
ANNUAL FINANCIAL REPORT HAYWOOD COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2013



**ANNUAL FINANCIAL REPORT
HAYWOOD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2013**

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

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

HAYWOOD COUNTY, TENNESSEE

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Audit Highlights
Annual Financial Report
Haywood County, Tennessee
For the Year Ended June 30, 2013

Scope

We have audited the basic financial statements of Haywood County as of and for the year ended June 30, 2013.

Results

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

Our audit resulted in 16 findings and recommendations, which we have reviewed with Haywood County management. Detailed findings, recommendations, and management's response are included in the Single Audit section of this report.

Findings and Best Practices

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

OFFICE OF COUNTY MAYOR

- ◆ The Solid Waste Disposal Fund had a deficit in unrestricted net position.
- ◆ The office had deficiencies in purchasing procedures.
- ◆ A lease-purchase agreement was not in compliance with state statutes.
- ◆ Appropriations exceeded estimated available funding.
- ◆ Some Ambulance Service funds were not deposited within three days of collection.
- ◆ Usernames and passwords were shared by Ambulance Service employees.
- ◆ Usernames and passwords were shared by employees using the landfill software.
- ◆ The billing/accounts receivable software used by the Solid Waste Office did not identify the user that processed transactions.
- ◆ The billing/accounts receivable software used by the Solid Waste Office did not have adequate application controls.

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

- ◆ The Highway Department did not maintain a system to account for materials used on some types of road projects.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ Competitive bids were not solicited for tires.
-

OFFICE OF ASSESSOR OF PROPERTY

- ◆ Mobile home schedules were not mailed to the land owner where the mobile home was located.
-

OFFICE OF REGISTER OF DEEDS

- ◆ The register of deeds allowed individuals unsupervised access to the office after business hours.
 - ◆ Multiple employees operated from the same cash drawer.
 - ◆ Usernames and passwords were shared by employees.
-

OFFICES OF SOLID WASTE, CHIEF ADMINISTRATIVE HIGHWAY OFFICER, REGISTER OF DEEDS, AND THE AMBULANCE SERVICE,

- ◆ Duties were not segregated adequately.
-

BEST PRACTICES

The Division of Local Government Audit strongly believes that the items noted below are best practices that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Haywood County.

- Haywood County should adopt a central system of accounting, budgeting, and purchasing.
- Haywood County should establish an Audit Committee.

INTRODUCTORY SECTION

Haywood County Officials
June 30, 2013

Officials

Franklin Smith, County Mayor
Greg McCarley, Chief Administrative Highway Officer
Teresa Russell, Director of Schools
William Howse, Trustee
Dare Simpson, Assessor of Property
Sonya Castellaw, County Clerk
Mary Lonon, Circuit, General Sessions, and Juvenile Courts Clerk
Sarah Levy, Clerk and Master
Steve Smith, Register of Deeds
Melvin Bond, Sheriff

Board of County Commissioners

Franklin Smith, County Mayor, Chairman	Samuel Mathes
Becky Booth	Jeffrey Richmond
Kathy Chapman	Janice Rogers
Wally Eubanks	Jerry Smith
John Gorman, Jr.	Larry Stanley
Robert Green	Joe Stephens
Bob Hooper	Robert Thornton
Richard Jameson	Marjorie Vault
Leonard Jones, Jr.	James Waldrop
Allen King	Charles Wills
Chris Lea	

Highway Commission

Robert English, Jr., Chairman
Milton Booth
James Boyd
George Floyd
Willie Ross

Board of Education

Harold Garrett, Chairman
Allen Currie
Pearlie Hess
Robbie King
Greg Vanstory

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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Independent Auditor's Report

Haywood County Mayor and
Board of County Commissioners
Haywood 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Haywood County Utility District, which represent 14.4 percent, 15.9 percent, and .6 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Haywood County Utility District, is based solely on the report of the other auditors. We conducted our audit in accordance with

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

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison 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.

Emphasis of Matter

We draw attention to Note I.D.8. in the financial statements, which describes a restatement to the beginning balance of the government-wide financial statements totaling \$338,591. This restatement was necessary because prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, debt issuance costs become period costs.

As described in Note V.B., Haywood County has adopted the provisions of GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*, which became effective for the year ended June 30, 2013. Haywood County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities*

and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedules of funding progress – pension plan and other postemployment benefits plan on pages 79-81 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 Haywood County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Haywood County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Haywood County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements

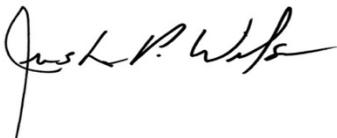
and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards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

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2014, on our consideration of Haywood County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Haywood County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 13, 2014

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Haywood County, Tennessee
Statement of Net Position
June 30, 2013

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Haywood	Haywood
				School Department	County Utility District
<u>ASSETS</u>					
Cash	\$ 25,270	\$ 0	\$ 25,270	\$ 0	\$ 308,585
Equity in Pooled Cash and Investments	9,379,144	67,492	9,446,636	3,610,884	0
Accounts Receivable	1,139,958	483,434	1,623,392	19,464	17,706
Allowance for Uncollectibles	(222,582)	(144,389)	(366,971)	0	0
Due from Other Governments	832,834	5,250	838,084	1,115,567	0
Due from Primary Government	0	0	0	72,812	0
Property Taxes Receivable	6,301,799	0	6,301,799	3,924,181	0
Allowance for Uncollectible Property Taxes	(143,429)	0	(143,429)	(89,314)	0
Capital Assets:					
Assets Not Depreciated:					
Land	4,256,511	235,000	4,491,511	143,868	0
Construction in Progress	0	0	0	5,280,825	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	11,538,511	98,997	11,637,508	6,331,537	3,428,726
Infrastructure	6,615,322	0	6,615,322	0	0
Other Capital Assets	3,566,793	114,882	3,681,675	1,837,215	0
Total Assets	<u>\$ 43,290,131</u>	<u>\$ 860,666</u>	<u>\$ 44,150,797</u>	<u>\$ 22,247,039</u>	<u>\$ 3,755,017</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 223,313	\$ 32,589	\$ 255,902	\$ 96,907	\$ 13,459
Payroll Deductions Payable	48,669	1,232	49,901	636,481	0
Contracts Payable	83,216	0	83,216	13,474	0
Due to Component Units	72,812	0	72,812	0	0
Due to State of Tennessee	5,301	174	5,475	0	0
Accrued Interest Payable	67,940	0	67,940	0	9,038
Other Current Liabilities	9,344	0	9,344	0	0
Customer Deposits Payable	0	0	0	0	20,890
Noncurrent Liabilities:					
Due Within One Year	1,070,100	26,871	1,096,971	0	10,445
Due in More Than One Year (net of unamortized premium on debt)	18,822,072	1,753,966	20,576,038	664,611	445,747
Total Liabilities	<u>\$ 20,402,767</u>	<u>\$ 1,814,832</u>	<u>\$ 22,217,599</u>	<u>\$ 1,411,473</u>	<u>\$ 499,579</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 5,742,810	\$ 0	\$ 5,742,810	\$ 3,576,079	\$ 0
Total Deferred Inflows of Resources	<u>\$ 5,742,810</u>	<u>\$ 0</u>	<u>\$ 5,742,810</u>	<u>\$ 3,576,079</u>	<u>\$ 0</u>

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Haywood County School Department	Haywood County Utility District
<u>NET POSITION</u>					
Net Investment in Capital Assets	\$ 12,302,868	\$ 448,879	\$ 12,751,747	\$ 13,593,445	\$ 2,972,534
Restricted for:					
General Government	93,708	0	93,708	0	0
Finance	5,719	0	5,719	0	0
Administration of Justice	294,122	0	294,122	0	0
Public Safety	25,508	0	25,508	0	0
Social, Cultural, and Recreational Services	12,737	0	12,737	0	0
Highway/Public Works	1,972,151	0	1,972,151	0	0
Education	0	0	0	188,165	0
Operation of Non-Instructional Services	0	0	0	605,412	0
Debt Service	291,429	0	291,429	0	0
Capital Projects	160,849	0	160,849	30,242	0
Other Purposes	17,863	0	17,863	0	0
Unrestricted	1,967,600	(1,403,045)	564,555	2,842,223	282,904
Total Net Position	<u>\$ 17,144,554</u>	<u>\$ (954,166)</u>	<u>\$ 16,190,388</u>	<u>\$ 17,259,487</u>	<u>\$ 3,255,438</u>

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

Exhibit B

Haywood County, Tennessee
Statement of Activities
For the Year Ended June 30, 2013

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Primary Government		Haywood County		Haywood County Utility District
						Governmental Activities	Business-type Activities	School Department	Utility District	
Primary Government:										
Governmental Activities:										
General Government	\$ 1,307,351	\$ 253,413	\$ 15,164	\$ 7,550	\$ (1,031,224)	\$ 0	\$ (1,031,224)	\$ 0	\$ 0	\$ 0
Finance	941,902	562,500	0	0	(379,402)	0	(379,402)	0	0	0
Administration of Justice	1,070,354	886,599	5,100	0	(178,655)	0	(178,655)	0	0	0
Public Safety	4,758,271	773,776	196,832	0	(3,787,663)	0	(3,787,663)	0	0	0
Public Health and Welfare	2,105,024	1,472,130	50,501	104,594	(477,799)	0	(477,799)	0	0	0
Social, Cultural, and Recreational Services	1,143,304	50,101	204,201	3,325	(885,677)	0	(885,677)	0	0	0
Agriculture and Natural Resources	355,529	0	0	0	(355,529)	0	(355,529)	0	0	0
Other Operations	612,338	23,061	0	0	(589,277)	0	(589,277)	0	0	0
Highways/Public Works	2,837,690	304,269	1,708,891	414,015	(410,515)	0	(410,515)	0	0	0
Education	1,200,487	0	0	0	(1,200,487)	0	(1,200,487)	0	0	0
Interest on Long-term Debt	761,963	0	32,525	0	(729,438)	0	(729,438)	0	0	0
Other Debt Service	34,002	0	16,355	0	(17,647)	0	(17,647)	0	0	0
Total Governmental Activities	\$ 17,128,215	\$ 4,325,849	\$ 2,229,569	\$ 529,484	\$ (10,043,313)	\$ 0	\$ (10,043,313)	\$ 0	\$ 0	\$ 0
Business-type Activities:										
Solid Waste Disposal	\$ 801,583	\$ 758,963	\$ 32,275	\$ 0	\$ 0	\$ (10,345)	\$ (10,345)	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 17,929,798	\$ 5,084,812	\$ 2,261,844	\$ 529,484	\$ (10,043,313)	\$ (10,345)	\$ (10,053,658)	\$ 0	\$ 0	\$ 0
Component Units:										
Haywood County School Department	\$ 29,219,117	\$ 351,233	\$ 4,923,778	\$ 1,933,501	\$ 0	\$ 0	\$ 0	\$ (22,010,605)	\$ 0	\$ 0
Haywood County Utility District	306,557	193,476	0	0	0	0	0	0	0	(113,081)
Total Component Units	\$ 29,525,674	\$ 544,709	\$ 4,923,778	\$ 1,933,501	\$ 0	\$ 0	\$ 0	\$ (22,010,605)	\$ (113,081)	\$ 0

(Continued)

Exhibit B

Haywood County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Business-type Activities	Total	Haywood County School Department	Haywood County Utility District		
General Revenues:											
Taxes:											
Property Taxes Levied for General Purposes					\$ 4,996,375	\$ 0	\$ 4,996,375	\$ 3,670,044	\$ 0		
Property Taxes Levied for Debt Service					910,284	0	910,284	0	0		
Local Option Sales Taxes					123,039	0	123,039	1,522,013	0		
Hotel/Motel Tax					44,512	0	44,512	0	0		
Wheel Tax					938,362	0	938,362	270,026	0		
Litigation Taxes					625,674	0	625,674	0	0		
Business Tax					159,902	0	159,902	0	0		
Wholesale Beer Tax					93,882	0	93,882	0	0		
Other Local Taxes					41,709	0	41,709	51,839	0		
Grants and Contributions Not Restricted to Specific Programs					1,533,666	0	1,533,666	17,848,058	0		
Unrestricted Investment Income					75,553	0	75,553	0	1,511		
Miscellaneous					83,482	39,798	123,280	81,777	0		
Total General Revenues					\$ 9,626,440	\$ 39,798	\$ 9,666,238	\$ 23,443,757	\$ 1,511		
Transfers					\$ (210,000)	\$ 210,000	\$ 0	\$ 0	\$ 0		
Change in Net Position					\$ (626,873)	\$ 239,453	\$ (387,420)	\$ 1,433,152	\$ (111,570)		
Net Position, July 1, 2012					18,110,018	(1,193,619)	16,916,399	15,826,335	3,367,008		
Restatement - See Note I.D.8					(338,591)	0	(338,591)	0	0		
Net Position, June 30, 2013					\$ 17,144,554	\$ (954,166)	\$ 16,190,388	\$ 17,259,487	\$ 3,255,438		

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

Exhibit C-1

Haywood County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2013

	Major Funds			Nonmajor Funds	Total Governmental Funds
	Highway / Public Works		General Debt Service	Other Govern- mental Funds	
	General	Works	Service	Funds	
ASSETS					
Cash	\$ 0	\$ 0	\$ 0	\$ 25,270	\$ 25,270
Equity in Pooled Cash and Investments	2,871,576	3,292,541	2,889,508	325,519	9,379,144
Accounts Receivable	1,066,367	3,346	6,187	64,058	1,139,958
Allowance for Uncollectibles	(222,582)	0	0	0	(222,582)
Due from Other Governments	468,801	280,817	0	83,216	832,834
Due from Other Funds	4,676	0	0	0	4,676
Property Taxes Receivable	4,824,855	504,130	972,814	0	6,301,799
Allowance for Uncollectible Property Taxes	(109,814)	(11,474)	(22,141)	0	(143,429)
Total Assets	\$ 8,903,879	\$ 4,069,360	\$ 3,846,368	\$ 498,063	\$ 17,317,670
LIABILITIES					
Accounts Payable	\$ 191,791	\$ 29,013	\$ 1,026	\$ 1,483	\$ 223,313
Payroll Deductions Payable	43,648	0	0	5,021	48,669
Contracts Payable	0	0	0	83,216	83,216
Due to Other Funds	0	0	0	4,676	4,676
Due to Component Units	72,812	0	0	0	72,812
Due to State of Tennessee	4,833	0	0	468	5,301
Other Current Liabilities	9,344	0	0	0	9,344
Total Liabilities	\$ 322,428	\$ 29,013	\$ 1,026	\$ 94,864	\$ 447,331
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 4,396,869	\$ 459,409	\$ 886,532	\$ 0	\$ 5,742,810
Deferred Delinquent Property Taxes	308,566	32,243	62,205	0	403,014
Other Deferred/Unavailable Revenue	888,058	130,000	0	0	1,018,058
Total Deferred Inflows of Resources	\$ 5,593,493	\$ 621,652	\$ 948,737	\$ 0	\$ 7,163,882
FUND BALANCES					
Restricted:					
Restricted for General Government	\$ 93,708	\$ 0	\$ 0	\$ 0	\$ 93,708
Restricted for Finance	5,719	0	0	0	5,719
Restricted for Administration of Justice	294,122	0	0	0	294,122
Restricted for Public Safety	21,622	0	0	3,886	25,508
Restricted for Social, Cultural, and Recreational Services	12,737	0	0	0	12,737
Restricted for Highways/Public Works	0	1,834,100	0	0	1,834,100
Restricted for Debt Service	0	0	294,249	0	294,249
Restricted for Capital Projects	0	0	0	160,849	160,849
Restricted for Other Purposes	14,860	0	0	3,003	17,863
Committed:					
Committed for Finance	0	0	0	19,594	19,594
Committed for Public Safety	9,823	0	0	0	9,823
Committed for Public Health and Welfare	23,541	0	0	170,194	193,735
Committed for Highways/Public Works	0	1,584,595	0	0	1,584,595
Committed for Debt Service	0	0	2,602,356	0	2,602,356
Committed for Capital Projects	0	0	0	45,673	45,673
Unassigned	2,511,826	0	0	0	2,511,826
Total Fund Balances	\$ 2,987,958	\$ 3,418,695	\$ 2,896,605	\$ 403,199	\$ 9,706,457
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,903,879	\$ 4,069,360	\$ 3,846,368	\$ 498,063	\$ 17,317,670

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

Exhibit C-2

Haywood County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2013

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)		\$	9,706,457
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	4,256,511	
Add: buildings and improvements net of accumulated depreciation		11,538,511	
Add: infrastructure net of accumulated depreciation		6,615,322	
Add: other capital assets net of accumulated depreciation		<u>3,566,793</u>	25,977,137
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: capital lease payable	\$	(64,762)	
Less: other loans payable		(3,261,212)	
Less: bonds payable		(16,460,855)	
Less: compensated absences payable		(24,192)	
Less: accrued interest on bonds and capital lease		(67,940)	
Less: other deferred revenues - premium on bonds		<u>(81,151)</u>	(19,960,112)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,421,072</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>17,144,554</u></u>

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

Exhibit C-3

Haywood County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	Major Funds			Nonmajor	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Revenues					
Local Taxes	\$ 6,325,143	\$ 628,097	\$ 1,559,426	\$ 0	\$ 8,512,666
Licenses and Permits	19,987	0	0	0	19,987
Fines, Forfeitures, and Penalties	283,994	0	1,045	14,454	299,493
Charges for Current Services	1,078,060	0	0	743,625	1,821,685
Other Local Revenues	143,136	381,153	108,019	28,013	660,321
Fees Received from County Officials	1,083,472	0	0	0	1,083,472
State of Tennessee	1,091,731	2,155,471	62,827	39,913	3,349,942
Federal Government	221,018	0	98,356	104,594	423,968
Other Governments and Citizens Groups	411,548	0	25,000	0	436,548
Total Revenues	\$ 10,658,089	\$ 3,164,721	\$ 1,854,673	\$ 930,599	\$ 16,608,082
Expenditures					
Current:					
General Government	\$ 1,508,800	\$ 0	\$ 0	\$ 0	1,508,800
Finance	689,094	0	0	178,787	867,881
Administration of Justice	900,513	0	0	0	900,513
Public Safety	3,792,564	0	0	79,566	3,872,130
Public Health and Welfare	1,534,737	0	0	342,593	1,877,330
Social, Cultural, and Recreational Services	1,008,864	0	0	0	1,008,864
Agriculture and Natural Resources	229,533	0	0	0	229,533
Other Operations	761,317	0	0	74,755	836,072
Highways	0	2,917,005	0	0	2,917,005
Debt Service:					
Principal on Debt	66,507	0	851,290	0	917,797
Interest on Debt	1,559	0	759,664	0	761,223
Other Debt Service	0	0	34,002	0	34,002
Capital Projects	0	0	0	1,499,498	1,499,498
Total Expenditures	\$ 10,493,488	\$ 2,917,005	\$ 1,644,956	\$ 2,175,199	\$ 17,230,648
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 164,601	\$ 247,716	\$ 209,717	\$ (1,244,600)	\$ (622,566)
Other Financing Sources (Uses)					
Capital Leases Issued	\$ 100,085	\$ 0	\$ 0	\$ 0	100,085
Other Loans Issued	0	0	0	1,200,033	1,200,033
Proceeds from Sale of Capital Assets	8,500	0	0	0	8,500
Insurance Recovery	0	10,125	0	0	10,125
Transfers Out	0	0	0	(210,000)	(210,000)
Total Other Financing Sources (Uses)	\$ 108,585	\$ 10,125	\$ 0	\$ 990,033	\$ 1,108,743
Net Change in Fund Balances					
Fund Balance, July 1, 2012	\$ 2,714,772	\$ 3,160,854	\$ 2,686,888	\$ 657,766	\$ 9,220,280
Fund Balance, June 30, 2013	\$ 2,987,958	\$ 3,418,695	\$ 2,896,605	\$ 403,199	\$ 9,706,457

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

Exhibit C-4

Haywood 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, 2013

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)		\$ 486,177
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,162,649	
Less: current-year depreciation expense	<u>(1,988,293)</u>	(825,644)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: proceeds received from the disposal of capital assets		(64,350)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2013	\$ 1,421,072	
Less: deferred delinquent property taxes and other deferred June 30, 2012	<u>(1,278,317)</u>	142,755
(4) The issuance of long-term debt (e.g., bonds, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Less: capital lease proceeds	\$ (100,085)	
Less: other loans proceeds	(1,200,033)	
Add: change in premium on bond issuance	16,355	
Add: principal payments on capital leases	66,507	
Add: principal payments on other loans	125,001	
Add: principal payments on bonds	<u>726,289</u>	(365,966)
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ (740)	
Change in compensated absences payable	<u>895</u>	<u>155</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (626,873)</u>

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

Exhibit C-5

Haywood County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,325,143	\$ 6,321,313	\$ 6,321,313	\$ 3,830
Licenses and Permits	19,987	25,596	25,596	(5,609)
Fines, Forfeitures, and Penalties	283,994	204,646	216,646	67,348
Charges for Current Services	1,078,060	1,118,191	1,120,291	(42,231)
Other Local Revenues	143,136	117,704	125,704	17,432
Fees Received from County Officials	1,083,472	1,162,855	989,229	94,243
State of Tennessee	1,091,731	963,932	1,011,147	80,584
Federal Government	221,018	174,498	244,498	(23,480)
Other Governments and Citizens Groups	411,548	516,355	522,355	(110,807)
Total Revenues	\$ 10,658,089	\$ 10,605,090	\$ 10,576,779	\$ 81,310
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 220,218	\$ 182,082	\$ 236,082	\$ 15,864
Beer Board	1,282	1,800	1,800	518
County Mayor/Executive	235,134	239,616	239,616	4,482
County Attorney	40,193	43,061	43,061	2,868
Election Commission	150,293	144,467	156,632	6,339
Register of Deeds	126,188	124,456	128,535	2,347
Development	65,939	69,514	69,514	3,575
County Buildings	669,553	656,919	683,369	13,816
<u>Finance</u>				
Accounting and Budgeting	7,600	9,500	9,500	1,900
Property Assessor's Office	286,352	347,586	347,586	61,234
Reappraisal Program	38,736	45,392	45,392	6,656
County Trustee's Office	83,452	266,947	93,321	9,869
County Clerk's Office	272,954	283,479	284,559	11,605
<u>Administration of Justice</u>				
Circuit Court	426,534	438,919	438,919	12,385
General Sessions Judge	235,166	235,094	236,894	1,728
General Sessions Court Clerk	3,732	6,000	6,000	2,268
Chancery Court	159,450	160,488	162,488	3,038
Juvenile Court	75,631	77,659	77,659	2,028
<u>Public Safety</u>				
Sheriff's Department	1,451,950	1,477,278	1,526,162	74,212
Jail	1,608,103	1,512,418	1,653,106	45,003
Workhouse	150,785	149,759	151,269	484
Fire Prevention and Control	334,342	329,239	354,372	20,030
Civil Defense	66,599	70,374	70,374	3,775
Rescue Squad	13,248	13,210	13,410	162
County Coroner/Medical Examiner	4,800	4,800	4,800	0
Other Public Safety	162,737	185,180	185,180	22,443
<u>Public Health and Welfare</u>				
Local Health Center	51,604	55,914	55,914	4,310
Rabies and Animal Control	80,550	89,000	89,000	8,450

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Ambulance/Emergency Medical Services	\$ 1,275,612	\$ 1,320,088	\$ 1,320,088	\$ 44,476
Alcohol and Drug Programs	5,000	5,000	5,000	0
Other Local Health Services	0	2,500	2,500	2,500
Appropriation to State	121,971	134,557	134,557	12,586
<u>Social, Cultural, and Recreational Services</u>				
Libraries	139,564	142,963	142,963	3,399
Parks and Fair Boards	691,626	704,009	704,009	12,383
Other Social, Cultural, and Recreational	177,674	110,989	180,989	3,315
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	140,020	148,403	155,703	15,683
Soil Conservation	89,513	93,351	93,351	3,838
<u>Other Operations</u>				
Industrial Development	121,804	142,000	142,000	20,196
Veterans' Services	16,246	16,332	16,682	436
Other Charges	69,341	69,853	70,353	1,012
Contributions to Other Agencies	299,005	311,608	323,608	24,603
Miscellaneous	254,921	266,644	266,644	11,723
<u>Principal on Debt</u>				
General Government	66,507	0	66,507	0
<u>Interest on Debt</u>				
General Government	1,559	0	1,559	0
Total Expenditures	\$ 10,493,488	\$ 10,688,448	\$ 10,991,027	\$ 497,539
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 164,601	\$ (83,358)	\$ (414,248)	\$ 578,849
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 100,085	\$ 0	\$ 100,085	\$ 0
Proceeds from Sale of Capital Assets	8,500	3,000	3,000	5,500
Insurance Recovery	0	22,524	22,524	(22,524)
Total Other Financing Sources	\$ 108,585	\$ 25,524	\$ 125,609	\$ (17,024)
Net Change in Fund Balance	\$ 273,186	\$ (57,834)	\$ (288,639)	\$ 561,825
Fund Balance, July 1, 2012	2,714,772	2,335,368	2,335,368	379,404
Fund Balance, June 30, 2013	\$ 2,987,958	\$ 2,277,534	\$ 2,046,729	\$ 941,229

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

Exhibit C-6

Haywood County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 628,097	\$ 614,081	\$ 614,081	\$ 14,016
Other Local Revenues	381,153	295,570	295,570	85,583
State of Tennessee	2,155,471	2,110,856	2,110,856	44,615
Total Revenues	<u>\$ 3,164,721</u>	<u>\$ 3,020,507</u>	<u>\$ 3,020,507</u>	<u>\$ 144,214</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 157,725	\$ 174,220	\$ 174,220	\$ 16,495
Highway and Bridge Maintenance	988,242	2,091,340	2,093,840	1,105,598
Operation and Maintenance of Equipment	682,938	928,828	926,328	243,390
Other Charges	114,377	131,000	131,000	16,623
Employee Benefits	217,686	267,720	267,720	50,034
Capital Outlay	756,037	908,125	908,125	152,088
Total Expenditures	<u>\$ 2,917,005</u>	<u>\$ 4,501,233</u>	<u>\$ 4,501,233</u>	<u>\$ 1,584,228</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 247,716</u>	<u>\$ (1,480,726)</u>	<u>\$ (1,480,726)</u>	<u>\$ 1,728,442</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 10,125	\$ 0	\$ 0	\$ 10,125
Total Other Financing Sources	<u>\$ 10,125</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,125</u>
Net Change in Fund Balance	\$ 257,841	\$ (1,480,726)	\$ (1,480,726)	\$ 1,738,567
Fund Balance, July 1, 2012	<u>3,160,854</u>	<u>3,153,324</u>	<u>3,153,324</u>	<u>7,530</u>
Fund Balance, June 30, 2013	<u>\$ 3,418,695</u>	<u>\$ 1,672,598</u>	<u>\$ 1,672,598</u>	<u>\$ 1,746,097</u>

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

Haywood County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2013

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 67,492
Accounts Receivable	483,434
Allowance for Uncollectibles	(144,389)
Due from Other Governments	5,250
Total Current Assets	<u>\$ 411,787</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 235,000
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	98,997
Other Capital Assets	114,882
Total Noncurrent Assets	<u>\$ 448,879</u>
Total Assets	<u>\$ 860,666</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 32,589
Payroll Deductions Payable	1,232
Due to State of Tennessee	174
Current Portion of Long-term Liabilities	26,871
Total Current Liabilities	<u>\$ 60,866</u>
Noncurrent Liabilities:	
Due in More than One Year	\$ 1,753,966
Total Noncurrent Liabilities	<u>\$ 1,753,966</u>
Total Liabilities	<u>\$ 1,814,832</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 448,879
Unrestricted	<u>(1,403,045)</u>
Net Position	<u>\$ (954,166)</u>

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

Exhibit D-2

Haywood County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2013

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>Operating Revenues</u>	
Tipping Fees	\$ 758,963
Sale of Materials and Supplies	30,175
Miscellaneous Refunds	1,949
Total Operating Revenues	<u>\$ 791,087</u>
<u>Operating Expenses</u>	
Supervisor/Director	\$ 18,853
Equipment Operators	96,514
Overtime Pay	6,056
Social Security	9,584
State Retirement	13,951
Employee and Dependent Insurance	13,785
Life Insurance	838
Unemployment Compensation	539
Other Fringe Benefits	7,995
Communication	2,262
Contracts with Government Agencies	3,204
Contracts with Private Agencies	421,791
Engineering Services	160
Licenses	8,875
Maintenance and Repair Services	443
Rentals	42,000
Travel	282
Crushed Stone	2,008
Diesel Fuel	13,009
Drugs and Medical Supplies	50
Electricity	5,583
Equipment and Machinery Parts	20,716
Gasoline	6,789
Lubricants	499
Office Supplies	1,972
Tires and Tubes	4,801
Other Supplies and Materials	5,182
Premiums on Corporate Surety Bonds	100
Trustee's Commission	4,650
Vehicle and Equipment Insurance	3,163

(Continued)

Exhibit D-2

Haywood County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund (Cont.)

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>Operating Expenses (Cont.)</u>	
Workers' Compensation Insurance	\$ 10,764
Depreciation	31,329
Landfill Postclosure Care Costs	33,205
Other Charges	4,639
Maintenance Equipment	1,547
Other Construction	4,445
Total Operating Expenses	<u>\$ 801,583</u>
Operating Income (Loss)	<u>\$ (10,496)</u>
<u>Nonoperating Revenues</u>	
Lease/Rentals	\$ 7,674
Solid Waste Grants	11,275
Contributions	21,000
Total Nonoperating Revenues	<u>\$ 39,949</u>
Income Before Transfers	\$ 29,453
Transfers In	<u>210,000</u>
Change in Net Position	\$ 239,453
Net Position, July 1, 2012	<u>(1,193,619)</u>
Net Position, June 30, 2013	<u>\$ (954,166)</u>

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

Haywood County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2013

	<u>Major Fund</u> <u>Business-type</u> <u>Activities -</u> <u>Enterprise</u> <u>Fund</u> <u>Solid Waste</u> <u>Disposal Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 457,721
Receipts from Others	32,124
Payments for Waste Collections and Disposal Activity	<u>(797,826)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (307,981)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Receipts from Farmland Rental	\$ 7,674
Receipts from Grants	11,275
Contributions	21,000
Transfers from Other Funds	210,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 249,949</u>
Net Increase (Decrease) in Cash	\$ (58,032)
Cash, July 1, 2012	<u>125,524</u>
Cash, June 30, 2013	<u><u>\$ 67,492</u></u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (10,496)
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	31,329
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	43,845
Increase (Decrease) in Allowance for Uncollectibles	(13,490)
(Increase) Decrease in Due from Other Governments	1,786
Increase (Decrease) in Accounts Payable	(34,169)
Increase (Decrease) in Payroll Deductions Payable	243
Increase (Decrease) in Due to State of Tennessee	21
Increase (Decrease) in Other Deferred Revenues	(333,384)
Increase (Decrease) in Accrued Liability for Landfill Postclosure Care Costs	<u>6,334</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (307,981)</u></u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Equity in Pooled Cash and Investments Per Net Position	<u>\$ 67,492</u>
Cash, June 30, 2013	<u><u>\$ 67,492</u></u>

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

Exhibit E

Haywood County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 997,485
Accounts Receivable	2,583
Due from Other Governments	<u>239,707</u>
Total Assets	<u><u>\$ 1,239,775</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 239,707
Due to Litigants, Heirs, and Others	<u>1,000,068</u>
Total Liabilities	<u><u>\$ 1,239,775</u></u>

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

HAYWOOD COUNTY, TENNESSEE

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HAYWOOD COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Haywood 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 Haywood County:

A. Reporting Entity

Haywood County is a public municipal corporation governed by an elected 20-member board. As required by GAAP, these financial statements present Haywood County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Haywood County School Department operates the public school system in the county, and the voters of Haywood 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 Haywood County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Haywood County, and the Haywood 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 Haywood County Emergency Communications District were not available from other auditors in time for inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

The Haywood County Utility District provides water services to customers within the district, and the Haywood County Commission appoints its three-member governing body. The district is funded primarily from charges

to customers for water services and grants. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Haywood County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Haywood County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Haywood County Emergency Communications District and the Haywood County Utility District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Haywood County Emergency Communications District
100 S. Dupree Avenue
Brownsville, TN 38012

Haywood County Utility District
1 North Washington
Brownsville, TN 38012

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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Haywood 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.

Haywood County issues all debt for the discretely presented Haywood County School Department. Net debt issues totaling \$1,200,033 were contributed by the county to the School Department during the year ended June 30, 2013.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund 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 Haywood 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 and proprietary categories. Haywood County only reports one proprietary fund, a major enterprise fund.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds and the major enterprise fund 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 fiduciary funds in total are reported in a single column.

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. Haywood County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Haywood 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.

Haywood County reports the following major enterprise fund:

Solid Waste Disposal Fund – This fund accounts for the county’s solid waste landfill operations.

Additionally, Haywood County reports the following fund types:

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, and for debt issued by Haywood County that is subsequently contributed to the discretely presented Haywood County School Department for construction and renovation projects.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in Haywood County. 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 Haywood County School Department reports the following major governmental fund:

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

Additionally, the Haywood 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.

Capital Projects Fund – The Education Capital Projects Fund is used to account for the receipt of debt issued by Haywood County and contributed to the School Department for building construction and renovations.

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, an enterprise fund, to account for the operations of the county's landfill. 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 enterprise fund are tipping fees.

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 includes funds held by the county trustee as Equity in Pooled Cash and Investments.

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 Haywood 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. Haywood County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance, solid waste disposal, and property taxes receivable are shown with an allowance for uncollectibles. Ambulance and solid waste disposal receivables allowances for uncollectibles are based on historical collection data. The allowance for uncollectible property taxes is equal to 2.28 percent of total taxes levied.

Property taxes receivables are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

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

3. Capital Assets

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

Capital assets are reported in the governmental and the business-type columns in the government-wide financial statements, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items). Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than one year. Such assets

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

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

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

Property, plant, equipment, and infrastructure of the governmental activities 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
Other Capital Assets	5 - 10
Infrastructure	8 - 30

Property, plant, and equipment of the proprietary fund are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	30
Machinery and Equipment	5 - 30

4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

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

government-wide Statement of Net Position and the governmental funds balance sheet. These revenues are from the followings sources: current and delinquent property taxes and various receivable for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. Compensated Absences

The general policy of Haywood County (with the exception of sick and vacation leave for employees of the Haywood County Highway Department) does not allow employees to accumulate sick and vacation days beyond year end.

It is the policy of the Haywood County Highway Department to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Highway Department does not have a policy to pay any amounts when employees separate from service with the government. A liability for the vacation benefits is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

It is the policy of the discretely presented School Department to permit the unlimited accumulation of unused sick leave for professional personnel (teachers). Nonprofessional personnel are allowed to accumulate a limited amount of sick leave. There is no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the School Department.

6. Long-term Obligations

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

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

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

7. Net Position and Fund Balance

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

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

As of June 30, 2013, Haywood County had \$6,149,248 in outstanding debt issued for capital purposes of the discretely presented Haywood County School Department. This debt is a liability of Haywood County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Haywood 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 Balances – 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 Budget 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 the General Purpose School funds.

8. Restatement

Prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of GASB Statement No. 65, debt issuance costs become period costs. An adjustment to beginning net position totaling \$338,591 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

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 Haywood 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 required to reconcile the net change 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 Haywood County School Department

Exhibit J-5 includes explanations of the nature of individual elements required to reconcile the net change 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

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

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 capital projects funds, which adopt 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, Beer Board, County Mayor, 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.

B. Net Position Deficit

The Solid Waste Disposal Fund had a deficit of \$1,403,045 in unrestricted net position and a total net position deficit of \$954,166 at June 30, 2013. This deficit primarily resulted from the recognition of a liability totaling \$1,780,837 for costs associated with closing the county's landfill and monitoring the landfill for 30 years after closure.

C. **Appropriations Exceeded Estimated Available Funds**

The budget and subsequent amendments approved by the County Commission for the Drug Control Fund resulted in appropriations exceeding estimated available funding by \$5,031.

D. **The County Mayor Failed to Comply with State Statutes When Entering into a Lease-Purchase Agreement**

The county mayor failed to comply with state statutes when entering into a lease-purchase agreement for Sheriff's Department vehicles. Details are discussed in the Schedule of Findings and Questioned Costs section of this report.

IV. **DETAILED NOTES ON ALL FUNDS**

A. **Deposits and Investments**

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

Deposits

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

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

Investments

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

The county had no pooled or nonpooled investments as of June 30, 2013.

B. Capital Assets

Capital assets activity for the year ended June 30, 2013, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets				
Not Depreciated:				
Land	\$ 4,320,861	\$ 0	\$ (64,350)	\$ 4,256,511
Total Capital Assets				
Not Depreciated	\$ 4,320,861	\$ 0	\$ (64,350)	\$ 4,256,511

Governmental Activities (Cont.):

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets				
Depreciated:				
Buildings				
and Improvements	\$ 18,286,531	\$ 29,900	\$ 0	\$ 18,316,431
Infrastructure	50,525,001	501,818	0	51,026,819
Other Capital Assets	10,007,941	630,931	(449,952)	10,188,920
Total Capital Assets				
Depreciated	<u>\$ 78,819,473</u>	<u>\$ 1,162,649</u>	<u>\$ (449,952)</u>	<u>\$ 79,532,170</u>
Less Accumulated				
Depreciation For:				
Buildings				
and Improvements	\$ 6,184,733	\$ 593,187	\$ 0	\$ 6,777,920
Infrastructure	43,796,208	615,289	0	44,411,497
Other Capital Assets	6,292,262	779,817	(449,952)	6,622,127
Total Accumulated				
Depreciation	<u>\$ 56,273,203</u>	<u>\$ 1,988,293</u>	<u>\$ (449,952)</u>	<u>\$ 57,811,544</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 22,546,270</u>	<u>\$ (825,644)</u>	<u>\$ 0</u>	<u>\$ 21,720,626</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 26,867,131</u>	<u>\$ (825,644)</u>	<u>\$ (64,350)</u>	<u>\$ 25,977,137</u>

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

Governmental Activities:

General Government	\$ 109,892
Finance	53,446
Administration of Justice	102,416
Public Safety	776,973
Public Health and Welfare	94,729
Social, Cultural, and Recreational Services	97,368
Other Operations	1,159
Highway Department	<u>752,310</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,988,293</u>

Business-type Activities:

	Balance 7-1-12	Increases	Balance 6-30-13
Capital Assets			
Not Depreciated:			
Land	\$ 235,000	\$ 0	\$ 235,000
Total Capital Assets			
Not Depreciated	\$ 235,000	\$ 0	\$ 235,000
Capital Assets			
Depreciated:			
Buildings and			
Improvements	\$ 215,300	\$ 0	\$ 215,300
Other Capital Assets	605,643	0	605,643
Total Capital Assets			
Depreciated	\$ 820,943	\$ 0	\$ 820,943
Less Accumulated			
Depreciation For:			
Buildings and			
Improvements	\$ 109,117	\$ 7,186	\$ 116,303
Other Capital Assets	466,618	24,143	490,761
Total Accumulated			
Depreciation	\$ 575,735	\$ 31,329	\$ 607,064
Total Capital Assets			
Depreciated, Net	\$ 245,208	\$ (31,329)	\$ 213,879
Business-type Activities			
Capital Assets, Net	\$ 480,208	\$ (31,329)	\$ 448,879

There were no decreases in capital assets to report for the year ended June 30, 2013.

Discretely Presented Haywood County School Department

Governmental Activities:

	Balance		Balance	
	7-1-12	Increases	Decreases	6-30-13
Capital Assets Not Depreciated:				
Land	\$ 170,993	\$ 0	\$ (27,125)	\$ 143,868
Construction in Progress	3,171,920	2,108,905	0	5,280,825
Total Capital Assets Not Depreciated	<u>\$ 3,342,913</u>	<u>\$ 2,108,905</u>	<u>\$ (27,125)</u>	<u>\$ 5,424,693</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 19,245,954	\$ 0	\$ 0	\$ 19,245,954
Other Capital Assets	6,195,506	127,183	(314,412)	6,008,277
Total Capital Assets Depreciated	<u>\$ 25,441,460</u>	<u>\$ 127,183</u>	<u>\$ (314,412)</u>	<u>\$ 25,254,231</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 12,430,221	\$ 484,196	\$ 0	\$ 12,914,417
Other Capital Assets	4,056,547	428,927	(314,412)	4,171,062
Total Accumulated Depreciation	<u>\$ 16,486,768</u>	<u>\$ 913,123</u>	<u>\$ (314,412)</u>	<u>\$ 17,085,479</u>
Total Capital Assets Depreciated, Net	<u>\$ 8,954,692</u>	<u>\$ (785,940)</u>	<u>\$ 0</u>	<u>\$ 8,168,752</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 12,297,605</u></u>	<u><u>\$ 1,322,965</u></u>	<u><u>\$ (27,125)</u></u>	<u><u>\$ 13,593,445</u></u>

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

Governmental Activities:

Instruction	\$ 418,002
Support Services	439,906
Operation of Non-Instructional Services	<u>55,215</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 913,123</u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2013, was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 4,676
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	4,942

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.

Due to/from Primary Government and Component Units:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component Unit:		
School Department:	Primary Government:	
General Purpose School	General	\$ 521
Nonmajor governmental	"	72,291

Interfund Transfers:

Interfund transfers for the year ended June 30, 2013, consisted of the following amounts:

Primary Government

	Transfer In
Transfer Out	Solid Waste Disposal Fund
Nonmajor governmental fund	\$ 210,000

Discretely Presented Haywood County School Department

	Transfer In
Transfer Out	General Purpose School Fund
Nonmajor governmental fund	\$ 2,348

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.

D. Operating Lease

On August 28, 2012, the county mayor obtained document scanning services under an operating lease. The rental expenditures for the year ended June 30, 2013, were \$69,000. Future lease payments under the lease are as follows:

Year Ending June 30	Governmental Funds
2014	\$ 69,000
2015	69,000
2016	69,000
2017	69,000
Total Minimum Lease Payments	\$ 276,000

E. Capital Lease

On September 21, 2012, Haywood County entered into a two-year lease-purchase agreement for four Sheriff's Department vehicles. The terms of the agreement require total lease payments of \$100,085 plus interest of six percent. Title to the vehicles transfers to Haywood County at the end of the lease period. The General Fund is making the lease payments. This lease-purchase agreement was not entered into in compliance with state statutes.

The assets acquired through the capital lease are as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Other Capital Assets	\$ 100,085
Less: Accumulated Depreciation	<u>(17,662)</u>
Total Book Value	<u>\$ 82,423</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2013, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2014	\$ 35,324
2015	<u>35,323</u>
Total Minimum Lease Payments	\$ 70,647
Less: Amount Representing Interest	<u>(5,885)</u>
Present Value of Minimum Lease Payments	<u>\$ 64,762</u>

F. Long-term Obligations

Primary Government

General Obligation Bonds and Other Loans

Haywood County issues general obligation bonds and other loans 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 and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 39 years for bonds and 16 years for other loans. Repayment terms are generally

structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and other loans included in long-term debt as of June 30, 2013, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, and the capital lease outstanding as of June 30, 2013, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-13
General Obligation Bonds	3.625 to 5.55%	8-5-37	\$ 15,860,000	\$ 14,895,855
General Obligation Bonds - Refunding	3 to 3.5	6-30-16	3,400,000	1,565,000
Other Loans Payable	0 to variable	6-1-27	3,386,213	3,261,212
Capital Lease	6	9-21-14	100,085	64,762

In the prior year, Haywood County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient School Initiative program. Under this agreement, the program made \$2,000,000 available for loan to Haywood County to increase energy efficiency in the Haywood County school system. This is an interest-free loan.

In the prior year, Haywood County entered into a loan agreement with the City of Clarksville Public Building Authority. Under the loan agreement, the authority made \$1,509,000 available for loan to Haywood County for school renovation projects. As of June 30, 2013, Haywood County had drawn \$1,386,213 of the available loan. This loan is repayable at a variable interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees in connection with this loan. At June 30, 2013, the variable interest rate was .68 percent and other fees totaled .15 percent of the outstanding loan principal. The loan is also assessed an annual trustee fee of \$1,500.

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2013, including interest payments and other loan fees, are presented in the following tables:

Year Ending	Bonds		
	Principal	Interest	Total
2014	\$ 742,515	\$ 727,170	\$ 1,469,685
2015	783,798	701,996	1,485,794
2016	800,142	673,925	1,474,067
2017	881,546	644,673	1,526,219
2018	933,019	609,461	1,542,480
2019-2023	4,834,683	2,181,393	7,016,076
2024-2028	4,998,706	1,386,844	6,385,550
2029-2033	2,367,065	232,955	2,600,020
2034-2038	119,381	13,801	133,182
Total	\$ 16,460,855	\$ 7,172,218	\$ 23,633,073

Year Ending	Other Loans			Total
	Principal	Interest	Other Fees	
2014	\$ 278,004	\$ 8,916	\$ 3,467	\$ 290,387
2015	282,004	8,386	3,350	293,740
2016	285,004	7,828	3,227	296,059
2017	288,004	7,250	3,099	298,353
2018	292,004	6,652	2,967	301,623
2019-2023	1,465,979	23,398	12,661	1,502,038
2023-2027	370,213	5,209	7,149	382,571
Total	\$ 3,261,212	\$ 67,639	\$ 35,920	\$ 3,364,771

There is \$2,896,605 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, other loans, and the capital lease, totaled \$1,053, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2013, was as follows:

Governmental Activities:

	<u>Bonds</u>	<u>Capital Lease</u>
Balance, July 1, 2012	\$ 17,187,144	\$ 31,184
Additions	0	100,085
Reductions	(726,289)	(66,507)
	<hr/>	<hr/>
Balance, June 30, 2013	<u>\$ 16,460,855</u>	<u>\$ 64,762</u>
	<hr/>	<hr/>
Balance Due Within One Year	<u>\$ 742,515</u>	<u>\$ 31,438</u>
	<hr/>	<hr/>
	<u>Other Loans</u>	<u>Compensated Absences</u>
Balance, July 1, 2012	\$ 2,186,180	\$ 25,087
Additions	1,200,033	24,778
Reductions	(125,001)	(25,673)
	<hr/>	<hr/>
Balance, June 30, 2013	<u>\$ 3,261,212</u>	<u>\$ 24,192</u>
	<hr/>	<hr/>
Balance Due Within One Year	<u>\$ 278,004</u>	<u>\$ 18,143</u>
	<hr/>	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 19,811,021
Less: Balance Due Within One Year	(1,070,100)
Add: Unamortized Premium on Debt	<u>81,151</u>
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 18,822,072</u>
	<hr/>

Compensated absences will be paid from the employing fund, the Highway/Public Works Fund.

Haywood County Solid Waste Disposal Fund (enterprise fund)

Changes in Long-term Obligations

Long-term obligation activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2013, was as follows:

Business-type Activities:

	<u>Postclosure Care Costs</u>
Balance, July 1, 2012	\$ 1,774,503
Additions	33,205
Reductions	<u>(26,871)</u>
Balance, June 30, 2013	<u>\$ 1,780,837</u>
Balance Due Within One Year	<u>\$ 26,871</u>

Discretely Presented Haywood County School Department

Changes in Long-term Obligations

Long-term obligation activity for the discretely presented Haywood County School Department for the year ended June 30, 2013, was as follows:

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2012	\$ 535,716
Additions	271,683
Reductions	<u>(142,788)</u>
Balance, June 30, 2013	<u>\$ 664,611</u>
Balance Due Within One Year	<u>\$ 0</u>

Other postemployment benefits will be paid from the employing funds: the General Purpose School, School Federal Projects, and Central Cafeteria funds.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Haywood County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended

June 30, 2013, were \$82,645 and \$42,254, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. **OTHER INFORMATION**

A. **Risk Management**

Primary Government

Employee Health Insurance

It is the policy of the county to purchase commercial insurance for its employees' health coverage. Retirees are not allowed to continue coverage. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

Workers' Compensation Insurance

Haywood County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under the provisions of Section 29-20-401, *Tennessee Code Annotated (TCA)*, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

Liability, Property, and Casualty

Haywood County is exposed to various risks related to general liability, property, and casualty losses. The 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 Haywood County School Department

Employee Health Insurance

The Haywood County School Department participates in the Local Education Group Insurance Fund (LEGIF), which is 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.

Liability, Property, Casualty, and Workers' Compensation Insurance

The School Department participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The School Department pays annual premiums to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of TN-RMT provides for it to be self-sustaining through member premiums.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position* became effective for the year ended June 30, 2013. Haywood County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

GASB Statement No. 60 provides accounting and financial reporting guidance related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The standard establishes criteria for determining whether a SCA exists, how to account for SCAs, and requires certain disclosures associated with a SCA.

GASB Statement No. 61 amends Statements No. 14 and No. 34 and modifies certain requirements for inclusion of component units in the financial reporting entity to ensure that the reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. Statement No. 61 also clarifies the criteria for blending component units and presenting business-type component units.

GASB Statement No. 62 incorporates into GASB's literature the provisions in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on

Accounting Procedure issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The option to use subsequent FASB guidance has been removed.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources that were introduced and defined by Concepts Statement No. 4, *Elements of Financial Statements*. Previous financial reporting standards did not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. In addition, the previous Statement of Net Assets was renamed to a Statement of Financial Position.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66 resolves conflicting guidance by removing the provision that limits fund based reporting of an entity's risk financing activities to the General Fund and the internal service fund type. Under Statement No. 66 decisions about fund type classifications are based on the nature of the activity to be reported as required by Statements No. 54 and No. 34. This statement also modifies guidance on operating lease payments, purchased loans, and servicing fees related to mortgage loans.

C. Contingent Liabilities

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

D. Change in Administration

Director of Schools Marlon King resigned July 30, 2012, and was succeeded by Teresa Russell.

E. Landfill Closure/Postclosure Care Costs

Haywood County has active permits on file with the state Department of Environment and Conservation for a sanitary landfill and a demolition landfill. The county has provided financial assurances for estimated postclosure liabilities as required by the State of Tennessee. These financial assurances are on file with the Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Haywood County closed its sanitary landfill in 1998. The \$1,780,837, reported as postclosure care liability at June 30, 2013, represents amounts based on what it would cost to perform all postclosure care in 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Brownsville - Haywood County Emergency Management Agency is a joint venture between Haywood County and the City of Brownsville. The agency's three-member board includes the county mayor, the mayor of the City of Brownsville, and one member who is jointly selected by the county mayor and the city mayor. The agency is jointly funded by the county and the City of Brownsville with additional revenues received from the State of Tennessee, the federal government, and private contributions. During the year ended June 30, 2013, the county provided financial assistance of \$16,650 to the agency.

The Brownsville - Haywood County Rescue Squad is a joint venture between Haywood County and the City of Brownsville. The agency's six-member board includes the county mayor, the mayor of the City of Brownsville, and four other members. The purpose of the rescue squad is to provide assistance in search and rescue, drowning, flooding, evacuations, and road clearing from storms. The agency is jointly funded by the county and the City of Brownsville with additional revenues received from the private contributions. During the year ended June 30, 2013, the county contributed \$10,000 to the rescue squad.

The HTL Advantage is a joint venture between Haywood, Tipton, and Lauderdale counties and the cities of Brownsville, Ripley, and Covington. The board comprises ten members and consists of the mayors from each of the counties and cities, and one member from the Southwest Tennessee Electric Cooperative, the Covington Electric System, Ripley Power and Light, and the Brownsville Electric System. The purpose of the board is to establish and operate an office that markets the entire defined region for economic development and to bring the region attention of prospective industrial and commercial interests, which would be beneficial for the common good of all entities involved herein. The counties, cities, and electric systems provide the funding for the board. Haywood County contributed \$75,000 to HTL Advantage during the year.

The Elma Ross Public Library is a joint venture between Haywood County and the City of Brownsville. It is operated by an appointed board. The board comprises seven members, four of whom are appointed by the Haywood County Commission. The remaining three members are appointed by the City of Brownsville. Haywood County has control over budgeting and financing the joint venture only to the extent of representation by the four board members appointed. Haywood County contributed \$74,703 to the operations of the library during the year ended June 30, 2013.

Haywood County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Brownsville - Haywood County Emergency Management Agency, Brownsville - Haywood County Rescue Squad, HTL Advantage, and the Elma Ross Public Library can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Brownsville – Haywood County
Emergency Management Agency
City Hall
Brownsville, TN 38012

Brownsville – Haywood County
Rescue Squad
P.O. Box 668
111 N. Washington
Brownsville, TN 38012

HTL Advantage
1469 South Main Street
Covington, TN 38019

Elma Ross Public Library
1011 East Main Street
Brownsville, TN 38012

G. Retirement Commitments

Plan Description

Employees of Haywood County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the

age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Haywood County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Haywood County has adopted a contributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 12 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2013, Haywood County's annual pension cost of \$1,111,708 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was two years. An

actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6-30-13	\$1,111,708	100%	\$0
6-30-12	1,189,567	100	0
6-30-11	1,203,197	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 97.84 percent funded. The actuarial accrued liability for benefits was \$28.42 million, and the actuarial value of assets was \$27.8 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.61 million. The covered payroll (annual payroll of active employees covered by the plan) was \$8.77 million, and the ratio of the UAAL to the covered payroll was 7.01 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

SCHOOL TEACHERS

Plan Description

The Haywood County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service.

Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2013, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2013, 2012, and 2011, were \$1,144,939, \$1,186,704, and \$1,188,094, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Plan Description

The School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated*, for local education employees. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plan is reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2013, the Haywood County School Department contributed \$142,788, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 273,000
Interest on the NOPEBO	21,429
Adjustment to the ARC	(22,746)
Annual OPEB cost	<hr/> \$ 271,683
Less: Amount of contribution	(142,788)
Increase/decrease in NOPEBO	\$ 128,895
Net OPEB obligation, 7-1-12	<hr/> 535,716
Net OPEB obligation, 6-30-13	<hr/> <hr/> \$ 664,611

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-11	Local Education Group	\$ 225,824	74 %	\$ 404,992
6-30-12	"	270,004	52	535,716
6-30-13	"	271,683	53	664,611

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

	<u>Local Education Group Plan</u>
Actuarial valuation date	7-1-11
Actuarial accrued liability (AAL)	\$ 2,170,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 2,170,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 13,077,558
UAAL as a % of covered payroll	17%

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

Actuarial Methods and Assumptions

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

In the July 1, 2011, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate was 8.75 percent for fiscal year 2013. The trend will decrease to 8.25 percent in fiscal year 2014 and then be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

I. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. This act provides for all purchases exceeding \$10,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Chief Administrative Highway Officer

Purchasing procedures for the Highway Department are governed by provisions of Chapter 24, Private Acts of 1991, as amended and Section 54-7-113, *TCA* (Uniform Road Law), which require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Haywood County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

VI. OTHER NOTES – DISCRETELY PRESENTED HAYWOOD COUNTY UTILITY DISTRICT

A. Summary of Significant Accounting Policies

1. Reporting Entity

The Haywood County Utility District was incorporated pursuant to a resolution of the Haywood County Commission dated July 17, 1997, and pursuant to Section 7-82-101, *Tennessee Code Annotated*, also known as "The Utility District Law of 1937." The district is considered a component unit of Haywood County, Tennessee, because the three-member board is appointed by the county. The district was constructed with grants received through the county and is held accountable to the county.

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

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

The district's financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounting policies of the district conform to applicable accounting principles generally accepted in the United States of America as defined by the Governmental Accounting Standards Board (GASB).

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the district are charges for sales to customers for sales and service. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

3. **Assets, Liabilities, and Equity**

a. **Deposits and Investments**

The district's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the district to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations guaranteed by the U.S. government or its agencies, repurchase agreements, and the state's investment pool.

b. Accounts Receivable

Trade receivables result from unpaid billings for water service to customers. The billings and collections for the district are prepared and collected by Brownsville Energy Authority. Brownsville Energy Authority remits to the district the entire amount of the billings on a monthly basis. Therefore, an allowance for uncollectible accounts receivable is considered unnecessary at this time as the risk of loss is entirely with Brownsville Energy Authority.

c. Capital Assets

Capital assets, which include property, plant, equipment, and construction in process, are defined by the district as assets with an initial, individual cost of more than \$100 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Assets acquired through contributions from developers or other customers are capitalized at their estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the district are depreciated using the straight line method over the following useful lives:

Distribution Plant	33 - 40 years
--------------------	---------------

d. Compensated Absences

The district does not have any employees on staff. The district pays a set monthly fee to Brownsville Energy Authority for the use of their employees. Therefore, no compensated absences are recorded.

e. Long-term Obligations

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

f. Deferred Outflows/Inflows of Resources

During the year ended June 30, 2013, the district adopted the provisions of GASB Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*. The objective of the statement is to provide financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

g. Net Position

Equity is classified as net position and displayed in the following two components:

- 1.) Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.
- 2.) Unrestricted – All other net position that does not meet the description of the above category.

h. Net Position Flow Assumption

Sometimes the district will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the district's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

i. Impact of Recently Issued Accounting Pronouncements

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB Statement No. 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in non-governmental pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. This statement is effective for periods beginning after December 15, 2011. The adoption of GASB Statement No. 62 had no impact on the district's financial statements.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred outflows or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This statement is effective for periods beginning after December 15, 2012. Management is currently evaluating the impact of the adoption of this statement on the district's financial statements, but has not implemented its effects on items currently reported as deferred assets or liabilities in the financial statements presented herein.

B. Stewardship, Compliance, and Accountability

Budgetary Information

The district does not adopt a formal budget.

C. Detailed Notes

1. Deposits and Investments

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

and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2013, the district had no risk exposure.

2. Receivables

Receivables as of June 30, 2013, were made up of the following:

	<u>Balance 6-30-13</u>
Billed Services for Utility Customers	\$ 17,706

3. Capital Assets

Capital assets activity during the year was as follows:

<u>Description</u>	<u>Balance 7-1-12</u>	<u>Additions</u>	<u>Balance 6-30-13</u>
Capital Assets, Not Depreciated	\$ 18,401	\$ 0	\$ 18,401
Capital Assets, Depreciated	\$ 4,999,024	\$ 15,640	\$ 5,014,664
Less Accumulated Depreciation	\$ 1,466,743	\$ 137,596	\$ 1,604,339
Total Capital Assets, Depreciated, Net	\$ 3,532,281	\$ (121,956)	\$ 3,410,325
Total Capital Assets, Net	<u>\$ 3,550,682</u>	<u>\$ (121,956)</u>	<u>\$ 3,428,726</u>

Depreciation expense totaled \$137,596 for the fiscal year ended June 30, 2013.

4. **Long-term Debt**

Long-term debt is made up of the following:

	<u>Balance 6-30-13</u>
General Obligation Bonds:	
General Obligation Bonds, Series 1998 Interest at 4.875% due Serially through 2037	<u>\$ 456,192</u>
Total General Obligation Bonds	<u>\$ 456,192</u>
Total Current Portion of General Obligation Bonds	<u>\$ 10,445</u>
Total Long-term Portion of General Obligation Bonds	<u>\$ 445,747</u>

In the year ended June 30, 1998, Haywood County issued \$560,000 of General Obligation Bonds, Series 1998 to the Rural Utility Services for construction of the district's water distribution system. Although this bond is in the name of Haywood County, and Haywood County is ultimately responsible for the debt repayment, the district has agreed to and is repaying the debt.

The following is a summary of long-term debt transactions for the year ended June 30, 2013.

	<u>Bonds</u>
Balance, July 1, 2012	\$ 467,577
Reductions	<u>(11,385)</u>
Balance, June 30, 2013	<u>\$ 456,192</u>
Balance Due Within One Year	<u>\$ 10,445</u>

The scheduled annual requirements for long-term debt at June 30, 2013, are as follows:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	\$ 10,445	\$ 22,080	\$ 32,525
2015	10,960	21,565	32,525
2016	11,501	21,024	32,525
2017	12,010	20,514	32,524
2018	12,661	19,864	32,525
2019-2023	73,259	89,364	162,623
2024-2028	93,215	69,408	162,623
2029-2033	118,588	44,034	162,622
2034-2037	113,553	12,332	125,885
Total	\$ 456,192	\$ 320,185	\$ 776,377

5. Net Position

Net position represents the difference between assets and liabilities and deferred outflows/inflows of resources (if present). The net position amounts were as follows:

	<u>Balance 6-30-13</u>
Net Investment in Capital Assets:	
Net Property, Plant and Equipment in Services	\$ 3,428,726
Less: Debt Disclosed in Note VI.C.4.	<u>(456,192)</u>
	\$ 2,972,534
Unrestricted	<u>282,904</u>
Total Net Position	<u>\$ 3,255,438</u>

D. Other Information

Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2013, the district did not purchase any insurance. The district contracts with Brownsville Energy Authority for services necessary to operate and maintain the district. No settled claims have been incurred in any of the above mentioned risk categories during the past three years, and there has been no significant reduction in the coverage provided.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Haywood County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Haywood County School Department
June 30, 2013

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	\$ 27,801	\$ 28,415	\$ 615	97.84 %	\$ 8,771	7.01 %
7-1-09	22,465	22,739	274	98.80	8,388	3.27
7-1-07	20,764	21,105	341	98.38	7,573	4.50

Exhibit F-2

Haywood County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Haywood County School Department
June 30, 2013

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-09	\$ 0	\$ 1,941	\$ 1,941	0%	\$ 13,878	14%
"	7-1-10	0	2,015	2,015	0	11,225	18
"	7-1-11	0	2,170	2,170	0	13,078	17

HAYWOOD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2013

BUDGETARY INFORMATION

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

**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 specified purposes other than debt service or capital projects.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Haywood County’s garbage collection operations.

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

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

Capital Projects Funds

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for general capital expenditures of the county.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for revenues received from public works grants provided for community development projects.

HUD Grant Projects Fund – The HUD Grant Projects Fund is used to account for revenues received from grants provided for housing projects.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for revenues provided for an industrial park project.

Haywood County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2013

Special Revenue Funds				
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total
Cash	1,000	0	24,270	25,270
Equity in Pooled Cash and Investments	166,596	3,886	0	170,482
Accounts Receivable	6,298	0	0	6,298
Due from Other Governments	0	0	0	0
Total Assets	173,894	3,886	24,270	202,050
<u>ASSETS</u>				
Accounts Payable	1,483	0	0	1,483
Payroll Deductions Payable	2,029	0	0	2,029
Contracts Payable	0	0	0	0
Due to Other Funds	0	0	4,676	4,676
Due to State of Tennessee	188	0	0	188
Total Liabilities	3,700	0	4,676	8,376
<u>LIABILITIES</u>				
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	0	3,886	0	3,886
Restricted for Capital Projects	0	0	0	0
Restricted for Other Purposes	0	0	0	0
Committed:				
Committed for Finance	0	0	19,594	19,594
Committed for Public Health and Welfare	170,194	0	0	170,194
Committed for Capital Projects	0	0	0	0
Total Fund Balances	170,194	3,886	19,594	193,674
Total Liabilities and Fund Balances	173,894	3,886	24,270	202,050

(Continued)

Exhibit G-1

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

	Capital Projects Funds					Total Nonmajor Governmental Funds
	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Other Capital Projects	Total	
ASSETS						
Cash	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	25,270
Equity in Pooled Cash and Investments	106,361	23,664	3,003	22,009	155,037	325,519
Accounts Receivable	57,760	0	0	0	57,760	64,058
Due from Other Governments	0	83,216	0	0	83,216	83,216
Total Assets	\$ 164,121 \$	106,880 \$	3,003 \$	22,009 \$	296,013 \$	498,063
LIABILITIES						
Accounts Payable	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	1,483
Payroll Deductions Payable	2,992	0	0	0	2,992	5,021
Contracts Payable	0	83,216	0	0	83,216	83,216
Due to Other Funds	0	0	0	0	0	4,676
Due to State of Tennessee	280	0	0	0	280	468
Total Liabilities	\$ 3,272 \$	83,216 \$	0 \$	0 \$	86,488 \$	94,864
FUND BALANCES						
Restricted:						
Restricted for Public Safety	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	3,886
Restricted for Capital Projects	160,849	0	0	0	160,849	160,849
Restricted for Other Purposes	0	0	3,003	0	3,003	3,003
Committed:						
Committed for Finance	0	0	0	0	0	19,594
Committed for Public Health and Welfare	0	0	0	0	0	170,194
Committed for Capital Projects	0	23,664	0	22,009	45,673	45,673
Total Fund Balances	\$ 160,849 \$	23,664 \$	3,003 \$	22,009 \$	209,525 \$	403,199
Total Liabilities and Fund Balances	\$ 164,121 \$	106,880 \$	3,003 \$	22,009 \$	296,013 \$	498,063

Haywood County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2013

	Special Revenue Funds				Total
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees		
Revenues					
Fines, Forfeitures, and Penalties	\$ 0	\$ 14,454	\$ 0	\$ 14,454	
Charges for Current Services	576,327	0	167,298	743,625	
Other Local Revenues	116	0	0	116	
State of Tennessee	39,913	0	0	39,913	
Federal Government	0	0	0	0	
Total Revenues	\$ 616,356	\$ 14,454	\$ 167,298	\$ 798,108	
Expenditures					
Current:					
Finance	\$ 0	\$ 0	\$ 178,787	\$ 178,787	
Public Safety	0	79,566	0	79,566	
Public Health and Welfare	342,593	0	0	342,593	
Other Operations	74,755	0	0	74,755	
Capital Projects	0	0	0	0	
Total Expenditures	\$ 417,348	\$ 79,566	\$ 178,787	\$ 675,701	
Excess (Deficiency) of Revenues Over Expenditures	\$ 199,008	\$ (65,112)	\$ (11,489)	\$ 122,407	
Other Financing Sources (Uses)					
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	
Transfers Out	(210,000)	0	0	(210,000)	
Total Other Financing Sources (Uses)	\$ (210,000)	\$ 0	\$ 0	\$ (210,000)	
Net Change in Fund Balances Fund Balance, July 1, 2012	\$ (10,992)	\$ (65,112)	\$ (11,489)	\$ (87,593)	
Fund Balance, July 1, 2012	181,186	68,998	31,083	281,267	
Fund Balance, June 30, 2013	\$ 170,194	\$ 3,886	\$ 19,594	\$ 193,674	

(Continued)

Exhibit G-2

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

	Capital Projects Funds					Total Nonmajor Governmental Funds
	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Other Capital Projects	Total	
Revenues						
Fines, Forfeitures, and Penalties	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	14,454
Charges for Current Services	0	0	0	0	0	743,625
Other Local Revenues	0	0	0	27,897	27,897	28,013
State of Tennessee	0	0	0	0	0	39,913
Federal Government	0	104,594	0	0	104,594	104,594
Total Revenues	\$ 0 \$	104,594 \$	0 \$	27,897 \$	132,491 \$	930,599
Expenditures						
Current:						
Finance	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	178,787
Public Safety	0	0	0	0	0	79,566
Public Health and Welfare	0	0	0	0	0	342,593
Other Operations	0	0	0	0	0	74,755
Capital Projects	1,295,774	154,594	0	49,130	1,499,498	1,499,498
Total Expenditures	\$ 1,295,774 \$	154,594 \$	0 \$	49,130 \$	1,499,498 \$	2,175,199
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,295,774) \$	(50,000) \$	0 \$	(21,233) \$	(1,367,007) \$	(1,244,600)
Other Financing Sources (Uses)						
Other Loans Issued	\$ 1,200,033 \$	0 \$	0 \$	0 \$	1,200,033 \$	1,200,033
Transfers Out	0	0	0	0	0	(210,000)
Total Other Financing Sources (Uses)	\$ 1,200,033 \$	0 \$	0 \$	0 \$	1,200,033 \$	990,033
Net Change in Fund Balances Fund Balance, July 1, 2012	\$ (95,741) \$	(50,000) \$	0 \$	(21,233) \$	(166,974) \$	(254,567)
Fund Balance, June 30, 2013	256,590	73,664	3,003	43,242	376,499	657,766
Fund Balance, June 30, 2013	\$ 160,849 \$	23,664 \$	3,003 \$	22,009 \$	209,525 \$	403,199

Exhibit G-3

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 576,327	\$ 590,500	\$ 590,500	\$ (14,173)
Other Local Revenues	116	1,000	1,000	(884)
State of Tennessee	39,913	43,264	43,264	(3,351)
Total Revenues	<u>\$ 616,356</u>	<u>\$ 634,764</u>	<u>\$ 634,764</u>	<u>\$ (18,408)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 342,593	\$ 339,254	\$ 357,348	\$ 14,755
<u>Other Operations</u>				
Other Charges	28,378	32,347	32,347	3,969
Employee Benefits	46,377	54,739	54,739	8,362
Total Expenditures	<u>\$ 417,348</u>	<u>\$ 426,340</u>	<u>\$ 444,434</u>	<u>\$ 27,086</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 199,008</u>	<u>\$ 208,424</u>	<u>\$ 190,330</u>	<u>\$ 8,678</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ 0
Total Other Financing Sources	<u>\$ (210,000)</u>	<u>\$ (210,000)</u>	<u>\$ (210,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (10,992)	\$ (1,576)	\$ (19,670)	\$ 8,678
Fund Balance, July 1, 2012	<u>181,186</u>	<u>207,570</u>	<u>207,570</u>	<u>(26,384)</u>
Fund Balance, June 30, 2013	<u>\$ 170,194</u>	<u>\$ 205,994</u>	<u>\$ 187,900</u>	<u>\$ (17,706)</u>

Exhibit G-4

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 14,454	\$ 12,906	\$ 12,906	\$ 1,548
Total Revenues	\$ 14,454	\$ 12,906	\$ 12,906	\$ 1,548
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 79,566	\$ 12,906	\$ 86,935	\$ 7,369
Total Expenditures	\$ 79,566	\$ 12,906	\$ 86,935	\$ 7,369
Excess (Deficiency) of Revenues Over Expenditures	\$ (65,112)	\$ 0	\$ (74,029)	\$ 8,917
Net Change in Fund Balance	\$ (65,112)	\$ 0	\$ (74,029)	\$ 8,917
Fund Balance, July 1, 2012	68,998	68,988	68,998	0
Fund Balance, June 30, 2013	\$ 3,886	\$ 68,988	\$ (5,031)	\$ 8,917

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,559,426	\$ 1,399,610	\$ 1,399,610	\$ 159,816
Fines, Forfeitures, and Penalties	1,045	1,000	1,000	45
Other Local Revenues	108,019	157,564	249,564	(141,545)
State of Tennessee	62,827	60,000	60,000	2,827
Federal Government	98,356	0	98,356	0
Other Governments and Citizens Groups	25,000	100,000	100,000	(75,000)
Total Revenues	\$ 1,854,673	\$ 1,718,174	\$ 1,908,530	\$ (53,857)
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 726,289	\$ 1,004,217	\$ 876,182	\$ 149,893
Education	125,001	0	125,001	0
<u>Interest on Debt</u>				
General Government	750,532	708,004	750,931	399
Education	9,132	0	9,132	0
<u>Other Debt Service</u>				
General Government	25,180	24,200	26,453	1,273
Education	8,822	0	8,822	0
Total Expenditures	\$ 1,644,956	\$ 1,736,421	\$ 1,796,521	\$ 151,565
Excess (Deficiency) of Revenues Over Expenditures	\$ 209,717	\$ (18,247)	\$ 112,009	\$ 97,708
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ 0	\$ (92,000)	\$ 92,000
Total Other Financing Sources	\$ 0	\$ 0	\$ (92,000)	\$ 92,000
Net Change in Fund Balance	\$ 209,717	\$ (18,247)	\$ 20,009	\$ 189,708
Fund Balance, July 1, 2012	2,686,888	2,653,124	2,653,124	33,764
Fund Balance, June 30, 2013	\$ 2,896,605	\$ 2,634,877	\$ 2,673,133	\$ 223,472

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 incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

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, general sessions, and juvenile courts clerk; clerk and master; register; and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit I-1

Haywood County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 997,485	\$ 997,485
Accounts Receivable	0	2,583	2,583
Due from Other Governments	239,707	0	239,707
Total Assets	<u>\$ 239,707</u>	<u>\$ 1,000,068</u>	<u>\$ 1,239,775</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 239,707	\$ 0	\$ 239,707
Due to Litigants, Heirs, and Others	0	1,000,068	1,000,068
Total Liabilities	<u>\$ 239,707</u>	<u>\$ 1,000,068</u>	<u>\$ 1,239,775</u>

Exhibit I-2

Haywood County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,388,610	\$ 1,388,610	\$ 0
Due from Other Governments	239,404	239,707	239,404	239,707
Total Assets	\$ 239,404	\$ 1,628,317	\$ 1,628,014	\$ 239,707
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 239,404	\$ 1,628,317	\$ 1,628,014	\$ 239,707
Total Liabilities	\$ 239,404	\$ 1,628,317	\$ 1,628,014	\$ 239,707
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,019,336	\$ 5,774,998	\$ 5,796,849	\$ 997,485
Accounts Receivable	1,527	2,583	1,527	2,583
Total Assets	\$ 1,020,863	\$ 5,777,581	\$ 5,798,376	\$ 1,000,068
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,020,863	\$ 5,777,581	\$ 5,798,376	\$ 1,000,068
Total Liabilities	\$ 1,020,863	\$ 5,777,581	\$ 5,798,376	\$ 1,000,068
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,019,336	\$ 5,774,998	\$ 5,796,849	\$ 997,485
Equity in Pooled Cash and Investments	0	1,388,610	1,388,610	0
Accounts Receivable	1,527	2,583	1,527	2,583
Due from Other Governments	239,404	239,707	239,404	239,707
Total Assets	\$ 1,260,267	\$ 7,405,898	\$ 7,426,390	\$ 1,239,775
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 239,404	\$ 1,628,317	\$ 1,628,014	\$ 239,707
Due to Litigants, Heirs, and Others	1,020,863	5,777,581	5,798,376	1,000,068
Total Liabilities	\$ 1,260,267	\$ 7,405,898	\$ 7,426,390	\$ 1,239,775

Haywood County School Department

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

Exhibit J-1

Haywood County, Tennessee
Statement of Activities
Discretely Presented Haywood County School Department
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 15,900,231	\$ 28,828	\$ 1,788,002	\$ 0	\$ (14,083,401)
Support Services	10,126,391	0	338,687	1,933,501	(7,854,203)
Operation of Non-Instructional Services	3,167,495	322,405	2,797,089	0	(48,001)
Other Debt Service	25,000	0	0	0	(25,000)
Total Governmental Activities	\$ 29,219,117	\$ 351,233	\$ 4,923,778	\$ 1,933,501	\$ (22,010,605)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,670,044
Local Option Sales Taxes					1,522,013
Wheel Tax					270,026
Other Local Taxes					51,839
Grants and Contributions Not Restricted to Specific Programs					17,848,058
Miscellaneous					81,777
Total General Revenues					\$ 23,443,757
Change in Net Position					\$ 1,433,152
Net Position, July 1, 2012					15,826,335
Net Position, June 30, 2013					\$ 17,259,487

Haywood County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Haywood County School Department
June 30, 2013

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
	School	Funds	Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 2,790,729	\$ 820,155	\$ 3,610,884
Accounts Receivable	19,464	0	19,464
Due from Other Governments	1,039,180	76,387	1,115,567
Due from Other Funds	4,942	0	4,942
Due from Primary Government	521	72,291	72,812
Property Taxes Receivable	3,924,181	0	3,924,181
Allowance for Uncollectible Property Taxes	(89,314)	0	(89,314)
Total Assets	<u>\$ 7,689,703</u>	<u>\$ 968,833</u>	<u>\$ 8,658,536</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 89,404	\$ 7,503	\$ 96,907
Payroll Deductions Payable	579,543	56,938	636,481
Contracts Payable	13,474	0	13,474
Due to Other Funds	0	4,942	4,942
Total Liabilities	<u>\$ 682,421</u>	<u>\$ 69,383</u>	<u>\$ 751,804</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,576,079	\$ 0	\$ 3,576,079
Deferred Delinquent Property Taxes	250,975	0	250,975
Other Deferred/Unavailable Revenue	151,714	13,848	165,562
Total Deferred Inflows of Resources	<u>\$ 3,978,768</u>	<u>\$ 13,848</u>	<u>\$ 3,992,616</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 124,369	\$ 49,948	\$ 174,317
Restricted for Operation of Non-Instructional Services	0	605,412	605,412
Restricted for Capital Projects	0	30,242	30,242
Assigned:			
Assigned for Education	210,836	200,000	410,836
Assigned for Support Services	3,448	0	3,448
Unassigned	2,689,861	0	2,689,861
Total Fund Balances	<u>\$ 3,028,514</u>	<u>\$ 885,602</u>	<u>\$ 3,914,116</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,689,703</u>	<u>\$ 968,833</u>	<u>\$ 8,658,536</u>

Exhibit J-3

Haywood County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Discretely Presented Haywood County School Department
June 30, 2013

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)		\$ 3,914,116
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 143,868	
Add: construction in progress	5,280,825	
Add: buildings and improvements net of accumulated depreciation	6,331,537	
Add: other capital assets net of accumulated depreciation	<u>1,837,215</u>	13,593,445
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability		(664,611)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>416,537</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 17,259,487</u></u>

Exhibit J-4

Haywood County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Haywood County School Department
For the Year Ended June 30, 2013

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 5,667,285	\$ 0	\$ 5,667,285
Licenses and Permits	1,121	0	1,121
Charges for Current Services	28,828	322,405	351,233
Other Local Revenues	246,074	50,800	296,874
State of Tennessee	17,714,066	21,236	17,735,302
Federal Government	881,888	4,508,505	5,390,393
Other Governments and Citizens Groups	24,000	1,200,033	1,224,033
Total Revenues	<u>\$ 24,563,262</u>	<u>\$ 6,102,979</u>	<u>\$ 30,666,241</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 13,286,211	\$ 1,864,334	\$ 15,150,545
Support Services	9,359,678	538,137	9,897,815
Operation of Non-Instructional Services	590,133	2,457,268	3,047,401
Capital Outlay	1,122,908	0	1,122,908
Debt Service:			
Other Debt Service	25,000	0	25,000
Capital Projects	0	1,172,537	1,172,537
Total Expenditures	<u>\$ 24,383,930</u>	<u>\$ 6,032,276</u>	<u>\$ 30,416,206</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 179,332</u>	<u>\$ 70,703</u>	<u>\$ 250,035</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 3,019	\$ 0	\$ 3,019
Transfers In	2,348	0	2,348
Transfers Out	0	(2,348)	(2,348)
Total Other Financing Sources (Uses)	<u>\$ 5,367</u>	<u>\$ (2,348)</u>	<u>\$ 3,019</u>
Net Change in Fund Balances	\$ 184,699	\$ 68,355	\$ 253,054
Fund Balance, July 1, 2012	<u>2,843,815</u>	<u>817,247</u>	<u>3,661,062</u>
Fund Balance, June 30, 2013	<u>\$ 3,028,514</u>	<u>\$ 885,602</u>	<u>\$ 3,914,116</u>

Exhibit J-5

Haywood County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Haywood County School Department
For the Year Ended June 30, 2013

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)		\$ 253,054
(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	\$ 2,236,088	
Less: current year depreciation expense	<u>(913,123)</u>	1,322,965
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: proceeds received from the disposal of capital assets		(27,125)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2013	\$ 416,537	
Less: deferred delinquent property taxes and other deferred June 30, 2012	<u>(403,384)</u>	13,153
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability		<u>(128,895)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,433,152</u>

Exhibit J-6

Haywood County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Haywood County School Department
June 30, 2013

	<u>Special Revenue Funds</u>			<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>School</u> <u>Federal</u> <u>Projects</u>	<u>Central</u> <u>Cafeteria</u>	<u>Total</u>	<u>Education</u> <u>Capital</u> <u>Projects</u>	
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 244,021	\$ 545,892	\$ 789,913	\$ 30,242	\$ 820,155
Due from Other Governments	76,387	0	76,387	0	76,387
Due from Primary Government	0	72,291	72,291	0	72,291
Total Assets	\$ 320,408	\$ 618,183	\$ 938,591	\$ 30,242	\$ 968,833
<u>LIABILITIES</u>					
Accounts Payable	\$ 7,503	\$ 0	\$ 7,503	\$ 0	\$ 7,503
Payroll Deductions Payable	44,167	12,771	56,938	0	56,938
Due to Other Funds	4,942	0	4,942	0	4,942
Total Liabilities	\$ 56,612	\$ 12,771	\$ 69,383	\$ 0	\$ 69,383
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Other Deferred/Unavailable Revenue	\$ 13,848	\$ 0	\$ 13,848	\$ 0	\$ 13,848
Total Deferred Inflows of Resources	\$ 13,848	\$ 0	\$ 13,848	\$ 0	\$ 13,848
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 49,948	\$ 0	\$ 49,948	\$ 0	\$ 49,948
Restricted for Operation of Non-Instructional Services	0	605,412	605,412	0	605,412
Restricted for Capital Projects	0	0	0	30,242	30,242
Assigned:					
Assigned for Education	200,000	0	200,000	0	200,000
Total Fund Balances	\$ 249,948	\$ 605,412	\$ 855,360	\$ 30,242	\$ 885,602
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 320,408	\$ 618,183	\$ 938,591	\$ 30,242	\$ 968,833

Exhibit J-7

Haywood County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Haywood County School Department
For the Year Ended June 30, 2013

	<u>Special Revenue Funds</u>			<u>Capital</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Projects</u>	
	<u>Federal</u>	<u>Cafeteria</u>		<u>Education</u>	<u>Nonmajor</u>
	<u>Projects</u>			<u>Capital</u>	<u>Governmental</u>
				<u>Projects</u>	<u>Funds</u>
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 322,405	\$ 322,405	\$ 0	\$ 322,405
Other Local Revenues	50,000	800	50,800	0	50,800
State of Tennessee	0	21,236	21,236	0	21,236
Federal Government	2,694,726	1,813,779	4,508,505	0	4,508,505
Other Governments and Citizens Groups	0	0	0	1,200,033	1,200,033
Total Revenues	\$ 2,744,726	\$ 2,158,220	\$ 4,902,946	\$ 1,200,033	\$ 6,102,979
<u>Expenditures</u>					
Current:					
Instruction	\$ 1,864,334	\$ 0	\$ 1,864,334	\$ 0	\$ 1,864,334
Support Services	538,137	0	538,137	0	538,137
Operation of Non-Instructional Services	306,845	2,150,423	2,457,268	0	2,457,268
Capital Projects	0	0	0	1,172,537	1,172,537
Total Expenditures	\$ 2,709,316	\$ 2,150,423	\$ 4,859,739	\$ 1,172,537	\$ 6,032,276
Excess (Deficiency) of Revenues Over Expenditures	\$ 35,410	\$ 7,797	\$ 43,207	\$ 27,496	\$ 70,703
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (2,348)	\$ 0	\$ (2,348)	\$ 0	\$ (2,348)
Total Other Financing Sources (Uses)	\$ (2,348)	\$ 0	\$ (2,348)	\$ 0	\$ (2,348)
Net Change in Fund Balances	\$ 33,062	\$ 7,797	\$ 40,859	\$ 27,496	\$ 68,355
Fund Balance, July 1, 2012	216,886	597,615	814,501	2,746	817,247
Fund Balance, June 30, 2013	\$ 249,948	\$ 605,412	\$ 855,360	\$ 30,242	\$ 885,602

Exhibit J-8

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Haywood County School Department
General Purpose School Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 5,667,285	\$ 0	\$ 0	\$ 5,667,285	\$ 5,584,940	\$ 5,651,140	\$ 16,145
Licenses and Permits	1,121	0	0	1,121	2,000	2,000	(879)
Charges for Current Services	28,828	0	0	28,828	34,268	34,268	(5,440)
Other Local Revenues	246,074	0	0	246,074	275,077	404,420	(158,346)
State of Tennessee	17,714,066	0	0	17,714,066	17,507,633	17,778,975	(64,909)
Federal Government	881,888	0	0	881,888	259,268	1,499,061	(617,173)
Other Governments and Citizens Groups	24,000	0	0	24,000	0	149,943	(125,943)
Total Revenues	\$ 24,563,262	\$ 0	\$ 0	\$ 24,563,262	\$ 23,663,186	\$ 25,519,807	\$ (956,545)
Expenditures							
<u>Instruction</u>							
Regular Instruction Program	\$ 10,693,997	\$ (34,164)	\$ 44,710	\$ 10,704,543	\$ 10,920,992	\$ 10,917,839	\$ 213,296
Alternative Instruction Program	445,259	0	12,237	457,496	438,399	467,398	9,902
Special Education Program	1,505,959	(12,052)	0	1,493,907	1,497,242	1,537,241	43,334
Vocational Education Program	612,165	0	0	612,165	625,014	625,015	12,850
Adult Education Program	28,831	(2,735)	0	26,096	73,825	73,824	47,728
<u>Support Services</u>							
Attendance	139,133	0	0	139,133	42,532	148,570	9,437
Health Services	186,881	0	390	187,271	184,483	196,831	9,560
Other Student Support	870,088	0	2,625	872,713	847,657	897,907	25,194
Regular Instruction Program	1,035,128	(6,019)	716	1,029,825	1,126,387	1,043,350	13,525
Alternative Instruction Program	29,693	0	0	29,693	2,500	30,630	937
Special Education Program	178,093	0	2,000	180,093	203,170	203,170	23,077
Vocational Education Program	133,377	0	0	133,377	137,184	137,184	3,807
Adult Programs	122,419	0	0	122,419	125,895	125,895	3,476
Other Programs	124,899	0	0	124,899	0	124,899	0
Board of Education	440,388	0	270	440,658	457,637	463,150	22,492
Director of Schools	342,110	(13,397)	0	328,713	338,032	345,424	16,711

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Office of the Principal	\$ 1,471,945	\$ 0	\$ 0	\$ 1,471,945	\$ 1,584,631	\$ 1,585,201	\$ 113,256
Fiscal Services	319,448	0	0	319,448	310,836	327,837	8,389
Operation of Plant	1,472,676	0	378	1,473,054	1,547,074	1,536,008	62,954
Maintenance of Plant	719,674	(26,497)	15,566	708,743	651,749	863,890	155,147
Transportation	1,675,891	(23,758)	94,611	1,746,744	1,825,413	1,844,390	97,646
Central and Other	97,835	0	1,845	99,680	186,752	101,715	2,035
<u>Operation of Non-Instructional Services</u>							
Food Service	1,132	0	21,421	22,553	6,963	26,332	3,779
Early Childhood Education	589,001	(769)	14,067	602,299	602,819	604,818	2,519
<u>Capital Outlay</u>							
Regular Capital Outlay	1,122,908	0	0	1,122,908	600,000	2,072,631	949,723
<u>Other Debt Service</u>							
Education	25,000	0	0	25,000	0	25,000	0
Total Expenditures	\$ 24,383,930	\$ (119,391)	\$ 210,836	\$ 24,475,375	\$ 24,337,186	\$ 26,326,149	\$ 1,850,774
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 179,332	\$ 119,391	\$ (210,836)	\$ 87,887	\$ (674,000)	\$ (806,342)	\$ 894,229
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 3,019	\$ 0	\$ 0	\$ 3,019	\$ 0	\$ 0	\$ 3,019
Transfers In	2,348	0	0	2,348	14,000	21,349	(19,001)
Total Other Financing Sources	\$ 5,367	\$ 0	\$ 0	\$ 5,367	\$ 14,000	\$ 21,349	\$ (15,982)
Net Change in Fund Balance	\$ 184,699	\$ 119,391	\$ (210,836)	\$ 93,254	\$ (660,000)	\$ (784,993)	\$ 878,247
Fund Balance, July 1, 2012	2,843,815	(119,391)	0	2,724,424	2,699,901	2,699,901	24,523
Fund Balance, June 30, 2013	\$ 3,028,514	\$ 0	\$ (210,836)	\$ 2,817,678	\$ 2,039,901	\$ 1,914,908	\$ 902,770

Exhibit J-9

Haywood County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Haywood County School Department
 School Federal Projects Fund
 For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Other Local Revenues	\$ 50,000	\$ 0	\$ 50,000	\$ 0	\$ 0	\$ 50,000
Federal Government	2,694,726	0	2,694,726	3,073,938	3,065,821	(371,095)
Total Revenues	\$ 2,744,726	\$ 0	\$ 2,744,726	\$ 3,073,938	\$ 3,065,821	\$ (321,095)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,133,147	\$ 12,451	\$ 1,145,598	\$ 1,277,277	\$ 1,208,103	\$ 62,505
Special Education Program	688,582	496	689,078	757,604	757,604	68,526
Vocational Education Program	42,605	0	42,605	41,926	42,605	0
<u>Support Services</u>						
Other Student Support	96,762	0	96,762	98,477	100,599	3,837
Regular Instruction Program	255,312	0	255,312	398,274	458,852	203,540
Special Education Program	138,423	0	138,423	152,125	152,125	13,702
Transportation	47,640	0	47,640	65,338	49,345	1,705
<u>Operation of Non-Instructional Services</u>						
Community Services	306,845	0	306,845	279,977	306,845	0
Total Expenditures	\$ 2,709,316	\$ 12,947	\$ 2,722,263	\$ 3,070,998	\$ 3,076,078	\$ 353,815
Excess (Deficiency) of Revenues Over Expenditures	\$ 35,410	\$ (12,947)	\$ 22,463	\$ 2,940	\$ (10,257)	\$ 32,720
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (2,348)	\$ 0	\$ (2,348)	\$ (3,223)	\$ (2,348)	\$ 0
Total Other Financing Sources	\$ (2,348)	\$ 0	\$ (2,348)	\$ (3,223)	\$ (2,348)	\$ 0

(Continued)

Exhibit J-9

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 33,062	\$ (12,947)	\$ 20,115	\$ (283)	\$ (12,605)	\$ 32,720
Fund Balance, July 1, 2012	216,886	0	216,886	216,886	216,886	0
Fund Balance, June 30, 2013	\$ 249,948	\$ (12,947)	\$ 237,001	\$ 216,603	\$ 204,281	\$ 32,720

Exhibit J-10

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Haywood County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 322,405	\$ 354,375	\$ 354,375	\$ (31,970)
Other Local Revenues	800	1,000	1,000	(200)
State of Tennessee	21,236	21,700	21,700	(464)
Federal Government	1,813,779	1,865,221	1,865,221	(51,442)
Total Revenues	<u>\$ 2,158,220</u>	<u>\$ 2,242,296</u>	<u>\$ 2,242,296</u>	<u>\$ (84,076)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,150,423	\$ 2,242,296	\$ 2,242,296	\$ 91,873
Total Expenditures	<u>\$ 2,150,423</u>	<u>\$ 2,242,296</u>	<u>\$ 2,242,296</u>	<u>\$ 91,873</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 7,797</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,797</u>
Net Change in Fund Balance	\$ 7,797	\$ 0	\$ 0	\$ 7,797
Fund Balance, July 1, 2012	<u>597,615</u>	<u>535,930</u>	<u>535,930</u>	<u>61,685</u>
Fund Balance, June 30, 2013	<u>\$ 605,412</u>	<u>\$ 535,930</u>	<u>\$ 535,930</u>	<u>\$ 69,482</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Haywood County, Tennessee
Schedule of Changes in Long-term Capital Leases, Other Loans, and Bonds
For the Year Ended June 30, 2013

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-12	Issued During Period	Paid and/or	
							Matured During Period	Outstanding 6-30-13
<u>CAPITAL LEASES PAYABLE</u>								
<u>Payable through General Fund</u>								
Sheriff's Vehicles (4)	\$ 93,625	5 %	10-1-10	10-1-12	\$ 31,184	\$ 0	\$ 31,184	\$ 0
Sheriff's Vehicles (4)	100,085	6	9-21-12	9-21-14	0	100,085	35,323	64,762
Total Capital Leases Payable					\$ 31,184	\$ 100,085	\$ 66,507	\$ 64,762
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Energy Efficient School Initiative	2,000,000	0	9-8-11	4-1-23	\$ 1,536,516	\$ 463,484	\$ 50,001	\$ 1,949,999
Haywood High School Renovations	(1)	Variable	12-15-11	6-1-27	649,664	736,549	75,000	1,311,213
Total Other Loans Payable					\$ 2,186,180	\$ 1,200,033	\$ 125,001	\$ 3,261,212
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Waterline (USDA Rural Development)	560,000	4.875	2-5-1998	8-5-37	\$ 467,430	\$ 0	\$ 9,816	\$ 457,614
General Obligation 2007	5,000,000	4 to 4.05	12-20-07	6-1-28	5,000,000	0	0	5,000,000
General Obligation 2008	4,425,000	3.625 to 4.3	12-23-08	6-30-21	3,800,000	0	175,000	3,625,000
General Obligation Refunding, Series 2009	3,400,000	3 to 3.5	4-15-09	6-30-16	2,090,000	0	525,000	1,565,000
General Obligation 2009	300,000	4.5	6-30-09	6-28-24	254,714	0	16,473	238,241
General Obligation 2010	5,575,000	4.75 to 5.55	3-10-10	6-1-30	5,575,000	0	0	5,575,000
Total Bonds Payable					\$ 17,187,144	\$ 0	\$ 726,289	\$ 16,460,855

(1) Total amount approved was \$1,509,000, of which \$122,787 remains available for draws as of June 30, 2013.

Exhibit K-2

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

Year Ending June 30	Capital Lease		
	Principal	Interest	Total
2014	\$ 31,438	\$ 3,886	\$ 35,324
2015	33,324	1,999	35,323
Total	<u>\$ 64,762</u>	<u>\$ 5,885</u>	<u>\$ 70,647</u>

Year Ending June 30	Other Loans Payable			
	Principal	Interest	Other Fees	Total
2014	\$ 278,004	\$ 8,916	\$ 3,467	\$ 290,387
2015	282,004	8,386	3,350	293,740
2016	285,004	7,828	3,227	296,059
2017	288,004	7,250	3,099	298,353
2018	292,004	6,652	2,967	301,623
2019	295,004	6,026	2,829	303,859
2020	299,004	5,380	2,687	307,071
2021	303,004	4,707	2,538	310,249
2022	307,004	4,006	2,384	313,394
2023	261,963	3,279	2,223	267,465
2024	116,000	2,517	2,055	120,572
2025	121,000	1,728	1,881	124,609
2026	125,000	908	1,700	127,608
2027	8,213	56	1,513	9,782
Total	<u>\$ 3,261,212</u>	<u>\$ 67,639</u>	<u>\$ 35,920</u>	<u>\$ 3,364,771</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	\$ 742,515	\$ 727,170	\$ 1,469,685
2015	783,798	701,996	1,485,794
2016	800,142	673,925	1,474,067
2017	881,546	644,673	1,526,219
2018	933,019	609,461	1,542,480
2019	984,558	571,923	1,556,481
2020	1,011,171	531,708	1,542,879
2021	1,062,858	489,823	1,552,681
2022	869,624	181,105	1,050,729
2023	906,472	406,834	1,313,306
2024	943,369	365,935	1,309,304
2025	952,496	322,811	1,275,307
2026	993,359	278,797	1,272,156
2027	1,034,266	233,641	1,267,907
2028	1,075,216	185,660	1,260,876
2029	1,121,214	135,045	1,256,259
2030	1,172,260	74,049	1,246,309
2031	23,359	9,125	32,484
2032	24,511	7,973	32,484
2033	25,721	6,763	32,484
2034	26,991	5,493	32,484
2035	28,321	4,165	32,486
2036	29,720	2,766	32,486
2037	31,186	1,300	32,486
2038	3,163	77	3,240
Total	<u>\$ 16,460,855</u>	<u>\$ 7,172,218</u>	<u>\$ 23,633,073</u>

Exhibit K-3

Haywood County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Haywood County School Department
For the Year Ended June 30, 2013

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Solid Waste/Sanitation	Solid Waste Disposal	Operations	<u>\$ 210,000</u>
Total Transfers Primary Government			<u>\$ 210,000</u>
<u>DISCRETELY PRESENTED HAYWOOD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 2,348</u>
Total Transfers Discretely Presented Haywood County School Department			<u>\$ 2,348</u>

Exhibit K-4

Haywood County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Haywood County School Department
For the Year Ended June 30, 2013

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA, and County Commission	\$ 92,766 (1,2)	\$ 50,000	State Automobile Mutual Insurance Company
Chief Administrative Highway Officer	Section 8-24-102, TCA, and County Commission	73,712 (1)	100,000	"
Director of Schools:				
Marlon King (7-1-12 through 7-30-12)	State Board of Education and County Board of Education	35,954 (3)	50,000	"
Teresa Russell (7-31-12 through 6-30-13)	State Board of Education and County Board of Education	92,041 (4)	150,000	Tennessee Risk Management Trust
Trustee	Section 8-24-102, TCA, and County Commission	62,700 (1)	938,755	State Automobile Mutual Insurance Company
Assessor of Property	Section 8-24-102, TCA, and County Commission	62,700 (1)	50,000	Auto-Owners Insurance Company
County Clerk	Section 8-24-102, TCA, and County Commission	62,700 (1)	50,000	State Automobile Mutual Insurance Company
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA, and County Commission	62,700 (1)	50,000	Western Surety Company
Clerk and Master	Section 8-24-102, TCA	60,180	70,000	RLI Insurance Company
Register of Deeds	Section 8-24-102, TCA, and County Commission	62,700 (1)	25,000	State Automobile Mutual Insurance Company
Sheriff	Section 8-24-102, TCA, and County Commission	68,718 (1,5)	25,000	"
Employee Blanket Bonds:				
Office of County Mayor and Highway Department:				
All Employees			150,000	Local Government Property and Casualty Fund
Office of Director of Schools:				
All Employees			150,000	Tennessee Risk Management Trust

- (1) Includes a certified public administrator supplement of \$2,520.
- (2) Includes county commission chairman compensation of \$19,096.
- (3) Includes a performance bonus of \$12,000 and annual leave payments of \$10,454.
- (4) Includes a career ladder supplement of \$1,000.
- (5) Does not include a law enforcement training supplement of \$600.

Exhibit K-5

Haywood County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2013

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/Industrial Park			
							Other Capital Projects			
Local Taxes										
County Property Taxes										
Current Property Tax	\$ 4,168,918	\$ 0	\$ 0	\$ 0	\$ 436,502	\$ 841,381	\$ 0	\$ 0	\$ 0	\$ 5,446,801
Discount on Property Taxes	(47,857)	0	0	0	(5,000)	(9,648)	0	0	0	(62,505)
Trustee's Collections - Prior Year	246,236	0	0	0	23,839	47,460	0	0	0	317,535
Trustee's Collections - Bankruptcy	1,450	0	0	0	156	235	0	0	0	1,841
Circuit/Clerk & Master Collections - Prior Years	130,760	0	0	0	14,703	26,360	0	0	0	171,823
Interest and Penalty	40,961	0	0	0	4,075	7,850	0	0	0	52,886
Payments in-Lieu-of Taxes - T.V.A.	165,002	0	0	0	18,809	36,287	0	0	0	220,098
Payments in-Lieu-of Taxes - Local Utilities	65,640	0	0	0	0	0	0	0	0	65,640
Payments in-Lieu-of Taxes - Other	270,577	0	0	0	0	0	0	0	0	270,577
County Local Option Taxes										
Local Option Sales Tax	121,709	0	0	0	0	0	0	0	0	121,709
Hotel/Motel Tax	45,108	0	0	0	0	0	0	0	0	45,108
Wheel Tax	533,298	0	0	0	135,013	270,051	0	0	0	938,362
Litigation Tax - General	281,722	0	0	0	0	0	0	0	0	281,722
Litigation Tax - Special Purpose	4,502	0	0	0	0	0	0	0	0	4,502
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	339,450	0	0	0	339,450
Business Tax	144,563	0	0	0	0	0	0	0	0	144,563
Other County Local Option Taxes	40,711	0	0	0	0	0	0	0	0	40,711
Statutory Local Taxes										
Bank Excise Tax	16,963	0	0	0	0	0	0	0	0	16,963
Wholesale Beer Tax	93,882	0	0	0	0	0	0	0	0	93,882
Beer Privilege Tax	982	0	0	0	0	0	0	0	0	982
Other Statutory Local Taxes	16	0	0	0	0	0	0	0	0	16
Total Local Taxes	\$ 6,325,143	\$ 0	\$ 0	\$ 0	\$ 628,097	\$ 1,559,426	\$ 0	\$ 0	\$ 0	\$ 8,512,666
Licenses and Permits										
Licenses										
Animal Registration	\$ 700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 700
Cable TV Franchise	1,321	0	0	0	0	0	0	0	0	1,321
Permits										
Beer Permits	950	0	0	0	0	0	0	0	0	950
Building Permits	17,016	0	0	0	0	0	0	0	0	17,016
Total Licenses and Permits	\$ 19,987	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,987

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park		Other Capital Projects	
<u>Fines, Forfeitures, and Penalties</u>										
<u>Circuit Court</u>										
Fines	\$ 2,106	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,106
Officers Costs	2,855	0	0	0	0	0	0	0	0	2,855
Game and Fish Fines	12	0	0	0	0	0	0	0	0	12
Drug Control Fines	0	0	101	0	0	0	0	0	0	101
Jail Fees	7,732	0	0	0	0	0	0	0	0	7,732
DUI Treatment Fines	48	0	0	0	0	0	0	0	0	48
Data Entry Fee - Circuit Court	290	0	0	0	0	0	0	0	0	290
Courtroom Security Fee	831	0	0	0	0	0	0	0	0	831
<u>Criminal Court</u>										
Victims Assistance Assessments	1,117	0	0	0	0	0	0	0	0	1,117
<u>General Sessions Court</u>										
Fines	57,602	0	0	0	0	0	0	0	0	57,602
Officers Costs	29,228	0	0	0	0	0	0	0	0	29,228
Game and Fish Fines	533	0	0	0	0	0	0	0	0	533
Drug Control Fines	0	0	784	0	0	0	0	0	0	784
Jail Fees	31,775	0	0	0	0	0	0	0	0	31,775
DUI Treatment Fines	6,952	0	0	0	0	0	0	0	0	6,952
Data Entry Fee - General Sessions Court	30,341	0	0	0	0	0	0	0	0	30,341
Courtroom Security Fee	85,422	0	0	0	0	0	0	0	0	85,422
Victims Assistance Assessments	21,944	0	0	0	0	0	0	0	0	21,944
<u>Juvenile Court</u>										
Fines	685	0	0	0	0	0	0	0	0	685
Officers Costs	700	0	0	0	0	0	0	0	0	700
Data Entry Fee - Juvenile Court	800	0	0	0	0	0	0	0	0	800
<u>Chancery Court</u>										
Officers Costs	982	0	0	0	0	0	0	0	0	982
Data Entry Fee - Chancery Court	1,940	0	0	0	0	0	0	0	0	1,940
Courtroom Security Fee	99	0	0	0	0	1,045	0	0	0	1,144
<u>Judicial District Drug Program</u>										
Drug Task Force Forfeitures and Seizures	0	0	13,569	0	0	0	0	0	0	13,569
Total Fines, Forfeitures, and Penalties	\$ 283,994	\$ 0	\$ 14,454	\$ 0	\$ 0	\$ 1,045	\$ 0	\$ 0	\$ 0	\$ 299,493
<u>Charges for Current Services</u>										
General Service Charges	\$ 0	\$ 576,219	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 576,219
Residential Waste Collection Charge	889,435	0	0	0	0	0	0	0	0	889,435
Patient Charges										

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service Fund			Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Other Capital Projects			
Charges for Current Services (Cont.)											
General Service Charges (Cont.)											
Work Release Charges for Board	0	108	0	0	0	0	0	0	0	108	
Health Department Collections	92,665	0	0	0	0	0	0	0	0	92,665	
Other General Service Charges	4,050	0	0	0	0	0	0	0	0	4,050	
Fees											
Recreation Fees	31,988	0	0	0	0	0	0	0	0	31,988	
Copy Fees	1,020	0	0	0	0	0	0	0	0	1,020	
Greenbelt Late Application Fee	750	0	0	0	0	0	0	0	0	750	
Telephone Commissions	28,986	0	0	0	0	0	0	0	0	28,986	
Vending Machine Collections	18,143	0	0	0	0	0	0	0	0	18,143	
Constitutional Officers' Fees and Commissions	0	0	0	167,298	0	0	0	0	0	167,298	
Data Processing Fee - Register	6,251	0	0	0	0	0	0	0	0	6,251	
Data Processing Fee - Sheriff	2,442	0	0	0	0	0	0	0	0	2,442	
Sexual Offender Registration Fees - Sheriff	1,050	0	0	0	0	0	0	0	0	1,050	
Data Processing Fee - County Clerk	1,280	0	0	0	0	0	0	0	0	1,280	
Total Charges for Current Services	1,078,060	576,327	0	167,298	0	0	0	0	0	1,821,685	
Other Local Revenues											
Recurring Items											
Investment Income	59	0	0	0	0	75,494	0	0	0	75,553	
Lease/Rentals	21,053	0	0	0	570	0	0	27,897	0	49,520	
Sale of Materials and Supplies	42,087	0	0	0	17,533	0	0	0	0	59,620	
Commissary Sales	17,035	0	0	0	0	0	0	0	0	17,035	
Sale of Gasoline	0	0	0	0	286,736	0	0	0	0	286,736	
Miscellaneous Refunds	18,602	116	0	0	3,114	0	0	0	0	21,832	
Nonrecurring Items											
Sale of Equipment	5,000	0	0	0	73,200	0	0	0	0	78,200	
Sale of Property	39,300	0	0	0	0	0	0	0	0	39,300	
Other Local Revenues											
Other Local Revenues	0	0	0	0	0	32,525	0	0	0	32,525	
Total Other Local Revenues	143,136	116	0	0	381,153	108,019	0	27,897	0	660,321	
Fees Received from County Officials											
Excess Fees	0	0	0	0	0	0	0	0	0	0	
Trustee	177,187	0	0	0	0	0	0	0	0	177,187	
Fees in-Lieu-of-Salary											
County Clerk	211,812	0	0	0	0	0	0	0	0	211,812	

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park		Other Capital Projects	
Fees Received from County Officials (Cont.)										
Fees in-Lieu-of Salary (Cont.)										
Circuit Court Clerk	\$ 25,373	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,373
General Sessions Court Clerk	502,855	0	0	0	0	0	0	0	0	502,855
Clerk and Master	78,118	0	0	0	0	0	0	0	0	78,118
Juvenile Court Clerk	16,815	0	0	0	0	0	0	0	0	16,815
Register	61,149	0	0	0	0	0	0	0	0	61,149
Sheriff	10,163	0	0	0	0	0	0	0	0	10,163
Total Fees Received from County Officials	\$ 1,083,472	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,083,472
State of Tennessee										
General Government Grants										
Juvenile Services Program	\$ 5,100	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,100
Other General Government Grants	10,875	0	0	0	0	0	0	0	0	10,875
Public Safety Grants										
Law Enforcement Training Programs	10,800	0	0	0	0	0	0	0	0	10,800
Other Public Safety Grants	553	0	0	0	0	0	0	0	0	553
Health and Welfare Grants										
Other Health and Welfare Grants	10,588	0	0	0	0	0	0	0	0	10,588
Public Works Grants										
Bridge Program	0	0	0	0	414,015	0	0	0	0	414,015
Litter Program	0	39,913	0	0	0	0	0	0	0	39,913
Other State Revenues										
Income Tax	20,365	0	0	0	0	0	0	0	0	20,365
Alcoholic Beverage Tax	66,262	0	0	0	0	0	0	0	0	66,262
Mixed Drink Tax	3,418	0	0	0	0	0	0	0	0	3,418
State Revenue Sharing - T.V.A.	311,650	0	0	0	32,565	62,827	0	0	0	407,042
Contracted Prisoner Boarding	633,625	0	0	0	0	0	0	0	0	633,625
Gasoline and Motor Fuel Tax	0	0	0	0	1,695,335	0	0	0	0	1,695,335
Petroleum Special Tax	0	0	0	0	13,556	0	0	0	0	13,556
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0	0	15,164
Other State Revenues	3,331	0	0	0	0	0	0	0	0	3,331
Total State of Tennessee	\$ 1,091,731	\$ 39,913	\$ 0	\$ 0	\$ 2,155,471	\$ 62,827	\$ 0	\$ 0	\$ 0	\$ 3,349,942
Federal Government										
Federal Through State										
USDA - Other	\$ 188,333	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 188,333
Community Development	0	0	0	0	0	0	104,594	0	0	104,594

(Continued)

Exhibit K-5

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Funds			Total
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Community Development/ Industrial Park	Other Capital Projects		
<u>Federal Government (Cont.)</u>										
<u>Direct Federal Revenue</u>										
Forest Service	\$ 32,685	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,685
Tax Credit Bond Rebate	0	0	0	0	0	98,356	0	0	0	98,356
Total Federal Government	\$ 221,018	\$ 0	\$ 0	\$ 0	\$ 0	\$ 98,356	\$ 104,594	\$ 0	\$ 0	\$ 423,968
<u>Other Governments and Citizens Groups</u>										
<u>Other Governments</u>										
Prisoner Board Contributions	\$ 150	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150
Contracted Services	329,517	0	0	0	0	25,000	0	0	0	354,517
Citizens Groups	74,999	0	0	0	0	0	0	0	0	74,999
Donations	6,768	0	0	0	0	0	0	0	0	6,768
Other	114	0	0	0	0	0	0	0	0	114
Total Other Governments and Citizens Groups	\$ 411,548	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,000	\$ 0	\$ 0	\$ 0	\$ 436,548
Total	\$ 10,658,089	\$ 616,356	\$ 14,454	\$ 167,298	\$ 3,164,721	\$ 1,854,673	\$ 104,594	\$ 27,897	\$ 16,608,082	

Exhibit K-6

Haywood County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Haywood County School Department
 For the Year Ended June 30, 2013

	Special Revenue Funds			Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	
Local Taxes					
<u>County Property Taxes</u>					
Current Property Tax	\$ 3,390,797	\$ 0	\$ 0	\$ 0	\$ 3,390,797
Discount on Property Taxes	(38,925)	0	0	0	(38,925)
Trustee's Collections - Prior Year	192,420	0	0	0	192,420
Trustee's Collections - Bankruptcy	1,207	0	0	0	1,207
Circuit/Clerk & Master Collections - Prior Years	106,354	0	0	0	106,354
Interest and Penalty	31,715	0	0	0	31,715
Payments in-Lieu-of Taxes - T.V.A.	146,405	0	0	0	146,405
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,515,557	0	0	0	1,515,557
Wheel Tax	270,026	0	0	0	270,026
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	2,288	0	0	0	2,288
Other Statutory Local Taxes	49,441	0	0	0	49,441
Total Local Taxes	\$ 5,667,285	\$ 0	\$ 0	\$ 0	\$ 5,667,285
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 1,121	\$ 0	\$ 0	\$ 0	\$ 1,121
Total Licenses and Permits	\$ 1,121	\$ 0	\$ 0	\$ 0	\$ 1,121
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 55,991	\$ 0	\$ 55,991
Lunch Payments - Adults	0	0	26,110	0	26,110
Income from Breakfast	0	0	7,520	0	7,520
A la carte Sales	0	0	55,271	0	55,271
Receipts from Individual Schools	28,828	0	0	0	28,828
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	177,513	0	177,513
Total Charges for Current Services	\$ 28,828	\$ 0	\$ 322,405	\$ 0	\$ 351,233
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 800	\$ 0	\$ 800
Lease/Rentals	1,919	0	0	0	1,919
Sale of Materials and Supplies	150	0	0	0	150
Refund of Telecommunication & Internet Fees (E-Rate)	19,008	0	0	0	19,008
Miscellaneous Refunds	2,405	0	0	0	2,405
<u>Nonrecurring Items</u>					
Sale of Equipment	12,428	0	0	0	12,428
Sale of Property	92,000	0	0	0	92,000
Contributions and Gifts	2,000	50,000	0	0	52,000
<u>Other Local Revenues</u>					
Other Local Revenues	116,164	0	0	0	116,164
Total Other Local Revenues	\$ 246,074	\$ 50,000	\$ 800	\$ 0	\$ 296,874
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 124,899	\$ 0	\$ 0	\$ 0	\$ 124,899
<u>State Education Funds</u>					
Basic Education Program	16,406,980	0	0	0	16,406,980
Early Childhood Education	610,008	0	0	0	610,008

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Capital Projects Fund	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
School Food Service	\$ 0	\$ 0	\$ 21,236	\$ 0	\$ 21,236
Energy Efficient School Initiative	26,046	0	0	0	26,046
Driver Education	2,814	0	0	0	2,814
Other State Education Funds	157,770	0	0	0	157,770
Career Ladder Program	91,226	0	0	0	91,226
Career Ladder - Extended Contract	28,200	0	0	0	28,200
Other Vocational	4,201	0	0	0	4,201
<u>Other State Revenues</u>					
Mixed Drink Tax	3,419	0	0	0	3,419
State Revenue Sharing - T.V.A.	253,483	0	0	0	253,483
Other State Grants	5,020	0	0	0	5,020
Total State of Tennessee	\$ 17,714,066	\$ 0	\$ 21,236	\$ 0	\$ 17,735,302
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,160,371	\$ 0	\$ 1,160,371
USDA - Commodities	0	0	103,030	0	103,030
Breakfast	0	0	536,399	0	536,399
USDA - Other	0	0	13,979	0	13,979
Adult Education State Grant Program	74,563	0	0	0	74,563
Vocational Education - Basic Grants to States	0	59,907	0	0	59,907
Title I Grants to Local Education Agencies	0	984,814	0	0	984,814
Special Education - Grants to States	0	782,749	0	0	782,749
Special Education Preschool Grants	0	52,966	0	0	52,966
English Language Acquisition Grants	0	9,545	0	0	9,545
Safe and Drug-free Schools - State Grants	0	349,460	0	0	349,460
Rural Education	0	72,201	0	0	72,201
Eisenhower Professional Development State Grants	0	210,364	0	0	210,364
Homeland Security Grants	709,468	0	0	0	709,468
Race-to-the-Top - ARRA	2,500	119,448	0	0	121,948
Other Federal through State	0	53,272	0	0	53,272
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	95,357	0	0	0	95,357
Total Federal Government	\$ 881,888	\$ 2,694,726	\$ 1,813,779	\$ 0	\$ 5,390,393
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 24,000	\$ 0	\$ 0	\$ 1,200,033	\$ 1,224,033
Total Other Governments and Citizens Groups	\$ 24,000	\$ 0	\$ 0	\$ 1,200,033	\$ 1,224,033
Total	\$ 24,563,262	\$ 2,744,726	\$ 2,158,220	\$ 1,200,033	\$ 30,666,241

Exhibit K-7

Haywood County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2013

General Fund

General Government

County Commission

Other Salaries and Wages	\$	19,096	
Board and Committee Members Fees		19,881	
Social Security		1,855	
State Retirement		2,493	
Employee and Dependent Insurance		3,000	
Life Insurance		1,536	
Audit Services		5,636	
Dues and Memberships		4,121	
Other Contracted Services		52,014	
Food Supplies		12,480	
Other Charges		98,106	
Total County Commission			\$ 220,218

Beer Board

Secretary to Board	\$	300	
Board and Committee Members Fees		850	
Legal Notices, Recording, and Court Costs		131	
Workers' Compensation Insurance		1	
Total Beer Board			1,282

County Mayor/Executive

County Official/Administrative Officer	\$	71,150	
Accountants/Bookkeepers		68,805	
Secretary(ies)		19,983	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		13,668	
State Retirement		17,610	
Employee and Dependent Insurance		10,043	
Life Insurance		824	
Unemployment Compensation		419	
Other Fringe Benefits		2,100	
Communication		6,142	
Data Processing Services		6,146	
Dues and Memberships		2,167	
Maintenance and Repair Services - Office Equipment		313	
Maintenance and Repair Services - Vehicles		2,136	
Postal Charges		2,313	
Travel		2,249	
Gasoline		1,787	
Library Books/Media		923	
Office Supplies		3,153	
Premiums on Corporate Surety Bonds		87	
Workers' Compensation Insurance		435	
Office Equipment		161	
Total County Mayor/Executive			235,134

County Attorney

County Official/Administrative Officer	\$	5,400	
Social Security		413	
State Retirement		648	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney (Cont.)

Operating Lease Payments	\$	1,331	
Legal Services		26,789	
Duplicating Supplies		173	
Library Books/Media		5,332	
Workers' Compensation Insurance		107	
Total County Attorney			\$ 40,193

Election Commission

County Official/Administrative Officer	\$	54,162	
Part-time Personnel		8,980	
Election Commission		3,368	
Election Workers		17,713	
Social Security		4,776	
State Retirement		6,494	
Employee and Dependent Insurance		958	
Life Insurance		237	
Unemployment Compensation		231	
Communication		4,637	
Data Processing Services		9,444	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		1,932	
Maintenance Agreements		3,908	
Postal Charges		5,780	
Printing, Stationery, and Forms		4,679	
Travel		1,202	
Office Supplies		923	
Workers' Compensation Insurance		177	
Other Charges		1,134	
Data Processing Equipment		11,858	
Voting Machines		7,550	
Total Election Commission			150,293

Register of Deeds

County Official/Administrative Officer	\$	60,180	
Deputy(ies)		26,800	
Temporary Personnel		495	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		6,293	
State Retirement		10,454	
Employee and Dependent Insurance		8,919	
Life Insurance		512	
Unemployment Compensation		133	
Other Fringe Benefits		210	
Communication		2,001	
Dues and Memberships		544	
Postal Charges		229	
Printing, Stationery, and Forms		1,384	
Rentals		1,140	
Duplicating Supplies		16	
Premiums on Corporate Surety Bonds		44	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Workers' Compensation Insurance	\$	235	
Data Processing Equipment		4,079	
Total Register of Deeds			\$ 126,188

Development

Supervisor/Director	\$	31,200	
Secretary(ies)		1,200	
Social Security		2,430	
State Retirement		3,936	
Employee and Dependent Insurance		2,298	
Life Insurance		186	
Unemployment Compensation		131	
Other Fringe Benefits		630	
Communication		1,790	
Contracts with Government Agencies		11,300	
Data Processing Services		928	
Dues and Memberships		337	
Legal Notices, Recording, and Court Costs		30	
Maintenance and Repair Services - Vehicles		2,185	
Postal Charges		63	
Travel		910	
Gasoline		3,142	
Office Supplies		1,901	
Vehicle and Equipment Insurance		540	
Workers' Compensation Insurance		802	
Total Development			65,939

County Buildings

Supervisor/Director	\$	66,885	
Guards		50,194	
Custodial Personnel		91,546	
Overtime Pay		96	
Other Salaries and Wages		19,214	
Social Security		17,512	
State Retirement		19,057	
Employee and Dependent Insurance		11,442	
Life Insurance		1,217	
Unemployment Compensation		1,720	
Other Fringe Benefits		7,140	
Communication		16,328	
Maintenance Agreements		53,547	
Maintenance and Repair Services - Vehicles		2,681	
Rentals		2,400	
Travel		415	
Custodial Supplies		4,027	
Duplicating Supplies		1,608	
Gasoline		5,822	
Utilities		211,932	
Other Supplies and Materials		42,656	
Vehicle and Equipment Insurance		1,504	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Workers' Compensation Insurance	\$	9,951	
Other Charges		560	
Building Improvements		30,099	
Total County Buildings			\$ 669,553

Finance

Accounting and Budgeting

Board and Committee Members Fees	\$	7,600	
Total Accounting and Budgeting			7,600

Property Assessor's Office

County Official/Administrative Officer	\$	60,180	
Deputy(ies)		111,144	
Educational Incentive - Official/Admin Officer		2,520	
Board and Committee Members Fees		1,107	
Social Security		13,256	
State Retirement		20,960	
Employee and Dependent Insurance		10,298	
Life Insurance		1,156	
Unemployment Compensation		472	
Other Fringe Benefits		4,200	
Communication		3,196	
Contracts with Private Agencies		6,435	
Data Processing Services		14,268	
Dues and Memberships		1,465	
Maintenance and Repair Services - Vehicles		2,306	
Postal Charges		450	
Rentals		7,800	
Travel		2,004	
Duplicating Supplies		1,387	
Gasoline		4,281	
Office Supplies		1,967	
Utilities		4,628	
Premiums on Corporate Surety Bonds		397	
Vehicle and Equipment Insurance		1,017	
Workers' Compensation Insurance		2,267	
Data Processing Equipment		4,200	
Office Equipment		2,991	
Total Property Assessor's Office			286,352

Reappraisal Program

Other Salaries and Wages	\$	27,070	
Social Security		1,985	
State Retirement		1,196	
Unemployment Compensation		254	
Data Processing Services		1,939	
Maintenance and Repair Services - Vehicles		500	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Postal Charges	\$	4,079	
Gasoline		988	
Office Supplies		671	
Workers' Compensation Insurance		54	
Total Reappraisal Program			\$ 38,736

County Trustee's Office

Educational Incentive - Official/Admin Officer	\$	2,520	
Social Security		12,488	
State Retirement		20,818	
Employee and Dependent Insurance		14,628	
Life Insurance		1,050	
Unemployment Compensation		504	
Communication		4,679	
Data Processing Services		6,000	
Dues and Memberships		654	
Maintenance Agreements		4,435	
Postal Charges		6,271	
Printing, Stationery, and Forms		1,994	
Office Supplies		3,401	
Premiums on Corporate Surety Bonds		2,781	
Workers' Compensation Insurance		456	
Other Charges		773	
Total County Trustee's Office			83,452

County Clerk's Office

County Official/Administrative Officer	\$	60,180	
Deputy(ies)		121,199	
Part-time Personnel		1,826	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		13,721	
State Retirement		26,924	
Employee and Dependent Insurance		14,857	
Life Insurance		1,019	
Unemployment Compensation		626	
Other Fringe Benefits		4,200	
Communication		2,070	
Dues and Memberships		517	
Operating Lease Payments		1,260	
Maintenance Agreements		15,638	
Postal Charges		3,421	
Printing, Stationery, and Forms		862	
Travel		24	
Office Supplies		1,484	
Premiums on Corporate Surety Bonds		100	
Workers' Compensation Insurance		506	
Total County Clerk's Office			272,954

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	60,180	
Deputy(ies)		227,966	
Educational Incentive - Official/Admin Officer		2,520	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Jury and Witness Expense	\$	7,583	
Social Security		21,778	
State Retirement		34,348	
Employee and Dependent Insurance		23,913	
Life Insurance		1,929	
Unemployment Compensation		1,162	
Other Fringe Benefits		12,180	
Communication		2,059	
Data Processing Services		17,832	
Dues and Memberships		697	
Maintenance and Repair Services - Office Equipment		140	
Postal Charges		2,287	
Printing, Stationery, and Forms		1,259	
Rentals		4,140	
Travel		838	
Office Supplies		2,531	
Premiums on Corporate Surety Bonds		250	
Workers' Compensation Insurance		802	
Other Charges		140	
Total Circuit Court			\$ 426,534

General Sessions Judge

Judge(s)	\$	161,808	
Secretary(ies)		28,014	
Social Security		11,581	
State Retirement		22,986	
Employee and Dependent Insurance		2,547	
Life Insurance		699	
Unemployment Compensation		126	
Other Fringe Benefits		1,890	
Communication		1,865	
Dues and Memberships		696	
Postal Charges		19	
Travel		500	
Library Books/Media		1,059	
Office Supplies		368	
Workers' Compensation Insurance		497	
Office Equipment		511	
Total General Sessions Judge			235,166

General Sessions Court Clerk

Postal Charges	\$	360	
Printing, Stationery, and Forms		1,050	
Office Supplies		2,322	
Total General Sessions Court Clerk			3,732

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	60,180	
Deputy(ies)		55,997	
Social Security		8,880	
State Retirement		14,056	
Employee and Dependent Insurance		6,847	
Life Insurance		732	
Unemployment Compensation		378	
Other Fringe Benefits		1,050	
Communication		1,767	
Dues and Memberships		882	
Legal Notices, Recording, and Court Costs		1,865	
Postal Charges		575	
Printing, Stationery, and Forms		466	
Travel		680	
Other Contracted Services		400	
Office Supplies		426	
Workers' Compensation Insurance		304	
Data Processing Equipment		3,764	
Office Equipment		201	
Total Chancery Court			\$ 159,450

Juvenile Court

Youth Service Officer(s)	\$	52,888	
Social Security		4,166	
State Retirement		6,593	
Employee and Dependent Insurance		2,115	
Life Insurance		392	
Unemployment Compensation		252	
Other Fringe Benefits		2,100	
Communication		2,361	
Legal Services		2,000	
Postal Charges		620	
Travel		236	
Office Supplies		1,398	
Workers' Compensation Insurance		142	
Other Charges		368	
Total Juvenile Court			75,631

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	66,198	
Supervisor/Director		39,737	
Deputy(ies)		306,224	
Investigator(s)		41,622	
Lieutenant(s)		193,448	
Sergeant(s)		73,882	
Secretary(ies)		49,042	
Educational Incentive - Official/Admin Officer		2,520	
Overtime Pay		49,785	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

In-Service Training	\$	10,800	
Social Security		61,010	
State Retirement		97,304	
Employee and Dependent Insurance		55,040	
Life Insurance		4,172	
Unemployment Compensation		3,058	
Other Fringe Benefits		21,630	
Communication		22,615	
Dues and Memberships		1,612	
Legal Notices, Recording, and Court Costs		320	
Maintenance Agreements		4,555	
Maintenance and Repair Services - Equipment		5,510	
Maintenance and Repair Services - Office Equipment		3,057	
Maintenance and Repair Services - Vehicles		16,200	
Postal Charges		1,303	
Travel		3,867	
Tuition		7,500	
Gasoline		98,469	
Instructional Supplies and Materials		724	
Law Enforcement Supplies		22,781	
Library Books/Media		193	
Office Supplies		3,450	
Tires and Tubes		3,220	
Uniforms		14,630	
Other Supplies and Materials		1,450	
Premiums on Corporate Surety Bonds		927	
Vehicle and Equipment Insurance		12,209	
Workers' Compensation Insurance		26,655	
Other Charges		2,155	
Law Enforcement Equipment		21,279	
Motor Vehicles		100,085	
Other Equipment		1,712	
Total Sheriff's Department			\$ 1,451,950

Jail

Assistant(s)	\$	33,765
Supervisor/Director		35,200
Deputy(ies)		406,588
Secretary(ies)		28,481
Cafeteria Personnel		67,744
Overtime Pay		86,956
Social Security		50,494
State Retirement		69,563
Employee and Dependent Insurance		48,035
Life Insurance		4,501
Unemployment Compensation		3,598
Other Fringe Benefits		17,010
Communication		5,205
Maintenance Agreements		3,611
Maintenance and Repair Services - Equipment		4,705

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Maintenance and Repair Services - Office Equipment	\$	732	
Maintenance and Repair Services - Vehicles		1,676	
Medical and Dental Services		403,832	
Postal Charges		506	
Printing, Stationery, and Forms		1,386	
Travel		3,194	
Remittance of Revenue Collected		2,055	
Custodial Supplies		15,040	
Drugs and Medical Supplies		46,418	
Food Supplies		183,569	
Gasoline		1,125	
Library Books/Media		184	
Office Supplies		2,282	
Prisoners Clothing		4,923	
Uniforms		9,855	
Utilities		11	
Other Supplies and Materials		2,157	
Vehicle and Equipment Insurance		1,128	
Workers' Compensation Insurance		18,143	
Food Service Equipment		1,923	
Law Enforcement Equipment		41,553	
Office Equipment		955	
Total Jail			\$ 1,608,103

Workhouse

County Official/Administrative Officer	\$	12,001	
Assistant(s)		22,233	
Laborers		18,588	
Overtime Pay		1,105	
Social Security		3,620	
State Retirement		4,344	
Employee and Dependent Insurance		7,747	
Life Insurance		194	
Unemployment Compensation		290	
Other Fringe Benefits		840	
Communication		1,078	
Maintenance and Repair Services - Buildings		2,447	
Maintenance and Repair Services - Equipment		21,829	
Pauper Burials		100	
Veterinary Services		290	
Other Contracted Services		1,981	
Diesel Fuel		12,905	
Fertilizer, Lime, and Seed		15,083	
Gasoline		5,002	
Utilities		5,524	
Vehicle and Equipment Insurance		1,880	
Workers' Compensation Insurance		1,413	
Other Charges		302	
Other Equipment		9,989	
Total Workhouse			150,785

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control

Other Per Diem and Fees	\$	21,069	
Social Security		1,033	
State Retirement		1,622	
Life Insurance		145	
Unemployment Compensation		132	
Contracts with Government Agencies		215,309	
Maintenance and Repair Services - Equipment		10,892	
Maintenance and Repair Services - Vehicles		8,287	
Diesel Fuel		6,587	
Gasoline		1,856	
Vehicle and Equipment Insurance		34,238	
Workers' Compensation Insurance		9,059	
Other Charges		13,980	
Motor Vehicles		10,133	
Total Fire Prevention and Control	\$		334,342

Civil Defense

County Official/Administrative Officer	\$	33,478	
Part-time Personnel		8,478	
Social Security		3,368	
Employee and Dependent Insurance		831	
Life Insurance		170	
Unemployment Compensation		244	
Other Fringe Benefits		1,890	
Communication		735	
Dues and Memberships		15	
Maintenance and Repair Services - Buildings		171	
Maintenance and Repair Services - Equipment		6,510	
Maintenance and Repair Services - Office Equipment		355	
Maintenance and Repair Services - Vehicles		1,453	
Postal Charges		49	
Travel		533	
Gasoline		2,204	
Office Supplies		315	
Utilities		1,561	
Other Supplies and Materials		248	
Vehicle and Equipment Insurance		909	
Workers' Compensation Insurance		3,082	
Total Civil Defense			66,599

Rescue Squad

Communication	\$	240	
Contributions		10,000	
Vehicle and Equipment Insurance		3,008	
Total Rescue Squad			13,248

County Coroner/Medical Examiner

Medical Personnel	\$	4,800	
Total County Coroner/Medical Examiner			4,800

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety

Contracts with Government Agencies	\$ 162,737	
Total Other Public Safety		\$ 162,737

Public Health and Welfare

Local Health Center

Custodial Personnel	\$ 16,100	
Communication	2,790	
Contracts with Government Agencies	17,154	
Maintenance and Repair Services - Buildings	3,646	
Postal Charges	66	
Custodial Supplies	179	
Drugs and Medical Supplies	1,460	
Office Supplies	1,827	
Utilities	8,382	
Total Local Health Center		51,604

Rabies and Animal Control

Contracts with Government Agencies	\$ 80,550	
Total Rabies and Animal Control		80,550

Ambulance/Emergency Medical Services

Assistant(s)	\$ 44,089
Supervisor/Director	55,360
Medical Personnel	2,000
Materials Supervisor	7,800
Paraprofessionals	283,121
Secretary(ies)	38,547
Attendants	240,192
Part-time Personnel	35,103
Overtime Pay	37,956
Other Salaries and Wages	17,190
In-Service Training	3,100
Social Security	57,590
State Retirement	80,536
Employee and Dependent Insurance	32,942
Life Insurance	4,004
Unemployment Compensation	3,538
Other Fringe Benefits	18,060
Communication	6,496
Data Processing Services	3,426
Dues and Memberships	380
Laundry Service	2,659
Licenses	2,746
Maintenance Agreements	4,760
Maintenance and Repair Services - Buildings	11,593
Maintenance and Repair Services - Vehicles	39,960
Postal Charges	2,410
Travel	1,803
Tuition	1,639
Custodial Supplies	2,482

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Diesel Fuel	\$	37,051	
Drugs and Medical Supplies		40,122	
Gasoline		3,174	
Instructional Supplies and Materials		1,300	
Office Supplies		7,377	
Uniforms		5,112	
Utilities		9,137	
Other Supplies and Materials		1,900	
Liability Insurance		17,439	
Refunds		818	
Vehicle and Equipment Insurance		12,050	
Workers' Compensation Insurance		66,251	
Other Equipment		32,399	
Total Ambulance/Emergency Medical Services	\$		1,275,612

Alcohol and Drug Programs

Contributions	\$	5,000	
Total Alcohol and Drug Programs			5,000

Appropriation to State

Paraprofessionals	\$	30,374	
Clerical Personnel		64,036	
Social Security		6,780	
State Retirement		7,388	
Employee and Dependent Insurance		5,766	
Life Insurance		537	
Unemployment Compensation		675	
Other Fringe Benefits		1,470	
Travel		1,854	
Workers' Compensation Insurance		3,091	
Total Appropriation to State			121,971

Social, Cultural, and Recreational Services

Libraries

Librarians	\$	47,594	
Social Security		3,259	
State Retirement		5,933	
Employee and Dependent Insurance		5,422	
Life Insurance		383	
Unemployment Compensation		252	
Other Fringe Benefits		1,890	
Contributions		74,703	
Workers' Compensation Insurance		128	
Total Libraries			139,564

Parks and Fair Boards

County Official/Administrative Officer	\$	46,156	
Supervisor/Director		19,492	
Foremen		32,926	
Laborers		108,143	

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Secretary(ies)	\$	30,550	
Temporary Personnel		40,598	
Overtime Pay		1,466	
Social Security		21,257	
State Retirement		28,545	
Employee and Dependent Insurance		26,070	
Life Insurance		1,673	
Unemployment Compensation		1,811	
Other Fringe Benefits		9,870	
Communication		6,886	
Contributions		6,570	
Dues and Memberships		755	
Maintenance and Repair Services - Buildings		66,195	
Maintenance and Repair Services - Equipment		5,552	
Maintenance and Repair Services - Office Equipment		2,254	
Maintenance and Repair Services - Vehicles		3,290	
Pest Control		1,420	
Postal Charges		325	
Travel		1,984	
Custodial Supplies		6,018	
Fertilizer, Lime, and Seed		29,096	
Gasoline		15,140	
Office Supplies		4,908	
Utilities		75,232	
Other Supplies and Materials		29,297	
Refunds		11,442	
Vehicle and Equipment Insurance		4,269	
Workers' Compensation Insurance		7,254	
Other Charges		11,959	
Building Improvements		13,530	
Heating and Air Conditioning Equipment		3,205	
Maintenance Equipment		9,513	
Motor Vehicles		6,975	
Total Parks and Fair Boards			\$ 691,626

Other Social, Cultural, and Recreational

Temporary Personnel	\$	7,129	
Unemployment Compensation		100	
Contracts with Government Agencies		169,879	
Travel		31	
Office Supplies		253	
Other Supplies and Materials		24	
Workers' Compensation Insurance		258	
Total Other Social, Cultural, and Recreational			177,674

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	110,261	
Part-time Personnel		9,341	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Social Security	\$	783	
Unemployment Compensation		131	
Communication		3,530	
Licenses		843	
Travel		7,056	
Custodial Supplies		841	
Other Supplies and Materials		4,342	
Workers' Compensation Insurance		344	
Other Charges		2,369	
Data Processing Equipment		179	
Total Agriculture Extension Service			\$ 140,020

Soil Conservation

Secretary(ies)	\$	23,883	
Other Salaries and Wages		42,186	
Social Security		4,480	
State Retirement		8,249	
Employee and Dependent Insurance		6,543	
Life Insurance		442	
Unemployment Compensation		252	
Other Fringe Benefits		2,730	
Workers' Compensation Insurance		748	
Total Soil Conservation			89,513

Other Operations

Industrial Development

Other Contracted Services	\$	75,000	
Other Charges		40,104	
Site Development		6,700	
Total Industrial Development			121,804

Veterans' Services

Other Salaries and Wages	\$	11,342	
Social Security		871	
Unemployment Compensation		154	
Communication		2,019	
Data Processing Services		399	
Maintenance Agreements		124	
Postal Charges		1	
Rentals		550	
Travel		694	
Office Supplies		64	
Workers' Compensation Insurance		28	
Total Veterans' Services			16,246

Other Charges

Assistant(s)	\$	19,515	
Supervisor/Director		25,875	
Social Security		3,605	
State Retirement		5,946	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges (Cont.)

Employee and Dependent Insurance	\$	5,088	
Life Insurance		315	
Unemployment Compensation		252	
Other Fringe Benefits		4,200	
Communication		829	
Maintenance Agreements		1,381	
Office Supplies		159	
Workers' Compensation Insurance		2,176	
Total Other Charges			\$ 69,341

Contributions to Other Agencies

Contributions	\$	275,944	
Remittance of Revenue Collected		23,061	
Total Contributions to Other Agencies			299,005

Miscellaneous

Building and Contents Insurance	\$	61,615	
Liability Insurance		65,354	
Trustee's Commission		124,454	
Other Charges		3,498	
Total Miscellaneous			254,921

Principal on Debt

General Government

Principal on Capital Leases	\$	66,507	
Total General Government			66,507

Interest on Debt

General Government

Interest on Capital Leases	\$	1,559	
Total General Government			1,559

Total General Fund \$ 10,493,488

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Supervisor/Director	\$	20,069	
Equipment Operators		98,966	
Secretary(ies)		29,065	
Overtime Pay		1,427	
Life Insurance		902	
Unemployment Compensation		688	
Other Fringe Benefits		12,075	
Communication		1,868	
Data Processing Services		27,897	
Legal Notices, Recording, and Court Costs		804	
Maintenance and Repair Services - Equipment		143	
Postal Charges		15,572	
Printing, Stationery, and Forms		278	

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Diesel Fuel	\$	47,814	
Electricity		4,687	
Equipment and Machinery Parts		28,192	
Gasoline		15,353	
Instructional Supplies and Materials		8,122	
Lubricants		3,464	
Office Supplies		650	
Tires and Tubes		15,438	
Other Supplies and Materials		1,188	
Other Charges		1,270	
Maintenance Equipment		6,538	
Other Construction		123	
Total Waste Pickup			\$ 342,593

Other Operations

Other Charges

Trustee's Commission	\$	5,766	
Vehicle and Equipment Insurance		13,012	
Workers' Compensation Insurance		9,600	
Total Other Charges			28,378

Employee Benefits

Social Security	\$	11,360	
State Retirement		19,083	
Employee and Dependent Insurance		15,934	
Total Employee Benefits			46,377

Total Solid Waste/Sanitation Fund \$ 417,348

Drug Control Fund

Public Safety

Drug Enforcement

Maintenance and Repair Services - Vehicles	\$	364	
Instructional Supplies and Materials		222	
Law Enforcement Supplies		1,175	
Trustee's Commission		152	
Law Enforcement Equipment		34,653	
Motor Vehicles		43,000	
Total Drug Enforcement			\$ 79,566

Total Drug Control Fund 79,566

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	178,787	
Total County Trustee's Office			\$ 178,787

Total Constitutional Officers - Fees Fund 178,787

(Continued)

Exhibit K-7

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	71,192	
Accountants/Bookkeepers		36,838	
Educational Incentive - Official/Admin Officer		2,520	
Longevity Pay		1,470	
Board and Committee Members Fees		13,200	
Communication		5,390	
Data Processing Services		6,680	
Dues and Memberships		3,338	
Legal Notices, Recording, and Court Costs		947	
Maintenance and Repair Services - Office Equipment		58	
Postal Charges		360	
Printing, Stationery, and Forms		67	
Travel		2,078	
Drugs and Medical Supplies		692	
Electricity		10,007	
Office Supplies		1,203	
Other Charges		1,685	
Total Administration			\$ 157,725

Highway and Bridge Maintenance

Laborers	\$	423,389	
Asphalt - Liquid		309,715	
Crushed Stone		135,997	
Fertilizer, Lime, and Seed		61,322	
Other Road Supplies		29,476	
Pipe		27,957	
Road Signs		386	
Total Highway and Bridge Maintenance			988,242

Operation and Maintenance of Equipment

Laborers	\$	103,767	
Diesel Fuel		252,125	
Equipment and Machinery Parts		99,734	
Gasoline		206,713	
Lubricants		4,040	
Tires and Tubes		16,559	
Total Operation and Maintenance of Equipment			682,938

Other Charges

Liability Insurance	\$	3,959	
Premiums on Corporate Surety Bonds		725	
Trustee's Commission		28,313	
Vehicle and Equipment Insurance		40,927	
Workers' Compensation Insurance		40,453	
Total Other Charges			114,377

Employee Benefits

Social Security	\$	46,374	
State Retirement		75,628	
Employee and Dependent Insurance		92,822	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits (Cont.)

Unemployment Compensation	\$	450	
Other Fringe Benefits		<u>2,412</u>	
Total Employee Benefits			\$ 217,686

Capital Outlay

Engineering Services	\$	23,324	
Bridge Construction		412,776	
Highway Equipment		318,787	
Other Capital Outlay		<u>1,150</u>	
Total Capital Outlay			756,037

Total Highway/Public Works Fund \$ 2,917,005

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	<u>726,289</u>	
Total General Government			726,289

Education

Principal on Other Loans	\$	<u>125,001</u>	
Total Education			125,001

Interest on Debt

General Government

Interest on Bonds	\$	<u>750,532</u>	
Total General Government			750,532

Education

Interest on Other Loans	\$	<u>9,132</u>	
Total Education			9,132

Other Debt Service

General Government

Trustee's Commission	\$	<u>25,180</u>	
Total General Government			25,180

Education

Other Debt Service	\$	<u>8,822</u>	
Total Education			<u>8,822</u>

Total General Debt Service Fund 1,644,956

General Capital Projects Fund

Capital Projects

Public Safety Projects

Social Security	\$	<u>454</u>	
Total Public Safety Projects			\$ 454

(Continued)

Exhibit K-7

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Public Health and Welfare Projects

Motor Vehicles	\$ 95,287	
Total Public Health and Welfare Projects		\$ 95,287

Education Capital Projects

Contributions	\$ 1,200,033	
Total Education Capital Projects		<u>1,200,033</u>

Total General Capital Projects Fund		\$ 1,295,774
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Community Development/Industrial Park Fund

Capital Projects

Public Safety Projects

Consultants	\$ 3,000	
Plant Operation Equipment	<u>73,397</u>	
Total Public Safety Projects		\$ 76,397

Public Health and Welfare Projects

Other Construction	\$ 3,563	
Total Public Health and Welfare Projects		3,563

Agriculture and Natural Resource Projects

Contracts with Government Agencies	\$ 50,000	
Total Agriculture and Natural Resource Projects		50,000

Other General Government Projects

Consultants	\$ 9,000	
Engineering Services	<u>15,634</u>	
Total Other General Government Projects		<u>24,634</u>

Total Community Development/Industrial Park Fund		\$ 154,594
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Other Capital Projects Fund

Capital Projects

Other General Government Projects

Other Construction	\$ 49,130	
Total Other General Government Projects		\$ <u>49,130</u>

Total Other Capital Projects Fund		<u>49,130</u>
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Total Governmental Funds - Primary Government		<u>\$ 17,230,648</u>
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Exhibit K-8

Haywood County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Haywood County School Department
For the Year Ended June 30, 2013

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	7,094,409	
Career Ladder Program		48,070	
Career Ladder Extended Contracts		52,568	
Educational Assistants		619,007	
Other Salaries and Wages		3,864	
Certified Substitute Teachers		23,299	
Non-certified Substitute Teachers		74,380	
Social Security		460,642	
State Retirement		711,774	
Medical Insurance		885,030	
Dental Insurance		44,490	
Unemployment Compensation		15,755	
Employer Medicare		108,179	
Other Contracted Services		86,618	
Instructional Supplies and Materials		174,866	
Textbooks		208,460	
Other Supplies and Materials		9,515	
Other Charges		4,191	
Regular Instruction Equipment		68,880	
Total Regular Instruction Program	\$		10,693,997

Alternative Instruction Program

Teachers	\$	307,030	
Career Ladder Program		1,000	
Career Ladder Extended Contracts		200	
Other Salaries and Wages		28,161	
Non-certified Substitute Teachers		7,245	
Social Security		18,641	
State Retirement		28,350	
Medical Insurance		46,892	
Dental Insurance		1,320	
Unemployment Compensation		587	
Employer Medicare		4,746	
Other Contracted Services		1,087	
Total Alternative Instruction Program			445,259

Special Education Program

Teachers	\$	1,027,564	
Career Ladder Program		1,000	
Homebound Teachers		19,906	
Educational Assistants		75,369	
Other Salaries and Wages		17,585	
Certified Substitute Teachers		2,438	
Non-certified Substitute Teachers		9,808	
Social Security		67,720	
State Retirement		101,594	
Medical Insurance		134,903	
Dental Insurance		6,799	
Unemployment Compensation		2,248	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	15,884	
Other Contracted Services		4,783	
Instructional Supplies and Materials		6,213	
Textbooks		337	
Other Supplies and Materials		425	
Special Education Equipment		11,383	
Total Special Education Program			\$ 1,505,959

Vocational Education Program

Teachers	\$	455,582	
Certified Substitute Teachers		1,648	
Non-certified Substitute Teachers		8,542	
Social Security		27,503	
State Retirement		40,465	
Medical Insurance		38,867	
Dental Insurance		2,055	
Unemployment Compensation		883	
Employer Medicare		6,476	
Maintenance and Repair Services - Equipment		3,474	
Other Contracted Services		2,020	
Instructional Supplies and Materials		9,832	
T&I Construction Materials		6,215	
Textbooks		6,859	
Vocational Instruction Equipment		1,744	
Total Vocational Education Program			612,165

Adult Education Program

Teachers	\$	21,484	
Social Security		754	
State Retirement		1,004	
Unemployment Compensation		82	
Employer Medicare		312	
Instructional Supplies and Materials		4,139	
Other Supplies and Materials		1,056	
Total Adult Education Program			28,831

Support Services

Attendance

Supervisor/Director	\$	68,435	
Career Ladder Program		1,000	
Other Salaries and Wages		28,230	
Social Security		4,059	
State Retirement		6,166	
Medical Insurance		11,923	
Dental Insurance		607	
Unemployment Compensation		40	
Employer Medicare		1,359	
Travel		1,094	
Other Contracted Services		11,853	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

Other Supplies and Materials	\$	370	
In Service/Staff Development		1,745	
Other Charges		2,252	
Total Attendance			\$ 139,133

Health Services

Career Ladder Program	\$	2,000	
Medical Personnel		120,327	
Social Security		6,967	
State Retirement		11,565	
Medical Insurance		15,083	
Dental Insurance		612	
Unemployment Compensation		208	
Employer Medicare		1,629	
Travel		4,433	
Other Contracted Services		4,525	
Drugs and Medical Supplies		890	
Other Supplies and Materials		10,600	
In Service/Staff Development		4,204	
Other Charges		1,750	
Health Equipment		2,088	
Total Health Services			186,881

Other Student Support

Career Ladder Program	\$	3,500	
Guidance Personnel		341,326	
Attendants		154,431	
Other Salaries and Wages		30,279	
Social Security		30,961	
State Retirement		51,672	
Medical Insurance		52,834	
Dental Insurance		2,134	
Unemployment Compensation		998	
Employer Medicare		7,241	
Contracts with Government Agencies		84,204	
Contracts with Other School Systems		21,016	
Evaluation and Testing		52,269	
Travel		195	
Other Contracted Services		14,532	
Other Supplies and Materials		1,325	
In Service/Staff Development		4,449	
Other Charges		15,807	
Other Equipment		915	
Total Other Student Support			870,088

Regular Instruction Program

Supervisor/Director	\$	302,828	
Career Ladder Program		8,042	
Librarians		269,905	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Instructional Computer Personnel	\$	99,205	
Other Salaries and Wages		55,602	
Social Security		43,005	
State Retirement		65,153	
Medical Insurance		76,279	
Dental Insurance		3,553	
Unemployment Compensation		1,322	
Employer Medicare		10,075	
Travel		6,791	
Other Contracted Services		10,796	
Library Books/Media		23,094	
Periodicals		5,113	
Other Supplies and Materials		5,788	
In Service/Staff Development		42,885	
Other Charges		587	
Other Equipment		5,105	
Total Regular Instruction Program			\$ 1,035,128

Alternative Instruction Program

Unemployment Compensation	\$	5	
Other Contracted Services		29,688	
Total Alternative Instruction Program			29,693

Special Education Program

Supervisor/Director	\$	68,436	
Career Ladder Program		3,000	
Psychological Personnel		59,489	
Social Security		7,764	
State Retirement		11,626	
Medical Insurance		12,600	
Dental Insurance		611	
Unemployment Compensation		324	
Employer Medicare		1,816	
Travel		5,242	
Other Contracted Services		5,596	
Other Supplies and Materials		216	
In Service/Staff Development		1,027	
Other Charges		346	
Total Special Education Program			178,093

Vocational Education Program

Supervisor/Director	\$	58,003	
Secretary(ies)		41,448	
Social Security		6,060	
State Retirement		10,120	
Medical Insurance		190	
Dental Insurance		306	
Unemployment Compensation		186	
Employer Medicare		1,417	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Travel	\$	5,000	
Other Contracted Services		1,706	
Other Supplies and Materials		4,512	
In Service/Staff Development		4,429	
Total Vocational Education Program			\$ 133,377

Adult Programs

Supervisor/Director	\$	67,571	
Career Ladder Program		2,000	
Career Ladder Extended Contracts		200	
Other Salaries and Wages		24,135	
Social Security		5,557	
State Retirement		9,089	
Medical Insurance		9,369	
Dental Insurance		306	
Unemployment Compensation		160	
Employer Medicare		1,300	
Travel		745	
In Service/Staff Development		1,085	
Other Charges		902	
Total Adult Programs			122,419

Other Programs

On-Behalf Payments to OPEB	\$	124,899	
Total Other Programs			124,899

Board of Education

Secretary to Board	\$	3,006	
Board and Committee Members Fees		5,380	
Social Security		509	
State Retirement		360	
Medical Insurance		370	
Unemployment Compensation		14	
Employer Medicare		119	
Audit Services		6,000	
Dues and Memberships		9,314	
Legal Services		7,070	
Travel		14,702	
Other Contracted Services		40,458	
Other Supplies and Materials		43	
Liability Insurance		34,733	
Premiums on Corporate Surety Bonds		50	
Trustee's Commission		142,083	
Workers' Compensation Insurance		170,862	
In Service/Staff Development		1,500	
Refund to Applicant for Criminal Investigation		96	
Other Charges		3,719	
Total Board of Education			440,388

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools

County Official/Administrative Officer	\$	126,995	
Career Ladder Program		1,000	
Clerical Personnel		93,210	
Social Security		13,098	
State Retirement		22,444	
Medical Insurance		19,152	
Dental Insurance		394	
Unemployment Compensation		370	
Employer Medicare		3,063	
Communication		9,481	
Dues and Memberships		172	
Postal Charges		6,476	
Travel		6,376	
Other Contracted Services		5,337	
Office Supplies		10,706	
Other Supplies and Materials		4,140	
In Service/Staff Development		2,642	
Other Charges		1,097	
Administration Equipment		15,957	
Total Director of Schools			\$ 342,110

Office of the Principal

Principals	\$	337,773	
Career Ladder Program		5,500	
Accountants/Bookkeepers		64,287	
Career Ladder Extended Contracts		17,578	
Assistant Principals		470,959	
Secretary(ies)		175,446	
Other Salaries and Wages		615	
Social Security		62,500	
State Retirement		100,539	
Medical Insurance		120,514	
Dental Insurance		4,062	
Unemployment Compensation		2,199	
Employer Medicare		14,617	
Communication		54,343	
Dues and Memberships		4,125	
Travel		3,602	
Other Contracted Services		24,782	
Other Supplies and Materials		1,210	
In Service/Staff Development		5,642	
Other Charges		1,302	
Administration Equipment		350	
Total Office of the Principal			1,471,945

Fiscal Services

Supervisor/Director	\$	87,985
Accountants/Bookkeepers		80,692
Clerical Personnel		63,503

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Social Security	\$	13,218	
State Retirement		27,744	
Medical Insurance		21,474	
Dental Insurance		305	
Unemployment Compensation		442	
Employer Medicare		3,091	
Data Processing Services		805	
Travel		3,172	
Other Contracted Services		9,427	
Data Processing Supplies		4,230	
Other Supplies and Materials		904	
In Service/Staff Development		948	
Administration Equipment		1,508	
Total Fiscal Services			\$ 319,448

Operation of Plant

Other Salaries and Wages	\$	1,400	
Social Security		87	
Unemployment Compensation		2	
Employer Medicare		20	
Maintenance and Repair Services - Equipment		306	
Other Contracted Services		626,244	
Electricity		547,922	
Natural Gas		98,299	
Water and Sewer		64,025	
Other Supplies and Materials		408	
Boiler Insurance		6,967	
Building and Contents Insurance		126,926	
Other Charges		70	
Total Operation of Plant			1,472,676

Maintenance of Plant

Supervisor/Director	\$	41,146	
Maintenance Personnel		143,010	
Social Security		10,758	
State Retirement		22,062	
Medical Insurance		15,235	
Unemployment Compensation		333	
Employer Medicare		2,516	
Laundry Service		2,201	
Maintenance and Repair Services - Buildings		233,994	
Maintenance and Repair Services - Equipment		2,604	
Other Contracted Services		144,441	
Other Supplies and Materials		92,366	
Other Charges		218	
Maintenance Equipment		8,790	
Total Maintenance of Plant			719,674

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	42,777	
Mechanic(s)		147,710	
Bus Drivers		626,330	
Social Security		49,953	
State Retirement		93,476	
Medical Insurance		13,169	
Dental Insurance		171	
Unemployment Compensation		1,579	
Employer Medicare		11,682	
Communication		15,437	
Contracts with Parents		682	
Laundry Service		2,478	
Maintenance and Repair Services - Vehicles		72,336	
Medical and Dental Services		9,310	
Other Contracted Services		15,766	
Diesel Fuel		250,349	
Gasoline		73,732	
Lubricants		9,143	
Tires and Tubes		53,039	
Vehicle Parts		94,327	
Other Supplies and Materials		27,624	
Vehicle and Equipment Insurance		39,188	
In Service/Staff Development		5,423	
Other Charges		1,033	
Administration Equipment		5,277	
Transportation Equipment		13,900	
Total Transportation			\$ 1,675,891

Central and Other

Other Salaries and Wages	\$	60,217	
Social Security		3,456	
State Retirement		5,347	
Medical Insurance		7,874	
Dental Insurance		305	
Unemployment Compensation		252	
Employer Medicare		808	
Other Supplies and Materials		16,252	
In Service/Staff Development		3,324	
Total Central and Other			97,835

Operation of Non-Instructional Services

Food Service

Food Supplies	\$	1,132	
Total Food Service			1,132

Early Childhood Education

Teachers	\$	284,410	
Educational Assistants		113,355	
Other Salaries and Wages		1,334	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Certified Substitute Teachers	\$	2,632	
Non-certified Substitute Teachers		1,878	
Social Security		23,197	
State Retirement		39,007	
Medical Insurance		51,615	
Dental Insurance		2,124	
Unemployment Compensation		845	
Employer Medicare		5,463	
Other Contracted Services		2,840	
Instructional Supplies and Materials		36,290	
Other Supplies and Materials		2,001	
In Service/Staff Development		5,464	
Other Charges		8,465	
Other Equipment		8,081	
Total Early Childhood Education	\$		589,001

Capital Outlay

Regular Capital Outlay

Foremen	\$	52,919	
Overtime Pay		371	
Social Security		4,047	
Unemployment Compensation		422	
Architects		121,952	
Consultants		41,221	
Engineering Services		4,796	
Liability Insurance		2,363	
Workers' Compensation Insurance		5,099	
Building Construction		604,044	
Building Improvements		270,129	
Site Development		15,545	
Total Regular Capital Outlay			1,122,908

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	25,000	
Total Education			25,000

Total General Purpose School Fund \$ 24,383,930

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	634,221	
Educational Assistants		189,346	
Certified Substitute Teachers		6,487	
Non-certified Substitute Teachers		1,702	
Social Security		47,163	
State Retirement		77,331	
Medical Insurance		84,096	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Dental Insurance	\$	4,275	
Unemployment Compensation		1,668	
Employer Medicare		11,397	
Other Contracted Services		24,078	
Instructional Supplies and Materials		32,454	
Regular Instruction Equipment		18,929	
Total Regular Instruction Program			\$ 1,133,147

Special Education Program

Teachers	\$	44,545	
Educational Assistants		460,651	
Social Security		30,426	
State Retirement		56,443	
Medical Insurance		16,174	
Dental Insurance		305	
Unemployment Compensation		1,066	
Employer Medicare		7,116	
Maintenance and Repair Services - Equipment		436	
Instructional Supplies and Materials		33,177	
Other Supplies and Materials		240	
Special Education Equipment		38,003	
Total Special Education Program			688,582

Vocational Education Program

Maintenance and Repair Services - Equipment	\$	999	
Other Contracted Services		10,600	
Instructional Supplies and Materials		1,340	
Vocational Instruction Equipment		29,666	
Total Vocational Education Program			42,605

Support Services

Other Student Support

Other Salaries and Wages	\$	50,726	
Social Security		3,028	
State Retirement		5,289	
Medical Insurance		2,388	
Dental Insurance		153	
Unemployment Compensation		50	
Employer Medicare		708	
Travel		17,481	
Other Supplies and Materials		8,801	
In Service/Staff Development		7,068	
Other Charges		1,070	
Total Other Student Support			96,762

Regular Instruction Program

Supervisor/Director	\$	38,459	
Other Salaries and Wages		109,875	
In-Service Training		6,804	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Social Security	\$	6,142	
State Retirement		9,185	
Medical Insurance		8,063	
Dental Insurance		331	
Unemployment Compensation		71	
Employer Medicare		2,186	
Communication		204	
Travel		429	
In Service/Staff Development		73,563	
Total Regular Instruction Program			\$ 255,312

Special Education Program

Assessment Personnel	\$	53,446	
In-Service Training		10,939	
Social Security		3,922	
State Retirement		5,736	
Medical Insurance		660	
Dental Insurance		306	
Employer Medicare		917	
Travel		572	
Other Contracted Services		53,811	
Other Supplies and Materials		2,573	
In Service/Staff Development		5,541	
Total Special Education Program			138,423

Transportation

Bus Drivers	\$	25,161	
Attendants		1,107	
Social Security		1,629	
State Retirement		3,113	
Unemployment Compensation		7	
Employer Medicare		381	
Contracts with Parents		3,342	
Other Charges		12,900	
Total Transportation			47,640

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	47,981	
Other Salaries and Wages		198,311	
Social Security		15,031	
State Retirement		21,881	
Medical Insurance		7,874	
Employer Medicare		3,515	
Travel		1,405	
Other Contracted Services		3,346	
Instructional Supplies and Materials		2,941	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

In Service/Staff Development	\$	2,475	
Other Charges		<u>2,085</u>	
Total Community Services			\$ <u>306,845</u>

Total School Federal Projects Fund \$ 2,709,316

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	60,001	
Accountants/Bookkeepers		37,586	
Clerical Personnel		28,657	
Cafeteria Personnel		632,122	
Other Salaries and Wages		18,001	
Social Security		46,044	
State Retirement		89,066	
Medical Insurance		34,667	
Unemployment Compensation		1,625	
Employer Medicare		10,768	
Other Fringe Benefits		27,117	
Communication		1,374	
Maintenance and Repair Services - Equipment		15,041	
Transportation - Other than Students		6,960	
Travel		3,712	
Other Contracted Services		13,461	
Food Preparation Supplies		74,103	
Food Supplies		885,915	
Office Supplies		4,411	
Uniforms		3,280	
USDA - Commodities		103,030	
Other Supplies and Materials		20,643	
In Service/Staff Development		1,476	
Other Charges		1,500	
Food Service Equipment		<u>29,863</u>	
Total Food Service			\$ <u>2,150,423</u>

Total Central Cafeteria Fund \$ 2,150,423

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Building Improvements	\$	<u>1,172,537</u>	
Total Education Capital Projects			\$ <u>1,172,537</u>

Total Education Capital Projects Fund 1,172,537

Total Governmental Funds - Haywood County School Department \$ 30,416,206

Exhibit K-9

Haywood County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2013

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 1,388,610
Total Cash Receipts	<u>\$ 1,388,610</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,374,724
Trustee's Commission	13,886
Total Cash Disbursements	<u>\$ 1,388,610</u>
 Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2012	<u>0</u>
 Cash Balance, June 30, 2013	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
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**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

Haywood County Mayor and
Board of County Commissioners
Haywood 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Haywood County's basic financial statements, and have issued our report thereon dated February 13, 2014. Our report includes a reference to other auditors who audited the financial statements of the Haywood County Utility District, as described in our report on Haywood County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Haywood 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 Haywood County's internal control. Accordingly, we do not express an opinion on the effectiveness of Haywood 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. However, material weaknesses may exist that have not been identified. 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: 2013-001, 2013-006, 2013-007, 2013-008, 2013-009, 2013-010, 2013-013, 2013-014, 2013-015, and 2013-016.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Haywood County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2013-002, 2013-003, 2013-004, 2013-005, 2013-011, and 2013-012.

Haywood County's Response to Findings

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

Purpose of this Report

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

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 13, 2014



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Haywood County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Haywood County's major federal programs for the year ended June 30, 2013. Haywood County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Haywood 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 Haywood County's compliance.

Opinion on Each Major Federal Program

In our opinion, Haywood 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, 2013.

Report on Internal Control Over Compliance

Management of Haywood 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 Haywood County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Haywood County's internal control over compliance.

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

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

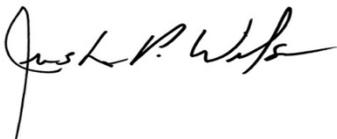
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Haywood County's basic financial statements. We issued our report thereon dated February 13, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 13, 2014

JPW/kp

Haywood County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2013

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 536,399
National School Lunch Program	10.555	N/A	1,160,371 (3)
Summer Food Service Program for Children	10.559	N/A	13,979
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	103,030 (3)
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	(2)	188,333
Total U.S. Department of Agriculture			<u>\$ 2,002,112</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	GG-10-34101-00	\$ 104,594
Total U.S. Department of Housing and Urban Development			<u>\$ 104,594</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	\$ 5,100
Total U.S. Department of Justice			<u>\$ 5,100</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 74,563
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	997,138
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	781,373
Special Education - Preschool Grants	84.173	N/A	52,966
Career and Technical Education - Basic Grants to States	84.048	N/A	59,907
Twenty-first Century Community Learning Centers	84.287	N/A	349,500
Education Technology State Grants Cluster:			
Education Technology State Grants	84.318	N/A	3,397
Education Technology State Grants, Recovery Act	84.386	N/A	6,378
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	49,875
Rural Education	84.358	N/A	60,177
English Language Acquisition State Grants	84.365	N/A	9,077
Improving Teacher Quality State Grants	84.367	N/A	210,364
Teacher Incentive Fund	84.374	N/A	7,500
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	126,511
Total U.S. Department of Education			<u>\$ 2,788,726</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Hazard Mitigation Grant	97.039	(2)	\$ 709,468
Total U.S. Department of Homeland Security			<u>\$ 709,468</u>
Total Expenditures of Federal Awards			<u>\$ 5,610,000</u>

(Continued)

Haywood County, Tennessee
 Schedule of Expenditures of Federal Awards and State Grants (1) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Optional Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	\$ 11,275
Coordinated School Health - State Department of Education	N/A	(2)	90,000
Voting Equipment Grant - Tennessee Secretary of State	N/A	(2)	7,550
Public Safety Grant - State Department of Transportation	N/A	(2)	553
Direct Grants to Local Government Agencies - Tennessee Secretary of State	N/A	(2)	3,325
Delta Rural Health - Lebonheur Methodist Hospital	N/A	(2)	10,588
Litter Grant - State Department of Transportation	N/A	(2)	39,913
Early Childhood Education - State Department of Education	N/A	(2)	610,008
School Climate - State Department of Education	N/A	(2)	4,450
Family Resource Center - State Department of Education	N/A	(2)	29,612
Art Student Subsidy - State Department of Education	N/A	(2)	570
Energy Efficient School Initiative - State Department of Education	N/A	(2)	26,046
Safe Schools - State Department of Education	N/A	(2)	18,600
Statewide Student Management System - State Department of Education	N/A	(2)	8,852
ConnecTenn - State Department of Education	N/A	(2)	10,706
Total State Grants			\$ 872,048

CFDA = Catalog of Federal Domestic Assistance
 N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$1,263,401.

Haywood County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2013

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Haywood County, Tennessee, for the year ended June 30, 2012, which have not been corrected.

OFFICE OF COUNTY MAYOR

Finding Number	Page Number	Subject
12.01	170	The Solid Waste Disposal Fund had a deficit in unrestricted net position
12.03	171	The billing/accounts receivable software used by the Solid Waste Office did not have adequate controls
12.04	172	Usernames and passwords were shared by Landfill Office employees
12.05	172	Usernames and passwords were shared by Ambulance Service employees

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

Finding Number	Page Number	Subject
12.06	173	The Highway Department did not maintain a system to account for materials used on some types of road projects

OFFICE OF REGISTER OF DEEDS

Finding Number	Page Number	Subject
12.09	174	Duties were not segregated adequately
12.10	175	The register of deeds allowed individuals unsupervised access to the office after business hours
12.11	175	Multiple employees operated from the same cash drawer
12.12	175	Usernames and passwords were shared by employees

HAYWOOD COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Haywood County is unmodified.
2. The audit of the financial statements of Haywood County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Haywood County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); Title I Grants to Local Educational Agencies (CFDA No. 84.010); and the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Haywood County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination and the annual monitoring of assessors of property by the state Division of Property Assessments, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The assessor of property provided a written response to one finding, which is paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 2013-001

THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN UNRESTRICTED NET POSITION

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

The Solid Waste Disposal Fund had a deficit in unrestricted net position of \$1,403,045 at June 30, 2013. This deficit resulted from the recognition of a liability totaling \$1,780,837 in the financial statements for costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency exists because management failed to correct the finding noted in prior-year audit reports and failed to provide adequate financing to fund the liability.

RECOMMENDATION

County officials should develop and implement a plan that would fund the deficit in unrestricted net position.

FINDING 2013-002

THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 41 disbursements totaling \$268,438 from a population of 4,683 vendor checks totaling \$8,770,903. Our examination revealed the following deficiencies, which are the result of a lack of management oversight:

- A. Our sample revealed that three of four applicable purchases were not competitively bid. The Sheriff's Department purchased a fingerprint machine (\$41,553) and two used vehicles (\$19,250 and \$19,750) without soliciting competitive bids; however, price quotes were received for the purchase of the fingerprint machine. Purchasing procedures for Haywood County are governed by the County Purchasing Laws of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. This act provides for purchases exceeding \$10,000 to be made based on competitive bids solicited through newspaper advertisement. The purchase of used vehicles exceeding \$10,000

should be made based on competitive bids solicited through newspaper advertisement. For the purchase of used vehicles, Section 12-3-1202, *TCA*, permits the purchase of used equipment without competitive bidding if certain documentation is obtained and conditions met. However, the required documentation was not obtained. The failure to properly solicit competitive bids could result in the county paying more than the most competitive price.

- B. The county has adopted the State of Tennessee's policy governing travel reimbursements for employees; however, our sample revealed that this policy was not followed in two of ten applicable instances. In these instances, employees were reimbursed for actual gasoline and meals purchased instead of the mileage and meal per-diem rates provided by the policy.

RECOMMENDATION

Competitive bids should be solicited by public advertisement as required by state statute. Purchases of used equipment exceeding \$10,000 should be made in compliance with applicable state statutes or competitively bid. The county should adhere to its policy when reimbursing employees for travel expenses.

FINDING 2013-003

A LEASE-PURCHASE AGREEMENT WAS NOT IN COMPLIANCE WITH STATE STATUTES (Noncompliance Under *Government Auditing Standards*)

On September 21, 2012, the county mayor entered into a lease-purchase agreement for four Sheriff's Department vehicles (\$100,085) that was not approved by the County Commission until October 15, 2012. Section 7-51-904, *Tennessee Code Annotated (TCA)*, requires such contracts, leases, or lease-purchase agreements to be approved by resolution of the County Commission. The office also did not file a Report on Debt Obligation with the state Comptroller's Office for this lease-purchase agreement. Section 9-21-151, *Tennessee Code Annotated*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt is issued, a description of the debt obligation, and an itemized description of the cost of issuance. These deficiencies were the result of an oversight by management.

RECOMMENDATION

All lease-purchase agreements should have the prior approval of the County Commission. The office should file a Report on Debt Obligation with the state Comptroller's Office for each debt issuance.

FINDING 2013-004

APPROPRIATIONS EXCEEDED ESTIMATED AVAILABLE FUNDING

(Noncompliance Under *Government Auditing Standards*)

The budget and subsequent amendments approved by the County Commission for the Drug Control Fund resulted in appropriations exceeding estimated available funding by \$5,031. Sound budgetary principles dictate that appropriations be held within estimated available funding. This deficiency was the result of a lack of management oversight.

RECOMMENDATION

Appropriations that exceed estimated available funding should not be submitted to the County Commission, and the County Commission should not approve such appropriations.

FINDING 2013-005

SOME AMBULANCE SERVICE FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION

(Noncompliance Under *Government Auditing Standards*)

The Ambulance Service did not deposit some collections to the office bank account within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*. We judgmentally selected the period March 28, 2013, through April 12, 2013, to compare collections with deposits. During this period, only two deposits were made. Some collections in these deposits were held up to nine days before being deposited to the office bank account. This deficiency was the result of a lack of management oversight. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

RECOMMENDATION

All Ambulance Service collections should be deposited to the office bank account within three days of collection as required by state statute.

FINDING 2013-006

USERNAMES AND PASSWORDS WERE SHARED BY AMBULANCE SERVICE EMPLOYEES

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

Although each employee at the Ambulance Service had been assigned a unique username for accessing the office's accounting software, all employees used the same password. If inappropriate activity were to occur, the employee responsible for this activity would not be easily identified because employees had access to each other's username and password. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency was the result of a lack of management oversight. This deficiency was corrected after it was brought to management's attention in June 2013.

RECOMMENDATION

Each employee should access the application using his or her unique username and password to ensure that transactions are properly identified to that employee. Usernames and passwords should continue to remain confidential and should not be shared among employees.

FINDING 2013-007

USERNAMES AND PASSWORDS WERE SHARED BY EMPLOYEES USING THE LANDFILL SOFTWARE

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

Although each employee at the landfill had been assigned a unique username and password for accessing the office's accounting software, this information was shared with other employees. Employees also processed transactions using other users' logins. If inappropriate activity were to occur, the employee responsible for this activity would not be easily identified because employees had access to each other's username and password. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency was the result of management's failure to correct the finding noted in the prior-year audit report. When this deficiency was again brought to management's attention, the office discontinued the practice of sharing passwords. However, users continue to process transactions using other users' logins.

RECOMMENDATION

Each employee should access the application using his or her unique username and password to ensure that transactions are properly identified to that employee. Usernames and passwords should remain confidential and should not be shared among employees.

FINDING 2013-008

THE BILLING/ACCOUNTS RECEIVABLE SOFTWARE USED BY THE SOLID WASTE OFFICE DID NOT IDENTIFY THE USER THAT PROCESSED TRANSACTIONS

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

Although each employee at the Solid Waste Office had been assigned a unique username and password for accessing the office's accounting software, the software did not record the user who processed each transaction. Since the vendor did not design the system with these controls, the employee responsible for this activity would not be easily identified if inappropriate activity were to occur. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency is also a result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the software that would identify the user that performed each transaction.

FINDING 2013-009

THE BILLING/ACCOUNTS RECEIVABLE SOFTWARE USED BY THE SOLID WASTE OFFICE DID NOT HAVE ADEQUATE APPLICATION CONTROLS

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

The following control deficiencies related to the Solid Waste Office's software were identified:

- A. Users had the ability to alter receipts before batches were processed leaving no audit trail of the original transaction.
- B. Gaps in the receipt number sequence were possible given users' ability to delete credit entries and discard receipt numbers before batches were processed. An audit trail of the deletions was not maintained.
- C. The application did not produce a report listing receipts in sequential order. Batch reports were presented in receipt number order, but after processing batches, the reports cannot be recalled.

Sound business practices dictate that proper application controls be implemented. Because the vendor did not design the system with proper controls, inappropriate system activity could occur. This deficiency is also a result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Management should contact the software vendor concerning the addition of controls to the software application that would provide an audit trail for any changes to receipts. The capability to perform any deletion involving receipts should be removed from the system. Instead, a void option should be used. A report listing all receipt transactions in sequential order for a date range should be readily available. These controls would help to ensure the reliability and integrity of the information maintained by the system.

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

FINDING 2013-010

THE HIGHWAY DEPARTMENT DID NOT MAINTAIN A SYSTEM TO ACCOUNT FOR MATERIALS USED ON SOME TYPES OF ROAD PROJECTS

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

The Highway Department had a system to determine the use of road materials, such as bridge lumber and rock, for state-aid road projects. However, the department did not have a system to account for materials used on other types of road projects. Sound business practices dictate that the county account for the use of road materials. This deficiency exists because management failed to correct the finding noted in prior-year audit reports. The failure to maintain a system to document the use of road materials results in a loss of control over assets and increases the risk of inventory loss.

RECOMMENDATION

The Highway Department should develop and implement a system to account for materials used on all types of road projects.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2013-011

COMPETITIVE BIDS WERE NOT SOLICITED FOR TIRES

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 30 disbursements totaling \$683,080 from a population of 3,572 vendor checks totaling \$11,032,177. Our sample revealed that one of three applicable purchases was not competitively bid. Competitive bids were not solicited for tires purchased totaling \$39,202. Section 49-2-203, *Tennessee Code Annotated*, requires all purchases exceeding \$10,000 to be based on competitive bids solicited through public advertisement. This deficiency can be attributed to a lack of management oversight. The failure to solicit competitive bids could result in the county paying more than the most competitive price.

RECOMMENDATION

Purchases exceeding \$10,000 should be competitively bid as required by state statute.

OFFICE OF ASSESSOR OF PROPERTY

FINDING 2013-012

MOBILE HOME SCHEDULES WERE NOT MAILED TO THE LAND OWNER WHERE THE MOBILE HOME WAS LOCATED

(Noncompliance Under *Government Auditing Standards*)

Mobile home schedules were not mailed to the owner of the land where the mobile homes were located. Section 67-5-802, *Tennessee Code Annotated*, requires the assessor to furnish a schedule to each land owner of a mobile home park by March 1 each year. It is the land owner's responsibility to complete the schedule to report the number of mobile homes, make, serial number, size, original cost, and any other information necessary for proper assessment of the mobile homes. This deficiency occurred because the assessor failed to follow the state statute, which could result in the inaccurate assessment of the property.

RECOMMENDATION

The assessor should provide to land owners where mobile homes are located a schedule of assessed values of each mobile home before March 1 of each tax year and should review them for accuracy.

MANAGEMENT'S RESPONSE – ASSESSOR OF PROPERTY

In the past I sent out the mobile home schedules as required by Section 67-5-802, *Tennessee Code Annotated*, and they were never returned. That is when I started making appointments with the mobile home property owners and visiting the park with them. The lots are numbered, and each mobile home is reviewed each year. It has been my experience that the property owners are happier, and the information is correct. Haywood County has three mobile home parks. I will send the schedule to the owners, and I will continue to make appointments with owners to visit parks together as we have been doing.

DIVISION OF PROPERTY ASSESSMENT'S COMMENT

The Haywood County Assessor's Office has indicated that they go out in the county and perform a review of the mobile homes instead of mailing out the required schedules. This is actually a function of their visual inspection responsibilities throughout their reappraisal cycle. The law provides that the schedule should be furnished to the property owner before March 1. We believe that the assessor is reviewing and keeping the mobile home parks assessments accurate, which is the overall intent of the law. However, the assessor had not maintained records of these on-site reviews, and we were unable to verify that this work been done. In the future, the assessor should provide the schedules to the landowners by March 1 and maintain copies of the schedules as documentation of the reviews.

OFFICE OF REGISTER OF DEEDS

FINDING 2013-013

THE REGISTER OF DEEDS ALLOWED INDIVIDUALS UNSUPERVISED ACCESS TO THE OFFICE AFTER BUSINESS HOURS

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

Our examination disclosed that the register of deeds did not adequately control access to the office. Individuals who were not office employees had unsupervised access to the office after business hours. Sound business practices dictate that unsupervised access to the office after business hours weakens internal controls over assets. This deficiency is the result of management's decision to allow lawyers and title researchers to have keys to the office to research documents. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Individuals who are not office employees should not be allowed unsupervised access to the office after business hours.

FINDING 2013-014

MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER

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

Multiple employees operated from the same cash drawer in the Office of Register of Deeds. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but the beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision resulting in a loss of control over assets. Also, this deficiency is the result of management's failure to correct the finding noted in prior-year audit reports.

RECOMMENDATION

The register of deeds should assign employees their own cash drawer.

FINDING 2013-015

USERNAMES AND PASSWORDS WERE SHARED BY EMPLOYEES

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

Although each individual had been assigned a unique username for accessing the office's accounting software, the official knew the employee's password and processed transactions using the employee's username. If inappropriate activity were to occur, the individual responsible for this activity would not be easily identified. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency was the result of management's decision to utilize the employee's user account to process transactions.

RECOMMENDATION

Each user should access the application using his or her unique username and password to ensure that transactions are properly identified to that individual. Usernames and passwords should remain confidential and should be known only to the user.

OFFICES OF SOLID WASTE, CHIEF ADMINISTRATIVE HIGHWAY OFFICER, REGISTER OF DEEDS, AND THE AMBULANCE SERVICE

FINDING 2013-016

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among management and employees in the Offices of Solid Waste, Chief Administrative Highway Officer, Register of Deeds, and the Ambulance Service. Employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Management should segregate duties to the extent possible using available resources.

BEST PRACTICES

The Division of Local Government Audit strongly believes that the items noted below are best practices that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Haywood County.

ITEM 1. **HAYWOOD COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Haywood County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

ITEM 2. **HAYWOOD COUNTY SHOULD ESTABLISH AN AUDIT COMMITTEE**

Haywood County does not have an Audit Committee. An Audit Committee can assist the County Commission by providing independent and objective reviews of the financial reporting process, internal controls, the audit function, and being responsible for monitoring management's plans to address various risks. County officials should establish an Audit Committee as a best practice.

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

There were no findings and questioned costs for federal awards.

**HAYWOOD COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2013**

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