ANNUAL FINANCIAL REPORT
SCOTT COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2013

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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

SCOTT COUNTY, TENNESSEE
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Audit Highlights

Annual Financial Report
Scott County, Tennessee
For the Year Ended June 30, 2013

Scope

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

Results

Our report on the governmental activities is qualified. Our report on the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information is unmodified.

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

Findings and Best Practice

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

OFFICES OF COUNTY MAYOR AND DIRECTOR OF FINANCE

- Government-wide financial statements do not include capital assets of the Scott County Airport Authority.

OFFICES OF COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, AND REGISTER OF DEEDS

- Duties were not segregated adequately.

OFFICE OF REGISTER OF DEEDS

- Multiple employees operated from the same cash drawer.

BEST PRACTICE

Scott County does not have an Audit Committee. Sound business practices dictate that an Audit Committee would significantly improve management oversight and accountability. Subsequent to June 30, 2013, Scott County adopted a resolution to provide for an Audit Committee; however, the committee had not been appointed as of the date of this report.

Introductory Section

Scott County Officials
June 30, 2013

Officials

Jeff Tibbals, County Mayor
Donald Sexton, Superintendent of Roads
Billy Hall, Director of Schools
Jimmy Byrd, Trustee
Steve Thompson, Assessor of Property
Patricia Phillips, County Clerk
Donnie Phillips, Circuit and General Sessions Courts Clerk
Jane Lloyd, Clerk and Master
Porter Rector, Jr., Register of Deeds
Michael Cross, Sheriff
Brian Strunk, Director of Finance

Board of County Commissioners

Jeff Tibbals, County Mayor, Chairman
Brian Armstrong
Ronnie Blevins
Willie Boyatt
Harold Chambers
David Day
Hertis Phillips
David Jeffers
June Jeffers
Sam Lyles
Kenny Morrow
Ernest Phillips
Dennis Sexton
Mike Slaven
Paul Strunk

Financial Management Committee

Mike Slaven, Chairman
Jeff Tibbals, County Mayor
Donald Sexton, Superintendent of Roads
Billy Hall, Director of Schools
Kenny Morrow
Paul Strunk
Hertis Phillips

Board of Education

James Sexton, Chairman
Tony Sexton
Brian Strunk
Esther Abbott
Randy Henry
John Thompson
Richard Smith

FINANCIAL SECTION

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

Independent Auditor's Report

Scott County Mayor and
Board of County Commissioners
Scott 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 Scott 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 Scott County Emergency Communications District, which represent 4.6 percent, 6.6 percent, and 2.2 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Scott County Emergency Communications District, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United

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

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

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

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Qualified
Business-type Activities	Unmodified
Aggregate Discretely Presented Component Units	Unmodified
General Fund	Unmodified
Ambulance Service Fund	Unmodified
Highway/Public Works Fund	Unmodified
General Debt Service Fund	Unmodified
Rural Debt Service Fund	Unmodified
Public Utility Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Basis for Qualified Opinion on Governmental Activities

As discussed in Note IV.B. to the financial statements, management has not recorded capital assets of the Scott County Airport Authority, a blended component unit, in the financial statements of the governmental activities, and accordingly, has not recorded an

expense for the current period depreciation of those capital assets. Accounting principles generally accepted in the United States of America require that all financial activity of blended component units be presented in the financial statements of the primary government. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities has not been determined.

Qualified Opinion

In our opinion, except for the matter described in the "Basis for Qualified Opinion on Governmental Activities" paragraph above, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Scott County, Tennessee, as of June 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scott 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, Ambulance Service, 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

As described in Note V.B., Scott County has adopted the 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*, which became effective for the year ended June 30, 2013. Scott 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.

We draw attention to Note I.D.9. to the financial statements, which describes a restatement to the beginning net position of the governmental activities of the primary government for $320,100. This restatement was necessary due to the implementation of GASB Statement No. 65.

Also, we draw attention to Note I.D.10. to the financial statements, which describes a reclassification to beginning net position of governmental activities and to beginning

balances of governmental funds totaling $23,542, which was necessary to reclassify the District Attorney General Fund from a special revenue fund to an agency fund.

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 84-86 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 Scott County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, the General Debt Service Fund, the Rural Debt Service Fund, combining and individual fund financial statements of the Scott 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, the General Debt Service Fund, the Rural Debt Service Fund, combining and individual fund financial statements of the Scott 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

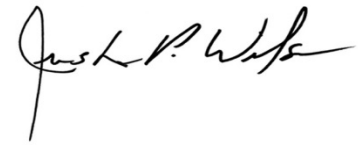
basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, the General Debt Service Fund, the Rural Debt Service Fund, combining and individual fund financial statements of the Scott 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 19, 2014, on our consideration of Scott 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 Scott County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 19, 2014

JPW/kp

Basic Financial Statements

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

Exhibit A

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Scott County School Department	Emergency Communications District
ASSETS					
Cash	$ 147,039	$ 0	$ 147,039	$ 2,399	$ 1,250,812
Equity in Pooled Cash and Investments	2,858,844	9,248	2,868,092	6,358,612	0
Inventories	28,830	0	28,830	0	0
Accounts Receivable	1,472,155	15,446	1,487,601	28,603	8,034
Allowance for Uncollectibles	(951,183)	0	(951,183)	0	0
Due from Other Governments	814,540	0	814,540	1,039,825	0
Due from Component Units	2,238,324	0	2,238,324	0	0
Property Taxes Receivable	4,791,307	0	4,791,307	2,171,025	0
Allowance for Uncollectible Property Taxes	(260,136)	0	(260,136)	(118,391)	0
Prepaid Items	0	0	0	0	4,996
Capital Assets:					
Assets Not Depreciated:					
Land	1,983,885	10,000	1,993,885	910,561	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	14,035,272	228,365	14,263,637	18,955,622	0
Other Capital Assets	1,584,564	1,449,669	3,034,233	1,287,694	204,355
Infrastructure	2,932,901	1,754,160	4,687,061	0	0
Total Assets	$ 31,676,342	$ 3,466,888	$ 35,143,230	$ 30,635,950	$ 1,468,197
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge on Refunding	$ 1,149	$ 0	$ 1,149	$ 0	$ 0
Total Deferred Outflows of Resources	$ 1,149	$ 0	$ 1,149	$ 0	$ 0

(Continued)

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

Exhibit A

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Scott County School Department	Emergency Communications District
LIABILITIES					
Accounts Payable	$ 346,858	$ 9,948	$ 356,806	$ 40,232	$ 0
Accrued Payroll	46,140	0	46,140	2,725,720	1,284
Accrued Interest Payable	83,103	1,390	84,493	0	0
Payroll Deductions Payable	118,958	512	119,470	217,938	0
Retainage Payable	0	7,500	7,500	0	0
Due to State of Tennessee	4,802	0	4,802	6,830	0
Due to Primary Government	0	0	0	2,238,324	0
Other Current Liabilities	0	0	0	287,766	0
Noncurrent Liabilities:					
Due Within One Year	2,462,965	23,544	2,486,509	0	16,414
Due in More Than One Year (net of unamortized premium on debt)	36,819,098	583,735	37,402,833	2,532,391	0
Total Liabilities	$ 39,881,924	$ 626,629	$ 40,508,553	$ 8,049,201	$ 17,698
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 4,220,391	$ 0	$ 4,220,391	$ 1,910,433	$ 0
Total Deferred Inflows of Resources	$ 4,220,391	$ 0	$ 4,220,391	$ 1,910,433	$ 0
NET POSITION					
Net Investment in Capital Assets	$ 8,013,067	$ 2,834,915	$ 10,847,982	$ 21,153,877	$ 204,355
Restricted for:					
General Government	1,316	0	1,316	0	0
Administration of Justice	8,529	0	8,529	0	0
Public Safety	79,334	0	79,334	0	0
Social, Cultural, and Recreation	53	0	53	0	0
Highway/Public Works	336,544	0	336,544	0	0
Debt Service	1,150,664	0	1,150,664	0	0
Capital Projects	283,855	0	283,855	0	0
Other Purposes	187,649	0	187,649	0	0
Education	0	0	0	1,069,376	0
Unrestricted	(22,485,835)	5,344	(22,480,491)	(1,546,937)	1,246,144
Total Net Position	$ (12,424,824)	$ 2,840,259	$ (9,584,565)	$ 20,676,316	$ 1,450,499

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

Exhibit B

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Scott County School Department	Component Units: Emergency Communications District
Primary Government:									
Governmental Activities:									
General Government	$ 1,530,799	$ 113,586	$ 54,087	$ 0	$ (1,363,126)	$ 0	$ (1,363,126)	$ 0	$ 0
Finance	829,525	487,585	0	0	(341,940)	0	(341,940)	0	0
Administration of Justice	748,155	577,706	50,000	0	(120,449)	0	(120,449)	0	0
Public Safety	3,579,555	1,359,020	278,332	0	(1,942,203)	0	(1,942,203)	0	0
Public Health and Welfare	2,366,518	2,189,026	200,119	750,000	772,627	0	772,627	0	0
Social, Cultural, and Recreational Services	297,048	0	30,066	0	(266,982)		(266,982)		
Agriculture and Natural Resources	87,887	0	0	51,348	(36,539)	0	(36,539)	0	0
Other Operations	2,179,184	369,242	30,880	0	(1,779,062)	0	(1,779,062)	0	0
Highways	2,436,924	0	1,842,867	349,084	(244,973)	0	(244,973)	0	0
Interest on Long-term Debt	665,334	0	0	0	(665,334)	0	(665,334)	0	0
Debt Service	266,448	0	0	0	(266,448)	0	(266,448)	0	0
Total Governmental Activities	$ 14,987,377	$ 5,096,165	$ 2,486,351	$ 1,150,432	$ (6,254,429)	$ 0	$ (6,254,429)	$ 0	$ 0
Business-type Activities:									
Public Utility - Sewer	$ 286,591	$ 172,927	$ 0	$ 0	$ 0	$ (113,664)	$ (113,664)	$ 0	$ 0
Total Business-type Activities	$ 286,591	$ 172,927	$ 0	$ 0	$ 0	$ (113,664)	$ (113,664)	$ 0	$ 0
Total Primary Government	$ 15,273,968	$ 5,269,092	$ 2,486,351	$ 1,150,432	$ (6,254,429)	$ (113,664)	$ (6,368,093)	$ 0	$ 0
Component Units:									
Scott County School Department	$ 25,160,044	$ 293,629	$ 4,195,988	$ 0	$ 0	$ 0	$ 0	$ (20,670,427)	$ 0
Emergency Communications District	261,913	179,841	142,860	0	0	0	0	0	60,788
Total Component Units	$ 25,421,957	$ 473,470	$ 4,338,848	$ 0	$ 0	$ 0	$ 0	$ (20,670,427)	$ 60,788

(Continued)

Exhibit B

Scott County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Scott County School Department	Component Units: Emergency Communications District
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					$ 2,033,205	$ 0	$ 2,033,205	$ 2,001,728	$ 0
Property Taxes Levied for General Debt Services					1,058,962	0	1,058,962	0	0
Property Taxes Levied for Rural Debt Service					805,194	0	805,194	0	0
Local Option Sales Taxes					313,356	0	313,356	1,207,730	0
Wheel Tax					557,008	0	557,008	0	0
Litigation Taxes					128,137	0	128,137	0	0
Business Taxes					145,641	0	145,641	0	0
Other Taxes					140,931	0	140,931	1,383	0
Grants and Contributions Not Restricted to Specific Programs					1,707,781	0	1,707,781	16,308,185	209,074
Unrestricted Investment Income					107,359	0	107,359	1,040	6,002
Miscellaneous					26,513	0	26,513	21,028	0
Total General Revenues					$ 7,024,087	$ 0	$ 7,024,087	$ 19,541,094	$ 215,076
Transfers					$ (55,640)	$ 55,640	$ 0	$ 0	$ 0
Change in Net Position					$ 714,018	$ (58,024)	$ 655,994	$ (1,129,333)	$ 275,864
Net Position, July 1, 2012					(12,795,200)	2,898,283	(9,896,917)	21,805,649	1,174,635
Reclassification - See Note I.D.10.					(23,542)		(23,542)	0	0
Restatement - See Note I.D.9.					(320,100)	0	(320,100)	0	0
Net Position, June 30, 2013					$ (12,424,824)	$ 2,840,259	$ (9,584,565)	$ 20,676,316	$ 1,450,499

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

Exhibit C-1

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

	Major Funds					Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service	Other Govern-mental Funds	Total Governmental Funds
ASSETS							
Cash	$ 100	$ 0	$ 0	$ 0	$ 0	$ 146,939	$ 147,039
Equity in Pooled Cash and Investments	642,231	35,497	110,004	1,417,604	245,201	408,307	2,858,844
Inventories	28,830	0	0	0	0	0	28,830
Accounts Receivable	98,047	1,308,822	6,292	14,961	0	44,033	1,472,155
Allowance for Uncollectibles	0	(951,183)	0	0	0	0	(951,183)
Due from Other Governments	490,651	0	316,206	0	0	7,683	814,540
Due from Other Funds	1,200	0	0	0	0	0	1,200
Property Taxes Receivable	3,148,123	0	0	582,444	830,740	230,000	4,791,307
Allowance for Uncollectible Property Taxes	(156,473)	0	0	(49,836)	(46,927)	(6,900)	(260,136)
Total Assets	$ 4,252,709	$ 393,136	$ 432,502	$ 1,965,173	$ 1,029,014	$ 830,062	$ 8,902,596
LIABILITIES							
Accounts Payable	$ 282,501	$ 26,259	$ 12,619	$ 0	$ 0	$ 1,249	$ 322,628
Accrued Payroll	1,033	20,500	24,607	0	0	0	46,140
Payroll Deductions Payable	82,010	21,076	14,849	0	0	1,023	118,958
Due to Other Funds	24,230	0	0	0	0	1,200	25,430
Due to State of Tennessee	0	3,975	827	0	0	0	4,802
Total Liabilities	$ 389,774	$ 71,810	$ 52,902	$ 0	$ 0	$ 3,472	$ 517,958
DEFERRED INFLOWS OF RESOURCES							
Deferred Current Property Taxes	$ 2,826,034	$ 0	$ 0	$ 446,199	$ 725,058	$ 223,100	$ 4,220,391
Deferred Delinquent Property Taxes	147,002	0	0	76,697	52,151	0	275,850
Other Deferred/Unavailable Revenue	41,475	131,611	162,934	0	0	0	336,020
Total Deferred Inflows of Resources	$ 3,014,511	$ 131,611	$ 162,934	$ 522,896	$ 777,209	$ 223,100	$ 4,832,261
FUND BALANCES							
Nonspendable:							
Inventory	$ 28,830	$ 0	$ 0	$ 0	$ 0	$ 0	$ 28,830
Restricted:							
Restricted for General Government	1,316	0	0	0	0	0	1,316
Restricted for Administration of Justice	8,529	0	0	0	0	0	8,529
Restricted for Public Safety	10,956	0	0	0	0	68,378	79,334
Restricted for Social, Cultural, and Recreational Services	53	0	0	0	0	0	53
Restricted for Highways/Public Works	0	0	173,610	0	0	0	173,610

(Continued)

Exhibit C-1

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

	Major Funds					Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service	Other Govern-mental Funds	Total Governmental Funds
FUND BALANCES (Cont.)							
Restricted (Cont.):							
Restricted for Debt Service	$ 0	$ 0	$ 0	$ 1,104,919	$ 0	$ 0	$ 1,104,919
Restricted for Capital Projects	0	0	0	0	0	283,855	283,855
Restricted for Other Purposes	187,649	0	0	0	0	0	187,649
Committed:							
Committed for General Government	25,698	0	0	0	0	0	25,698
Committed for Public Health and Welfare	0	189,715	0	0	0	251,257	440,972
Committed for Other Operations	4,433	0	0	0	0	0	4,433
Committed for Highways/Public Works	0	0	43,056	0	0	0	43,056
Committed for Debt Service	0	0	0	337,358	251,805	0	589,163
Assigned:							
Assigned for Public Safety	9,679	0	0	0	0	0	9,679
Unassigned	571,281	0	0	0	0	0	571,281
Total Fund Balances	$ 848,424	$ 189,715	$ 216,666	$ 1,442,277	$ 251,805	$ 603,490	$ 3,552,377
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,252,709	$ 393,136	$ 432,502	$ 1,965,173	$ 1,029,014	$ 830,062	$ 8,902,596

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

Exhibit C-2

Scott 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)		$ 3,552,377
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 1,983,885	
Add: infrastructure net of accumulated depreciation	2,932,901	
Add: buildings and improvements net of accumulated depreciation	14,035,272	
Add: other capital assets net of accumulated depreciation	1,584,564	20,536,622
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	$ (2,541,323)	
Less: other loans payable	(23,766,538)	
Less: bonds payable	(7,879,000)	
Less: capital leases payable	(2,238,324)	
Add: deferred amount on refunding	1,149	
Less: compensated absences payable	(173,632)	
Less: landfill postclosure care costs	(2,484,266)	
Less: other postemployment benefits liability	(177,587)	
Add: receivable for capital lease to be retired by School Department	2,238,324	
Less: accrued interest on bonds, notes, and capital leases	(83,103)	
Less: unamortized premium on debt	(21,393)	(37,125,693)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		611,870
Net position (deficit) of governmental activities (Exhibit A)		$ (12,424,824)

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

Exhibit C-3

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

	Major Funds					Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service	Other Govern-mental Funds	Total Governmental Funds
Revenues							
Local Taxes	$ 3,073,894	$ 0	$ 385	$ 1,770,546	$ 986,330	$ 0	$ 5,831,155
Licenses and Permits	27,138	0	0	864	0	0	28,002
Fines, Forfeitures, and Penalties	153,752	0	0	0	0	84,906	238,658
Charges for Current Services	391,852	2,153,382	0	0	0	175,561	2,720,795
Other Local Revenues	375,237	9,181	3,725	135,983	0	6,994	531,120
Fees Received from County Officials	830,087	0	0	0	0	0	830,087
State of Tennessee	2,490,712	0	2,149,336	0	0	44,868	4,684,916
Federal Government	880,989	0	0	0	0	0	880,989
Other Governments and Citizens Groups	109,652	0	0	62	361,065	2,990	473,769
Total Revenues	$ 8,333,313	$ 2,162,563	$ 2,153,446	$ 1,907,455	$ 1,347,395	$ 315,319	$ 16,219,491
Expenditures							
Current:							
General Government	$ 1,151,054	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,151,054
Finance	827,346	0	0	0	0	0	827,346
Administration of Justice	757,911	0	0	0	0	4,571	762,482
Public Safety	3,427,806	0	0	0	0	0	3,427,806
Public Health and Welfare	229,910	1,852,303	0	0	0	147,198	2,229,411
Social, Cultural, and Recreational Services	135,348	0	0	0	0	0	135,348
Agriculture and Natural Resources	87,887	0	0	0	0	0	87,887
Other Operations	2,106,872	0	0	0	0	24,534	2,131,406
Highways	235	0	2,385,033	0	0	54,009	2,439,277
Debt Service:							
Principal on Debt	0	0	250,485	1,296,085	1,162,245	8,664	2,717,479
Interest on Debt	0	0	36,083	195,217	439,227	0	670,527
Other Debt Service	0	0	0	233,740	30,871	0	264,611
Capital Projects	0	0	0	0	0	710	710
Total Expenditures	$ 8,724,369	$ 1,852,303	$ 2,671,601	$ 1,725,042	$ 1,632,343	$ 239,686	$ 16,845,344
Excess (Deficiency) of Revenues Over Expenditures	$ (391,056)	$ 310,260	$ (518,155)	$ 182,413	$ (284,948)	$ 75,633	$ (625,853)
Other Financing Sources (Uses)							
Notes Issued	$ 0	$ 0	$ 500,000	$ 0	$ 0	$ 0	$ 500,000
Other Loans Issued	0	0	99,448	0	0	266,000	365,448
Insurance Recovery	0	0	17,052	0	0	0	17,052
Transfers In	229,398	0	0	45,025	0	0	274,423
Transfers Out	0	(200,000)	(45,025)	(36,680)	0	(48,358)	(330,063)
Total Other Financing Sources (Uses)	$ 229,398	$ (200,000)	$ 571,475	$ 8,345	$ 0	$ 217,642	$ 826,860

(Continued)

Exhibit C-3

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

	Major Funds					Nonmajor Funds	
	General	Ambulance Service	Highway / Public Works	General Debt Service	Rural Debt Service	Other Govern-mental Funds	Total Governmental Funds
Net Change in Fund Balances	$ (161,658)	$ 110,260	$ 53,320	$ 190,758	$ (284,948)	$ 293,275	$ 201,007
Restatement - See Note I.D.9.	0	0	0	0	0	(23,542)	(23,542)
Fund Balance, July 1, 2012	1,010,082	79,455	163,346	1,251,519	536,753	333,757	3,374,912
Fund Balance, June 30, 2013	$ 848,424	$ 189,715	$ 216,666	$ 1,442,277	$ 251,805	$ 603,490	$ 3,552,377

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

Exhibit C-4

Scott 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)		$ 201,007
(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	$ 227,200	
Less: current-year depreciation expense	(1,033,039)	(805,839)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	$ 26,000	
Less: net book value of disposed assets	(367)	25,633
(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	$ 611,870	
Less: deferred delinquent property taxes and other deferred June 30, 2012	(1,029,874)	(418,004)
(4) The issuance of long-term debt (e.g., bonds, notes, 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:		
Add: change in premium on debt issuances	$ 1,605	
Less: capital outlay note proceeds	(500,000)	
Less: other loan proceeds	(365,448)	
Add: principal payments on notes	1,092,694	
Add: principal payments on other loans	736,700	
Add: principal payment on bonds	818,000	
Add: principal payment on leases	70,085	
Less: lease payment contributions from the school department	(70,085)	
Less: change in deferred amount on refunding debt	(1,837)	1,781,714
(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	$ 3,588	
Change in compensated absences payable	(19,053)	
Change in other postemployment benefits liability	(42,756)	
Change in landfill postclosure care costs	(12,272)	(70,493)
Change in net position of governmental activities (Exhibit B)		$ 714,018

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

Exhibit C-5

Scott 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 3,073,894	$ 3,103,978	$ 3,123,978	$ (50,084)
Licenses and Permits	27,138	25,000	25,000	2,138
Fines, Forfeitures, and Penalties	153,752	130,000	130,000	23,752
Charges for Current Services	391,852	385,000	417,300	(25,448)
Other Local Revenues	375,237	364,500	336,530	38,707
Fees Received from County Officials	830,087	815,000	815,000	15,087
State of Tennessee	2,490,712	1,845,000	2,147,647	343,065
Federal Government	880,989	37,000	871,534	9,455
Other Governments and Citizens Groups	109,652	0	398,277	(288,625)
Total Revenues	$ 8,333,313	$ 6,705,478	$ 8,265,266	$ 68,047
Expenditures				
General Government				
County Commission	$ 157,973	$ 163,308	$ 163,308	$ 5,335
County Mayor/Executive	159,165	165,027	165,027	5,862
County Attorney	55,131	55,212	55,212	81
Election Commission	187,461	220,728	202,728	15,267
Register of Deeds	133,025	152,093	152,093	19,068
County Buildings	458,299	413,177	461,988	3,689
Finance				
Accounting and Budgeting	263,884	260,288	266,315	2,431
Property Assessor's Office	197,507	207,201	207,201	9,694
County Trustee's Office	155,787	157,303	157,303	1,516
County Clerk's Office	210,168	213,596	213,596	3,428
Administration of Justice				
Circuit Court	260,358	261,004	261,004	646
General Sessions Court	329,400	334,762	340,094	10,694
Chancery Court	129,510	129,603	131,303	1,793
District Attorney General	38,643	40,000	40,000	1,357
Public Safety				
Sheriff's Department	1,484,161	1,511,898	1,500,185	16,024
Administration of the Sexual Offender Registry	1,650	0	2,900	1,250
Jail	1,649,283	1,326,023	1,704,824	55,541
Juvenile Services	217,745	229,812	229,812	12,067
Fire Prevention and Control	2,000	2,000	2,000	0
Civil Defense	59,006	28,889	59,178	172
Rescue Squad	8,000	8,000	8,000	0
County Coroner/Medical Examiner	5,961	6,002	6,002	41
Public Health and Welfare				
Local Health Center	54,396	62,558	62,558	8,162
Other Local Health Services	175,157	186,300	186,300	11,143
General Welfare Assistance	235	2,250	2,250	2,015
Other Local Welfare Services	122	244	244	122
Social, Cultural, and Recreational Services				
Senior Citizens Assistance	80,376	101,512	86,512	6,136
Libraries	54,972	53,314	54,972	0

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)				
Agriculture and Natural Resources				
Agriculture Extension Service	$ 87,887	$ 41,905	$ 93,392	$ 5,505
Other Operations				
Tourism	55,032	58,720	58,720	3,688
Industrial Development	750,000	0	750,000	0
Airport	339,949	314,543	372,925	32,976
Veterans' Services	44,243	45,009	45,009	766
Contributions to Other Agencies	77,414	52,000	79,611	2,197
Miscellaneous	840,234	350,794	892,297	52,063
Highways				
Highway and Bridge Maintenance	235	235	235	0
Total Expenditures	$ 8,724,369	$ 7,155,310	$ 9,015,098	$ 290,729
Excess (Deficiency) of Revenues Over Expenditures	$ (391,056)	$ (449,832)	$ (749,832)	$ 358,776
Other Financing Sources (Uses)				
Notes Issued	$ 0	$ 50,000	$ 50,000	$ (50,000)
Transfers In	229,398	204,500	229,500	(102)
Transfers Out	0	(25,000)	0	0
Total Other Financing Sources	$ 229,398	$ 229,500	$ 279,500	$ (50,102)
Net Change in Fund Balance	$ (161,658)	$ (220,332)	$ (470,332)	$ 308,674
Fund Balance, July 1, 2012	1,010,082	882,536	882,536	127,546
Fund Balance, June 30, 2013	$ 848,424	$ 662,204	$ 412,204	$ 436,220

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

Exhibit C-6

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 2,153,382	$ 2,056,600	$ 2,056,600	$ 96,782
Other Local Revenues	9,181	0	7,131	2,050
Total Revenues	$ 2,162,563	$ 2,056,600	$ 2,063,731	$ 98,832
Expenditures				
Public Health and Welfare				
Ambulance/Emergency Medical Services	$ 1,852,303	$ 1,846,568	$ 1,907,468	$ 55,165
Total Expenditures	$ 1,852,303	$ 1,846,568	$ 1,907,468	$ 55,165
Excess (Deficiency) of Revenues Over Expenditures	$ 310,260	$ 210,032	$ 156,263	$ 153,997
Other Financing Sources (Uses)				
Transfers Out	$ (200,000)	$ (200,000)	$ (200,000)	$ 0
Total Other Financing Sources	$ (200,000)	$ (200,000)	$ (200,000)	$ 0
Net Change in Fund Balance	$ 110,260	$ 10,032	$ (43,737)	$ 153,997
Fund Balance, July 1, 2012	79,455	166,553	166,553	(87,098)
Fund Balance, June 30, 2013	$ 189,715	$ 176,585	$ 122,816	$ 66,899

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

Exhibit C-7

Scott 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 385	$ 235	$ 235	$ 150
Other Local Revenues	3,725	2,000	4,100	(375)
State of Tennessee	2,149,336	2,026,050	2,209,032	(59,696)
Total Revenues	$ 2,153,446	$ 2,028,285	$ 2,213,367	$ (59,921)
Expenditures				
Highways				
Administration	$ 109,233	$ 109,012	$ 108,966	$ (267)
Highway and Bridge Maintenance	1,558,513	922,892	1,602,852	44,339
Operation and Maintenance of Equipment	413,086	297,642	415,594	2,508
Other Charges	95,926	61,153	101,792	5,866
Employee Benefits	88,857	70,143	90,148	1,291
Capital Outlay	119,418	300,000	184,710	65,292
Principal on Debt				
Highways and Streets	250,485	216,818	250,818	333
Interest on Debt				
Highways and Streets	36,083	38,272	37,273	1,190
Total Expenditures	$ 2,671,601	$ 2,015,932	$ 2,792,153	$ 120,552
Excess (Deficiency) of Revenues Over Expenditures	$ (518,155)	$ 12,353	$ (578,786)	$ 60,631
Other Financing Sources (Uses)				
Notes Issued	$ 500,000	$ 0	$ 500,000	$ 0
Other Loans Issued	99,448	0	99,448	0
Insurance Recovery	17,052	0	17,052	0
Transfers Out	(45,025)	(12,325)	(45,025)	0
Total Other Financing Sources	$ 571,475	$ (12,325)	$ 571,475	$ 0
Net Change in Fund Balance	$ 53,320	$ 28	$ (7,311)	$ 60,631
Fund Balance, July 1, 2012	163,346	171,079	171,079	(7,733)
Fund Balance, June 30, 2013	$ 216,666	$ 171,107	$ 163,768	$ 52,898

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

Exhibit D-1

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

	Business-type Activities Major Enterprise Fund Public Utility Fund
ASSETS	
Current Assets:	
Equity in Pooled Cash and Investments	$ 9,248
Accounts Receivable	15,446
Total Current Assets	$ 24,694
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	$ 10,000
Assets Net of Accumulated Depreciated:	
Buildings and Improvements	228,365
Infrastructure	1,754,160
Other Capital Assets	1,449,669
Total Noncurrent Assets	$ 3,442,194
Total Assets	$ 3,466,888
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 9,948
Payroll Deductions Payable	512
Retainage Payable	7,500
Revenue Bonds Payable	3,544
General Obligation Bonds Payable	20,000
Accrued Interest Payable	1,390
Total Current Liabilities	$ 42,894
Noncurrent Liabilities:	
General Obligation Bonds Payable - Long-term	$ 350,000
Revenue Bonds Payable - Long-term	233,735
Total Noncurrent Liabilities	$ 583,735
Total Liabilities	$ 626,629
NET POSITION	
Net Investment in Capital Assets	$ 2,834,915
Unrestricted	5,344
Total Net Position	$ 2,840,259

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

Exhibit D-2

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

	Business-type Activities Major Enterprise Fund Public Utility Fund
Operating Revenues	
Charges for Services	$ 164,816
Miscellaneous Refunds	8,111
Total Operating Revenue	$ 172,927
Operating Expenses	
Salaries	$ 26,442
Fringe Benefits	3,835
Communication	882
Other Contracted Services	47,075
Electricity	29,749
Equipment and Machinery Parts	46,897
Gasoline	912
Water and Sewer	2,554
Other Supplies and Materials	3,717
Vehicle and Equipment Insurance	1,420
Workers' Compensation Insurance	754
Trustee's Commission	1,597
Depreciation	93,927
Total Operating Expenses	$ 259,761
Operating Income (Loss)	$ (86,834)
Nonoperating Revenues (Expenses)	
Interest on Debt	$ (26,830)
Total Nonoperating Revenues (Expenses)	$ (26,830)
Income Before Contributions and Transfers	$ (113,664)
Transfers In	55,640
Change in Net Position	$ (58,024)
Net Position, July 1, 2012	2,898,283
Net Position, June, 30, 2013	$ 2,840,259

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

Exhibit D-3

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

	Business-type Activities Major Enterprise Fund Public Utility Fund
Cash Flows from Operating Activities	
Receipts from Customers and Users	$ 160,117
Other Operating Income	8,111
Salaries and Fringe Benefits	(30,370)
Payments to Vendors	(130,063)
Net Cash Provided By (Used In) Operating Activities	$ 7,795
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	$ (5,261)
Principal Paid on Bonds	(23,410)
Interest Paid on Bonds	(26,830)
Net Cash Provided By (Used In) Capital and Related Financing Activities	$ (55,501)
Cash Flows from Noncapital Financing Activities	
Transfers from Other Funds	$ 55,640
Net Cash Provided By (Used In) Noncapital Financing Activities	$ 55,640
Increase (Decrease) in Cash	$ 7,934
Cash, July 1, 2012	1,314
Cash, June 30, 2013	$ 9,248
Reconciliation of Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	$ (86,834)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	93,927
Changes in Assets and Liabilities:	
(Increase) Decrease in Current Receivables	(4,699)
Increase (Decrease) in Current Liabilities	5,401
Net Cash Provided By (Used In) Operating Activities	$ 7,795

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

Exhibit E

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

	Agency Funds
ASSETS	
Cash	$ 562,817
Equity in Pooled Cash and Investments	190,987
Accounts Receivable	2,717
Due from Other Governments	443,817
Due from Other Funds	24,230
Property Taxes Receivable	1,351,617
Allowance for Uncollectible Taxes	(75,193)
Total Assets	$ 2,500,992
LIABILITIES	
Accounts Payable	$ 3,175
Payroll Deductions Payable	2,168
Due to Other Taxing Units	1,690,732
Due to Litigants, Heirs, and Others	576,971
Due to Joint Ventures	227,946
Total Liabilities	$ 2,500,992

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

SCOTT COUNTY, TENNESSEE
Index of Notes to Financial Statements

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scott 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 Scott County:

A. Reporting Entity

Scott County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Scott 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.

Blended Component Unit – The Scott County Airport Authority was established by the Scott County Commission to provide oversight of the county's airport operations. The County Commission appoints all members of the authority's board. All revenues generated by the authority's projects have been assigned to the county for payment of obligations of the airport authority, and most financial transactions are accounted for through the county's General Fund. Long-term debt of the authority was assumed by the county and refinanced as general obligation debt of the county. That debt is retired through the General Debt Service Fund.

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 Scott County School Department operates the public school system in the county, and the voters of Scott 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 Scott County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Scott County, and the 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 Scott County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Scott County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Scott County Emergency Communications District
P.O. Box 406
Huntsville, TN 37756

Related Organization – The Scott County Industrial Development Board is a related organization of Scott County. The County Commission appoints the board members, but the county's accountability for the organization does not extend beyond making the appointments.

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 Scott 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.

Scott County issues all debt for the discretely presented Scott County School Department. There were no debt issues 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 (enterprise), 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 Scott 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 outflow of resources, liabilities, deferred inflow 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. Scott County only reports one proprietary fund, an enterprise fund. It has no internal service funds to report.

Separate financial statements are provided for governmental funds, proprietary funds, 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. Scott 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 debt service funds 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 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.

Scott 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.

Ambulance Service Fund – This special revenue fund accounts for the transactions of the Scott County Ambulance Service. Patient charges are the foundational revenues of this 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.

Rural Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related cost for debt issued that benefit the areas of Scott County outside the Special School District (Oneida).

Scott County reports the following major proprietary fund:

Public Utility Fund – This fund is used to account for the operation of the county-owned wastewater treatment facility.

Additionally, Scott County reports the following fund types:

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Scott County, the city school system's share of educational revenues, state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

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

Central Cafeteria Fund – This special revenue fund is used to account for the cafeteria operations in each of the schools. Service charges and federal grants are the foundational revenues of this fund.

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, used to account for the county's wastewater facility. 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 charges for services. Operating expenses for the enterprise fund include various operational expenses for wastewater treatment.

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 cash on deposit with the county trustee.

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Scott 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. Income from these pooled investments is assigned to various funds based on budgetary allocations. Scott 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 are referred to as due to/from other funds.

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to three percent of total taxes levied. The allowance for ambulance receivables is comprised of estimated amounts of write-offs involving Medicare and Medicaid and estimated amounts of other collections based on historical collection data.

In June 2013, the Scott County Commission approved a write-off of bad debt for the Ambulance Service Fund of all outstanding accounts receivable and the corresponding allowance for uncollectible accounts that existed on or before June 30, 2011, totaling $3,742,924. Uncollectible balances had not been written-off in several years and included contractual adjustments for Medicare, Medicaid, other insurance providers, as well as uncollectible amounts due from individuals.

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

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

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

Most payables are disaggregated on the face of the financial statements. Other current liabilities in the discretely presented Scott County School Department represent amounts due for health insurance premiums, which will be drawn by the insurance pool during July and August.

Retainage payable in the primary government's Public Utility Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts were held by the county trustee as Equity in Pooled Cash and Investments.

3. Inventories

Inventories of Scott County are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $5,000 or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

Assets	Years
Buildings and Improvements	40
Other Capital Assets	5 - 15
Infrastructure	20 - 50

5. Deferred Outflows/Inflows of Resources

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

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

6. Compensated Absences

It is the primary government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The discretely presented School Department's policy allows employees to accumulate sick pay benefits but not vacation benefits. There is no

liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service with the government, except upon retirement as discussed in Note V.J. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. Vacation benefits are accrued when earned in the enterprise fund.

7. Long-term Obligations

In the government-wide financial statements and the proprietary fund 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, claims and judgments, landfill postclosure care costs, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Balance

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

a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2013, Scott County had $23,909,623 in outstanding debt for capital purposes of the discretely presented Scott County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county, the Oneida Special School District, based on an average daily attendance proration. The debt is a liability of Scott County, but the capital assets acquired are reported in the financial statements of the other entities. Therefore, Scott County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

9. Restatement

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 Statement No. 65, debt issuance costs become period costs. A restatement of beginning net position totaling $320,100 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

10. Reclassification

In prior years, the District Attorney General Fund was classified as a special revenue fund; however, effective July 1, 2012, this fund has

been reclassified as an agency fund to better reflect the control of these funds by the district attorney general. A reclassification of beginning balances totaling $23,542 has been recognized in the government-wide and the governmental funds 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 Scott County School Department

Exhibit J-3 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the government-wide Statement of Activities

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net changes in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Scott County School Department

Exhibit J-5 includes explanations of the nature of individual elements of items 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

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, Board of Equalization, County Mayor/Executive, 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 GAAP basis is presented on the face of each budgetary schedule.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Scott County and the Scott 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 custodial credit risk exposure.

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

Investments

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

The county had no pooled and nonpooled investments as of June 30, 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	$ 1,983,885	$ 0	$ 0	$ 1,983,885
Construction in Progress	614,895	0	(614,895)	0
Total Capital Assets Not Depreciated	$ 2,598,780	$ 0	$ (614,895)	$ 1,983,885
Capital Assets Depreciated:				
Buildings and Improvements	$ 21,532,430	$ 92,000	$ 0	$ 21,624,430
Infrastructure	2,830,328	549,895	0	3,380,223
Other Capital Assets	4,219,936	226,200	(7,350)	4,438,786
Total Capital Assets Depreciated	$ 28,582,694	$ 868,095	$ (7,350)	$ 29,443,439
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 7,106,920	$ 482,238	$ 0	$ 7,589,158
Infrastructure	365,566	81,756	0	447,322
Other Capital Assets	2,392,160	469,045	(6,983)	2,854,222
Total Accumulated Depreciation	$ 9,864,646	$ 1,033,039	$ (6,983)	$ 10,890,702
Total Capital Assets Depreciated, Net	$ 18,718,048	$ (164,944)	$ (367)	$ 18,552,737
Governmental Activities Capital Assets, Net	$ 21,316,828	$ (164,944)	$ (615,262)	$ 20,536,622

The amounts in the above table do not include capital assets of the Scott County Airport Authority, a blended component unit of the county. This omission has resulted in a qualification of the independent auditor's report on governmental activities.

Business-type Activities

		Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:					
Land		$ 10,000	$ 0	$ 0	$ 10,000
Total Capital Assets Not Depreciated		$ 10,000	$ 0	$ 0	$ 10,000
Capital Assets Depreciated:					
Buildings and Improvements	*	$ 349,487	$ 0	$ 0	$ 349,487
Infrastructure	*	2,088,680	0	0	2,088,680
Other Capital Assets	*	1,970,187	5,261	(9,000)	1,966,448
Total Capital Assets Depreciated		$ 4,408,354	$ 5,261	$ (9,000)	$ 4,404,615
Less Accumulated Depreciation For:					
Buildings and Improvements	*	$ 114,723	$ 6,399	$ 0	$ 121,122
Infrastructure	*	288,069	46,451	0	334,520
Other Capital Assets	*	484,702	41,077	(9,000)	516,779
Total Accumulated Depreciation		$ 887,494	$ 93,927	$ (9,000)	$ 972,421
Total Capital Assets Depreciated, Net		$ 3,520,860	$ (88,666)	$ 0	$ 3,432,194
Business-type Activities Capital Assets, Net		$ 3,530,860	$ (88,666)	$ 0	$ 3,442,194

* Beginning balances of several assets were reclassified by management from Other Capital Assets to Infrastructure and Buildings and Improvements.

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

Governmental Activities:

General Government	$ 351,411
Administration of Justice	1,135
Public Safety	180,785
Public Health and Welfare	121,722
Social, Cultural, and Recreational Services	161,700
Other Operations	47,778
Highways	168,508
Total Depreciation Expense - Governmental Activities	$ 1,033,039

Business-type Activities:

Sewer	$ 93,927
Total Depreciation Expense - Business-type Activities	$ 93,927

Discretely Presented Scott County School Department

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

Governmental Activities:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	$ 910,561	$ 0	$ 0	$ 910,561
Total Capital Assets Not Depreciated	$ 910,561	$ 0	$ 0	$ 910,561
Capital Assets Depreciated:				
Buildings and Improvements	$ 28,833,306	$ 0	$ 0	$ 28,833,306
Other Capital Assets	4,658,537	170,721	(43,396)	4,785,862
Total Capital Assets Depreciated	$ 33,491,843	$ 170,721	$ (43,396)	$ 33,619,168

Governmental Activities (Cont):

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 9,178,059	$ 699,625	$ 0	$ 9,877,684
Other Capital Assets	3,243,841	297,723	(43,396)	3,498,168
Total Accumulated Depreciation	$ 12,421,900	$ 997,348	$ (43,396)	$ 13,375,852
Total Capital Assets Depreciated, Net	$ 21,069,943	$ (826,627)	$ 0	$ 20,243,316
Governmental Activities Capital Assets, Net	$ 21,980,504	$ (826,627)	$ 0	$ 21,153,877

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

Governmental Activities:

Instruction	$ 15,809
Support Services	950,457
Operation of Non-Instructional Services	31,082
Total Depreciation Expense - Governmental Activities	$ 997,348

C. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	$ 1,200
Agency	General	24,230

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:

The amount reflected as due to primary government from the discretely presented School Department on the government-wide Statement of Net Position totaling $2,238,324 is for debt issued by the primary government, which is being retired by the School Department. Of that amount, $2,159,560 is not expected to be received within one year.

Interfund Transfers:

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

Primary Government

	Transfers In		
Transfers Out	General Fund	General Debt Service Fund	Public Utility Fund
Ambulance Service Fund	$ 200,000	$ 0	$ 0
Highway/Public Works Fund	0	45,025	0
General Debt Service Fund	0	0	36,680
Nonmajor governmental fund	29,398	0	18,960
Total	$ 229,398	$ 45,025	$ 55,640

Discretely Presented Scott County School Department

	Transfer In
Transfer Out	General Purpose School Fund
School Federal Projects Fund	$ 25,000

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to

finance various programs accounted for in the other funds in accordance with budgetary authorizations.

D. Income from Operating Lease Commitments

Scott County has leased operations of its nursing home to Preferred Health Services. The initial lease agreement expired August 31, 2013, however it has been extended for a period of five years and will now expire August 31, 2018. Terms of the agreement call for Preferred Health Services to assume most of the current assets and liabilities of the nursing home and to pay Scott County a monthly fee. The current payments under this agreement are $100,708 annually. The agreement includes a cancellation clause; therefore, a schedule of future income is not presented for this agreement.

In prior years, Scott County also leased operations of the Scott County Hospital to a private health care provider. However, the hospital lease expired in May 2012, and the county did not reopen the facility. The county reached a tentative agreement to sell the hospital to S.M. Promen of Tennessee, LLC during the fiscal year ended June 30, 2013, but that sale never materialized. Subsequent to year-end, the hospital was sold to Pioneer Health Services as discussed in Note V.C.

E. Capital Lease

On May 15, 2008, Scott County entered into a 19-year lease-purchase agreement on behalf of the School Department for energy efficiency upgrades and equipment for school facilities. The terms of the agreement require total lease payments of $2,499,652 plus interest of 4.62 percent. Title to the upgrades and equipment transferred to the School Department immediately upon acceptance of each upgrade or item of equipment. The General Purpose School Fund is making contributions to the primary government for the lease payments. In the government-wide financial statements, the upgrades and equipment were expensed in the year of acquisition because those items did not meet criteria of the county's capitalization policy.

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

Year Ending June 30	Governmental Funds
2014	$ 180,550
2015	185,966
2016	191,545
2017	197,292
2018	203,211
2019-2023	1,111,238
2024-2027	1,051,892
Total Minimum Lease Payments	$ 3,121,694
Less: Amount Representing Interest	(883,370)
Present Value of Minimum Lease Payments	$ 2,238,324

F. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 38 years for bonds, up to 12 years for notes, and up to 27 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. Outstanding notes totaling $1,250,298 will be retired from the Highway/Public Works Fund. All other notes, bonds, other loans, and capital leases outstanding will be retired from the debt service funds.

General obligation bonds, capital outlay notes, other loans, and capital leases 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 to 5 %	5-1-35	$ 3,205,000	$ 2,574,000
General Obligation Bonds - Refunding	1.1 to 4.5	5-1-29	14,293,784	5,305,000
Capital Outlay Notes	2.94 to 5	6-19-19	5,075,100	2,541,323
Other Loans	Variable	5-25-35	27,594,938	23,766,538
Capital Leases	4.62	5-15-27	2,499,652	2,238,324

Scott County has entered into loan agreements with the Montgomery County Public Building Authority and the City of Clarksville Public Building Authority (PBAs). These loan agreements provide for the PBAs to loan funds to Scott County for various renovation and construction projects on an as needed basis. These loans are repayable at interest rates that are tax-exempt variable rates determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (administrative, letter of credit, debt remarketing, etc.) in connection with these loans.

The following table summarizes loan agreements outstanding at June 30, 2013:

Description	Original Amount of Loan Agreement	Outstanding Principal 6-30-13	Interest Type	Interest Rates as of 6-30-13	Other Fees on Variable Rate Debt
Montgomery County Public Building Authority					
Building and Equipment	$ 1,000,000	$ 458,600	Variable	.14%	1.08 %
Various School Projects	3,000,000	1,798,000	Variable	.17%	.79
Justice Center	10,000,000	8,490,938 (1)	Variable	.15%	.83
City of Clarksville Public Building Authority					
School Renovations and Improvements	13,940,000	13,019,000	Variable	.14%	1.13
Total		$ 23,766,538			

(1) Total available at June 30, 2013, for future draws under this loan agreement is $345,062.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	$ 774,000	$ 344,161	$ 1,118,161
2015	325,000	310,129	635,129
2016	287,000	297,516	584,516
2017	303,000	286,216	589,216
2018	290,000	275,016	565,016
2019-2023	1,710,000	1,185,520	2,895,520
2024-2028	3,330,000	685,802	4,015,802
2029-2033	785,000	72,562	857,562
2034-2035	75,000	5,463	80,463
Total	$ 7,879,000	$ 3,462,385	$ 11,341,385

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	$ 611,159	$ 96,759	$ 707,918
2015	613,397	73,187	686,584
2016	915,670	45,882	961,552
2017	229,098	17,104	246,202
2018	111,136	6,944	118,080
2019	60,863	1,920	62,783
Total	$ 2,541,323	$ 241,796	$ 2,783,119

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2014	$ 771,000	$ 34,113	$ 233,558	$ 1,038,671
2015	807,400	32,964	226,089	1,066,453
2016	845,000	31,762	218,263	1,095,025
2017	883,600	30,504	210,066	1,124,170
2018	924,400	29,189	201,491	1,155,080
2019-2023	5,165,200	124,105	864,747	6,154,052
2024-2028	5,108,000	86,652	614,065	5,808,717
2029-2033	6,520,000	45,993	329,628	6,895,621
2034-2035	2,741,938	4,700	35,866	2,782,504
Total	$ 23,766,538	$ 419,982	$ 2,933,773	$ 27,120,293

There is $1,694,082 available in the debt service funds to service long-term debt. Debt per capita, including notes, bonds, other loans, and capital leases totaled $1,155, for residents living inside the Oneida Special School District and $1,737, for residents living outside the Oneida Special School District.

The School Department is currently servicing some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government. In the prior year, this debt was reflected as debt of the School Department; however, this debt has been reclassified as debt of the primary government because the primary government is legally obligated to repay the debt.

Description of Indebtedness	Outstanding 6-30-13
Capital Leases	
Payable through Contributions from the General Purpose School Fund	
School Energy Efficiency Upgrades	$ 2,238,324

Changes in Long-term Obligations

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

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2012	$ 8,697,000	$ 3,134,017	$ 24,137,790
Additions	0	500,000	365,448
Reductions	(818,000)	(1,092,694)	(736,700)
Balance, June 30, 2013	$ 7,879,000	$ 2,541,323	$ 23,766,538
Balance Due Within One Year	$ 774,000	$ 611,159	$ 771,000

	Capital Leases	Compensated Absences
Balance, July 1, 2012	$ 0	$ 154,579
Reclassification of School Debt	2,308,409	0
Additions	0	185,245
Reductions	(70,085)	(166,192)
Balance, June 30, 2013	$ 2,238,324	$ 173,632
Balance Due Within One Year	$ 78,764	$ 138,906

	Landfill Closure/ Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2012	$ 2,471,994	$ 134,831
Additions	46,322	45,668
Reductions	(34,050)	(2,912)
Balance, June 30, 2013	$ 2,484,266	$ 177,587
Balance Due Within One Year	$ 89,136	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	$ 39,260,670
Less: Balance Due Within One Year	(2,462,965)
Add: Unamortized Premium on Debt	21,393
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 36,819,098

During the year, the discretely presented Scott County School Department contributed $361,065 to the primary government's Rural Debt Service Fund for the retirement of debt issued for school purposes.

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General, Ambulance Service, and Highway/Public Works funds. Landfill closure/postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Public Utility Fund (enterprise fund)

Bonds outstanding were issued for original terms of up to 38 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Outstanding bonds will be retired by the Public Utility Fund.

Bonds outstanding as of June 30, 2013, for business-type activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-13
Revenue and Tax Bonds	4.25 %	8-31-45	$ 255,000	$ 237,279
General Obligation Bonds - Refunding	1.1 to 4.7	6-1-27	490,000	370,000

The annual requirements to amortize all outstanding bonds at June 30, 2013, including interest payments, are as follows:

Year Ending June 30	Bonds Principal	Interest	Total
2014	$ 23,544	$ 26,036	$ 49,580
2015	23,697	25,173	48,870
2016	23,858	24,302	48,160
2017	24,025	23,315	47,340
2018	29,199	22,321	51,520
2019-2023	153,887	93,238	247,125
2024-2028	164,524	54,431	218,955
2029-2033	36,520	31,280	67,800
2034-2038	45,140	22,660	67,800
2039-2043	55,807	11,993	67,800
2044-2046	27,078	1,271	28,349
Total	$ 607,279	$ 336,020	$ 943,299

Changes in Long-term Obligations

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

Business-type Activities:

	Public Utility Fund Bonds
Balance, July 1, 2012	$ 630,689
Reductions	(23,410)
Balance, June 30, 2013	$ 607,279
Balance Due Within One Year	$ 23,544

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	$ 607,279
Less: Balance Due Within One Year	(23,544)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 583,735

Discretely Presented Scott County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	Other Postemployment Benefits	Capital Leases
Balance, July 1, 2012	$ 2,079,918	$ 2,308,409
Additions	659,885	0
Reductions	(207,412)	0
Reclassification of School Debt	0	(2,308,409)
Balance, June 30, 2013	$ 2,532,391	$ 0
Balance Due Within One Year	$ 0	$ 0

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	$ 2,532,391
Less: Balance Due Within One Year	0
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 2,532,391

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

G. Pledges of Receivables and Future Revenues

In March 2012, the citizens of Scott County voted to levy a motor vehicle privilege tax totaling $30 for each motor-driven vehicle. The county pledged the tax collections to repay $13,940,000 in variable rate Public Building Authority Loans issued in December 2009 to finance the construction of Robbins Elementary, Burchfield Elementary, and Oneida Schools. Upon payment and retirement of this debt, the tax will terminate. Total principal, estimated interest, and estimated fee requirements for the loans are $15,238,411, payable monthly through May 2035. For the current year, total principal, interest, and fees paid on the loan and motor vehicle privilege tax generated were $500,539 and $557,008, respectively.

H. On-Behalf Payments – Discretely Presented Scott County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Scott 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 $94,451 and $20,498, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Short-term Debt

Scott County issued interfund loans in advance of revenue collections. These loans were necessary to provide cash for operations. Short-term debt activity for the year ended June 30, 2013, was as follows:

	Balance 7-1-12	Issued	Paid	Balance 6-30-13
Primary Government:				
From General Fund to Ambulance Service Fund	$ 70,000	$ 43,000	$ (113,000)	$ 0
From General Debt Service Fund to General Fund	0	350,000	(350,000)	0

V. OTHER INFORMATION

A. Risk Management

Scott County and the discretely presented Scott County School Department participate 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 county and School Department pay annual premiums to the TN-RMT for their general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

The Scott County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *Tennessee Code*

Annotated (*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.

It is the policy of the Scott County general government to purchase commercial insurance for employee health insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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. Scott 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. Subsequent Events

On August 26, 2013, Scott County issued $722,205 in capital outlay notes to provide funds for the purchase of Highway Department equipment, asphalt, and other road improvements.

On September 6, 2013 the county's General Debt Service Fund loaned $400,000 as a tax anticipation note to the General Fund for temporary operating funds.

In November 2013, Scott County sold the Scott County Hospital to Pioneer Health Services, Inc. Terms of the agreement included a sale price of $106,676, which was the amount necessary to retire the county's outstanding debt on the hospital. Pioneer paid $28,600 of this amount in January 2014, and agreed to pay the balance in three equal annual installments due December 2014, through December 2016.

In November 2013, Scott County transferred ownership of the eastern portion of its sewer system to the Town of Huntsville through execution of an interlocal agreement. The county remains responsible for the outstanding debt associated with construction of the system.

On December 8, 2013, Sheriff Michael Cross died, and on January 22, 2014, Ronnie Phillips was appointed sheriff.

D. Contingent Liabilities

Scott County is involved in the following pending and threatened litigation for which management is unable to determine the likelihood of an unfavorable outcome against the county:

A case filed in the Scott County Circuit Court on December 23, 2009, by an individual alleging that the defendants (Eighth Judicial District Drug Task Force, Scott County Sheriff's Department, and employees/agents) wrongfully arrested and prosecuted him. The county's potential liability, if any, is unknown, but could exceed $10,000. The case has been submitted to the county's insurance carrier. The insurance carrier accepted the claim under a full and complete reservation of rights. Therefore, the case, if successful, could result in material liability to the county.

The county is also involved in several other lawsuits. Management believes the outcome of those other lawsuits not covered by insurance will not materially affect the financial statements of the primary government or the discretely presented Scott County School Department.

E. Landfill Closure and Postclosure Care Costs

Scott County has an active permit on file with the state Department of Environment and Conservation for a sanitary 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 state Department of Environment and Conservation.

State and federal laws and regulations require the county to place a final cover on its 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 of 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. Scott County closed its sanitary landfill in 2007. The $2,484,266 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 cost may be different due to inflation, changes in technology, or changes in regulations.

F. Joint Venture

The Eighth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Eighth Judicial District; Campbell, Claiborne, Fentress, Scott, and Union counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation

and prosecution of drug-related activities. Funds for the operation of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Scott County made no contributions to the DTF for the year ended June 30, 2013, and does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of the District Attorney General
Eighth Judicial District
P.O. Box 10
Huntsville, TN 37756

G. Jointly Governed Organization

The Northeast Tennessee Railroad Authority is jointly operated by Scott County in conjunction with Anderson and Campbell counties. The authority's board consists of the county mayor of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity. Scott County did not contribute to the operations of the Northeast Tennessee Railroad Authority during the year ended June 30, 2013.

H. Retirement Commitments

Plan Description

Employees of Scott 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 Scott 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

Scott County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 6.83 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, Scott County's annual pension cost of $590,905 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 post-retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The 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 seven years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	$590,905	100%	$0
6-30-12	603,924	100	0
6-30-11	563,124	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 90.27 percent funded. The actuarial accrued liability for benefits was $22.92 million, and the actuarial value of assets was $20.69 million, resulting in an unfunded actuarial accrued liability (UAAL) of $2.23 million. The covered payroll (annual payroll of active employees covered by the plan) was $7.52 million, and the ratio of the UAAL to the covered payroll was 29.66 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 Scott 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 $963,739, $966,694, and $812,928, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Plan Description

The primary government has a policy that allows retirees with 40 or more years of service to continue to participate in the county's commercial health insurance plan until age 65. However, the amount of the liability for that benefit has not been determined and recorded in the financial statements due to the limited number of individuals expected to attain 40 years of service with the county prior to age 65, and also due to the limited number of years that any qualifying individual would be expected to be on the plan before reaching age 65. The liability for this postemployment benefit is not considered material to the financial statements. No retirees were receiving benefits under this policy as of June 30, 2013.

Scott County and the School Department participate in the state-administered Medicare Supplement Plan and the School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee*

Code Annotated (*TCA*), for teachers and Section 8-27-701, *TCA,* for the Medicare Supplement Plan. 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 plans are 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 plans are 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 employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. Retirees in the Local Education Group Insurance Plan contribute $51 to $850 per month depending on years of service and type of coverage. During the year ended June 30, 2013, the discretely presented Scott County School Department contributed $207,412 for post-employment benefits, and the primary government contributed $2,912.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Medicare Supplement Plan	
		Primary Government	School Department
ARC	$ 588,000	$ 46,000	$ 77,000
Interest on the NOPEBO	72,073	5,393	11,124
Adjustment to the ARC	(76,504)	(5,725)	(11,808)
Annual OPEB cost	$ 583,569	$ 45,668	$ 76,316
Amount of contribution	(202,462)	(2,912)	(4,950)
Increase/decrease in NOPEBO	$ 381,107	$ 42,756	$ 71,366
Net OPEB obligation, 7-1-12	1,801,826	134,831	278,092
Net OPEB obligation, 6-30-13	$ 2,182,933	$ 177,587	$ 349,458

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-11	Local Education Group	$ 516,672	41 %	$ 1,426,961
6-30-12	"	578,490	35	1,801,826
6-30-13	"	583,569	35	2,182,933
6-30-11	Medicare Supplement-Primary Government	49,108	5	92,008
6-30-12	"	45,773	6	134,831
6-30-13	"	45,668	6	177,587
6-30-11	Medicare Supplement-School Department	77,319	6	206,550
6-30-12	"	76,492	6	278,092
6-30-13	"	76,316	6	349,458

Funded Status and Funding Progress

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

	Local Education Group Plan	Medicare Supplement Plan	
		Primary Government	School Department
Actuarial valuation date	7-1-11	7-1-11	7-1-11
Actuarial accrued liability (AAL)	$ 4,944,000	$ 384,000	$ 960,000
Actuarial value of plan assets	$ 0	$ 0	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 4,944,000	$ 384,000	$ 960,000
Actuarial value of assets as a % of the AAL	0%	0%	0%
Covered payroll (active plan members)	$ 10,064,444	$ N/A	$ N/A
UAAL as a % of covered payroll	49%	N/A	N/A

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 of 8.75 percent for fiscal year 2013. The trend will decrease to 8.25 percent in fiscal year 2014 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. The annual healthcare cost trend rate for the Medicare Supplement Plan was 6.25 percent for fiscal year 2013. The trend will decrease to six percent in fiscal year 2014 and then will be reduced by decrements to an ultimate rate of five percent by fiscal year 2018. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

J. Termination Benefits

The Scott County Board of Education adopted a policy to pay certified employees $50 for each sick leave day they had accumulated at the time of their retirement. Since payments will be calculated and made at the actual time of retirement, the amount of future payments was not measurable at June 30, 2013. Payments totaling $28,175 were paid to five individuals who retired during the year ended June 30, 2013.

K. Office of Central Accounting, Budgeting, and Purchasing

Scott County operates under provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act also provides for the creation of a Finance Department operated under the direction of the finance director.

L. Purchasing Law

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by him to serve as the county purchasing agent. The finance director serves as the purchasing agent for Scott County. All purchase orders are issued by the Finance Department. Purchases exceeding $10,000 for the Offices of County Mayor, Superintendent of Roads, and Director of Schools are required to be competitively bid.

VI. OTHER NOTES – DISCRETELY PRESENTED SCOTT COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

The Financial Reporting Entity – The Scott County Emergency Communications District was formed under *Tennessee Code Annotated*, Title 7, Section 86, Emergency Communications Districts. The district is a component unit of Scott County, Tennessee, because the district is legally separate, the County Commission appoints the members of the board of directors of the district and can impose its will by changing the telephone surcharge rate, and the County Commission can impose its will on the district by the approval of debt and borrowings.

Method of Accounting – The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions on behalf of the district, the reporting entity. Revenues are recorded when earned, and expenses are recorded when incurred, regardless of the timing of related cash flows.

Income Taxes – The district is exempt from federal income taxes because of its creation by the Scott County government.

Revenue – Operating revenues consist primarily of Highland Telephone Cooperative charging residents of Scott County $.65 and businesses $2 per month. As of June 30, 2013, the district had 5,781 residential customers and 1,807 business customers. Wireless communications income is from a share of state collected revenues from cell phone usage based upon population. All other revenues and expenses are reported as nonoperating revenues and expenses.

Cash – The organization treats as cash; checking account balances, savings accounts, certificates of deposit with original maturities of less than three months, and cash on hand.

Cash Management – Cash temporarily idle during the year was invested in a savings account and certificates of deposit. The certificates of deposit have maturities of 12 months. The district earned $6,002 on all investments for the year ended June 30, 2013.

Deposits and Investments – 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 the debt of 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 these accounts that 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 the purpose of credit risk disclosure.

For deposits with financial institutions that do not participate in the bank collateral pool, the 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 entity. Scott County Emergency Communications District has an agreement with one bank for balances above FDIC limits.

The carrying value of the district's deposits was $1,250,812, and the bank balance was $1,257,744. Of that amount, $848,080 was insured by the FDIC, and the remainder was collateralized by a third-party in the district's name.

Compensated Absences – It is the district's policy to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave since the district does not have a policy to pay any amount when employees separate from service with the district. Accumulated vacation pay is reported as an expenditure and a liability of the fund when material and accumulated.

Capital Assets – Capital assets are defined by the government as assets with an initial, individual cost of more than $1,000 and an estimated life in excess of one year. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated assets are recorded at the estimated fair market value at the date of donation. The straight-line method of depreciation is used to calculate depreciation over a five-year period. Depreciation expense for the current year was $45,947.

Although mapping expenses have a useful life of more than one year, the life is very difficult to measure. Mapping expenses, therefore, are treated as expenses as incurred.

Capital Assets:

	Balances 7-1-12	Adjustments	Additions	Dispositions	Balance 6-30-13
Equipment					
Mapping Equipment	$ 36,882	$ 79,220	$ 0	$ 0	$ 116,102
Communication Equipment	419,344	(79,220)	151,708	(250,973)	240,859
Vehicles	24,500	0	0	0	24,500
	$ 480,726	$ 0	$ 151,708	(250,973)	$ 381,461
Accumulated Depreciation					
Mapping Equipment	$ (15,624)	$ (63,376)	$ (12,885)	$ 0	$ (91,885)
Communication Equipment	(342,009)	63,376	(33,061)	250,973	(60,721)
Vehicles	(24,500)	0	0	0	(24,500)
	$ (382,133)	$ 0	$ (45,946)	$ 250,973	$ (177,106)
Net Investment in Capital Assets	$ 98,593	$ 0	$ 105,762	$ 0	$ 204,355

Risk Management – The district is exposed to various risks of losses related to tort; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. The district has obtained commercial insurance to manage these risks. Management does not believe any claims will exceed the insurance amount. Software coverage is $250,000; auto coverage includes collision and comprehensive coverage with deductibles of $250 and $500, respectively, and general liability of $2,000,000 each occurrence and $5,000,000 aggregate with $5,000 medical payments. The settlements have not exceeded insurance amounts in the past three years.

Budgets – Annual budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end. On or before May 31 of each year, the proposed budget is prepared and presented to the board for review. The board adopts the budget and amends the budget throughout the year as needed.

The district is required by state statute to adopt the annual budget. The annual budget is 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 board of directors and any authorized revisions. Unencumbered appropriations lapse at the end of each year.

The budgetary level of control is at the line-item level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee.

The district's budgetary basis of accounting is on the modified cash basis. Reconciliation to GAAP is presented on the face of the budgetary schedule.

Net Position and Fund Balance – In the financial statements, equity is classified as net position and is displayed in three components:

a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation.

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 invested in capital assets.

It is the district'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.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could be different from those estimates.

B. The Officers' and Employees' Bonds of the District

The district maintains an insurance policy against officers and employee forgery or alteration as required by *Tennessee Code Annotated*, Section 7-86-119, with a policy limit of $12,500; theft of money and securities with a policy limit of $100,000; employee dishonesty with a policy limit of $250,000; and counterfeit United States or Canadian paper currency with a policy limit of $100,000.

C. Accounting Standards

The district has adopted the GASB Statement No. 62. This statement incorporates into GASB's literature the provisions in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinion and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedures issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The option is to use subsequent FASB guidance has been removed.

D. Pension Plan

Plan Description

Employees of the district are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who 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 the district participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

The district requires employees to contribute five percent of earnable compensation. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ending June 30, 2013, was 2.65 percent of covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the district is established and may be amended by the TCRS Board of Trustees.

For the year ending June 30, 2013, the district's annual pension cost of $1,312 to TCRS was equal to the district's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year

compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increases in the Social Security wage base, and (e) projected post retirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market of total investments over a ten-year period. The district's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was zero years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	$ 1,312	100 %	$ 0
6-30-12	1,267	100	0
6-30-11	60,785	100	0

Funded Status and Funding Progress

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

Required Supplementary Information

Exhibit F-1

Scott County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Scott 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	$ 20,688	$ 22,919	$ 2,231	90.27 %	$ 7,521	29.66 %
7-1-09	17,461	19,804	2,343	88.17	7,606	30.81
7-1-07	16,847	16,847	0	100	5,955	0

Exhibit F-2

Scott County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Scott County School Department
June 30, 2013

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
PRIMARY GOVERNMENT							
Medicare Supplement	7-1-09	$ 0	$ 437	$ 437	0 %	$ N/A	N/A %
"	7-1-10	0	437	437	0	N/A	N/A
"	7-1-11	0	384	384	0	N/A	N/A
DISCRETELY PRESENTED SCOTT COUNTY SCHOOL DEPARTMENT							
Local Education Group	7-1-09	0	4,318	4,318	0	10,308	42
"	7-1-10	0	4,389	4,389	0	10,570	42
"	7-1-11	0	4,944	4,944	0	10,064	49
Medicare Supplement	7-1-09	0	960	960	0	N/A	N/A
"	7-1-10	0	960	960	0	N/A	N/A
"	7-1-11	0	960	960	0	N/A	N/A

SCOTT 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 transactions associated with the operations of the county's convenience centers.

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

District Attorney General Fund – At July 1, 2012, the District Attorney General Fund was reclassified as an agency fund.

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 primarily to account for the activities related to the construction of an industrial access road at the Scott County Airport.

Community Development/Industrial Park Fund – The Community Development/ Industrial Park Fund is used to account for the activities related to community development and industrial park projects.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for capital expenditures made on behalf of the Scott County School Department.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for the activities related to road resurfacing.

Exhibit G-1

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

	Special Revenue Funds			
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total
ASSETS				
Cash	$ 0	$ 0	$ 1,200	$ 1,200
Equity in Pooled Cash and Investments	201,813	68,378	0	270,191
Accounts Receivable	44,033	0	0	44,033
Due from Other Governments	7,683	0	0	7,683
Property Taxes Receivable	0	0	0	0
Allowance for Uncollectible Property Taxes	0	0	0	0
Total Assets	$ 253,529	$ 68,378	$ 1,200	$ 323,107
LIABILITIES				
Accounts Payable	$ 1,249	$ 0	$ 0	$ 1,249
Payroll Deductions Payable	1,023	0	0	1,023
Due to Other Funds	0	0	1,200	1,200
Total Liabilities	$ 2,272	$ 0	$ 1,200	$ 3,472
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 0	$ 0	$ 0	$ 0
Total Deferred Inflows of Resources	$ 0	$ 0	$ 0	$ 0
FUND BALANCES				
Restricted:				
Restricted for Public Safety	$ 0	$ 68,378	$ 0	$ 68,378
Restricted for Capital Projects	0	0	0	0
Committed:				
Committed for Public Health and Welfare	251,257	0	0	251,257
Total Fund Balances	$ 251,257	$ 68,378	$ 0	$ 319,635
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 253,529	$ 68,378	$ 1,200	$ 323,107

(Continued)

Exhibit G-1

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

	Capital Projects Funds					
	General Capital Projects	Community Development/ Industrial Park	Education Capital Projects	Other Capital Projects	Total	Total Nonmajor Governmental Funds
ASSETS						
Cash	$ 0	$ 0	$ 145,739	$ 0	$ 145,739	$ 146,939
Equity in Pooled Cash and Investments	127,321	5,858	2,524	2,413	138,116	408,307
Accounts Receivable	0	0	0	0	0	44,033
Due from Other Governments	0	0	0	0	0	7,683
Property Taxes Receivable	230,000	0	0	0	230,000	230,000
Allowance for Uncollectible Property Taxes	(6,900)	0	0	0	(6,900)	(6,900)
Total Assets	$ 350,421	$ 5,858	$ 148,263	$ 2,413	$ 506,955	$ 830,062
LIABILITIES						
Accounts Payable	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,249
Payroll Deductions Payable	0	0	0	0	0	1,023
Due to Other Funds	0	0	0	0	0	1,200
Total Liabilities	$ 0	$ 0	$ 0	$ 0	$ 0	$ 3,472
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 223,100	$ 0	$ 0	$ 0	$ 223,100	$ 223,100
Total Deferred Inflows of Resources	$ 223,100	$ 0	$ 0	$ 0	$ 223,100	$ 223,100
FUND BALANCES						
Restricted:						
Restricted for Public Safety	$ 0	$ 0	$ 0	$ 0	$ 0	$ 68,378
Restricted for Capital Projects	127,321	5,858	148,263	2,413	283,855	283,855
Committed:						
Committed for Public Health and Welfare	0	0	0	0	0	251,257
Total Fund Balances	$ 127,321	$ 5,858	$ 148,263	$ 2,413	$ 283,855	$ 603,490
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 350,421	$ 5,858	$ 148,263	$ 2,413	$ 506,955	$ 830,062

Exhibit G-2

Scott 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				
	Solid Waste / Sanitation	Drug Control	District Attorney	Constitu - tional Officers - Fees	Total
Revenues					
Fines, Forfeitures, and Penalties	$ 0	$ 84,906	$ 0	$ 0	$ 84,906
Charges for Current Services	170,990	0	0	4,571	175,561
Other Local Revenues	6,232	250	0	0	6,482
State of Tennessee	44,868	0	0	0	44,868
Other Governments and Citizens Groups	0	2,990	0	0	2,990
Total Revenues	$ 222,090	$ 88,146	$ 0	$ 4,571	$ 314,807
Expenditures					
Current:					
Administration of Justice	$ 0	$ 0	$ 0	$ 4,571	$ 4,571
Public Health and Welfare	147,198	0	0	0	147,198
Other Operations	0	24,534	0	0	24,534
Highways	17,213	0	0	0	17,213
Debt Service:					
Principal on Debt	8,664	0	0	0	8,664
Capital Projects	0	0	0	0	0
Total Expenditures	$ 173,075	$ 24,534	$ 0	$ 4,571	$ 202,180
Excess (Deficiency) of Revenues Over Expenditures	$ 49,015	$ 63,612	$ 0	$ 0	$ 112,627
Other Financing Sources (Uses)					
Other Loans Issued	$ 0	$ 0	$ 0	$ 0	$ 0
Transfers Out	0	(29,398)	0	0	(29,398)
Total Other Financing Sources (Uses)	$ 0	$ (29,398)	$ 0	$ 0	$ (29,398)
Net Change in Fund Balances	$ 49,015	$ 34,214	$ 0	$ 0	$ 83,229
Reclassification - See note I.D.10.	0	0	(23,542)	0	(23,542)
Fund Balance, July 1, 2012	202,242	34,164	23,542	0	259,948
Fund Balance, June 30, 2013	$ 251,257	$ 68,378	$ 0	$ 0	$ 319,635

(Continued)

Exhibit G-2

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

	Capital Projects Funds					
	General Capital Projects	Community Development/ Industrial Park	Education Capital Projects	Other Capital Projects	Total	Total Nonmajor Governmental Funds
Revenues						
Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 0	$ 0	$ 84,906
Charges for Current Services	0	0	0	0	0	175,561
Other Local Revenues	0	0	512	0	512	6,994
State of Tennessee	0	0	0	0	0	44,868
Other Governments and Citizens Groups	0	0	0	0	0	2,990
Total Revenues	$ 0	$ 0	$ 512	$ 0	$ 512	$ 315,319
Expenditures						
Current:						
Administration of Justice	$ 0	$ 0	$ 0	$ 0	$ 0	$ 4,571
Public Health and Welfare	0	0	0	0	0	147,198
Other Operations	0	0	0	0	0	24,534
Highways	36,796	0	0	0	36,796	54,009
Debt Service:						
Principal on Debt	0	0	0	0	0	8,664
Capital Projects	380	0	0	330	710	710
Total Expenditures	$ 37,176	$ 0	$ 0	$ 330	$ 37,506	$ 239,686
Excess (Deficiency) of Revenues Over Expenditures	$ (37,176)	$ 0	$ 512	$ (330)	$ (36,994)	$ 75,633
Other Financing Sources (Uses)						
Other Loans Issued	$ 237,670	$ 0	$ 0	$ 28,330	$ 266,000	$ 266,000
Transfers Out	(18,960)	0	0	0	(18,960)	(48,358)
Total Other Financing Sources (Uses)	$ 218,710	$ 0	$ 0	$ 28,330	$ 247,040	$ 217,642
Net Change in Fund Balances	$ 181,534	$ 0	$ 512	$ 28,000	$ 210,046	$ 293,275
Reclassification - See note I.D.10.	0	0	0	0	0	(23,542)
Fund Balance, July 1, 2012	(54,213)	5,858	147,751	(25,587)	73,809	333,757
Fund Balance, June 30, 2013	$ 127,321	$ 5,858	$ 148,263	$ 2,413	$ 283,855	$ 603,490

Exhibit G-3

Scott 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for Current Services	$ 170,990	$ 110,300	$ 124,229	$ 46,761
Other Local Revenues	6,232	6,000	7,725	(1,493)
State of Tennessee	44,868	45,329	46,525	(1,657)
Total Revenues	$ 222,090	$ 161,629	$ 178,479	$ 43,611
Expenditures				
Public Health and Welfare				
Recycling Center	$ 113,148	$ 124,387	$ 141,260	$ 28,112
Postclosure Care Costs	34,050	15,000	37,450	3,400
Highways				
Litter and Trash Collection	17,213	15,000	18,000	787
Principal on Debt				
General Government	8,664	7,667	8,664	0
Interest on Debt				
General Government	0	205	0	0
Total Expenditures	$ 173,075	$ 162,259	$ 205,374	$ 32,299
Excess (Deficiency) of Revenues Over Expenditures	$ 49,015	$ (630)	$ (26,895)	$ 75,910
Net Change in Fund Balance	$ 49,015	$ (630)	$ (26,895)	$ 75,910
Fund Balance, July 1, 2012	202,242	94,419	94,419	107,823
Fund Balance, June 30, 2013	$ 251,257	$ 93,789	$ 67,524	$ 183,733

Exhibit G-4

Scott 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Fines, Forfeitures, and Penalties	$ 84,906	$ 45,000	$ 62,397	$ 22,509
Other Local Revenues	250	0	0	250
Other Governments and Citizens Groups	2,990	0	2,990	0
Total Revenues	$ 88,146	$ 45,000	$ 65,387	$ 22,759
Expenditures				
Other Operations				
Miscellaneous	$ 24,534	$ 27,500	$ 36,542	$ 12,008
Total Expenditures	$ 24,534	$ 27,500	$ 36,542	$ 12,008
Excess (Deficiency) of Revenues Over Expenditures	$ 63,612	$ 17,500	$ 28,845	$ 34,767
Other Financing Sources (Uses)				
Transfers Out	$ (29,398)	$ (4,398)	$ (29,398)	$ 0
Total Other Financing Sources	$ (29,398)	$ (4,398)	$ (29,398)	$ 0
Net Change in Fund Balance	$ 34,214	$ 13,102	$ (553)	$ 34,767
Fund Balance, July 1, 2012	34,164	3,757	3,757	30,407
Fund Balance, June 30, 2013	$ 68,378	$ 16,859	$ 3,204	$ 65,174

Major Governmental Funds

Debt Service Funds

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

General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs for debt issued that benefit the areas of Scott County outside the Special School District (Oneida).

Exhibit H-1

Scott 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 1,770,546	$ 1,722,640	$ 1,722,640	$ 47,906
Licenses and Permits	864	800	800	64
Other Local Revenues	135,983	141,372	141,372	(5,389)
Other Governments and Citizens Groups	62	0	0	62
Total Revenues	$ 1,907,455	$ 1,864,812	$ 1,864,812	$ 42,643
Expenditures				
Principal on Debt				
General Government	$ 1,296,085	$ 1,047,953	$ 1,310,167	$ 14,082
Interest on Debt				
General Government	195,217	438,633	220,878	25,661
Other Debt Service				
General Government	233,740	232,160	246,920	13,180
Total Expenditures	$ 1,725,042	$ 1,718,746	$ 1,777,965	$ 52,923
Excess (Deficiency) of Revenues Over Expenditures	$ 182,413	$ 146,066	$ 86,847	$ 95,566
Other Financing Sources (Uses)				
Transfers In	$ 45,025	$ 12,324	$ 12,324	$ 32,701
Transfers Out	(36,680)	0	(36,680)	0
Total Other Financing Sources	$ 8,345	$ 12,324	$ (24,356)	$ 32,701
Net Change in Fund Balance	$ 190,758	$ 158,390	$ 62,491	$ 128,267
Fund Balance, July 1, 2012	1,251,519	626,394	626,394	625,125
Fund Balance, June 30, 2013	$ 1,442,277	$ 784,784	$ 688,885	$ 753,392

Exhibit H-2

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

	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues				
Local Taxes	$ 986,330	$ 1,003,788	$ 1,003,788	$ (17,458)
Other Local Revenues	0	59,720	59,720	(59,720)
Other Governments and Citizens Groups	361,065	185,773	361,064	1
Total Revenues	$ 1,347,395	$ 1,249,281	$ 1,424,572	$ (77,177)
Expenditures				
Principal on Debt				
Education	$ 1,162,245	$ 993,072	$ 1,171,477	$ 9,232
Interest on Debt				
Education	439,227	359,485	455,571	16,344
Other Debt Service				
Education	30,871	40,000	40,000	9,129
Total Expenditures	$ 1,632,343	$ 1,392,557	$ 1,667,048	$ 34,705
Excess (Deficiency) of Revenues Over Expenditures	$ (284,948)	$ (143,276)	$ (242,476)	$ (42,472)
Net Change in Fund Balance	$ (284,948)	$ (143,276)	$ (242,476)	$ (42,472)
Fund Balance, July 1, 2012	536,753	419,933	419,933	116,820
Fund Balance, June 30, 2013	$ 251,805	$ 276,657	$ 177,457	$ 74,348

Fiduciary Funds

Agency Funds are used to account for assets held by the county 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 areas 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.

Special School District Fund – The Special School District Fund is used to account for the tax levy for the Special School District (Oneida). These revenues are received by Scott County and remitted to the Special School District on a monthly basis.

City School ADA - Oneida Fund – The City School ADA - Oneida Fund is used to account for the city school system's share of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school system 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 and general sessions courts clerk, clerk and master, register, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for amounts held in an agency capacity for the Eighth Judicial District Drug Task Force.

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

Exhibit I-1

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

	Agency Funds						
	Cities - Sales Tax	Special School District	City School ADA - Oneida	Constitu-tional Officers - Agency	Judicial District Drug	District Attorney General	Total
ASSETS							
Cash	$ 0	$ 0	$ 0	$ 562,817	$ 0	$ 0	$ 562,817
Equity in Pooled Cash and Investments	0	1,297	57,439	0	120,860	11,391	190,987
Accounts Receivable	0	0	0	0	2,717	0	2,717
Due from Other Governments	252,401	0	103,171	0	83,762	4,483	443,817
Due from Other Funds	0	0	0	0	24,230	0	24,230
Property Taxes Receivable	0	407,828	943,789	0	0	0	1,351,617
Allowance for Uncollectible Property Taxes	0	(23,726)	(51,467)	0	0	0	(75,193)
Total Assets	$ 252,401	$ 385,399	$ 1,052,932	$ 562,817	$ 231,569	$ 15,874	$ 2,500,992
LIABILITIES							
Accounts Payable	$ 0	$ 0	$ 0	$ 0	$ 1,455	$ 1,720	$ 3,175
Payroll Deductions Payable	0	0	0	0	2,168	0	2,168
Due to Other Taxing Units	252,401	385,399	1,052,932	0	0	0	1,690,732
Due to Litigants, Heirs, and Others	0	0	0	562,817	0	14,154	576,971
Due to Joint Venture	0	0	0	0	227,946	0	227,946
Total Liabilities	$ 252,401	$ 385,399	$ 1,052,932	$ 562,817	$ 231,569	$ 15,874	$ 2,500,992

Exhibit I-2

Scott 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
Cities - Sales Tax Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 1,444,498	$ 1,444,498	$ 0
Due from Other Governments	249,119	252,401	249,119	252,401
Total Assets	$ 249,119	$ 1,696,899	$ 1,693,617	$ 252,401
Liabilities				
Due to Other Taxing Units	$ 249,119	$ 1,696,899	$ 1,693,617	$ 252,401
Total Liabilities	$ 249,119	$ 1,696,899	$ 1,693,617	$ 252,401
Special School District				
Assets				
Equity in Pooled Cash and Investments	$ 5,686	$ 368,980	$ 373,369	$ 1,297
Property Taxes Receivable	488,908	407,828	488,908	407,828
Allowance for Uncollectible Taxes	(26,665)	(23,726)	(26,665)	(23,726)
Total Assets	$ 467,929	$ 753,082	$ 835,612	$ 385,399
Liabilities				
Due to Other Taxing Units	$ 467,929	$ 753,082	$ 835,612	$ 385,399
Total Liabilities	$ 467,929	$ 753,082	$ 835,612	$ 385,399
City School ADA - Oneida Fund				
Assets				
Equity in Pooled Cash and Investments	$ 60,731	$ 1,394,416	$ 1,397,708	$ 57,439
Due from Other Governments	90,959	103,171	90,959	103,171
Property Taxes Receivable	897,528	943,789	897,528	943,789
Allowance for Uncollectible Taxes	(48,605)	(51,467)	(48,605)	(51,467)
Total Assets	$ 1,000,613	$ 2,389,909	$ 2,337,590	$ 1,052,932
Liabilities				
Due to Other Taxing Units	$ 1,000,613	$ 2,389,909	$ 2,337,590	$ 1,052,932
Total Liabilities	$ 1,000,613	$ 2,389,909	$ 2,337,590	$ 1,052,932

(Continued)

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 578,635	$ 3,890,789	$ 3,906,607	$ 562,817
Accounts Receivable	93	0	93	0
Total Assets	$ 578,728	$ 3,890,789	$ 3,906,700	$ 562,817
Liabilities				
Due to Litigants, Heirs, and Others	$ 578,728	$ 3,890,789	$ 3,906,700	$ 562,817
Total Liabilities	$ 578,728	$ 3,890,789	$ 3,906,700	$ 562,817
Judicial District Drug				
Assets				
Equity in Pooled Cash and Investments	$ 152,191	$ 311,685	$ 343,016	$ 120,860
Accounts Receivable	104	2,717	104	2,717
Due from Other Governments	12,771	83,762	12,771	83,762
Due from Other Funds	0	24,230	0	24,230
Total Assets	$ 165,066	$ 422,394	$ 355,891	$ 231,569
Liabilities				
Accounts Payable	$ 1,955	$ 1,455	$ 1,955	$ 1,455
Payroll Deductions Payable	2,543	2,168	2,543	2,168
Due to Joint Venture	160,568	418,771	351,393	227,946
Total Liabilities	$ 165,066	$ 422,394	$ 355,891	$ 231,569
District Attorney General				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 121,708	$ 110,317	$ 11,391
Due from Other Governments	0	12,728	8,245	4,483
Total Assets	$ 0	$ 134,436	$ 118,562	$ 15,874
Liabilities				
Accounts Payable	$ 0	$ 30,149	$ 28,429	$ 1,720
Due to Litigants, Heirs and Others	0	104,287	90,133	14,154
Total Liabilities	$ 0	$ 134,436	$ 118,562	$ 15,874

(Continued)

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
Totals - All Agency Funds				
Assets				
Cash	$ 578,635	$ 3,890,789	$ 3,906,607	$ 562,817
Equity in Pooled Cash and Investments	218,608	3,641,287	3,668,908	190,987
Account Receivables	197	2,717	197	2,717
Due from Other Governments	352,849	452,062	361,094	443,817
Due from Other Funds	0	24,230	0	24,230
Property Taxes Receivable	1,386,436	1,351,617	1,386,436	1,351,617
Allowance for Uncollectible Taxes	(75,270)	(75,193)	(75,270)	(75,193)
Total Assets	$ 2,461,455	$ 9,287,509	$ 9,247,972	$ 2,500,992
Liabilities				
Accounts Payable	$ 1,955	$ 31,604	$ 30,384	$ 3,175
Payroll Deductions Payable	2,543	2,168	2,543	2,168
Due to Other Taxing Units	1,717,661	4,839,890	4,866,819	1,690,732
Due to Litigants, Heirs, and Others	578,728	3,995,076	3,996,833	576,971
Due to Joint Venture	160,568	418,771	351,393	227,946
Total Liabilities	$ 2,461,455	$ 9,287,509	$ 9,247,972	$ 2,500,992

Scott County School Department

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

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 cafeteria operations in each of the schools.

Exhibit J-1

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental Activities:				
Instruction	$ 14,458,217	$ 41,909	$ 1,261,062	$ (13,155,246)
Support Services	7,631,964	0	322,435	(7,309,529)
Operation of Non-Instructional Services	2,778,883	251,720	2,612,491	85,328
Other Debt Service	290,980	0	0	(290,980)
Total Governmental Activities	$ 25,160,044	$ 293,629	$ 4,195,988	$ (20,670,427)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				$ 2,001,728
Local Option Sales Taxes				1,207,730
Other Local Taxes				1,383
Grants and Contributions Not Restricted to Specific Programs				16,308,185
Unrestricted Investment Income				1,040
Miscellaneous				21,028
Total General Revenues				$ 19,541,094
Change in Net Position				$ (1,129,333)
Net Position, July 1, 2012				21,805,649
Net Position, June 30, 2013				$ 20,676,316

Exhibit J-2

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

	Major Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	Total Governmental Funds
ASSETS				
Cash	$ 0	$ 0	$ 2,399	$ 2,399
Equity in Pooled Cash and Investments	5,213,145	222,772	922,695	6,358,612
Accounts Receivable	23,721	0	4,882	28,603
Due from Other Governments	732,164	293,590	14,071	1,039,825
Property Taxes Receivable	2,171,025	0	0	2,171,025
Allowance for Uncollectible Property Taxes	(118,391)	0	0	(118,391)
Total Assets	$ 8,021,664	$ 516,362	$ 944,047	$ 9,482,073
LIABILITIES				
Accounts Payable	$ 37,518	$ 2,714	$ 0	$ 40,232
Accrued Payroll	2,333,581	283,420	108,719	2,725,720
Payroll Deductions Payable	192,963	18,043	6,932	217,938
Due to State of Tennessee	4,825	928	1,077	6,830
Other Current Liabilities	256,728	27,996	3,042	287,766
Total Liabilities	$ 2,825,615	$ 333,101	$ 119,770	$ 3,278,486
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	$ 1,910,433	$ 0	$ 0	$ 1,910,433
Deferred Delinquent Property Taxes	126,218	0	0	126,218
Other Deferred/Unavailable Revenue	628,157	0	0	628,157
Total Deferred Inflows of Resources	$ 2,664,808	$ 0	$ 0	$ 2,664,808
FUND BALANCES				
Restricted:				
Restricted for Education	$ 161,838	$ 83,261	$ 824,277	$ 1,069,376
Committed:				
Committed for Education	0	100,000	0	100,000
Assigned:				
Assigned for Education	72,286	0	0	72,286
Unassigned	2,297,117	0	0	2,297,117
Total Fund Balances	$ 2,531,241	$ 183,261	$ 824,277	$ 3,538,779
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 8,021,664	$ 516,362	$ 944,047	$ 9,482,073

Exhibit J-3

Scott County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
Discretely Presented Scott 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)		$ 3,538,779
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	$ 910,561	
Add: building and improvements net of accumulated depreciation	18,955,622	
Add: other capital assets net of accumulated depreciation	1,287,694	21,153,877
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on primary government debt for capital leases	$ (2,238,324)	
Less: other postemployment benefits liability	(2,532,391)	(4,770,715)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		754,375
Net position of governmental activities (Exhibit A)		$ 20,676,316

Exhibit J-4

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

	Major Funds			
	General Purpose School	School Federal Projects	Central Cafeteria	Total Governmental Funds
Revenues				
Local Taxes	$ 3,189,495	$ 0	$ 0	$ 3,189,495
Licenses and Permits	573	0	0	573
Charges for Current Services	42,369	0	251,720	294,089
Other Local Revenues	56,683	0	1,154	57,837
State of Tennessee	16,900,988	0	17,179	16,918,167
Federal Government	0	2,243,244	1,603,783	3,847,027
Total Revenues	$ 20,190,108	$ 2,243,244	$ 1,873,836	$ 24,307,188
Expenditures				
Current:				
Instruction	$ 12,029,249	$ 1,967,681	$ 0	$ 13,996,930
Support Services	6,246,249	359,354	0	6,605,603
Operation of Non-Instructional Services	995,032	0	1,906,771	2,901,803
Capital Outlay	85,628	0	0	85,628
Debt Service:				
Other Debt Service	361,065	0	0	361,065
Total Expenditures	$ 19,717,223	$ 2,327,035	$ 1,906,771	$ 23,951,029
Excess (Deficiency) of Revenues Over Expenditures	$ 472,885	$ (83,791)	$ (32,935)	$ 356,159
Other Financing Sources (Uses)				
Transfers In	$ 25,000	$ 0	$ 0	$ 25,000
Transfers Out	0	(25,000)	0	(25,000)
Total Other Financing Sources (Uses)	$ 25,000	$ (25,000)	$ 0	$ 0
Net Change in Fund Balances	$ 497,885	$ (108,791)	$ (32,935)	$ 356,159
Fund Balance, July 1, 2012	2,033,356	292,052	857,212	3,182,620
Fund Balance, June 30, 2013	$ 2,531,241	$ 183,261	$ 824,277	$ 3,538,779

Exhibit J-5

Scott County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Scott 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)		$ 356,159
(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	$ 170,721	
Less: current-year depreciation expense	(997,348)	(826,627)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2013	$ 754,375	
Less: deferred delinquent property taxes and other deferred June 30, 2012	(1,030,852)	(276,477)
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
Add: principal contributions on leases to primary government		70,085
(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		(452,473)
Change in net position of governmental activities (Exhibit B)		$ (1,129,333)

Exhibit J-6

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Local Taxes	$ 3,189,495	$ 0	$ 3,189,495	$ 3,329,780	$ 3,329,780	$ (140,285)
Licenses and Permits	573	0	573	500	500	73
Charges for Current Services	42,369	0	42,369	42,000	42,000	369
Other Local Revenues	56,683	0	56,683	0	59,029	(2,346)
State of Tennessee	16,900,988	0	16,900,988	16,393,439	16,684,522	216,466
Federal Government	0	0	0	5,500	5,500	(5,500)
Total Revenues	$ 20,190,108	$ 0	$ 20,190,108	$ 19,771,219	$ 20,121,331	$ 68,777
Expenditures						
Instruction						
Regular Instruction Program	$ 10,241,033	$ 0	$ 10,241,033	$ 10,327,525	$ 10,498,882	$ 257,849
Alternative Instruction Program	20,127	0	20,127	76,726	39,726	19,599
Special Education Program	1,271,948	0	1,271,948	1,297,352	1,297,352	25,404
Vocational Education Program	496,141	0	496,141	632,663	575,663	79,522
Support Services						
Attendance	86,628	0	86,628	88,806	88,806	2,178
Health Services	251,311	0	251,311	149,366	267,649	16,338
Other Student Support	337,971	0	337,971	369,416	370,316	32,345
Regular Instruction Program	596,042	0	596,042	679,749	663,477	67,435
Special Education Program	184,302	0	184,302	192,061	192,061	7,759
Other Programs	114,949	0	114,949	0	114,949	0
Board of Education	418,716	0	418,716	433,327	438,447	19,731
Director of Schools	275,324	0	275,324	294,757	300,757	25,433
Office of the Principal	833,447	0	833,447	910,786	842,286	8,839

(Continued)

Exhibit J-6

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)						
Support Services (Cont.)						
Operation of Plant	$ 1,583,893	$ 0	$ 1,583,893	$ 1,545,822	$ 1,586,822	$ 2,929
Maintenance of Plant	203,919	0	203,919	256,027	248,027	44,108
Transportation	1,112,891	0	1,112,891	1,105,908	1,134,933	22,042
Central and Other	246,856	0	246,856	241,523	256,523	9,667
Operation of Non-Instructional Services						
Community Services	45,612	0	45,612	50,000	50,000	4,388
Early Childhood Education	949,420	594	950,014	1,061,340	1,056,590	106,576
Capital Outlay						
Regular Capital Outlay	85,628	0	85,628	75,000	115,000	29,372
Principal on Debt						
Education	0	0	0	67,516	0	0
Interest on Debt						
Education	0	0	0	107,775	0	0
Other Debt Service						
Education	361,065	0	361,065	185,774	361,065	0
Total Expenditures	$ 19,717,223	$ 594	$ 19,717,817	$ 20,149,219	$ 20,499,331	$ 781,514
Excess (Deficiency) of Revenues Over Expenditures	$ 472,885	$ (594)	$ 472,291	$ (378,000)	$ (378,000)	$ 850,291
Other Financing Sources (Uses)						
Transfers In	$ 25,000	$ 0	$ 25,000	$ 378,000	$ 378,000	$ (353,000)
Total Other Financing Sources	$ 25,000	$ 0	$ 25,000	$ 378,000	$ 378,000	$ (353,000)

(Continued)

Exhibit J-6

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Net Change in Fund Balance	$ 497,885	$ (594)	$ 497,291	$ 0	$ 0	$ 497,291
Fund Balance, July 1, 2012	2,033,356	0	2,033,356	3,139,427	3,139,427	(1,106,071)
Fund Balance, June 30, 2013	$ 2,531,241	$ (594)	$ 2,530,647	$ 3,139,427	$ 3,139,427	$ (608,780)

Exhibit J-7

Scott County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Scott 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 Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Federal Government	$ 2,243,244	$ 0	$ 2,243,244	$ 2,432,489	$ 2,999,531	$ (756,287)
Total Revenues	$ 2,243,244	$ 0	$ 2,243,244	$ 2,432,489	$ 2,999,531	$ (756,287)
Expenditures						
Instruction						
Regular Instruction Program	$ 1,332,955	$ 52	$ 1,333,007	$ 1,125,569	$ 1,585,729	$ 252,722
Special Education Program	576,342	0	576,342	671,745	740,186	163,844
Vocational Education Program	58,384	108	58,492	52,695	58,492	0
Support Services						
Other Student Support	31,430	0	31,430	103,000	108,716	77,286
Regular Instruction Program	280,225	3,842	284,067	364,400	435,517	151,450
Special Education Program	9,157	0	9,157	51,442	51,442	42,285
Vocational Education Program	2,152	0	2,152	3,064	2,152	0
Transportation	36,390	0	36,390	34,500	38,000	1,610
Total Expenditures	$ 2,327,035	$ 4,002	$ 2,331,037	$ 2,406,415	$ 3,020,234	$ 689,197
Excess (Deficiency) of Revenues Over Expenditures	$ (83,791)	$ (4,002)	$ (87,793)	$ 26,074	$ (20,703)	$ (67,090)
Other Financing Sources (Uses)						
Transfers In	$ 0	$ 0	$ 0	$ 87,524	$ 103,524	$ (103,524)
Transfers Out	(25,000)	0	(25,000)	(113,599)	(97,599)	72,599
Total Other Financing Sources	$ (25,000)	$ 0	$ (25,000)	$ (26,075)	$ 5,925	$ (30,925)

(Continued)

Exhibit J-7

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Net Change in Fund Balance	$ (108,791)	$ (4,002)	$ (112,793)	$ (1)	$ (14,778)	$ (98,015)
Fund Balance, July 1, 2012	292,052	0	292,052	68,478	68,478	223,574
Fund Balance, June 30, 2013	$ 183,261	$ (4,002)	$ 179,259	$ 68,477	$ 53,700	$ 125,559

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues						
Charges for Current Services	$ 251,720	$ 0	$ 251,720	$ 266,000	$ 266,000	$ (14,280)
Other Local Revenues	1,154	0	1,154	2,300	2,300	(1,146)
State of Tennessee	17,179	0	17,179	16,700	16,700	479
Federal Government	1,603,783	0	1,603,783	1,400,000	1,497,988	105,795
Total Revenues	$ 1,873,836	$ 0	$ 1,873,836	$ 1,685,000	$ 1,782,988	$ 90,848
Expenditures						
Operation of Non-Instructional Services						
Food Service	$ 1,906,771	$ (39,340)	$ 1,867,431	$ 1,935,000	$ 2,032,988	$ 165,557
Total Expenditures	$ 1,906,771	$ (39,340)	$ 1,867,431	$ 1,935,000	$ 2,032,988	$ 165,557
Excess (Deficiency) of Revenues Over Expenditures	$ (32,935)	$ 39,340	$ 6,405	$ (250,000)	$ (250,000)	$ 256,405
Net Change in Fund Balance	$ (32,935)	$ 39,340	$ 6,405	$ (250,000)	$ (250,000)	$ 256,405
Fund Balance, July 1, 2012	857,212	(39,340)	817,872	250,000	250,000	567,872
Fund Balance, June 30, 2013	$ 824,277	$ 0	$ 824,277	$ 0	$ 0	$ 824,277

Miscellaneous Schedules

Exhibit K-1

Scott County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, 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
GOVERNMENTAL ACTIVITIES								
NOTES PAYABLE								
Payable through Highway/Public Works Fund								
Equipment	$ 301,812	3.7 %	5-20-03	5-20-15	$ 75,452	$ 0	$ 25,151	$ 50,301
Bridge Replacement/Equipment	300,000	4.99	8-30-05	6-30-17	125,000	0	25,000	100,000
Road Resurface/Guardrails	300,000	4.77	9-15-06	9-15-13 (4)	67,001	0	67,001	0
Road Resurface	300,000	3.98	12-5-07	12-1-16	166,664	0	33,334	133,330
Asphalt	200,000	3.33	1-9-09	1-10-15	100,000	0	33,333	66,667
Road Resurface	600,000	3.57	8-31-09	8-28-15 (1)	466,666	0	66,666	400,000
Road Resurface	500,000	2.94	10-15-12	10-15-15	0	500,000	0	500,000
Total Payable through Highway/Public Works Fund					$ 1,000,783	$ 500,000	$ 250,485	$ 1,250,298
Payable through General Debt Service Fund								
Public Works (Waterlines)	250,000	2.7	5-20-03	5-20-15 (4)	$ 62,500	$ 0	$ 62,500	$ 0
Various Projects	230,000	3.57	6-3-04	12-30-12	24,668	0	24,668	0
Various Projects	300,000	4.6	5-31-05	5-31-14 (4)	66,662	0	66,662	0
Airport Improvements	125,000	4.74	11-30-05	11-30-17 (4)	62,498	0	62,498	0
Bleachers/Other School Projects	325,000	5	5-17-06	5-30-18	162,500	0	27,083	135,417
Scott High Gym and Oneida High Bus	149,500	3.59	4-4-07	4-4-13	66,445	0	66,445	0
Vehicles, Equipment, Guard Rails	169,191	3.59	6-19-07	4-4-13	75,196	0	75,196	0
Highway Equipment	212,300	4.9	6-19-07	6-19-19	123,840	0	17,692	106,148
Police Vehicles and Equipment	106,618	3.26	9-25-08	9-25-13 (4)	42,548	0	42,548	0
Aviation Projects	434,103	3.19	2-9-10	2-5-16 (2)	361,753	0	36,175	325,578
Public Works (Mowing Tractors)	54,957	3.85	6-4-10	6-4-13	18,319	0	18,319	0
Total Payable through General Debt Service Fund					$ 1,066,929	$ 0	$ 499,786	$ 567,143
Payable through Solid Waste/Sanitation Fund								
Solid Waste Disposal	70,000	3.57	6-3-04	12-30-12	$ 8,664	$ 0	$ 8,664	$ 0
Total Payable through Solid Waste/Sanitation Fund					$ 8,664	$ 0	$ 8,664	$ 0

(Continued)

Exhibit K-1

Scott County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds (Cont.)

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
GOVERNMENTAL ACTIVITIES (CONT.)								
NOTES PAYABLE (CONT.)								
Payable through Rural Debt Service Fund								
Transportation Equipment	$ 355,601	3.95 %	2-6-04	12-30-13 (4)	$ 71,120	$ 0	$ 71,120	$ 0
Transportation Equipment	471,760	4.05	8-29-05	8-29-14	162,291	0	51,936	110,355
Winfield Construction Project	388,182	4.99	8-24-05	6-24-17	161,743	0	32,349	129,394
Winfield Construction Project	278,277	4.74	11-30-05	11-30-17	139,137	0	23,190	115,947
Scott High Construction Projects	190,579	4.9	6-19-07	12-4-15 (4)	84,703	0	84,703	0
Transportation Equipment	518,096	4.88	8-28-06	8-28-18	302,221	0	43,175	259,046
Huntsville Elementary and Technology Center Roof Projects	245,570	3.72	6-2-08	6-2-17	136,426	0	27,286	109,140
Total Payable through Rural Debt Service Fund					$ 1,057,641	$ 0	$ 333,759	$ 723,882
Total Notes Payable					$ 3,134,017	$ 500,000	$ 1,092,694	$ 2,541,323
OTHER LOANS PAYABLE								
Public Building Authority Loan Agreement								
Payable through General Debt Service Fund								
Building and Equipment	1,000,000	Varies	3-1-1995	5-25-21	$ 504,300	$ 0	$ 45,700	$ 458,600
Justice Center and Highway Projects	(3)	Varies	2-27-07	5-25-34	8,343,490	365,448	218,000	8,490,938
School Renovations and Improvements	13,940,000	Varies	12-15-09	5-25-35	13,341,000	0	322,000	13,019,000
Total Payable through General Debt Service Fund					$ 22,188,790	$ 365,448	$ 585,700	$ 21,968,538
Payable through Rural Debt Service Fund								
Various Schools Projects	3,000,000	Varies	10-2-03	5-25-23	$ 1,949,000	$ 0	$ 151,000	$ 1,798,000
Total Payable through Rural Debt Service Fund					$ 1,949,000	$ 0	$ 151,000	$ 1,798,000
Total Other Loans Payable					$ 24,137,790	$ 365,448	$ 736,700	$ 23,766,538

(Continued)

Exhibit K-1

Scott County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds (Cont.)

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
GOVERNMENTAL ACTIVITIES (CONT.)								
CAPITAL LEASES PAYABLE								
Payable by School Department through General Purpose School Fund								
Energy Efficiency Upgrades	$ 2,499,652	4.62 %	5-15-08	5-15-27	$ 2,308,409	$ 0	$ 70,085	$ 2,238,324
Total Payable by School Department through General Purpose School Fund					$ 2,308,409	$ 0	$ 70,085	$ 2,238,324
Total Capital Leases Payable					$ 2,308,409	$ 0	$ 70,085	$ 2,238,324
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation Bonds	500,000	5	11-1-1979	1-1-17	$ 127,000	$ 0	$ 23,000	$ 104,000
Refunding	3,093,784	1.1 to 3.55	10-21-03	6-1-15	262,599	0	147,599	115,000
General Obligation Bonds, Series 2004	650,000	4 to 4.7	12-30-04	5-1-35	555,000	0	15,000	540,000
General Obligation Bonds, Series 2008	1,250,000	3 to 4.5	2-14-08	6-1-28	1,150,000	0	25,000	1,125,000
Total Payable through General Debt Service Fund					$ 2,094,599	$ 0	$ 210,599	$ 1,884,000
Payable through Rural Debt Service Fund								
Refunding	6,630,000	3.65 to 4.5	11-1-1998	4-1-14	$ 1,215,000	$ 0	$ 595,000	$ 620,000
Refunding	413,851	1.1 to 3.3	10-21-03	6-1-13	12,401	0	12,401	0
Refunding	4,570,000	3.75 to 4.5	12-30-04	5-1-29	4,570,000	0	0	4,570,000
Rural School Bonds, Series 2004	805,000	3.75 to 4.5	12-30-04	5-1-29	805,000	0	0	805,000
Total Payable through Rural Debt Service Fund					$ 6,602,401	$ 0	$ 607,401	$ 5,995,000
Total Bonds Payable					$ 8,697,000	$ 0	$ 818,000	$ 7,879,000

(Continued)

Exhibit K-1

Scott County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds (Cont.)

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
BUSINESS-TYPE ACTIVITIES								
BONDS PAYABLE								
Payable through Public Utility Fund								
Revenue and Tax Bonds	$ 255,000	4.25 %	9-28-07	8-31-45	$ 240,689	$ 0	$ 3,410	$ 237,279
General Obligation Bonds - Refunding	490,000	1.1 to 4.7	10-21-03	6-1-27	390,000	0	20,000	370,000
Total Bonds Payable					$ 630,689	$ 0	$ 23,410	$ 607,279

(1) This note had an original maturity date of August 28, 2012, but the county refinanced it during the current year to extend the maturity date until August 28, 2015.
(2) This note had an original maturity date of February 5, 2013, but the county refinanced it during the current year to extend the maturity date until February 5, 2016.
(3) The total amount approved for draws under this loan agreement is $10 million, of which $345,062 had not been drawn as of June 30, 2013.
(4) These notes were retired prior to maturity.

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Notes Principal	Notes Interest	Notes Total
2014	$ 611,159	$ 96,759	$ 707,918
2015	613,397	73,187	686,584
2016	915,670	45,882	961,552
2017	229,098	17,104	246,202
2018	111,136	6,944	118,080
2019	60,863	1,920	62,783
Total	$ 2,541,323	$ 241,796	$ 2,783,119

Year Ending June 30	Other Loans Principal	Other Loans Interest	Other Loans Other Fees	Other Loans Total
2014	$ 771,000	$ 34,113	$ 233,558	$ 1,038,671
2015	807,400	32,964	226,089	1,066,453
2016	845,000	31,762	218,263	1,095,025
2017	883,600	30,504	210,066	1,124,170
2018	924,400	29,189	201,491	1,155,080
2019	967,300	27,814	192,512	1,187,626
2020	1,013,400	26,376	183,113	1,222,889
2021	1,059,500	24,870	173,259	1,257,629
2022	1,038,000	23,296	162,949	1,224,245
2023	1,087,000	21,749	152,914	1,261,663
2024	925,000	20,130	142,401	1,087,531
2025	970,000	18,798	133,080	1,121,878
2026	1,019,000	17,401	123,304	1,159,705
2027	1,071,000	15,933	113,036	1,199,969
2028	1,123,000	14,390	102,244	1,239,634
2029	1,180,000	12,772	90,927	1,283,699
2030	1,239,000	11,073	79,036	1,329,109
2031	1,301,000	9,288	66,551	1,376,839
2032	1,366,000	7,414	53,440	1,426,854
2033	1,434,000	5,446	39,674	1,479,120
2034	1,506,000	3,381	25,225	1,534,606
2035	1,235,938	1,319	10,641	1,247,898
Total	$ 23,766,538	$ 419,982	$ 2,933,773	$ 27,120,293

(Continued)

Exhibit K-2

Scott County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

GOVERNMENTAL ACTIVITIES (CONT.)

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2014	$ 78,764	$ 101,786	$ 180,550
2015	88,012	97,954	185,966
2016	97,863	93,682	191,545
2017	108,350	88,942	197,292
2018	119,508	83,703	203,211
2019	131,374	77,933	209,307
2020	143,986	71,600	215,586
2021	157,386	64,667	222,053
2022	171,617	57,098	228,715
2023	186,723	48,854	235,577
2024	202,752	39,892	242,644
2025	219,755	30,169	249,924
2026	237,782	19,639	257,421
2027	294,452	7,451	301,903
Total	$ 2,238,324	$ 883,370	$ 3,121,694

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	$ 774,000	$ 344,161	$ 1,118,161
2015	325,000	310,129	635,129
2016	287,000	297,516	584,516
2017	303,000	286,216	589,216
2018	290,000	275,016	565,016
2019	305,000	263,679	568,679
2020	330,000	251,429	581,429
2021	340,000	237,804	577,804
2022	355,000	223,779	578,779
2023	380,000	208,829	588,829
2024	610,000	192,810	802,810
2025	635,000	166,673	801,673
2026	670,000	139,348	809,348
2027	695,000	109,148	804,148
2028	720,000	77,823	797,823
2029	655,000	42,398	697,398
2030	30,000	9,738	39,738
2031	30,000	8,313	38,313
2032	35,000	6,888	41,888
2033	35,000	5,225	40,225

(Continued)

Exhibit K-2

Scott County, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

GOVERNMENTAL ACTIVITIES (CONT.)

Year Ending June 30	Bonds (Cont.) Principal	Interest	Total
2034	$ 35,000	$ 3,563	$ 38,563
2035	40,000	1,900	41,900
Total	$ 7,879,000	$ 3,462,385	$ 11,341,385

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Bonds Principal	Interest	Total
2014	$ 23,544	$ 26,036	$ 49,580
2015	23,697	25,173	48,870
2016	23,858	24,302	48,160
2017	24,025	23,315	47,340
2018	29,199	22,321	51,520
2019	29,381	21,114	50,495
2020	29,558	19,912	49,470
2021	29,781	18,664	48,445
2022	29,976	17,544	47,520
2023	35,191	16,004	51,195
2024	35,416	14,429	49,845
2025	40,652	12,843	53,495
2026	40,896	10,954	51,850
2027	41,152	9,053	50,205
2028	6,408	7,152	13,560
2029	6,706	6,854	13,560
2030	6,986	6,574	13,560
2031	7,289	6,271	13,560
2032	7,597	5,963	13,560
2033	7,942	5,618	13,560
2034	8,279	5,281	13,560
2035	8,638	4,922	13,560
2036	9,005	4,555	13,560
2037	9,408	4,152	13,560
2038	9,810	3,750	13,560
2039	10,235	3,325	13,560
2040	10,675	2,885	13,560
2041	11,145	2,415	13,560
2042	11,624	1,936	13,560
2043	12,128	1,432	13,560
2044	12,653	907	13,560
2045	13,201	359	13,560
2046	1,224	5	1,229
Total	$ 607,279	$ 336,020	$ 943,299

Exhibit K-3

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

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
Ambulance	General	Operations	$ 200,000
Drug Control	"	Vehicle Purchase	29,398
Highway/Public Works	General Debt Service	Debt Retirement	45,025
General Debt Service	Public Utility	Debt Retirement	36,680
General Capital Projects	"	Equipment Repairs	18,960
Total Transfers Primary Government			$ 330,063
DISCRETELY PRESENTED SCOTT COUNTY SCHOOL DEPARTMENT			
School Federal Projects	General Purpose School	Indirect Costs	$ 25,000
Total Transfers Discretely Presented Scott County School Department			$ 25,000

Exhibit K-4

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

Official	Authorization of Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, *TCA*	$ 67,843	$ 50,000	RLI Insurance Company
Superintendent of Roads	Section 8-24-102, *TCA*	64,613	100,000	"
Director of Schools	State Board of Education and County Board of Education	81,000 (1)	50,000	"
Trustee	Section 8-24-102, *TCA*	58,739	909,400	"
Assessor of Property	Section 8-24-102, *TCA*	58,739	50,000	"
County Clerk	Section 8-24-102, *TCA*	58,739	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, *TCA,* and Circuit Judge	58,739 (2)	50,000	"
Clerk and Master	Section 8-24-102, *TCA,* and Chancery Court Judge	58,379 (3)	50,000	"
Register of Deeds	Section 8-24-102, *TCA*	58,739	25,000	"
Sheriff	Section 8-24-102, *TCA*	65,813 (4)	50,000	"
Director of Finance	Board of County Commissioners	58,738	50,000	"
County Office Employees:				
Trustee			25,000	"
Finance Department			50,000	"
County Clerk			25,000	"
Circuit and General Sessions			25,000	"
Clerk and Master			25,000	"
Register of Deeds			25,000	"
Sheriff			4,000	"

(1) Includes a chief executive officer training supplement of $1,000.
(2) Does not include special commissioner fees of $1,700.
(3) Does not include special commissioner fees of $2,871.
(4) Includes $1,200 for law enforcement training supplements.

Exhibit K-5

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

		Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Local Taxes						
County Property Taxes						
Current Property Tax	$ 1,806,587	$ 0	$ 0	$ 0	$ 0	$ 0
Discount on Property Taxes	(15,209)	0	0	0	0	0
Trustee's Collections - Prior Year	94,351	0	0	0	0	0
Circuit/Clerk & Master Collections - Prior Years	74,618	0	0	0	0	0
Interest and Penalty	16,904	0	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	25,534	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	262,182	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	129,297	0	0	0	0	0
County Local Option Taxes						
Local Option Sales Tax	213,445	0	0	0	0	0
Hotel/Motel Tax	53,927	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	31,763	0	0	0	0	0
Litigation Tax - Special Purpose	96,374	0	0	0	0	0
Business Tax	145,406	0	0	0	0	235
Statutory Local Taxes						
Bank Excise Tax	51,926	0	0	0	0	0
Wholesale Beer Tax	85,433	0	0	0	0	0
Coal Severance Tax	0	0	0	0	0	150
Interstate Telecommunications Tax	1,356	0	0	0	0	0
Total Local Taxes	$ 3,073,894	$ 0	$ 0	$ 0	$ 0	$ 385
Licenses and Permits						
Licenses						
Marriage Licenses	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Cable TV Franchise	26,554	0	0	0	0	0
Permits						
Beer Permits	584	0	0	0	0	0
Total Licenses and Permits	$ 27,138	$ 0	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit K-5

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

		Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties						
Circuit Court						
Fines	$ 21,365	$ 0	$ 0	$ 0	$ 0	$ 0
Officers Costs	5,698	0	0	0	0	0
Drug Control Fines	0	0	0	16,840	0	0
Data Entry Fee - Circuit Court	750	0	0	0	0	0
Criminal Court						
DUI Treatment Fines	158	0	0	0	0	0
General Sessions Court						
Fines	84,800	0	0	0	0	0
Officers Costs	15,523	0	0	0	0	0
Game and Fish Fines	558	0	0	0	0	0
Drug Control Fines	0	0	0	22,929	0	0
Drug Court Fees	6,736	0	0	0	0	0
Jail Fees	3,442	0	0	0	0	0
Data Entry Fee - General Sessions Court	3,879	0	0	0	0	0
Chancery Court						
Officers Costs	9,155	0	0	0	0	0
Data Entry Fee - Chancery Court	1,688	0	0	0	0	0
Other Fines, Forfeitures, and Penalties						
Other Fines, Forfeitures, and Penalties	0	0	0	45,137	0	0
Total Fines, Forfeitures, and Penalties	$ 153,752	$ 0	$ 0	$ 84,906	$ 0	$ 0

(Continued)

Exhibit K-5

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

		Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Charges for Current Services						
General Service Charges						
Convenience Waste Centers Collection Charge	$ 0	$ 5,254	$ 0	$ 0	$ 0	$ 0
Surcharge - Host Agency	0	165,736	0	0	0	0
Patient Charges	0	0	2,153,382	0	0	0
Other General Service Charges	5,015	0	0	0	0	0
Fees						
Airport Fees	342,832	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	4,571	0
Data Processing Fee - Register	5,728	0	0	0	0	0
Probation Fees	31,861	0	0	0	0	0
Sexual Offender Registration Fees - Sheriff	5,100	0	0	0	0	0
Data Processing Fee - County Clerk	1,316	0	0	0	0	0
Total Charges for Current Services	$ 391,852	$ 170,990	$ 2,153,382	$ 0	$ 4,571	$ 0
Other Local Revenues						
Recurring Items						
Investment Income	$ 106,847	$ 0	$ 0	$ 0	$ 0	$ 0
Lease/Rentals	166,513	0	0	0	0	0
Commissary Sales	22,060	0	0	0	0	0
Sale of Maps	2,306	0	0	0	0	0
Sale of Recycled Materials	0	4,507	0	0	0	0
Miscellaneous Refunds	12,358	1,725	9,181	0	0	1,625
Nonrecurring Items						
Sale of Equipment	24,530	0	0	0	0	2,100
Contributions and Gifts	40,623	0	0	250	0	0
Total Other Local Revenues	$ 375,237	$ 6,232	$ 9,181	$ 250	$ 0	$ 3,725

(Continued)

Exhibit K-5

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

		Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
Fees Received from County Officials						
Fees in-Lieu-of Salary						
County Clerk	$ 192,126	$ 0	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	91,529	0	0	0	0	0
General Sessions Court Clerk	105,348	0	0	0	0	0
Clerk and Master	59,151	0	0	0	0	0
Register	78,414	0	0	0	0	0
Sheriff	10,240	0	0	0	0	0
Trustee	293,279	0	0	0	0	0
Total Fees Received from County Officials	$ 830,087	$ 0	$ 0	$ 0	$ 0	$ 0
State of Tennessee						
General Government Grants						
Juvenile Services Program	$ 4,500	$ 0	$ 0	$ 0	$ 0	$ 0
Solid Waste Grants	0	7,350	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	15,000	0	0	0	0	0
Public Works Grants						
State Aid Program	0	0	0	0	0	349,084
Litter Program	0	37,518	0	0	0	0
Other State Revenues						
Income Tax	9,651	0	0	0	0	0
Beer Tax	18,586	0	0	0	0	0
Alcoholic Beverage Tax	51,179	0	0	0	0	0
State Revenue Sharing - T.V.A.	561,256	0	0	0	0	0
Contracted Prisoner Boarding	1,356,064	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,719,104
Petroleum Special Tax	0	0	0	0	0	16,038

(Continued)

Exhibit K-5

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

	General	Special Revenue Funds				
		Solid Waste / Sanitation	Ambulance Service	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
State of Tennessee (Cont.)						
Other State Revenues (Cont.)						
Registrar's Salary Supplement	$ 15,164	$ 0	$ 0	$ 0	$ 0	$ 0
Other State Grants	283,776	0	0	0	0	0
Other State Revenues	175,536	0	0	0	0	65,110
Total State of Tennessee	$ 2,490,712	$ 44,868	$ 0	$ 0	$ 0	$ 2,149,336
Federal Government						
Federal Through State						
Community Development	$ 750,000	$ 0	$ 0	$ 0	$ 0	$ 0
Homeland Security Grants	80,857	0	0	0	0	0
Other Federal through State	33,920	0	0	0	0	0
Direct Federal Revenue						
Other Direct Federal Revenue	16,212	0	0	0	0	0
Total Federal Government	$ 880,989	$ 0	$ 0	$ 0	$ 0	$ 0
Other Governments and Citizens Groups						
Other Governments						
Prisoner Board	$ 33,680	$ 0	$ 0	$ 0	$ 0	$ 0
Contributions	75,972	0	0	0	0	0
Citizens Groups						
Donations	0	0	0	2,990	0	0
Total Other Governments and Citizens Groups	$ 109,652	$ 0	$ 0	$ 2,990	$ 0	$ 0
Total	$ 8,333,313	$ 222,090	$ 2,162,563	$ 88,146	$ 4,571	$ 2,153,446

(Continued)

Exhibit K-5

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

	Debt Service Funds		Capital Projects Fund	
	General Debt Service	Rural Debt Service	Education Capital Projects	Total
Local Taxes				
County Property Taxes				
Current Property Tax	$ 947,972	$ 695,849	$ 0	$ 3,450,408
Discount on Property Taxes	(7,933)	(7,052)	0	(30,194)
Trustee's Collections - Prior Year	88,132	48,028	0	230,511
Circuit/Clerk & Master Collections - Prior Years	32,143	48,376	0	155,137
Interest and Penalty	16,434	9,536	0	42,874
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	25,534
Payments in-Lieu-of Taxes - Local Utilities	136,790	91,593	0	490,565
Payments in-Lieu-of Taxes - Other	0	0	0	129,297
County Local Option Taxes				
Local Option Sales Tax	0	100,000	0	313,445
Hotel/Motel Tax	0	0	0	53,927
Wheel Tax	557,008	0	0	557,008
Litigation Tax - General	0	0	0	31,763
Litigation Tax - Special Purpose	0	0	0	96,374
Business Tax	0	0	0	145,641
Statutory Local Taxes				
Bank Excise Tax	0	0	0	51,926
Wholesale Beer Tax	0	0	0	85,433
Coal Severance Tax	0	0	0	150
Interstate Telecommunications Tax	0	0	0	1,356
Total Local Taxes	$ 1,770,546	$ 986,330	$ 0	$ 5,831,155
Licenses and Permits				
Licenses				
Marriage Licenses	$ 864	$ 0	$ 0	$ 864
Cable TV Franchise	0	0	0	26,554
Permits				
Beer Permits	0	0	0	584
Total Licenses and Permits	$ 864	$ 0	$ 0	$ 28,002

(Continued)

Exhibit K-5

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

	Debt Service Funds		Capital Projects Fund	
	General Debt Service	Rural Debt Service	Education Capital Projects	Total
Fines, Forfeitures, and Penalties				
Circuit Court				
Fines	$ 0	$ 0	$ 0	$ 21,365
Officers Costs	0	0	0	5,698
Drug Control Fines	0	0	0	16,840
Data Entry Fee - Circuit Court	0	0	0	750
Criminal Court				
DUI Treatment Fines	0	0	0	158
General Sessions Court				
Fines	0	0	0	84,800
Officers Costs	0	0	0	15,523
Game and Fish Fines	0	0	0	558
Drug Control Fines	0	0	0	22,929
Drug Court Fees	0	0	0	6,736
Jail Fees	0	0	0	3,442
Data Entry Fee - General Sessions Court	0	0	0	3,879
Chancery Court				
Officers Costs	0	0	0	9,155
Data Entry Fee - Chancery Court	0	0	0	1,688
Other Fines, Forfeitures, and Penalties				
Other Fines, Forfeitures, and Penalties	0	0	0	45,137
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 238,658
Charges for Current Services				
General Service Charges				
Convenience Waste Centers Collection Charge	$ 0	$ 0	$ 0	$ 5,254
Surcharge - Host Agency	0	0	0	165,736
Patient Charges	0	0	0	2,153,382
Other General Service Charges	0	0	0	5,015

(Continued)

Exhibit K-5

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

	Debt Service Funds		Capital Projects Fund	
	General Debt Service	Rural Debt Service	Education Capital Projects	Total
Charges for Current Services (Cont.)				
General Service Charges (Cont.)				
Airport Fees	$ 0	$ 0	$ 0	$ 342,832
Special Commissioner Fees/Special Master Fees	0	0	0	4,571
Data Processing Fee - Register	0	0	0	5,728
Probation Fees	0	0	0	31,861
Sexual Offender Registration Fees - Sheriff	0	0	0	5,100
Data Processing Fee - County Clerk	0	0	0	1,316
Total Charges for Current Services	$ 0	$ 0	$ 0	$ 2,720,795
Other Local Revenues				
Recurring Items				
Investment Income	$ 0	$ 0	$ 512	$ 107,359
Lease/Rentals	135,983	0	0	302,496
Commissary Sales	0	0	0	22,060
Other Local Revenues (Cont.)				
Recurring Items (Cont.)				
Sale of Maps	$ 0	$ 0	$ 0	$ 2,306
Sale of Recycled Materials	0	0	0	4,507
Miscellaneous Refunds	0	0	0	24,889
Nonrecurring Items				
Sale of Equipment	0	0	0	26,630
Contributions and Gifts	0	0	0	40,873
Total Other Local Revenues	$ 135,983	$ 0	$ 512	$ 531,120

(Continued)

Exhibit K-5

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

	Debt Service Funds		Capital Projects Fund	
	General Debt Service	Rural Debt Service	Education Capital Projects	Total
Fees Received from County Officials				
Fees in-Lieu-of Salary				
County Clerk	$ 0	$ 0	$ 0	$ 192,126
Circuit Court Clerk	0	0	0	91,529
General Sessions Court Clerk	0	0	0	105,348
Clerk and Master	0	0	0	59,151
Register	0	0	0	78,414
Sheriff	0	0	0	10,240
Trustee	0	0	0	293,279
Total Fees Received from County Officials	$ 0	$ 0	$ 0	$ 830,087
State of Tennessee				
General Government Grants				
Juvenile Services Program	$ 0	$ 0	$ 0	$ 4,500
Solid Waste Grants	0	0	0	7,350
Public Safety Grants				
Law Enforcement Training Programs	0	0	0	15,000
Public Works Grants				
State Aid Program	0	0	0	349,084
Litter Program	0	0	0	37,518
Other State Revenues				
Income Tax	0	0	0	9,651
Beer Tax	0	0	0	18,586
Alcoholic Beverage Tax	0	0	0	51,179
State Revenue Sharing - T.V.A.	0	0	0	561,256
Contracted Prisoner Boarding	0	0	0	1,356,064
Gasoline and Motor Fuel Tax	0	0	0	1,719,104
Petroleum Special Tax	0	0	0	16,038

(Continued)

Exhibit K-5

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

	Debt Service Funds		Capital Projects Fund	
	General Debt Service	Rural Debt Service	Education Capital Projects	Total
State of Tennessee (Cont.)				
Other State Revenues (Cont.)				
Registrar's Salary Supplement	$ 0	$ 0	$ 0	$ 15,164
Other State Grants	0	0	0	283,776
Other State Revenues	0	0	0	240,646
Total State of Tennessee	$ 0	$ 0	$ 0	$ 4,684,916
Federal Government				
Federal Through State				
Community Development	$ 0	$ 0	$ 0	$ 750,000
Homeland Security Grants	0	0	0	80,857
Other Federal through State	0	0	0	33,920
Direct Federal Revenue				
Other Direct Federal Revenue	0	0	0	16,212
Total Federal Government	$ 0	$ 0	$ 0	$ 880,989
Other Governments and Citizens Groups				
Other Governments				
Prisoner Board	$ 0	$ 0	$ 0	$ 33,680
Contributions	62	361,065	0	437,099
Citizens Groups				
Donations	0	0	0	2,990
Total Other Governments and Citizens Groups	$ 62	$ 361,065	$ 0	$ 473,769
Total	$ 1,907,455	$ 1,347,395	$ 512	$ 16,219,491

Exhibit K-6

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

		Special Revenue Funds		
	General Purpose School	School Federal Projects	Central Cafeteria	Total
Local Taxes				
County Property Taxes				
Current Property Tax	$ 1,785,215	$ 0	$ 0	$ 1,785,215
Discount on Property Taxes	(13,285)	0	0	(13,285)
Trustee's Collections - Prior Year	90,888	0	0	90,888
Circuit/Clerk & Master Collections - Prior Years	93,835	0	0	93,835
Interest and Penalty	18,745	0	0	18,745
County Local Option Taxes				
Local Option Sales Tax	1,212,777	0	0	1,212,777
Statutory Local Taxes				
Interstate Telecommunications Tax	1,320	0	0	1,320
Total Local Taxes	$ 3,189,495	$ 0	$ 0	$ 3,189,495
Licenses and Permits				
Licenses				
Marriage Licenses	$ 573	$ 0	$ 0	$ 573
Total Licenses and Permits	$ 573	$ 0	$ 0	$ 573
Charges for Current Services				
Fees				
Constitutional Officers' Fees and Commissions	$ 460	$ 0	$ 0	$ 460
Education Charges				
Lunch Payments - Children	0	0	144,040	144,040
Lunch Payments - Adults	0	0	32,285	32,285
Income from Breakfast	0	0	22,135	22,135
Special Milk Sales	0	0	2,969	2,969
A la carte Sales	0	0	20,776	20,776
Other Charges for Services				
Other Charges for Services	41,909	0	29,515	71,424
Total Charges for Current Services	$ 42,369	$ 0	$ 251,720	$ 294,089
Other Local Revenues				
Recurring Items				
Investment Income	$ 74	$ 0	$ 966	$ 1,040
Refund of Telecommunication & Internet Fees (E-Rate)	36,229	0	0	36,229
Miscellaneous Refunds	19,282	0	188	19,470
Nonrecurring Items				
Sale of Equipment	1,005	0	0	1,005
Other Local Revenues				
Other Local Revenues	93	0	0	93
Total Other Local Revenues	$ 56,683	$ 0	$ 1,154	$ 57,837
State of Tennessee				
General Government Grants				
On-Behalf Contributions for OPEB	$ 114,949	$ 0	$ 0	$ 114,949
State Education Funds				
Basic Education Program	15,048,462	0	0	15,048,462
Early Childhood Education	1,236,951	0	0	1,236,951
School Food Service	0	0	17,179	17,179
Driver Education	6,710	0	0	6,710
Other State Education Funds	18,458	0	0	18,458
Career Ladder Program	111,054	0	0	111,054
Career Ladder - Extended Contract	21,300	0	0	21,300
Other State Revenues				
State Revenue Sharing - T.V.A.	104,000	0	0	104,000
Other State Grants	239,104	0	0	239,104
Total State of Tennessee	$ 16,900,988	$ 0	$ 17,179	$ 16,918,167

(Continued)

Exhibit K-6

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

		Special Revenue Funds		
	General Purpose School	School Federal Projects	Central Cafeteria	Total
Federal Government				
Federal Through State				
USDA School Lunch Program	$ 0	$ 0	$ 1,006,407	$ 1,006,407
USDA - Commodities	0	0	97,988	97,988
Breakfast	0	0	398,104	398,104
USDA - Other	0	0	101,284	101,284
Vocational Education - Basic Grants to States	0	66,259	0	66,259
Title I Grants to Local Education Agencies	0	1,091,348	0	1,091,348
Special Education - Grants to States	0	618,778	0	618,778
Special Education Preschool Grants	0	14,036	0	14,036
Rural Education	0	63,802	0	63,802
Eisenhower Professional Development State Grants	0	203,160	0	203,160
Race-to-the-Top - ARRA	0	185,861	0	185,861
Total Federal Government	$ 0	$ 2,243,244	$ 1,603,783	$ 3,847,027
Total	$ 20,190,108	$ 2,243,244	$ 1,873,836	$ 24,307,188

Exhibit K-7

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

General Fund				
General Government				
County Commission				
Board and Committee Members Fees	$	88,032		
Social Security		5,458		
State Retirement		2,152		
Employer Medicare		1,276		
Audit Services		6,668		
Contributions		3,026		
Dues and Memberships		10,119		
Evaluation and Testing		2,606		
Travel		33		
Other Contracted Services		20,970		
Other Supplies and Materials		2,765		
Premiums on Corporate Surety Bonds		2,504		
Other Charges		11,534		
Building Improvements		830		
Total County Commission			$	157,973
County Mayor/Executive				
County Official/Administrative Officer	$	67,843		
Secretary(ies)		27,310		
Clerical Personnel		22,353		
Maintenance Personnel		155		
Social Security		7,259		
State Retirement		7,968		
Employer Medicare		1,698		
Communication		10,887		
Legal Notices, Recording, and Court Costs		2,720		
Travel		1,954		
Other Contracted Services		5,483		
Office Supplies		1,645		
Other Charges		1,890		
Total County Mayor/Executive				159,165
County Attorney				
County Official/Administrative Officer	$	46,000		
Social Security		2,852		
State Retirement		3,142		
Employer Medicare		667		
Communication		1,726		
Other Supplies and Materials		744		
Total County Attorney				55,131
Election Commission				
County Official/Administrative Officer	$	52,865		
Deputy(ies)		19,137		
Other Salaries and Wages		270		
Election Commission		16,500		
Election Workers		46,032		
Social Security		6,363		
State Retirement		4,600		
Employer Medicare		1,488		

(Continued)

Exhibit K-7

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

General Fund (Cont.)				
General Government (Cont.)				
Election Commission (Cont.)				
Communication	$	3,269		
Data Processing Services		15,352		
Dues and Memberships		1,060		
Legal Notices, Recording, and Court Costs		2,009		
Maintenance and Repair Services - Office Equipment		337		
Postal Charges		1,382		
Printing, Stationery, and Forms		6,536		
Travel		6,497		
Office Supplies		3,236		
Other Supplies and Materials		528		
Total Election Commission			$	187,461
Register of Deeds				
County Official/Administrative Officer	$	58,739		
Deputy(ies)		27,312		
Other Salaries and Wages		22,035		
Social Security		6,374		
State Retirement		7,379		
Employer Medicare		1,491		
Communication		1,906		
Maintenance and Repair Services - Buildings		1,108		
Maintenance and Repair Services - Office Equipment		3,578		
Printing, Stationery, and Forms		801		
Other Contracted Services		770		
Office Supplies		1,483		
Other Supplies and Materials		49		
Total Register of Deeds				133,025
County Buildings				
Mechanic(s)	$	23,800		
Custodial Personnel		46,558		
Overtime Pay		59		
Other Salaries and Wages		24,524		
Social Security		5,201		
State Retirement		6,484		
Employer Medicare		1,216		
Maintenance and Repair Services - Buildings		21,636		
Maintenance and Repair Services - Equipment		2,016		
Maintenance and Repair Services - Office Equipment		2,416		
Maintenance and Repair Services - Vehicles		6,847		
Travel		20		
Other Contracted Services		9,056		
Custodial Supplies		14,310		
Electricity		159,969		
Gasoline		11,369		
Natural Gas		54,480		
Office Supplies		47		
Road Signs		1,584		
Water and Sewer		59,577		
Other Supplies and Materials		1,624		
Other Charges		5,506		
Total County Buildings				458,299

(Continued)

Exhibit K-7

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

General Fund (Cont.)				
Finance				
Accounting and Budgeting				
Supervisor/Director	$	58,738		
Data Processing Personnel		143,428		
Part-time Personnel		4,680		
Social Security		12,639		
State Retirement		13,808		
Employer Medicare		2,956		
Communication		5,375		
Data Processing Services		11,512		
Travel		261		
Office Supplies		9,795		
Other Supplies and Materials		25		
Other Charges		246		
Data Processing Equipment		421		
Total Accounting and Budgeting			$	263,884
Property Assessor's Office				
County Official/Administrative Officer	$	58,739		
Assistant(s)		50,325		
Deputy(ies)		27,312		
Part-time Personnel		9,531		
Board and Committee Members Fees		3,700		
Social Security		8,836		
State Retirement		9,315		
Employer Medicare		2,067		
Communication		2,861		
Data Processing Services		10,832		
Maintenance and Repair Services - Vehicles		59		
Travel		3,602		
Other Contracted Services		7,650		
Office Supplies		1,484		
Other Supplies and Materials		545		
Furniture and Fixtures		649		
Total Property Assessor's Office				197,507
County Trustee's Office				
County Official/Administrative Officer	$	58,739		
Assistant(s)		18,960		
Deputy(ies)		27,312		
Other Salaries and Wages		18,606		
Social Security		7,124		
State Retirement		8,037		
Employer Medicare		1,666		
Communication		1,684		
Contracts with Other Public Agencies		4,268		
Data Processing Services		5,349		
Dues and Memberships		150		
Travel		873		
Office Supplies		1,659		
Data Processing Equipment		1,360		
Total County Trustee's Office				155,787

(Continued)

Exhibit K-7

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

General Fund (Cont.)				
Finance (Cont.)				
County Clerk's Office				
County Official/Administrative Officer	$	58,739		
Assistant(s)		51,257		
Deputy(ies)		27,312		
Temporary Personnel		494		
Other Salaries and Wages		22,027		
Social Security		9,431		
State Retirement		10,868		
Employer Medicare		2,206		
Communication		3,268		
Dues and Memberships		100		
Maintenance and Repair Services - Buildings		6,193		
Printing, Stationery, and Forms		2,943		
Other Contracted Services		7,831		
Office Supplies		2,399		
Office Equipment		5,100		
Total County Clerk's Office			$	210,168
Administration of Justice				
Circuit Court				
County Official/Administrative Officer	$	58,739		
Assistant(s)		27,311		
Deputy(ies)		97,215		
Part-time Personnel		13,204		
Jury and Witness Expense		8,252		
Social Security		11,856		
State Retirement		12,517		
Employer Medicare		2,773		
Communication		3,862		
Data Processing Services		10,609		
Printing, Stationery, and Forms		2,324		
Office Supplies		4,813		
Other Charges		741		
Data Processing Equipment		3,147		
Furniture and Fixtures		2,995		
Total Circuit Court				260,358
General Sessions Court				
Judge(s)	$	123,473		
Assistant(s)		44,817		
Salary Supplements		9,350		
Secretary(ies)		21,466		
Clerical Personnel		23,268		
Part-time Personnel		15,903		
Board and Committee Members Fees		6,000		
Social Security		15,107		
State Retirement		15,598		
Employer Medicare		3,533		
Communication		4,752		
Travel		5,244		
Other Contracted Services		4,800		

(Continued)

Exhibit K-7

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
General Sessions Court (Cont.)				
Office Supplies	$	1,321		
Other Supplies and Materials		8,516		
Furniture and Fixtures		26,252		
Total General Sessions Court			$	329,400
Chancery Court				
County Official/Administrative Officer	$	58,739		
Deputy(ies)		27,310		
Other Salaries and Wages		22,526		
Social Security		6,506		
State Retirement		7,265		
Employer Medicare		1,521		
Communication		2,644		
Data Processing Services		1,024		
Printing, Stationery, and Forms		179		
Office Supplies		448		
Building Improvements		1,348		
Total Chancery Court				129,510
District Attorney General				
Other Contracted Services	$	564		
Other Supplies and Materials		14,539		
Other Charges		23,540		
Total District Attorney General				38,643
Public Safety				
Sheriff's Department				
County Official/Administrative Officer	$	64,613		
Deputy(ies)		777,752		
Salary Supplements		25,200		
Secretary(ies)		41,678		
Overtime Pay		5,183		
Social Security		55,228		
State Retirement		59,555		
Employer Medicare		12,916		
Communication		35,663		
Dues and Memberships		2,310		
Maintenance and Repair Services - Buildings		5,516		
Maintenance and Repair Services - Equipment		3,860		
Maintenance and Repair Services - Vehicles		56,267		
Printing, Stationery, and Forms		136		
Towing Services		3,630		
Travel		9,048		
Tuition		5,957		
Other Contracted Services		6,904		
Data Processing Supplies		5,378		
Gasoline		135,943		
Law Enforcement Supplies		3,982		
Office Supplies		9,779		
Tires and Tubes		4,221		

(Continued)

Exhibit K-7

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

General Fund (Cont.)				
Public Safety (Cont.)				
Sheriff's Department (Cont.)				
Uniforms	$	3,346		
Other Supplies and Materials		17,127		
Liability Insurance		31,604		
Workers' Compensation Insurance		48,456		
Other Charges		1,374		
Furniture and Fixtures		1,445		
Motor Vehicles		46,759		
Office Equipment		3,331		
Total Sheriff's Department			$	1,484,161
Administration of the Sexual Offender Registry				
Other Charges	$	1,650		
Total Administration of the Sexual Offender Registry				1,650
Jail				
Deputy(ies)	$	549,247		
Dispatchers/Radio Operators		236,804		
Social Security		47,591		
State Retirement		52,223		
Employer Medicare		11,130		
Medical and Dental Services		421,293		
Travel		10,129		
Tuition		200		
Other Contracted Services		856		
Food Supplies		248,636		
Office Supplies		2,133		
Uniforms		7,758		
Other Supplies and Materials		59,844		
Building Improvements		1,439		
Total Jail				1,649,283
Juvenile Services				
Deputy(ies)	$	63,803		
Youth Service Officer(s)		28,833		
Part-time Personnel		68,251		
Social Security		9,803		
State Retirement		6,230		
Employer Medicare		2,293		
Communication		4,826		
Maintenance and Repair Services - Buildings		1,148		
Travel		1,235		
Other Contracted Services		565		
Electricity		1,391		
Food Supplies		12,080		
Gasoline		3,438		
Natural Gas		1,906		
Office Supplies		805		
Other Supplies and Materials		6,681		
Workers' Compensation Insurance		4,457		
Total Juvenile Services				217,745

(Continued)

Exhibit K-7

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

General Fund (Cont.)				
Public Safety (Cont.)				
Fire Prevention and Control				
Contributions	$	2,000		
Total Fire Prevention and Control			$	2,000
Civil Defense				
Supervisor/Director	$	22,069		
Social Security		1,368		
State Retirement		1,507		
Employer Medicare		320		
Communication		532		
Contracts with Government Agencies		30,288		
Dues and Memberships		125		
Travel		2,395		
Office Supplies		290		
Other Supplies and Materials		112		
Total Civil Defense				59,006
Rescue Squad				
Contributions	$	8,000		
Total Rescue Squad				8,000
County Coroner/Medical Examiner				
County Official/Administrative Officer	$	5,538		
Social Security		343		
Employer Medicare		80		
Total County Coroner/Medical Examiner				5,961
Public Health and Welfare				
Local Health Center				
Social Security	$	1,734		
State Retirement		1,484		
Employer Medicare		406		
Contributions		49,838		
Building Improvements		934		
Total Local Health Center				54,396
Other Local Health Services				
Medical Personnel	$	144,879		
Social Security		8,766		
State Retirement		8,296		
Medical Insurance		3,174		
Employer Medicare		2,050		
Travel		3,535		
Workers' Compensation Insurance		4,457		
Total Other Local Health Services				175,157
General Welfare Assistance				
Maintenance and Repair Services - Buildings	$	235		
Total General Welfare Assistance				235

(Continued)

Exhibit K-7

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

General Fund (Cont.)				
Public Health and Welfare (Cont.)				
Other Local Welfare Services				
Pauper Burials	$	122		
Total Other Local Welfare Services			$	122
Social, Cultural, and Recreational Services				
Senior Citizens Assistance				
Deputy(ies)	$	27,498		
Part-time Personnel		20,569		
Social Security		2,890		
State Retirement		1,878		
Employer Medicare		676		
Communication		2,633		
Contributions		668		
Maintenance and Repair Services - Vehicles		5,674		
Travel		6,404		
Utilities		7,090		
Other Supplies and Materials		720		
Motor Vehicles		3,676		
Total Senior Citizens Assistance				80,376
Libraries				
Other Salaries and Wages	$	27,884		
Social Security		1,753		
Employer Medicare		410		
Communication		2,847		
Contracts with Government Agencies		3,903		
Postal Charges		236		
Library Books/Media		8,317		
Office Supplies		1,546		
Periodicals		493		
Utilities		5,305		
Other Charges		500		
Office Equipment		1,778		
Total Libraries				54,972
Agriculture and Natural Resources				
Agriculture Extension Service				
Assistant(s)	$	12,543		
Supervisor/Director		11,333		
Secretary(ies)		3,661		
Social Security		730		
State Retirement		2,953		
Employer Medicare		933		
Communication		2,843		
Dues and Memberships		65		
Travel		1,478		
Other Charges		51,348		
Total Agriculture Extension Service				87,887

(Continued)

Exhibit K-7

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

General Fund (Cont.)				
Other Operations				
Tourism				
Supervisor/Director	$	24,406		
Clerical Personnel		14,818		
Social Security		2,432		
State Retirement		1,667		
Employer Medicare		569		
Contributions		11,140		
Total Tourism			$	55,032
Industrial Development				
Plant Operation Equipment	$	750,000		
Total Industrial Development				750,000
Airport				
Supervisor/Director	$	27,500		
Part-time Personnel		20,271		
Social Security		2,888		
State Retirement		1,878		
Employer Medicare		676		
Communication		2,851		
Maintenance and Repair Services - Buildings		243		
Maintenance and Repair Services - Equipment		3,214		
Maintenance and Repair Services - Office Equipment		24		
Maintenance and Repair Services - Vehicles		6,376		
Travel		5,199		
Other Contracted Services		6,742		
Diesel Fuel		168,374		
Electricity		16,892		
Gasoline		44,588		
Natural Gas		543		
Office Supplies		287		
Water and Sewer		719		
Other Supplies and Materials		4,084		
Liability Insurance		3,250		
Other Charges		23,350		
Total Airport				339,949
Veterans' Services				
Supervisor/Director	$	36,000		
Social Security		2,232		
State Retirement		2,459		
Employer Medicare		522		
Travel		1,541		
Other Supplies and Materials		332		
Office Equipment		1,157		
Total Veterans' Services				44,243
Contributions to Other Agencies				
Contributions	$	77,414		
Total Contributions to Other Agencies				77,414

(Continued)

Exhibit K-7

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

General Fund (Cont.)			
Other Operations (Cont.)			
Miscellaneous			
Medical Personnel	$ 25,000		
Guards	66,019		
Maintenance Personnel	15,675		
Overtime Pay	1,180		
Social Security	6,948		
State Retirement	1,522		
Life Insurance	5,449		
Medical Insurance	154,194		
Unemployment Compensation	26,669		
Employer Medicare	1,564		
Other Fringe Benefits	2,912		
Postal Charges	25,375		
Gasoline	11,965		
Liability Insurance	81,871		
Trustee's Commission	65,628		
Workers' Compensation Insurance	9,637		
Liability Claims	1,000		
Fines, Assessments, and Penalties	12		
Other Charges	291,335		
Communication Equipment	29,279		
Motor Vehicles	17,000		
Total Miscellaneous		$ 840,234	
Highways			
Highway and Bridge Maintenance			
Transfers to Other Funds	$ 235		
Total Highway and Bridge Maintenance		235	
Total General Fund			$ 8,724,369
Solid Waste/Sanitation Fund			
Public Health and Welfare			
Recycling Center			
Laborers	$ 38,726		
Overtime Pay	246		
Social Security	2,175		
State Retirement	2,662		
Life Insurance	18		
Medical Insurance	6,261		
Employer Medicare	509		
Communication	1,851		
Dues and Memberships	200		
Maintenance and Repair Services - Buildings	138		
Maintenance and Repair Services - Vehicles	837		
Other Contracted Services	23,136		
Diesel Fuel	1,629		
Electricity	3,678		
Equipment and Machinery Parts	3,416		
Gasoline	1,325		
Natural Gas	4,076		

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)			
Public Health and Welfare (Cont.)			
Recycling Center (Cont.)			
Office Supplies	$ 235		
Propane Gas	50		
Tires and Tubes	509		
Uniforms	972		
Water and Sewer	796		
Other Supplies and Materials	14,514		
Trustee's Commission	1,538		
Vehicle and Equipment Insurance	207		
Workers' Compensation Insurance	3,444		
Total Recycling Center		$ 113,148	
Postclosure Care Costs			
Other Contracted Services	$ 34,050		
Total Postclosure Care Costs		34,050	
Highways			
Litter and Trash Collection			
Other Supplies and Materials	$ 17,213		
Total Litter and Trash Collection		17,213	
Principal on Debt			
General Government			
Principal on Notes	$ 8,664		
Total General Government		8,664	
Total Solid Waste/Sanitation Fund			$ 173,075
Ambulance Service Fund			
Public Health and Welfare			
Ambulance/Emergency Medical Services			
Supervisor/Director	$ 43,739		
Medical Personnel	838,352		
Part-time Personnel	6,000		
Overtime Pay	202,848		
Social Security	65,975		
State Retirement	57,255		
Life Insurance	921		
Medical Insurance	37,933		
Unemployment Compensation	2,227		
Employer Medicare	15,430		
Communication	10,944		
Contracts with Other Public Agencies	128,849		
Dues and Memberships	510		
Licenses	2,650		
Maintenance and Repair Services - Buildings	2,348		
Maintenance and Repair Services - Vehicles	27,026		
Postal Charges	44		
Printing, Stationery, and Forms	259		
Towing Services	1,385		
Travel	2,835		

(Continued)

Exhibit K-7

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

Ambulance Service Fund (Cont.)			
Public Health and Welfare (Cont.)			
Ambulance/Emergency Medical Services (Cont.)			
Tuition	$ 4,374		
Disposal Fees	18,936		
Other Contracted Services	24,132		
Custodial Supplies	2,430		
Diesel Fuel	128,243		
Drugs and Medical Supplies	48,299		
Electricity	4,524		
Equipment and Machinery Parts	3,633		
Gasoline	2,772		
Natural Gas	4,482		
Office Supplies	2,443		
Propane Gas	8,849		
Tires and Tubes	7,648		
Uniforms	2,344		
Water and Sewer	819		
Other Supplies and Materials	2,389		
Refunds	9,444		
Trustee's Commission	21,229		
Vehicle and Equipment Insurance	13,579		
Workers' Compensation Insurance	89,433		
Other Charges	4,771		
Total Ambulance/Emergency Medical Services		$ 1,852,303	
Total Ambulance Service Fund			$ 1,852,303
Drug Control Fund			
Other Operations			
Miscellaneous			
Confidential Drug Enforcement Payments	$ 7,000		
Maintenance and Repair Services - Vehicles	17		
Veterinary Services	46		
Animal Food and Supplies	227		
Other Supplies and Materials	4,818		
Trustee's Commission	925		
Other Charges	2,752		
Communication Equipment	4,322		
Data Processing Equipment	1,527		
Motor Vehicles	2,900		
Total Miscellaneous		$ 24,534	
Total Drug Control Fund			24,534
Constitutional Officers - Fees Fund			
Administration of Justice			
General Sessions Court			
Special Commissioner Fees/Special Master Fees	$ 1,700		
Total General Sessions Court		$ 1,700	
Chancery Court			
Special Commissioner Fees/Special Master Fees	$ 2,871		
Total Chancery Court		2,871	
Total Constitutional Officers - Fees Fund			4,571

(Continued)

Exhibit K-7

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

Highway/Public Works Fund				
Highways				
Administration				
County Official/Administrative Officer	$	64,613		
Clerical Personnel		27,603		
Overtime Pay		65		
Social Security		5,460		
State Retirement		6,312		
Employer Medicare		1,277		
Dues and Memberships		2,854		
Postal Charges		90		
Custodial Supplies		86		
Office Supplies		873		
Total Administration			$	109,233
Highway and Bridge Maintenance				
Supervisor/Director	$	35,806		
Equipment Operators		32,342		
Truck Drivers		81,727		
Laborers		231,229		
Overtime Pay		37,301		
Social Security		24,735		
State Retirement		28,577		
Unemployment Compensation		3,752		
Employer Medicare		5,785		
Rentals		1,554		
Other Contracted Services		17,329		
Asphalt - Cold Mix		80,631		
Asphalt - Hot Mix		594,054		
Concrete		63,374		
Crushed Stone		218,793		
Other Road Supplies		81,866		
Pipe - Metal		18,382		
Road Signs		268		
Wood Products		1,008		
Total Highway and Bridge Maintenance				1,558,513
Operation and Maintenance of Equipment				
Foremen	$	48,793		
Mechanic(s)		34,160		
Social Security		4,623		
State Retirement		5,667		
Unemployment Compensation		512		
Employer Medicare		1,081		
Maintenance and Repair Services - Equipment		15,359		
Towing Services		250		
Other Contracted Services		5,200		
Diesel Fuel		122,580		
Equipment and Machinery Parts		102,240		
Garage Supplies		1,604		
Gasoline		31,952		
Lubricants		9,593		
Propane Gas		2,256		

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)				
Highways (Cont.)				
Operation and Maintenance of Equipment (Cont.)				
Small Tools	$ 64			
Tires and Tubes	18,332			
Other Supplies and Materials	8,820			
Total Operation and Maintenance of Equipment		$ 413,086		
Other Charges				
Communication	$ 4,785			
Electricity	8,947			
Natural Gas	1,675			
Water and Sewer	582			
Trustee's Commission	17,984			
Vehicle and Equipment Insurance	20,153			
Other Charges	41,800			
Total Other Charges		95,926		
Employee Benefits				
Employee and Dependent Insurance	$ 54,509			
Life Insurance	534			
Workers' Compensation Insurance	33,814			
Total Employee Benefits		88,857		
Capital Outlay				
Highway Equipment	$ 98,918			
Motor Vehicles	20,500			
Total Capital Outlay		119,418		
Principal on Debt				
Highways and Streets				
Principal on Notes	$ 250,485			
Total Highways and Streets		250,485		
Interest on Debt				
Highways and Streets				
Interest on Notes	$ 36,083			
Total Highways and Streets		36,083		
Total Highway/Public Works Fund				$ 2,671,601
General Debt Service Fund				
Principal on Debt				
General Government				
Principal on Bonds	$ 210,599			
Principal on Notes	499,786			
Principal on Other Loans	585,700			
Total General Government		$ 1,296,085		
Interest on Debt				
General Government				
Interest on Bonds	$ 77,388			
Interest on Notes	33,877			

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)			
Interest on Debt (Cont.)			
General Government (Cont.)			
Interest on Other Loans	$ 83,952		
Total General Government		$ 195,217	
Other Debt Service			
General Government			
Trustee's Commission	$ 30,240		
Other Debt Service	203,500		
Total General Government		233,740	
Total General Debt Service Fund			$ 1,725,042
Rural Debt Service Fund			
Principal on Debt			
Education			
Principal on Bonds	$ 607,401		
Principal on Notes	333,759		
Principal on Capital Leases	70,085		
Principal on Other Loans	151,000		
Total Education		$ 1,162,245	
Interest on Debt			
Education			
Interest on Bonds	$ 288,006		
Interest on Notes	39,114		
Interest on Capital Leases	105,206		
Interest on Other Loans	6,901		
Total Education		439,227	
Other Debt Service			
Education			
Trustee's Commission	$ 18,212		
Other Debt Service	12,659		
Total Education		30,871	
Total Rural Debt Service Fund			1,632,343
General Capital Projects Fund			
Highways			
Capital Outlay			
Other Contracted Services	$ 36,796		
Total Capital Outlay		$ 36,796	
Capital Projects			
Highway and Street Capital Projects			
Right-of-Way	$ 380		
Total Highway and Street Capital Projects		380	
Total General Capital Projects Fund			37,176

(Continued)

Exhibit K-7

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

Other Capital Projects Fund			
Capital Projects			
Highway and Street Capital Projects			
Legal Notices, Recording, and Court Costs	$ 330		
Total Highway and Street Capital Projects		$ 330	
Total Other Capital Projects Fund			$ 330
Total Governmental Funds - Primary Government			$ 16,845,344

Exhibit K-8

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

General Purpose School Fund		
Instruction		
Regular Instruction Program		
Teachers	$ 6,414,916	
Career Ladder Program	58,338	
Career Ladder Extended Contracts	22,815	
Homebound Teachers	29,267	
Educational Assistants	387,958	
Other Salaries and Wages	318,506	
Certified Substitute Teachers	147,707	
Social Security	402,911	
State Retirement	648,096	
Life Insurance	7,075	
Medical Insurance	1,123,265	
Unemployment Compensation	16,745	
Employer Medicare	100,403	
Other Fringe Benefits	2,325	
Travel	2,099	
Instructional Supplies and Materials	142,256	
Textbooks	188,021	
Other Supplies and Materials	2,674	
Fines, Assessments, and Penalties	2,984	
Other Charges	9,036	
Regular Instruction Equipment	213,636	
Total Regular Instruction Program		$ 10,241,033
Alternative Instruction Program		
Teachers	$ 2,550	
Educational Assistants	13,319	
Social Security	823	
State Retirement	908	
Medical Insurance	2,265	
Unemployment Compensation	70	
Employer Medicare	192	
Total Alternative Instruction Program		20,127
Special Education Program		
Teachers	$ 699,341	
Career Ladder Program	9,001	
Homebound Teachers	32,973	
Educational Assistants	124,422	
Certified Substitute Teachers	23,011	
Social Security	52,100	
State Retirement	74,362	
Medical Insurance	108,443	
Unemployment Compensation	1,928	
Employer Medicare	12,185	
Other Contracted Services	104,436	
Instructional Supplies and Materials	15,176	
Other Supplies and Materials	13,274	
Special Education Equipment	1,296	
Total Special Education Program		1,271,948

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)				
Instruction (Cont.)				
Vocational Education Program				
Teachers	$	354,474		
Career Ladder Program		3,000		
Educational Assistants		31,972		
Social Security		22,954		
State Retirement		33,955		
Medical Insurance		43,541		
Unemployment Compensation		794		
Employer Medicare		5,368		
Other Supplies and Materials		83		
Total Vocational Education Program			$	496,141
Support Services				
Attendance				
Supervisor/Director	$	56,082		
Career Ladder Program		2,875		
Social Security		3,460		
State Retirement		5,240		
Medical Insurance		10,297		
Unemployment Compensation		72		
Employer Medicare		809		
Travel		2,503		
Other Supplies and Materials		5,290		
Total Attendance				86,628
Health Services				
Medical Personnel	$	90,301		
Other Salaries and Wages		93,467		
Social Security		10,636		
State Retirement		13,222		
Medical Insurance		14,562		
Unemployment Compensation		502		
Employer Medicare		2,488		
Travel		10,351		
Other Supplies and Materials		11,409		
Other Charges		4,373		
Total Health Services				251,311
Other Student Support				
Career Ladder Program	$	3,000		
Guidance Personnel		197,003		
Social Workers		40,156		
Secretary(ies)		19,382		
Social Security		15,242		
State Retirement		22,669		
Medical Insurance		28,352		
Unemployment Compensation		432		
Employer Medicare		3,565		
Evaluation and Testing		5,785		
Travel		1,736		

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Other Student Support (Cont.)				
Other Supplies and Materials	$	598		
Other Charges		51		
Total Other Student Support			$	337,971
Regular Instruction Program				
Supervisor/Director	$	63,173		
Career Ladder Program		8,875		
Librarians		317,878		
Secretary(ies)		13,166		
Social Security		22,935		
State Retirement		35,558		
Medical Insurance		50,880		
Unemployment Compensation		608		
Employer Medicare		5,364		
Travel		22,311		
Library Books/Media		28,564		
In Service/Staff Development		8,058		
Other Charges		18,672		
Total Regular Instruction Program				596,042
Special Education Program				
Supervisor/Director	$	63,108		
Career Ladder Program		1,000		
Psychological Personnel		42,885		
Secretary(ies)		29,811		
Social Security		8,012		
State Retirement		11,564		
Medical Insurance		9,675		
Unemployment Compensation		216		
Employer Medicare		1,874		
Travel		16,007		
Other Charges		150		
Total Special Education Program				184,302
Other Programs				
On-Behalf Payments to OPEB	$	114,949		
Total Other Programs				114,949
Board of Education				
Secretary to Board	$	28,963		
Other Salaries and Wages		118		
Board and Committee Members Fees		36,228		
Social Security		4,040		
State Retirement		2,684		
Unemployment Compensation		159		
Employer Medicare		945		
Audit Services		5,850		
Dues and Memberships		14,384		
Travel		28,128		

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Board of Education (Cont.)				
Other Contracted Services	$	45,438		
Other Supplies and Materials		3,074		
Premiums on Corporate Surety Bonds		700		
Trustee's Commission		90,811		
Workers' Compensation Insurance		135,044		
Other Charges		22,150		
Total Board of Education			$	418,716
Director of Schools				
County Official/Administrative Officer	$	80,000		
Assistant(s)		63,444		
Career Ladder Program		1,000		
Secretary(ies)		29,081		
Social Security		10,490		
State Retirement		14,727		
Medical Insurance		25,053		
Unemployment Compensation		215		
Employer Medicare		2,415		
Communication		35,750		
Postal Charges		1,848		
Travel		3,976		
Office Supplies		4,090		
Other Charges		3,235		
Total Director of Schools				275,324
Office of the Principal				
Principals	$	471,352		
Career Ladder Program		8,165		
Assistant Principals		58,692		
Secretary(ies)		132,801		
Social Security		39,195		
State Retirement		56,436		
Medical Insurance		46,881		
Unemployment Compensation		1,061		
Employer Medicare		9,167		
Communication		8,950		
Travel		747		
Total Office of the Principal				833,447
Operation of Plant				
Supervisor/Director	$	27,890		
Custodial Personnel		361,247		
Social Security		23,964		
State Retirement		26,148		
Medical Insurance		4,269		
Unemployment Compensation		1,726		
Employer Medicare		5,604		
Disposal Fees		11,275		
Other Contracted Services		16,421		

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Operation of Plant (Cont.)				
Electricity	$	667,174		
Natural Gas		85,530		
Water and Sewer		76,174		
Other Supplies and Materials		86,473		
Building and Contents Insurance		144,735		
Other Charges		36,969		
Plant Operation Equipment		8,294		
Total Operation of Plant			$	1,583,893
Maintenance of Plant				
Maintenance Personnel	$	118,544		
Social Security		6,850		
State Retirement		8,096		
Medical Insurance		10,750		
Unemployment Compensation		349		
Employer Medicare		1,602		
Other Contracted Services		653		
Other Supplies and Materials		55,941		
Other Charges		1,134		
Total Maintenance of Plant				203,919
Transportation				
Supervisor/Director	$	28,327		
Mechanic(s)		68,733		
Bus Drivers		528,056		
Social Security		38,636		
State Retirement		38,335		
Unemployment Compensation		3,234		
Employer Medicare		9,036		
Contracts with Vehicle Owners		1,181		
Travel		765		
Diesel Fuel		236,524		
Gasoline		3,038		
Tires and Tubes		19,139		
Vehicle Parts		85,307		
Other Supplies and Materials		7,827		
Other Charges		34,971		
Transportation Equipment		9,782		
Total Transportation				1,112,891
Central and Other				
Supervisor/Director	$	51,308		
Other Salaries and Wages		158,193		
Social Security		12,212		
State Retirement		13,794		
Medical Insurance		8,062		
Unemployment Compensation		431		
Employer Medicare		2,856		
Total Central and Other				246,856

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)			
Operation of Non-Instructional Services			
Community Services			
Supervisor/Director	$ 29,611		
Social Security	2,549		
State Retirement	4,111		
Medical Insurance	5,375		
Unemployment Compensation	62		
Employer Medicare	628		
Travel	2,383		
Instructional Supplies and Materials	429		
Other Charges	464		
Total Community Services		$ 45,612	
Early Childhood Education			
Supervisor/Director	$ 4,622		
Teachers	452,624		
Educational Assistants	108,965		
Other Salaries and Wages	18,334		
Certified Substitute Teachers	10,904		
Social Security	34,841		
State Retirement	47,839		
Medical Insurance	49,872		
Unemployment Compensation	1,355		
Employer Medicare	8,149		
Travel	16,507		
Instructional Supplies and Materials	190,889		
Other Charges	4,519		
Total Early Childhood Education		949,420	
Capital Outlay			
Regular Capital Outlay			
Building Improvements	$ 85,628		
Total Regular Capital Outlay		85,628	
Other Debt Service			
Education			
Debt Service Contribution to Primary Government	$ 361,065		
Total Education		361,065	
Total General Purpose School Fund			$ 19,717,223
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 697,240		
Educational Assistants	157,352		
Other Salaries and Wages	23,330		
Certified Substitute Teachers	26,206		
Non-certified Substitute Teachers	5,913		
Social Security	52,649		
State Retirement	74,740		

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)				
Instruction (Cont.)				
Regular Instruction Program (Cont.)				
Medical Insurance	$	121,573		
Unemployment Compensation		2,189		
Employer Medicare		12,313		
Instructional Supplies and Materials		43,840		
Other Charges		32,880		
Regular Instruction Equipment		82,730		
Total Regular Instruction Program			$	1,332,955
Special Education Program				
Teachers	$	138,056		
Educational Assistants		281,657		
Social Security		25,104		
State Retirement		31,615		
Medical Insurance		29,292		
Unemployment Compensation		1,773		
Employer Medicare		5,871		
Other Contracted Services		52,044		
Instructional Supplies and Materials		1,099		
Other Supplies and Materials		3,287		
Special Education Equipment		6,544		
Total Special Education Program				576,342
Vocational Education Program				
Instructional Supplies and Materials	$	49,521		
Vocational Instruction Equipment		8,863		
Total Vocational Education Program				58,384
Support Services				
Other Student Support				
Social Security	$	248		
State Retirement		352		
Unemployment Compensation		2		
Employer Medicare		58		
Travel		11,492		
Other Charges		19,278		
Total Other Student Support				31,430
Regular Instruction Program				
Supervisor/Director	$	56,344		
Secretary(ies)		13,166		
Other Salaries and Wages		94,035		
Social Security		9,778		
State Retirement		14,277		
Medical Insurance		12,999		
Unemployment Compensation		243		
Employer Medicare		2,287		
Travel		51,446		
Other Supplies and Materials		3,311		
In Service/Staff Development		22,339		
Total Regular Instruction Program				280,225

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Special Education Program			
Travel	$ 3,192		
Other Supplies and Materials	2,483		
In Service/Staff Development	3,482		
Total Special Education Program		$ 9,157	
Vocational Education Program			
Travel	$ 2,052		
In Service/Staff Development	100		
Total Vocational Education Program		2,152	
Transportation			
Bus Drivers	$ 31,659		
Social Security	1,963		
State Retirement	2,162		
Unemployment Compensation	147		
Employer Medicare	459		
Total Transportation		36,390	
Total School Federal Projects Fund			$ 2,327,035
Central Cafeteria Fund			
Operation of Non-Instructional Services			
Food Service			
Supervisor/Director	$ 52,508		
Cafeteria Personnel	539,682		
Other Salaries and Wages	22,391		
In-Service Training	2,044		
Social Security	36,918		
State Retirement	40,011		
Medical Insurance	18,581		
Unemployment Compensation	3,256		
Employer Medicare	8,634		
Travel	6,649		
Food Preparation Supplies	20,560		
Food Supplies	755,706		
USDA - Commodities	97,988		
Other Supplies and Materials	99,748		
Other Charges	43		
Food Service Equipment	202,052		
Total Food Service		$ 1,906,771	
Total Central Cafeteria Fund			1,906,771
Total Governmental Funds - Scott County School Department			$ 23,951,029

Exhibit K-9

Scott County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2013

	Cities - Sales Tax Fund	Special School District Fund	City School ADA - Oneida Fund	Total
Cash Receipts				
Current Property Taxes	$ 0	$ 355,556	$ 769,062	$ 1,124,618
Discounts on Property Taxes	0	0	(5,450)	(5,450)
Trustee's Collections - Prior Years	0	9,160	44,411	53,571
Circuit/Clerk and Master Collections - Prior Years	0	2,421	32,062	34,483
Interest and Penalty	0	1,843	8,118	9,961
Local Option Sales Tax	1,444,498	0	537,787	1,982,285
Interstate Telecommunications Tax	0	0	549	549
Marriage Licenses	0	0	284	284
Other Local Revenues	0	0	93	93
Total Cash Receipts	$ 1,444,498	$ 368,980	$ 1,386,916	$ 3,200,394
Cash Disbursements				
Remittance of Revenue Collected	$ 1,430,053	$ 366,012	$ 1,368,101	$ 3,164,166
Trustee's Commission	14,445	7,357	22,107	43,909
Total Cash Disbursements	$ 1,444,498	$ 373,369	$ 1,390,208	$ 3,208,075
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0	$ (4,389)	$ (3,292)	$ (7,681)
Cash Balance, July 1, 2012	0	5,686	60,731	66,417
Cash Balance, June 30, 2013	$ 0	$ 1,297	$ 57,439	$ 58,736

SINGLE AUDIT SECTION

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

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

Independent Auditor's Report

Scott County Mayor and
Board of County Commissioners
Scott 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, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Scott County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Scott County's basic financial statements, and have issued our report thereon dated February 19, 2014. Our report on the governmental activities was qualified due to the omission of capital assets and depreciation expense associated with the Scott County Airport Authority, a blended component unit of Scott County. Our report includes a reference to other auditors who audited the financial statements of the Scott County Emergency Communications District, as described in our report on Scott 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 Scott 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 Scott County's internal control. Accordingly, we do not express an opinion on the effectiveness of Scott 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: 2013-002 and 2013-003.

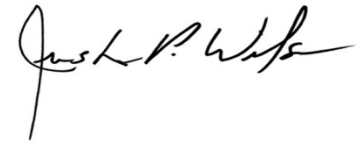
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Scott 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2013-001.

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 Scott County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 19, 2014

JPW/kp

STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
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NASHVILLE, TENNESSEE 37243-1402
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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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Scott 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 Scott County's major federal programs for the year ended June 30, 2013. Scott 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 Scott 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 Scott 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 Scott County's compliance.

Opinion on Each Major Federal Program

In our opinion, Scott 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 Scott 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 Scott 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 Scott 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.

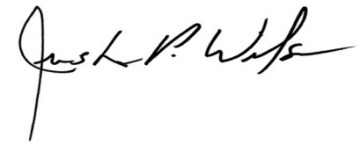
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 Scott County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Scott County's basic financial statements. We issued our report thereon dated February 19, 2014. Our report on the governmental activities was qualified due to the omission of capital assets and depreciation expense associated with the Scott County Airport Authority, a blended component unit of Scott County. 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 19, 2014

JPW/kp

Scott 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 Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	$ 97,988 (3)
Passed-through State Department of Education:			
Fresh Fruit and Vegetable Program	10.582	N/A	101,284
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	398,104
National School Lunch Program	10.555	N/A	1,006,407 (3)
Passed-through State Department of Economic and Community Development:			
Community Facilities Loans and Grants	10.766	30504-00111-23	3,903
Total U.S. Department of Agriculture			$ 1,607,686
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/Entitlement Grants	14.218	N/A	$ 750,000
Total U.S. Department of Housing and Urban Development			$ 750,000
Bureau of Land Management, Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	$ 129,131
Total Bureau of Land Management, Department of the Interior			$ 129,131
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	$ 15,222
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	13,597
Total U.S. Department of Justice			$ 28,819
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	$ 1,132,586
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	616,229
Special Education - Preschool Grants	84.173	N/A	12,660
Career and Technical Education - Basic Grants to States	84.048	N/A	66,151
Rural Education	84.358	N/A	59,995
Improving Teacher Quality State Grants	84.367	N/A	207,400
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	242,238
Education Jobs Fund	84.410	N/A	14,777
Total U.S. Department of Education			$ 2,352,036

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through East Tennessee Human Resource Agency:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(2)	$ 20,049
Total U.S. Department of Health and Human Services			$ 20,049
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	(2)	30,288
Emergency Management Performance Grants	97.042	(2)	20,209
Total U.S. Department of Homeland Security			$ 50,497
Total Expenditures of Federal Awards			$ 4,938,218
State Grants		Contract Number	
Litter Program - State Department of Transportation	N/A	(2)	$ 37,518
Health Department Programs - State Department of Health	N/A	(2)	181,863
Juvenile Service Program - State Commission on Children and Youth	N/A	(2)	4,500
Appalachian Life Quality Initiative Grant - State Department of Education	N/A	(2)	28,812
Agriculture Growth Initiative - State Department of Agriculture	N/A	(2)	51,348
Drug Court Grant - State Office of Criminal Justice Programs	N/A	(2)	50,000
Coordinated School Health - State Department of Education	N/A	(2)	193,665
Family Resource Center - State Department of Education	N/A	(2)	29,612
Save the Children - State Department of Education	N/A	(2)	57,705
Early Childhood Education - State Department of Education	N/A	(2)	961,918
Waste Tire Option Grant - State Department of Environment and Conservation	N/A	(2)	7,350
Total State Grants			$ 1,604,291

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 $1,104,395.

Scott 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 the findings from the Annual Financial Report for Scott County, Tennessee, for the year ended June 30, 2012, which have not been corrected.

OFFICES OF COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, AND REGISTER OF DEEDS

Finding Number	Page Number	Subject
12.06	179	Duties were not segregated adequately

OFFICE OF REGISTER OF DEEDS

Finding Number	Page Number	Subject
12.07	179	Multiple employees operated from the same cash drawer

SCOTT 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 governmental activities is qualified. Our report on the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information is unmodified.

2. The audit of the financial statements of Scott 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 Scott County.

4. The audit disclosed no significant deficiencies in internal control over major programs.

5. An unmodified opinion was issued on compliance for major programs.

6. The audit revealed no findings that are required to be reported under Section 510(a) of *OMB Circular A-133*.

7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555); State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395); and Community Development Block Grants/Entitlement Grants (CFDA No. 14.218) were determined to be major programs.

8. A $300,000 threshold was used to distinguish between Type A and Type B federal programs.

9. Scott County qualified as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response; however, management did not provide responses for inclusion in this report.

OFFICES OF COUNTY MAYOR AND DIRECTOR OF FINANCE

FINDING 2013-001 **GOVERNMENT-WIDE FINANCIAL STATEMENTS DO NOT INCLUDE CAPITAL ASSETS OF THE SCOTT COUNTY AIRPORT AUTHORITY**
(Noncompliance Under *Government Auditing Standards*)

The provisions of Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)* became effective for the year ended June 30, 2013. This statement modifies certain requirements for inclusion of component units in the financial reporting entity. Due to the implementation of this standard, the Scott County Airport Authority has been included as a blended component unit of Scott County in the financial statements of this report. Revenues and expenditures of the authority are budgeted and accounted for in the General Fund. Long-term debt of the authority has been assumed by the county and is paid from the General Debt Service Fund. However, the capital assets of the authority have not been included on the government-wide financial statements. The effects on the government-wide financial statements and note disclosures are not determinable since management has not yet taken steps to determine the value of the omitted assets. Because of this omission, we have qualified our opinion on the governmental activities opinion unit.

RECOMMENDATION

Scott County should present government-wide financial statements and note disclosures in conformity with generally accepted accounting principles. The county should take steps to determine the value of the assets of the Airport Authority and include them in the governmental activities column of the government-wide financial statements.

OFFICES OF COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, AND REGISTER OF DEEDS

FINDING 2013-002 **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Audit Standards*)

Duties were not segregated adequately among the officials and employees in the Offices of County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, and Register of Deeds. 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 provide reasonable assurance of the reliability in 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 exists due to the failure of management to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

OFFICE OF REGISTER OF DEEDS

FINDING 2013-003 **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 that 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 by the official resulting in a loss of control over assets.

RECOMMENDATION

Officials should assign each employee their own cash drawer.

BEST PRACTICE

SCOTT COUNTY SHOULD APPOINT AN AUDIT COMMITTEE

Scott County does not have an Audit Committee. Sound business practices dictate that an Audit Committee would significantly improve management oversight and accountability. Subsequent to June 30, 2013, Scott County adopted a resolution to provide for an Audit Committee; however, the committee had not been appointed as of the date of this report.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal awards.

SCOTT 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.