470	\$ (11,845)	\$ 3,720	\$ 756,345	\$ 749,178	\$ 778,724	\$ 22,379
Landfill Operation and Maintenance	577,078	(14,405)	43,517	606,190	620,474	620,474	14,284
Total Expenditures	\$ 1,341,548	\$ (26,250)	\$ 47,237	\$ 1,362,535	\$ 1,369,652	\$ 1,399,198	\$ 36,663
Excess (Deficiency) of Revenues Over Expenditures	\$ (157,338)	\$ 26,250	\$ (47,237)	\$ (178,325)	\$ (221,664)	\$ (222,414)	\$ 44,089
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 750	\$ (750)
Total Other Financing Sources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 750	\$ (750)
Net Change in Fund Balance	\$ (157,338)	\$ 26,250	\$ (47,237)	\$ (178,325)	\$ (221,664)	\$ (221,664)	\$ 43,339
Fund Balance, July 1, 2018	449,093	(26,250)	0	422,843	393,177	422,843	0
Fund Balance, June 30, 2019	\$ 291,755	\$ 0	\$ (47,237)	\$ 244,518	\$ 171,513	\$ 201,179	\$ 43,339

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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 532,409	\$ 500,000	\$ 500,000	\$ 32,409
Total Revenues	\$ 532,409	\$ 500,000	\$ 500,000	\$ 32,409
<u>Expenditures</u>				
<u>Other Operations</u>				
Miscellaneous	\$ 2,305,329	\$ 10,000	\$ 2,610,000	\$ 304,671
Total Expenditures	\$ 2,305,329	\$ 10,000	\$ 2,610,000	\$ 304,671
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,772,920)	\$ 490,000	\$ (2,110,000)	\$ 337,080
Net Change in Fund Balance	\$ (1,772,920)	\$ 490,000	\$ (2,110,000)	\$ 337,080
Fund Balance, July 1, 2018	3,041,480	2,945,930	3,041,480	0
Fund Balance, June 30, 2019	\$ 1,268,560	\$ 3,435,930	\$ 931,480	\$ 337,080

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 1,272,042	\$ 0	\$ 0	\$ 1,272,042	\$ 1,297,224	\$ 1,350,237	\$ (78,195)
Other Local Revenues	1,843	0	0	1,843	0	0	1,843
State of Tennessee	3,767,825	0	0	3,767,825	4,057,551	4,192,734	(424,909)
Federal Government	136,472	0	0	136,472	68,855	136,472	0
Other Governments and Citizens Groups	225,422	0	0	225,422	211,005	222,330	3,092
Total Revenues	\$ 5,403,604	\$ 0	\$ 0	\$ 5,403,604	\$ 5,634,635	\$ 5,901,773	\$ (498,169)
<u>Expenditures</u>							
<u>Public Safety</u>							
Correctional Incentive Program Improvements	\$ 440,768	\$ 0	\$ 0	\$ 440,768	\$ 562,681	\$ 577,096	\$ 136,328
Work Release Program	781,883	0	0	781,883	899,559	899,559	117,676
Other Emergency Management	125,436	0	27	125,463	68,855	136,472	11,009
Public Safety Grants Program	77,141	0	0	77,141	90,000	90,000	12,859
<u>Public Health and Welfare</u>							
Maternal and Child Health Services	3,606,612	(13,242)	18,828	3,612,198	4,012,436	4,344,400	732,202
Sanitation Education/Information	41,404	(1,009)	675	41,070	65,100	71,111	30,041
<u>Other Operations</u>							
Miscellaneous	230,367	0	0	230,367	217,005	236,330	5,963
Total Expenditures	\$ 5,303,611	\$ (14,251)	\$ 19,530	\$ 5,308,890	\$ 5,915,636	\$ 6,354,968	\$ 1,046,078
Excess (Deficiency) of Revenues Over Expenditures	\$ 99,993	\$ 14,251	\$ (19,530)	\$ 94,714	\$ (281,001)	\$ (453,195)	\$ 547,909
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 16,148	\$ 0	\$ 0	\$ 16,148	\$ 0	\$ 14,415	\$ 1,733
Total Other Financing Sources	\$ 16,148	\$ 0	\$ 0	\$ 16,148	\$ 0	\$ 14,415	\$ 1,733
Net Change in Fund Balance	\$ 116,141	\$ 14,251	\$ (19,530)	\$ 110,862	\$ (281,001)	\$ (438,780)	\$ 549,642
Fund Balance, July 1, 2018	1,359,531	(14,251)	0	1,345,280	964,529	1,345,280	0
Fund Balance, June 30, 2019	\$ 1,475,672	\$ 0	\$ (19,530)	\$ 1,456,142	\$ 683,528	\$ 906,500	\$ 549,642

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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 46,059	\$ 30,890	\$ 30,890	\$ 15,169
Total Revenues	\$ 46,059	\$ 30,890	\$ 30,890	\$ 15,169
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 29,785	\$ 16,123	\$ 34,915	\$ 5,130
Total Expenditures	\$ 29,785	\$ 16,123	\$ 34,915	\$ 5,130
Excess (Deficiency) of Revenues Over Expenditures	\$ 16,274	\$ 14,767	\$ (4,025)	\$ 20,299
Net Change in Fund Balance	\$ 16,274	\$ 14,767	\$ (4,025)	\$ 20,299
Fund Balance, July 1, 2018	126,975	81,247	126,975	0
Fund Balance, June 30, 2019	\$ 143,249	\$ 96,014	\$ 122,950	\$ 20,299

Exhibit G-8

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Other Special Revenue Fund
For the Year Ended June 30, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 183,586	\$ 0	\$ 118,000	\$ 65,586
Total Revenues	\$ 183,586	\$ 0	\$ 118,000	\$ 65,586
<u>Expenditures</u>				
<u>Other Operations</u>				
Miscellaneous	\$ 4,589	\$ 0	\$ 8,000	\$ 3,411
Total Expenditures	\$ 4,589	\$ 0	\$ 8,000	\$ 3,411
Excess (Deficiency) of Revenues Over Expenditures	\$ 178,997	\$ 0	\$ 110,000	\$ 68,997
Net Change in Fund Balance	\$ 178,997	\$ 0	\$ 110,000	\$ 68,997
Fund Balance, July 1, 2018	157,417	72,114	157,417	0
Fund Balance, June 30, 2019	\$ 336,414	\$ 72,114	\$ 267,417	\$ 68,997

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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 26,604	\$ 20,604	\$ 20,604	\$ 6,000
State of Tennessee	75,327	0	245,980	(170,653)
Total Revenues	\$ 101,931	\$ 20,604	\$ 266,584	\$ (164,653)
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 217,201	\$ 100,300	\$ 452,300	\$ 235,099
Total Expenditures	\$ 217,201	\$ 100,300	\$ 452,300	\$ 235,099
Excess (Deficiency) of Revenues Over Expenditures	\$ (115,270)	\$ (79,696)	\$ (185,716)	\$ 70,446
Net Change in Fund Balance	\$ (115,270)	\$ (79,696)	\$ (185,716)	\$ 70,446
Fund Balance, July 1, 2018	1,514,191	1,166,711	1,514,191	0
Fund Balance, June 30, 2019	\$ 1,398,921	\$ 1,087,015	\$ 1,328,475	\$ 70,446

Major Governmental Funds

General Debt Service Fund

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

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 projects

Exhibit H-1

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, 2019

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 12,827,575	\$ 12,631,349	\$ 12,631,349	\$ 196,226
Other Local Revenues	1,788,932	482,757	257,757	1,531,175
Other Governments and Citizens Groups	972,344	0	972,344	0
Total Revenues	<u>\$ 15,588,851</u>	<u>\$ 13,114,106</u>	<u>\$ 13,861,450</u>	<u>\$ 1,727,401</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 10,002,750	\$ 8,182,407	\$ 10,002,750	\$ 0
Education	608,250	0	608,250	0
<u>Interest on Debt</u>				
General Government	2,535,550	0	2,535,728	178
Education	594,878	0	594,878	0
<u>Other Debt Service</u>				
General Government	317,038	0	328,642	11,604
Education	39,503	0	39,503	0
Total Expenditures	<u>\$ 14,097,969</u>	<u>\$ 8,182,407</u>	<u>\$ 14,109,751</u>	<u>\$ 11,782</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,490,882</u>	<u>\$ 4,931,699</u>	<u>\$ (248,301)</u>	<u>\$ 1,739,183</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 225,000	\$ 972,344	\$ 225,000	\$ 0
Transfers Out	(271,640)	0	(271,640)	0
Total Other Financing Sources	<u>\$ (46,640)</u>	<u>\$ 972,344</u>	<u>\$ (46,640)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 1,444,242	\$ 5,904,043	\$ (294,941)	\$ 1,739,183
Fund Balance, July 1, 2018	12,345,527	11,910,637	12,345,527	0
Fund Balance, June 30, 2019	<u>\$ 13,789,769</u>	<u>\$ 17,814,680</u>	<u>\$ 12,050,586</u>	<u>\$ 1,739,183</u>

Exhibit H-2

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 3,416,060	\$ 0	\$ 0	\$ 3,416,060	\$ 3,332,674	\$ 3,342,674	\$ 73,386
Other Local Revenues	24,231	0	0	24,231	0	37,131	(12,900)
State of Tennessee	239,779	0	0	239,779	340,000	533,910	(294,131)
Other Governments and Citizens Groups	1,635,000	0	0	1,635,000	0	1,635,000	0
Total Revenues	\$ 5,315,070	\$ 0	\$ 0	\$ 5,315,070	\$ 3,672,674	\$ 5,548,715	\$ (233,645)
<u>Expenditures</u>							
<u>General Government</u>							
Election Commission	\$ 0	\$ 0	\$ 0	\$ 0	\$ 340,000	\$ 340,000	\$ 340,000
County Buildings	211,342	(76,800)	20,657	155,199	0	192,500	37,301
Other Facilities	19,944	0	0	19,944	0	20,000	56
<u>Finance</u>							
Accounting and Budgeting	399,829	0	89,143	488,972	400,000	490,000	1,028
County Trustee's Office	7,881	0	0	7,881	4,000	9,500	1,619
Data Processing	121,488	(41,471)	891	80,908	110,518	110,518	29,610
<u>Administration of Justice</u>							
Chancery Court	16,531	(18,531)	2,000	0	0	0	0
<u>Public Safety</u>							
Sheriff's Department	1,004,396	(42,268)	241,797	1,203,925	1,150,000	1,255,932	52,007
Jail	3,164,506	0	0	3,164,506	31,030,000	31,223,910	28,059,404
Juvenile Services	45,239	0	800	46,039	50,000	50,000	3,961
Fire Prevention and Control	1,930,330	(1,854)	628,419	2,556,895	898,000	2,556,931	36
Civil Defense	32,719	0	0	32,719	28,000	33,000	281
Inspection and Regulation	785	0	0	785	0	1,600	815
<u>Public Health and Welfare</u>							
Local Health Center	54,350	(24,750)	0	29,600	35,000	35,000	5,400
Rabies and Animal Control	23,500	0	0	23,500	23,500	23,500	0
Convenience Centers	42,180	0	75	42,255	44,000	44,000	1,745
<u>Social, Cultural, and Recreational Services</u>							
Libraries	92,050	0	0	92,050	97,833	97,833	5,783

(Continued)

Exhibit H-2

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 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services (Cont.)</u>							
Parks and Fair Boards	\$ 2,533	\$ (2,075)	\$ 0	\$ 458	\$ 250,000	\$ 250,000	\$ 249,542
<u>Other Operations</u>							
Airport	54,250	0	0	54,250	54,250	54,250	0
Miscellaneous	66,667	0	0	66,667	60,000	70,000	3,333
<u>Other Debt Service</u>							
General Government	274,316	0	0	274,316	0	274,316	0
Total Expenditures	<u>\$ 7,564,836</u>	<u>\$ (207,749)</u>	<u>\$ 983,782</u>	<u>\$ 8,340,869</u>	<u>\$ 34,575,101</u>	<u>\$ 37,132,790</u>	<u>\$ 28,791,921</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (2,249,766)</u>	<u>\$ 207,749</u>	<u>\$ (983,782)</u>	<u>\$ (3,025,799)</u>	<u>\$ (30,902,427)</u>	<u>\$ (31,584,075)</u>	<u>\$ 28,558,276</u>
<u>Other Financing Sources (Uses)</u>							
Bonds Issued	\$ 17,820,000	\$ 0	\$ 0	\$ 17,820,000	\$ 0	\$ 17,820,000	\$ 0
Premiums on Debt Sold	1,182,676	0	0	1,182,676	0	1,182,676	0
Transfers In	271,640	0	0	271,640	0	271,640	0
Total Other Financing Sources	<u>\$ 19,274,316</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 19,274,316</u>	<u>\$ 0</u>	<u>\$ 19,274,316</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 17,024,550	\$ 207,749	\$ (983,782)	\$ 16,248,517	\$ (30,902,427)	\$ (12,309,759)	\$ 28,558,276
Fund Balance, July 1, 2018	<u>30,815,355</u>	<u>(207,749)</u>	<u>0</u>	<u>30,607,606</u>	<u>31,435,403</u>	<u>30,605,791</u>	<u>1,815</u>
Fund Balance, June 30, 2019	<u>\$ 47,839,905</u>	<u>\$ 0</u>	<u>\$ (983,782)</u>	<u>\$ 46,856,123</u>	<u>\$ 532,976</u>	<u>\$ 18,296,032</u>	<u>\$ 28,560,091</u>

Fiduciary Funds

Agency Funds are used to account for assets held by the county in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside the incorporated City of Jackson and to account for the City of Jackson’s portion (40 percent) of the hotel/motel tax. These revenues are received by the county from the State of Tennessee and from the hotels and motels located in Madison County and are forwarded to the City of Jackson on a monthly basis.

Cities - Property Tax Fund – The Cities - Property Tax Fund is used to account for property taxes collected by the county trustee for the City of Three-Way and the second half of the sales tax revenues collected inside the incorporated City of Three-Way.

Watershed District Fund – The Watershed District Fund is used to account for acreage assessments collected by the county trustee and held in trust for the watershed district.

Joint Venture Fund – The Joint Venture Fund is used to account for a portion (20 percent) of the hotel/motel tax, which is collected for the Jackson - Madison County Community Economic Development Commission. These revenues are received by the county from the hotels and motels located in the county and are forwarded to the commission monthly.

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions courts clerk, juvenile court clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Other Agency Fund – The Other Agency Fund is used to account for the second half of the sales tax revenues collected inside the incorporated cities of Medon and Humboldt. These revenues are received by the county from the State of Tennessee and forwarded to these cities on a monthly basis.

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

Exhibit I-1

Madison County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2019

	Agency Funds							Total
	Cities - Sales Tax	Cities - Property Tax	Watershed District	Joint Venture	Constitu- tional Officers - Agency	Other Agency	District Attorney General	
<u>ASSETS</u>								
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,195,972	\$ 0	\$ 0	\$ 6,195,972
Equity in Pooled Cash and Investments	78,534	2,765	55,973	39,267	0	0	6,318	182,857
Accounts Receivable	83,193	0	0	41,612	0	0	0	124,805
Due from Other Governments	3,535,605	25,235	0	0	0	4,134	102	3,565,076
Total Assets	<u>\$ 3,697,332</u>	<u>\$ 28,000</u>	<u>\$ 55,973</u>	<u>\$ 80,879</u>	<u>\$ 6,195,972</u>	<u>\$ 4,134</u>	<u>\$ 6,420</u>	<u>\$ 10,068,710</u>
<u>LIABILITIES</u>								
Due to Other Taxing Units	\$ 3,697,332	\$ 28,000	\$ 0	\$ 0	\$ 0	\$ 4,134	\$ 0	\$ 3,729,466
Due to Litigants, Heirs, and Others	0	0	0	0	6,195,972	0	6,420	6,202,392
Other Current Liabilities	0	0	55,973	80,879	0	0	0	136,852
Total Liabilities	<u>\$ 3,697,332</u>	<u>\$ 28,000</u>	<u>\$ 55,973</u>	<u>\$ 80,879</u>	<u>\$ 6,195,972</u>	<u>\$ 4,134</u>	<u>\$ 6,420</u>	<u>\$ 10,068,710</u>

Exhibit I-2

Madison County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2019

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 190,622	\$ 21,787,658	\$ 21,899,746	\$ 78,534
Accounts Receivable	77,001	83,193	77,001	83,193
Due from Other Governments	3,761,993	3,535,605	3,761,993	3,535,605
Total Assets	<u>\$ 4,029,616</u>	<u>\$ 25,406,456</u>	<u>\$ 25,738,740</u>	<u>\$ 3,697,332</u>
<u>Liabilities</u>				
Due to Other Taxing Units	<u>\$ 4,029,616</u>	<u>\$ 25,406,456</u>	<u>\$ 25,738,740</u>	<u>\$ 3,697,332</u>
Total Liabilities	<u>\$ 4,029,616</u>	<u>\$ 25,406,456</u>	<u>\$ 25,738,740</u>	<u>\$ 3,697,332</u>
<u>Cities - Property Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 421,491	\$ 418,726	\$ 2,765
Due from Other Governments	21,944	25,235	21,944	25,235
Total Assets	<u>\$ 21,944</u>	<u>\$ 446,726</u>	<u>\$ 440,670</u>	<u>\$ 28,000</u>
<u>Liabilities</u>				
Due to Other Taxing Units	<u>\$ 21,944</u>	<u>\$ 446,726</u>	<u>\$ 440,670</u>	<u>\$ 28,000</u>
Total Liabilities	<u>\$ 21,944</u>	<u>\$ 446,726</u>	<u>\$ 440,670</u>	<u>\$ 28,000</u>
<u>Watershed District Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 55,973	\$ 0	\$ 0	\$ 55,973
Total Assets	<u>\$ 55,973</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 55,973</u>
<u>Liabilities</u>				
Other Current Liabilities	<u>\$ 55,973</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 55,973</u>
Total Liabilities	<u>\$ 55,973</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 55,973</u>
<u>Joint Venture Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 34,311	\$ 392,089	\$ 387,133	\$ 39,267
Accounts Receivable	38,500	41,612	38,500	41,612
Total Assets	<u>\$ 72,811</u>	<u>\$ 433,701</u>	<u>\$ 425,633</u>	<u>\$ 80,879</u>
<u>Liabilities</u>				
Other Current Liabilities	<u>\$ 72,811</u>	<u>\$ 433,701</u>	<u>\$ 425,633</u>	<u>\$ 80,879</u>
Total Liabilities	<u>\$ 72,811</u>	<u>\$ 433,701</u>	<u>\$ 425,633</u>	<u>\$ 80,879</u>

(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	\$ 4,570,380	\$ 25,587,924	\$ 23,962,332	\$ 6,195,972
Total Assets	\$ 4,570,380	\$ 25,587,924	\$ 23,962,332	\$ 6,195,972
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 4,570,380	\$ 25,587,924	\$ 23,962,332	\$ 6,195,972
Total Liabilities	\$ 4,570,380	\$ 25,587,924	\$ 23,962,332	\$ 6,195,972
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 29,590	\$ 29,590	\$ 0
Due from Other Governments	3,841	4,134	3,841	4,134
Total Assets	\$ 3,841	\$ 33,724	\$ 33,431	\$ 4,134
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 3,841	\$ 33,724	\$ 33,431	\$ 4,134
Total Liabilities	\$ 3,841	\$ 33,724	\$ 33,431	\$ 4,134
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 6,922	\$ 11,184	\$ 11,788	\$ 6,318
Due from Other Governments	247	102	247	102
Total Assets	\$ 7,169	\$ 11,286	\$ 12,035	\$ 6,420
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 7,169	\$ 11,286	\$ 12,035	\$ 6,420
Total Liabilities	\$ 7,169	\$ 11,286	\$ 12,035	\$ 6,420
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 4,570,380	\$ 25,587,924	\$ 23,962,332	\$ 6,195,972
Equity in Pooled Cash and Investments	287,828	22,642,012	22,746,983	182,857
Accounts Receivable	115,501	124,805	115,501	124,805
Due from Other Governments	3,788,025	3,565,076	3,788,025	3,565,076
Total Assets	\$ 8,761,734	\$ 51,919,817	\$ 50,612,841	\$ 10,068,710
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 4,055,401	\$ 25,886,906	\$ 26,212,841	\$ 3,729,466
Due to Litigants, Heirs, and Others	4,577,549	25,599,210	23,974,367	6,202,392
Other Current Liabilities	128,784	433,701	425,633	136,852
Total Liabilities	\$ 8,761,734	\$ 51,919,817	\$ 50,612,841	\$ 10,068,710

Madison County School Department

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

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

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

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

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

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

Exhibit J-1

Madison County, Tennessee
Statement of Activities
Discretely Presented Madison County School Department
For the Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 67,308,464	\$ 443,946	\$ 4,768,303	\$ 5,000,000	\$ (57,096,215)
Support Services	36,194,024	103,589	2,121,669	2,500,000	(31,468,766)
Operation of Non-instructional Services	16,050,423	188,511	10,150,541	2,500,000	(3,211,371)
Total Governmental Activities	\$ 119,552,911	\$ 736,046	\$ 17,040,513	\$ 10,000,000	\$ (91,776,352)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 9,750,234
Local Option Sales Taxes					37,045,315
Mixed Drink Tax					239,507
Grants and Contributions Not Restricted to Specific Programs					59,610,632
Miscellaneous					67,376
Total General Revenues					\$ 106,713,064
Change in Net Position					\$ 14,936,712
Net Position, July 1, 2018					94,787,817
Net Position, June 30, 2019					\$ 109,724,529

Exhibit J-2

Madison County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Madison County School Department
June 30, 2019

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 11,021,107	\$ 16,276,372	\$ 3,127,560	\$ 30,425,039
Accounts Receivable	200,474	41,289	0	241,763
Due from Other Governments	6,827,536	0	788,519	7,616,055
Due from Other Funds	14,110	0	0	14,110
Due from Primary Government	2,325,384	0	0	2,325,384
Property Taxes Receivable	7,778,184	2,069,589	0	9,847,773
Allowance for Uncollectible Property Taxes	(188,931)	(52,986)	0	(241,917)
Restricted Assets	632,284	0	0	632,284
Total Assets	<u>\$ 28,610,148</u>	<u>\$ 18,334,264</u>	<u>\$ 3,916,079</u>	<u>\$ 50,860,491</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 98,339	\$ 175,810	\$ 3,114	\$ 277,263
Payroll Deductions Payable	3,491,866	0	399,028	3,890,894
Contracts Payable	0	427,772	0	427,772
Retainage Payable	0	22,514	0	22,514
Due to Other Funds	0	0	5,880	5,880
Total Liabilities	<u>\$ 3,590,205</u>	<u>\$ 626,096</u>	<u>\$ 408,022</u>	<u>\$ 4,624,323</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 7,395,481	\$ 1,959,252	\$ 0	\$ 9,354,733
Deferred Delinquent Property Taxes	163,659	48,433	0	212,092
Other Deferred/Unavailable Revenue	3,318,059	0	0	3,318,059
Total Deferred Inflows of Resources	<u>\$ 10,877,199</u>	<u>\$ 2,007,685</u>	<u>\$ 0</u>	<u>\$ 12,884,884</u>

(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>Governmental</u>	<u>Funds</u>
			<u>Funds</u>	
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 125,443	\$ 0	\$ 2,577	\$ 128,020
Restricted for Operation of Non-instructional Services	0	0	2,505,480	2,505,480
Restricted for Capital Outlay	0	12,372,230	0	12,372,230
Restricted for OPEB	357,132	0	0	357,132
Restricted for Hybrid Retirement Stabilization Funds	275,152	0	0	275,152
Committed:				
Committed for Education	4,469,378	0	0	4,469,378
Committed for Capital Outlay	0	3,328,253	0	3,328,253
Assigned:				
Assigned for Education	284,219	0	1,000,000	1,284,219
Unassigned	8,631,420	0	0	8,631,420
Total Fund Balances	<u>\$ 14,142,744</u>	<u>\$ 15,700,483</u>	<u>\$ 3,508,057</u>	<u>\$ 33,351,284</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 28,610,148</u>	<u>\$ 18,334,264</u>	<u>\$ 3,916,079</u>	<u>\$ 50,860,491</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, 2019

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)		\$ 33,351,284
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 2,098,171	
Add: construction in progress	6,215,666	
Add: buildings and improvements net of accumulated depreciation	62,750,376	
Add: infrastructure net of accumulated depreciation	167,469	
Add: other capital assets net of accumulated depreciation	<u>6,573,594</u>	77,805,276
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: net OPEB liability	\$ (14,689,172)	
Less: compensated absences payable	<u>(319,410)</u>	(15,008,582)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.		
Add: deferred outflows of resources related to pensions	\$ 9,906,735	
Less: deferred inflows of resources related to pensions	(8,386,510)	
Add: deferred outflows of resources related to OPEB	2,869,679	
Less: deferred inflows of resources related to OPEB	<u>(1,016,483)</u>	3,373,421
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension asset - agent plan	\$ 1,702,245	
Add: net pension asset - teacher retirement plan	614,707	
Add: net pension asset - teacher legacy pension plan	<u>4,356,027</u>	6,672,979
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>3,530,151</u>
Net position of governmental activities (Exhibit A)		<u>\$ 109,724,529</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, 2019

	Major Funds		Nonmajor	Total
	General Purpose School	Education Capital Projects	Other Governmental Funds	
<u>Revenues</u>				
Local Taxes	\$ 44,723,621	\$ 2,291,848	\$ 0	\$ 47,015,469
Licenses and Permits	11,697	0	0	11,697
Charges for Current Services	446,132	0	188,511	634,643
Other Local Revenues	377,302	0	33,131	410,433
State of Tennessee	54,340,032	0	76,500	54,416,532
Federal Government	164,185	0	18,925,052	19,089,237
Other Governments and Citizens Groups	2,436,826	10,000,000	0	12,436,826
Total Revenues	<u>\$ 102,499,795</u>	<u>\$ 12,291,848</u>	<u>\$ 19,223,194</u>	<u>\$ 134,014,837</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 60,161,219	\$ 0	\$ 7,190,478	\$ 67,351,697
Support Services	38,155,878	0	3,450,562	41,606,440
Operation of Non-Instructional Services	2,366,025	0	10,519,038	12,885,063
Capital Outlay	84,997	0	0	84,997
Debt Service:				
Other Debt Service	972,344	0	0	972,344
Capital Projects	0	11,286,555	0	11,286,555
Total Expenditures	<u>\$ 101,740,463</u>	<u>\$ 11,286,555</u>	<u>\$ 21,160,078</u>	<u>\$ 134,187,096</u>
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 759,332	\$ 1,005,293	\$ (1,936,884)	\$ (172,259)

(Continued)

Exhibit J-4

Madison County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
 Discretely Presented Madison County School Department (Cont.)

	Major Funds		Nonmajor	Total
	General Purpose School	Education Capital Projects	Other Governmental Funds	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 121,182	\$ 20,186	\$ 0	\$ 141,368
Transfers In	0	0	250,000	250,000
Transfers Out	(250,000)	0	0	(250,000)
Total Other Financing Sources (Uses)	<u>\$ (128,818)</u>	<u>\$ 20,186</u>	<u>\$ 250,000</u>	<u>\$ 141,368</u>
Net Change in Fund Balances	\$ 630,514	\$ 1,025,479	\$ (1,686,884)	\$ (30,891)
Fund Balance, July 1, 2018	<u>13,512,230</u>	<u>14,675,004</u>	<u>5,194,941</u>	<u>33,382,175</u>
Fund Balance, June 30, 2019	<u>\$ 14,142,744</u>	<u>\$ 15,700,483</u>	<u>\$ 3,508,057</u>	<u>\$ 33,351,284</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, 2019

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)		\$	(30,891)
(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	\$	9,873,327	
Less: current-year depreciation expense		<u>(3,645,378)</u>	6,227,949
(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, 2019	\$	3,530,151	
Less: deferred delinquent property taxes and other deferred June 30, 2018		<u>(3,055,365)</u>	474,786
(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 net OPEB liability	\$	219,175	
Change in compensated absences payable		26,036	
Change in net pension asset - agent plan		1,053,119	
Change in net pension asset - teacher retirement plan		254,595	
Change in net pension - teacher legacy pension plan		3,943,926	
Change in deferred outflows related to pensions		(452,440)	
Change in deferred inflows related to pensions		2,102,169	
Change in deferred outflows related to OPEB		1,607,109	
Change in deferred inflows related to OPEB		<u>(488,821)</u>	8,264,868
Change in net position of governmental activities (Exhibit B)			<u>\$ 14,936,712</u>

Madison County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Madison County School Department
June 30, 2019

	Special Revenue Funds		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 496,151	\$ 2,631,409	\$ 3,127,560
Due from Other Governments	788,519	0	788,519
Total Assets	\$ 1,284,670	\$ 2,631,409	\$ 3,916,079
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 3,114	\$ 3,114
Payroll Deductions Payable	277,274	121,754	399,028
Due to Other Funds	4,819	1,061	5,880
Total Liabilities	\$ 282,093	\$ 125,929	\$ 408,022
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 2,577	\$ 0	\$ 2,577
Restricted for Operation of Non-instructional Services	0	2,505,480	2,505,480
Assigned:			
Assigned for Education	1,000,000	0	1,000,000
Total Fund Balances	\$ 1,002,577	\$ 2,505,480	\$ 3,508,057
Total Liabilities and Fund Balances	\$ 1,284,670	\$ 2,631,409	\$ 3,916,079

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, 2019

	<u>Special Revenue Funds</u>		Total
	School		Nonmajor
	Federal	Central	Governmental
	Projects	Cafeteria	Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 188,511	\$ 188,511
Other Local Revenues	0	33,131	33,131
State of Tennessee	0	76,500	76,500
Federal Government	10,781,118	8,143,934	18,925,052
Total Revenues	<u>\$ 10,781,118</u>	<u>\$ 8,442,076</u>	<u>\$ 19,223,194</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 7,190,478	\$ 0	\$ 7,190,478
Support Services	3,450,562	0	3,450,562
Operation of Non-Instructional Services	135,942	10,383,096	10,519,038
Total Expenditures	<u>\$ 10,776,982</u>	<u>\$ 10,383,096</u>	<u>\$ 21,160,078</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 4,136</u>	<u>\$ (1,941,020)</u>	<u>\$ (1,936,884)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 250,000	\$ 0	\$ 250,000
Total Other Financing Sources (Uses)	<u>\$ 250,000</u>	<u>\$ 0</u>	<u>\$ 250,000</u>
Net Change in Fund Balances	\$ 254,136	\$ (1,941,020)	\$ (1,686,884)
Fund Balance, July 1, 2018	<u>748,441</u>	<u>4,446,500</u>	<u>5,194,941</u>
Fund Balance, June 30, 2019	<u>\$ 1,002,577</u>	<u>\$ 2,505,480</u>	<u>\$ 3,508,057</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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 44,723,621	\$ 0	\$ 0	\$ 44,723,621	\$ 46,977,898	\$ 46,977,898	\$ (2,254,277)
Licenses and Permits	11,697	0	0	11,697	9,518	9,518	2,179
Charges for Current Services	446,132	0	0	446,132	351,500	418,770	27,362
Other Local Revenues	377,302	0	0	377,302	260,500	286,973	90,329
State of Tennessee	54,340,032	0	0	54,340,032	53,048,668	54,432,664	(92,632)
Federal Government	164,185	0	0	164,185	135,000	135,000	29,185
Other Governments and Citizens Groups	2,436,826	0	0	2,436,826	35,000	2,539,200	(102,374)
Total Revenues	\$ 102,499,795	\$ 0	\$ 0	\$ 102,499,795	\$ 100,818,084	\$ 104,800,023	\$ (2,300,228)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 47,480,291	\$ (35,052)	\$ 21,818	\$ 47,467,057	\$ 48,608,500	\$ 48,537,436	\$ 1,070,379
Special Education Program	9,844,109	(135,118)	8,570	9,717,561	10,151,275	10,116,375	398,814
Career and Technical Education Program	2,836,819	(5,500)	0	2,831,319	2,848,000	3,048,334	217,015
<u>Support Services</u>							
Attendance	313,788	(527)	0	313,261	337,220	338,220	24,959
Health Services	821,816	0	0	821,816	869,200	878,200	56,384
Other Student Support	3,979,602	(3,348)	469	3,976,723	4,119,900	4,127,100	150,377
Regular Instruction Program	3,588,371	(179)	129	3,588,321	3,565,200	3,751,296	162,975
Special Education Program	825,228	0	698	825,926	827,400	874,000	48,074
Career and Technical Education Program	115,947	0	0	115,947	103,150	154,950	39,003
Technology	1,722,062	(37,203)	7,060	1,691,919	1,715,200	1,726,508	34,589
Other Programs	505,292	0	0	505,292	0	505,292	0
Board of Education	1,962,597	(47,538)	53,307	1,968,366	2,094,900	2,160,900	192,534
Director of Schools	778,911	(4,751)	1,012	775,172	846,450	852,150	76,978
Office of the Principal	6,950,641	0	0	6,950,641	7,117,900	7,083,300	132,659
Fiscal Services	831,513	(324)	0	831,189	848,150	848,450	17,261
Human Services/Personnel	532,387	(113)	0	532,274	564,150	583,380	51,106
Operation of Plant	5,757,010	0	315	5,757,325	6,222,500	6,097,500	340,175

(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 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 3,516,116	\$ (53,970)	\$ 190,256	\$ 3,652,402	\$ 3,349,115	\$ 3,766,163	\$ 113,761
Transportation	5,954,597	(17,237)	585	5,937,945	5,899,700	6,232,487	294,542
<u>Operation of Non-Instructional Services</u>							
Community Services	508,106	0	0	508,106	494,500	564,970	56,864
Early Childhood Education	1,857,919	(7,500)	0	1,850,419	1,791,160	1,905,691	55,272
<u>Capital Outlay</u>							
Regular Capital Outlay	84,997	(84,997)	0	0	0	0	0
<u>Other Debt Service</u>							
Education	972,344	0	0	972,344	972,344	972,344	0
Total Expenditures	\$ 101,740,463	\$ (433,357)	\$ 284,219	\$ 101,591,325	\$ 103,345,914	\$ 105,125,046	\$ 3,533,721
Excess (Deficiency) of Revenues Over Expenditures	\$ 759,332	\$ 433,357	\$ (284,219)	\$ 908,470	\$ (2,527,830)	\$ (325,023)	\$ 1,233,493
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 121,182	\$ 0	\$ 0	\$ 121,182	\$ 0	\$ 101,931	\$ 19,251
Transfers In	0	0	0	0	0	300,000	(300,000)
Transfers Out	(250,000)	0	0	(250,000)	0	(250,000)	0
Total Other Financing Sources	\$ (128,818)	\$ 0	\$ 0	\$ (128,818)	\$ 0	\$ 151,931	\$ (280,749)
Net Change in Fund Balance	\$ 630,514	\$ 433,357	\$ (284,219)	\$ 779,652	\$ (2,527,830)	\$ (173,092)	\$ 952,744
Fund Balance, July 1, 2018	13,512,230	(433,357)	0	13,078,873	12,420,428	13,078,873	0
Fund Balance, June 30, 2019	\$ 14,142,744	\$ 0	\$ (284,219)	\$ 13,858,525	\$ 9,892,598	\$ 12,905,781	\$ 952,744

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 10,781,118	\$ 0	\$ 10,781,118	\$ 9,787,988	\$ 13,117,085	\$ (2,335,967)
Total Revenues	\$ 10,781,118	\$ 0	\$ 10,781,118	\$ 9,787,988	\$ 13,117,085	\$ (2,335,967)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 3,984,478	\$ 0	\$ 3,984,478	\$ 3,489,139	\$ 4,591,506	\$ 607,028
Special Education Program	2,966,136	(1,263)	2,964,873	2,666,406	3,426,460	461,587
Career and Technical Education Program	239,864	0	239,864	210,634	243,317	3,453
<u>Support Services</u>						
Health Services	294,095	0	294,095	285,380	309,290	15,195
Other Student Support	537,009	0	537,009	492,254	860,215	323,206
Regular Instruction Program	1,899,608	0	1,899,608	1,705,079	2,547,994	648,386
Special Education Program	638,310	0	638,310	604,240	878,379	240,069
Career and Technical Education Program	4,582	0	4,582	4,000	6,500	1,918
Board of Education	105	0	105	0	106	1
Office of the Principal	5,868	0	5,868	0	5,871	3
Transportation	70,985	0	70,985	75,600	83,447	12,462
<u>Operation of Non-Instructional Services</u>						
Food Service	0	0	0	0	500	500
Community Services	135,942	0	135,942	230,000	163,500	27,558
Total Expenditures	\$ 10,776,982	\$ (1,263)	\$ 10,775,719	\$ 9,762,732	\$ 13,117,085	\$ 2,341,366
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,136	\$ 1,263	\$ 5,399	\$ 25,256	\$ 0	\$ 5,399

(Continued)

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 250,000	\$ 0	\$ 250,000	\$ 0	\$ 250,000	\$ 0
Total Other Financing Sources	\$ 250,000	\$ 0	\$ 250,000	\$ 0	\$ 250,000	\$ 0
Net Change in Fund Balance	\$ 254,136	\$ 1,263	\$ 255,399	\$ 25,256	\$ 250,000	\$ 5,399
Fund Balance, July 1, 2018	748,441	(1,263)	747,178	750,000	747,178	0
Fund Balance, June 30, 2019	\$ 1,002,577	\$ 0	\$ 1,002,577	\$ 775,256	\$ 997,178	\$ 5,399

Exhibit J-10

Madison County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Madison County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Charges for Current Services	\$ 188,511	\$ 0	\$ 0	\$ 188,511	\$ 397,600	\$ 397,600	\$ (209,089)
Other Local Revenues	33,131	0	0	33,131	14,200	14,200	18,931
State of Tennessee	76,500	0	0	76,500	83,000	83,000	(6,500)
Federal Government	8,143,934	0	0	8,143,934	9,505,800	9,560,787	(1,416,853)
Total Revenues	\$ 8,442,076	\$ 0	\$ 0	\$ 8,442,076	\$ 10,000,600	\$ 10,055,587	\$ (1,613,511)
<u>Expenditures</u>							
<u>Operation of Non-Instructional Services</u>							
Food Service	\$ 10,383,096	\$ (680,760)	\$ 111,275	\$ 9,813,611	\$ 10,548,000	\$ 11,236,250	\$ 1,422,639
Total Expenditures	\$ 10,383,096	\$ (680,760)	\$ 111,275	\$ 9,813,611	\$ 10,548,000	\$ 11,236,250	\$ 1,422,639
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,941,020)	\$ 680,760	\$ (111,275)	\$ (1,371,535)	\$ (547,400)	\$ (1,180,663)	\$ (190,872)
Net Change in Fund Balance	\$ (1,941,020)	\$ 680,760	\$ (111,275)	\$ (1,371,535)	\$ (547,400)	\$ (1,180,663)	\$ (190,872)
Fund Balance, July 1, 2018	4,446,500	(680,760)	0	3,765,740	3,167,412	3,765,740	0
Fund Balance, June 30, 2019	\$ 2,505,480	\$ 0	\$ (111,275)	\$ 2,394,205	\$ 2,620,012	\$ 2,585,077	\$ (190,872)

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, 2019

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2018	Add: Encumbrances 6/30/2019	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 2,291,848	\$ 0	\$ 0	\$ 2,291,848	\$ 2,248,055	\$ 2,248,055	\$ 43,793
Other Governments and Citizens Groups	10,000,000	0	0	10,000,000	0	10,000,000	0
Total Revenues	\$ 12,291,848	\$ 0	\$ 0	\$ 12,291,848	\$ 2,248,055	\$ 12,248,055	\$ 43,793
<u>Expenditures</u>							
<u>Capital Projects</u>							
Education Capital Projects	\$ 11,286,555	\$ (2,460,032)	\$ 6,247,026	\$ 15,073,549	\$ 3,336,455	\$ 16,151,349	\$ 1,077,800
Total Expenditures	\$ 11,286,555	\$ (2,460,032)	\$ 6,247,026	\$ 15,073,549	\$ 3,336,455	\$ 16,151,349	\$ 1,077,800
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,005,293	\$ 2,460,032	\$ (6,247,026)	\$ (2,781,701)	\$ (1,088,400)	\$ (3,903,294)	\$ 1,121,593
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 20,186	\$ 0	\$ 0	\$ 20,186	\$ 0	\$ 13,883	\$ 6,303
Total Other Financing Sources	\$ 20,186	\$ 0	\$ 0	\$ 20,186	\$ 0	\$ 13,883	\$ 6,303
Net Change in Fund Balance	\$ 1,025,479	\$ 2,460,032	\$ (6,247,026)	\$ (2,761,515)	\$ (1,088,400)	\$ (3,889,411)	\$ 1,127,896
Fund Balance, July 1, 2018	14,675,004	(2,460,032)	0	12,214,972	9,594,155	12,214,972	0
Fund Balance, June 30, 2019	\$ 15,700,483	\$ 0	\$ (6,247,026)	\$ 9,453,457	\$ 8,505,755	\$ 8,325,561	\$ 1,127,896

Exhibit J-12

Madison County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Madison County School Department
Fiduciary Fund
June 30, 2019

	<u>Other Trust Pension Trust Fund</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	<u>\$ 1,017,910</u>
Total Assets	<u>\$ 1,017,910</u>
<u>NET POSITION</u>	
Funds Held in Trust for Retirees	<u>\$ 1,017,910</u>
Total Net Position	<u><u>\$ 1,017,910</u></u>

Exhibit J-13

Madison County, Tennessee
Statement of Changes in Fiduciary Net Position
Discretely Presented Madison County School Department
Fiduciary Fund
For the Year Ended June 30, 2019

	Other Trust <hr/> Pension Trust Fund <hr/>
<u>ADDITIONS</u>	
<u>Contributions</u>	
Tennessee Consolidated Retirement System	\$ 144,766
Employer	<u>216,716</u>
Total Contributions	<u>\$ 361,482</u>
<u>Investment Income</u>	
Interest Earned	\$ 3,725
Total Investment Income	<u>\$ 3,725</u>
Total Additions	<u>\$ 365,207</u>
<u>DEDUCTIONS</u>	
Benefits	\$ 361,482
Trustee's Commission	<u>37</u>
Total Deductions	<u>\$ 361,519</u>
Change in Net Position	\$ 3,688
Net Position, July 1, 2018	<u>1,014,222</u>
Net Position, June 30, 2019	<u>\$ 1,017,910</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Madison County, Tennessee
Schedule of Changes in Long-term Notes and Bonds
For the Year Ended June 30, 2019

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-18	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-19
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Capital Outlay Note, Series 2017A	\$ 1,000,000	2.48	% 6-27-17	4-1-28	\$ 915,000	\$ 0	\$ 81,000	\$ 834,000
General Capital Outlay Note, Series 2017B	9,000,000	2.51	12-7-17	4-1-29	9,000,000	0	730,000	8,270,000
Total Notes Payable					<u>\$ 9,915,000</u>	<u>\$ 0</u>	<u>\$ 811,000</u>	<u>\$ 9,104,000</u>
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Refunding Bonds, Series 2006	2,355,000	4.8	3-15-06	4-1-19	\$ 2,355,000	\$ 0	\$ 2,355,000	\$ 0
Build America Bonds	10,820,000	1.1 to 5.25	11-17-09	5-14-19	6,320,000	0	6,320,000	0
Refunding Bonds, Series 2010	15,395,000	3 to 4	3-31-10	6-30-23	15,395,000	0	1,125,000	14,270,000
General Obligation Bonds, Series 2018	34,805,000	5	5-23-18	5-1-28	34,805,000	0	0	34,805,000
General Obligation Bonds, Series 2018A	17,820,000	3 to 5	12-20-18	5-1-34	0	17,820,000	0	17,820,000
General Obligation School Bonds, Series 2019	9,020,000	2.5 to 5	6-6-19	5-1-34	0	9,020,000	0	9,020,000
Total Bonds Payable					<u>\$ 58,875,000</u>	<u>\$ 26,840,000</u>	<u>\$ 9,800,000</u>	<u>\$ 75,915,000</u>

Exhibit K-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2020	\$ 828,000	\$ 228,260	\$ 1,056,260
2021	850,000	207,502	1,057,502
2022	868,000	186,193	1,054,193
2023	890,000	164,432	1,054,432
2024	907,000	142,120	1,049,120
2025	930,000	119,382	1,049,382
2026	953,000	96,068	1,049,068
2027	975,000	72,177	1,047,177
2028	993,000	47,735	1,040,735
2029	910,000	22,841	932,841
Total	\$ 9,104,000	\$ 1,286,710	\$ 10,390,710

Year Ending June 30	Bonds		
	Principal	Interest	Total
2020	\$ 8,475,000	\$ 3,293,998	\$ 11,768,998
2021	8,830,000	2,944,581	11,774,581
2022	9,230,000	2,544,732	11,774,732
2023	6,905,000	2,164,512	9,069,512
2024	5,395,000	1,852,356	7,247,356
2025	5,660,000	1,587,856	7,247,856
2026	5,945,000	1,304,857	7,249,857
2027	6,230,000	1,013,356	7,243,356
2028	6,535,000	713,806	7,248,806
2029	1,950,000	399,506	2,349,506
2030	2,030,000	321,507	2,351,507
2031	2,085,000	264,031	2,349,031
2032	2,150,000	204,981	2,354,981
2033	2,215,000	140,494	2,355,494
2034	2,280,000	72,200	2,352,200
Total	\$ 75,915,000	\$ 18,822,773	\$ 94,737,773

Exhibit K-3

Madison County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Madison County School Department
For the Year Ended June 30, 2019

<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
Highway/Public Works	General	Finance Department operations	29,203
General Debt Service	General Capital Projects	Capital outlay	<u>271,640</u>
Total Transfers Primary Government			<u>\$ 525,843</u>
<u>DISCRETELY PRESENTED MADISON COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Cash flow funds	<u>\$ 250,000</u>
Total Transfers Discretely Presented Madison County School Department			<u>\$ 250,000</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, 2019

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 120,394	\$ 400,000	Local Government Property and Casualty Fund
Highway Engineer	Section 8-24-102, TCA	123,715 (1)	100,000	RLI Insurance Company
Director of Schools	State Board of Education and County Board of Education	193,846 (2)	400,000	Local Government Property and Casualty Fund
Trustee	Section 8-24-102, TCA	90,887 (3)	4,182,265	Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, TCA	90,887 (3)	50,000	"
Director of Finance	County Commission	116,476 (4)	400,000	Local Government Property and Casualty Fund
County Clerk	Section 8-24-102, TCA	90,887 (3)	400,000	"
Circuit and General Session Courts Clerk	Section 8-24-102, TCA	99,783 (5)	120,000	RLI Insurance Company
Clerk and Master	Section 8-24-102, TCA and Chancery Court Judge	99,783 (5) (6)	400,000	Local Government Property and Casualty Fund
Juvenile Court Clerk	Chapter 212, Private Acts of 1990	88,957	400,000	"
Register of Deeds	Section 8-24-102, TCA	90,887 (3)	400,000	"
Sheriff	Section 8-24-102, TCA, and County Commission	114,725 (7)	400,000	"
Employees Blanket Bond:				
Office:				
County Mayor:				
	All Employees		400,000	Local Government Property and Casualty Fund
Highway Engineer:				
	All Employees		400,000	"
Director of Schools:				
	All Employees		400,000	"

- (1) Includes accrued leave of \$9,922 and a certified public administrator supplement of \$1,930.
- (2) Includes accrued leave of \$18,846.
- (3) Includes a certified public administrator supplement of \$1,930.
- (4) Includes accrued leave of \$19,215 and educational incentive pay of \$3,000.
- (5) Includes additional compensation of \$8,896 for multiple courts and a certified public administrator supplement of \$1,930.
- (6) Does not include special commissioner fees of \$6,933.
- (7) Includes compensation of \$16,275 for supervision of the county workhouse (penal farm) and a law enforcement training supplement of \$600.

Exhibit K-5

Madison County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2019

	Special Revenue Funds				
	General	Juvenile Services	Solid Waste / Sanitation	Local Purpose Tax	Special Purpose
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 25,485,700	\$ 1,222,703	\$ 779,288	\$ 0	0
Trustee's Collections - Prior Year	557,121	31,901	22,091	0	0
Trustee's Collections - Bankruptcy	33,666	1,939	1,077	511	0
Circuit Clerk/Clerk and Master Collections - Prior Years	462,511	25,306	19,078	0	0
Interest and Penalty	123,991	6,411	4,196	0	0
Payments in-Lieu-of Taxes - Local Utilities	487,951	23,411	18,095	0	0
Payments in-Lieu-of Taxes - Other	299,573	14,400	9,215	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,081,623	0	0	0	0
Hotel/Motel Tax	642,597	0	0	0	0
Litigation Tax - General	363,730	0	0	0	0
Litigation Tax - Special Purpose	332,012	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Business Tax	1,027,726	0	0	531,898	0
Mixed Drink Tax	392	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	55,810	2,678	1,328	0	0
Wholesale Beer Tax	251,007	0	0	0	0
Total Local Taxes	\$ 31,205,410	\$ 1,328,749	\$ 854,368	\$ 532,409	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 46,013	\$ 0	\$ 0	\$ 0	0
Animal Vaccination	6,230	0	0	0	0
Cable TV Franchise	258,250	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>Permits</u>					
Building Permits	\$ 143,160	\$ 0	\$ 0	\$ 0	0
Other Permits	945	0	0	0	0
Total Licenses and Permits	<u>\$ 454,598</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 28,927	\$ 0	\$ 0	\$ 0	0
Officers Costs	48,219	0	0	0	0
Drug Control Fines	8,601	0	0	0	0
Drug Court Fees	4,467	0	0	0	0
Jail Fees	13,234	0	0	0	0
DUI Treatment Fines	2,915	0	0	0	0
Data Entry Fee - Circuit Court	4,896	0	0	0	0
Courtroom Security Fee	1,381	0	0	0	0
Victims Assistance Assessments	5,838	0	0	0	0
<u>General Sessions Court</u>					
Fines	32,218	0	0	0	0
Officers Costs	150,096	0	0	0	0
Game and Fish Fines	202	0	0	0	0
Drug Control Fines	19,462	0	0	0	0
Drug Court Fees	5,591	0	0	0	0
Jail Fees	38,184	0	0	0	0
Interpreter Fee	71	0	0	0	0
DUI Treatment Fines	10,425	0	0	0	0
Data Entry Fee - General Sessions Court	59,498	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>					
Courtroom Security Fee	\$ 1,215	\$ 0	\$ 0	\$ 0	0
Victims Assistance Assessments	17,388	0	0	0	0
<u>Juvenile Court</u>					
Officers Costs	1,960	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	6,696	0	0	0	0
Data Entry Fee - Chancery Court	29,469	0	0	0	0
Courtroom Security Fee	10	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	218,735	0	0	0	0
Other Fines, Forfeitures, and Penalties	12	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 709,710	\$ 0	\$ 0	\$ 0	0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 0	\$ 130,185	\$ 0	0
Surcharge - Waste Tire Disposal	0	0	142,461	0	0
Patient Charges	2,158	0	0	0	0
Health Department Collections	190,712	0	0	0	780,280
Other General Service Charges	7,950	102	0	0	0
<u>Fees</u>					
Engineer Review Fees	12,252	0	0	0	0
Recreation Fees	126,744	0	0	0	0
Copy Fees	1,987	0	0	0	0
Greenbelt Late Application Fee	750	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	\$ 340,797	\$ 0	\$ 0	\$ 0	0
Vending Machine Collections	182,276	0	0	0	0
Electronic Citation Fee	3,920	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Data Processing Fee - Register	30,920	0	0	0	0
Data Processing Fee - Sheriff	11,030	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,400	0	0	0	0
Data Processing Fee - County Clerk	14,394	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	3,200	0	0	0	0
<u>Education Charges</u>					
Community Service Fees - Adults	0	0	0	0	491,762
TBI Criminal Background Fee	2,950	0	0	0	0
Total Charges for Current Services	\$ 936,440	\$ 102	\$ 272,646	\$ 0	\$ 1,272,042
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 428	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	58,835	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0
Sale of Maps	609	0	0	0	0
Sale of Recycled Materials	0	0	39,990	0	0
Miscellaneous Refunds	435,008	1,020	17,206	0	1,843
Expenditure Credits	10,943	0	0	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	18,304	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>Nonrecurring Items (Cont.)</u>					
Sale of Property	\$ 73,190	\$ 0	\$ 0	\$ 0	0
Damages Recovered from Individuals	6,993	0	0	0	0
Contributions and Gifts	1,500	0	0	0	0
<u>Other Local Revenues</u>	2,329	0	0	0	0
Total Other Local Revenues	<u>\$ 608,139</u>	<u>\$ 1,020</u>	<u>\$ 57,196</u>	<u>\$ 0</u>	<u>\$ 1,843</u>
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 848,043	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	585,255	0	0	0	0
General Sessions Court Clerk	1,187,370	0	0	0	0
Clerk and Master	684,241	0	0	0	0
Juvenile Court Clerk	101,480	0	0	0	0
Register	418,370	0	0	0	0
Sheriff	47,674	0	0	0	0
Trustee	2,070,965	0	0	0	0
Total Fees Received From County Officials	<u>\$ 5,943,398</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>State of Tennessee</u>					
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	\$ 66,000	\$ 0	\$ 0	\$ 0	0
Drug Control Grants	0	0	0	0	88,839
Other Public Safety Grants	2,000	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>State of Tennessee (Cont.)</u>					
<u>Health and Welfare Grants</u>					
Health Department Programs	\$ 0	\$ 0	\$ 0	\$ 0	2,878,307
<u>Public Works Grants</u>					
Litter Program	0	0	0	0	27,292
Tennessee Industrial Infrastructure Program	0	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	134,890	0	0	0	0
Beer Tax	17,959	0	0	0	0
Vehicle Certificate of Title Fees	16,422	0	0	0	0
Alcoholic Beverage Tax	177,172	0	0	0	0
State Revenue Sharing - Telecommunications	148,191	0	0	0	0
Prisoner Transportation	22,016	0	0	0	0
Contracted Prisoner Boarding	701,805	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	613,663	0	0	0	0
Other State Revenues	17,089	9,000	0	0	773,387
Total State of Tennessee	\$ 1,932,371	\$ 9,000	\$ 0	\$ 0	\$ 3,767,825
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 94,000	\$ 0	\$ 0	\$ 0	0
Law Enforcement Grants	33,056	0	0	0	0
Other Federal through State	18,211	154,693	0	0	136,472

(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>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	\$ 17,600	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	<u>\$ 162,867</u>	<u>\$ 154,693</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 136,472</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board	\$ 24,248	\$ 73,704	\$ 0	\$ 0	\$ 0
Contributions	1,176,522	0	0	0	0
Contracted Services	1,911,643	0	0	0	225,422
Total Other Governments and Citizens Groups	<u>\$ 3,112,413</u>	<u>\$ 73,704</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 225,422</u>
Total	<u>\$ 45,065,346</u>	<u>\$ 1,567,268</u>	<u>\$ 1,184,210</u>	<u>\$ 532,409</u>	<u>\$ 5,403,604</u>

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service	Capital
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	Fund	Projects Funds
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 0	\$ 0	1,687,864	\$ 11,168,371	\$ 3,179,711
Trustee's Collections - Prior Year	0	115,906	0	43,921	210,657	66,173
Trustee's Collections - Bankruptcy	0	739	0	2,733	11,812	2,409
Circuit Clerk/Clerk and Master Collections - Prior Years	0	46,381	0	33,250	154,943	49,424
Interest and Penalty	0	19,366	0	8,963	48,650	13,174
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	32,316	213,602	60,879
Payments in-Lieu-of Taxes - Other	0	1,194	0	19,877	130,788	37,327
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	0
Hotel/Motel Tax	0	0	0	0	0	0
Litigation Tax - General	0	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	360,542	0
Business Tax	0	0	0	0	503,779	0
Mixed Drink Tax	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	47,889	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	3,696	24,431	6,963
Wholesale Beer Tax	0	0	0	0	0	0
Total Local Taxes	\$ 0	\$ 183,586	\$ 0	\$ 1,880,509	\$ 12,827,575	\$ 3,416,060
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Animal Vaccination	0	0	0	0	0	0
Cable TV Franchise	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service	Capital
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	Fund General Debt Service	Projects Funds General Capital Projects
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Building Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Permits	0	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>0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0
Drug Court Fees	0	0	0	0	0	0
Jail Fees	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0
Victims Assistance Assessments	0	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0	0
Drug Control Fines	18,933	0	0	0	0	0
Drug Court Fees	0	0	0	0	0	0
Jail Fees	0	0	0	0	0	0
Interpreter Fee	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service	Capital
	Drug Control	Other Special Revenue	Constitutional - Officers - Fees	Highway / Public Works	Fund General Debt Service	Projects Funds General Capital Projects
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Courtroom Security Fee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Victims Assistance Assessments	0	0	0	0	0	0
<u>Juvenile Court</u>						
Officers Costs	0	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	0
Data Entry Fee - Chancery Court	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	27,126	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 46,059	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Tipping Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Surcharge - Waste Tire Disposal	0	0	0	0	0	0
Patient Charges	0	0	0	0	0	0
Health Department Collections	0	0	0	0	0	0
Other General Service Charges	0	0	0	0	0	0
<u>Fees</u>						
Engineer Review Fees	0	0	0	0	0	0
Recreation Fees	0	0	0	0	0	0
Copy Fees	0	0	0	0	0	0
Greenbelt Late Application Fee	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Telephone Commissions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Vending Machine Collections	0	0	0	0	0	0
Electronic Citation Fee	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	6,933	0	0	0
Data Processing Fee - Register	0	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	0
Data Processing Fee - County Clerk	0	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	0	0
<u>Education Charges</u>						
Community Service Fees - Adults	0	0	0	0	0	0
TBI Criminal Background Fee	0	0	0	0	0	0
Total Charges for Current Services	\$ 0	\$ 0	\$ 6,933	\$ 0	\$ 0	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	1,788,932	\$ 0
Lease/Rentals	0	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	11,540	0	0
Sale of Maps	0	0	0	0	0	0
Sale of Recycled Materials	0	0	0	0	0	0
Miscellaneous Refunds	0	0	0	309	0	2,100
Expenditure Credits	0	0	0	0	0	0
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	22,131

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service	Capital
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	Fund	Projects Funds
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Sale of Property	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Damages Recovered from Individuals	0	0	0	0	0	0
Contributions and Gifts	0	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	0
Total Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 11,849	\$ 1,788,932	\$ 24,231
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	0	0	0	0	0	0
General Sessions Court Clerk	0	0	0	0	0	0
Clerk and Master	0	0	0	0	0	0
Juvenile Court Clerk	0	0	0	0	0	0
Register	0	0	0	0	0	0
Sheriff	0	0	0	0	0	0
Trustee	0	0	0	0	0	0
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Drug Control Grants	0	0	0	0	0	0
Other Public Safety Grants	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service	Capital
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	Fund General Debt Service	Projects Funds General Capital Projects
<u>State of Tennessee (Cont.)</u>						
<u>Health and Welfare Grants</u>						
Health Department Programs	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Public Works Grants</u>						
Litter Program	0	0	0	0	0	0
Tennessee Industrial Infrastructure Program	0	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	0
Beer Tax	0	0	0	0	0	0
Vehicle Certificate of Title Fees	0	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0	0
State Revenue Sharing - Telecommunications	0	0	0	0	0	0
Prisoner Transportation	0	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	3,177,545	0	0
Petroleum Special Tax	0	0	0	70,924	0	0
Registrar's Salary Supplement	0	0	0	0	0	0
Other State Grants	0	0	0	0	0	239,779
Other State Revenues	0	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 3,248,469	\$ 0	\$ 239,779
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Law Enforcement Grants	0	0	0	0	0	0
Other Federal through State	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Funds
	Drug Control	Other Special Revenue	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	0	0	0	0	972,344	1,635,000
Contracted Services	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 972,344	\$ 1,635,000
Total	\$ 46,059	\$ 183,586	\$ 6,933	\$ 5,140,827	\$ 15,588,851	\$ 5,315,070

(Continued)

Exhibit K-5

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 0	\$ 43,523,637
Trustee's Collections - Prior Year	0	1,047,770
Trustee's Collections - Bankruptcy	0	54,886
Circuit Clerk/Clerk and Master Collections - Prior Years	0	790,893
Interest and Penalty	0	224,751
Payments in-Lieu-of Taxes - Local Utilities	0	836,254
Payments in-Lieu-of Taxes - Other	0	512,374
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	1,081,623
Hotel/Motel Tax	0	642,597
Litigation Tax - General	0	363,730
Litigation Tax - Special Purpose	0	332,012
Litigation Tax - Jail, Workhouse, or Courthouse	0	360,542
Business Tax	0	2,063,403
Mixed Drink Tax	0	392
Mineral Severance Tax	0	47,889
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	94,906
Wholesale Beer Tax	0	251,007
Total Local Taxes	<u>\$ 0</u>	<u>\$ 52,228,666</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Animal Registration	\$ 0	\$ 46,013
Animal Vaccination	0	6,230
Cable TV Franchise	0	258,250

(Continued)

Exhibit K-5

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>Licenses and Permits (Cont.)</u>		
<u>Permits</u>		
Building Permits	\$ 0	\$ 143,160
Other Permits	0	945
Total Licenses and Permits	<u>\$ 0</u>	<u>\$ 454,598</u>
<u>Fines, Forfeitures, and Penalties</u>		
<u>Circuit Court</u>		
Fines	\$ 0	\$ 28,927
Officers Costs	0	48,219
Drug Control Fines	0	8,601
Drug Court Fees	0	4,467
Jail Fees	0	13,234
DUI Treatment Fines	0	2,915
Data Entry Fee - Circuit Court	0	4,896
Courtroom Security Fee	0	1,381
Victims Assistance Assessments	0	5,838
<u>General Sessions Court</u>		
Fines	0	32,218
Officers Costs	0	150,096
Game and Fish Fines	0	202
Drug Control Fines	0	38,395
Drug Court Fees	0	5,591
Jail Fees	0	38,184
Interpreter Fee	0	71
DUI Treatment Fines	0	10,425
Data Entry Fee - General Sessions Court	0	59,498

(Continued)

Exhibit K-5

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>General Sessions Court (Cont.)</u>		
Courtroom Security Fee	\$ 0	\$ 1,215
Victims Assistance Assessments	0	17,388
<u>Juvenile Court</u>		
Officers Costs	0	1,960
<u>Chancery Court</u>		
Officers Costs	0	6,696
Data Entry Fee - Chancery Court	0	29,469
Courtroom Security Fee	0	10
<u>Other Fines, Forfeitures, and Penalties</u>		
Proceeds from Confiscated Property	0	245,861
Other Fines, Forfeitures, and Penalties	0	12
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 755,769
<u>Charges for Current Services</u>		
<u>General Service Charges</u>		
Tipping Fees	\$ 0	\$ 130,185
Surcharge - Waste Tire Disposal	0	142,461
Patient Charges	0	2,158
Health Department Collections	0	970,992
Other General Service Charges	0	8,052
<u>Fees</u>		
Engineer Review Fees	0	12,252
Recreation Fees	0	126,744
Copy Fees	0	1,987
Greenbelt Late Application Fee	0	750

(Continued)

Exhibit K-5

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>Charges for Current Services (Cont.)</u>		
<u>Fees (Cont.)</u>		
Telephone Commissions	\$ 0	\$ 340,797
Vending Machine Collections	0	182,276
Electronic Citation Fee	0	3,920
Constitutional Officers' Fees and Commissions	0	6,933
Data Processing Fee - Register	0	30,920
Data Processing Fee - Sheriff	0	11,030
Sexual Offender Registration Fee - Sheriff	0	4,400
Data Processing Fee - County Clerk	0	14,394
Vehicle Insurance Coverage and Reinstatement Fees	0	3,200
<u>Education Charges</u>		
Community Service Fees - Adults	0	491,762
TBI Criminal Background Fee	0	2,950
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 2,488,163</u>
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 0	\$ 1,789,360
Lease/Rentals	26,604	85,439
Sale of Materials and Supplies	0	11,540
Sale of Maps	0	609
Sale of Recycled Materials	0	39,990
Miscellaneous Refunds	0	457,486
Expenditure Credits	0	10,943
<u>Nonrecurring Items</u>		
Sale of Equipment	0	40,435

(Continued)

Exhibit K-5

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>Other Local Revenues (Cont.)</u>		
<u>Nonrecurring Items (Cont.)</u>		
Sale of Property	\$ 0	\$ 73,190
Damages Recovered from Individuals	0	6,993
Contributions and Gifts	0	1,500
<u>Other Local Revenues</u>		
Other Local Revenues	0	2,329
Total Other Local Revenues	<u>\$ 26,604</u>	<u>\$ 2,519,814</u>
<u>Fees Received From County Officials</u>		
<u>Fees In-Lieu-of Salary</u>		
County Clerk	\$ 0	\$ 848,043
Circuit Court Clerk	0	585,255
General Sessions Court Clerk	0	1,187,370
Clerk and Master	0	684,241
Juvenile Court Clerk	0	101,480
Register	0	418,370
Sheriff	0	47,674
Trustee	0	2,070,965
Total Fees Received From County Officials	<u>\$ 0</u>	<u>\$ 5,943,398</u>
<u>State of Tennessee</u>		
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	\$ 0	\$ 66,000
Drug Control Grants	0	88,839
Other Public Safety Grants	0	2,000

(Continued)

Exhibit K-5

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>State of Tennessee (Cont.)</u>		
<u>Health and Welfare Grants</u>		
Health Department Programs	\$ 0	\$ 2,878,307
<u>Public Works Grants</u>		
Litter Program	0	27,292
Tennessee Industrial Infrastructure Program	75,327	75,327
<u>Other State Revenues</u>		
Income Tax	0	134,890
Beer Tax	0	17,959
Vehicle Certificate of Title Fees	0	16,422
Alcoholic Beverage Tax	0	177,172
State Revenue Sharing - Telecommunications	0	148,191
Prisoner Transportation	0	22,016
Contracted Prisoner Boarding	0	701,805
Gasoline and Motor Fuel Tax	0	3,177,545
Petroleum Special Tax	0	70,924
Registrar's Salary Supplement	0	15,164
Other State Grants	0	853,442
Other State Revenues	0	799,476
Total State of Tennessee	\$ 75,327	\$ 9,272,771
<u>Federal Government</u>		
<u>Federal Through State</u>		
Civil Defense Reimbursement	\$ 0	\$ 94,000
Law Enforcement Grants	0	33,056
Other Federal through State	0	309,376

(Continued)

Exhibit K-5

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<hr/>		
<u>Federal Government (Cont.)</u>		
<u>Direct Federal Revenue</u>		
Other Direct Federal Revenue	\$ 0	\$ 17,600
Total Federal Government	<u>\$ 0</u>	<u>\$ 454,032</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Prisoner Board	\$ 0	\$ 97,952
Contributions	0	3,783,866
Contracted Services	0	2,137,065
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 6,018,883</u>
Total	<u>\$ 101,931</u>	<u>\$ 80,136,094</u>

Exhibit K-6

Madison County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Madison County School Department
For the Year Ended June 30, 2019

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Projects Fund Education Capital Projects</u>	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 7,232,226	\$ 0	\$ 0	\$ 2,132,910	\$ 9,365,136
Trustee's Collections - Prior Year	67,681	0	0	32,822	100,503
Trustee's Collections - Bankruptcy	9,900	0	0	3,342	13,242
Circuit Clerk/Clerk and Master Collections - Prior Years	75,544	0	0	43,888	119,432
Interest and Penalty	26,188	0	0	8,639	34,827
Payments in-Lieu-of Taxes - T.V.A.	1,539	0	0	0	1,539
Payments in-Lieu-of Taxes - Local Utilities	137,895	0	0	40,837	178,732
Payments in-Lieu-of Taxes - Other	310,239	0	0	24,739	334,978
<u>County Local Option Taxes</u>					
Local Option Sales Tax	36,607,151	0	0	0	36,607,151
Mixed Drink Tax	239,486	0	0	0	239,486
<u>Statutory Local Taxes</u>					
Bank Excise Tax	15,772	0	0	4,671	20,443
Total Local Taxes	\$ 44,723,621	\$ 0	\$ 0	\$ 2,291,848	\$ 47,015,469
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 7,942	\$ 0	\$ 0	\$ 0	\$ 7,942
<u>Permits</u>					
Other Permits	3,755	0	0	0	3,755
Total Licenses and Permits	\$ 11,697	\$ 0	\$ 0	\$ 0	\$ 11,697

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Projects Fund Education Capital Projects</u>	
<u>Charges for Current Services</u>					
<u>Fees</u>					
Vending Machine Collections	\$ 2,186	\$ 0	\$ 0	\$ 0	\$ 2,186
<u>Education Charges</u>					
Tuition - Other	443,946	0	0	0	443,946
Lunch Payments - Adults	0	0	94,821	0	94,821
A la Carte Sales	0	0	93,690	0	93,690
Total Charges for Current Services	\$ 446,132	\$ 0	\$ 188,511	\$ 0	\$ 634,643
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 13,890	\$ 0	\$ 11,087	\$ 0	\$ 24,977
Lease/Rentals	99,834	0	0	0	99,834
Sale of Recycled Materials	240	0	0	0	240
E-Rate Funding	7,926	0	0	0	7,926
Miscellaneous Refunds	23,578	0	0	0	23,578
Expenditure Credits	0	0	16,740	0	16,740
<u>Nonrecurring Items</u>					
Gain on Retirement of Debt	13,960	0	0	0	13,960
Sale of Equipment	40,582	0	5,304	0	45,886
Damages Recovered from Individuals	1,292	0	0	0	1,292
Contributions and Gifts	176,000	0	0	0	176,000
Total Other Local Revenues	\$ 377,302	\$ 0	\$ 33,131	\$ 0	\$ 410,433

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Projects Fund Education Capital Projects</u>	
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 505,292	\$ 0	\$ 0	\$ 0	\$ 505,292
<u>State Education Funds</u>					
Basic Education Program	49,895,747	0	0	0	49,895,747
Early Childhood Education	1,377,621	0	0	0	1,377,621
School Food Service	0	0	76,500	0	76,500
Other State Education Funds	490,226	0	0	0	490,226
Career Ladder Program	289,936	0	0	0	289,936
Vocational Equipment	1,202	0	0	0	1,202
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	1,275,651	0	0	0	1,275,651
Other State Grants	501,274	0	0	0	501,274
Other State Revenues	3,083	0	0	0	3,083
Total State of Tennessee	\$ 54,340,032	\$ 0	\$ 76,500	\$ 0	\$ 54,416,532
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 4,351,848	\$ 0	\$ 4,351,848
USDA - Commodities	0	0	698,686	0	698,686
Breakfast	0	0	2,818,974	0	2,818,974
USDA - Other	0	0	274,426	0	274,426
Vocational Education - Basic Grants to States	0	280,858	0	0	280,858
Title I Grants to Local Education Agencies	0	5,419,600	0	0	5,419,600
Special Education - Grants to States	0	3,825,544	0	0	3,825,544
Special Education Preschool Grants	0	58,732	0	0	58,732

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Projects Fund Education Capital Projects</u>	
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
English Language Acquisition Grants	\$ 0	\$ 58,499	\$ 0	\$ 0	\$ 58,499
Safe and Drug-free Schools - State Grants	0	137,189	0	0	137,189
Education for Homeless Children and Youth	0	18,113	0	0	18,113
Eisenhower Professional Development State Grants	0	656,544	0	0	656,544
Other Federal through State	0	326,039	0	0	326,039
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	164,185	0	0	0	164,185
Total Federal Government	\$ 164,185	\$ 10,781,118	\$ 8,143,934	\$ 0	\$ 19,089,237
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 2,300,000	\$ 0	\$ 0	\$ 10,000,000	\$ 12,300,000
<u>Other</u>					
Other	136,826	0	0	0	136,826
Total Other Governments and Citizens Groups	\$ 2,436,826	\$ 0	\$ 0	\$ 10,000,000	\$ 12,436,826
Total	\$ 102,499,795	\$ 10,781,118	\$ 8,442,076	\$ 12,291,848	\$ 134,014,837

Exhibit K-7

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2019

General Fund

General Government

County Commission

Secretary to Board	\$	77,789	
Part-time Personnel		30	
Educational Incentive - Other County Employees		300	
Board and Committee Members Fees		93,600	
Social Security		12,661	
Handling Charges and Administrative Costs		1,009	
Pensions		6,267	
Employee and Dependent Insurance		1,853	
Life Insurance		143	
Medical Insurance		13,255	
Dental Insurance		578	
Unemployment Compensation		2	
Local Retirement		15	
Travel		2,467	
Office Supplies		2,058	
Utilities		358	
Other Charges		1,174	
Total County Commission			\$ 213,559

County Mayor/Executive

County Official/Administrative Officer	\$	120,394	
Educational Incentive - Other County Employees		3,100	
Other Salaries and Wages		45,847	
Social Security		12,298	
Handling Charges and Administrative Costs		553	
Pensions		24,141	
Employee and Dependent Insurance		1,536	
Life Insurance		323	
Medical Insurance		6,600	
Dental Insurance		288	
Communication		1,336	
Travel		6,682	
Office Supplies		2,218	
Other Supplies and Materials		4,013	
Other Charges		12,000	
Total County Mayor/Executive			241,329

Personnel Office

Supervisor/Director	\$	81,766	
Part-time Personnel		5,655	
Educational Incentive - Other County Employees		6,200	
Other Salaries and Wages		75,853	
Social Security		12,098	
Handling Charges and Administrative Costs		1,542	
Pensions		19,932	
Employee and Dependent Insurance		3,329	
Life Insurance		296	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Personnel Office (Cont.)

Medical Insurance	\$	18,370	
Dental Insurance		801	
Local Retirement		14	
Communication		1,415	
Contracts with Private Agencies		1,120	
Dues and Memberships		473	
Travel		2,653	
Office Supplies		877	
Total Personnel Office			\$ 232,394

County Attorney

Other Contracted Services	\$	91,575	
Total County Attorney			91,575

Election Commission

County Official/Administrative Officer	\$	88,957	
Deputy(ies)		86,783	
Election Commission		6,800	
Election Workers		140,903	
Social Security		17,360	
Handling Charges and Administrative Costs		1,657	
Pensions		19,603	
Employee and Dependent Insurance		4,638	
Life Insurance		351	
Medical Insurance		19,855	
Dental Insurance		866	
Local Retirement		17	
Communication		2,266	
Operating Lease Payments		1,418	
Legal Notices, Recording, and Court Costs		8,298	
Maintenance and Repair Services - Equipment		30,410	
Postal Charges		567	
Printing, Stationery, and Forms		4,679	
Rentals		880	
Travel		363	
Data Processing Supplies		1,160	
Office Supplies		4,695	
Liability Insurance		7,024	
Total Election Commission			449,550

Register of Deeds

County Official/Administrative Officer	\$	88,957	
Deputy(ies)		163,021	
Educational Incentive - Official/Admin Officer		1,930	
Educational Incentive - Other County Employees		7,625	
Social Security		19,235	
Handling Charges and Administrative Costs		2,118	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Pensions	\$	12,868	
Employee and Dependent Insurance		3,196	
Life Insurance		502	
Medical Insurance		26,482	
Dental Insurance		1,155	
Local Retirement		5,244	
Travel		716	
Data Processing Supplies		28,474	
Office Supplies		10,083	
Total Register of Deeds			\$ 371,606

County Buildings

Supervisor/Director	\$	50,951	
Custodial Personnel		71,192	
Part-time Personnel		22,463	
Overtime Pay		2,960	
Social Security		10,486	
Handling Charges and Administrative Costs		1,646	
Pensions		17,790	
Employee and Dependent Insurance		3,629	
Life Insurance		249	
Medical Insurance		19,613	
Dental Insurance		855	
Communication		1,724	
Maintenance and Repair Services - Buildings		77,660	
Maintenance and Repair Services - Vehicles		2,191	
Other Contracted Services		42,755	
Custodial Supplies		8,187	
Gasoline		5,389	
Building Improvements		13,583	
Heating and Air Conditioning Equipment		56,638	
Motor Vehicles		5,523	
Other Equipment		6,682	
Total County Buildings			422,166

Other Facilities

Custodial Personnel	\$	39,600	
Communication		22,696	
Maintenance and Repair Services - Buildings		103,151	
Pest Control		2,520	
Utilities		363,793	
Building Improvements		2,346	
Total Other Facilities			534,106

Preservation of Records

County Official/Administrative Officer	\$	15,643	
Assistant(s)		45,653	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Preservation of Records (Cont.)

Social Security	\$	4,689	
Communication		222	
Operating Lease Payments		1,244	
Maintenance and Repair Services - Office Equipment		1,505	
Travel		321	
Office Supplies		2,755	
Utilities		10,365	
Other Supplies and Materials		8,650	
Total Preservation of Records			\$ 91,047

Risk Management

Supervisor/Director	\$	46,825	
Social Security		3,356	
Handling Charges and Administrative Costs		556	
Pensions		6,659	
Employee and Dependent Insurance		590	
Life Insurance		91	
Medical Insurance		6,627	
Dental Insurance		289	
Communication		136	
Travel		347	
Other Contracted Services		2,918	
Office Supplies		1,371	
Total Risk Management			69,765

Finance

Accounting and Budgeting

Supervisor/Director	\$	113,476	
Educational Incentive - Other County Employees		16,875	
Overtime Pay		6,004	
Other Salaries and Wages		470,382	
Board and Committee Members Fees		1,000	
Social Security		43,173	
Handling Charges and Administrative Costs		5,786	
Pensions		67,432	
Employee and Dependent Insurance		10,013	
Life Insurance		1,069	
Medical Insurance		71,156	
Dental Insurance		3,089	
Unemployment Compensation		1,711	
Local Retirement		2,241	
Audit Services		42,352	
Communication		714	
Data Processing Services		8,170	
Dues and Memberships		700	
Travel		3,319	
Other Contracted Services		31,447	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Office Supplies	\$	12,031	
Utilities		12,789	
Data Processing Equipment		1,466	
Total Accounting and Budgeting			\$ 926,395

Property Assessor's Office

County Official/Administrative Officer	\$	88,957	
Deputy(ies)		360,745	
Educational Incentive - Official/Admin Officer		1,930	
Educational Incentive - Other County Employees		1,500	
Board and Committee Members Fees		3,350	
In-service Training		1,840	
Social Security		32,627	
Handling Charges and Administrative Costs		3,661	
Pensions		59,088	
Employee and Dependent Insurance		7,381	
Life Insurance		897	
Medical Insurance		48,390	
Dental Insurance		2,021	
Local Retirement		1,476	
Audit Services		74,295	
Communication		1,866	
Data Processing Services		28,551	
Dues and Memberships		2,310	
Maintenance and Repair Services - Vehicles		86	
Travel		6,907	
Office Supplies		2,500	
Total Property Assessor's Office			730,378

Reappraisal Program

Other Salaries and Wages	\$	221,857	
Social Security		15,476	
Handling Charges and Administrative Costs		2,758	
Pensions		24,716	
Employee and Dependent Insurance		5,808	
Life Insurance		442	
Medical Insurance		32,862	
Dental Insurance		1,432	
Local Retirement		21	
Data Processing Services		13,127	
Maintenance and Repair Services - Vehicles		600	
Travel		1,195	
Other Contracted Services		59,627	
Gasoline		3,695	
Office Supplies		9,558	
Data Processing Equipment		1,201	
Total Reappraisal Program			394,375

(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

County Official/Administrative Officer	\$	88,957	
Deputy(ies)		190,240	
Educational Incentive - Official/Admin Officer		1,930	
Educational Incentive - Other County Employees		8,625	
Overtime Pay		206	
In-service Training		550	
Social Security		20,817	
Handling Charges and Administrative Costs		3,115	
Pensions		36,794	
Employee and Dependent Insurance		5,799	
Life Insurance		551	
Medical Insurance		38,197	
Dental Insurance		1,665	
Local Retirement		592	
Communication		595	
Data Processing Services		11,772	
Dues and Memberships		1,242	
Janitorial Services		500	
Printing, Stationery, and Forms		8,777	
Travel		1,098	
Office Supplies		1,655	
Other Charges		752	
Data Processing Equipment		3,244	
Total County Trustee's Office			\$ 427,673

County Clerk's Office

County Official/Administrative Officer	\$	88,957	
Deputy(ies)		368,135	
Part-time Personnel		15,583	
Educational Incentive - Official/Admin Officer		1,930	
Social Security		33,304	
Handling Charges and Administrative Costs		5,921	
Pensions		53,607	
Employee and Dependent Insurance		11,342	
Life Insurance		905	
Medical Insurance		67,995	
Dental Insurance		2,599	
Local Retirement		1,708	
Communication		1,084	
Dues and Memberships		100	
Maintenance Agreements		2,920	
Maintenance and Repair Services - Office Equipment		17,841	
Printing, Stationery, and Forms		2,998	
Travel		1,713	
Data Processing Supplies		3,168	
Office Supplies		5,193	
Data Processing Equipment		7,400	
Total County Clerk's Office			694,403

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Data Processing

Supervisor/Director	\$	73,500	
Other Salaries and Wages		90,559	
Social Security		12,105	
Handling Charges and Administrative Costs		847	
Pensions		18,024	
Employee and Dependent Insurance		1,405	
Life Insurance		320	
Medical Insurance		10,092	
Dental Insurance		440	
Local Retirement		16	
Communication		119,890	
Contracts with Private Agencies		1,900	
Data Processing Services		166,520	
Maintenance and Repair Services - Vehicles		3,855	
Travel		11,914	
Other Contracted Services		12,482	
Data Processing Supplies		22,161	
Gasoline		2,081	
Office Supplies		11,231	
Building Improvements		1,430	
Total Data Processing			\$ 560,772

Other Finance

Internal Audit Personnel	\$	59,179	
Educational Incentive - Other County Employees		2,625	
Social Security		4,361	
Handling Charges and Administrative Costs		550	
Pensions		8,790	
Employee and Dependent Insurance		1,535	
Life Insurance		116	
Medical Insurance		6,559	
Dental Insurance		286	
Communication		572	
Dues and Memberships		100	
Travel		1,525	
Utilities		640	
Total Other Finance			86,838

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	97,853	
Deputy(ies)		813,847	
Educational Incentive - Official/Admin Officer		1,930	
Educational Incentive - Other County Employees		10,400	
Overtime Pay		1,440	
Jury and Witness Expense		63,980	
Social Security		65,919	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Handling Charges and Administrative Costs	\$	8,960	
Pensions		101,002	
Employee and Dependent Insurance		18,643	
Life Insurance		1,787	
Medical Insurance		114,251	
Dental Insurance		4,115	
Unemployment Compensation		1,100	
Local Retirement		956	
Data Processing Services		36,810	
Dues and Memberships		100	
Operating Lease Payments		17,824	
Travel		2,699	
Data Processing Supplies		6,159	
Office Supplies		29,878	
Other Supplies and Materials		539	
Data Processing Equipment		18,655	
Total Circuit Court			\$ 1,418,847

General Sessions Court

Judge(s)	\$	166,864	
Part-time Personnel		12,995	
Other Salaries and Wages		113,311	
Social Security		19,437	
Handling Charges and Administrative Costs		1,124	
Pensions		39,942	
Employee and Dependent Insurance		3,103	
Life Insurance		557	
Medical Insurance		13,392	
Dental Insurance		584	
Travel		919	
Office Supplies		9,139	
Total General Sessions Court			381,367

Drug Court

Other Charges	\$	4,996	
Total Drug Court			4,996

Chancery Court

County Official/Administrative Officer	\$	97,853	
Deputy(ies)		390,851	
Part-time Personnel		49,466	
Educational Incentive - Official/Admin Officer		1,930	
Educational Incentive - Other County Employees		3,000	
Overtime Pay		390	
Social Security		38,341	
Handling Charges and Administrative Costs		5,559	
Pensions		61,205	

(Continued)

Exhibit K-7

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

General Fund (Cont.)Administration of Justice (Cont.)Chancery Court (Cont.)

Employee and Dependent Insurance	\$	10,689	
Life Insurance		976	
Medical Insurance		66,247	
Dental Insurance		2,888	
Local Retirement		27	
Communication		4,119	
Maintenance and Repair Services - Office Equipment		23,481	
Travel		3,273	
Other Contracted Services		11,531	
Data Processing Supplies		15,274	
Office Supplies		29,370	
Other Charges		1,123	
Total Chancery Court			\$ 817,593

Juvenile Court

Judge(s)	\$	166,864	
Part-time Personnel		15,147	
Other Salaries and Wages		93,885	
Social Security		18,364	
Handling Charges and Administrative Costs		1,510	
Pensions		31,314	
Employee and Dependent Insurance		3,200	
Life Insurance		491	
Medical Insurance		17,852	
Dental Insurance		858	
Local Retirement		842	
Dues and Memberships		1,045	
Maintenance and Repair Services - Buildings		1,183	
Maintenance and Repair Services - Equipment		3,697	
Rentals		2,094	
Travel		4,630	
Other Contracted Services		24,372	
Custodial Supplies		1,281	
Office Supplies		2,848	
Periodicals		531	
Utilities		35,924	
Data Processing Equipment		2,725	
Total Juvenile Court			430,657

Juvenile Court Clerk

County Official/Administrative Officer	\$	88,957	
Deputy(ies)		95,808	
Accountants/Bookkeepers		53,495	
Clerical Personnel		71,186	
Part-time Personnel		21,585	
Social Security		24,137	
Handling Charges and Administrative Costs		3,071	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court Clerk (Cont.)

Pensions	\$	34,901	
Employee and Dependent Insurance		4,266	
Life Insurance		586	
Medical Insurance		36,603	
Dental Insurance		1,596	
Unemployment Compensation		7,150	
Local Retirement		28	
Maintenance and Repair Services - Equipment		45	
Printing, Stationery, and Forms		510	
Rentals		7,671	
Data Processing Supplies		450	
Office Supplies		1,711	
Total Juvenile Court Clerk			\$ 453,756

District Attorney General

Assistant(s)	\$	48,022	
Social Security		3,557	
Handling Charges and Administrative Costs		499	
Employee and Dependent Insurance		529	
Life Insurance		88	
Medical Insurance		5,940	
Dental Insurance		259	
Local Retirement		24	
Other Charges		591	
Total District Attorney General			59,509

Office of Public Defender

Social Workers	\$	41,075	
Salary Supplements		55,400	
Social Security		4,102	
Handling Charges and Administrative Costs		951	
Employee and Dependent Insurance		1,871	
Life Insurance		163	
Medical Insurance		12,567	
Dental Insurance		548	
Local Retirement		44	
Travel		4,144	
Other Charges		400	
Total Office of Public Defender			121,265

Other Administration of Justice

Social Security	\$	395	
Handling Charges and Administrative Costs		41	
Employee and Dependent Insurance		113	
Life Insurance		7	
Medical Insurance		486	
Dental Insurance		25	

(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 (Cont.)

Local Retirement	\$	108	
Other Charges		75,619	
Total Other Administration of Justice			\$ 76,794

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	97,850	
Deputy(ies)		5,029,421	
Part-time Personnel		468,456	
Educational Incentive - Other County Employees		6,100	
Overtime Pay		388,618	
Other Salaries and Wages		146,217	
In-service Training		75,900	
Social Security		451,692	
Handling Charges and Administrative Costs		43,649	
Pensions		362,951	
Employee and Dependent Insurance		91,290	
Life Insurance		9,957	
Medical Insurance		526,306	
Dental Insurance		25,898	
Unemployment Compensation		938	
Local Retirement		50,853	
Communication		261,345	
Contracts with Private Agencies		47,441	
Data Processing Services		35,344	
Dues and Memberships		1,009	
Maintenance and Repair Services - Buildings		33,867	
Maintenance and Repair Services - Vehicles		355,882	
Pest Control		525	
Rentals		5,000	
Travel		77,271	
Custodial Supplies		3,321	
Gasoline		305,145	
Law Enforcement Supplies		143,682	
Office Supplies		32,233	
Uniforms		59,813	
Utilities		115,766	
Other Charges		10,716	
Furniture and Fixtures		3,404	
Law Enforcement Equipment		56,273	
Motor Vehicles		11,982	
Total Sheriff's Department			9,336,115

Special Patrols

Deputy(ies)	\$	656,985
Overtime Pay		37,355
Social Security		50,340

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols (Cont.)

Handling Charges and Administrative Costs	\$	5,383	
Pensions		24,561	
Employee and Dependent Insurance		13,548	
Life Insurance		1,271	
Medical Insurance		65,932	
Dental Insurance		2,879	
Local Retirement		6,158	
Maintenance and Repair Services - Vehicles		13,054	
Travel		2,664	
Gasoline		22,975	
Total Special Patrols			\$ 903,105

Drug Enforcement

Deputy(ies)	\$	392,019	
Part-time Personnel		29,925	
Overtime Pay		179,543	
Social Security		43,725	
Handling Charges and Administrative Costs		3,383	
Pensions		81,312	
Employee and Dependent Insurance		8,344	
Life Insurance		745	
Medical Insurance		39,765	
Dental Insurance		2,022	
Maintenance and Repair Services - Vehicles		5,615	
Gasoline		17,910	
Uniforms		3,150	
Total Drug Enforcement			807,458

Jail

Deputy(ies)	\$	4,750,902	
Maintenance Personnel		217,923	
Part-time Personnel		53,185	
Overtime Pay		506,333	
In-service Training		24,300	
Social Security		399,127	
Handling Charges and Administrative Costs		53,144	
Pensions		393,452	
Employee and Dependent Insurance		102,039	
Life Insurance		9,267	
Medical Insurance		648,321	
Dental Insurance		29,549	
Unemployment Compensation		1,257	
Local Retirement		15,535	
Communication		9,012	
Data Processing Services		5,099	
Maintenance and Repair Services - Buildings		17,694	
Maintenance and Repair Services - Equipment		10,044	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Other Contracted Services	\$	888,113	
Custodial Supplies		53,253	
Drugs and Medical Supplies		362,205	
Food Preparation Supplies		17,197	
Food Supplies		618,642	
Law Enforcement Supplies		109,461	
Office Supplies		20,625	
Prisoners Clothing		9,743	
Uniforms		23,821	
Other Supplies and Materials		23,836	
Other Charges		443	
Total Jail			\$ 9,373,522

Workhouse

County Official/Administrative Officer	\$	16,275	
Guards		1,009,855	
Overtime Pay		41,117	
In-service Training		7,200	
Social Security		74,191	
Handling Charges and Administrative Costs		13,306	
Pensions		107,040	
Employee and Dependent Insurance		27,830	
Life Insurance		1,950	
Medical Insurance		161,561	
Dental Insurance		6,753	
Local Retirement		4,963	
Communication		7,505	
Data Processing Services		821	
Maintenance and Repair Services - Buildings		10,547	
Maintenance and Repair Services - Equipment		9,700	
Maintenance and Repair Services - Vehicles		557	
Pest Control		730	
Custodial Supplies		9,596	
Drugs and Medical Supplies		6,759	
Food Preparation Supplies		4,914	
Food Supplies		119,269	
Gasoline		3,947	
Office Supplies		1,176	
Prisoners Clothing		471	
Uniforms		1,862	
Utilities		45,929	
Other Supplies and Materials		4,613	
Total Workhouse			1,700,437

Work Release Program

Probation Officer(s)	\$	27,120	
Social Security		2,043	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Work Release Program (Cont.)

Handling Charges and Administrative Costs	\$	121	
Employee and Dependent Insurance		89	
Life Insurance		54	
Medical Insurance		983	
Dental Insurance		287	
Local Retirement		12	
Total Work Release Program			\$ 30,709

Fire Prevention and Control

Supervisor/Director	\$	70,210	
Mechanic(s)		101,508	
Part-time Personnel		46,142	
Overtime Pay		10,269	
Other Salaries and Wages		541,486	
In-service Training		12,500	
Social Security		54,918	
Handling Charges and Administrative Costs		7,152	
Pensions		22,813	
Employee and Dependent Insurance		16,140	
Life Insurance		1,450	
Medical Insurance		87,693	
Dental Insurance		3,834	
Local Retirement		8,951	
Communication		11,914	
Maintenance and Repair Services - Buildings		65,752	
Maintenance and Repair Services - Equipment		57,974	
Travel		9,343	
Equipment and Machinery Parts		104,267	
Gasoline		44,460	
Utilities		86,727	
Gravel and Chert		1,647	
Other Supplies and Materials		1,680	
Data Processing Equipment		5,110	
Total Fire Prevention and Control			1,373,940

Civil Defense

Supervisor/Director	\$	74,940	
Overtime Pay		4,938	
Other Salaries and Wages		125,087	
Social Security		14,647	
Handling Charges and Administrative Costs		1,645	
Pensions		18,421	
Employee and Dependent Insurance		4,460	
Life Insurance		350	
Medical Insurance		19,057	
Dental Insurance		1,119	
Local Retirement		33	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense (Cont.)

Communication	\$	21,111	
Dues and Memberships		750	
Operating Lease Payments		687	
Maintenance Agreements		2,400	
Maintenance and Repair Services - Buildings		6,995	
Maintenance and Repair Services - Equipment		9,000	
Maintenance and Repair Services - Vehicles		8,071	
Printing, Stationery, and Forms		267	
Travel		3,366	
Gasoline		8,850	
Office Supplies		1,000	
Utilities		25,032	
Other Supplies and Materials		17,926	
Building Improvements		2,502	
Total Civil Defense	\$		372,654

Disaster Relief

Maintenance and Repair Services - Buildings	\$	55,640	
Total Disaster Relief			55,640

Inspection and Regulation

County Official/Administrative Officer	\$	63,842	
Supervisor/Director		44,070	
Educational Incentive - Other County Employees		2,625	
Other Salaries and Wages		51,233	
In-service Training		2,303	
Social Security		11,345	
Handling Charges and Administrative Costs		2,018	
Pensions		11,100	
Employee and Dependent Insurance		4,399	
Life Insurance		322	
Medical Insurance		24,048	
Dental Insurance		1,048	
Unemployment Compensation		5,500	
Local Retirement		28	
Communication		2,183	
Contracts with Private Agencies		19,578	
Dues and Memberships		164	
Maintenance and Repair Services - Vehicles		5,290	
Other Contracted Services		3,460	
Gasoline		3,185	
Office Supplies		2,801	
Small Tools		769	
Building Improvements		4,204	
Data Processing Equipment		22	
Total Inspection and Regulation			265,537

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Supervisor/Director	\$	19,500	
Social Security		1,217	
Handling Charges and Administrative Costs		41	
Pensions		364	
Employee and Dependent Insurance		114	
Life Insurance		8	
Medical Insurance		490	
Dental Insurance		21	
Contracts with Government Agencies		53,475	
Contracts with Public Carriers		7,040	
Maintenance and Repair Services - Vehicles		5,027	
Travel		618	
Other Contracted Services		52,850	
Other Charges		100	
Total County Coroner/Medical Examiner			\$ 140,865

Other Public Safety

Other Contracted Services	\$	4,727	
Food Supplies		119	
Total Other Public Safety			4,846

Public Health and Welfare

Local Health Center

County Official/Administrative Officer	\$	196,142	
Paraprofessionals		10,233	
Custodial Personnel		40,925	
Part-time Personnel		12,000	
Other Salaries and Wages		912,228	
Social Security		86,641	
Handling Charges and Administrative Costs		8,253	
Pensions		100,009	
Employee and Dependent Insurance		13,892	
Life Insurance		2,009	
Medical Insurance		99,704	
Dental Insurance		4,621	
Local Retirement		7,860	
Communication		9,072	
Data Processing Services		588	
Dues and Memberships		289	
Janitorial Services		6,494	
Maintenance Agreements		11,234	
Maintenance and Repair Services - Buildings		45,835	
Maintenance and Repair Services - Vehicles		8,097	
Pest Control		1,060	
Postal Charges		2,478	
Printing, Stationery, and Forms		4,083	
Travel		12,174	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Data Processing Supplies	\$	3,417	
Drugs and Medical Supplies		139,540	
Gasoline		8,111	
Office Supplies		6,008	
Utilities		41,884	
Other Supplies and Materials		486	
Liability Insurance		4,786	
In Service/Staff Development		1,490	
Data Processing Equipment		11,086	
Furniture and Fixtures		1,606	
Office Equipment		1,038	
Total Local Health Center			\$ 1,815,373

Rabies and Animal Control

Overtime Pay	\$	5,259	
Other Salaries and Wages		112,203	
Social Security		8,206	
Handling Charges and Administrative Costs		1,424	
Pensions		5,959	
Employee and Dependent Insurance		2,677	
Life Insurance		209	
Medical Insurance		16,967	
Dental Insurance		740	
Unemployment Compensation		7,150	
Local Retirement		326	
Bank Charges		2,120	
Communication		3,684	
Dues and Memberships		110	
Maintenance Agreements		690	
Maintenance and Repair Services - Buildings		18,919	
Maintenance and Repair Services - Vehicles		5,525	
Pest Control		500	
Printing, Stationery, and Forms		1,019	
Travel		149	
Veterinary Services		5,359	
Animal Food and Supplies		12,085	
Drugs and Medical Supplies		2,935	
Gasoline		7,899	
Office Supplies		664	
Uniforms		3,406	
Utilities		10,174	
Refunds		8,575	
In Service/Staff Development		110	
Total Rabies and Animal Control			245,043

Other Local Welfare Services

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

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Libraries

Pensions	\$	110,594	
Unemployment Compensation		2,365	
Contributions		1,230,135	
Total Libraries			\$ 1,343,094

Parks and Fair Boards

Supervisor/Director	\$	65,574	
Part-time Personnel		20,302	
Overtime Pay		4,534	
Other Salaries and Wages		538,295	
Social Security		43,832	
Handling Charges and Administrative Costs		8,065	
Pensions		61,287	
Employee and Dependent Insurance		16,059	
Life Insurance		1,202	
Medical Insurance		98,271	
Dental Insurance		3,587	
Unemployment Compensation		103	
Local Retirement		4,693	
Communication		6,368	
Legal Notices, Recording, and Court Costs		50	
Maintenance and Repair Services - Equipment		191,026	
Travel		7,002	
Remittance of Revenue Collected		3,922	
Gasoline		37,279	
Office Supplies		4,796	
Periodicals		39	
Utilities		83,788	
Other Supplies and Materials		75	
Other Charges		1,200	
Total Parks and Fair Boards			1,201,349

Other Social, Cultural, and Recreational

Overtime Pay	\$	217	
Other Salaries and Wages		61,807	
Social Security		4,380	
Utilities		29,223	
Other Supplies and Materials		68,020	
Total Other Social, Cultural, and Recreational			163,647

Agriculture and Natural Resources

Agricultural Extension Service

Assistant(s)	\$	13,314	
Part-time Personnel		13,869	
Bonus Payments		6,000	
Other Salaries and Wages		147,489	
Social Security		2,211	

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Handling Charges and Administrative Costs	\$	184	
Employee and Dependent Insurance		512	
Medical Insurance		2,200	
Dental Insurance		96	
Other Fringe Benefits		67,000	
Communication		3,221	
Contributions		10,000	
Travel		2,859	
Office Supplies		8,454	
In Service/Staff Development		9,025	
Data Processing Equipment		1,800	
Total Agricultural Extension Service			\$ 288,234

Soil Conservation

Other Salaries and Wages	\$	88,364	
Social Security		6,164	
Handling Charges and Administrative Costs		893	
Pensions		7,866	
Employee and Dependent Insurance		2,493	
Life Insurance		171	
Medical Insurance		10,642	
Dental Insurance		464	
Unemployment Compensation		6,325	
Local Retirement		15	
Travel		793	
Total Soil Conservation			124,190

Flood Control

Contributions	\$	82,200	
Total Flood Control			82,200

Other Operations

Tourism

Contributions	\$	40,000	
Total Tourism			40,000

Industrial Development

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

Airport

Handling Charges and Administrative Costs	\$	7,001	
Pensions		35,191	
Employee and Dependent Insurance		13,200	
Medical Insurance		84,370	
Dental Insurance		3,821	
Unemployment Compensation		141	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Airport (Cont.)

Local Retirement	\$	3,482	
Contributions		73,900	
Liability Insurance		17,000	
Total Airport			\$ 238,106

Veterans' Services

Part-time Personnel	\$	75,729	
Social Security		5,793	
Communication		692	
Data Processing Services		3,326	
Travel		8,001	
Office Supplies		1,844	
Utilities		2,044	
Other Supplies and Materials		878	
Communication Equipment		1,193	
Total Veterans' Services			99,500

Other Charges

Handling Charges and Administrative Costs	\$	16,859	
Disability Insurance		77,013	
Medical and Dental Services		245,593	
Excess Risk Insurance		37,275	
Medical Claims		181,005	
Total Other Charges			557,745

Contributions to Other Agencies

Contributions	\$	162,160	
Total Contributions to Other Agencies			162,160

Miscellaneous

Board and Committee Members Fees	\$	4,092	
Other Fringe Benefits		5,932	
Communication		26,750	
Consultants		889	
Contracts with Government Agencies		24,000	
Contributions		23,000	
Data Processing Services		392	
Dues and Memberships		12,367	
Evaluation and Testing		17,004	
Legal Services		2,652	
Legal Notices, Recording, and Court Costs		36,192	
Postal Charges		175,659	
Remittance of Revenue Collected		92,359	
Disposal Fees		4,266	
Other Contracted Services		47,893	
Utilities		173,142	
Excess Risk Insurance		27,000	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Liability Insurance	\$	651,459	
Premiums on Corporate Surety Bonds		11,303	
Refunds		781	
Trustee's Commission		598,337	
Fines, Assessments, and Penalties		225,712	
Other Charges		26,036	
Total Miscellaneous			<u>\$ 2,187,217</u>

Total General Fund \$ 43,305,031

Juvenile Services Fund

Public Safety

Juvenile Services

County Official/Administrative Officer	\$	71,703
Supervisor/Director		141,529
Accountants/Bookkeepers		45,599
Social Workers		367,057
Paraprofessionals		53,586
Guards		224,731
Clerical Personnel		136,335
Educational Incentive - Other County Employees		8,250
Overtime Pay		48,757
Social Security		77,834
Handling Charges and Administrative Costs		13,100
Pensions		86,165
Employee and Dependent Insurance		24,149
Life Insurance		1,855
Medical Insurance		145,856
Dental Insurance		6,885
Disability Insurance		2,887
Unemployment Compensation		4,759
Local Retirement		2,835
Communication		16,104
Contributions		29,700
Data Processing Services		14,496
Maintenance and Repair Services - Buildings		22,968
Maintenance and Repair Services - Equipment		7,057
Maintenance and Repair Services - Vehicles		2,471
Medical and Dental Services		13,596
Printing, Stationery, and Forms		656
Travel		14,557
Other Contracted Services		81,846
Custodial Supplies		1,560
Food Supplies		21,069
Gasoline		2,705
Instructional Supplies and Materials		306
Office Supplies		1,687

(Continued)

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

Juvenile Services Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Prisoners Clothing	\$	850	
Uniforms		1,097	
Utilities		37,099	
Other Supplies and Materials		2,136	
Excess Risk Insurance		2,349	
Liability Insurance		28,074	
Medical Claims		8,385	
Trustee's Commission		25,962	
Data Processing Equipment		11,950	
Office Equipment		1,412	
Other Equipment		1,169	
Total Juvenile Services			\$ 1,815,133

Total Juvenile Services Fund

\$ 1,815,133

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Truck Drivers	\$	66,514	
Part-time Personnel		278,272	
Overtime Pay		2,468	
Other Salaries and Wages		68,955	
Social Security		31,299	
Handling Charges and Administrative Costs		1,644	
Pensions		16,294	
Employee and Dependent Insurance		3,068	
Life Insurance		264	
Medical Insurance		17,537	
Dental Insurance		476	
Local Retirement		15	
Other Fringe Benefits		9,291	
Communication		8,832	
Operating Lease Payments		14,362	
Maintenance and Repair Services - Buildings		8,561	
Maintenance and Repair Services - Equipment		52,267	
Maintenance and Repair Services - Vehicles		77,237	
Travel		3,790	
Gasoline		38,693	
Uniforms		2,750	
Utilities		14,490	
Other Supplies and Materials		3,718	
Trustee's Commission		17,974	
In Service/Staff Development		423	
Other Charges		21,363	
Data Processing Equipment		3,913	
Total Convenience Centers			\$ 764,470

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Landfill Operation and Maintenance

Contracts with Government Agencies	\$ 372,938	
Other Contracted Services	204,140	
Total Landfill Operation and Maintenance		\$ 577,078

Total Solid Waste/Sanitation Fund \$ 1,341,548

Local Purpose Tax Fund

Other Operations

Miscellaneous

Contributions	\$ 2,300,000	
Trustee's Commission	5,329	
Total Miscellaneous		\$ 2,305,329

Total Local Purpose Tax Fund 2,305,329

Special Purpose Fund

Public Safety

Correctional Incentive Program Improvements

Probation Officer(s)	\$ 251,553	
Educational Incentive - Other County Employees	4,875	
Social Security	17,691	
Handling Charges and Administrative Costs	3,356	
Pensions	17,490	
Employee and Dependent Insurance	6,932	
Life Insurance	388	
Medical Insurance	40,620	
Dental Insurance	2,654	
Local Retirement	2,726	
Communication	3,205	
Data Processing Services	9,577	
Dues and Memberships	2,510	
Evaluation and Testing	5,874	
Maintenance and Repair Services - Buildings	6,200	
Maintenance and Repair Services - Vehicles	13,077	
Postal Charges	363	
Rentals	22,600	
Travel	1,978	
Office Supplies	8,331	
Utilities	2,726	
Other Charges	125	
Motor Vehicles	15,917	
Total Correctional Incentive Program Improvements		\$ 440,768

Work Release Program

Other Salaries and Wages	\$ 462,381	
Social Security	33,085	
Handling Charges and Administrative Costs	4,509	

(Continued)

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

Special Purpose Fund (Cont.)

Public Safety (Cont.)

Work Release Program (Cont.)

Pensions	\$	32,996	
Employee and Dependent Insurance		8,744	
Life Insurance		878	
Medical Insurance		57,122	
Dental Insurance		2,468	
Local Retirement		3,079	
Communication		10,382	
Data Processing Services		17,360	
Dues and Memberships		664	
Evaluation and Testing		4,520	
Maintenance and Repair Services - Buildings		3,505	
Maintenance and Repair Services - Vehicles		20,270	
Postal Charges		1,167	
Rentals		74,526	
Travel		5,101	
Office Supplies		22,978	
Utilities		12,146	
Other Equipment		4,002	
Total Work Release Program			\$ 781,883

Other Emergency Management

Communication Equipment	\$	11,576	
Law Enforcement Equipment		74,941	
Motor Vehicles		30,000	
Other Equipment		8,919	
Total Other Emergency Management			125,436

Public Safety Grants Program

Other Salaries and Wages	\$	50,178	
Social Security		3,831	
Handling Charges and Administrative Costs		45	
Life Insurance		97	
Dental Insurance		289	
Local Retirement		22	
Communication		617	
Rentals		13,200	
Utilities		1,800	
Other Charges		7,062	
Total Public Safety Grants Program			77,141

Public Health and Welfare

Maternal and Child Health Services

Part-time Personnel	\$	140,853	
Other Salaries and Wages		1,869,409	
Social Security		144,450	
Handling Charges and Administrative Costs		18,008	
Pensions		125,785	

(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.)

Maternal and Child Health Services (Cont.)

Employee and Dependent Insurance	\$	35,626	
Life Insurance		3,528	
Medical Insurance		219,216	
Dental Insurance		10,954	
Unemployment Compensation		3,279	
Local Retirement		19,654	
Advertising		2,500	
Bank Charges		8,640	
Communication		38,699	
Maintenance Agreements		21,423	
Maintenance and Repair Services - Vehicles		14,480	
Postal Charges		3,211	
Printing, Stationery, and Forms		10,283	
Travel		44,932	
Remittance of Revenue Collected		49,087	
Other Contracted Services		166	
Drugs and Medical Supplies		108,151	
Office Supplies		21,366	
Utilities		75,624	
Other Supplies and Materials		276,027	
Liability Insurance		3,195	
In Service/Staff Development		602	
Building Construction		260,087	
Communication Equipment		35,749	
Data Processing Equipment		1,728	
Motor Vehicles		39,900	
Total Maternal and Child Health Services			\$ 3,606,612

Sanitation Education/Information

Other Salaries and Wages	\$	11,215	
Social Security		857	
Gasoline		2,516	
Other Supplies and Materials		26,816	
Total Sanitation Education/Information			41,404

Other Operations

Miscellaneous

Other Salaries and Wages	\$	190,400	
Social Security		13,965	
Handling Charges and Administrative Costs		1,736	
Pensions		696	
Employee and Dependent Insurance		2,880	
Life Insurance		330	
Medical Insurance		7,706	
Dental Insurance		334	
Local Retirement		58	
Trustee's Commission		12,262	
Total Miscellaneous			230,367

Total Special Purpose Fund \$ 5,303,611

(Continued)

Exhibit K-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Other Contracted Services	\$	2,680	
Law Enforcement Supplies		7,597	
Office Supplies		749	
Refunds		18,292	
Trustee's Commission		467	
Total Drug Enforcement			<u>\$ 29,785</u>

Total Drug Control Fund \$ 29,785

Other Special Revenue Fund

Other Operations

Miscellaneous

Trustee's Commission	\$	4,589	
Total Miscellaneous			<u>\$ 4,589</u>

Total Other Special Revenue Fund 4,589

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Special Commissioner Fees	\$	6,933	
Total Chancery Court			<u>\$ 6,933</u>

Total Constitutional Officers - Fees Fund 6,933

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	121,785	
Clerical Personnel		66,983	
Educational Incentive - Official/Admin Officer		1,930	
Educational Incentive - Other County Employees		6,000	
Social Security		14,273	
Handling Charges and Administrative Costs		1,125	
Pensions		26,693	
Employee and Dependent Insurance		3,137	
Life Insurance		317	
Medical Insurance		16,406	
Dental Insurance		584	
Local Retirement		45	
Data Processing Services		7,947	
Dues and Memberships		5,008	
Legal Notices, Recording, and Court Costs		12	
Maintenance and Repair Services - Buildings		5,475	
Postal Charges		96	
Printing, Stationery, and Forms		545	
Travel		4,146	

(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.)

Data Processing Supplies	\$	29,467	
Office Supplies		3,018	
Other Charges		846	
Total Administration			\$ 315,838

Highway and Bridge Maintenance

Foremen	\$	340,641	
Equipment Operators		377,500	
Truck Drivers		130,064	
Laborers		123,216	
Overtime Pay		26,241	
Social Security		72,349	
Handling Charges and Administrative Costs		10,559	
Pensions		67,779	
Employee and Dependent Insurance		21,226	
Life Insurance		1,696	
Medical Insurance		156,367	
Dental Insurance		5,339	
Local Retirement		8,270	
Other Contracted Services		31,859	
Asphalt - Cold Mix		32,595	
Asphalt - Liquid		386,574	
Concrete		5,282	
Crushed Stone		193,301	
Riprap		63,728	
Pipe		70,879	
Road Signs		32,832	
Salt		3,872	
Sand		2,475	
Small Tools		129	
Uniforms		8,980	
Gravel and Chert		51,481	
Chemicals		103,237	
Other Supplies and Materials		3,589	
Total Highway and Bridge Maintenance			2,332,060

Operation and Maintenance of Equipment

Mechanic(s)	\$	43,365	
Overtime Pay		74	
Social Security		2,985	
Handling Charges and Administrative Costs		556	
Employee and Dependent Insurance		1,551	
Life Insurance		82	
Medical Insurance		9,625	
Dental Insurance		289	
Local Retirement		1,022	
Laundry Service		1,753	

(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.)

Maintenance and Repair Services - Equipment	\$	17,799	
Diesel Fuel		74,704	
Equipment and Machinery Parts		115,117	
Garage Supplies		7,099	
Gasoline		37,445	
Lubricants		5,367	
Small Tools		2,452	
Tires and Tubes		25,797	
Other Supplies and Materials		8,937	
In Service/Staff Development		3,719	
Total Operation and Maintenance of Equipment			\$ 359,738

Other Charges

Communication	\$	18,447	
Contracts with Private Agencies		1,165	
Utilities		21,566	
Liability Insurance		100,724	
Trustee's Commission		69,102	
Total Other Charges			211,004

Employee Benefits

Handling Charges and Administrative Costs	\$	3,671	
Disability Insurance		3,285	
Medical and Dental Services		50,000	
Excess Risk Insurance		6,084	
Medical Claims		33,132	
Total Employee Benefits			96,172

Capital Outlay

Engineering Services	\$	39,869	
Asphalt - Hot Mix		2,334,105	
Vehicle Parts		525	
Bridge Construction		656,356	
Building Improvements		16,772	
Highway Equipment		358,843	
Motor Vehicles		62,000	
Other Capital Outlay		13,851	
Total Capital Outlay			3,482,321

Total Highway/Public Works Fund \$ 6,797,133

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$	9,800,000	
Principal on Notes		202,750	
Total General Government			\$ 10,002,750

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)

Principal on Debt (Cont.)

Education

Principal on Notes	\$ 608,250	
Total Education		\$ 608,250

Interest on Debt

General Government

Interest on Bonds	\$ 2,473,396	
Interest on Notes	62,154	
Total General Government		2,535,550

Education

Interest on Bonds	\$ 408,417	
Interest on Notes	186,461	
Total Education		594,878

Other Debt Service

General Government

Trustee's Commission	\$ 255,238	
Other Debt Issuance Charges	59,900	
Other Debt Service	1,900	
Total General Government		317,038

Education

Contributions	\$ 39,503	
Total Education		39,503

Total General Debt Service Fund		\$ 14,097,969
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General Capital Projects Fund

General Government

County Buildings

Building Improvements	\$ 211,342	
Total County Buildings		\$ 211,342

Other Facilities

Other Equipment	\$ 19,944	
Total Other Facilities		19,944

Finance

Accounting and Budgeting

Data Processing Equipment	\$ 399,829	
Total Accounting and Budgeting		399,829

County Trustee's Office

Furniture and Fixtures	\$ 2,403	
Other Equipment	5,478	
Total County Trustee's Office		7,881

(Continued)

Exhibit K-7

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

General Capital Projects Fund (Cont.)

Finance (Cont.)

Data Processing

Data Processing Equipment	\$ 119,730	
Motor Vehicles	1,758	
Total Data Processing		\$ 121,488

Administration of Justice

Chancery Court

Building Improvements	\$ 16,531	
Total Chancery Court		16,531

Public Safety

Sheriff's Department

Maintenance and Repair Services - Buildings	\$ 247,212	
Building Improvements	25,302	
Data Processing Equipment	214,346	
Law Enforcement Equipment	13,277	
Motor Vehicles	504,259	
Total Sheriff's Department		1,004,396

Jail

Building Construction	\$ 3,164,506	
Total Jail		3,164,506

Juvenile Services

Building Improvements	\$ 28,000	
Data Processing Equipment	2,239	
Motor Vehicles	15,000	
Total Juvenile Services		45,239

Fire Prevention and Control

Building Construction	\$ 359,529	
Communication Equipment	647,052	
Motor Vehicles	531,563	
Other Equipment	392,186	
Total Fire Prevention and Control		1,930,330

Civil Defense

Building Improvements	\$ 19,923	
Communication Equipment	7,796	
Motor Vehicles	5,000	
Total Civil Defense		32,719

Inspection and Regulation

Motor Vehicles	\$ 785	
Total Inspection and Regulation		785

(Continued)

Exhibit K-7

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

General Capital Projects Fund (Cont.)

Public Health and Welfare

Local Health Center

Maintenance and Repair Services - Buildings	\$ 54,350	
Total Local Health Center		\$ 54,350

Rabies and Animal Control

Motor Vehicles	\$ 23,500	
Total Rabies and Animal Control		23,500

Convenience Centers

Site Development	\$ 42,180	
Total Convenience Centers		42,180

Social, Cultural, and Recreational Services

Libraries

Contributions	\$ 33,082	
Building Improvements	58,968	
Total Libraries		92,050

Parks and Fair Boards

Other Capital Outlay	\$ 2,533	
Total Parks and Fair Boards		2,533

Other Operations

Airport

Airport Improvement	\$ 54,250	
Total Airport		54,250

Miscellaneous

Trustee's Commission	\$ 66,667	
Total Miscellaneous		66,667

Other Debt Service

General Government

Underwriter's Discount	\$ 179,166	
Other Debt Issuance Charges	95,150	
Total General Government		274,316

Total General Capital Projects Fund		\$ 7,564,836
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Community Development/Industrial Park Fund

Other Operations

Industrial Development

Contributions	\$ 100,000	
Other Contracted Services	116,935	
Trustee's Commission	266	
Total Industrial Development		\$ 217,201

Total Community Development/Industrial Park Fund		217,201
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(Continued)

Exhibit K-7

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

<u>Education Capital Projects Fund</u>		
<u>Other Debt Service</u>		
<u>General Government</u>		
Underwriter's Discount	<u>\$ 37,814</u>	
Total General Government		\$ 37,814
 <u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Contributions	<u>\$ 9,960,497</u>	
Total Education Capital Projects		<u>9,960,497</u>
 Total Education Capital Projects Fund		 <u>\$ 9,998,311</u>
 Total Governmental Funds - Primary Government		 <u>\$ 92,787,409</u>

Exhibit K-8

Madison County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Madison County School Department
For the Year Ended June 30, 2019

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 32,468,609	
Career Ladder Program	118,305	
Homebound Teachers	124,143	
Salary Supplements	594,046	
Educational Assistants	1,126,013	
Bonus Payments	505,207	
Certified Substitute Teachers	153,402	
Non-certified Substitute Teachers	423,482	
Social Security	2,505,847	
Pensions	3,401,012	
Life Insurance	69,266	
Medical Insurance	3,605,285	
Dental Insurance	125,576	
Local Retirement	25,539	
Other Fringe Benefits	416,694	
Tuition	136,981	
Other Contracted Services	139,608	
Instructional Supplies and Materials	308,146	
Textbooks - Bound	818,807	
Software	144,034	
Other Supplies and Materials	18,392	
Regular Instruction Equipment	251,897	
Total Regular Instruction Program		\$ 47,480,291

Special Education Program

Teachers	\$ 5,723,251	
Career Ladder Program	23,729	
Homebound Teachers	58,993	
Educational Assistants	730,117	
Speech Pathologist	583,238	
Bonus Payments	81,254	
Certified Substitute Teachers	9,360	
Non-certified Substitute Teachers	52,624	
Social Security	495,075	
Pensions	609,716	
Life Insurance	12,574	
Medical Insurance	612,168	
Dental Insurance	25,634	
Local Retirement	17,067	
Contracts with Private Agencies	588,444	
Other Contracted Services	148,676	
Instructional Supplies and Materials	19,852	
Other Supplies and Materials	15,263	
Special Education Equipment	37,074	
Total Special Education Program		9,844,109

(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.)

Career and Technical Education Program

Teachers	\$	1,918,522	
Career Ladder Program		4,000	
Bonus Payments		24,630	
Other Salaries and Wages		30,375	
Certified Substitute Teachers		6,920	
Non-certified Substitute Teachers		27,592	
Social Security		142,042	
Pensions		193,563	
Life Insurance		3,544	
Medical Insurance		174,746	
Dental Insurance		7,923	
Other Contracted Services		161	
Instructional Supplies and Materials		82,903	
Textbooks - Electronic		20,958	
Textbooks - Bound		18,659	
Software		7,750	
Vocational Instruction Equipment		172,531	
Total Career and Technical Education Program			\$ 2,836,819

Support Services

Attendance

Supervisor/Director	\$	61,071	
Bonus Payments		900	
Other Salaries and Wages		92,170	
Social Security		11,416	
Pensions		15,349	
Life Insurance		292	
Medical Insurance		9,642	
Dental Insurance		122	
Local Retirement		2,333	
Travel		2,625	
Software		107,263	
Other Supplies and Materials		1,830	
In Service/Staff Development		527	
Attendance Equipment		8,248	
Total Attendance			313,788

Health Services

Medical Personnel	\$	540,061	
Bonus Payments		5,820	
Other Salaries and Wages		45,900	
Social Security		38,737	
Pensions		40,457	
Life Insurance		1,052	
Medical Insurance		92,500	
Dental Insurance		3,884	

(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.)

Local Retirement	\$	8,832	
Travel		4,632	
Other Contracted Services		4,700	
Other Supplies and Materials		30,049	
In Service/Staff Development		5,192	
Total Health Services			\$ 821,816

Other Student Support

Career Ladder Program	\$	4,923	
Guidance Personnel		2,052,231	
Psychological Personnel		438,304	
Social Workers		92,126	
Assessment Personnel		22,494	
Clerical Personnel		73,450	
Bonus Payments		31,932	
Other Salaries and Wages		32,782	
Social Security		192,384	
Pensions		271,556	
Life Insurance		5,095	
Medical Insurance		243,265	
Dental Insurance		8,845	
Local Retirement		2,279	
Contracts with Government Agencies		250,000	
Travel		22,229	
Other Contracted Services		63,556	
Software		73,493	
Other Supplies and Materials		50,196	
In Service/Staff Development		1,773	
Other Charges		12,488	
Other Equipment		34,201	
Total Other Student Support			3,979,602

Regular Instruction Program

Supervisor/Director	\$	571,495	
Career Ladder Program		20,479	
Librarians		1,072,573	
Clerical Personnel		99,339	
Bonus Payments		22,640	
Other Salaries and Wages		753,508	
Certified Substitute Teachers		3,640	
In-service Training		48,620	
Non-certified Substitute Teachers		6,570	
Social Security		186,725	
Pensions		248,227	
Life Insurance		4,600	
Medical Insurance		197,172	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Dental Insurance	\$	6,329	
Local Retirement		6,934	
Travel		43,180	
Other Contracted Services		4,280	
Library Books/Media		64,970	
Office Supplies		4,809	
Software		60,509	
Other Supplies and Materials		20,207	
In Service/Staff Development		119,345	
Other Charges		8,428	
Other Equipment		13,792	
Total Regular Instruction Program			\$ 3,588,371

Special Education Program

Supervisor/Director	\$	163,189	
Clerical Personnel		40,022	
Bonus Payments		4,804	
Other Salaries and Wages		361,490	
Social Security		39,653	
Pensions		49,103	
Life Insurance		1,045	
Medical Insurance		62,988	
Dental Insurance		2,070	
Local Retirement		7,084	
Maintenance and Repair Services - Equipment		1,800	
Travel		28,724	
Other Contracted Services		16,808	
Other Supplies and Materials		27,959	
In Service/Staff Development		18,489	
Total Special Education Program			825,228

Career and Technical Education Program

Supervisor/Director	\$	72,675	
Bonus Payments		350	
Social Security		5,358	
Pensions		7,638	
Life Insurance		140	
Dental Insurance		188	
Maintenance and Repair Services - Equipment		160	
Travel		1,385	
Other Contracted Services		10,000	
Other Supplies and Materials		662	
In Service/Staff Development		12,147	
Other Charges		5,244	
Total Career and Technical Education Program			115,947

(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.)

Technology

Supervisor/Director	\$	156,881	
Bonus Payments		2,700	
Other Salaries and Wages		298,814	
Social Security		32,620	
Pensions		20,292	
Life Insurance		829	
Medical Insurance		44,826	
Dental Insurance		1,410	
Local Retirement		17,514	
Maintenance and Repair Services - Equipment		165,001	
Internet Connectivity		100,780	
Travel		825	
Other Contracted Services		412,566	
Cabling		9,981	
Software		289,200	
Other Supplies and Materials		31,493	
In Service/Staff Development		11,873	
Other Equipment		124,457	
Total Technology			\$ 1,722,062

Other Programs

On-behalf Payments to OPEB	\$	505,292	
Total Other Programs			505,292

Board of Education

Secretary to Board	\$	55,076	
Bonus Payments		300	
Board and Committee Members Fees		28,800	
Social Security		6,440	
Pensions		7,908	
Life Insurance		71	
Unemployment Compensation		25,367	
Audit Services		48,025	
Contributions		1,220	
Dues and Memberships		12,328	
Legal Services		202,704	
Other Contracted Services		21,751	
Software		1,500	
Other Supplies and Materials		3,232	
Trustee's Commission		683,885	
Workers' Compensation Insurance		837,304	
In Service/Staff Development		25,582	
Other Charges		1,104	
Total Board of Education			1,962,597

(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

County Official/Administrative Officer	\$	193,846	
Assistant(s)		112,273	
Career Ladder Program		1,000	
Secretary(ies)		81,415	
Bonus Payments		1,550	
Other Salaries and Wages		57,240	
Social Security		32,302	
Pensions		19,010	
Life Insurance		780	
Medical Insurance		23,346	
Dental Insurance		876	
Local Retirement		11,025	
Other Fringe Benefits		37,184	
Advertising		14,659	
Communication		88,750	
Dues and Memberships		6,756	
Operating Lease Payments		53,928	
Postal Charges		8,599	
Travel		1,340	
Other Contracted Services		20,279	
Office Supplies		2,004	
Other Supplies and Materials		6,726	
In Service/Staff Development		1,980	
Other Charges		1,838	
Administration Equipment		205	
Total Director of Schools			\$ 778,911

Office of the Principal

Principals	\$	2,048,147	
Career Ladder Program		15,500	
Assistant Principals		1,693,264	
Secretary(ies)		1,269,749	
Bonus Payments		46,296	
Other Salaries and Wages		295,758	
Non-certified Substitute Teachers		194	
Social Security		377,973	
Pensions		502,508	
Life Insurance		9,696	
Medical Insurance		535,502	
Dental Insurance		19,381	
Local Retirement		31,614	
Travel		9,521	
Other Supplies and Materials		95,538	
Total Office of the Principal			6,950,641

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Supervisor/Director	\$	94,562	
Accountants/Bookkeepers		201,480	
Bonus Payments		1,500	
Social Security		20,969	
Pensions		25,918	
Life Insurance		561	
Medical Insurance		14,562	
Dental Insurance		1,231	
Local Retirement		7,534	
Dues and Memberships		650	
Travel		381	
Other Contracted Services		449,119	
Office Supplies		1,826	
In Service/Staff Development		8,054	
Administration Equipment		3,166	
Total Fiscal Services			\$ 831,513

Human Services/Personnel

Supervisor/Director	\$	250,923	
Clerical Personnel		40,560	
Bonus Payments		1,850	
Other Salaries and Wages		85,393	
Social Security		26,647	
Pensions		26,054	
Life Insurance		698	
Medical Insurance		29,311	
Dental Insurance		1,338	
Local Retirement		8,049	
Dues and Memberships		677	
Travel		988	
Other Contracted Services		7,087	
Office Supplies		5,335	
Other Supplies and Materials		27,082	
In Service/Staff Development		729	
Other Charges		325	
Administration Equipment		19,341	
Total Human Services/Personnel			532,387

Operation of Plant

Other Contracted Services	\$	1,833,650	
Electricity		2,268,663	
Natural Gas		440,692	
Water and Sewer		249,375	
Building and Contents Insurance		964,630	
Total Operation of Plant			5,757,010

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

Supervisor/Director	\$	91,802	
Secretary(ies)		73,745	
Bonus Payments		11,550	
Other Salaries and Wages		1,396,881	
Social Security		112,059	
Pensions		141,218	
Life Insurance		2,756	
Medical Insurance		156,116	
Dental Insurance		5,530	
Local Retirement		26,669	
Travel		99	
Other Contracted Services		510,150	
Software		30,420	
Other Supplies and Materials		781,414	
In Service/Staff Development		4,141	
Administration Equipment		171,566	
Total Maintenance of Plant	\$		3,516,116

Transportation

Supervisor/Director	\$	96,900	
Mechanic(s)		436,164	
Bus Drivers		2,340,659	
Bonus Payments		48,050	
Other Salaries and Wages		726,539	
Social Security		260,456	
Pensions		245,726	
Life Insurance		5,103	
Medical Insurance		340,487	
Dental Insurance		18,144	
Local Retirement		68,063	
Contracts with Vehicle Owners		9,270	
Maintenance and Repair Services - Vehicles		17,014	
Other Contracted Services		55,135	
Diesel Fuel		571,380	
Gasoline		104,530	
Lubricants		10,413	
Office Supplies		6,800	
Tires and Tubes		119,314	
Vehicle Parts		387,288	
Other Supplies and Materials		34,317	
In Service/Staff Development		4,137	
Other Charges		19,326	
Administration Equipment		3,000	
Transportation Equipment		26,382	
Total Transportation			5,954,597

(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

Community Services

Supervisor/Director	\$	54,116	
Bonus Payments		2,700	
Other Salaries and Wages		344,695	
Social Security		26,449	
Pensions		21,937	
Life Insurance		459	
Medical Insurance		28,064	
Dental Insurance		1,437	
Local Retirement		6,697	
Communication		2,317	
Travel		461	
Other Supplies and Materials		11,044	
In Service/Staff Development		2,695	
Other Equipment		5,035	
Total Community Services			\$ 508,106

Early Childhood Education

Teachers	\$	956,876	
Educational Assistants		376,508	
Bonus Payments		27,172	
Certified Substitute Teachers		11,040	
Non-certified Substitute Teachers		11,492	
Social Security		97,302	
Pensions		121,818	
Life Insurance		2,468	
Medical Insurance		132,152	
Dental Insurance		5,278	
Local Retirement		5,288	
Travel		199	
Other Contracted Services		378	
Instructional Supplies and Materials		97,919	
In Service/Staff Development		4,475	
Regular Instruction Equipment		7,554	
Total Early Childhood Education			1,857,919

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	84,997	
Total Regular Capital Outlay			84,997

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	972,344	
Total Education			972,344

Total General Purpose School Fund \$ 101,740,463

(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

Instruction

Regular Instruction Program

Teachers	\$	197,377	
Educational Assistants		91,621	
Bonus Payments		73,050	
Other Salaries and Wages		1,416,530	
Certified Substitute Teachers		1,206	
Non-certified Substitute Teachers		5,094	
Social Security		113,399	
Pensions		146,418	
Life Insurance		2,408	
Medical Insurance		107,401	
Dental Insurance		4,380	
Local Retirement		2,337	
Other Contracted Services		56,689	
Instructional Supplies and Materials		634,000	
Other Supplies and Materials		3,110	
Other Charges		308	
Regular Instruction Equipment		1,129,150	
Total Regular Instruction Program			\$ 3,984,478

Special Education Program

Teachers	\$	85,603	
Educational Assistants		1,860,893	
Speech Pathologist		118,889	
Bonus Payments		33,450	
Social Security		144,608	
Pensions		126,437	
Life Insurance		3,281	
Medical Insurance		230,831	
Dental Insurance		11,692	
Local Retirement		34,227	
Contracts with Private Agencies		35,221	
Other Contracted Services		29,293	
Instructional Supplies and Materials		48,856	
Other Supplies and Materials		18,973	
Special Education Equipment		183,882	
Total Special Education Program			2,966,136

Career and Technical Education Program

Educational Assistants	\$	17,186	
Other Salaries and Wages		43,598	
Social Security		3,663	
Pensions		6,226	
Life Insurance		115	
Medical Insurance		14,800	
Dental Insurance		438	
Local Retirement		685	

(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.)

Career and Technical Education Program (Cont.)

Other Supplies and Materials	\$	10,074	
Vocational Instruction Equipment		143,079	
Total Career and Technical Education Program			\$ 239,864

Support Services

Health Services

Medical Personnel	\$	213,941	
Bonus Payments		2,100	
Social Security		15,388	
Pensions		20,819	
Life Insurance		407	
Medical Insurance		16,108	
Dental Insurance		756	
Local Retirement		4,441	
Other Supplies and Materials		20,135	
Total Health Services			294,095

Other Student Support

Guidance Personnel	\$	67,348	
Bonus Payments		1,000	
Other Salaries and Wages		254,058	
Social Security		20,320	
Pensions		18,356	
Life Insurance		347	
Medical Insurance		9,783	
Dental Insurance		619	
Local Retirement		1,885	
Evaluation and Testing		1,100	
Travel		18,978	
Other Contracted Services		44,053	
Other Supplies and Materials		9,752	
In Service/Staff Development		21,154	
Other Charges		68,256	
Total Other Student Support			537,009

Regular Instruction Program

Supervisor/Director	\$	95,249	
Secretary(ies)		31,177	
Clerical Personnel		38,101	
Educational Assistants		24,280	
Bonus Payments		3,300	
Other Salaries and Wages		983,426	
Social Security		79,121	
Pensions		105,799	
Life Insurance		922	
Medical Insurance		30,673	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Dental Insurance	\$	1,381	
Local Retirement		951	
Travel		2,000	
Other Contracted Services		1,504	
Other Supplies and Materials		6,799	
In Service/Staff Development		491,782	
Other Equipment		3,143	
Total Regular Instruction Program			\$ 1,899,608

Special Education Program

Assessment Personnel	\$	116,555	
Secretary(ies)		34,681	
Bonus Payments		3,060	
Other Salaries and Wages		269,642	
In-service Training		8,475	
Social Security		28,123	
Pensions		40,007	
Life Insurance		584	
Medical Insurance		44,602	
Dental Insurance		1,829	
Local Retirement		1,696	
Travel		3,366	
Other Contracted Services		46,219	
Other Supplies and Materials		13,813	
In Service/Staff Development		18,158	
Other Equipment		7,500	
Total Special Education Program			638,310

Career and Technical Education Program

In Service/Staff Development	\$	4,582	
Total Career and Technical Education Program			4,582

Board of Education

Criminal Investigation of Applicants - TBI	\$	105	
Total Board of Education			105

Office of the Principal

Principals	\$	5,000	
Social Security		380	
Pensions		488	
Total Office of the Principal			5,868

Transportation

Bus Drivers	\$	3,620	
Social Security		277	
Pensions		517	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Contracts with Vehicle Owners	\$	65,555	
Diesel Fuel		1,016	
Total Transportation			\$ 70,985

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	10,000	
Educational Assistants		4,355	
Other Salaries and Wages		79,449	
Social Security		7,111	
Pensions		9,627	
Other Contracted Services		17,265	
Instructional Supplies and Materials		7,276	
In Service/Staff Development		447	
Other Charges		412	
Total Community Services			<u>135,942</u>

Total School Federal Projects Fund \$ 10,776,982

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	82,000	
Accountants/Bookkeepers		82,799	
Cafeteria Personnel		2,541,484	
Bonus Payments		53,000	
Other Salaries and Wages		256,982	
Social Security		217,251	
Pensions		219,221	
Life Insurance		5,114	
Medical Insurance		269,462	
Dental Insurance		17,500	
Local Retirement		61,547	
Other Fringe Benefits		2,854	
Communication		7,300	
Maintenance and Repair Services - Equipment		83,377	
Transportation - Other than Students		21,644	
Travel		6,469	
Other Contracted Services		307,884	
Food Supplies		4,162,452	
Uniforms		15,740	
USDA - Commodities		698,686	
Other Supplies and Materials		363,061	
Trustee's Commission		946	
In Service/Staff Development		27,857	
Food Service Equipment		878,466	
Total Food Service			<u>\$ 10,383,096</u>

Total Central Cafeteria Fund 10,383,096

(Continued)

Exhibit K-8

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

<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Engineering Services	\$	734,894
Other Contracted Services		170,745
Trustee's Commission		44,502
Building Improvements		8,872,816
Land		46,609
Maintenance Equipment		5,828
Regular Instruction Equipment		107,651
Transportation Equipment		1,303,510
Total Education Capital Projects		<u>\$ 11,286,555</u>
Total Education Capital Projects Fund		<u>\$ 11,286,555</u>
Total Governmental Funds - Madison County School Department		<u><u>\$ 134,187,096</u></u>

Exhibit K-9

Madison County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2019

	Cities - Sales Tax Fund	Cities - Property Tax Fund	Total
<u>Cash Receipts</u>			
Other Statutory Local Taxes	\$ 0	\$ 3,600	\$ 3,600
Current Property Tax	0	270,198	270,198
Prior Year's Property Tax	0	4,818	4,818
Interest and Penalty	0	237	237
Local Option Sales Tax	20,977,708	142,638	21,120,346
Hotel/Motel Tax	809,950	0	809,950
Total Cash Receipts	<u>\$ 21,787,658</u>	<u>\$ 421,491</u>	<u>\$ 22,209,149</u>
<u>Cash Disbursements</u>			
Remittance of Revenues Collected	\$ 21,680,649	\$ 411,723	\$ 22,092,372
Trustee's Commission	219,097	7,003	226,100
Total Cash Disbursements	<u>\$ 21,899,746</u>	<u>\$ 418,726</u>	<u>\$ 22,318,472</u>
Excess of Cash Receipts Over (Under)			
Cash Disbursements	\$ (112,088)	\$ 2,765	\$ (109,323)
Cash Balance, July 1, 2018	190,622	0	190,622
Cash Balance, June 30, 2019	<u>\$ 78,534</u>	<u>\$ 2,765</u>	<u>\$ 81,299</u>

SINGLE AUDIT SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

**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, 2019, and the related notes to the financial statements, which collectively comprise Madison County's basic financial statements as listed in the table of contents, and have issued our report thereon dated November 21, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material

weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2019-001, 2019-002, 2019-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Madison County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

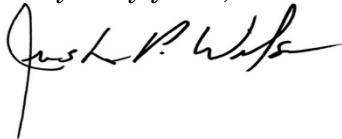
Madison County's Responses to the Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Madison County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 21, 2019

JPW/tg



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2019. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Madison County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Madison County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Madison County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

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

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

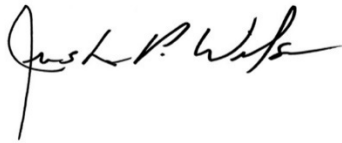
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Madison County, Tennessee, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Madison County's basic financial statements. We issued our report thereon dated November 21, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 21, 2019

JPW/tg

Madison County, Tennessee, and the Madison County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6)
For the Year Ended June 30, 2019

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: (3)			
School Breakfast Program	10.553	N/A	\$ 2,818,974
National School Lunch Program	10.555	N/A	4,510,477 (5)
Fresh Fruit and Vegetable Program	10.582	N/A	90,606
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (3)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	698,686 (5)
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	GG1543230	<u>799,742</u>
Total U.S. Department of Agriculture			<u>\$ 8,918,485</u>
U.S. Department of Justice:			
Passed-through State Office of Criminal Justice Programs:			
Crime Victim Assistance	16.575	(4)	\$ 125,184
Passed-through City of Jackson:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(4)	<u>259,083</u>
Total U.S. Department of Justice			<u>\$ 384,267</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Safety Cluster: (3)			
State and Community Highway Safety	20.600	(4)	<u>\$ 20,726</u>
Total U.S. Department of Transportation			<u>\$ 20,726</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 5,256,603
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	N/A	67,168
Special Education Cluster: (3)			
Special Education - Grants to States	84.027	N/A	3,825,544
Special Education - Preschool Grants	84.173	N/A	58,732
Career and Technical Education - Basic Grants to States	84.048	N/A	279,258
Education for Homeless Children and Youth	84.196	N/A	18,113
Twenty-first Century Community Learning Centers	84.287	N/A	135,941
English Language Acquisition State Grants	84.365	N/A	58,499
Supporting Effective Instruction State Grant	84.367	N/A	655,724
School Improvement Grants	84.377	N/A	93,954
Student Support and Academic Enrichment Program	84.424	N/A	<u>288,956</u>
Total U.S. Department of Education			<u>\$ 10,738,492</u>

(Continued)

Madison County, Tennessee, and the Madison County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (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:			
Passed-through State Department of Health:			
Public Health Emergency Preparedness	93.069	GG1853849	\$ 427,437
Injury Prevention and Control Research and State and Community Based Programs	93.136	GG1544238	29,701
Family Planning - Services	93.217	GG1853848	142,197
Immunization Cooperative Agreements	93.268	GG1754781	73,644
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	GG1853333	33,184
HIV Care Formula Grants	93.917	GG1753044	19,341
HIV Prevention Activities - Health Department Based	93.940	GG1751934	182,305
Assistance Programs for Chronic Disease Prevention and Control	93.945	GG1440467	8,649
Cooperative Agreements to Support State-based Safe Motherhood and Infant Health Initiative Programs	93.946	GU1545112	3,000
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	GG1751934	80,270
Preventive Health and Health Services Block Grant	93.991	GG1753852	75,729
CCDF Cluster: (3)			
Child Care and Development Block Grant	93.575	G1701TNCCDF	<u>38,490</u>
Total U.S. Department of Health and Human Services			<u>\$ 1,113,947</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Hazard Mitigation Grant	97.039	(4)	\$ 8,947
Emergency Management Performance Grants	97.042	(4)	94,000
Homeland Security Grant Program	97.067	(4)	<u>127,525</u>
Total U.S. Department of Homeland Security			<u>\$ 230,472</u>
Total Expenditures of Federal Awards			<u>\$ 21,406,389</u>
		<u>Contract Number</u>	
State Grants:			
Child and Family Intervention Services - State Department of Children's Services	N/A	(4)	\$ 124,093
State Supplement Juvenile Improvement Funds - State Commission on Children and Youth	N/A	(4)	9,000
Litter Program - State Department of Transportation	N/A	(4)	27,292
Recovery Court Adult Program - State Department of Mental Health and Substance Abuse Services	N/A	(4)	68,844
Addictions Recovery Program - State Department of Mental Health and Substance Abuse Services	N/A	(4)	19,995
Help Us Grow Successfully (HUGS) Services - State Department of Health	N/A	GG1541175	65,148
Administering Environmental Health Programs - State Department of Health	N/A	GU1853784	8,007
TennderCare Outreach - State Department of Health	N/A	GG1751169	123,791
Grant in Aid - State Department of Health	N/A	EG1855257	355,644
Tuberculosis Control, Prevention and Outreach Services - State Department of Health	N/A	GG1854033	142,108
TennCare School Based Dental Prevention Program - State Department of Health	N/A	GG1750662	275,234
Prenatal Presumptive Eligibility Expansion - State Department of Health	N/A	(4)	15,600
Child Care and Development Fund - State Department of Human Services	N/A	(4)	17,577
Pre-Arrest Diversion Infrastructure Program - State Department of Mental Health and Substance Abuse Services	N/A	(4)	239,779
Site Development Grant - State Department of Economic and Community Development	N/A	(4)	75,327
Alternative Transportation Pilot Project - State Department of Mental Health and Substance Abuse Services	N/A	(4)	272,326
Coordinated School Health - State Department of Education	N/A	(4)	135,000
Family Engagement Pilot - State Department of Education	N/A	(4)	10,000

(Continued)

Madison County, Tennessee, and the Madison County School Department
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (6) (Cont.)

State Grants (Cont.):	<u>Contract Number</u>	
Priority Schools Grant - State Department of Education	N/A	(4) \$ 298,893
Safe Schools - State Department of Education	N/A	(4) 69,325
School Safety Grant - State Department of Education	N/A	(4) 228,171
School to Work - State Department of Human Services	N/A	(4) 95,950
Read to be Ready - State Department of Education	N/A	(4) 7,825
Early Childhood Education - State Department of Education	N/A	(4) 1,377,621
Governor's Academy for School Leadership - State Department of Education	N/A	(4) 803
CTE New Skills for Youth Grant - State Department of Education	N/A	(4) 99,200
CTE Equipment Grant - State Department of Education	N/A	(4) <u>1,202</u>
Total State Grants		\$ <u>4,163,755</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

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

(2) Madison County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.

(3) Child Nutrition Cluster total \$8,028,137, Highway Safety Cluster total \$20,726; Special Education Cluster total \$3,884,276; CCDF Cluster total \$38,490.

(4) Information not available.

(5) Total for CFDA No. 10.555 is \$5,209,163.

(6) SCHOOL-WIDE PROGRAM

The following amounts were consolidated for School-wide purposes:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Schoolwide Program</u>
Title I	84.010	\$ 5,256,603
Special Education Cluster	84.027	3,825,544
Education for Homeless Children and Youth	84.196	18,113
English Language Acquisition State Grant	84.365	58,499
Supporting Effective Instruction State Grant	84.367	655,724
Student Support and Academic Enrichment Program	84.424	<u>288,956</u>
Total		\$ <u>10,103,439</u>

Madison County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2019

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Madison County, Tennessee, for the year ended June 30, 2019.

Prior-year Financial Statement Findings

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
<u>OFFICE OF FINANCE DIRECTOR</u>					
2018	241	2018-001	The Office had Accounting Deficiencies	N/A	Corrected
2018	243	2018-002	The School Department's Education Capital Projects Fund Appropriations Exceeded Estimated Available Funds	N/A	Corrected
2018	243	2018-003	The Office had Deficiencies Related to Time and Attendance Records	N/A	Not Corrected - See Explanation on Corrective Action Plan
2018	244	2018-004	The Payroll Software did not have Adequate Application Controls	N/A	Corrected
2018	245	2018-005	An Investigation of the Finance Department Disclosed Two County Employees Improperly Received County Funds Totaling \$8,282	N/A	Corrected

Prior-year Federal Awards Findings

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

MADISON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2019

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Numbers: 10.553 and 10.555 Child Nutrition Cluster: School Breakfast Program and National School Lunch Program
 - * CFDA Numbers: 84.010 Title I Grants to Local Educational Agencies
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF FINANCE DIRECTOR

FINDING 2019-001

THE OFFICE HAD DEFICIENCIES RELATED TO TIME AND ATTENDANCE RECORDS

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

The office had deficiencies related to time and attendance records. Finance Department staff advised that employees classified as exempt are not required to submit documentation of time worked or leave taken. Currently, the department advised that they have classified approximately 138 employees as exempt. Sound business practices dictate that there should be documented time approval or review for exempt employees. Leave requests should be properly documented for all employees. The failure to properly document time and leave could lead to inaccurate time records and improper payments for time worked. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report and the failure to implement their corrective action plan.

RECOMMENDATION

Time, attendance, and leave documentation should be on file for employees classified as exempt.

MANAGEMENT'S RESPONSE – MIKE NICHOLS, FORMER FINANCE DIRECTOR

I concur with this finding.

FINDING 2019-002

AN INVESTIGATION OF THE JACKSON-MADISON COUNTY REGIONAL HEALTH DEPARTMENT DISCLOSED DEFICIENCIES RELATED TO INVENTORY

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

On May 1, 2019, the Comptroller's Division of Investigations issued an investigative report on the Jackson-Madison County Regional Health Department. This report disclosed that a program director returned purchased items for personal gain and that the department does

not have an inventory policy to account for items purchased by the department. This report is available at www.comptroller.tn.gov/ia.

OFFICE OF SHERIFF

FINDING 2019-003

TIME SHEETS DID NOT ALWAYS ACCURATELY REFLECT TIME WORKED

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

Time sheets for employees did not always accurately reflect time worked. In most instances, time sheets for employees reflected that they worked five days a week for eight hours each day. However, we were advised by the chief deputy that some employees were working the required 40 hours per week but not always in eight-hour daily increments as reflected on their time sheets. Due to the failure to accurately record time, we were unable to determine the actual hours worked by employees. Sound business practices dictate that time and attendance records should be accurately maintained for all employees. The failure to maintain adequate documentation of time worked weakens internal controls over the payroll process and increases the risks of improper payments.

RECOMMENDATION

Time and attendance records should be accurately maintained for all employees.

MANAGEMENT'S RESPONSE – SHERIFF

We concur with this finding. Exempt employees will submit time sheets reporting only annual leave and sick time taken.

AUDITOR'S COMMENT

Time sheets should accurately reflect the actual hours worked and leave taken for all employees, including exempt employees.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2019.

Madison County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2019

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF FINANCE DIRECTOR

2019-001	The Office Had Deficiencies Related to Time and Attendance Records	258
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OFFICE OF SHERIFF

2019-003	Time Sheets Did Not Always Accurately Reflect Time Worked	259
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Madison County
Finance Department

Karen Bell
Director



Corrective Action Plan

1981 Hollywood Drive, Suite 100
Jackson, Tennessee 38305
Phone: 731-660-6221
Fax: 731-664-8315

FINDING: 2019-001 THE OFFICE HAD DEFICIENCIES RELATED TO TIME AND ATTENDANCE RECORDS

Response and Corrective Action Plan Prepared by:
Karen Bell, Finance Director

Person Responsible for Implementing the Corrective Action:
Karen Bell, Finance Director

Anticipated Completion Date of Corrective Action:
1/31/2020

Repeat Finding:
Yes


Reason Corrective Action was Not Taken in the Prior Year:

A review of policies was not completed and implemented with all county departments being made aware of how this should be handled.

Planned Corrective Action:

The Finance Director along with the aid of Madison County's internal auditor is reviewing the exempt status of each employee listed on the report provided to audit. Additionally, we will see if these employees meet the exempt status test as provided under FLSA and if not, will reclassify appropriately.

Madison County is implementing a new time and attendance tracking software called Executime that will help to rectify issues with time sheets and documentation of leave requests and approved time off. This should be fully implemented by all departments no later than January 31, 2020.

Signature: 

OFFICE OF THE SHERIFF
MADISON COUNTY, TENNESSEE



John R. Mehr
Sheriff

317 DENMARK JACKSON ROAD • DENMARK, TENNESSEE 38391 • 731-423-6000
HONOR • INTEGRITY • SERVICE

Steve Overton
Chief Deputy

Corrective Action Plan

FINDING: TIMESHEETS DID NOT ALWAYS ACCURATELY REFLECT TIME WORKED

Response and Corrective Action Plan Prepared by:
Gary M. Irwin, Budget Director

Person Responsible for Implementing the Corrective Action:
John R. Mehr, Sheriff

Anticipated Completion Date of Corrective Action:
September 1, 2019

Repeat Finding:
No

Reason Corrective Action was Not Taken in the Prior Year:
N/A

Planned Corrective Action:
Exempt employees will submit timesheets reporting only annual leave and sick time taken.

Signature: 