ANNUAL FINANCIAL REPORT
SULLIVAN COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2013

TENNESSEE COMPTROLLER OF THE TREASURY

ANNUAL FINANCIAL REPORT

SULLIVAN COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2013

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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State Auditors

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

SULLIVAN COUNTY, TENNESSEE
TABLE OF CONTENTS

	Exhibit	Page(s)
Audit Highlights		6
INTRODUCTORY SECTION		7
Sullivan County Officials		8
FINANCIAL SECTION		9
Independent Auditor's Report		10-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Position	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	23-24
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Fund	C-5	25-28
Highway/Public Works Fund	C-6	29
Proprietary Funds:		
Statement of Net Position	D-1	30
Statement of Revenues, Expenses, and Changes in Net Position	D-2	31
Statement of Cash Flows	D-3	32
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	33
Index and Notes to the Financial Statements		34-88
REQUIRED SUPPLEMENTARY INFORMATION:		89
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Sullivan County School Department	F-1	90
Schedule of Funding Progress – Pension Plan – Discretely Presented Sullivan County Emergency Communications District	F-2	91
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented Sullivan County School Department	F-3	92
Notes to the Required Supplementary Information		93

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		94
Nonmajor Governmental Funds:		95-96
Combining Balance Sheet	G-1	97-98
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	99-100
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
Solid Waste/Sanitation Fund	G-3	101
Ambulance Service Fund	G-4	102
Drug Control Fund	G-5	103
Sports and Recreation Fund	G-6	104
Education Debt Service Fund	G-7	105
Major Governmental Fund:		106
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	107
Proprietary Funds:		108
Combining Statement of Net Position	I-1	109
Combining Statement of Revenues, Expenses, and Changes in Net Position	I-2	110
Combining Statement of Cash Flows	I-3	111
Fiduciary Funds:		112
Combining Statement of Fiduciary Assets and Liabilities	J-1	113
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	J-2	114-116
Component Unit:		
Discretely Presented Sullivan County School Department:		117
Statement of Activities	K-1	118
Balance Sheet – Governmental Funds	K-2	119
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	K-3	120
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	K-4	121
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	K-5	122
Combining Balance Sheet – Nonmajor Governmental Funds	K-6	123
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	K-7	124
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	K-8	125-126
Special Purpose Fund	K-9	127
School Federal Projects Fund	K-10	128-129
Other Education Special Revenue Fund	K-11	130-131
Statement of Fiduciary Net Position	K-12	132
Statement of Changes in Fiduciary Net Position	K-13	133

	Exhibit	Page(s)
Miscellaneous Schedules:		134
Schedule of Changes in Long-term Notes, Other Loans, Capital Leases, and Bonds	L-1	135-136
Schedule of Long-term Debt Requirements by Year	L-2	137-138
Schedule of Transfers – Primary Government and Discretely Presented Sullivan County School Department	L-3	139
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Sullivan County School Department	L-4	140
Schedule of Detailed Revenues – All Governmental Fund Types	L-5	141-150
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Sullivan County School Department	L-6	151-153
Schedule of Detailed Expenditures – All Governmental Fund Types	L-7	154-184
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Sullivan County School Department	L-8	185-198
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balances – City Agency Funds	L-9	199
SINGLE AUDIT SECTION		200
Auditor's Report on Internal Control Over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*		201-202
Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133		203-205
Schedule of Expenditures of Federal Awards and State Grants		206-208
Schedule of Audit Findings Not Corrected		209
Schedule of Findings and Questioned Costs		210-213
Auditee Reporting Responsibilities		214

Audit Highlights

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

Scope

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

Results

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

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

Findings and Best Practice

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

OFFICE OF COUNTY MAYOR

- The Solid Waste Department had deficiencies in computer system backup procedures.

BEST PRACTICE

Sullivan County does not have a central system of accounting and budgeting. The Division of Local Government Audit strongly believes that a central system of accounting and budgeting is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Sullivan County.

Introductory Section

Sullivan County Officials
June 30, 2013

Officials

Steve Godsey, County Mayor
Terry Shaffer, Highway Commissioner
Jubal Yennie, Director of Schools
Frances Harrell, Trustee
Kristinia Davis, Purchasing Agent
William Anderson, Director of Accounts and Budgets
Jeanie Gammon, County Clerk
Tommy Kerns, Circuit, General Sessions, and Law Courts Clerk
Katherine Priester, Clerk and Master
Bart Long, Register of Deeds
Ronald Hillman, Assessor of Property
Wayne Anderson, Sheriff

Board of County Commissioners

Steve Godsey, County Mayor, Chairman
Cathy Armstrong
Ty Boomershine
Mark Bowery
Bryan Boyd
Linda Brittenham
James Brotherton
Darlene Calton
John Crawford
O.W. Ferguson
John Gardner
Terry Harkleroad
Baxter Hood
Dennis Houser
Matthew Johnson
Bill Kilgore
Dwight King
Ed Marsh
Kit McGlothlin
Randy Morrell
Bob Neal
Patrick Shull
Michael Surgenor
Robert White
Eddie Williams

Board of Education

Dan Wells, Chairman
Todd Broughton
Jerry Greene
Robyn Ivester
Jack Bales
Betty Combs
Randall Jones

Audit Committee (effective January 21, 2014)

Bryan Boyd
Eddie Williams
Cathy Armstrong

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

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sullivan 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 Sullivan County Emergency Communications District, which represent 1.3 percent, 2.9 percent, and 1.1 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 Sullivan 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.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sullivan County, Tennessee, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note V.B., Sullivan 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. Sullivan 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. of the financial statements, which describes reclassifications to the beginning net position of the governmental activities of the primary government and discretely presented School Department. These reclassifications were due to changing the presentation of the District Attorney General Fund from a special revenue fund to an agency fund ($18,540); changing the presentation of the Education Debt Service Fund from a fund of the discretely presented School Department to a fund of the primary

government ($67,556); and changing the presentation of accrued interest and unamortized premium on debt associated with the Education Debt Service Fund from long-term liabilities of the discretely presented School Department to long-term liabilities of the primary government ($728,186).

We draw attention to Note I.D.10 of the financial statements, which describes restatements to the beginning net position of the governmental activities of the primary government and discretely presented Sullivan County School Department totaling $428,208 and $73,401, respectively. These restatements were necessary due to: the implementation of GASB Statement No. 65.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of funding progress – pension plan and other postemployment benefits plan on pages 90 - 93 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 Sullivan County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Sullivan County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

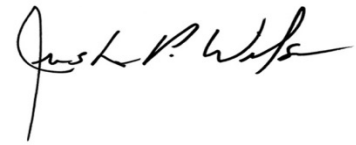
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Sullivan County School Department (a discretely presented component unit), and miscellaneous 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 and the General Debt Service Fund, combining and individual fund financial statements of the Sullivan 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 January 24, 2014, on our consideration of Sullivan 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 Sullivan County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 24, 2014

JPW/kp

Basic Financial Statements

Exhibit A

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

	Primary Government	Component Units	
	Governmental Activities	Sullivan County School Department	Emergency Communications District
ASSETS			
Cash	$ 229,057	$ 25,601	$ 653,045
Equity in Pooled Cash and Investments	11,553,553	6,556,004	0
Inventories	54,151	328,477	0
Accounts Receivable	2,408,264	3,566	68,047
Allowance for Uncollectibles	(172,116)	0	0
Due from Other Governments	3,689,140	2,292,265	0
Due from Component Units	10,686,883	0	0
Due from Joint Venture	628,777	0	0
Property Taxes Receivable	32,760,416	27,576,427	0
Allowance for Uncollectible Property Taxes	(978,353)	(823,704)	0
Prepaid Items	150,403	4,706	13,531
Capital Assets:			
Assets Not Depreciated:			
Land	1,944,721	1,119,248	0
Construction in Progress	0	19,579,527	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	21,399,496	51,638,695	0
Infrastructure	11,264,292	0	0
Other Capital Assets	5,213,875	2,721,331	755,392
Total Assets	$ 100,832,559	$ 111,022,143	$ 1,490,015
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	$ 218,857	$ 0	$ 0
Total Deferred Outflows of Resources	$ 218,857	$ 0	$ 0
LIABILITIES			
Accounts Payable	$ 458,629	$ 189,245	$ 30,147
Accrued Payroll	455,438	0	79,678
Accrued Interest Payable	416,969	0	0
Payroll Deductions Payable	74,767	562,429	0
Contracts Payable	0	19,270	0
Claims and Judgments Payable	307,765	0	0
Due to Primary Government	0	10,686,883	0
Due to State of Tennessee	49,854	0	0
Other Current Liabilities	1,058,760	73,019	0
Noncurrent Liabilities:			
Due Within One Year	5,767,848	579,058	0
Due in More Than One Year (net of unamortized premium on debt)	58,787,024	26,956,264	0
Total Liabilities	$ 67,377,054	$ 39,066,168	$ 109,825

(Continued)

Exhibit A

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

	Primary Government	Component Units	
	Governmental Activities	Sullivan County School Department	Emergency Communications District
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 31,047,917	$ 26,134,491	$ 0
Total Deferred Inflows of Resources	$ 31,047,917	$ 26,134,491	$ 0
NET POSITION			
Net Investment in Capital Assets	$ 35,257,257	$ 75,058,801	$ 755,392
Restricted for:			
General Government	947,975	0	0
Finance	13,223	0	0
Administration of Justice	164,037	0	0
Public Safety	209,015	0	0
Public Health and Welfare	86,631	0	0
Other Operations	14,440	0	0
Education	0	1,476,638	0
Capital Projects	331,414	0	0
Debt Service	1,292,919	0	0
Unrestricted	(35,690,466)	(30,713,955)	624,798
Total Net Position	$ 2,626,445	$ 45,821,484	$ 1,380,190

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

Exhibit B

Sullivan 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	Net (Expense) Revenue and Changes in Net Position: Component Units: Sullivan County School Department	Net (Expense) Revenue and Changes in Net Position: Component Units: Emergency Communications District
Primary Government:							
Governmental Activities:							
General Government	$ 4,500,829	$ 1,479,159	$ 101,601	$ 0	$ (2,920,069)	$ 0	$ 0
Finance	5,165,154	3,888,323	0	0	(1,276,831)	0	0
Administration of Justice	4,859,760	2,677,789	131,687	0	(2,050,284)	0	0
Public Safety	20,851,236	3,088,870	372,685	167,970	(17,221,711)	0	0
Public Health and Welfare	12,807,238	7,118,461	3,182,641	0	(2,506,136)	0	0
Social, Cultural, and Recreational Services	1,480,936	327,133	29,285	5,067	(1,119,451)	0	0
Agriculture and Natural Resources	181,527	0	0	0	(181,527)	0	0
Other Operations	860,657	2,026	0	33,060	(825,571)	0	0
Highways	10,037,304	7,141	2,685,526	442,509	(6,902,128)	0	0
Education	4,595,782	430,251	0	0	(4,165,531)	0	0
Debt Service:							
Interest	2,362,700	0	627,276	0	(1,735,424)	0	0
Other Debt Service	22,368	0	0	0	(22,368)	0	0
Total Primary Government	$ 67,725,491	$ 19,019,153	$ 7,130,701	$ 648,606	$ (40,927,031)	$ 0	$ 0
Component Units:							
Sullivan County School Department	$ 101,604,796	$ 1,830,606	$ 10,012,398	$ 4,100,964	$ 0	$ (85,660,828)	$ 0
Emergency Communications District	1,059,225	926,553	184,102	0	0	0	51,430
Total Component Units	$ 102,664,021	$ 2,757,159	$ 10,196,500	$ 4,100,964	$ 0	$ (85,660,828)	$ 51,430

(Continued)

Exhibit B

Sullivan 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	Component Units: Sullivan County School Department	Component Units: Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					$ 27,717,695	$ 26,685,633	$ 0
Property Taxes Levied for Debt Service					3,932,652	0	0
Local Option Sales Taxes					2,892,595	11,895,866	0
Litigation Tax - General					280,594	0	0
Litigation Tax - Office of Public Defender					152,169	0	0
Litigation Tax - Jail, Workhouse, or Courthouse					120,176	0	0
Litigation Tax - Courtroom Security					342,829	0	0
Business Tax					2,172,002	0	0
Mineral Severance Tax					157,983	0	0
Wholesale Beer Tax					440,290	0	0
Interstate Telecommunications Tax					10,110	0	0
Other Local Taxes					0	5,138	0
Grants and Contributions Not Restricted to Specific Programs					2,713,095	43,621,268	0
Unrestricted Investment Income					168,949	25	0
Miscellaneous					99,946	491,009	1,645
Total General Revenues					$ 41,201,085	$ 82,698,939	$ 1,645
Change in Net Position					$ 274,054	$ (2,961,889)	$ 53,075
Net Position, July 1, 2012					3,459,769	48,196,144	1,333,915
Reclassifications - See Note I.D.10.					(679,170)	660,630	
Prior-period Adjustment - See Note VI.I.					0	0	(6,800)
Restatement - See Notes I.D.9.					(428,208)	(73,401)	0
Net Position, June 30, 2013					$ 2,626,445	$ 45,821,484	$ 1,380,190

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
ASSETS					
Cash	$ 400	$ 0	$ 0	$ 218,101	$ 218,501
Equity in Pooled Cash and Investments	5,685,483	1,768,733	1,823,053	2,208,875	11,486,144
Inventories	54,111	0	0	0	54,111
Accounts Receivable	218,642	132,347	0	1,877,411	2,228,400
Due from Other Governments	2,883,252	805,438	0	450	3,689,140
Due from Other Funds	297,787	0	0	10,555	308,342
Due from Component Units	22,174	0	0	1,132	23,306
Due from Joint Ventures	0	0	628,777	0	628,777
Property Taxes Receivable	24,962,345	2,984,510	4,067,015	746,546	32,760,416
Allowance for Uncollectible Property Taxes	(745,566)	(88,946)	(121,437)	(22,404)	(978,353)
Prepaid Items	0	0	150,403	0	150,403
Total Assets	$ 33,378,628	$ 5,602,082	$ 6,547,811	$ 5,040,666	$ 50,569,187
LIABILITIES					
Accounts Payable	$ 424,629	$ 0	$ 0	$ 22,613	$ 447,242
Accrued Payroll	325,097	64,993	0	65,348	455,438
Payroll Deductions Payable	59,735	2,004	0	13,028	74,767
Due to Other Funds	298,070	109,857	0	305,403	713,330
Due to State of Tennessee	49,854	0	0	0	49,854
Other Current Liabilities	0	0	1,058,760	0	1,058,760
Total Liabilities	$ 1,157,385	$ 176,854	$ 1,058,760	$ 406,392	$ 2,799,391
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 23,657,239	$ 2,828,968	$ 3,854,468	$ 707,242	$ 31,047,917
Deferred Delinquent Property Taxes	499,300	59,426	81,301	15,081	655,108
Other Deferred/Unavailable Revenue	529,350	244,892	0	1,375,225	2,149,467
Total Deferred Inflows of Resources	$ 24,685,889	$ 3,133,286	$ 3,935,769	$ 2,097,548	$ 33,852,492
FUND BALANCES					
Nonspendable:					
Inventory	$ 54,111	$ 0	$ 0	$ 0	$ 54,111
Prepaid Items	0	0	150,403	0	150,403
Restricted:					
Restricted for General Government	893,864	0	0	0	893,864
Restricted for Finance	13,223	0	0	0	13,223
Restricted for Administration of Justice	164,037	0	0	0	164,037
Restricted for Public Safety	122,957	0	0	86,058	209,015
Restricted for Public Health and Welfare	86,631	0	0	0	86,631
Restricted for Other Operations	14,440	0	0	0	14,440
Restricted for Debt Service	0	0	1,402,879	75,305	1,478,184
Restricted for Capital Projects	0	0	0	331,414	331,414
Committed:					
Committed for Finance	540,786	0	0	0	540,786
Committed for Public Health and Welfare	0	0	0	1,897,132	1,897,132
Committed for Social, Cultural, and Recreational Services	0	0	0	146,817	146,817
Committed for Other Operations	534,437	0	0	0	534,437
Committed for Highways/Public Works	0	2,291,942	0	0	2,291,942
Assigned:					
Assigned for General Government	1,368,993	0	0	0	1,368,993
Assigned for Finance	58,873	0	0	0	58,873
Assigned for Administration of Justice	9,976	0	0	0	9,976
Assigned for Public Safety	140,885	0	0	0	140,885
Assigned for Public Health and Welfare	44,485	0	0	0	44,485

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
FUND BALANCES (Cont.)					
Assigned (Cont.):					
Assigned for Social, Cultural, and Recreational Services	$ 29,708	$ 0	$ 0	$ 0	$ 29,708
Assigned for Agriculture and Natural Resources	2,912	0	0	0	2,912
Assigned for Other Operations	5,839	0	0	0	5,839
Unassigned	3,449,197	0	0	0	3,449,197
Total Fund Balances	$ 7,535,354	$ 2,291,942	$ 1,553,282	$ 2,536,726	$ 13,917,304
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 33,378,628	$ 5,602,082	$ 6,547,811	$ 5,040,666	$ 50,569,187

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

Exhibit C-2

Sullivan 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)		$ 13,917,304
(1)	Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
	Add: land	$ 1,944,721	
	Add: infrastructure net of accumulated depreciation	11,264,292	
	Add: buildings and improvements net of accumulated depreciation	21,399,496	
	Add: other capital assets net of accumulated depreciation	5,213,875	39,822,384
(2)	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		2,804,575
(3)	Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee dental benefits to individual funds. The assets and liabilities are included in governmental activities in the statement of net position.		221,518
(4)	Long-term liabilities are not due and payable in the current-period and therefore are not reported in the governmental funds.		
	Less: notes payable	$ (1,100,000)	
	Less: other loans payable	(21,734,825)	
	Less: capital leases payable	(393,775)	
	Less: bonds payable	(36,865,000)	
	Add: receivable for capital leases to be contributed by School Department	248,648	
	Add: receivable for bonds to be contributed by School Department	10,365,000	
	Add: deferred amount on refunded bonds	218,857	
	Less: compensated absences payable	(1,223,618)	
	Less: other postemployment benefits liability	(1,909,728)	
	Less: accrued interest on notes and bonds	(416,969)	
	Less: other deferred revenue - premium on bonds	(1,327,926)	(54,139,336)
	Net position of governmental activities (Exhibit A)		$ 2,626,445

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

Exhibit C-3

Sullivan 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	Highway / Public Works	General Debt Service	Other Govern-mental Funds	Total Governmental Funds
Revenues					
Local Taxes	$ 28,036,335	$ 6,059,962	$ 4,062,906	$ 730,948	$ 38,890,151
Licenses and Permits	403,876	250,000	0	0	653,876
Fines, Forfeitures, and Penalties	540,192	0	0	86,367	626,559
Charges for Current Services	1,138,397	0	0	5,491,293	6,629,690
Other Local Revenues	472,184	164,062	1,074,613	189,942	1,900,801
Fees Received from County Officials	6,591,965	0	0	0	6,591,965
State of Tennessee	4,514,847	3,115,555	0	24,861	7,655,263
Federal Government	2,660,834	10,400	0	0	2,671,234
Other Governments and Citizens Groups	1,064,432	220	116,132	2,200,848	3,381,632
Total Revenues	$ 45,423,062	$ 9,600,199	$ 5,253,651	$ 8,724,259	$ 69,001,171
Expenditures					
Current:					
General Government	$ 4,416,906	$ 0	$ 0	$ 10,600	$ 4,427,506
Finance	4,996,308	0	79,359	20,800	5,096,467
Administration of Justice	4,523,278	0	0	0	4,523,278
Public Safety	19,937,712	0	0	64,845	20,002,557
Public Health and Welfare	6,011,336	0	0	6,349,005	12,360,341
Social, Cultural, and Recreational Services	1,149,443	0	0	265,320	1,414,763
Agriculture and Natural Resources	180,512	0	0	0	180,512
Other Operations	1,101,466	0	0	0	1,101,466
Highways	0	8,137,202	0	0	8,137,202
Instruction	199,761	0	0	0	199,761
Debt Service:					
Principal on Debt	78,498	0	3,421,381	1,460,000	4,959,879
Interest on Debt	14,553	0	1,947,206	591,250	2,553,009
Other Debt Service	0	0	22,117	251	22,368
Capital Projects	200,000	934,356	0	79,929	1,214,285
Capital Projects - Donated	136,400	0	0	4,093,106	4,229,506
Total Expenditures	$ 42,946,173	$ 9,071,558	$ 5,470,063	$ 12,935,106	$ 70,422,900
Excess (Deficiency) of Revenues Over Expenditures	$ 2,476,889	$ 528,641	$ (216,412)	$ (4,210,847)	$ (1,421,729)
Other Financing Sources (Uses)					
Capital Leases Issued	$ 71,703	$ 0	$ 0	$ 151,600	$ 223,303
Other Loans Issued	0	0	0	1,605,176	1,605,176
Transfers In	40,000	0	245,939	0	285,939
Transfers Out	(245,939)	0	0	(40,000)	(285,939)
Total Other Financing Sources (Uses)	$ (134,236)	$ 0	$ 245,939	$ 1,716,776	$ 1,828,479
Net Change in Fund Balances	$ 2,342,653	$ 528,641	$ 29,527	$ (2,494,071)	$ 406,750
Reclassification - See Note I.D.10.	0	0	0	49,016	49,016
Fund Balance, July 1, 2012	5,192,701	1,763,301	1,523,755	4,981,781	13,461,538
Fund Balance, June 30, 2013	$ 7,535,354	$ 2,291,942	$ 1,553,282	$ 2,536,726	$ 13,917,304

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

Exhibit C-4

Sullivan 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)		$ 406,750
(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	$ 723,502	
	Less: current-year depreciation expense	(2,082,429)	(1,358,927)
(2)	The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
	Less: book value of assets disposed		(418,766)
(3)	Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Less: deferred delinquent property taxes and other deferred June 30, 2012	$ (2,674,943)	
	Add: deferred delinquent property taxes and other deferred June 30, 2013	2,804,575	129,632
(4)	The issuance of long-term debt (e.g., notes, bonds, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:		
	Less: other loan proceeds	$ (1,605,176)	
	Less: capital lease proceeds	(223,303)	
	Add: proceeds from capital leases to be repaid by School Department	151,600	
	Add: change in premium on debt issuances	183,267	
	Add: principal payments on bonds	2,920,000	
	Add: principal payments on notes	570,000	
	Add: principal payments on other loans	1,282,475	
	Add: principal payments on capital leases	187,404	
	Less: contributions from School Department for bond debt	(1,460,000)	
	Less: contributions from School Department for capital leases debt	(108,906)	
	Less: change in deferred amount on refunding debt	(33,587)	1,863,774
(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	$ 40,629	
	Change in compensated absences payable	(1,240)	
	Change in other postemployment benefits liability	69,570	108,959

(Continued)

Exhibit C-4

Sullivan County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Cont.)

(6) Internal service funds are used by management to charge the cost of liability, workers' compensation, and employee dental benefits to individual funds. The net expense of certain activities of the internal service funds is reported with governmental activities in the statement of activities.	$ (457,368)
Change in net position of governmental activities (Exhibit B)	$ 274,054

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

Exhibit C-5

Sullivan County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 28,036,335	$ 0	$ 0	$ 28,036,335	$ 28,712,610	$ 28,712,610	$ (676,275)
Licenses and Permits	403,876	0	0	403,876	421,300	421,300	(17,424)
Fines, Forfeitures, and Penalties	540,192	0	0	540,192	366,555	508,366	31,826
Charges for Current Services	1,138,397	0	0	1,138,397	1,100,000	1,100,000	38,397
Other Local Revenues	472,184	0	0	472,184	136,187	171,747	300,437
Fees Received from County Officials	6,591,965	0	0	6,591,965	6,687,599	6,470,523	121,442
State of Tennessee	4,514,847	0	0	4,514,847	4,851,349	4,909,536	(394,689)
Federal Government	2,660,834	0	0	2,660,834	2,813,712	3,219,680	(558,846)
Other Governments and Citizens Groups	1,064,432	0	0	1,064,432	1,149,464	1,169,964	(105,532)
Total Revenues	$ 45,423,062	$ 0	$ 0	$ 45,423,062	$ 46,238,776	$ 46,683,726	$ (1,260,664)
Expenditures							
General Government							
County Commission	$ 448,072	$ 0	$ 0	$ 448,072	$ 309,000	$ 451,862	$ 3,790
County Mayor/Executive	192,122	0	196	192,318	196,984	197,205	4,887
County Attorney	207,897	(818)	374	207,453	212,391	212,663	5,210
Election Commission	635,202	(16,717)	5,377	623,862	639,848	683,662	59,800
Register of Deeds	455,002	(3,967)	76,601	527,636	545,550	546,840	19,204
Planning	349,419	(31,575)	9,817	327,661	335,459	347,290	19,629
Geographical Information Systems	28,586	(322)	2,609	30,873	31,015	31,015	142
County Buildings	1,163,973	(58,573)	78,569	1,183,969	1,388,511	1,392,054	208,085
Other Facilities	201,230	0	0	201,230	201,230	201,230	0
Preservation of Records	64,093	(2,925)	256	61,424	61,945	66,609	5,185
Risk Management	671,310	(28)	52	671,334	670,292	670,628	(706)
Finance							
Accounting and Budgeting	585,946	(10,627)	2,633	577,952	676,303	679,503	101,551
Purchasing	493,093	(5,182)	14,673	502,584	538,644	540,833	38,249
Property Assessor's Office	1,492,291	(1,084)	12,709	1,503,916	1,603,987	1,610,138	106,222
County Trustee's Office	560,015	(1,359)	37,266	595,922	581,779	623,744	27,822

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Finance (Cont.)							
County Clerk's Office	$ 1,206,067	$ (1,625)	$ 4,815	$ 1,209,257	$ 1,396,761	$ 1,401,514	$ 192,257
Data Processing	115,336	(3,275)	0	112,061	114,000	114,000	1,939
Other Finance	543,560	0	0	543,560	550,000	550,000	6,440
Administration of Justice							
Circuit Court Judge	10,115	(793)	298	9,620	13,000	13,000	3,380
Circuit Court Clerk	1,475,505	(5,078)	5,269	1,475,696	1,437,581	1,534,771	59,075
General Sessions Court	506,516	(317)	252	506,451	510,548	511,023	4,572
General Sessions Judge	544,531	(285)	722	544,968	550,678	551,340	6,372
Drug Court	0	0	0	0	27,000	27,000	27,000
Chancery Court	515,170	(282)	9,091	523,979	518,283	545,229	21,250
Juvenile Court	640,577	(3,157)	2,654	640,074	742,594	745,255	105,181
Juvenile Court Judge	3,000	0	0	3,000	3,000	3,000	0
District Attorney General	253,105	0	0	253,105	280,690	282,016	28,911
Office of Public Defender	174,344	(85)	0	174,259	182,000	182,911	8,652
Other Administration of Justice	90,889	0	2,908	93,797	153,487	153,487	59,690
Courtroom Security	309,526	0	0	309,526	326,000	327,883	18,357
Victims Assistance Programs	0	0	0	0	20,500	20,500	20,500
Public Safety							
Sheriff's Department	8,566,219	(8,258)	55,460	8,613,421	8,881,281	8,957,827	344,406
Administration of the Sexual Offender Registry	4,410	(600)	0	3,810	10,500	10,500	6,690
Jail	7,863,660	(57,164)	112,607	7,919,103	8,029,581	8,108,797	189,694
Workhouse	89,117	0	0	89,117	90,210	90,631	1,514
Juvenile Services	609,728	0	0	609,728	638,552	638,552	28,824
Fire Prevention and Control	1,487,654	0	0	1,487,654	1,487,654	1,487,654	0
Civil Defense	544,380	(1,341)	2,176	545,215	568,173	574,246	29,031
Rescue Squad	294,823	0	0	294,823	294,823	294,823	0
Disaster Relief	64,157	(18,471)	38,325	84,011	132,133	168,185	84,174
County Coroner/Medical Examiner	253,179	(2,240)	5,719	256,658	241,260	265,028	8,370

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Public Safety (Cont.)							
Other Public Safety	$ 160,385	$ 0	$ 12,297	$ 172,682	$ 197,591	$ 197,591	$ 24,909
Public Health and Welfare							
Local Health Center	5,539,549	(46,721)	131,116	5,623,944	6,258,498	6,388,629	764,685
Rabies and Animal Control	315,833	0	0	315,833	314,517	314,517	(1,316)
Other Local Health Services	30,000	0	0	30,000	30,000	30,000	0
Regional Mental Health Center	84,309	0	0	84,309	84,359	84,359	50
Aid to Dependent Children	27,250	0	0	27,250	27,250	27,250	0
Other Local Welfare Services	4,395	0	0	4,395	10,000	10,000	5,605
Other Public Health and Welfare	10,000	0	0	10,000	10,000	10,000	0
Social, Cultural, and Recreational Services							
Senior Citizens Assistance	11,000	0	0	11,000	11,000	11,000	0
Libraries	805,943	(1,907)	1,915	805,951	838,247	851,881	45,930
Parks and Fair Boards	332,500	0	0	332,500	332,500	332,500	0
Agriculture and Natural Resources							
Agriculture Extension Service	138,462	(11,850)	2,912	129,524	134,252	134,252	4,728
Forest Service	1,000	0	0	1,000	1,000	1,000	0
Soil Conservation	41,050	0	0	41,050	50,356	50,558	9,508
Other Operations							
Industrial Development	444,096	0	14,440	458,536	363,940	608,812	150,276
Other Economic and Community Development	215,464	0	0	215,464	365,464	365,464	150,000
Veterans' Services	11,900	0	0	11,900	11,900	11,900	0
Employee Benefits	355,539	(2,278)	5,838	359,099	382,499	382,499	23,400
Miscellaneous	74,467	0	0	74,467	76,452	76,452	1,985
Instruction							
Vocational Education Program	10,239	0	0	10,239	10,239	10,239	0
Other	189,522	0	0	189,522	200,000	200,000	10,478
Principal on Debt							
General Government	78,498	0	0	78,498	0	78,498	0

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Interest on Debt							
General Government	$ 14,553	$ 0	$ 0	$ 14,553	$ 0	$ 14,979	$ 426
Capital Projects							
Public Utility Projects	200,000	0	0	200,000	200,000	200,000	0
Capital Projects - Donated							
Capital Projects Donated to Other Entities	136,400	(42,005)	0	94,395	0	94,777	382
Total Expenditures	$ 42,946,173	$ (340,909)	$ 649,946	$ 43,255,210	$ 45,103,291	$ 46,301,605	$ 3,046,395
Excess (Deficiency) of Revenues Over Expenditures	$ 2,476,889	$ 340,909	$ (649,946)	$ 2,167,852	$ 1,135,485	$ 382,121	$ 1,785,731
Other Financing Sources (Uses)							
Capital Leases Issued	$ 71,703	$ 0	$ 0	$ 71,703	$ 3,419	$ 75,122	$ (3,419)
Transfers In	40,000	0	0	40,000	40,000	40,000	0
Transfers Out	(245,939)	0	0	(245,939)	(245,939)	(245,939)	0
Total Other Financing Sources	$ (134,236)	$ 0	$ 0	$ (134,236)	$ (202,520)	$ (130,817)	$ (3,419)
Net Change in Fund Balance	$ 2,342,653	$ 340,909	$ (649,946)	$ 2,033,616	$ 932,965	$ 251,304	$ 1,782,312
Fund Balance, July 1, 2012	5,192,701	(340,909)	0	4,851,792	5,003,415	5,049,618	(197,826)
Fund Balance, June 30, 2013	$ 7,535,354	$ 0	$ (649,946)	$ 6,885,408	$ 5,936,380	$ 5,300,922	$ 1,584,486

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

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	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	$ 6,059,962	$ 0	$ 0	$ 6,059,962	$ 5,715,972	$ 5,715,972	$ 343,990
Licenses and Permits	250,000	0	0	250,000	250,000	250,000	0
Other Local Revenues	164,062	0	0	164,062	82,566	82,566	81,496
State of Tennessee	3,115,555	0	0	3,115,555	3,714,028	3,714,028	(598,473)
Federal Government	10,400	0	0	10,400	10,400	10,400	0
Other Governments and Citizens Groups	220	0	0	220	3,650	3,650	(3,430)
Total Revenues	$ 9,600,199	$ 0	$ 0	$ 9,600,199	$ 9,776,616	$ 9,776,616	$ (176,417)
Expenditures							
Highways							
Administration	$ 311,688	$ 0	$ 145	$ 311,833	$ 343,373	$ 343,373	$ 31,540
Highway and Bridge Maintenance	5,555,281	(1,362)	11,777	5,565,696	5,923,158	5,946,064	380,368
Operation and Maintenance of Equipment	605,693	(1,513)	7,632	611,812	749,085	749,085	137,273
Asphalt Plant Operations	1,278,869	(8,637)	17,408	1,287,640	1,404,000	1,404,000	116,360
Traffic Control	30,153	(326)	0	29,827	30,000	30,000	173
Other Charges	90,856	0	0	90,856	95,000	95,000	4,144
Capital Outlay	264,662	(95,796)	69,930	238,796	250,000	250,000	11,204
Capital Projects							
Highway and Street Capital Projects	934,356	(494,633)	28,117	467,840	982,000	982,000	514,160
Total Expenditures	$ 9,071,558	$ (602,267)	$ 135,009	$ 8,604,300	$ 9,776,616	$ 9,799,522	$ 1,195,222
Excess (Deficiency) of Revenues Over Expenditures	$ 528,641	$ 602,267	$ (135,009)	$ 995,899	$ 0	$ (22,906)	$ 1,018,805
Net Change in Fund Balance	$ 528,641	$ 602,267	$ (135,009)	$ 995,899	$ 0	$ (22,906)	$ 1,018,805
Fund Balance, July 1, 2012	1,763,301	(602,267)	0	1,161,034	1,401,505	1,401,505	(240,471)
Fund Balance, June 30, 2013	$ 2,291,942	$ 0	$ (135,009)	$ 2,156,933	$ 1,401,505	$ 1,378,599	$ 778,334

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

Exhibit D-1

Sullivan County, Tennessee
Statement of Net Position
Proprietary Funds
June 30, 2013

	Governmental Activities - Internal Service Funds
ASSETS	
Current Assets:	
Cash	$ 17,784
Equity in Pooled Cash and Investments	60,221
Accounts Receivable	7,748
Due from Other Funds	404,988
Due from Component Units	49,929
Total Assets	$ 540,670
LIABILITIES	
Current Liabilities:	
Accounts Payable	$ 11,387
Claims and Judgments Payable	307,765
Total Liabilities	$ 319,152
NET POSITION	
Unrestricted	$ 221,518
Total Net Position	$ 221,518

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

Exhibit D-2

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

	Governmental Activities - Internal Service Funds
Operating Revenues	
Self-Insurance Premiums	$ 1,151,068
Cobra Insurance Payments	5,660
Total Operating Revenues	$ 1,156,728
Operating Expenses	
Handling Charges and Administrative Costs	$ 83,097
Dental Insurance	282,491
Audit Services	3,000
Contracts with Private Agencies	1,440
Building and Contents Insurance	121,498
Boiler Insurance	8,436
Liability Insurance	45,671
Medical Claims	364,010
Trustee's Commission	273
Vehicle and Equipment Insurance	149,250
Workers' Compensation Insurance	556,667
Total Operating Expenses	$ 1,615,833
Operating Income (Loss)	$ (459,105)
Nonoperating Revenues (Expenses)	
Investment Income	$ 1,737
Total Nonoperating Revenues (Expenses)	$ 1,737
Change in Net Position	$ (457,368)
Net Position, July 1, 2012	678,886
Net Position, June 30, 2013	$ 221,518

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

Exhibit D-3

Sullivan County, Tennessee
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	Governmental Activities - Internal Service Funds
Cash Flows from Operating Activities	
Receipts for Self-Insurance Premiums	$ 1,191,305
Payments to Insurers and Claims Payments	(1,730,564)
Payments for Administrative Costs	(87,810)
Net Cash Provided By (Used In) Operating Activities	$ (627,069)
Cash Flows from Investing Activities	
Interest on Investments	$ 1,737
Net Cash Provided By (Used In) Investing Activities	$ 1,737
Increase (Decrease) in Cash	$ (625,332)
Cash, July 1, 2012	703,337
Cash, June 30, 2013	$ 78,005
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities	
Operating Income (Loss)	$ (459,105)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Changes in Assets and Liabilities:	
(Increase) Decrease in Current Receivables	34,577
(Increase) Decrease in Prepaid Expenses	2,106
Increase (Decrease) in Other Current Liabilities	(204,647)
Net Cash Provided By (Used In) Operating Activities	$ (627,069)
Reconciliation of Cash With the Statement of Net Position	
Cash Per Net Position	$ 17,784
Equity in Pooled Cash and Investments Per Net Position	60,221
Cash, June 30, 2013	$ 78,005

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

Exhibit E

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

	Agency Funds
ASSETS	
Cash	$ 8,173,801
Equity in Pooled Cash and Investments	1,238,963
Accounts Receivable	4,344
Due from Other Governments	5,322,184
Taxes Receivable	26,654,501
Allowance for Uncollectible Taxes	(796,166)
Total Assets	$ 40,597,627
LIABILITIES	
Accounts Payable	$ 1,795
Due to Other Taxing Units	32,251,831
Due to Litigants, Heirs, and Others	8,196,693
Due to Joint Ventures	147,308
Total Liabilities	$ 40,597,627

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

SULLIVAN COUNTY, TENNESSEE
Index of Notes to Financial Statements

Note		Page(s)
I.	**Summary of Significant Accounting Policies**	
	A. Reporting Entity	36
	B. Government-wide and Fund Financial Statements	37
	C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	38
	D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
	1. Deposits and Investments	41
	2. Receivables and Payables	42
	3. Inventories and Prepaid Items	42
	4. Capital Assets	43
	5. Deferred Outflows/Inflows of Resources	44
	6. Compensated Absences	44
	7. Long-term Obligations	45
	8. Net Position and Fund Balance	45
	9. Reclassifications	47
	10. Restatements	48
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	48
	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	48
III.	**Stewardship, Compliance, and Accountability**	
	A. Budgetary Information	49
	B. Net Position Deficit	50
	C. Expenditures Exceeded Appropriations	50
IV.	**Detailed Notes on All Funds**	
	A. Deposits and Investments	50
	B. Capital Assets	52
	C. Construction Commitments	55
	D. Interfund Receivables, Payables, and Transfers	55
	E. Capital Leases	57
	F. Long-term Obligations	58
	G. Pledges of Future Revenues	64
	H. On-Behalf Payments	64
	I. Donor-Restricted Endowments	64
	J. Short-term Debt	65

SULLIVAN COUNTY, TENNESSEE
Index of Notes to Financial Statements (Cont.)

Note		Page(s)
V.	**Other Information**	
	A. Risk Management	65
	B. Accounting Changes	67
	C. Subsequent Events	68
	D. Contingent Liabilities	68
	E. Changes in Administration	68
	F. Joint Ventures	69
	G. Jointly Governed Organization	71
	H. Retirement Commitments	72
	I. Other Postemployment Benefits (OPEB)	75
	J. Office of Central Accounting	80
	K. Purchasing Laws	80
VI.	**Other Notes - Discretely Presented Sullivan County Emergency Communications District**	80

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Sullivan 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 Sullivan County:

A. Reporting Entity

Sullivan County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Sullivan County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Sullivan County School Department operates the public school system in the county, and the voters of Sullivan 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 Sullivan County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Sullivan County, and the Sullivan 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 Sullivan 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 Sullivan County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Sullivan County Emergency
Communications District
P.O. Box 485
Blountville, TN 37618

B. Government-wide and Fund Financial Statements

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

Sullivan County issues all debt for the discretely presented Sullivan County School Department. Net debt issues totaling $4,093,106 were contributed by the county to the School Department during the year ended June 30, 2013.

Separate financial statements are provided for governmental funds, proprietary funds (internal service), and fiduciary funds. Internal service funds are reported with the governmental activities in the government-wide financial statements, and fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary fund 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 Sullivan 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 category. Sullivan County reports two proprietary funds, both internal service funds. It has no enterprise funds to report.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Sullivan 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 funds 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.

Sullivan County reports the following major governmental funds:

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

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

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

Additionally, Sullivan County reports the following fund types:

Capital Projects Funds – These 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 major capital facilities and other capital assets.

Internal Service Funds – The Self-Insurance Fund accounts for the self-insured general liability, property, casualty, and workers' compensation programs managed by the county for the primary government and the discretely presented School Department. The Employee Insurance – General Fund accounts for the self-insured retirees' supplemental health and employee dental programs.

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 Sullivan County, Bristol and Kingsport city school systems' share of educational revenues, assets held in a custodial capacity for an airport

joint venture, 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 Sullivan County School Department reports the following major governmental fund:

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.

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

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

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

Private-Purpose Trust Fund – The Endowment Fund is used to account for resources legally held in trust to fund student scholarships at a local high school. Interest earned by the fund for a calendar year or five percent of the value of the fund on December 31, whichever is greater, may be expended for scholarships awarded to students

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 two proprietary funds. Operating revenues and expenses generally result from providing services in connection with the funds' principal ongoing operations. The principal operating revenues of the county's internal service funds are self-insurance premiums. Operating expenses for the internal service funds include various self-insured insurance program expenses and fiscal agent charges.

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 of the internal service funds, cash includes cash on hand, demand deposits, cash with paying agent, cash equivalents, and cash on deposit with the county trustee. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less.

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

2. Receivables and Payables

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

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.55 percent of total taxes levied. Ambulance receivables are shown net of an allowance for uncollectibles for amounts exceeding 150 days.

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. The balance in the Other Current Liabilities account totaling $1,058,760 on the Statement of Net Position for the primary government consists of a liability for amounts held in escrow for the Tri-Cities Regional Airport, a joint venture discussed in Note V.D. for contingent liabilities. Claims and judgments payable totaling $307,765 is discussed in Note V.A. Risk Management.

3. Inventories and Prepaid Items

Inventories of Sullivan County and the discretely presented Sullivan County School Department are recorded at cost or estimated 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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as an expenditure when consumed rather than when purchased. Prepaids 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 column 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 two 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
Building and Improvements	50
Other Capital Assets	5 - 20
Infrastructure	40

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 for 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 county's and the School Department's policies to permit employees to accumulate earned but unused vacation benefits, which will be paid to employees upon separation from service. All vacation pay is accrued when incurred in the government-wide financial statements for the county and the School Department. 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. The granting of sick leave for the primary government has no guaranteed payment attached and therefore is not required to be accrued or recorded.

The School Department allows employees to accumulate earned but unused sick leave, which will be paid to employees upon separation from service at the rate of $28 per day for one to 100 unused sick days; $30 per day for 101 to 200 unused sick days; $32 per day for 201 to 300 unused sick days; and $34 per day for 301 and above unused sick days. This practice was negotiated by the Board of Education and the

local education association. All sick leave is accrued when incurred in the government-wide statements for the School Department.

7. Long-term Obligations

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

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

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

8. Net Position and Fund Balance

In the government-wide financial statements and the proprietary funds 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, Sullivan County had $48,428,473 in outstanding debt for capital purposes of the discretely presented Sullivan County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Bristol School System and City of Kingsport School System) based on an average daily attendance prorations. This debt is a liability of Sullivan County, but the capital assets acquired are reported in the financial statements of the School Department, the City of Bristol School System, and the City of Kingsport School System. In addition, Sullivan County had outstanding debt totaling $7,100,000 on June 30, 2013, for capital purposes of a joint venture, the Sullivan County Economic Development Partnership (NETWORKS). This debt is also a liability of Sullivan County, but the capital assets acquired are reported by the Sullivan County Economic Development Partnership. Therefore, Sullivan 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 makes assignment for the general government and the Board of Education makes assignments for the School Department. Assigned fund balance in the General Fund consists primarily of amounts assigned for encumbrances of $427,257 and fund balance appropriated for use in the 2013-14 year budget totaling $1,203,824.

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. Reclassifications

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 ($18,540) has been recognized in the government-wide and the governmental funds financial statements.

In prior years, the Education Debt Service Fund was recognized as a fund of the discretely presented Sullivan County School Department; however, effective July 1, 2012, this fund was recognized as a fund of the primary government because the primary government is legally obligated to repay the debt. A reclassification of beginning balances totaling $67,556 has been recognized in the government-wide financial statements and the governmental funds financial statements. Additionally, due to this change in recognition, reclassifications to beginning net position in the government-wide statements of $98,542 and $629,644 were recognized to transfer the beginning accrued

interest payable and unamortized premiums on debt that were associated with the debt serviced by this fund.

10. Restatements

Prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of GASB Statement No. 65, debt issuance costs become period costs. A restatement of beginning net position totaling $428,208 and $73,401 for the primary government and the School Department, respectively, has been recognized for accumulated debt issuance costs on the government-wide financial statements.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Sullivan County School Department

Exhibit K-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 change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Sullivan County School Department

Exhibit K-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

A. Budgetary Information

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

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year-end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, County Mayor, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

The county's budgetary basis of accounting is consistent with GAAP, except instances in which encumbrances are treated as budgeted expenditures. The difference between the budgetary basis and the GAAP basis is presented on the face of each budgetary schedule.

At June 30, 2013, Sullivan County reported the following significant encumbrances:

Fund	Description		Amount
Primary Government:			
Major Fund:			
General	Building Improvements	$	49,972
"	Other Capital Outlay		25,325
Highway/Public Works	Vehicles		69,930

B. Net Position Deficit

The Self-Insurance Fund (internal service fund) had a deficit in unrestricted net position of $191,174 at June 30, 2013. This deficit resulted from management not adequately charging the various departments of the primary government their share of the cost of the liability and workers' compensation claims. The County Commission appropriated additional funding from the General Fund in the 2013-2014 budget to liquidate this deficit.

C. Expenditures Exceeded Appropriations

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

Fund/Major Appropriation Category		Amount Overspent
General:		
Risk Management	$	706
Rabies and Animal Control		1,316

Expenditures exceeded total appropriations in the General Debt Service Fund by $5,618.

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance in the General Fund and by greater than anticipated revenues in the General Debt Service Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

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

Deposits

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

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

Investments

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

Investment Balances. As of June 30, 2013, Sullivan County had the following investments carried at fair value. Separate disclosures concerning pooled investments cannot be made for Sullivan County and the discretely presented Sullivan County School Department since both pool their deposits and investments through the county trustee.

POOLED INVESTMENTS

Investment	Weighted Average Maturity (days)		Fair Value
State Treasurer's Investment Pool	11 to 138	$	2,830,093

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Sullivan County has no investment policy that would further limit its investment choices. As of June 30, 2013, Sullivan County's investment in the State Treasurer's Investment Pool was unrated.

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	$ 2,059,381	$ 0	$ (114,660)	$ 1,944,721
Total Capital Assets Not Depreciated	$ 2,059,381	$ 0	$ (114,660)	$ 1,944,721
Capital Assets Depreciated:				
Buildings and Improvements	$ 32,681,734	$ 108,330	$ 0	$ 32,790,064
Infrastructure	20,513,185	0	(455,408)	20,057,777
Other Capital Assets	25,235,405	615,172	(131,128)	25,719,449
Total Capital Assets Depreciated	$ 78,430,324	$ 723,502	$ (586,536)	$ 78,567,290
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 10,748,609	$ 641,959	$ 0	$ 11,390,568
Infrastructure	8,452,728	512,830	(172,073)	8,793,485
Other Capital Assets	19,688,291	927,640	(110,357)	20,505,574
Total Accumulated Depreciation	$ 38,889,628	$ 2,082,429	$ (282,430)	$ 40,689,627
Total Capital Assets Depreciated, Net	$ 39,540,696	$ (1,358,927)	$ (304,106)	$ 37,877,663
Governmental Activities Capital Assets, Net	$ 41,600,077	$ (1,358,927)	$ (418,766)	$ 39,822,384

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

Governmental Activities:

General Government	$ 71,508
Administration of Justice	147,623
Public Safety	575,771
Public Health and Welfare	376,711
Social, Cultural, and Recreational	38,427
Other Operations	31,287
Highways	841,102
Total Depreciation Expense - Governmental Activities	$ 2,082,429

Discretely Presented Sullivan County School Department

Governmental Activities:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	$ 1,124,248	$ 0	$ (5,000)	$ 1,119,248
Construction in Progress	18,923,259	2,953,424	(2,297,156)	19,579,527
Total Capital Assets Not Depreciated	$ 20,047,507	$ 2,953,424	$ (2,302,156)	$ 20,698,775
Capital Assets Depreciated:				
Buildings and Improvements	$ 99,392,892	$ 3,747,880	$ (238,503)	$ 102,902,269
Other Capital Assets	8,945,509	559,935	(1,115,939)	8,389,505
Total Capital Assets Depreciated	$ 108,338,401	$ 4,307,815	$ (1,354,442)	$ 111,291,774
Less Accumulated Depreciation For:				
Buildings and Improvements	$ 49,252,626	$ 2,141,122	$ (130,174)	$ 51,263,574
Other Capital Assets	6,251,004	494,357	(1,077,187)	5,668,174
Total Accumulated Depreciation	$ 55,503,630	$ 2,635,479	$ (1,207,361)	$ 56,931,748
Total Capital Assets Depreciated, Net	$ 52,834,771	$ 1,672,336	$ (147,081)	$ 54,360,026
Governmental Activities Capital Assets, Net	$ 72,882,278	$ 4,625,760	$ (2,449,237)	$ 75,058,801

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

Governmental Activities:

Instruction	$ 2,279,888
Support Services	223,814
Operation of Non-Instructional Services	131,777
Total Depreciation Expense - Governmental Activities	$ 2,635,479

C. Construction Commitments

At June 30, 2013, the discretely presented Sullivan County School Department had uncompleted construction contracts of $455,332 in the Special Purpose School Fund and $567,083 in the Education Capital Projects Fund. Funding for these future expenditures is being provided through fund balance and the issuance of other loans by the primary government.

D. 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	$ 297,787
Nonmajor governmental	General	9,893
"	Highway/Public Works	265
"	Nonmajor governmental	397
Internal Service	General	288,177
"	Highway/Public Works	109,592
"	Nonmajor governmental	7,219
Discretely Presented School Department:		
Nonmajor governmental	General Purpose School	6,218

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 Unit:

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
General	School Department	$ 22,174
Nonmajor governmental	"	1,132
Internal Service	"	49,929

The amounts reflected as Due to Primary Government from the discretely presented School Department on the government-wide Statement of Net Position also includes $10,613,648 for debt issued by the primary government, which is being retired by the School Department. Of that amount, $8,981,381 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
General Fund	$ 0	$ 245,939
Nonmajor governmental fund	40,000	0
Total	$ 40,000	$ 245,939

Discretely Presented Sullivan County School Department

	Transfers In	
Transfers Out	General Purpose School Fund	Nonmajor Governmental Funds
General Purpose School Fund	$ 0	$ 508,339
Nonmajor governmental funds	459,693	0
Total	$ 459,693	$ 508,339

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

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

E. Capital Leases

On June 12, 2012, Sullivan County entered into a two-year lease-purchase agreement for Sheriff's Department vehicles. The terms of the agreement require total lease payments of $234,496 plus interest of 5.75 percent. Title to the equipment transfers to Sullivan County at the end of the lease period. The lease payments are made from the General Fund.

On May 6, 2013, Sullivan County entered into a four-year lease-purchase agreement for Circuit, General Sessions, and Law Courts Office computers. The terms of the agreement require total lease payments of $71,703 plus interest of six percent. Title to the equipment transfers to Sullivan County at the end of the lease period. The lease payments are made from the General Fund. In the government-wide financial statements, the equipment was expensed in the year of acquisition because those items did not meet criteria of the county's capitalization policy.

On May 30, 2012, Sullivan County entered into a five-year lease-purchase agreement for the School Department for copiers. The terms of the agreement require total lease payments of $88,602 plus interest of 8.95 percent. Title to the equipment transfers to the School Department at the end of the lease period. The lease payments are made from contributions from the General Purpose School Fund to the primary government's Education Debt Service Fund.

On June 28, 2012, Sullivan County entered into a three-year lease-purchase agreement for the School Department for computers. The terms of the agreement require total lease payments of $118,528 plus interest of 3.21 percent. Title to the equipment transfers to the School Department at the end of the lease period. The School Federal Projects Fund is contributing the lease payments to the primary government's Education Debt Service Fund. In the government-wide financial statements, the equipment was expensed in the year of acquisition because those items did not meet criteria of the county's capitalization policy.

On July 26, 2012, Sullivan County entered into a two-year lease-purchase agreement for the School Department for Apple iPads. The terms of the agreement require total lease payments of $151,600 plus interest of 2.97 percent. Title to the equipment transfers to the School Department at the end of the lease period. The School Federal Projects Fund is contributing the lease payments to the primary government's Education Debt Service Fund. In the government-wide financial statements, the equipment was expensed in the year of acquisition because those items did not meet criteria of the county's capitalization policy.

The assets acquired through capital leases are as follows:

	Governmental Activities	
	Primary Government	School Department
Machinery and Equipment	$ 234,496	$ 88,602
Less: Accumulated Depreciation	(46,634)	(19,197)
Total Book Value	$ 187,862	$ 69,405

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	$ 218,716
2015	136,142
2016	42,053
2017	35,214
Total Minimum Lease Payments	$ 432,125
Less: Amount Representing Interest	(38,350)
Present Value of Minimum Lease Payments	$ 393,775

F. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

Sullivan County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds. 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 21 years for bonds, up to 12 years for notes, and up to 17 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements

decrease over the term of the debt. All bonds, notes, and other loans included in the long-term debt as of June 30, 2013, will be retired from the General Debt Service and Education Debt Service funds.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-13
General Obligation Bonds	2.5 to 6.25 %	4-1-28	$ 16,965,000	$ 11,605,000
General Obligation Bonds - Refunding	4.75 to 5	4-1-24	29,540,000	25,260,000
Capital Outlay Notes	4.5 to 5.05	4-1-17	1,995,000	1,100,000
Other Loans - Qualified School Construction Bonds	0 to 1.515	8-1-27	20,553,000	17,235,868
Other Loans - Energy Efficient Schools Initiative	.75 (1)	4-16-20	5,000,000	4,498,957
Capital Leases	2.97 to 8.95	5-30-17	664,929	393,775

(1) $501,043 remains available for future draws as of June 30, 2013.

In 2009-10, Sullivan County entered into a loan agreement totaling $15,480,000 with the Tennessee State School Bond Authority. Qualified School Construction Bonds were issued through the authority, and the proceeds were loaned to Sullivan County and other local governments across Tennessee. The county pays interest of 1.515 percent on its share of the bonds and also pays a monthly administrative fee to the authority. The administrative fee totaled $2,580 per month through January 2013 and $1,290 per month thereafter. The county and the other borrowers of the bond proceeds are required to comply with federal regulations established for the Qualified School Construction Bond program. Failure to comply with those requirements may result in the loss of the tax credit status on the bonds. This would result in further charges to the borrowers including the requirement to pay the tax-credit rate (5.86 percent) in addition to the 1.515 percent for a total rate of 7.375 percent.

During 2010-11, Sullivan County entered into a loan agreement with the Tennessee State School Bond Authority. Under this loan agreement, the authority loaned Sullivan County $5,073,000 for Emmett Elementary and Holston Complex renovations. This loan is interest free after a rebate. The county pays an annual administrative fee of $4,058.

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

Year Ending June 30	Bonds Principal	Interest	Total
2014	$ 3,115,000	$ 1,821,350	$ 4,936,350
2015	3,295,000	1,672,775	4,967,775
2016	3,040,000	1,523,275	4,563,275
2017	3,195,000	1,374,900	4,569,900
2018	3,880,000	1,219,063	5,099,063
2019-2023	14,325,000	3,643,162	17,968,162
2024-2028	6,015,000	729,990	6,744,990
Total	$ 36,865,000	$ 11,984,515	$ 48,849,515

Year Ending June 30	Notes Principal	Interest	Total
2014	$ 250,000	$ 55,025	$ 305,025
2015	275,000	42,650	317,650
2016	275,000	28,900	303,900
2017	300,000	15,150	315,150
Total	$ 1,100,000	$ 141,725	$ 1,241,725

Year Ending June 30	Other Loans Principal	Interest	Other Fees	Total
2014	$ 1,484,129	$ 499,103	$ 19,538	$ 2,002,770
2015	1,688,063	515,465	19,539	2,223,067
2016	1,691,111	512,417	19,538	2,223,066
2017	1,694,195	509,333	19,539	2,223,067
2018	1,697,291	506,237	19,538	2,223,066
2019-2023	8,533,735	2,483,905	97,693	11,115,333
2024-2028	4,946,301	1,738,581	67,557	6,752,439
Total	$ 21,734,825	$ 6,765,041	$ 262,942	$ 28,762,808

The county issued Airport Revenue and Tax Bonds on behalf of the Tri-Cities Regional Airport during 2003-04. These bonds are discussed further in Note V.D. These revenue and tax bonds are a liability of the joint venture and therefore are not reflected in the county's financial statements.

In previous years, the county issued Industrial Park bonds totaling $6,500,000 and an additional $2,500,000 in capital outlay notes for the benefit of the Sullivan County Economic Development Partnership (NETWORKS), a joint venture. The bonds and notes are general obligation debt of the county. The interlocal agreement, which established the partnership, requires NETWORKS to pay the county an amount equal to the annual principal and interest requirements on the debt issues. In the event revenues of NETWORKS are not sufficient to meet those requirements, the other participating governments in NETWORKS have agreed to pay 49 percent of any such deficiency.

In the previous years, the Education Debt Service Fund was reflected as a fund of the School Department; however, this fund was recognized as a fund of the primary government in the current year because the primary government is legally obligated to repay the debt. As described in Note IV.G., the School Department has pledged a portion of its local option sales tax revenues toward the retirement of the refunding bonds issued in 2004 paid through this fund. At June 30, 2013, the total amount outstanding on these bonds totaled $10,365,000.

There is $1,628,587 available in the debt service funds to service long-term debt. Debt per capita, including bonds, notes, other loans, and capital leases totaled $445, for residents living outside the Bristol and Kingsport districts and $316, for residents living inside these school districts based on the 2010 federal census.

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.

Changes in Long-term Obligations

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

Description of Indebtedness		Outstanding 6-30-13
Bonds Payable		
Payable through Education Debt Service Fund		
School Refunding	$	10,365,000
Capital Leases		
Payable through General Purpose School Fund		
Copy Machines 2012		72,608
Payable through School Federal Projects Fund		
Computers		76,459
Apple Ipads		99,581
Total	$	10,613,648

Changes in Long-term Obligations

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

	Bonds	Notes	Other Loans
Balance, July 1, 2012	$ 27,960,000	$ 1,670,000	$ 21,412,124
Reclassification of School Debt	11,825,000	0	0
Additions	0	0	1,605,176
Reductions	(2,920,000)	(570,000)	(1,282,475)
Balance, June 30, 2013	$ 36,865,000	$ 1,100,000	$ 21,734,825
Balance Due Within One Year	$ 3,115,000	$ 250,000	$ 1,484,129

	Capital Lease	Postemployment Benefits	Compensated Absences
Balance, July 1, 2012	$ 151,922	$ 1,979,298	$ 1,222,378
Reclassification of School Debt	205,954	0	0
Additions	223,303	976,071	1,533,135
Reductions	(187,404)	(1,045,641)	(1,531,895)
Balance, June 30, 2013	$ 393,775	$ 1,909,728	$ 1,223,618
Balance Due Within One Year	$ 196,785	$ 0	$ 721,934

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	$ 63,226,946
Less: Balance Due Within One Year	(5,767,848)
Add: Unamortized Premium on Debt	1,327,926
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 58,787,024

Compensated absences and other postemployment benefits will be paid from the employing funds.

Discretely Presented Sullivan County School Department

Changes in Long-term Obligations

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

	Bonds	Capital Leases
Balance, July 1, 2012	$ 11,825,000	$ 205,954
Additions	0	0
Reductions	0	0
Reclassification of School Debt	(11,825,000)	(205,954)
Balance, June 30, 2013	$ 0	$ 0
Balance Due Within One Year	$ 0	$ 0

	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2012	$ 19,900,628	$ 2,762,666
Additions	7,376,853	477,204
Reductions	(2,374,242)	(607,787)
Balance June 30, 2013	$ 24,903,239	$ 2,632,083
Balance Due Within One Year	$ 0	$ 579,058

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	$ 27,535,322
Less: Balance Due Within One Year	(579,058)
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	$ 26,956,264

Compensated absences and other postemployment benefits will be paid from the employing funds.

G. Pledges of Future Revenues – Discretely Presented Sullivan County School Department

The Sullivan County School Department has pledged a portion of its share of local option sales tax revenues toward the retirement of refunding bonds issued by Sullivan County in 2004. Total principal and interest remaining on the debt is $12,251,500 with annual requirements ranging from $2,048,250 in the next fiscal year to $2,047,500 in the final year of 2019.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Sullivan 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 are 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 $1,027,159 and $6,125, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

I. Donor-restricted Endowments – Discretely Presented Sullivan County School Department

The Sullivan County School Department accounts for an endowment totaling $152,268 in the Endowment Fund. Interest earned by the fund for a calendar year or five percent of the value of the fund on December 31, whichever is greater, may be expended for scholarships awarded to students of Sullivan North High School. During the year ended June 30, 2013, expenditures totaled $7,620.

J. Short-term Debt

Primary Government

Sullivan County issued tax anticipation notes in advance of property tax collections and other revenues and deposited the proceeds in the General Fund. These notes were necessary because funds were not available to meet obligations coming due before current tax and other revenue collections.

	Balance 7-1-12	Issued	Paid	Balance 6-30-13
Tax Anticipation Notes - General Fund	$ 0	$ 2,000,000	$ (2,000,000)	$ 0

Discretely Presented Sullivan County School Department

Sullivan County issued tax anticipation notes in advance of property tax collections and other revenues and deposited the proceeds in the General Purpose School Fund. These notes were necessary because funds were not available to meet obligations coming due before current tax and other revenue collections.

	Balance 7-1-12	Issued	Paid	Balance 6-30-13
Tax Anticipation Notes - General Purpose School Fund	$ 0	$ 1,800,000	$ (1,800,000)	$ 0

V. OTHER INFORMATION

A. Risk Management

Sullivan County maintains the Employee Insurance – General Fund (an internal service fund) for self-insured risks associated with the retirees' supplemental health and employee dental plans for employees of the primary government. The county provides commercial health insurance coverage for current employees.

The discretely presented Sullivan 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.

Sullivan County established a self-insurance fund for risks associated with general liability, property, casualty losses, and workers' compensation. Both the primary government and the discretely presented Sullivan County School Department participate in this self-insurance fund for the risks listed above. The Self-Insurance Fund is accounted for as an internal service fund in which assets are set aside for claim settlements. Insurance premiums are paid out of the General, Highway/Public Works, and General Purpose School funds. The county retains the risk of loss to limits of $50,000 to $100,000 per individual claim for general liability, property, and casualty losses. The county is self-insured to a limit of $300,000 for a single accident for workers' compensation. Amounts exceeding these limits are covered by excess loss policies, subject to various policy limits. A fee is paid from this fund to a third-party agent who investigates claims and determines recommended action to be taken. Liabilities of the self-insurance funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These funds establish claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustment expenditures/expenses, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability of unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

Self-Insurance Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2011-2012	$ 534,972	$ 1,072,457	$ (1,083,630)	$ 523,799
2012-2013	523,799	881,522	(1,086,169)	319,152

Employee Insurance - General Fund

	Beginning of Fiscal Year Liability	Current-year Claims and Estimates	Payments	Balance at Fiscal Year-end
2011-2012	$ 111	$ 687,857	$ (687,968)	$ 0
2012-2013	0	646,501	(646,501)	0

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. Sullivan 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

Highway Commissioner, Terry Shaffer, resigned December 23, 2013. The County Commission has not appointed anyone to fill the vacancy as of the date of this report.

On September 16, 2013, Sullivan County issued a $1,800,000 tax anticipation note for the General Purpose School Fund for temporary operating funds.

On September 20, 2013, Sullivan County issued a $295,080 capital lease for the Highway Department for dump trucks.

On October 23, 2013, Sullivan County issued a $2,000,000 tax anticipation note for the General Fund for temporary operating funds.

D. Contingent Liabilities

Sullivan County issued $5,000,000 in Airport Revenue and Tax Bonds dated August 1, 2003, for improvements to the Tri-Cities Airport Commission (a joint venture described in Note V.F.). Sullivan County is contingently liable for 20 percent of the principal and interest on these bonds in the event revenues of the Airport Commission are not sufficient to cover the payments. The other governments participating in the joint venture are contingently liable for the remaining 80 percent of the principal and interest requirements.

There are several pending lawsuits in which the county is involved. Management has provided for potential claims and judgments in the financial statements of the self-insurance funds in this report. Based on letters from attorneys, management believes that potential claims not already recorded in the self-insurance funds would not materially affect the financial statements of the county.

E. Changes in Administration

On March 31, 2013, Bob Icenhour left the Office of Assessor of Property and was succeeded by Ronald Hillman.

On April 14, 2013, Gayvern Moore left the Office of Director of Accounts and Budgets and was succeeded by William Anderson.

On April 30, 2013, Sarah Housewright left the Office of Clerk and Master and was succeeded by Katherine Priester.

F. Joint Ventures

Primary Government

The Tri-Cities Regional Airport is a joint venture in which Sullivan County participates, along with Washington County and the cities of Kingsport; Johnson City; Bristol, Tennessee; and Bristol, Virginia. The airport is governed by a 12-member board (the Tri-Cities Regional Airport Authority) comprising two members appointed by Sullivan County and ten members appointed by the other participating governments. Funding for the Airport Authority is provided primarily by revenues generated from airport services and by capital grants from the federal and state governments. Complete financial statements for the Tri-Cities Regional Airport can be requested at the following address:

Tri-Cities Regional Airport
2525 Highway 75, Suite 301
Blountville, TN 37617

The Sullivan County Economic Development Partnership (NETWORKS) is a joint venture in which Sullivan County participates, along with the cities of Kingsport, Bristol, and Bluff City. The partnership is governed by a 24-member board of directors comprising the four mayors, one member each appointed by the member entities' legislative body, 12 members appointed collectively by the four mayors and four members appointed by the other 20 members of the board. Funding for the NETWORKS is provided primarily by contributions from Sullivan County and the member cities, revenues generated from capital projects and other business activities of the partnership. Complete financial statements for the NETWORKS can be requested at the following address:

Sullivan County Economic
Development Partnership
P.O. Box 426
Blountville, TN 37617

The Second Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Second Judicial District, Sullivan County, and various cities within Sullivan County. 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 operations 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, sheriff, and police chiefs of participating law enforcement agencies within each judicial district. Sullivan 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:

District Attorney General
Second Judicial District
P.O. Box 526
Blountville, TN 37617

The Upper East Tennessee Juvenile Detention Center was formed through a cooperative agreement between Sullivan County and the counties of Carter, Greene, Hawkins, Johnson, Unicoi, and Washington for the operation of a program to divert youth from commitment to the Department of Correction facilities. This program is governed by a board of directors designated by the counties. The board of directors has contracted with Universal Health Services to undertake the management of this program. Operation costs to the counties are allocated according to percentages based on population. Sullivan County's participation cost percentage is 31.7 percent. The county also pays a daily fee for individuals from their counties using the facility. Complete financial statements for the Juvenile Detention Center can be obtained from its administrative office at the following address:

Upper East Tennessee Regional
Juvenile Detention Center
307 Wesley Street
Johnson City, TN 37601

The Sullivan County, Bluff City, Kingsport Animal Control Center is a joint venture formed by an interlocal agreement between Sullivan County and the cities of Bluff City, and Kingsport. The purpose of the Animal Control Center is to provide animal control, prevent cruelty to animals, and operate one or more animal shelters with Sullivan County, Bluff City, and Kingsport. The Animal Control Center is governed by a nine-member board comprising two members appointed by Sullivan County, two members appointed by the City of Kingsport, one member by the City of Bluff City, one member by the Sullivan County Humane Society, and one member by the Animal Rescue Coalition, with the county mayor of Sullivan County and the city manager of the City of Kingsport as voting ex officio members. Funding for the Animal Control Center is provided by revenues generated from adoption fees and contributions from Sullivan County and the member cities. Sullivan County contributed $315,833 to the Animal Control Center for the year ended June 30, 2013. Complete financial statements for the Animal Control Center can be obtained from its administrative office at the following address:

Sullivan County, Bluff City,
Kingsport Animal Control Center
P.O. Box 507
Kingsport, TN 37662

Discretely Presented School Department

The discretely presented School Department participates in the Northeast Tennessee Cooperative (NETCO). The cooperative was established through a contractual agreement between the Boards of Education of Sullivan County and various other counties and cities in the upper East Tennessee area. The cooperative was authorized through Chapter 49 of *Tennessee Code Annotated*, and was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Johnson City School System) and a service provider to provide this service. NETCO is governed by a representative committee, including one representative from each of the member districts and an executive council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the representative committee.

Complete financial statements for NETCO can be obtained from its administrative office at the following address:

Northeast Tennessee Cooperative
100 East Maple Street
P.O. Box 1517
Johnson City, TN 37605

G. Jointly Governed Organization

Primary Government

The East Tennessee Regional Agribusiness Marketing Authority was established through Title 64 of *Tennessee Code Annotated* (*TCA*), and includes the counties of Carter, Claiborne, Cocke, Grainger, Greene, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Sullivan, Washington, and Unicoi. The purpose of the authority is to establish and operate a market for agricultural products of the region through a food distribution center. The authority is governed by a Board of Directors consisting of the county mayors of each county or the county mayor's designee and one nonvoting member representing the Tennessee Department of Agriculture and the University of Tennessee's Agriculture Extension Service. An executive committee, consisting of the chairman, vice-chairman, secretary, and treasurer of the Board of Directors, along with the center manager as an ex-officio member, is in charge of the daily operation of the center.

H. Retirement Commitments

Plan Description

Employees of Sullivan 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 Sullivan 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

Sullivan County had previously adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. As of April 1, 2012, the county elected to discontinue the noncontributory provision for all future hires. This will require all new hires to contribute five percent of their earnable compensation to the plan. Employees who were employed prior to April, 1, 2012, will continue to be eligible for the noncontributory provision. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 15 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, Sullivan County's annual pension cost of $5,174,797 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was five 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	$5,174,797	100%	$0
6-30-12	5,591,311	100	0
6-30-11	6,071,204	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 92.6 percent funded. The actuarial accrued liability for benefits was $149.69 million, and the actuarial value of assets was $138.61 million, resulting in an unfunded actuarial accrued liability (UAAL) of $11.08 million. The covered payroll (annual payroll of active employees covered by the plan) was $35.98 million, and the ratio of the UAAL to the covered payroll was 30.79 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 Sullivan 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 $3,625,186, $3,687,161, and $3,750,397, respectively, equal to the required contributions for each year.

I. Other Postemployment Benefits (OPEB)

Primary Government

Plan Description

Sullivan County provides commercial health insurance benefits for pre-65 retirees and self-insured Medicare supplement benefits for post-65 retirees. For accounting purposes, the plan is a single-employer defined benefit OPEB plan. Benefits are established and amended by recommendation of an insurance committee and approved by the County Commission.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is financed on a pay-as-you-go basis. Claims liabilities of the Medicare supplement benefits portions of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The county develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums.

Sullivan County employees who meet retirement criteria of the Tennessee Consolidated Retirement System are also eligible for county provided postemployment health benefits until age 65. Spouses are eligible to continue medical coverage until the retiree is eligible for Medicare. Pre-65 retirees with 25 years of service and 55 years of age are not required to make a contribution, while those with less than 25 years of service must contribute 100 percent. Medicare supplement benefits are provided for post-65 retirees who meet requirements set by the insurance committee for years of service and age at retirement. The county contributes to the Medicare supplement cost for eligible retirees based on years of service and date of retirement.

Annual OPEB Cost and Net OPEB Obligation

		Sullivan County Plan
ARC	$	957,960
Interest on the NOPEBO		89,068
Adjustment to the ARC		(70,957)
Annual OPEB cost	$	976,071
Amount of contribution		(1,045,641)
Increase/decrease in NOPEBO	$	(69,570)
Net OPEB obligation, 7-1-12		1,979,298
Net OPEB obligation, 6-30-13	$	1,909,728

Fiscal Year Ended	Plan		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Obligation at Year End
6-30-11	Sullivan County	$	1,127,584	78	% $	1,968,940
6-30-12	"		947,965	99		1,979,298
6-30-13	"		976,071	107		1,909,728

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2012, was as follows:

Actuarial valuation date		7-1-12
Actuarial accrued liability (AAL)	$	16,721,691
Actuarial value of plan assets	$	0
Unfunded actuarial accrued liability (UAAL)	$	16,721,691
Actuarial value of assets as a % of the AAL		0%
Covered payroll (active plan members)	$	26,722,500
UAAL as a % of covered payroll		62.6%

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, 2012, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5 percent discount rate and an annual healthcare cost trend rate of nine percent initially reduced by decrements to an ultimate rate of five percent by 2020. The unfunded actuarial accrued liability is being amortized on a closed basis over a 30-year period beginning June 30, 2009, increasing at five percent per year (the payroll growth rate).

Discretely Presented Sullivan County School Department

Plan Description

The School Department participates in the state-administered Local Education Group Insurance Plan and the Medicare Supplement 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 local education employees, and Section 8-27-701, *TCA*, for the Medicare Supplement. 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. Alternatively, the School Department offers a commercial Medicare Supplement Plan to retirees. The state 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 the state plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service

for post-65 teachers in the Medicare Supplement Plan. For pre-65 teachers, the School Department pays the full premium for single coverage, with retirees being responsible for the extra cost of family coverage. For post-65 teachers participating in the state sponsored plan, the School Department pays the difference between the full premium ($121) and the subsidy provided by the state ($50 maximum). Support personnel may participate in the state sponsored Medicare Plan; however, the state does not provide a subsidy; the School Department pays the entire premium for these support personnel. For post-65 teachers and support personnel participating in the commercial plan, beginning on January 1, 2011, the School Department no longer pays the full premium ($85). The commercial plan is a Medicare Advantage Plan. During the year ended June 30, 2013, the discretely presented School Department contributed $2,374,241 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	State Medicare Supplement Plan	Commercial Medicare Supplement Plan
ARC	$ 4,133,000	$ 3,258,000	$ 33,813
Interest on the NOPEBO	238,196	564,451	(5,641)
Adjustment to the ARC	(252,841)	(599,154)	7,028
Annual OPEB cost	$ 4,118,355	$ 3,223,297	$ 35,200
Amount of contribution	(2,139,864)	(234,377)	0
Increase/decrease in NOPEBO	$ 1,978,491	$ 2,988,920	$ 35,200
Net OPEB obligation, 7-1-12	5,954,896	14,111,266	(165,534)
Net OPEB obligation, 6-30-13	$ 7,933,387	$ 17,100,186	$ (130,334)

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	$ 2,903,543	73 %	$ 3,966,710
6-30-12	"	4,075,245	51	5,954,896
6-30-13	"	4,118,355	52	7,933,387
6-30-11	State Medicare Supplement	2,923,677	4	11,086,766
6-30-12	"	3,192,735	5	14,111,266
6-30-13	"	3,223,297	7	17,100,186
6-30-11	Commercial Medicare Supplement	385,321	72	(196,560)
6-30-12	"	31,026	0	(165,534)
6-30-13	"	35,200	0	(130,334)

Funded Status and Funding Progress

The funded status of the plans as of the last date of the actuarial studies was as follows:

	Local Education Group Plan	State Medicare Supplement Plan	Commercial Medicare Supplement Plan
Actuarial valuation date	7-1-11	7-1-11	7-1-11
Actuarial accrued liability (AAL)	$ 41,251,000	$ 33,682,000	$ 0
Actuarial value of plan assets	$ 0	$ 0	$ 0
Unfunded actuarial accrued liability (UAAL)	$ 41,251,000	$ 33,682,000	$ 0
Actuarial value of assets as a % of the AAL	0%	0%	0%
Covered payroll (active plan members)	$ 52,063,881	$ N/A	$ N/A
UAAL as a % of covered payroll	79%	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 rate will decrease to 8.25 percent in the 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 state Medicare Supplement Plan was 6.25 percent for fiscal year 2013. The trend rate will decrease to six percent in the 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. Office of Central Accounting

Sullivan County operates under the provisions of Section 5-12-101, et seq., *Tennessee Code Annotated* (*TCA*), and Section 5-13-101, et seq., *TCA*, which provide for accounting records of the funds under the supervision of the county mayor and highway commissioner to be maintained by personnel of the Central Accounting Office under the administration of the director of accounts and budgets. Records for funds administered by the director of schools were maintained by School Department personnel.

K. Purchasing Laws

The Office of Purchasing Agent was established by Chapter 261, Private Acts of 1947, as amended. This statute provides for the purchasing agent to make all purchases and to enter into all contracts for Sullivan County. This act also requires purchases exceeding $5,000 to be made on a competitive bid basis. Section 54-7-113, *Tennessee Code Annotated* (Uniform Road Law) requires competitive bids on Highway Department purchases exceeding $10,000.

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

A. Summary of Significant Accounting Principles

1. Organization

The Tennessee General Assembly's passage of emergency Communications District Law (Acts 1984, ch. 867) declared that the establishment of a uniform emergency number to shorten the time required for a citizen to request and receive emergency aid is a matter of public concern and interest. It is the intent of communication districts to provide a simplified means of securing emergency services.

The legislative body of any municipality or county may, by ordinance or resolution, respectively, create an emergency communications district within all or part of the boundaries of such municipality or county. Prior to the establishment of such district, an election must be held and certified by the County Election Commission indicating the voters' approval of the communication district. Such an election was held in Sullivan County in August 1986, whereby the voters approved a referendum, which formed the Sullivan County Enhanced 9-1-1 Emergency Communications District.

The district is a component unit of Sullivan County, Tennessee, as defined by Statement No. 14, *The Reporting Entity,* as amended by Statement No. 61, of the Governmental Accounting Standards Board. A voting majority of the district's Board of Directors are appointed and approved by the Sullivan County Mayor and County Commission, respectively. The district must obtain County Commission approval before the issuance of most debt, and the County Commission has the ability to adjust the district's service charges.

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

The district's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the district's financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The district distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the district's principal ongoing operations. The principal operating revenues of the district are surcharge revenue. Operating expenses include the equipment expenses, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

3. Budgets and Budgetary Accounting

In accordance with *Tennessee Code Annotated 7-86-120*, an annual budget is adopted by the district. The budget is approved by the board and is also submitted to the primary government, Sullivan County, Tennessee. Expenses are presented at the legal level of control, which in accordance with the Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts, is the line-item level.

The following procedures are used by the district in establishing the budgetary data reflected in the financial statements:

a. Formal budgetary integration is employed throughout the year as a management control device.

b. Budgets are adopted on a modified cash basis reflecting revenues when funds are received and expensed upon payment. A reconciliation of the budgetary data to the accrual basis financial statements is included with the accompanying financial statements.

c. All budgetary data presented in the accompanying financial statements is the final approved revised data.

d. Budget items can only be revised upon approval of the Board of Directors.

4. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the district considers all cash on hand, in bank, and all highly liquid investments (including restricted assets) including certificates of deposit to be cash and cash equivalents.

5. Surcharge Revenue

The district recognizes surcharge revenue as earned. CenturyLink, BTES and Charter, the local telephone service suppliers, collect and remit surcharge revenues to the district on a monthly basis. Surcharge revenue collections are being remitted to the district within 30 days subsequent to the last business day of the preceding month. The service suppliers are entitled to and retain three percent of their collected surcharges as an administrative fee. The district also receives revenue from the State of Tennessee for wireless revenue. This revenue is equivalent to 25 percent of the revenue generated by wireless communications and is based on a proportion of the population of each district. These funds are remitted to the district on a bi-monthly basis. The district, and all properties at any time owned by it, are exempt from all taxation in the State of Tennessee (Public Acts 1984, ch. 867).

6. Depreciation

Depreciation for capital assets is provided on the straight-line method over the estimated useful lives, which range from three years for office and training equipment to 25 years for the buildings. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income as incurred.

7. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires

management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

8. **Net Position**

Net position is the difference between assets and liabilities. Net investment in capital assets is capital assets, less accumulated depreciation and any outstanding debt related to the acquisition, construction, or improvement of those assets.

B. Cash and Cash Equivalents

State statutes authorize the district to invest in obligations of the federal government, state government, the state investment pool, certificates of deposit and other time deposits, and repurchase agreements.

All of the district's cash and cash equivalents were deposited with financial institutions at June 30, 2013. All deposits in excess of Federal Deposit Insurance Corporation (FDIC) limits were fully collateralized by the Tennessee Bank Collateral Pool.

C. Capital Assets

Capital assets activity for the year was as follows:

	Beginning 7-1-12 as restated	Increases	Balance 6-30-13
Capital Assets, Not Being Depreciated:			
Land	$ 123,393	$ 0	$ 123,393
Capital Assets, Being Depreciated:			
Automobiles	$ 84,110	$ 0	$ 84,110
Office and Training Equipment	289,764	0	289,764
Machinery and Equipment	179,478	274,744	454,222
Other Equipment	8,357	0	8,357
Furniture and Fixtures	46,360	0	46,360
Buildings	680,856	12,200	693,056
Total Capital Assets, Being Depreciated	$ 1,288,925	$ 286,944	$ 1,575,869

Capital Assets (Cont.)	Beginning 7-1-12 as restated	Increases	Balance 6-30-13
Less Accumulated Depreciation For:			
Automobiles	$ (81,002)	$ (2,764)	$ (83,766)
Office and Training Equipment	(266,466)	(13,838)	(280,304)
Machinery and Equipment	(177,686)	(22,333)	(200,019)
Other Equipment	(8,304)	(52)	(8,356)
Furniture and Fixtures	(33,770)	(6,109)	(39,879)
Buildings	(293,323)	(38,223)	(331,546)
Total Accumulated Depreciation	$ (860,551)	$ (83,319)	$ (943,870)
Total Capital Assets, Depreciated, Net	$ 428,374	$ 203,625	$ 631,999
Total Capital Assets, Net	$ 551,767	$ 203,625	$ 755,392

Depreciation expense for the fiscal year ended June 30, 2013, was $83,319.

D. Accrued Expenses

Accrued expenses consisted of the following:

Accrued salaries and related expenses	$ 9,715
Accrued vacations	69,963
Totals	$ 79,678

Accrued salaries and related expenses represent the amount owed for salaries and related expenses earned but not paid as of June 30. Accrued vacations represent the cost of accumulated vacation earned but not taken through June 30 at current wage rates. Actual payment of the employee benefits will occur in future periods.

E. Tennessee Consolidated Retirement System

1. Plan Description

Employees of Sullivan County Enhanced 9-1-1 Emergency Communications 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 Sullivan County Enhanced 9-1-1 Emergency Communications 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 http://www.tn.gov/treasury/tcrs/PS.

2. Funding Policy

Sullivan County Enhanced 9-1-1 Emergency Communications District has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 9.75 percent of annual 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.

3. Annual Pension Cost

For the year ended June 30, 2013, Sullivan County Enhanced 9-1-1 Emergency Communications District's annual pension cost of $22,566 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 increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The 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 one year. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	$ 22,566	100%	$ 0
6-30-12	30,919	100	0
6-30-11	29,446	100	0

4. Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 98.72 percent funded. The actuarial accrued liability for benefits was $.55 million, and the actuarial value of assets was $.54 million, resulting in an unfunded actuarial accrued liability (UAAL) of $.01 million. The covered payroll (annual payroll of active employees covered by the plan) was $.21 million, and the ratio of the UAAL to the covered payroll was 3.28 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.

F. Leases

Operating Lease

The district entered into an operating lease agreement on March 14, 2006, with United Telephone-Southeast, d.b.a. Century Link for a CML ECS 1000 System. The lease was for a term of 60 months with monthly payments due totaling $2,900 after an upfront payment of $116,000. The total lease amount of $174,000 is being amortized over the life of the lease. The district had an option at the end of the lease to replace the equipment and begin a new lease or continue the current lease with monthly payments of $2,900 for an additional 36 months. The lease was scheduled to expire March 31, 2011. However, due to the Next Gen upgrade that will occur in the near future,

Century Link agreed to move forward with the current lease terms on a month-to-month basis with the district. The monthly payment remained the same.

The district entered into an operating lease agreement along with seven other regional emergency communication districts on December 1, 2012, with United Telephone-Southeast, d.b.a. Century Link to lease floor space at Century Link's Bristol, Tennessee, and Johnson City, Tennessee, facilities to house the Next Gen 911 equipment upgrades. The lease's initial term is 60 months and was paid in full upfront. The district's portion of the lease was $6,750, which will be amortized over the term of the lease.

Total lease/rent expense for the year was $15,233.

The district is a lessor of certain real property under short-term agreements with a single lessee.

G. Risk Management

The district is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; and natural disasters. The district maintains commercial insurance coverage for each of the above risks of loss. Workman's compensation insurance is retrospectively rated. Premium variance is not considered material. Management believes the coverage obtained through its commercial insurance policies is adequate to preclude any significant uninsured risk exposure to the district. There were no significant reductions in insurance coverage from the prior year and no settlements that exceeded the amount of insurance coverage since the inception of the district. Claims experienced in the fiscal year 2013 are considered by management to be insignificant.

H. Inter-local Cooperation Agreement

The Sullivan County, Tennessee, County Commission approved the Inter-local Cooperation Agreement providing for Emergency Communications Service between Sullivan County, Tennessee, the Sullivan County Sheriff, and Sullivan County Enhanced 9-1-1 Emergency Communications District. Under terms of the agreement, the county and the sheriff shall provide the physical facilities and employees necessary to operate and maintain an emergency communication service for the district for the period beginning July 1, 2012, and ending on June 30, 2013. The county, by and through the sheriff, shall provide a public safety answering point and central dispatch and qualified employees to operate an emergency communications service for the district. The agreement calls for the sheriff to hire six district employees to become "at-will" employees of the county. In return, for the facilities and the employees for the one-year period specified, the district agrees to pay to the county $278,479 in 12 equal monthly installments. The agreement calls for annual renewal upon approval by the county, the sheriff and the district. The agreement was renewed under the same terms for the subsequent fiscal

year. For the year ended June 30, 2013, there were no amounts owed to the Sheriff's Department.

I. Prior-period Adjustment

Capital Assets

A prior-period adjustment was recorded that decreased capital assets by $8,500 and accumulated depreciation by $1,700, thereby decreasing beginning net position by $6,800. This is the result of an item being incorrectly recorded as a capital asset during 2012.

Required Supplementary Information

Exhibit F-1

Sullivan County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Sullivan 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	$ 138,610	$ 149,690	$ 11,080	92.60 %	$ 35,980	30.79 %
7-1-09	117,486	121,594	4,108	96.62	36,567	11.23
7-1-07	112,900	118,026	5,126	95.66	34,267	14.96

Exhibit F-2

Sullivan County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Sullivan County Emergency Communications District
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	$ 541	$ 548	$ 7	98.72 %	$ 214	3.28 %
7-1-09	379	388	8	97.82	135	6.27
7-1-07	312	321	9	97.20	117	7.69

Exhibit F-3

Sullivan County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Sullivan 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 Creidt (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							
Sullivan County - Commercial	7-1-10	$ 0	$ 18,061	$ 18,061	0 %	$ 26,928	67 %
"	7-1-11	0	16,605	16,605	0	25,450	65
"	7-1-12	0	16,722	16,722	0	26,723	63
DISCRETELY PRESENTED SULLIVAN COUNTY SCHOOL DEPARTMENT							
Local Education Group	7-1-09	0	33,354	33,354	0	52,977	63
"	7-1-10	0	33,376	33,376	0	53,729	62
"	7-1-11	0	41,251	41,251	0	52,064	79
Medicare Supplement - State	7-1-09	0	31,946	31,946	0	N/A	N/A
"	7-1-10	0	31,946	31,946	0	N/A	N/A
"	7-1-11	0	33,682	33,682	0	N/A	N/A
Medicare Supplement - Commercial	7-1-09	0	7,525	7,525	0	N/A	N/A
"	7-1-10	0	8,589	8,589	0	N/A	N/A
" *	7-1-11	0	0	0	0	N/A	N/A

* The discretely presented Sullivan County School Department discontinued paying premiums for this plan; therefore, an Unfunded Actuarial Liability was not recognized.

SULLIVAN 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 relating to the county's trash collection and waste disposal.

Ambulance Service Fund – The Ambulance Service Fund is used to account for transactions relating to emergency medical services.

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

Sports and Recreation Fund – The Sports and Recreation Fund is used to account for transactions relating to Observation Knob Park.

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. Effective July 1, 2012, this fund was reclassified to an agency fund to better reflect the control of this fund by the district attorney general.

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.

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.

Education Debt Service Fund – The Education Debt Service Fund is used to account for the accumulation of resources for, and the payment of, education related long-term debt principal, interest, and related costs.

Capital Projects Funds

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

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

Community Development/Industrial Park Fund – The Community Development/ Industrial Park Fund is used to account for transactions related to industrial capital projects.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for financial resources from the issuance of bonds and capital outlay notes to be used for the acquisition or construction/renovation of major capital facilities.

Exhibit G-1

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

	Special Revenue Funds					
	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	Total
ASSETS						
Cash	$ 250	$ 0	$ 0	$ 200	$ 217,651	$ 218,101
Equity in Pooled Cash and Investments	1,284,127	281,814	86,058	150,157	0	1,802,156
Accounts Receivable	70,611	1,766,665	0	0	40,135	1,877,411
Due from Other Governments	450	0	0	0	0	450
Due from Other Funds	10,555	0	0	0	0	10,555
Due from Component Units	1,132	0	0	0	0	1,132
Property Taxes Receivable	746,546	0	0	0	0	746,546
Allowance for Uncollectible Property Taxes	(22,404)	0	0	0	0	(22,404)
Total Assets	$ 2,091,267	$ 2,048,479	$ 86,058	$ 150,357	$ 257,786	$ 4,633,947
LIABILITIES						
Accounts Payable	$ 1,211	$ 20,992	$ 0	$ 410	$ 0	$ 22,613
Accrued Payroll	8,855	53,964	0	2,529	0	65,348
Payroll Deductions Payable	2,414	10,322	0	292	0	13,028
Due to Other Funds	4,666	42,642	0	309	257,786	305,403
Total Liabilities	$ 17,146	$ 127,920	$ 0	$ 3,540	$ 257,786	$ 406,392
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 707,242	$ 0	$ 0	$ 0	$ 0	$ 707,242
Deferred Delinquent Property Taxes	15,081	0	0	0	0	15,081
Other Deferred/Unavailable Revenue	0	1,375,225	0	0	0	1,375,225
Total Deferred Inflows of Resources	$ 722,323	$ 1,375,225	$ 0	$ 0	$ 0	$ 2,097,548
FUND BALANCES						
Restricted:						
Restricted for Public Safety	$ 0	$ 0	$ 86,058	$ 0	$ 0	$ 86,058
Restricted for Debt Service	0	0	0	0	0	0
Restricted for Capital Projects	0	0	0	0	0	0
Committed:						
Committed for Public Health and Welfare	1,351,798	545,334	0	0	0	1,897,132
Committed for Social, Cultural, and Recreational Services	0	0	0	146,817	0	146,817
Total Fund Balances	$ 1,351,798	$ 545,334	$ 86,058	$ 146,817	$ 0	$ 2,130,007
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,091,267	$ 2,048,479	$ 86,058	$ 150,357	$ 257,786	$ 4,633,947

(Continued)

Exhibit G-1

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

	Debt Service Fund	Capital Projects Funds			
	Education Debt Service	Community Development/ Industrial Park	Other Capital Projects	Total	Total Nonmajor Governmental Funds
ASSETS					
Cash	$ 0	$ 0	$ 0	$ 0	$ 218,101
Equity in Pooled Cash and Investments	75,305	26,401	305,013	331,414	2,208,875
Accounts Receivable	0	0	0	0	1,877,411
Due from Other Governments	0	0	0	0	450
Due from Other Funds	0	0	0	0	10,555
Due from Component Units	0	0	0	0	1,132
Property Taxes Receivable	0	0	0	0	746,546
Allowance for Uncollectible Property Taxes	0	0	0	0	(22,404)
Total Assets	$ 75,305	$ 26,401	$ 305,013	$ 331,414	$ 5,040,666
LIABILITIES					
Accounts Payable	$ 0	$ 0	$ 0	$ 0	$ 22,613
Accrued Payroll	0	0	0	0	65,348
Payroll Deductions Payable	0	0	0	0	13,028
Due to Other Funds	0	0	0	0	305,403
Total Liabilities	$ 0	$ 0	$ 0	$ 0	$ 406,392
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	$ 0	$ 0	$ 0	$ 0	$ 707,242
Deferred Delinquent Property Taxes	0	0	0	0	15,081
Other Deferred/Unavailable Revenue	0	0	0	0	1,375,225
Total Deferred Inflows of Resources	$ 0	$ 0	$ 0	$ 0	$ 2,097,548
FUND BALANCES					
Restricted:					
Restricted for Public Safety	$ 0	$ 0	$ 0	$ 0	$ 86,058
Restricted for Debt Service	75,305	0	0	0	75,305
Restricted for Capital Projects	0	26,401	305,013	331,414	331,414
Committed:					
Committed for Public Health and Welfare	0	0	0	0	1,897,132
Committed for Social, Cultural, and Recreational Services	0	0	0	0	146,817
Total Fund Balances	$ 75,305	$ 26,401	$ 305,013	$ 331,414	$ 2,536,726
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 75,305	$ 26,401	$ 305,013	$ 331,414	$ 5,040,666

Exhibit G-2

Sullivan 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	Ambulance Service	Drug Control	Sports and Recreation	District Attorney	Constitu - tional Officers - Fees	Total
Revenues							
Local Taxes	$ 730,948	$ 0	$ 0	$ 0	$ 0	$ 0	$ 730,948
Fines, Forfeitures, and Penalties	0	0	86,367	0	0	0	86,367
Charges for Current Services	405,948	4,763,527	0	311,218	0	10,600	5,491,293
Other Local Revenues	187,207	1,748	95	0	0	0	189,050
State of Tennessee	24,861	0	0	0	0	0	24,861
Other Governments and Citizens Groups	73,780	47,018	0	0	0	0	120,798
Total Revenues	$ 1,422,744	$ 4,812,293	$ 86,462	$ 311,218	$ 0	$ 10,600	$ 6,643,317
Expenditures							
Current:							
General Government	$ 0	$ 0	$ 0	$ 0	$ 0	$ 10,600	$ 10,600
Finance	0	0	0	0	0	0	0
Public Safety	0	0	64,845	0	0	0	64,845
Public Health and Welfare	1,377,737	4,971,268	0	0	0	0	6,349,005
Social, Cultural, and Recreational Services	0	0	0	265,320	0	0	265,320
Debt Service:							
Principal on Debt	0	0	0	0	0	0	0
Interest on Debt	0	0	0	0	0	0	0
Other Debt Service	0	0	0	0	0	0	0
Capital Projects	0	0	0	0	0	0	0
Capital Projects - Donated	0	0	0	0	0	0	0
Total Expenditures	$ 1,377,737	$ 4,971,268	$ 64,845	$ 265,320	$ 0	$ 10,600	$ 6,689,770
Excess (Deficiency) of Revenues Over Expenditures	$ 45,007	$ (158,975)	$ 21,617	$ 45,898	$ 0	$ 0	$ (46,453)
Other Financing Sources (Uses)							
Capital Leases Issued	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Other Loans Issued	0	0	0	0	0	0	0
Transfers Out	0	(40,000)	0	0	0	0	(40,000)
Total Other Financing Sources (Uses)	$ 0	$ (40,000)	$ 0	$ 0	$ 0	$ 0	$ (40,000)
Net Change in Fund Balances	$ 45,007	$ (198,975)	$ 21,617	$ 45,898	$ 0	$ 0	$ (86,453)
Reclassification	0	0	0	0	(18,540)	0	(18,540)
Fund Balance, July 1, 2012	1,306,791	744,309	64,441	100,919	18,540	0	2,235,000
Fund Balance, June 30, 2013	$ 1,351,798	$ 545,334	$ 86,058	$ 146,817	$ 0	$ 0	$ 2,130,007

(Continued)

Exhibit G-2

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

	Debt Service Fund	Capital Projects Funds				
	Education Debt Service	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	Total	Total Nonmajor Governmental Funds
Revenues						
Local Taxes	$ 0	$ 0	$ 0	$ 0	$ 0	$ 730,948
Fines, Forfeitures, and Penalties	0	0	0	0	0	86,367
Charges for Current Services	0	0	0	0	0	5,491,293
Other Local Revenues	0	892	0	0	892	189,942
State of Tennessee	0	0	0	0	0	24,861
Other Governments and Citizens Groups	2,080,050	0	0	0	0	2,200,848
Total Revenues	$ 2,080,050	$ 892	$ 0	$ 0	$ 892	$ 8,724,259
Expenditures						
Current:						
General Government	$ 0	$ 0	$ 0	$ 0	$ 0	$ 10,600
Finance	20,800	0	0	0	0	20,800
Public Safety	0	0	0	0	0	64,845
Public Health and Welfare	0	0	0	0	0	6,349,005
Social, Cultural, and Recreational Services	0	0	0	0	0	265,320
Debt Service:						
Principal on Debt	1,460,000	0	0	0	0	1,460,000
Interest on Debt	591,250	0	0	0	0	591,250
Other Debt Service	251	0	0	0	0	251
Capital Projects	0	0	79,929	0	79,929	79,929
Capital Projects - Donated	0	4,093,106	0	0	4,093,106	4,093,106
Total Expenditures	$ 2,072,301	$ 4,093,106	$ 79,929	$ 0	$ 4,173,035	$ 12,935,106
Excess (Deficiency) of Revenues Over Expenditures	$ 7,749	$ (4,092,214)	$ (79,929)	$ 0	$ (4,172,143)	$ (4,210,847)
Other Financing Sources (Uses)						
Capital Leases Issued	$ 0	$ 151,600	$ 0	$ 0	$ 151,600	$ 151,600
Other Loans Issued	0	1,605,176	0	0	1,605,176	1,605,176
Transfers Out	0	0	0	0	0	(40,000)
Total Other Financing Sources (Uses)	$ 0	$ 1,756,776	$ 0	$ 0	$ 1,756,776	$ 1,716,776
Net Change in Fund Balances	$ 7,749	$ (2,335,438)	$ (79,929)	$ 0	$ (2,415,367)	$ (2,494,071)
Reclassification	67,556	0	0	0	0	49,016
Fund Balance, July 1, 2012	0	2,335,438	106,330	305,013	2,746,781	4,981,781
Fund Balance, June 30, 2013	$ 75,305	$ 0	$ 26,401	$ 305,013	$ 331,414	$ 2,536,726

Exhibit G-3

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	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	$ 730,948	$ 0	$ 0	$ 730,948	$ 731,506	$ 731,506	$ (558)
Charges for Current Services	405,948	0	0	405,948	1,026,668	1,026,668	(620,720)
Other Local Revenues	187,207	0	0	187,207	195,100	195,100	(7,893)
State of Tennessee	24,861	0	0	24,861	15,562	15,562	9,299
Other Governments and Citizens Groups	73,780	0	0	73,780	90,234	90,234	(16,454)
Total Revenues	$ 1,422,744	$ 0	$ 0	$ 1,422,744	$ 2,059,070	$ 2,059,070	$ (636,326)
Expenditures							
Public Health and Welfare							
Sanitation Education/Information	$ 21,611	$ (1,700)	$ 1,000	$ 20,911	$ 26,000	$ 26,000	$ 5,089
Transfer Stations	1,356,126	(50,012)	437,678	1,743,792	2,150,149	2,154,087	410,295
Total Expenditures	$ 1,377,737	$ (51,712)	$ 438,678	$ 1,764,703	$ 2,176,149	$ 2,180,087	$ 415,384
Excess (Deficiency) of Revenues Over Expenditures	$ 45,007	$ 51,712	$ (438,678)	$ (341,959)	$ (117,079)	$ (121,017)	$ (220,942)
Net Change in Fund Balance	$ 45,007	$ 51,712	$ (438,678)	$ (341,959)	$ (117,079)	$ (121,017)	$ (220,942)
Fund Balance, July 1, 2012	1,306,791	(51,712)	0	1,255,079	1,246,168	1,246,168	8,911
Fund Balance, June 30, 2013	$ 1,351,798	$ 0	$ (438,678)	$ 913,120	$ 1,129,089	$ 1,125,151	$ (212,031)

Exhibit G-4

Sullivan County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Ambulance Service Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Charges for Current Services	$ 4,763,527	$ 0	$ 0	$ 4,763,527	$ 5,339,178	$ 5,339,178	$ (575,651)
Other Local Revenues	1,748	0	0	1,748	21,000	21,000	(19,252)
Other Governments and Citizens Groups	47,018	0	0	47,018	0	0	47,018
Total Revenues	$ 4,812,293	$ 0	$ 0	$ 4,812,293	$ 5,360,178	$ 5,360,178	$ (547,885)
Expenditures							
Public Health and Welfare							
Ambulance/Emergency Medical Services	$ 4,971,268	$ (26,170)	$ 41,212	$ 4,986,310	$ 5,299,178	$ 5,318,519	$ 332,209
Total Expenditures	$ 4,971,268	$ (26,170)	$ 41,212	$ 4,986,310	$ 5,299,178	$ 5,318,519	$ 332,209
Excess (Deficiency) of Revenues Over Expenditures	$ (158,975)	$ 26,170	$ (41,212)	$ (174,017)	$ 61,000	$ 41,659	$ (215,676)
Other Financing Sources (Uses)							
Transfers Out	$ (40,000)	$ 0	$ 0	$ (40,000)	$ (40,000)	$ (40,000)	$ 0
Total Other Financing Sources	$ (40,000)	$ 0	$ 0	$ (40,000)	$ (40,000)	$ (40,000)	$ 0
Net Change in Fund Balance	$ (198,975)	$ 26,170	$ (41,212)	$ (214,017)	$ 21,000	$ 1,659	$ (215,676)
Fund Balance, July 1, 2012	744,309	(26,170)	0	718,139	563,048	563,048	155,091
Fund Balance, June 30, 2013	$ 545,334	$ 0	$ (41,212)	$ 504,122	$ 584,048	$ 564,707	$ (60,585)

Exhibit G-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Fines, Forfeitures, and Penalties	$ 86,367	$ 0	$ 0	$ 86,367	$ 71,854	$ 71,854	$ 14,513
Other Local Revenues	95	0	0	95	350	350	(255)
Total Revenues	$ 86,462	$ 0	$ 0	$ 86,462	$ 72,204	$ 72,204	$ 14,258
Expenditures							
Public Safety							
Sheriff's Department	$ 64,845	$ (2,782)	$ 77	$ 62,140	$ 72,204	$ 72,204	$ 10,064
Total Expenditures	$ 64,845	$ (2,782)	$ 77	$ 62,140	$ 72,204	$ 72,204	$ 10,064
Excess (Deficiency) of Revenues Over Expenditures	$ 21,617	$ 2,782	$ (77)	$ 24,322	$ 0	$ 0	$ 24,322
Net Change in Fund Balance	$ 21,617	$ 2,782	$ (77)	$ 24,322	$ 0	$ 0	$ 24,322
Fund Balance, July 1, 2012	64,441	(2,782)	0	61,659	44,145	44,145	17,514
Fund Balance, June 30, 2013	$ 86,058	$ 0	$ (77)	$ 85,981	$ 44,145	$ 44,145	$ 41,836

Exhibit G-6

Sullivan County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Sports and Recreation Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Charges for Current Services	$ 311,218	$ 0	$ 0	$ 311,218	$ 303,981	$ 303,981	$ 7,237
Total Revenues	$ 311,218	$ 0	$ 0	$ 311,218	$ 303,981	$ 303,981	$ 7,237
Expenditures							
Social, Cultural, and Recreational Services							
Parks and Fair Boards	$ 265,320	$ (2,344)	$ 2,672	$ 265,648	$ 303,981	$ 304,543	$ 38,895
Total Expenditures	$ 265,320	$ (2,344)	$ 2,672	$ 265,648	$ 303,981	$ 304,543	$ 38,895
Excess (Deficiency) of Revenues Over Expenditures	$ 45,898	$ 2,344	$ (2,672)	$ 45,570	$ 0	$ (562)	$ 46,132
Net Change in Fund Balance	$ 45,898	$ 2,344	$ (2,672)	$ 45,570	$ 0	$ (562)	$ 46,132
Fund Balance, July 1, 2012	100,919	(2,344)	0	98,575	108,311	108,311	(9,736)
Fund Balance, June 30, 2013	$ 146,817	$ 0	$ (2,672)	$ 144,145	$ 108,311	$ 107,749	$ 36,396

Exhibit G-7

Sullivan County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education 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	$ 0	$ 2,080,100	$ 0	$ 0
Other Governments and Citizens Groups	2,080,050	0	2,080,100	(50)
Total Revenues	$ 2,080,050	$ 2,080,100	$ 2,080,100	$ (50)
Expenditures				
Finance				
Other Finance	$ 20,800	$ 20,850	$ 20,850	$ 50
Principal on Debt				
Education	1,460,000	1,460,000	1,460,000	0
Interest on Debt				
Education	591,250	591,250	591,250	0
Other Debt Service				
Education	251	8,000	8,000	7,749
Total Expenditures	$ 2,072,301	$ 2,080,100	$ 2,080,100	$ 7,799
Excess (Deficiency) of Revenues Over Expenditures	$ 7,749	$ 0	$ 0	$ 7,749
Net Change in Fund Balance	$ 7,749	$ 0	$ 0	$ 7,749
Reclassification	67,556	0	67,555	1
Fund Balance, July 1, 2012	0	0	0	0
Fund Balance, June 30, 2013	$ 75,305	$ 0	$ 67,555	$ 7,750

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Sullivan 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	$ 4,062,906	$ 4,035,950	$ 4,035,950	$ 26,956
Other Local Revenues	1,074,613	472,356	762,619	311,994
Other Governments and Citizens Groups	116,132	1,048,488	116,132	0
Total Revenues	$ 5,253,651	$ 5,556,794	$ 4,914,701	$ 338,950
Expenditures				
Finance				
Other Finance	$ 79,359	$ 60,540	$ 60,540	$ (18,819)
Principal on Debt				
General Government	2,030,000	1,782,000	2,032,000	2,000
Education	1,391,381	2,032,476	1,391,382	1
Interest on Debt				
General Government	1,458,266	949,504	1,458,267	1
Education	488,940	1,247,449	487,687	(1,253)
Other Debt Service				
General Government	1,289	5,000	6,000	4,711
Education	20,828	29,569	28,569	7,741
Total Expenditures	$ 5,470,063	$ 6,106,538	$ 5,464,445	$ (5,618)
Excess (Deficiency) of Revenues Over Expenditures	$ (216,412)	$ (549,744)	$ (549,744)	$ 333,332
Other Financing Sources (Uses)				
Transfers In	$ 245,939	$ 245,939	$ 245,939	$ 0
Total Other Financing Sources	$ 245,939	$ 245,939	$ 245,939	$ 0
Net Change in Fund Balance	$ 29,527	$ (303,805)	$ (303,805)	$ 333,332
Fund Balance, July 1, 2012	1,523,755	2,407,342	2,407,342	(883,587)
Fund Balance, June 30, 2013	$ 1,553,282	$ 2,103,537	$ 2,103,537	$ (550,255)

Proprietary Funds

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the county, or to other governments, on a cost-reimbursement basis.

Self-Insurance Fund – The Self-Insurance Fund is used to account for the self-insured general liability, property, casualty, and workers' compensation programs managed by the county for the primary government and the discretely presented School Department.

Employee Insurance - General Fund – The Employee Insurance - General Fund is used to account for the primary government's self-insured retirees' supplemental health and employee dental programs.

Exhibit I-1

Sullivan County, Tennessee
Combining Statement of Net Position
All Proprietary Funds
June 30, 2013

	Internal Service Funds		
	Self-Insurance	Employee Insurance - General	Total
ASSETS			
Current Assets:			
Cash	$ 10,556	$ 7,228	$ 17,784
Equity in Pooled Cash and Investments	60,221	0	60,221
Accounts Receivable	7,272	476	7,748
Due from Other Funds	0	404,988	404,988
Due from Component Units	49,929	0	49,929
Total Assets	$ 127,978	$ 412,692	$ 540,670
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 11,387	$ 0	$ 11,387
Claims and Judgments Payable	307,765	0	307,765
Total Liabilities	$ 319,152	$ 0	$ 319,152
NET POSITION			
Unrestricted	$ (191,174)	$ 412,692	$ 221,518
Total Net Position	$ (191,174)	$ 412,692	$ 221,518

Exhibit I-2

Sullivan County, Tennessee
Combining Statement of Revenues, Expenses, and
Changes in Net Position
All Proprietary Funds
For the Year Ended June 30, 2013

	Internal Service Funds		
	Self-Insurance	Employee Insurance - General	Total
Operating Revenues			
Self-Insurance Premiums	$ 430,251	$ 720,817	$ 1,151,068
Cobra Insurance Payments	0	5,660	5,660
Total Operating Revenues	$ 430,251	$ 726,477	$ 1,156,728
Operating Expenses			
Handling Charges and Administrative Costs	$ 57,000	$ 26,097	$ 83,097
Dental Insurance	0	282,491	282,491
Audit Services	3,000	0	3,000
Contracts with Private Agencies	1,440	0	1,440
Building and Contents Insurance	121,498	0	121,498
Boiler Insurance	8,436	0	8,436
Liability Insurance	45,671	0	45,671
Medical Claims	0	364,010	364,010
Trustee's Commission	15	258	273
Vehicle and Equipment Insurance	149,250	0	149,250
Workers' Compensation Insurance	556,667	0	556,667
Total Operating Expenses	$ 942,977	$ 672,856	$ 1,615,833
Operating Income (Loss)	$ (512,726)	$ 53,621	$ (459,105)
Nonoperating Revenues (Expenses)			
Investment Income	$ 1,737	$ 0	$ 1,737
Total Nonoperating Revenues (Expenses)	$ 1,737	$ 0	$ 1,737
Change in Net Position	$ (510,989)	$ 53,621	$ (457,368)
Net Position, July 1, 2012	319,815	359,071	678,886
Net Position, June 30, 2013	$ (191,174)	$ 412,692	$ 221,518

Exhibit I-3

Sullivan County, Tennessee
Combining Statement of Cash Flows
All Proprietary Funds
For the Year Ended June 30, 2013

	Internal Service Funds		
	Self-Insurance	Employee Insurance - General	Total
Cash Flows from Operating Activities			
Receipts for Self-Insurance Premiums	$ 556,394	$ 634,911	$ 1,191,305
Payments to Insurers and Claims Payments	(1,086,169)	(644,395)	(1,730,564)
Payments for Administrative Costs	(61,455)	(26,355)	(87,810)
Net Cash Provided By (Used In) Operating Activities	$ (591,230)	$ (35,839)	$ (627,069)
Cash Flows from Investing Activities			
Interest on Investments	$ 1,737	$ 0	$ 1,737
Net Cash Provided By (Used In) Investing Activities	$ 1,737	$ 0	$ 1,737
Increase (Decrease) in Cash	$ (589,493)	$ (35,839)	$ (625,332)
Cash, July 1, 2012	660,270	43,067	703,337
Cash, June 30, 2013	$ 70,777	$ 7,228	$ 78,005
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Operating Income (Loss)	$ (512,726)	$ 53,621	$ (459,105)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:			
Changes in Assets and Liabilities:			
(Increase) Decrease in Current Receivables	126,143	(91,566)	34,577
(Increase) Decrease in Prepaid Expenses	0	2,106	2,106
Increase (Decrease) in Other Current Liabilities	(204,647)	0	(204,647)
Net Cash Provided By (Used In) Operating Activities	$ (591,230)	$ (35,839)	$ (627,069)
Reconciliation of Cash With the Statement of Net Position			
Cash Per Net Position	$ 10,556	$ 7,228	$ 17,784
Equity in Pooled Cash and Investments Per Net Position	60,221	0	60,221
Cash, June 30, 2013	$ 70,777	$ 7,228	$ 78,005

Fiduciary Funds

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

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside incorporated cities of the county. These revenues are received by the county from the State of Tennessee and forwarded to the various cities on a monthly basis.

City School ADA - Bristol Fund and City School ADA - Kingsport Fund – These two funds are used to account for the city school systems' shares 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 systems on a monthly basis.

Airport Joint Venture Fund – The Airport Joint Venture Fund is used to account for airport improvements at the Tri-Cities Airport.

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 state grants and other restricted revenues held in trust for the benefit of the multi-jurisdictional drug task force, which was created by contract (mutual aid agreement) between the participating city and county governments.

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 J-1

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

	Agency Funds							
	Cities - Sales Tax	City School ADA - Bristol	City School ADA - Kingsport	Airport Joint Venture	Constitu-tional Officers - Agency	Judicial District Drug	District Attorney General	Total
ASSETS								
Cash	$ 0	$ 0	$ 0	$ 0	$ 8,173,801	$ 0	$ 0	$ 8,173,801
Equity in Pooled Cash and Investments	0	409,991	660,735	27,517	0	121,417	19,303	1,238,963
Accounts Receivable	0	224	362	0	3,758	0	0	4,344
Due from Other Governments	3,402,123	734,888	1,185,173	0	0	0	0	5,322,184
Taxes Receivable	0	10,206,261	16,448,240	0	0	0	0	26,654,501
Allowance for Uncollectible Taxes	0	(304,859)	(491,307)	0	0	0	0	(796,166)
Total Assets	$ 3,402,123	$ 11,046,505	$ 17,803,203	$ 27,517	$ 8,177,559	$ 121,417	$ 19,303	$ 40,597,627
LIABILITIES								
Accounts Payable	$ 0	$ 0	$ 0	$ 0	$ 0	$ 1,626	$ 169	$ 1,795
Due to Other Taxing Units	3,402,123	11,046,505	17,803,203	0	0	0	0	32,251,831
Due to Litigants, Heirs, and Others	0	0	0	0	8,177,559	0	19,134	8,196,693
Due to Joint Ventures	0	0	0	27,517	0	119,791	0	147,308
Total Liabilities	$ 3,402,123	$ 11,046,505	$ 17,803,203	$ 27,517	$ 8,177,559	$ 121,417	$ 19,303	$ 40,597,627

Exhibit J-2

Sullivan 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	$ 20,535,284	$ 20,535,284	$ 0
Due from Other Governments	3,355,865	3,402,123	3,355,865	3,402,123
Total Assets	$ 3,355,865	$ 23,937,407	$ 23,891,149	$ 3,402,123
Liabilities				
Due to Other Taxing Units	$ 3,355,865	$ 23,937,407	$ 23,891,149	$ 3,402,123
Total Liabilities	$ 3,355,865	$ 23,937,407	$ 23,891,149	$ 3,402,123
City School ADA - Bristol Fund				
Assets				
Equity in Pooled Cash and Investments	$ 392,727	$ 14,295,844	$ 14,278,580	$ 409,991
Accounts Receivable	243	224	243	224
Due from Other Governments	731,547	734,888	731,547	734,888
Taxes Receivable	9,462,503	10,206,261	9,462,503	10,206,261
Allowance for Uncollectible Taxes	(316,437)	(304,859)	(316,437)	(304,859)
Total Assets	$ 10,270,583	$ 24,932,358	$ 24,156,436	$ 11,046,505
Liabilities				
Due to Other Taxing Units	$ 10,270,583	$ 24,932,358	$ 24,156,436	$ 11,046,505
Total Liabilities	$ 10,270,583	$ 24,932,358	$ 24,156,436	$ 11,046,505
City School ADA - Kingsport Fund				
Assets				
Equity in Pooled Cash and Investments	$ 633,785	$ 23,038,958	$ 23,012,008	$ 660,735
Accounts Receivable	392	362	392	362
Due from Other Governments	1,160,024	1,185,173	1,160,024	1,185,173
Taxes Receivable	15,270,662	16,448,240	15,270,662	16,448,240
Allowance for Uncollectible Taxes	(510,669)	(491,307)	(510,669)	(491,307)
Total Assets	$ 16,554,194	$ 40,181,426	$ 38,932,417	$ 17,803,203
Liabilities				
Due to Other Taxing Units	$ 16,554,194	$ 40,181,426	$ 38,932,417	$ 17,803,203
Total Liabilities	$ 16,554,194	$ 40,181,426	$ 38,932,417	$ 17,803,203
Airport Joint Venture				
Assets				
Equity in Pooled Cash and Investments	$ 25,986	$ 1,547	$ 16	$ 27,517
Total Assets	$ 25,986	$ 1,547	$ 16	$ 27,517

(Continued)

Exhibit J-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
Airport Joint Venture (Cont.)				
Liabilities				
Due to Joint Ventures	$ 25,986	$ 1,547	$ 16	$ 27,517
Total Liabilities	$ 25,986	$ 1,547	$ 16	$ 27,517
Constitutional Officers - Agency Fund				
Assets				
Cash	$ 7,450,348	$ 24,747,960	$ 24,024,507	$ 8,173,801
Accounts Receivable	2,920	3,758	2,920	3,758
Total Assets	$ 7,453,268	$ 24,751,718	$ 24,027,427	$ 8,177,559
Liabilities				
Due to Litigants, Heirs, and Others	$ 7,453,268	$ 24,751,718	$ 24,027,427	$ 8,177,559
Total Liabilities	$ 7,453,268	$ 24,751,718	$ 24,027,427	$ 8,177,559
Judicial District Drug Fund				
Assets				
Equity in Pooled Cash and Investments	$ 156,099	$ 138,344	$ 173,026	$ 121,417
Due from Other Governments	1,739	0	1,739	0
Total Assets	$ 157,838	$ 138,344	$ 174,765	$ 121,417
Liabilities				
Accounts Payable	$ 0	$ 1,626	$ 0	$ 1,626
Due to Joint Ventures	157,838	136,718	174,765	119,791
Total Liabilities	$ 157,838	$ 138,344	$ 174,765	$ 121,417
District Attorney General Fund				
Assets				
Equity in Pooled Cash and Investments	$ 0	$ 34,080	$ 14,777	$ 19,303
Total Assets	$ 0	$ 34,080	$ 14,777	$ 19,303
Liabilities				
Accounts Payable	$ 0	$ 169	$ 0	$ 169
Due to Litigants, Heirs, and Others	0	33,911	14,777	19,134
Total Liabilities	$ 0	$ 34,080	$ 14,777	$ 19,303

(Continued)

Exhibit J-2

Sullivan 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	$ 7,450,348	$ 24,747,960	$ 24,024,507	$ 8,173,801
Equity in Pooled Cash and Investments	1,208,597	58,044,057	58,013,691	1,238,963
Accounts Receivable	3,555	4,344	3,555	4,344
Due from Other Governments	5,249,175	5,322,184	5,249,175	5,322,184
Taxes Receivable	24,733,165	26,654,501	24,733,165	26,654,501
Allowance for Uncollectible Taxes	(827,106)	(796,166)	(827,106)	(796,166)
Total Assets	$ 37,817,734	$ 113,976,880	$ 111,196,987	$ 40,597,627
Liabilities				
Accounts Payable	$ 0	$ 1,795	$ 0	$ 1,795
Due to Joint Ventures	183,824	138,265	174,781	147,308
Due to Other Taxing Units	30,180,642	89,051,191	86,980,002	32,251,831
Due to Litigants, Heirs, and Others	7,453,268	24,785,629	24,042,204	8,196,693
Total Liabilities	$ 37,817,734	$ 113,976,880	$ 111,196,987	$ 40,597,627

Sullivan County School Department

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

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

Special Purpose Fund – The Special Purpose Fund is used to account for the transactions involving school maintenance and building improvements.

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.

Other Education Special Revenue Fund – The Other Education Special Revenue Fund is used to account for the operations of the Stem Platform School funded with federal grants and by Sullivan County School Department and Kingsport City School System.

Education Debt Service Fund – The Education Debt Service Fund is used to account for the accumulation of resources for, and the payment of, education related long-term debt principal, interest, and related costs. Effective July 1, 2012, this fund was reclassified as a fund of the primary government to better reflect control of this fund.

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

Endowment Fund – The Endowment Fund is used to account for an endowment received by the School Department for which the principal amount and interest earned is to be expended for the benefit of scholarships for Sullivan County students.

Exhibit K-1

Sullivan County, Tennessee
Statement of Activities
Discretely Presented Sullivan County School Department
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: Total Governmental Activities
Governmental Activities:					
Instruction	$ 63,943,303	$ 0	$ 5,647,486	$ 4,100,964	$ (54,194,853)
Support Services	31,345,090	352,734	1,038,747	0	(29,953,609)
Operation of Non-Instructional Services	5,685,586	1,477,872	3,326,165	0	(881,549)
Interest on Long-term Debt	630,817	0	0	0	(630,817)
Total Governmental Activities	$ 101,604,796	$ 1,830,606	$ 10,012,398	$ 4,100,964	$ (85,660,828)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					$ 26,685,633
Local Option Sales Tax					11,895,866
Other Local Taxes					5,138
Grants and Contributions Not Restricted for Specific Programs					43,621,268
Unrestricted Investment Income					25
Other					491,009
Total General Revenues					$ 82,698,939
Change in Net Position					$ (2,961,889)
Net Position, July 1, 2012					48,196,144
Reclassification					660,630
Restatement					(73,401)
Net Position, June 30, 2013					$ 45,821,484

Exhibit K-2

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

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
ASSETS			
Cash	$ 25,601	$ 0	$ 25,601
Equity in Pooled Cash and Investments	5,315,799	1,240,205	6,556,004
Inventories	328,477	0	328,477
Accounts Receivable	3,566	0	3,566
Due from Other Governments	2,183,785	108,480	2,292,265
Due from Other Funds	0	6,218	6,218
Property Taxes Receivable	26,297,590	1,278,837	27,576,427
Allowance for Uncollectible Property Taxes	(785,503)	(38,201)	(823,704)
Prepaid Items	4,706	0	4,706
Total Assets	$ 33,374,021	$ 2,595,539	$ 35,969,560
LIABILITIES			
Accounts Payable	$ 155,341	$ 33,904	$ 189,245
Payroll Deductions Payable	555,317	7,112	562,429
Contracts Payable	0	19,270	19,270
Due to Other Funds	6,218	0	6,218
Due to Primary Government	73,220	15	73,235
Other Current Liabilities	73,019	0	73,019
Total Liabilities	$ 863,115	$ 60,301	$ 923,416
DEFERRED INFLOWS OF RESOURCES			
Deferred Current Property Taxes	$ 24,922,529	$ 1,211,962	$ 26,134,491
Deferred Delinquent Property Taxes	526,087	25,587	551,674
Other Deferred/Unavailable Revenue	1,055,510	17,426	1,072,936
Total Deferred Inflows of Resources	$ 26,504,126	$ 1,254,975	$ 27,759,101
FUND BALANCES			
Nonspendable:			
Inventory	$ 328,477	$ 0	$ 328,477
Prepaid Items	4,706	0	4,706
Restricted:			
Restricted for Education	137,605	894,147	1,031,752
Restricted for Capital Projects	0	86,116	86,116
Committed:			
Committed for Education	2,376,709	300,000	2,676,709
Assigned:			
Assigned for Education	60,000	0	60,000
Unassigned	3,099,283	0	3,099,283
Total Fund Balances	$ 6,006,780	$ 1,280,263	$ 7,287,043
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 33,374,021	$ 2,595,539	$ 35,969,560

Exhibit K-3

Sullivan County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Discretely Presented Sullivan 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 K-2)			$ 7,287,043
(1)	Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
	Add: land	$ 1,119,248	
	Add: construction in progress	19,579,527	
	Add: buildings and improvements net of accumulated depreciation	51,638,695	
	Add: other capital assets net of accumulated depreciation	2,721,331	75,058,801
(2)	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		1,624,610
(3)	Long-term liabilities, are not due and payable in the current period and therefore are not reported in the governmental funds.		
	Less: principal on capital leases to be contributed on primary government debt	$ (248,648)	
	Less: principal on bonds to be contributed on primary government debt	(10,365,000)	
	Less: compensated absences payable	(2,632,083)	
	Less: other postemployment benefits liability	(24,903,239)	(38,148,970)
Net position of governmental activities (Exhibit A)			$ 45,821,484

Exhibit K-4

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

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern-mental Funds	Total Governmental Funds
Revenues			
Local Taxes	$ 37,364,543	$ 1,237,981	$ 38,602,524
Licenses and Permits	5,677	0	5,677
Charges for Current Services	1,810,348	0	1,810,348
Other Local Revenues	511,292	0	511,292
State of Tennessee	43,303,116	16,500	43,319,616
Federal Government	3,397,763	6,897,889	10,295,652
Other Governments and Citizens Groups	27,080	4,231,384	4,258,464
Total Revenues	$ 86,419,819	$ 12,383,754	$ 98,803,573
Expenditures			
Current:			
Instruction	$ 51,360,814	$ 5,089,779	$ 56,450,593
Support Services	29,131,747	2,107,226	31,238,973
Operation of Non-Instructional Services	5,570,722	0	5,570,722
Capital Outlay	390,557	836,331	1,226,888
Debt Service:			
Interest on Debt	3,541	0	3,541
Other Debt Service	2,102,094	94,088	2,196,182
Capital Projects	0	3,793,469	3,793,469
Total Expenditures	$ 88,559,475	$ 11,920,893	$ 100,480,368
Excess (Deficiency) of Revenues Over Expenditures	$ (2,139,656)	$ 462,861	$ (1,676,795)
Other Financing Sources (Uses)			
Insurance Recovery	$ 2,174	$ 0	$ 2,174
Transfers In	459,693	508,339	968,032
Transfers Out	(508,339)	(459,693)	(968,032)
Total Other Financing Sources (Uses)	$ (46,472)	$ 48,646	$ 2,174
Net Change in Fund Balances	$ (2,186,128)	$ 511,507	$ (1,674,621)
Reclassification	0	(67,556)	(67,556)
Fund Balance, July 1, 2012	8,192,908	836,312	9,029,220
Fund Balance, June 30, 2013	$ 6,006,780	$ 1,280,263	$ 7,287,043

Exhibit K-5

Sullivan County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Discretely Presented Sullivan 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 K-4)		$ (1,674,621)
(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	$ 4,964,083	
Less: current-year depreciation expense	(2,635,479)	2,328,604
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of assets disposed		(152,081)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes/other deferred June 30, 2012	$ (1,633,676)	
Add: deferred delinquent property taxes/other deferred June 30, 2013	1,624,610	(9,066)
(4) The issuance of long-term debt (e.g., bonds, capital 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.		
Less: capital lease proceeds from primary government for lease to be retired by School Department	$ (151,600)	
Add: principal contributions on bonds for primary government	1,460,000	
Add: principal contributions on leases for primary government	108,906	1,417,306
(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 compensated absences payable	$ 130,580	
Change in other postemployment benefits liability	(5,002,611)	(4,872,031)
Change in net position of governmental activities (Exhibit B)		$ (2,961,889)

Exhibit K-6

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

	Special Revenue Funds				Capital Projects Fund	
	Special Purpose	School Federal Projects	Other Education Special Revenue	Total	Education Capital Projects	Total Nonmajor Governmental Funds
ASSETS						
Equity in Pooled Cash and Investments	$ 827,501	$ 198,183	$ 128,405	$ 1,154,089	$ 86,116	$ 1,240,205
Due from Other Governments	0	92,562	15,918	108,480	0	108,480
Due from Other Funds	0	6,218	0	6,218	0	6,218
Property Taxes Receivable	1,278,837	0	0	1,278,837	0	1,278,837
Allowance for Uncollectible Property Taxes	(38,201)	0	0	(38,201)	0	(38,201)
Total Assets	$ 2,068,137	$ 296,963	$ 144,323	$ 2,509,423	$ 86,116	$ 2,595,539
LIABILITIES						
Accounts Payable	$ 1,233	$ 32,374	$ 297	$ 33,904	$ 0	$ 33,904
Payroll Deductions Payable	0	6,940	172	7,112	0	7,112
Contracts Payable	19,270	0	0	19,270	0	19,270
Due to Primary Government	0	0	15	15	0	15
Total Liabilities	$ 20,503	$ 39,314	$ 484	$ 60,301	$ 0	$ 60,301
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	$ 1,211,962	$ 0	$ 0	$ 1,211,962	$ 0	$ 1,211,962
Deferred Delinquent Property Taxes	25,587	0	0	25,587	0	25,587
Other Deferred/Unavailable Revenue	0	17,426	0	17,426	0	17,426
Total Deferred Inflows of Resources	$ 1,237,549	$ 17,426	$ 0	$ 1,254,975	$ 0	$ 1,254,975
FUND BALANCES						
Restricted:						
Restricted for Education	$ 810,085	$ 40,223	$ 43,839	$ 894,147	$ 0	$ 894,147
Restricted for Capital Projects	0	0	0	0	86,116	86,116
Committed:						
Committed for Education	0	200,000	100,000	300,000	0	300,000
Total Fund Balances	$ 810,085	$ 240,223	$ 143,839	$ 1,194,147	$ 86,116	$ 1,280,263
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,068,137	$ 296,963	$ 144,323	$ 2,509,423	$ 86,116	$ 2,595,539

Exhibit K-7

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

	Special Revenue Funds				Debt Service Fund	Capital Projects Fund	
	Special Purpose	School Federal Projects	Other Education Special Revenue	Total	Education Debt Service	Education Capital Projects	Total Nonmajor Governmental Funds
Revenues							
Local Taxes	$ 1,237,981	$ 0	$ 0	$ 1,237,981	$ 0	$ 0	$ 1,237,981
State of Tennessee	0	0	16,500	16,500	0	0	16,500
Federal Government	0	6,582,329	315,560	6,897,889	0	0	6,897,889
Other Governments and Citizens Groups	0	151,600	138,278	289,878	0	3,941,506	4,231,384
Total Revenues	$ 1,237,981	$ 6,733,929	$ 470,338	$ 8,442,248	$ 0	$ 3,941,506	$ 12,383,754
Expenditures							
Current:							
Instruction	$ 0	$ 4,698,464	$ 391,315	$ 5,089,779	$ 0	$ 0	$ 5,089,779
Support Services	24,551	1,895,882	186,793	2,107,226	0	0	2,107,226
Capital Outlay	836,331	0	0	836,331	0	0	836,331
Debt Service:							
Other Debt Service	0	94,088	0	94,088	0	0	94,088
Capital Projects	0	0	0	0	0	3,793,469	3,793,469
Total Expenditures	$ 860,882	$ 6,688,434	$ 578,108	$ 8,127,424	$ 0	$ 3,793,469	$ 11,920,893
Excess (Deficiency) of Revenues Over Expenditures	$ 377,099	$ 45,495	$ (107,770)	$ 314,824	$ 0	$ 148,037	$ 462,861
Other Financing Sources (Uses)							
Transfers In	$ 0	$ 0	$ 243,589	$ 243,589	$ 0	$ 264,750	$ 508,339
Transfers Out	(412,000)	(47,693)	0	(459,693)	0	0	(459,693)
Total Other Financing Sources (Uses)	$ (412,000)	$ (47,693)	$ 243,589	$ (216,104)	$ 0	$ 264,750	$ 48,646
Net Change in Fund Balances	$ (34,901)	$ (2,198)	$ 135,819	$ 98,720	$ 0	$ 412,787	$ 511,507
Reclassification	0	0	0	0	(67,556)	0	(67,556)
Fund Balance, July 1, 2012	844,986	242,421	8,020	1,095,427	67,556	(326,671)	836,312
Fund Balance, June 30, 2013	$ 810,085	$ 240,223	$ 143,839	$ 1,194,147	$ 0	$ 86,116	$ 1,280,263

Exhibit K-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 37,364,543	$ 0	$ 0	$ 37,364,543	$ 37,682,955	$ 37,682,955	$ (318,412)
Licenses and Permits	5,677	0	0	5,677	6,000	6,000	(323)
Charges for Current Services	1,810,348	0	0	1,810,348	2,369,671	2,451,471	(641,123)
Other Local Revenues	511,292	0	0	511,292	510,450	510,450	842
State of Tennessee	43,303,116	0	0	43,303,116	42,146,541	43,241,115	62,001
Federal Government	3,397,763	0	0	3,397,763	3,665,114	3,748,938	(351,175)
Other Governments and Citizens Groups	27,080	0	0	27,080	25,000	124,750	(97,670)
Total Revenues	$ 86,419,819	$ 0	$ 0	$ 86,419,819	$ 86,405,731	$ 87,765,679	$ (1,345,860)
Expenditures							
Instruction							
Regular Instruction Program	$ 42,690,103	$ (1,208)	$ 0	$ 42,688,895	$ 42,933,506	$ 42,806,706	$ 117,811
Special Education Program	5,713,034	(11,376)	0	5,701,658	5,898,129	5,898,129	196,471
Vocational Education Program	2,957,677	(2,179)	0	2,955,498	2,834,018	2,989,018	33,520
Support Services							
Health Services	110,948	(197)	6,605	117,356	131,151	131,151	13,795
Other Student Support	1,839,976	0	0	1,839,976	1,870,836	1,870,836	30,860
Regular Instruction Program	2,909,968	0	60	2,910,028	3,168,125	3,118,463	208,435
Special Education Program	205,451	0	0	205,451	226,062	226,062	20,611
Vocational Education Program	140,919	0	0	140,919	140,981	145,981	5,062
Other Programs	1,033,284	0	0	1,033,284	0	1,033,284	0
Board of Education	1,620,819	0	17,344	1,638,163	1,715,272	1,790,272	152,109
Director of Schools	737,388	0	0	737,388	784,145	780,063	42,675
Office of the Principal	5,891,042	(5,700)	70	5,885,412	5,893,157	5,963,157	77,745
Fiscal Services	399,246	(9,000)	39	390,285	482,276	482,276	91,991
Human Services/Personnel	320,760	0	0	320,760	335,555	335,555	14,795
Operation of Plant	6,132,710	0	0	6,132,710	6,216,978	6,246,978	114,268
Maintenance of Plant	3,438,306	0	2,236	3,440,542	3,649,424	3,680,714	240,172

(Continued)

Exhibit K-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Expenditures (Cont.)							
Support Services (Cont.)							
Transportation	$ 4,350,930	$ (13,129)	$ 0	$ 4,337,801	$ 4,351,916	$ 4,403,616	$ 65,815
Operation of Non-Instructional Services							
Food Service	5,005,445	(2,257)	1,141	5,004,329	5,644,952	5,810,576	806,247
Community Services	21,589	0	0	21,589	41,890	41,890	20,301
Early Childhood Education	543,688	(14,891)	0	528,797	526,856	551,856	23,059
Capital Outlay							
Regular Capital Outlay	390,557	(390,557)	0	0	51,250	51,250	51,250
Interest on Debt							
Education	3,541	0	0	3,541	20,000	20,000	16,459
Other Debt Service							
Education	2,102,094	0	0	2,102,094	0	2,125,556	23,462
Total Expenditures	$ 88,559,475	$ (450,494)	$ 27,495	$ 88,136,476	$ 86,916,479	$ 90,503,389	$ 2,366,913
Excess (Deficiency) of Revenues Over Expenditures	$ (2,139,656)	$ 450,494	$ (27,495)	$ (1,716,657)	$ (510,748)	$ (2,737,710)	$ 1,021,053
Other Financing Sources (Uses)							
Insurance Recovery	$ 2,174	$ 0	$ 0	$ 2,174	$ 0	$ 0	$ 2,174
Transfers In	459,693	0	0	459,693	470,000	470,000	(10,307)
Transfers Out	(508,339)	0	0	(508,339)	(2,540,067)	(541,305)	32,966
Total Other Financing Sources	$ (46,472)	$ 0	$ 0	$ (46,472)	$ (2,070,067)	$ (71,305)	$ 24,833
Net Change in Fund Balance	$ (2,186,128)	$ 450,494	$ (27,495)	$ (1,763,129)	$ (2,580,815)	$ (2,809,015)	$ 1,045,886
Fund Balance, July 1, 2012	8,192,908	(450,494)	0	7,742,414	6,307,205	6,307,205	1,435,209
Fund Balance, June 30, 2013	$ 6,006,780	$ 0	$ (27,495)	$ 5,979,285	$ 3,726,390	$ 3,498,190	$ 2,481,095

Exhibit K-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget - Positive (Negative)
Revenues							
Local Taxes	$ 1,237,981	$ 0	$ 0	$ 1,237,981	$ 1,254,650	$ 1,254,650	$ (16,669)
Total Revenues	$ 1,237,981	$ 0	$ 0	$ 1,237,981	$ 1,254,650	$ 1,254,650	$ (16,669)
Expenditures							
Support Services							
Board of Education	$ 24,551	$ 0	$ 0	$ 24,551	$ 25,100	$ 25,100	$ 549
Capital Outlay							
Regular Capital Outlay	836,331	(420,892)	455,332	870,771	1,167,550	1,167,550	296,779
Total Expenditures	$ 860,882	$ (420,892)	$ 455,332	$ 895,322	$ 1,192,650	$ 1,192,650	$ 297,328
Excess (Deficiency) of Revenues Over Expenditures	$ 377,099	$ 420,892	$ (455,332)	$ 342,659	$ 62,000	$ 62,000	$ 280,659
Other Financing Sources (Uses)							
Transfers Out	$ (412,000)	$ 0	$ 0	$ (412,000)	$ (412,000)	$ (412,000)	$ 0
Total Other Financing Sources	$ (412,000)	$ 0	$ 0	$ (412,000)	$ (412,000)	$ (412,000)	$ 0
Net Change in Fund Balance	$ (34,901)	$ 420,892	$ (455,332)	$ (69,341)	$ (350,000)	$ (350,000)	$ 280,659
Fund Balance, July 1, 2012	844,986	(420,892)	0	424,094	965,457	965,457	(541,363)
Fund Balance, June 30, 2013	$ 810,085	$ 0	$ (455,332)	$ 354,753	$ 615,457	$ 615,457	$ (260,704)

Exhibit K-10

Sullivan County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Sullivan County School Department
School Federal Projects 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						
Federal Government	$ 6,582,329	$ 0	$ 6,582,329	$ 6,711,257	$ 7,354,207	$ (771,878)
Other Governments and Citizens Groups	151,600	0	151,600	0	151,600	0
Total Revenues	$ 6,733,929	$ 0	$ 6,733,929	$ 6,711,257	$ 7,505,807	$ (771,878)
Expenditures						
Instruction						
Regular Instruction Program	$ 2,561,911	$ 0	$ 2,561,911	$ 2,168,139	$ 2,977,514	$ 415,603
Special Education Program	2,030,441	0	2,030,441	2,110,733	2,134,732	104,291
Vocational Education Program	106,112	0	106,112	101,420	106,112	0
Support Services						
Attendance	18,000	0	18,000	0	18,000	0
Other Student Support	222,539	(42,069)	180,470	348,790	212,721	32,251
Regular Instruction Program	870,881	0	870,881	1,148,216	1,122,173	251,292
Special Education Program	351,968	0	351,968	365,263	372,463	20,495
Vocational Education Program	3,308	0	3,308	4,000	3,308	0
Transportation	429,186	0	429,186	452,897	452,897	23,711
Other Debt Service						
Education	94,088	0	94,088	0	94,088	0
Total Expenditures	$ 6,688,434	$ (42,069)	$ 6,646,365	$ 6,699,458	$ 7,494,008	$ 847,643
Excess (Deficiency) of Revenues Over Expenditures	$ 45,495	$ 42,069	$ 87,564	$ 11,799	$ 11,799	$ 75,765

(Continued)

Exhibit K-10

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

	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)
Other Financing Sources (Uses)						
Transfers In	$ 0	$ 0	$ 0	$ 188,125	$ 0	$ 0
Transfers Out	(47,693)	0	(47,693)	(241,395)	(53,270)	5,577
Total Other Financing Sources	$ (47,693)	$ 0	$ (47,693)	$ (53,270)	$ (53,270)	$ 5,577
Net Change in Fund Balance	$ (2,198)	$ 42,069	$ 39,871	$ (41,471)	$ (41,471)	$ 81,342
Fund Balance, July 1, 2012	242,421	(42,069)	200,352	41,471	41,471	158,881
Fund Balance, June 30, 2013	$ 240,223	$ 0	$ 240,223	$ 0	$ 0	$ 240,223

Exhibit K-11

Sullivan County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Sullivan County School Department
Other Education Special Revenue 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						
Charges for Current Services	$ 0	$ 0	$ 0	$ 81,800	$ 0	$ 0
State of Tennessee	16,500	0	16,500	0	16,500	0
Federal Government	315,560	0	315,560	646,344	562,520	(246,960)
Other Governments and Citizens Groups	138,278	0	138,278	276,555	276,555	(138,277)
Total Revenues	$ 470,338	$ 0	$ 470,338	$ 1,004,699	$ 855,575	$ (385,237)
Expenditures						
Instruction						
Regular Instruction Program	$ 391,315	$ 75,385	$ 466,700	$ 772,220	$ 788,720	$ 322,020
Support Services						
Director of Schools	9,617	0	9,617	41,650	41,650	32,033
Office of the Principal	96,077	0	96,077	134,579	134,579	38,502
Operation of Plant	64,604	0	64,604	122,936	122,936	58,332
Maintenance of Plant	16,495	0	16,495	44,245	44,245	27,750
Operation of Non-Instructional Services						
Food Service	0	0	0	165,624	0	0
Total Expenditures	$ 578,108	$ 75,385	$ 653,493	$ 1,281,254	$ 1,132,130	$ 478,637
Excess (Deficiency) of Revenues Over Expenditures	$ (107,770)	$ (75,385)	$ (183,155)	$ (276,555)	$ (276,555)	$ 93,400
Other Financing Sources (Uses)						
Transfers In	$ 243,589	$ 0	$ 243,589	$ 276,555	$ 276,555	$ (32,966)
Total Other Financing Sources	$ 243,589	$ 0	$ 243,589	$ 276,555	$ 276,555	$ (32,966)

(Continued)

Exhibit K-11

Sullivan County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Sullivan County School Department
Other Education Special Revenue 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	$ 135,819	$ (75,385)	$ 60,434	$ 0	$ 0	$ 60,434
Fund Balance, July 1, 2012	8,020	0	8,020	0	0	8,020
Fund Balance, June 30, 2013	$ 143,839	$ (75,385)	$ 68,454	$ 0	$ 0	$ 68,454

Exhibit K-12

Sullivan County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Sullivan County School Department
Fiduciary Fund
June 30, 2013

	Private-Purpose Trust Fund Endowment Fund
ASSETS	
Equity in Pooled Cash and Investments	$ 152,268
Total Assets	$ 152,268
LIABILITIES	
Accounts Payable	$ 7,620
Total Liabilities	$ 7,620
NET POSITION	
Funds Held in Trust for Scholarships	$ 144,648
Total Net Position	$ 144,648

Exhibit K-13

Sullivan County, Tennessee
Statement of Changes in Fiduciary Net Position
Discretely Presented Sullivan County School Department
Fiduciary Fund
For the Year Ended June 30, 2013

	Private-Purpose Trust Fund Endowment Fund
ADDITIONS	
Donations	$ 152,268
Total Additions	$ 152,268
DEDUCTIONS	
Education:	
Scholarships:	$ 7,620
Total Deductions	$ 7,620
Change in Net Position	$ 144,648
Net Position, July 1, 2012	0
Net Position, June 30, 2013	$ 144,648

Miscellaneous Schedules

Exhibit L-1

Sullivan 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	Matured During Period	Outstanding 6-30-13
NOTES PAYABLE								
Payable through General Debt Service Fund								
Industrial Park	$ 1,995,000	4.5 to 5.05 %	6-1-05	4-1-17	$ 1,325,000	$ 0	$ 225,000	$ 1,100,000
Industrial Park	505,000	5.54	2-1-06	2-1-17	345,000	0	345,000	0
Total Notes Payable					$ 1,670,000	$ 0	$ 570,000	$ 1,100,000
OTHER LOANS PAYABLE								
Payable through General Debt Service Fund								
Qualified School Construction Bonds, Series 2009	15,480,000	1.515	12-17-09	7-1-26	$ 13,709,132	$ 0	$ 965,928	$ 12,743,204
Qualified School Construction Bonds, Series 2010	5,073,000	0	10-7-10	8-1-27	4,809,211	0	316,547	4,492,664
Energy Efficient Schools Initiative (1)	4,498,957	.75	5-16-11	4-16-20	2,893,781	1,605,176	0	4,498,957
Total Other Loans Payable					$ 21,412,124	$ 1,605,176	$ 1,282,475	$ 21,734,825
CAPITAL LEASES PAYABLE								
Payable through General Fund								
Police Vehicles	234,496	5.75	6-12-12	6-12-14	$ 151,922	$ 0	$ 73,838	$ 78,084
Circuit Computers	71,703	6	5-6-13	3-6-17	0	71,703	4,660	67,043
Total Payable through General Fund					$ 151,922	$ 71,703	$ 78,498	$ 145,127
Payable by School Department through General Purpose School Fund								
Copy Machines 2012	88,602	8.95	5-30-12	5-30-17	$ 87,426	$ 0	$ 14,818	$ 72,608
Total Payable by School Department through General Purpose School Fund					$ 87,426	$ 0	$ 14,818	$ 72,608
Payable by School Department through School Federal Projects Fund								
Computers	118,528	3.21	6-28-12	6-28-15	$ 118,528	$ 0	$ 42,069	$ 76,459
Apple Ipads	151,600	2.97	7-26-12	7-26-14	0	151,600	52,019	99,581
Total Payable by School Department through School Federal Projects Fund					$ 118,528	$ 151,600	$ 94,088	$ 176,040
Total Capital Leases Payable					$ 357,876	$ 223,303	$ 187,404	$ 393,775
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation Public Improvement Bonds, Series 2002	4,465,000	2.5 to 3.5	10-1-02	8-1-14	$ 1,275,000	$ 0	$ 410,000	$ 865,000
General Obligation Public Improvement Bonds, Series 2005	6,000,000	3.25 to 4.1	6-1-05	5-1-25	4,940,000	0	200,000	4,740,000
Schools Refunding	16,320,000	4.75 to 5	9-1-05	4-1-24	15,645,000	0	750,000	14,895,000
Industrial Park Series 2007	6,500,000	5.9 to 6.25	6-21-07	4-1-28	6,100,000	0	100,000	6,000,000
Total Payable through General Debt Service Fund					$ 27,960,000	$ 0	$ 1,460,000	$ 26,500,000

(Continued)

Exhibit L-1

Sullivan 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	Matured During Period	Outstanding 6-30-13
BONDS PAYABLE (Cont.)								
Payable by School Department through Education Debt Service Fund								
Schools Refunding	$ 13,220,000	5 %	11-1-04	5-1-19	$ 11,825,000	$ 0	$ 1,460,000	$ 10,365,000
Total Payable by School Department through Education Debt Service Fund					$ 11,825,000	$ 0	$ 1,460,000	$ 10,365,000
Total Bonds Payable					$ 39,785,000	$ 0	$ 2,920,000	$ 36,865,000

(1) The total amount approved for the Energy Efficient Schools Initiative Loan was $5,000,000, of which $501,043 remains to be drawn.

Exhibit L-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	$ 250,000	$ 55,025	$ 305,025
2015	275,000	42,650	317,650
2016	275,000	28,900	303,900
2017	300,000	15,150	315,150
Total	$ 1,100,000	$ 141,725	$ 1,241,725

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2014	$ 1,484,129	$ 499,103	$ 19,538	$ 2,002,770
2015	1,688,063	515,465	19,539	2,223,067
2016	1,691,111	512,417	19,538	2,223,066
2017	1,694,195	509,333	19,539	2,223,067
2018	1,697,291	506,237	19,538	2,223,066
2019	1,700,411	503,117	19,539	2,223,067
2020	1,703,555	499,973	19,538	2,223,066
2021	1,706,723	496,805	19,539	2,223,067
2022	1,709,915	493,613	19,538	2,223,066
2023	1,713,131	490,397	19,539	2,223,067
2024	1,716,371	487,157	19,538	2,223,066
2025	1,383,762	481,259	19,539	1,884,560
2026	1,377,559	480,461	19,538	1,877,558
2027	438,768	265,483	7,928	712,179
2028	29,841	24,221	1,014	55,076
Total	$ 21,734,825	$ 6,765,041	$ 262,942	$ 28,762,808

(Continued)

Exhibit L-2

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

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2014	$ 196,785	$ 21,931	$ 218,716
2015	125,133	11,009	136,142
2016	37,886	4,167	42,053
2017	33,971	1,243	35,214
Total	$ 393,775	$ 38,350	$ 432,125

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	$ 3,115,000	$ 1,821,350	$ 4,936,350
2015	3,295,000	1,672,775	4,967,775
2016	3,040,000	1,523,275	4,563,275
2017	3,195,000	1,374,900	4,569,900
2018	3,880,000	1,219,063	5,099,063
2019	4,100,000	1,030,187	5,130,187
2020	2,290,000	830,213	3,120,213
2021	2,455,000	719,887	3,174,887
2022	2,655,000	597,738	3,252,738
2023	2,825,000	465,137	3,290,137
2024	3,025,000	323,987	3,348,987
2025	1,115,000	172,303	1,287,303
2026	600,000	115,313	715,313
2027	625,000	78,412	703,412
2028	650,000	39,975	689,975
Total	$ 36,865,000	$ 11,984,515	$ 48,849,515

Exhibit L-3

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

From Fund	To Fund	Purpose	Amount
PRIMARY GOVERNMENT			
General	General Debt Service	Debt retirement	$ 245,939
Ambulance Service	General	Funds for salary for Health Dept/EMS director	40,000
Total Transfers Primary Government			$ 285,939
DISCRETELY PRESENTED SULLIVAN COUNTY SCHOOL DEPARTMENT			
General Purpose School	Other Education Special Revenue	Cash flow	$ 100,000
"	Other Education Special Revenue	Operational funding	143,589
"	Education Capital Projects	Capital projects	264,750
School Federal Projects	General Purpose School	Indirect cost	47,693
Special Purpose	"	Debt retirement	412,000
Total Transfers Discretely Presented Sullivan County School Department			$ 968,032

Exhibit L-4

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

Official	Authorization for Salary	Salary Paid During Period		Bond	Surety
County Mayor	Section 8-24-102, *TCA*	$ 101,612		$ 50,000	Cincinnati Insurance Company
Highway Commissioner	Section 8-24-102, *TCA*	96,773		100,000	"
Director of Schools	State Board of Education and County Board of Education	140,254	(1)	100,000	"
Trustee	Section 8-24-102, *TCA*	81,762		4,861,900	"
Assessor of Property:					
Bob Icenhour (7-1-12 through 3-31-13)	Section 8-24-102, *TCA*	61,321		10,000	"
Ronald Hillman (4-15-13 through 6-30-13)	Section 8-24-102, *TCA*	17,034		50,000	"
Director of Accounts and Budgets:					
Gayvern Moore (7-1-12 through 4-14-13)	County Commission	47,420		25,000	"
William Anderson (4-15-13 through 6-30-13)	County Commission	16,410		25,000	"
Purchasing Agent	Section 261, Private Acts of 1947, as amended	58,783		10,000	"
County Clerk	Section 8-24-102, *TCA*	81,762		50,000	"
Circuit, General Sessions, and Law Courts Clerk	Section 8-24-102, *TCA*	81,762		100,000	"
Clerk and Master:					
Sarah Housewright (7-1-12 through 4-30-13)	Section 8-24-102, *TCA,* and Chancery Court Judge	68,135	(2)	80,000	"
Katherine Priester (5-1-13 through 6-30-13)	Section 8-24-102, *TCA*	13,627		80,000	Western Surety Company
Register of Deeds	Section 8-24-102, *TCA*	81,762		25,000	Cincinnati Insurance Company
Sheriff	Section 8-24-102, *TCA,* and County Commission	97,373	(3)	26,000	"
Employee Blanket Bonds - All County Employees:					
Public Employee Dishonesty (self-insured to $25,000 through county Self-Insurance Fund)				250,000	Princeton Excess and Surplus Lines Insurance Company

(1) Includes a chief executive officer training supplement of $1,000 and a vehicle allowance of $9,600.
(2) Does not include special commissioner fees of $10,600.
(3) Includes a $6,835 supplement as workhouse superintendent and a $600 law enforcement training supplement.

Exhibit L-5

Sullivan 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	Sports and Recreation	Constitu - tional Officers - Fees	Highway / Public Works
Local Taxes							
County Property Taxes							
Current Property Tax	$ 22,915,978	$ 691,935	$ 0	$ 0	$ 0	$ 0	$ 2,728,164
Trustee's Collections - Prior Year	467,209	16,305	0	0	0	0	48,109
Circuit/Clerk & Master Collections - Prior Years	245,575	8,571	0	0	0	0	25,287
Interest and Penalty	185,291	6,363	0	0	0	0	19,435
Pick-up Taxes	237,360	7,176	0	0	0	0	28,227
Payments in-Lieu-of Taxes - T.V.A.	5,905	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	659,542	0	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	212	0	0	0	0	0	0
County Local Option Taxes							
Local Option Sales Tax	359,453	0	0	0	0	0	2,600,000
Litigation Tax - General	273,007	0	0	0	0	0	0
Litigation Tax - Office of Public Defender	152,169	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0
Litigation Tax - Courtroom Security	342,829	0	0	0	0	0	0
Business Tax	2,172,002	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	157,983
Statutory Local Taxes							
Bank Excise Tax	19,803	598	0	0	0	0	2,357
Wholesale Beer Tax	0	0	0	0	0	0	440,290
Interstate Telecommunications Tax	0	0	0	0	0	0	10,110
Total Local Taxes	$ 28,036,335	$ 730,948	$ 0	$ 0	$ 0	$ 0	$ 6,059,962
Licenses and Permits							
Licenses							
Cable TV Franchise	$ 309,915	$ 0	$ 0	$ 0	$ 0	$ 0	$ 250,000
Permits							
Beer Permits	2,138	0	0	0	0	0	0
Building Permits	91,823	0	0	0	0	0	0
Total Licenses and Permits	$ 403,876	$ 0	$ 0	$ 0	$ 0	$ 0	$ 250,000
Fines, Forfeitures, and Penalties							
Circuit Court							
Officers Costs	$ 133,528	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Data Entry Fee - Circuit Court	40,628	0	0	0	0	0	0
Criminal Court							
DUI Treatment Fines	74,043	0	0	0	0	0	0

(Continued)

Exhibit L-5

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

		Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	Highway / Public Works
Fines, Forfeitures, and Penalties (Cont.)							
General Sessions Court							
Fines	$ 133,273	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Fines for Littering	71	0	0	0	0	0	0
Officers Costs	74,281	0	0	0	0	0	0
Game and Fish Fines	710	0	0	0	0	0	0
Drug Control Fines	0	0	0	13,619	0	0	0
Drug Court Fees	26,168	0	0	0	0	0	0
Courtroom Security Fee	15,995	0	0	0	0	0	0
Victims Assistance Assessments	22,342	0	0	0	0	0	0
Chancery Court							
Officers Costs	7,313	0	0	0	0	0	0
Data Entry Fee - Chancery Court	6,357	0	0	0	0	0	0
Judicial District Drug Program							
Drug Task Force Forfeitures and Seizures	0	0	0	54,433	0	0	0
Courtroom Security Fee	76	0	0	0	0	0	0
Other Fines, Forfeitures, and Penalties							
Proceeds from Confiscated Property	1,822	0	0	18,315	0	0	0
Other Fines, Forfeitures, and Penalties	3,585	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	$ 540,192	$ 0	$ 0	$ 86,367	$ 0	$ 0	$ 0
Charges for Current Services							
General Service Charges							
Tipping Fees	$ 943	$ 405,948	$ 0	$ 0	$ 0	$ 0	$ 0
Patient Charges	376,682	0	4,763,527	0	0	0	0
Zoning Studies	3,330	0	0	0	0	0	0
Work Release Charges for Board	11,700	0	0	0	0	0	0
Health Department Collections	386,299	0	0	0	0	0	0
Other General Service Charges	234	0	0	0	0	0	0
Service Charges	21,791	0	0	0	0	0	0
Backflow Charges	2,268	0	0	0	0	0	0
Fees							
Recreation Fees	0	0	0	0	311,218	0	0
Copy Fees	7,637	0	0	0	0	0	0
Library Fees	7,703	0	0	0	0	0	0
Telephone Commissions	241,146	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	0	10,600	0
Data Processing Fee - Register	49,932	0	0	0	0	0	0

(Continued)

Exhibit L-5

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

		Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	Highway / Public Works
Charges for Current Services (Cont.)							
Fees (Cont.)							
Sexual Offender Registration Fees - Sheriff	$ 11,850	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Data Processing Fee - County Clerk	13,906	0	0	0	0	0	0
Other Charges for Services							
Other Charges for Services	2,976	0	0	0	0	0	0
Total Charges for Current Services	$ 1,138,397	$ 405,948	$ 4,763,527	$ 0	$ 311,218	$ 10,600	$ 0
Other Local Revenues							
Recurring Items							
Investment Income	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 57,706
Lease/Rentals	51,178	0	0	0	0	0	0
Sale of Materials and Supplies	18	0	0	0	0	0	6,698
Commissary Sales	31,989	0	0	0	0	0	0
Sale of Maps	202	0	0	0	0	0	0
Sale of Recycled Materials	405	187,207	0	0	0	0	223
Refund of Telecommunication & Internet Fees (E-Rate)	575	0	0	0	0	0	0
Miscellaneous Refunds	54,661	0	1,748	95	0	0	4,203
Nonrecurring Items							
Revenue from Joint Ventures	0	0	0	0	0	0	0
Sale of Equipment	8,525	0	0	0	0	0	60,000
Sale of Property	315,308	0	0	0	0	0	0
Damages Recovered from Individuals	3,125	0	0	0	0	0	1,562
Contributions and Gifts	5,316	0	0	0	0	0	0
Other Local Revenues							
Other Local Revenues	882	0	0	0	0	0	33,670
Total Other Local Revenues	$ 472,184	$ 187,207	$ 1,748	$ 95	$ 0	$ 0	$ 164,062
Fees Received from County Officials							
Fees in-Lieu-of Salary							
County Clerk	$ 1,448,414	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Circuit Court Clerk	569,871	0	0	0	0	0	0
General Sessions Court Clerk	869,204	0	0	0	0	0	0
Clerk and Master	601,020	0	0	0	0	0	0
Register	675,054	0	0	0	0	0	0
Sheriff	2,601	0	0	0	0	0	0
Trustee	2,425,801	0	0	0	0	0	0
Total Fees Received from County Officials	$ 6,591,965	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0

(Continued)

Exhibit L-5

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

		Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	Highway / Public Works
State of Tennessee							
General Government Grants							
Juvenile Services Program	$ 116,687	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Public Safety Grants							
Law Enforcement Training Programs	69,600	0	0	0	0	0	0
Health and Welfare Grants							
Health Department Programs	559,964	0	0	0	0	0	0
Public Works Grants							
State Aid Program	0	0	0	0	0	0	442,509
Litter Program	63,000	17,332	0	0	0	0	0
Other State Revenues							
Income Tax	441,932	0	0	0	0	0	0
Beer Tax	18,586	0	0	0	0	0	0
Alcoholic Beverage Tax	183,941	0	0	0	0	0	0
Mixed Drink Tax	16,018	0	0	0	0	0	0
Emergency Hospital - Prisoners	530	0	0	0	0	0	0
Prisoner Transportation	14,591	0	0	0	0	0	0
Contracted Prisoner Boarding	2,389,266	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	2,569,321
Petroleum Special Tax	0	0	0	0	0	0	103,725
Registrar's Salary Supplement	15,164	0	0	0	0	0	0
Other State Grants	369,280	0	0	0	0	0	0
Other State Revenues	256,288	7,529	0	0	0	0	0
Total State of Tennessee	$ 4,514,847	$ 24,861	$ 0	$ 0	$ 0	$ 0	$ 3,115,555
Federal Government							
Federal Through State							
Civil Defense Reimbursement	$ 60,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Homeland Security Grants	167,970	0	0	0	0	0	0
Other Federal through State	1,969,361	0	0	0	0	0	0
Direct Federal Revenue							
Forest Service	32,868	0	0	0	0	0	10,400
Tax Credit Bond Rebate	245,939	0	0	0	0	0	0
Other Direct Federal Revenue	184,696	0	0	0	0	0	0
Total Federal Government	$ 2,660,834	$ 0	$ 0	$ 0	$ 0	$ 0	$ 10,400

(Continued)

Exhibit L-5

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

		Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Drug Control	Sports and Recreation	Constitu - tional Officers - Fees	Highway / Public Works
Other Governments and Citizens Groups							
Other Governments							
Contributions	$ 33,500	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Contracted Services	1,008,030	73,780	0	0	0	0	220
Citizens Groups							
Donations	22,902	0	36,780	0	0	0	0
Other							
Other	0	0	10,238	0	0	0	0
Total Other Governments and Citizens Groups	$ 1,064,432	$ 73,780	$ 47,018	$ 0	$ 0	$ 0	$ 220
Total	$ 45,423,062	$ 1,422,744	$ 4,812,293	$ 86,462	$ 311,218	$ 10,600	$ 9,600,199

(Continued)

Exhibit L-5

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

	Debt Service Funds		Capital Projects Fund	
	General Debt Service	Education Debt Service	General Capital Projects	Total
Local Taxes				
County Property Taxes				
Current Property Tax	$ 3,730,190	$ 0	$ 0	$ 30,066,267
Trustee's Collections - Prior Year	87,904	0	0	619,527
Circuit/Clerk & Master Collections - Prior Years	42,301	0	0	321,734
Interest and Penalty	32,838	0	0	243,927
Pick-up Taxes	38,686	0	0	311,449
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	5,905
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	659,542
Payments in-Lieu-of Taxes - Other	0	0	0	212
County Local Option Taxes				
Local Option Sales Tax	0	0	0	2,959,453
Litigation Tax - General	7,587	0	0	280,594
Litigation Tax - Office of Public Defender	0	0	0	152,169
Litigation Tax - Jail, Workhouse, or Courthouse	120,176	0	0	120,176
Litigation Tax - Courtroom Security	0	0	0	342,829
Business Tax	0	0	0	2,172,002
Mineral Severance Tax	0	0	0	157,983
Statutory Local Taxes				
Bank Excise Tax	3,224	0	0	25,982
Wholesale Beer Tax	0	0	0	440,290
Interstate Telecommunications Tax	0	0	0	10,110
Total Local Taxes	$ 4,062,906	$ 0	$ 0	$ 38,890,151
Licenses and Permits				
Licenses				
Cable TV Franchise	$ 0	$ 0	$ 0	$ 559,915
Permits				
Beer Permits	0	0	0	2,138
Building Permits	0	0	0	91,823
Total Licenses and Permits	$ 0	$ 0	$ 0	$ 653,876
Fines, Forfeitures, and Penalties				
Circuit Court				
Officers Costs	$ 0	$ 0	$ 0	$ 133,528
Data Entry Fee - Circuit Court	0	0	0	40,628
Criminal Court				
DUI Treatment Fines	0	0	0	74,043

(Continued)

Exhibit L-5

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

	Debt Service Funds		Capital Projects Fund	
	General Debt Service	Education Debt Service	General Capital Projects	Total
Fines, Forfeitures, and Penalties (Cont.)				
General Sessions Court				
Fines	$ 0	$ 0	$ 0	$ 133,273
Fines for Littering	0	0	0	71
Officers Costs	0	0	0	74,281
Game and Fish Fines	0	0	0	710
Drug Control Fines	0	0	0	13,619
Drug Court Fees	0	0	0	26,168
Courtroom Security Fee	0	0	0	15,995
Victims Assistance Assessments	0	0	0	22,342
Chancery Court				
Officers Costs	0	0	0	7,313
Data Entry Fee - Chancery Court	0	0	0	6,357
Judicial District Drug Program				
Drug Task Force Forfeitures and Seizures	0	0	0	54,433
Courtroom Security Fee	0	0	0	76
Other Fines, Forfeitures, and Penalties				
Proceeds from Confiscated Property	0	0	0	20,137
Other Fines, Forfeitures, and Penalties	0	0	0	3,585
Total Fines, Forfeitures, and Penalties	$ 0	$ 0	$ 0	$ 626,559
Charges for Current Services				
General Service Charges				
Tipping Fees	$ 0	$ 0	$ 0	$ 406,891
Patient Charges	0	0	0	5,140,209
Zoning Studies	0	0	0	3,330
Work Release Charges for Board	0	0	0	11,700
Health Department Collections	0	0	0	386,299
Other General Service Charges	0	0	0	234
Service Charges	0	0	0	21,791
Backflow Charges	0	0	0	2,268
Fees				
Recreation Fees	0	0	0	311,218
Copy Fees	0	0	0	7,637
Library Fees	0	0	0	7,703
Telephone Commissions	0	0	0	241,146
Special Commissioner Fees/Special Master Fees	0	0	0	10,600
Data Processing Fee - Register	0	0	0	49,932

(Continued)

Exhibit L-5

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

	Debt Service Funds		Capital Projects Fund	
	General Debt Service	Education Debt Service	General Capital Projects	Total
Charges for Current Services (Cont.)				
Fees (Cont.)				
Sexual Offender Registration Fees - Sheriff	$ 0	$ 0	$ 0	$ 11,850
Data Processing Fee - County Clerk	0	0	0	13,906
Other Charges for Services				
Other Charges for Services	0	0	0	2,976
Total Charges for Current Services	$ 0	$ 0	$ 0	$ 6,629,690
Other Local Revenues				
Recurring Items				
Investment Income	$ 108,614	$ 0	$ 892	$ 167,212
Lease/Rentals	0	0	0	51,178
Sale of Materials and Supplies	0	0	0	6,716
Commissary Sales	0	0	0	31,989
Sale of Maps	0	0	0	202
Sale of Recycled Materials	0	0	0	187,835
Refund of Telecommunication & Internet Fees (E-Rate)	0	0	0	575
Miscellaneous Refunds	0	0	0	60,707
Nonrecurring Items				
Revenue from Joint Ventures	965,999	0	0	965,999
Sale of Equipment	0	0	0	68,525
Sale of Property	0	0	0	315,308
Damages Recovered from Individuals	0	0	0	4,687
Contributions and Gifts	0	0	0	5,316
Other Local Revenues				
Other Local Revenues	0	0	0	34,552
Total Other Local Revenues	$ 1,074,613	$ 0	$ 892	$ 1,900,801
Fees Received from County Officials				
Fees in-Lieu-of Salary				
County Clerk	$ 0	$ 0	$ 0	$ 1,448,414
Circuit Court Clerk	0	0	0	569,871
General Sessions Court Clerk	0	0	0	869,204
Clerk and Master	0	0	0	601,020
Register	0	0	0	675,054
Sheriff	0	0	0	2,601
Trustee	0	0	0	2,425,801
Total Fees Received from County Officials	$ 0	$ 0	$ 0	$ 6,591,965

(Continued)

Exhibit L-5

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

	Debt Service Funds		Capital Projects Fund	
	General Debt Service	Education Debt Service	General Capital Projects	Total
State of Tennessee				
General Government Grants				
Juvenile Services Program	$ 0	$ 0	$ 0	$ 116,687
Public Safety Grants				
Law Enforcement Training Programs	0	0	0	69,600
Health and Welfare Grants				
Health Department Programs	0	0	0	559,964
Public Works Grants				
State Aid Program	0	0	0	442,509
Litter Program	0	0	0	80,332
Other State Revenues				
Income Tax	0	0	0	441,932
Beer Tax	0	0	0	18,586
Alcoholic Beverage Tax	0	0	0	183,941
Mixed Drink Tax	0	0	0	16,018
Emergency Hospital - Prisoners	0	0	0	530
Prisoner Transportation	0	0	0	14,591
Contracted Prisoner Boarding	0	0	0	2,389,266
Gasoline and Motor Fuel Tax	0	0	0	2,569,321
Petroleum Special Tax	0	0	0	103,725
Registrar's Salary Supplement	0	0	0	15,164
Other State Grants	0	0	0	369,280
Other State Revenues	0	0	0	263,817
Total State of Tennessee	$ 0	$ 0	$ 0	$ 7,655,263
Federal Government				
Federal Through State				
Civil Defense Reimbursement	$ 0	$ 0	$ 0	$ 60,000
Homeland Security Grants	0	0	0	167,970
Other Federal through State	0	0	0	1,969,361
Direct Federal Revenue				
Forest Service	0	0	0	43,268
Tax Credit Bond Rebate	0	0	0	245,939
Other Direct Federal Revenue	0	0	0	184,696
Total Federal Government	$ 0	$ 0	$ 0	$ 2,671,234

(Continued)

Exhibit L-5

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

	Debt Service Funds		Capital Projects Fund	
	General Debt Service	Education Debt Service	General Capital Projects	Total
Other Governments and Citizens Groups				
Other Governments				
Contributions	$ 116,132	$ 2,080,050	$ 0	$ 2,229,682
Contracted Services	0	0	0	1,082,030
Citizens Groups				
Donations	0	0	0	59,682
Other				
Other	0	0	0	10,238
Total Other Governments and Citizens Groups	$ 116,132	$ 2,080,050	$ 0	$ 3,381,632
Total	$ 5,253,651	$ 2,080,050	$ 892	$ 69,001,171

Exhibit L-6

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

	Special Revenue Fund		Special Revenue Funds		Capital Projects Fund	
	Special Purpose	General Purpose School	School Federal Projects	Other Education Special Revenue	Education Capital Projects	Total
Local Taxes						
County Property Taxes						
Current Property Tax	$ 1,173,926	$ 24,140,657	$ 0	$ 0	$ 0	$ 25,314,583
Trustee's Collections - Prior Year	26,284	533,259	0	0	0	559,543
Circuit/Clerk & Master Collections - Prior Years	14,106	282,060	0	0	0	296,166
Interest and Penalty	10,479	210,191	0	0	0	220,670
Pick-up Taxes	12,171	250,221	0	0	0	262,392
County Local Option Taxes						
Local Option Sales Tax	0	11,922,154	0	0	0	11,922,154
Statutory Local Taxes						
Bank Excise Tax	1,015	20,863	0	0	0	21,878
Interstate Telecommunications Tax	0	5,138	0	0	0	5,138
Total Local Taxes	$ 1,237,981	$ 37,364,543	$ 0	$ 0	$ 0	$ 38,602,524
Licenses and Permits						
Licenses						
Marriage Licenses	$ 0	$ 5,677	$ 0	$ 0	$ 0	$ 5,677
Total Licenses and Permits	$ 0	$ 5,677	$ 0	$ 0	$ 0	$ 5,677
Charges for Current Services						
Education Charges						
Lunch Payments - Children	$ 0	$ 778,385	$ 0	$ 0	$ 0	$ 778,385
Lunch Payments - Adults	0	15,717	0	0	0	15,717
Income from Breakfast	0	78,792	0	0	0	78,792
A la carte Sales	0	591,133	0	0	0	591,133
Receipts from Individual Schools	0	37,458	0	0	0	37,458
TBI Criminal Background Fees	0	746	0	0	0	746
Other Charges for Services						
Other Charges for Services	0	308,117	0	0	0	308,117
Total Charges for Current Services	$ 0	$ 1,810,348	$ 0	$ 0	$ 0	$ 1,810,348
Other Local Revenues						
Recurring Items						
Investment Income	$ 0	$ 25	$ 0	$ 0	$ 0	$ 25
Sale of Materials and Supplies	0	1,249	0	0	0	1,249
Sale of Recycled Materials	0	13,845	0	0	0	13,845
Refund of Telecommunication & Internet Fees (E-Rate)	0	100,391	0	0	0	100,391

(Continued)

Exhibit L-6

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

	Special Revenue Fund		Special Revenue Funds		Capital Projects Fund	
	Special Purpose	General Purpose School	School Federal Projects	Other Education Special Revenue	Education Capital Projects	Total
Other Local Revenues (Cont.)						
Recurring Items (Cont.)						
Retirees' Insurance Payments	$ 0	$ 365,234	$ 0	$ 0	$ 0	$ 365,234
Cobra Insurance Payments	0	3,752	0	0	0	3,752
Commodity Rebates	0	13,068	0	0	0	13,068
Miscellaneous Refunds	0	5,040	0	0	0	5,040
Nonrecurring Items						
Sale of Equipment	0	5,164	0	0	0	5,164
Damages Recovered from Individuals	0	2,973	0	0	0	2,973
Other Local Revenues						
Other Local Revenues	0	551	0	0	0	551
Total Other Local Revenues	$ 0	$ 511,292	$ 0	$ 0	$ 0	$ 511,292
State of Tennessee						
General Government Grants						
On-Behalf Contributions for OPEB	$ 0	$ 1,033,284	$ 0	$ 0	$ 0	$ 1,033,284
State Education Funds						
Basic Education Program	0	39,264,959	0	0	0	39,264,959
Early Childhood Education	0	491,322	0	0	0	491,322
School Food Service	0	51,672	0	0	0	51,672
Driver Education	0	19,785	0	0	0	19,785
Other State Education Funds	0	202,098	0	0	0	202,098
Career Ladder Program	0	338,755	0	0	0	338,755
Career Ladder - Extended Contract	0	128,900	0	0	0	128,900
Other State Revenues						
State Revenue Sharing - T.V.A.	0	1,768,826	0	0	0	1,768,826
Other State Grants	0	3,515	0	16,500	0	20,015
Total State of Tennessee	$ 0	$ 43,303,116	$ 0	$ 16,500	$ 0	$ 43,319,616
Federal Government						
Federal Through State						
USDA School Lunch Program	$ 0	$ 2,049,394	$ 0	$ 0	$ 0	$ 2,049,394
USDA - Commodities	0	297,390	0	0	0	297,390
Breakfast	0	628,879	0	0	0	628,879
USDA - Other	0	20,377	0	0	0	20,377
Vocational Education - Basic Grants to States	0	0	228,837	0	0	228,837
Title I Grants to Local Education Agencies	0	0	2,559,928	0	0	2,559,928

(Continued)

Exhibit L-6

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

	Special Revenue Fund		Special Revenue Funds		Capital Projects Fund	
	Special Purpose	General Purpose School	School Federal Projects	Other Education Special Revenue	Education Capital Projects	Total
Federal Government (Cont.)						
Federal Through State (Cont.)						
Special Education - Grants to States	$ 0	$ 137,145	$ 2,677,117	$ 0	$ 0	$ 2,814,262
Special Education Preschool Grants	0	0	139,099	0	0	139,099
Eisenhower Professional Development State Grants	0	0	488,822	0	0	488,822
ARRA Grant # E	0	0	0	315,560	0	315,560
Race-to-the-Top - ARRA	0	0	488,526	0	0	488,526
Direct Federal Revenue						
ROTC Reimbursement	0	190,579	0	0	0	190,579
Forest Service	0	21,000	0	0	0	21,000
Other Direct Federal Revenue	0	52,999	0	0	0	52,999
Total Federal Government	$ 0	$ 3,397,763	$ 6,582,329	$ 315,560	$ 0	$ 10,295,652
Other Governments and Citizens Groups						
Other Governments						
Contributions	$ 0	$ 0	$ 151,600	$ 138,278	$ 3,941,506	$ 4,231,384
Citizens Groups						
Donations	0	27,080	0	0	0	27,080
Total Other Governments and Citizens Groups	$ 0	$ 27,080	$ 151,600	$ 138,278	$ 3,941,506	$ 4,258,464
Total	$ 1,237,981	$ 86,419,819	$ 6,733,929	$ 470,338	$ 3,941,506	$ 98,803,573

Exhibit L-7

Sullivan 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	$	168,670		
Social Security		10,458		
Employer Medicare		2,447		
Contracts with Government Agencies		113,451		
Dues and Memberships		182		
Freight Expenses		55		
Legal Services		142,862		
Legal Notices, Recording, and Court Costs		1,801		
Maintenance and Repair Services - Office Equipment		2,203		
Postal Charges		717		
Printing, Stationery, and Forms		203		
Travel		3,467		
Tuition		620		
Food Supplies		135		
Gasoline		177		
Office Supplies		569		
Other Supplies and Materials		55		
Total County Commission			$	448,072
County Mayor/Executive				
County Official/Administrative Officer	$	101,612		
Secretary(ies)		31,356		
Social Security		8,068		
State Retirement		19,943		
Life Insurance		131		
Medical Insurance		18,397		
Dental Insurance		672		
Employer Medicare		1,887		
Communication		1,378		
Data Processing Services		109		
Dues and Memberships		3,080		
Legal Notices, Recording, and Court Costs		109		
Maintenance and Repair Services - Equipment		64		
Maintenance and Repair Services - Office Equipment		579		
Postal Charges		212		
Printing, Stationery, and Forms		28		
Travel		826		
Tuition		110		
Data Processing Supplies		899		
Food Supplies		138		
Gasoline		1,908		
Office Supplies		73		
Periodicals		488		
Other Supplies and Materials		55		
Total County Mayor/Executive				192,122
County Attorney				
County Official/Administrative Officer	$	106,692		
Secretary(ies)		38,631		
Social Security		8,835		

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
General Government (Cont.)				
County Attorney (Cont.)				
State Retirement	$	21,796		
Life Insurance		131		
Medical Insurance		13,423		
Dental Insurance		897		
Employer Medicare		2,066		
Communication		1,675		
Dues and Memberships		1,647		
Legal Notices, Recording, and Court Costs		110		
Maintenance and Repair Services - Office Equipment		426		
Postal Charges		589		
Printing, Stationery, and Forms		128		
Travel		1,719		
Tuition		621		
Data Processing Supplies		233		
Office Supplies		1,145		
Periodicals		6,533		
Other Supplies and Materials		600		
Total County Attorney			$	207,897
Election Commission				
County Official/Administrative Officer	$	73,586		
Clerical Personnel		105,662		
Temporary Personnel		115,344		
Part-time Personnel		1,962		
Election Commission		8,997		
Election Workers		77,609		
Social Security		18,779		
State Retirement		27,976		
Life Insurance		317		
Medical Insurance		27,750		
Dental Insurance		1,642		
Employer Medicare		4,392		
Communication		17,760		
Data Processing Services		32,852		
Legal Notices, Recording, and Court Costs		6,863		
Maintenance and Repair Services - Equipment		118		
Maintenance and Repair Services - Office Equipment		500		
Postal Charges		10,641		
Printing, Stationery, and Forms		763		
Rentals		42,920		
Travel		2,977		
Tuition		1,675		
Maintenance and Repair Services - Records		400		
Data Processing Supplies		4,658		
Food Supplies		1,101		
Gasoline		53		
Office Supplies		5,534		
Other Supplies and Materials		1,775		
Other Charges		40,596		
Total Election Commission				635,202

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
Register of Deeds		
County Official/Administrative Officer	$ 81,762	
Clerical Personnel	181,970	
Social Security	15,605	
State Retirement	39,537	
Life Insurance	393	
Medical Insurance	76,166	
Dental Insurance	2,128	
Employer Medicare	3,649	
Communication	2,807	
Data Processing Services	44,449	
Dues and Memberships	270	
Maintenance and Repair Services - Office Equipment	2,522	
Postal Charges	1,486	
Printing, Stationery, and Forms	40	
Food Supplies	166	
Office Supplies	1,723	
Vehicle Parts	329	
Total Register of Deeds		$ 455,002
Planning		
Supervisor/Director	$ 51,089	
Clerical Personnel	22,804	
Other Salaries and Wages	116,268	
Board and Committee Members Fees	2,475	
Social Security	11,566	
State Retirement	28,521	
Life Insurance	306	
Medical Insurance	36,880	
Dental Insurance	1,756	
Employer Medicare	2,706	
Communication	4,087	
Consultants	1,519	
Data Processing Services	8,932	
Dues and Memberships	1,052	
Engineering Services	4,750	
Legal Notices, Recording, and Court Costs	1,470	
Maintenance and Repair Services - Office Equipment	5,200	
Postal Charges	744	
Printing, Stationery, and Forms	46	
Travel	2,528	
Tuition	1,003	
Permits	3,460	
Other Contracted Services	28,753	
Data Processing Supplies	1,690	
Food Supplies	180	
Gasoline	7,604	
Office Supplies	1,141	
Tires and Tubes	176	
Vehicle Parts	643	
Other Supplies and Materials	70	
Total Planning		349,419

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
General Government (Cont.)		
Geographical Information Systems		
Other Contracted Services	$ 28,228	
Data Processing Supplies	358	
Total Geographical Information Systems		$ 28,586
County Buildings		
Supervisor/Director	$ 19,688	
Mechanic(s)	66,643	
Clerical Personnel	33,563	
Custodial Personnel	115,948	
Maintenance Personnel	214,910	
Social Security	26,911	
State Retirement	52,772	
Life Insurance	775	
Medical Insurance	123,339	
Dental Insurance	4,445	
Unemployment Compensation	106	
Employer Medicare	6,294	
Communication	8,396	
Data Processing Services	1,899	
Maintenance and Repair Services - Buildings	886	
Maintenance and Repair Services - Equipment	48,152	
Maintenance and Repair Services - Office Equipment	322	
Maintenance and Repair Services - Vehicles	840	
Pest Control	540	
Printing, Stationery, and Forms	18	
Rentals	2,735	
Tuition	300	
Disposal Fees	6,840	
Permits	590	
Other Contracted Services	4,032	
Custodial Supplies	15,048	
Data Processing Supplies	513	
Drugs and Medical Supplies	694	
Electricity	294,009	
Equipment Parts - Light	465	
Equipment and Machinery Parts	2,642	
Garage Supplies	1,871	
Gasoline	11,841	
General Construction Materials	20,612	
Natural Gas	12,268	
Office Supplies	1,996	
Tires and Tubes	2,189	
Uniforms	1,456	
Vehicle Parts	5,587	
Water and Sewer	14,407	
Other Supplies and Materials	5,019	
Heating and Air Conditioning Equipment	32,412	
Total County Buildings		1,163,973

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
General Government (Cont.)				
Other Facilities				
Contracts with Government Agencies	$	201,230		
Total Other Facilities			$	201,230
Preservation of Records				
Supervisor/Director	$	37,283		
Social Security		2,310		
State Retirement		5,626		
Life Insurance		66		
Medical Insurance		4,474		
Dental Insurance		448		
Employer Medicare		540		
Communication		3,549		
Maintenance and Repair Services - Office Equipment		1,158		
Postal Charges		143		
Rentals		46		
Travel		220		
Disposal Fees		120		
Other Contracted Services		1,688		
Food Supplies		414		
Library Books/Media		191		
Office Supplies		1,451		
Periodicals		172		
Other Charges		4,194		
Total Preservation of Records				64,093
Risk Management				
Supervisor/Director	$	47,682		
Social Security		2,869		
State Retirement		7,150		
Life Insurance		66		
Medical Insurance		5,041		
Dental Insurance		448		
Employer Medicare		671		
Communication		1,477		
Data Processing Services		42		
Postal Charges		24		
Travel		207		
Tuition		110		
Periodicals		378		
Boiler Insurance		21,268		
Building and Contents Insurance		216,935		
Liability Insurance		236,769		
Premiums on Corporate Surety Bonds		1,683		
Vehicle and Equipment Insurance		48,529		
Workers' Compensation Insurance		79,961		
Total Risk Management				671,310
Finance				
Accounting and Budgeting				
County Official/Administrative Officer	$	63,830		

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Finance (Cont.)				
Accounting and Budgeting (Cont.)				
Supervisor/Director	$	116,318		
Clerical Personnel		202,875		
Social Security		23,132		
State Retirement		57,254		
Life Insurance		573		
Medical Insurance		76,933		
Dental Insurance		2,349		
Employer Medicare		5,410		
Bank Charges		38		
Communication		6,750		
Data Processing Services		4,000		
Dues and Memberships		398		
Freight Expenses		25		
Maintenance and Repair Services - Office Equipment		1,365		
Postal Charges		8,860		
Printing, Stationery, and Forms		1,476		
Tuition		384		
Other Contracted Services		19		
Data Processing Supplies		5,200		
Food Supplies		202		
Gasoline		1,211		
Instructional Supplies and Materials		359		
Office Supplies		4,985		
Data Processing Equipment		2,000		
Total Accounting and Budgeting			$	585,946
Purchasing				
County Official/Administrative Officer	$	58,783		
Assistant(s)		44,342		
Purchasing Personnel		120,889		
Equipment Operators		37,082		
Clerical Personnel		44,989		
Social Security		18,501		
State Retirement		45,898		
Life Insurance		584		
Medical Insurance		77,432		
Dental Insurance		2,217		
Unemployment Compensation		4,640		
Employer Medicare		4,327		
Communication		6,506		
Data Processing Services		300		
Dues and Memberships		850		
Legal Notices, Recording, and Court Costs		2,496		
Maintenance and Repair Services - Office Equipment		2,644		
Postal Charges		1,041		
Printing, Stationery, and Forms		492		
Rentals		7,716		
Travel		304		
Tuition		250		
Disposal Fees		457		

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Finance (Cont.)				
Purchasing (Cont.)				
Data Processing Supplies	$	3,030		
Duplicating Supplies		765		
Equipment Parts - Light		117		
Food Supplies		228		
Gasoline		2,636		
Office Supplies		2,575		
Periodicals		211		
Tires and Tubes		242		
Uniforms		33		
Vehicle Parts		516		
Total Purchasing			$	493,093
Property Assessor's Office				
County Official/Administrative Officer	$	78,355		
Assistant(s)		57,446		
Supervisor/Director		47,557		
Deputy(ies)		260,964		
Internal Audit Personnel		50,954		
Clerical Personnel		446,001		
Board and Committee Members Fees		1,390		
Social Security		56,532		
State Retirement		141,305		
Life Insurance		1,731		
Medical Insurance		196,237		
Dental Insurance		7,574		
Unemployment Compensation		4,112		
Employer Medicare		13,222		
Audit Services		14,950		
Communication		11,179		
Data Processing Services		10,253		
Dues and Memberships		2,550		
Legal Notices, Recording, and Court Costs		108		
Licenses		17		
Maintenance and Repair Services - Office Equipment		4,352		
Maintenance and Repair Services - Vehicles		389		
Postal Charges		28,796		
Printing, Stationery, and Forms		620		
Travel		3,580		
Tuition		900		
Data Processing Supplies		2,138		
Food Supplies		252		
Gasoline		16,316		
Lubricants		401		
Office Supplies		2,892		
Periodicals		341		
Tires and Tubes		743		
Vehicle Parts		448		
Other Supplies and Materials		591		
Other Charges		27,095		
Total Property Assessor's Office				1,492,291

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Finance (Cont.)		
County Trustee's Office		
County Official/Administrative Officer	$ 81,762	
Assistant(s)	45,978	
Deputy(ies)	201,345	
Part-time Personnel	3,100	
Social Security	19,562	
State Retirement	41,581	
Life Insurance	524	
Medical Insurance	83,457	
Dental Insurance	3,475	
Employer Medicare	4,575	
Communication	8,360	
Data Processing Services	1,969	
Dues and Memberships	984	
Licenses	50	
Maintenance Agreements	1,800	
Maintenance and Repair Services - Equipment	64	
Maintenance and Repair Services - Office Equipment	2,876	
Postal Charges	36,720	
Printing, Stationery, and Forms	13,604	
Travel	193	
Data Processing Supplies	1,898	
Office Supplies	6,013	
Other Supplies and Materials	125	
Total County Trustee's Office		$ 560,015
County Clerk's Office		
County Official/Administrative Officer	$ 81,762	
Deputy(ies)	615,556	
Part-time Personnel	50,095	
Board and Committee Members Fees	480	
Social Security	44,212	
State Retirement	104,592	
Life Insurance	1,381	
Medical Insurance	192,730	
Dental Insurance	7,652	
Unemployment Compensation	833	
Employer Medicare	10,340	
Communication	9,128	
Data Processing Services	31,748	
Dues and Memberships	1,084	
Legal Services	294	
Legal Notices, Recording, and Court Costs	286	
Maintenance and Repair Services - Equipment	150	
Maintenance and Repair Services - Office Equipment	2,745	
Postal Charges	39,130	
Printing, Stationery, and Forms	2,200	
Travel	225	
Other Contracted Services	570	
Data Processing Supplies	2,101	
Food Supplies	228	

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Finance (Cont.)				
County Clerk's Office (Cont.)				
Office Supplies	$	6,283		
Building Improvements		262		
Total County Clerk's Office			$	1,206,067
Data Processing				
Communication	$	515		
Data Processing Services		4,380		
Freight Expenses		8		
Maintenance Agreements		104,272		
Maintenance and Repair Services - Office Equipment		1,308		
Data Processing Supplies		4,853		
Total Data Processing				115,336
Other Finance				
Refunds	$	1,739		
Trustee's Commission		541,821		
Total Other Finance				543,560
Administration of Justice				
Circuit Court Judge				
Communication	$	7,461		
Postal Charges		117		
Data Processing Supplies		708		
Office Supplies		1,829		
Total Circuit Court Judge				10,115
Circuit Court Clerk				
County Official/Administrative Officer	$	81,762		
Clerical Personnel		788,179		
Part-time Personnel		44,080		
Jury and Witness Expense		785		
Social Security		55,426		
State Retirement		130,503		
Life Insurance		1,725		
Medical Insurance		182,987		
Dental Insurance		7,964		
Unemployment Compensation		2,368		
Employer Medicare		12,876		
Communication		16,016		
Contracts with Other Public Agencies		104		
Data Processing Services		25,706		
Dues and Memberships		1,398		
Legal Notices, Recording, and Court Costs		15		
Maintenance Agreements		831		
Maintenance and Repair Services - Office Equipment		6,178		
Postal Charges		16,278		
Printing, Stationery, and Forms		5,198		
Rentals		135		
Travel		1,741		
Food Supplies		301		

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
Circuit Court Clerk (Cont.)				
Office Supplies	$	21,160		
Periodicals		86		
Data Processing Equipment		71,703		
Total Circuit Court Clerk			$	1,475,505
General Sessions Court				
Judge(s)	$	306,450		
Secretary(ies)		67,354		
Social Security		18,030		
State Retirement		56,067		
Life Insurance		262		
Medical Insurance		31,723		
Dental Insurance		1,343		
Employer Medicare		5,342		
Communication		4,971		
Data Processing Services		104		
Dues and Memberships		835		
Licenses		654		
Maintenance and Repair Services - Office Equipment		705		
Postal Charges		434		
Printing, Stationery, and Forms		596		
Travel		6,079		
Tuition		1,255		
Other Contracted Services		40		
Food Supplies		142		
Library Books/Media		95		
Office Supplies		590		
Periodicals		3,445		
Total General Sessions Court				506,516
General Sessions Judge				
Judge(s)	$	306,450		
Assistant(s)		61,572		
Secretary(ies)		32,547		
Social Security		19,622		
State Retirement		60,080		
Life Insurance		328		
Medical Insurance		38,681		
Dental Insurance		1,568		
Employer Medicare		5,721		
Communication		4,595		
Data Processing Services		104		
Dues and Memberships		922		
Licenses		570		
Maintenance and Repair Services - Office Equipment		1,109		
Postal Charges		530		
Printing, Stationery, and Forms		2,071		
Travel		2,882		
Tuition		770		
Library Books/Media		42		

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
General Sessions Judge (Cont.)				
Office Supplies	$	1,217		
Periodicals		3,150		
Total General Sessions Judge			$	544,531
Chancery Court				
County Official/Administrative Officer	$	81,762		
Clerical Personnel		230,540		
Part-time Personnel		14,048		
Social Security		19,387		
State Retirement		46,796		
Life Insurance		579		
Medical Insurance		75,000		
Dental Insurance		2,836		
Employer Medicare		4,534		
Communication		6,817		
Data Processing Services		9,495		
Dues and Memberships		3,786		
Maintenance and Repair Services - Office Equipment		5,134		
Postal Charges		3,416		
Printing, Stationery, and Forms		4,834		
Travel		464		
Maintenance and Repair Services - Records		278		
Office Supplies		4,891		
Periodicals		573		
Total Chancery Court				515,170
Juvenile Court				
Supervisor/Director	$	52,343		
Probation Officer(s)		30,218		
Guidance Personnel		225,193		
Secretary(ies)		44,805		
Clerical Personnel		31,210		
Social Security		22,850		
State Retirement		56,045		
Life Insurance		628		
Medical Insurance		73,760		
Dental Insurance		3,584		
Employer Medicare		5,344		
Advertising		99		
Communication		570		
Data Processing Services		134		
Dues and Memberships		105		
Legal Services		16,148		
Legal Notices, Recording, and Court Costs		315		
Maintenance and Repair Services - Office Equipment		1,143		
Maintenance and Repair Services - Vehicles		1,353		
Printing, Stationery, and Forms		67		
Travel		6,281		
Tuition		5,560		
Other Contracted Services		53,720		

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Administration of Justice (Cont.)				
Juvenile Court (Cont.)				
Data Processing Supplies	$	4,005		
Drugs and Medical Supplies		1,117		
Food Supplies		185		
Gasoline		847		
Office Supplies		2,793		
Periodicals		155		
Total Juvenile Court			$	640,577
Juvenile Court Judge				
Other Contracted Services	$	3,000		
Total Juvenile Court Judge				3,000
District Attorney General				
Assistant(s)	$	149,679		
Salary Supplements		4,239		
Secretary(ies)		25,203		
Part-time Personnel		10,345		
Social Security		11,594		
State Retirement		26,196		
Life Insurance		262		
Medical Insurance		19,165		
Dental Insurance		896		
Employer Medicare		2,711		
Data Processing Services		54		
Travel		2,761		
Total District Attorney General				253,105
Office of Public Defender				
Paraprofessionals	$	126,469		
Social Security		7,658		
State Retirement		18,945		
Life Insurance		131		
Medical Insurance		17,678		
Dental Insurance		672		
Employer Medicare		1,791		
Licenses		800		
Tuition		200		
Total Office of Public Defender				174,344
Other Administration of Justice				
Board and Committee Members Fees	$	630		
Jury and Witness Expense		63,718		
Other Per Diem and Fees		25,635		
Legal Services		906		
Total Other Administration of Justice				90,889
Courtroom Security				
Deputy(ies)	$	172,790		
Part-time Personnel		54,322		
Social Security		13,819		

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Administration of Justice (Cont.)		
Courtroom Security (Cont.)		
State Retirement	$ 25,939	
Life Insurance	393	
Medical Insurance	23,285	
Dental Insurance	1,677	
Employer Medicare	3,232	
Communication	16	
Maintenance and Repair Services - Equipment	6,599	
Medical and Dental Services	27	
Other Contracted Services	997	
Equipment and Machinery Parts	5,517	
Law Enforcement Supplies	238	
Uniforms	675	
Total Courtroom Security		$ 309,526
Public Safety		
Sheriff's Department		
County Official/Administrative Officer	$ 97,373	
Assistant(s)	257,121	
Deputy(ies)	1,844,967	
Captain(s)	346,680	
Lieutenant(s)	664,077	
Sergeant(s)	1,064,605	
Mechanic(s)	86,011	
Dispatchers/Radio Operators	491,298	
Secretary(ies)	321,685	
School Resource Officer	121,406	
Social Security	319,654	
State Retirement	817,869	
Life Insurance	8,392	
Medical Insurance	1,046,640	
Dental Insurance	44,878	
Unemployment Compensation	8,507	
Employer Medicare	74,758	
Advertising	398	
Communication	70,815	
Contracts with Government Agencies	22,992	
Data Processing Services	63,939	
Dues and Memberships	9,285	
Financial Advisory Services	98	
Freight Expenses	426	
Licenses	1,200	
Maintenance and Repair Services - Buildings	285	
Maintenance and Repair Services - Equipment	34,684	
Maintenance and Repair Services - Office Equipment	14,323	
Maintenance and Repair Services - Vehicles	945	
Medical and Dental Services	1,483	
Pest Control	600	
Postal Charges	2,390	
Printing, Stationery, and Forms	2,273	
Rentals	1,206	

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Public Safety (Cont.)		
Sheriff's Department (Cont.)		
Towing Services	$ 1,325	
Transportation - Other than Students	101	
Travel	36,930	
Tuition	32,490	
Veterinary Services	1,159	
Disposal Fees	2,000	
Other Contracted Services	5,812	
Animal Food and Supplies	1,850	
Custodial Supplies	5,358	
Data Processing Supplies	5,959	
Drugs and Medical Supplies	128	
Electricity	16,557	
Equipment Parts - Light	629	
Equipment and Machinery Parts	1,585	
Food Preparation Supplies	12	
Food Supplies	1,420	
Garage Supplies	150	
Gasoline	392,719	
General Construction Materials	3,244	
Law Enforcement Supplies	25,451	
Lubricants	5,000	
Office Supplies	12,809	
Periodicals	655	
Pipe - Metal	1,298	
Propane Gas	138	
Tires and Tubes	17,507	
Uniforms	34,037	
Vehicle Parts	54,532	
Water and Sewer	1,706	
Other Supplies and Materials	2,589	
Other Charges	13,712	
Law Enforcement Equipment	4,580	
Other Capital Outlay	39,514	
Total Sheriff's Department		$ 8,566,219
Administration of the Sexual Offender Registry		
Travel	$ 314	
Other Contracted Services	3,550	
Data Processing Supplies	150	
Gasoline	64	
Office Supplies	332	
Total Administration of the Sexual Offender Registry		4,410
Jail		
Assistant(s)	$ 138,239	
Deputy(ies)	2,354,642	
Captain(s)	100,803	
Lieutenant(s)	361,356	
Sergeant(s)	228,229	
Medical Personnel	299,549	

(Continued)

Exhibit L-7

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

General Fund (Cont.)
Public Safety (Cont.)
Jail (Cont.)

Guards	$	55,363
Secretary(ies)		28,658
Cafeteria Personnel		150,361
Board and Committee Members Fees		8,042
Social Security		221,933
State Retirement		551,847
Life Insurance		6,792
Medical Insurance		905,147
Dental Insurance		36,355
Unemployment Compensation		9,646
Employer Medicare		51,904
Communication		16,167
Data Processing Services		23,890
Dues and Memberships		120
Financial Advisory Services		147
Licenses		1,054
Maintenance and Repair Services - Buildings		1,990
Maintenance and Repair Services - Equipment		84,326
Maintenance and Repair Services - Office Equipment		11,860
Maintenance and Repair Services - Vehicles		2,394
Medical and Dental Services		556,509
Pest Control		650
Printing, Stationery, and Forms		3,519
Rentals		1,916
Towing Services		45
Transportation - Other than Students		30,079
Travel		4,072
Tuition		6,376
Veterinary Services		177
Disposal Fees		21,540
Other Contracted Services		3,911
Animal Food and Supplies		559
Custodial Supplies		51,472
Data Processing Supplies		5,253
Diesel Fuel		3,199
Drugs and Medical Supplies		29,957
Electricity		269,840
Equipment Parts - Heavy		14,621
Equipment Parts - Light		20,762
Equipment and Machinery Parts		40,698
Food Preparation Supplies		22,832
Food Supplies		645,325
Garage Supplies		24
Gasoline		51,261
General Construction Materials		12,283
Instructional Supplies and Materials		434
Law Enforcement Supplies		18,517
Natural Gas		55,380
Office Supplies		14,434
Periodicals		180

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Public Safety (Cont.)				
Jail (Cont.)				
Pipe - Metal	$	1,312		
Prisoners Clothing		28,096		
Small Tools		615		
Tires and Tubes		8,385		
Uniforms		25,270		
Vehicle Parts		9,878		
Water and Sewer		215,047		
Other Supplies and Materials		4,756		
Motor Vehicles		33,662		
Total Jail			$	7,863,660
Workhouse				
Deputy(ies)	$	56,312		
Board and Committee Members Fees		1,461		
Social Security		3,347		
State Retirement		8,430		
Life Insurance		131		
Medical Insurance		15,057		
Dental Insurance		728		
Employer Medicare		783		
Communication		48		
Custodial Supplies		2,820		
Total Workhouse				89,117
Juvenile Services				
Contracts with Government Agencies	$	317,176		
Contributions		292,552		
Total Juvenile Services				609,728
Fire Prevention and Control				
Contributions	$	1,487,654		
Total Fire Prevention and Control				1,487,654
Civil Defense				
Supervisor/Director	$	53,454		
Medical Personnel		184,423		
Paraprofessionals		42,394		
Secretary(ies)		28,033		
Part-time Personnel		55,485		
Social Security		21,687		
State Retirement		46,499		
Life Insurance		524		
Medical Insurance		85,621		
Dental Insurance		2,667		
Employer Medicare		5,072		
Advertising		25		
Communication		5,122		
Maintenance and Repair Services - Equipment		446		
Maintenance and Repair Services - Office Equipment		379		
Medical and Dental Services		66		

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Public Safety (Cont.)				
Civil Defense (Cont.)				
Postal Charges	$	97		
Travel		562		
Tuition		350		
Data Processing Supplies		3,576		
Equipment Parts - Light		153		
Food Supplies		71		
Gasoline		3,781		
Office Supplies		2,867		
Uniforms		588		
Vehicle Parts		294		
Other Supplies and Materials		144		
Total Civil Defense			$	544,380
Rescue Squad				
Contributions	$	294,823		
Total Rescue Squad				294,823
Disaster Relief				
Contracts for Development Costs	$	8,775		
Communication Equipment		17,422		
Other Equipment		37,960		
Total Disaster Relief				64,157
County Coroner/Medical Examiner				
Other Per Diem and Fees	$	32,551		
Communication		532		
Contributions		161,428		
Printing, Stationery, and Forms		18		
Other Contracted Services		46,100		
Drugs and Medical Supplies		3,475		
Equipment Parts - Light		63		
Gasoline		5,053		
Vehicle Parts		359		
Other Charges		3,600		
Total County Coroner/Medical Examiner				253,179
Other Public Safety				
Communication	$	1,682		
Maintenance and Repair Services - Equipment		137,970		
Electricity		17,131		
Equipment Parts - Light		1,285		
General Construction Materials		1,228		
Natural Gas		636		
Propane Gas		453		
Total Other Public Safety				160,385
Public Health and Welfare				
Local Health Center				
County Official/Administrative Officer	$	73,332		
Assistant(s)		170,632		

(Continued)

Exhibit L-7

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

General Fund (Cont.)
Public Health and Welfare (Cont.)
Local Health Center (Cont.)

Supervisor/Director	$	279,640
Teachers		215,172
Medical Personnel		2,037,695
Education Media Personnel		30,049
Clerical Personnel		591,054
Custodial Personnel		30,811
Part-time Personnel		45,248
Social Security		205,648
State Retirement		414,656
Life Insurance		4,603
Medical Insurance		554,278
Dental Insurance		22,617
Unemployment Compensation		3,946
Employer Medicare		49,090
Advertising		4,654
Bank Charges		2,839
Communication		52,411
Contracts with Government Agencies		26,534
Contracts with Private Agencies		8,081
Data Processing Services		83
Dues and Memberships		715
Freight Expenses		294
Legal Services		618
Licenses		781
Maintenance and Repair Services - Equipment		21,684
Maintenance and Repair Services - Office Equipment		22,561
Medical and Dental Services		36,634
Pest Control		1,850
Postal Charges		8,071
Printing, Stationery, and Forms		11,067
Rentals		867
Travel		48,538
Tuition		4,715
Disposal Fees		4,792
Other Contracted Services		4,391
Custodial Supplies		3,660
Data Processing Supplies		67,318
Diesel Fuel		839
Drugs and Medical Supplies		234,226
Electricity		88,025
Equipment and Machinery Parts		2,928
Food Supplies		3,876
Gasoline		4,540
General Construction Materials		7,459
Instructional Supplies and Materials		65,918
Natural Gas		5,022
Office Supplies		34,285
Periodicals		1,005
Uniforms		493
Vehicle Parts		2,289

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Public Health and Welfare (Cont.)				
Local Health Center (Cont.)				
Water and Sewer	$	15,231		
Other Supplies and Materials		11,784		
Total Local Health Center			$	5,539,549
Rabies and Animal Control				
Truck Drivers	$	97,550		
Social Security		5,769		
State Retirement		14,632		
Life Insurance		197		
Medical Insurance		25,951		
Dental Insurance		1,120		
Employer Medicare		1,349		
Contributions		167,949		
Office Supplies		1,316		
Total Rabies and Animal Control				315,833
Other Local Health Services				
Contributions	$	30,000		
Total Other Local Health Services				30,000
Regional Mental Health Center				
Contracts with Government Agencies	$	14,850		
Contracts with Other Public Agencies		100		
Contributions		69,359		
Total Regional Mental Health Center				84,309
Aid to Dependent Children				
Contributions	$	27,250		
Total Aid to Dependent Children				27,250
Other Local Welfare Services				
Pauper Burials	$	4,395		
Total Other Local Welfare Services				4,395
Other Public Health and Welfare				
Contributions	$	10,000		
Total Other Public Health and Welfare				10,000
Social, Cultural, and Recreational Services				
Senior Citizens Assistance				
Contributions	$	11,000		
Total Senior Citizens Assistance				11,000
Libraries				
Supervisor/Director	$	60,705		
Clerical Personnel		273,559		
Custodial Personnel		79,197		
Part-time Personnel		18,282		
Social Security		26,225		
State Retirement		50,293		

(Continued)

Exhibit L-7

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

General Fund (Cont.)				
Social, Cultural, and Recreational Services (Cont.)				
Libraries (Cont.)				
Life Insurance	$	644		
Medical Insurance		61,710		
Dental Insurance		2,644		
Employer Medicare		6,134		
Advertising		1,480		
Communication		4,174		
Contributions		30,000		
Data Processing Services		15,758		
Dues and Memberships		350		
Freight Expenses		664		
Janitorial Services		643		
Licenses		208		
Maintenance and Repair Services - Equipment		477		
Maintenance and Repair Services - Office Equipment		2,329		
Matching Share		13,683		
Pest Control		700		
Postal Charges		1,209		
Printing, Stationery, and Forms		204		
Rentals		80		
Travel		2,215		
Tuition		1,589		
Disposal Fees		936		
Custodial Supplies		1,959		
Data Processing Supplies		17,250		
Electricity		14,568		
General Construction Materials		126		
Instructional Supplies and Materials		19,776		
Library Books/Media		64,643		
Natural Gas		3,768		
Office Supplies		8,054		
Periodicals		2,269		
Water and Sewer		1,293		
Other Charges		11,297		
Data Processing Equipment		1,495		
Other Capital Outlay		3,353		
Total Libraries			$	805,943
Parks and Fair Boards				
Contributions	$	32,500		
Payments to Schools - Other		300,000		
Total Parks and Fair Boards				332,500
Agriculture and Natural Resources				
Agriculture Extension Service				
Communication	$	2,601		
Data Processing Services		821		
Maintenance and Repair Services - Buildings		600		
Maintenance and Repair Services - Equipment		1,750		
Matching Share		120,576		
Printing, Stationery, and Forms		264		
Other Contracted Services		11,850		
Total Agriculture Extension Service				138,462

(Continued)

Exhibit L-7

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

General Fund (Cont.)		
Agriculture and Natural Resources (Cont.)		
Forest Service		
Contributions	$ 1,000	
Total Forest Service		$ 1,000
Soil Conservation		
Secretary(ies)	$ 28,659	
Social Security	1,768	
State Retirement	4,297	
Life Insurance	66	
Medical Insurance	746	
Employer Medicare	414	
Contributions	5,100	
Total Soil Conservation		41,050
Other Operations		
Industrial Development		
Contracts with Government Agencies	$ 1,000	
Contracts with Private Agencies	5,606	
Contributions	353,940	
Electricity	444	
Road Signs	174	
Site Development	49,872	
Other Capital Outlay	33,060	
Total Industrial Development		444,096
Other Economic and Community Development		
Contracts with Government Agencies	$ 200,000	
Contributions	15,464	
Total Other Economic and Community Development		215,464
Veterans' Services		
Rentals	$ 11,900	
Total Veterans' Services		11,900
Employee Benefits		
Social Security	$ 244	
Medical Insurance	211,139	
Employer Medicare	57	
Other Fringe Benefits	144,099	
Total Employee Benefits		355,539
Miscellaneous		
Dues and Memberships	$ 26,452	
Other Charges	48,015	
Total Miscellaneous		74,467
Instruction		
Vocational Education Program		
Contributions	$ 10,239	
Total Vocational Education Program		10,239

(Continued)

Exhibit L-7

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

General Fund (Cont.)			
Instruction (Cont.)			
Other			
Contracts with Other Public Agencies	$ 189,522		
Total Other		$ 189,522	
Principal on Debt			
General Government			
Principal on Capital Leases	$ 78,498		
Total General Government		78,498	
Interest on Debt			
General Government			
Interest on Notes	$ 5,475		
Interest on Capital Leases	9,078		
Total General Government		14,553	
Capital Projects			
Public Utility Projects			
Other Capital Outlay	$ 200,000		
Total Public Utility Projects		200,000	
Capital Projects - Donated			
Capital Projects Donated to Other Entities			
Other Equipment	$ 136,400		
Total Capital Projects Donated to Other Entities		136,400	
Total General Fund			$ 42,946,173
Solid Waste/Sanitation Fund			
Public Health and Welfare			
Sanitation Education/Information			
Architects	$ 1,200		
Communication	1,167		
Freight Expenses	415		
Printing, Stationery, and Forms	6,960		
Other Contracted Services	6,883		
Instructional Supplies and Materials	528		
Fencing	4,458		
Total Sanitation Education/Information		$ 21,611	
Transfer Stations			
Supervisor/Director	$ 58,329		
Mechanic(s)	29,675		
Truck Drivers	182,330		
Clerical Personnel	18,543		
Maintenance Personnel	172,051		
Part-time Personnel	17,026		
Social Security	29,117		
State Retirement	57,651		
Life Insurance	808		
Medical Insurance	107,135		
Dental Insurance	3,869		

(Continued)

Exhibit L-7

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

Solid Waste/Sanitation Fund (Cont.)			
Public Health and Welfare (Cont.)			
Transfer Stations (Cont.)			
Unemployment Compensation	$ 9,126		
Employer Medicare	6,810		
Other Fringe Benefits	264		
Bank Charges	1		
Communication	8,460		
Contracts with Government Agencies	30,273		
Dues and Memberships	3,275		
Evaluation and Testing	1,000		
Freight Expenses	172		
Legal Notices, Recording, and Court Costs	467		
Licenses	15		
Maintenance and Repair Services - Buildings	1,435		
Maintenance and Repair Services - Equipment	11,315		
Maintenance and Repair Services - Vehicles	23,913		
Postal Charges	84		
Printing, Stationery, and Forms	1,603		
Rentals	1,080		
Towing Services	900		
Travel	2,094		
Tuition	175		
Disposal Fees	238,748		
Other Contracted Services	6,764		
Custodial Supplies	338		
Data Processing Supplies	178		
Electricity	19,990		
Equipment Parts - Heavy	300		
Equipment Parts - Light	12,821		
Equipment and Machinery Parts	15,404		
Fuel Oil	2,674		
Garage Supplies	16,117		
Gasoline	12,309		
General Construction Materials	8,325		
Lubricants	103,880		
Office Supplies	983		
Propane Gas	885		
Structural Steel	2,880		
Tires and Tubes	22,795		
Uniforms	620		
Vehicle Parts	30,092		
Water and Sewer	3,376		
Other Supplies and Materials	12,979		
Trustee's Commission	20,362		
Other Charges	663		
Solid Waste Equipment	43,647		
Total Transfer Stations		$ 1,356,126	
Total Solid Waste/Sanitation Fund			$ 1,377,737

(Continued)

Exhibit L-7

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

Ambulance Service Fund
Public Health and Welfare
Ambulance/Emergency Medical Services

Captain(s)	$	182,049
Lieutenant(s)		105,376
Medical Personnel		2,109,241
Clerical Personnel		86,986
Part-time Personnel		255,702
Social Security		163,815
State Retirement		369,479
Life Insurance		4,002
Medical Insurance		555,346
Dental Insurance		21,879
Unemployment Compensation		2,177
Employer Medicare		38,312
Other Fringe Benefits		8,855
Ambulance Services		1,500
Bank Charges		457
Communication		25,449
Data Processing Services		1,756
Licenses		5,035
Maintenance Agreements		240
Maintenance and Repair Services - Buildings		4,298
Maintenance and Repair Services - Equipment		5,014
Maintenance and Repair Services - Office Equipment		1,129
Maintenance and Repair Services - Vehicles		859
Medical and Dental Services		2,533
Pest Control		710
Postal Charges		381
Printing, Stationery, and Forms		81
Rentals		16,107
Towing Services		1,146
Travel		1,637
Tuition		5,008
Disposal Fees		9,164
Other Contracted Services		230,781
Custodial Supplies		952
Data Processing Supplies		5,177
Diesel Fuel		130,000
Drugs and Medical Supplies		147,872
Electricity		27,649
Equipment Parts - Light		3,447
Food Supplies		98
Garage Supplies		16
Gasoline		16,049
Instructional Supplies and Materials		1,160
Lubricants		2,982
Natural Gas		6,324
Office Supplies		3,151
Periodicals		45
Small Tools		15
Textbooks		1,304
Tires and Tubes		17,090

(Continued)

Exhibit L-7

Sullivan 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.)			
Uniforms	$ 28,819		
Vehicle Parts	40,052		
Water and Sewer	1,534		
Other Supplies and Materials	16,207		
Trustee's Commission	48,085		
Motor Vehicles	256,736		
Total Ambulance/Emergency Medical Services		$ 4,971,268	
Total Ambulance Service Fund			$ 4,971,268
Drug Control Fund			
Public Safety			
Sheriff's Department			
Communication	$ 10,643		
Contributions	9,800		
Data Processing Services	2,010		
Confidential Drug Enforcement Payments	3,000		
Licenses	20		
Maintenance and Repair Services - Equipment	2,290		
Maintenance and Repair Services - Vehicles	85		
Rentals	1,548		
Towing Services	710		
Travel	5,147		
Tuition	600		
Other Contracted Services	1,805		
Data Processing Supplies	1,330		
Gasoline	273		
Law Enforcement Supplies	6,930		
Office Supplies	423		
Tires and Tubes	1,196		
Vehicle Parts	3,032		
Other Supplies and Materials	1,600		
Trustee's Commission	903		
Motor Vehicles	11,500		
Total Sheriff's Department		$ 64,845	
Total Drug Control Fund			64,845
Sports and Recreation Fund			
Social, Cultural, and Recreational Services			
Parks and Fair Boards			
Supervisor/Director	$ 32,005		
Laborers	25,575		
Temporary Personnel	46,575		
Social Security	6,275		
State Retirement	8,635		
Life Insurance	131		
Medical Insurance	17,897		
Dental Insurance	448		
Unemployment Compensation	3,457		

(Continued)

Exhibit L-7

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

Sports and Recreation Fund (Cont.)			
Social, Cultural, and Recreational Services (Cont.)			
Parks and Fair Boards (Cont.)			
Employer Medicare	$ 1,468		
Bank Charges	2,392		
Communication	719		
Contracts with Private Agencies	2,400		
Evaluation and Testing	500		
Licenses	230		
Postal Charges	70		
Printing, Stationery, and Forms	140		
Rentals	484		
Disposal Fees	1,756		
Custodial Supplies	1,375		
Diesel Fuel	500		
Electricity	55,008		
Equipment Parts - Light	1,103		
Garage Supplies	54		
Gasoline	7,888		
General Construction Materials	5,201		
Ice	2,111		
Lubricants	111		
Office Supplies	798		
Propane Gas	712		
Vehicle Parts	1,069		
Water and Sewer	30,834		
Trustee's Commission	3,109		
Other Equipment	4,290		
Total Parks and Fair Boards		$ 265,320	
Total Sports and Recreation Fund			$ 265,320
Constitutional Officers - Fees Fund			
General Government			
Other General Administration			
Special Commissioner Fees/Special Master Fees	$ 10,600		
Total Other General Administration		$ 10,600	
Total Constitutional Officers - Fees Fund			10,600
Highway/Public Works Fund			
Highways			
Administration			
County Official/Administrative Officer	$ 96,773		
Social Security	5,960		
State Retirement	14,516		
Life Insurance	66		
Medical Insurance	8,114		
Dental Insurance	223		
Employer Medicare	1,394		
Bank Charges	37		
Communication	12,710		
Dues and Memberships	5,926		

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Administration (Cont.)		
Evaluation and Testing	$ 1,151	
Licenses	18	
Maintenance Agreements	1,522	
Maintenance and Repair Services - Office Equipment	1,202	
Postal Charges	224	
Printing, Stationery, and Forms	92	
Rentals	1,200	
Travel	557	
Other Contracted Services	493	
Electricity	30,356	
Natural Gas	6,452	
Office Supplies	5,130	
Water and Sewer	3,054	
Other Supplies and Materials	386	
Trustee's Commission	114,132	
Total Administration		$ 311,688
Highway and Bridge Maintenance		
Assistant(s)	$ 114,176	
Supervisor/Director	138,790	
Paraprofessionals	99,837	
Foremen	388,715	
Mechanic(s)	201,195	
Equipment Operators	1,072,618	
Equipment Operators - Heavy	575,102	
Truck Drivers	469,789	
Dispatchers/Radio Operators	32,651	
Laborers	196,791	
Social Security	194,683	
State Retirement	490,944	
Life Insurance	6,485	
Medical Insurance	1,132,274	
Dental Insurance	35,857	
Unemployment Compensation	655	
Employer Medicare	45,531	
Other Fringe Benefits	2,091	
Communication	110	
Data Processing Services	1,699	
Evaluation and Testing	2,247	
Licenses	1,170	
Maintenance and Repair Services - Buildings	150	
Maintenance and Repair Services - Equipment	419	
Rentals	1,420	
Other Contracted Services	42,038	
Concrete	2,781	
Crushed Stone	67,650	
Data Processing Supplies	368	
Equipment and Machinery Parts	546	
Fertilizer, Lime, and Seed	396	
Garage Supplies	58	

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)		
Highways (Cont.)		
Highway and Bridge Maintenance (Cont.)		
General Construction Materials	$ 20,888	
Office Supplies	759	
Other Road Supplies	4,889	
Pipe - Concrete	154	
Pipe - Metal	66,648	
Salt	136,925	
Small Tools	63	
Structural Steel	1,961	
T&I Construction Materials	2,309	
Uniforms	683	
Vehicle Parts	417	
Wood Products	349	
Total Highway and Bridge Maintenance		$ 5,555,281
Operation and Maintenance of Equipment		
Data Processing Services	$ 240	
Licenses	52	
Maintenance and Repair Services - Buildings	794	
Maintenance and Repair Services - Equipment	12,317	
Maintenance and Repair Services - Vehicles	13,656	
Rentals	3,750	
Disposal Fees	2,369	
Other Contracted Services	750	
Concrete	4,204	
Custodial Supplies	3,233	
Data Processing Supplies	1,476	
Diesel Fuel	232,338	
Equipment Parts - Heavy	39,199	
Equipment Parts - Light	4,019	
Equipment and Machinery Parts	2,624	
Fuel Oil	2,877	
Garage Supplies	7,848	
Gasoline	170,047	
General Construction Materials	307	
Lubricants	19,829	
Office Supplies	1,215	
Other Road Supplies	655	
Small Tools	2,280	
Structural Steel	5,560	
Tires and Tubes	22,959	
Vehicle Parts	45,078	
Wood Products	442	
Other Supplies and Materials	5,575	
Total Operation and Maintenance of Equipment		605,693
Asphalt Plant Operations		
Licenses	$ 544	
Permits	250	
Asphalt	839,985	
Asphalt - Cold Mix	2,116	

(Continued)

Exhibit L-7

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

Highway/Public Works Fund (Cont.)			
Highways (Cont.)			
Asphalt Plant Operations (Cont.)			
Asphalt - Hot Mix	$ 24,307		
Crushed Stone	347,744		
Electricity	22,699		
Equipment Parts - Heavy	228		
Equipment and Machinery Parts	1,859		
Lubricants	526		
Natural Gas	37,645		
Water and Sewer	966		
Total Asphalt Plant Operations		$ 1,278,869	
Traffic Control			
Other Road Supplies	$ 16,627		
Road Signs	13,152		
Small Tools	218		
Wood Products	156		
Total Traffic Control		30,153	
Other Charges			
Equipment Parts - Heavy	$ 3,228		
Small Tools	384		
Structural Steel	7,895		
Chemicals	2,846		
Liability Insurance	76,503		
Total Other Charges		90,856	
Capital Outlay			
Communication Equipment	$ 11,167		
Highway Equipment	88,277		
Maintenance Equipment	820		
Motor Vehicles	164,398		
Total Capital Outlay		264,662	
Capital Projects			
Highway and Street Capital Projects			
Bridge Construction	$ 17,113		
State Aid Projects	917,243		
Total Highway and Street Capital Projects		934,356	
Total Highway/Public Works Fund			$ 9,071,558
General Debt Service Fund			
Finance			
Other Finance			
Trustee's Commission	$ 79,359		
Total Other Finance		$ 79,359	
Principal on Debt			
General Government			
Principal on Bonds	$ 1,460,000		
Principal on Notes	570,000		
Total General Government		2,030,000	

(Continued)

Exhibit L-7

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

General Debt Service Fund (Cont.)			
Principal on Debt (Cont.)			
Education			
Principal on Capital Leases	$ 108,906		
Principal on Other Loans	1,282,475		
Total Education		$ 1,391,381	
Interest on Debt			
General Government			
Interest on Bonds	$ 1,367,840		
Interest on Notes	90,426		
Total General Government		1,458,266	
Education			
Interest on Capital Leases	$ 7,226		
Interest on Other Loans	481,714		
Total Education		488,940	
Other Debt Service			
General Government			
Bank Charges	$ 789		
Other Debt Service	500		
Total General Government		1,289	
Education			
Other Debt Service	$ 20,828		
Total Education		20,828	
Total General Debt Service Fund			$ 5,470,063
Education Debt Service Fund			
Finance			
Other Finance			
Trustee's Commission	$ 20,800		
Total Other Finance		$ 20,800	
Principal on Debt			
Education			
Principal on Bonds	$ 1,460,000		
Total Education		1,460,000	
Interest on Debt			
Education			
Interest on Bonds	$ 591,250		
Total Education		591,250	
Other Debt Service			
Education			
Other Debt Service	$ 251		
Total Education		251	
Total Education Debt Service Fund			2,072,301

(Continued)

Exhibit L-7

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

General Capital Projects Fund			
Capital Projects - Donated			
Capital Projects Donated to School Department			
Contributions	$ 4,093,106		
Total Capital Projects Donated to School Department		$ 4,093,106	
Total General Capital Projects Fund			$ 4,093,106
Community Development/Industrial Park Fund			
Capital Projects			
Other General Government Projects			
Other Construction	$ 79,929		
Total Other General Government Projects		$ 79,929	
Total Community Development/Industrial Park Fund			79,929
Total Governmental Funds - Primary Government			$ 70,422,900

Exhibit L-8

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

Special Purpose Fund			
Support Services			
Board of Education			
Trustee's Commission	$ 24,551		
Total Board of Education		$ 24,551	
Capital Outlay			
Regular Capital Outlay			
Architects	$ 16,000		
Building Improvements	820,331		
Total Regular Capital Outlay		836,331	
Total Special Purpose Fund			$ 860,882
General Purpose School Fund			
Instruction			
Regular Instruction Program			
ADA Coordinator	$ 150,959		
Teachers	26,748,621		
Career Ladder Program	240,603		
Career Ladder Extended Contracts	80,050		
Homebound Teachers	67,281		
Salary Supplements	723,717		
Educational Assistants	911,361		
Other Salaries and Wages	380,227		
Certified Substitute Teachers	219,795		
Non-certified Substitute Teachers	253,897		
Social Security	1,725,934		
Handling Charges and Administrative Costs	81,254		
State Retirement	2,547,578		
Life Insurance	38,177		
Medical Insurance	5,270,202		
Dental Insurance	88,129		
Employer Medicare	409,334		
Contracts with Government Agencies	689,148		
Evaluation and Testing	38,048		
Maintenance Agreements	12,627		
Other Contracted Services	1,020		
Basic Skills Materials	33,678		
Equipment and Machinery Parts	18,574		
Instructional Supplies and Materials	550,186		
Textbooks	623,943		
Other Supplies and Materials	785		
Medical Claims	313,754		
Other Charges	147,063		
Data Processing Equipment	246,088		
Regular Instruction Equipment	78,070		
Total Regular Instruction Program		$ 42,690,103	
Special Education Program			
Teachers	$ 3,156,370		
Career Ladder Program	27,975		

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)				
Instruction (Cont.)				
Special Education Program (Cont.)				
Career Ladder Extended Contracts	$	3,200		
Homebound Teachers		16,397		
Educational Assistants		502,574		
Speech Pathologist		307,336		
Other Salaries and Wages		9,665		
Certified Substitute Teachers		21,453		
Non-certified Substitute Teachers		51,570		
Social Security		238,293		
State Retirement		372,414		
Life Insurance		6,242		
Medical Insurance		803,196		
Dental Insurance		13,678		
Employer Medicare		55,948		
Evaluation and Testing		5,949		
Maintenance and Repair Services - Equipment		1,415		
Other Contracted Services		36,722		
Instructional Supplies and Materials		41,380		
Other Supplies and Materials		105		
Data Processing Equipment		20,066		
Motor Vehicles		11,376		
Special Education Equipment		9,710		
Total Special Education Program			$	5,713,034
Vocational Education Program				
Teachers	$	2,085,607		
Career Ladder Program		9,000		
Certified Substitute Teachers		13,740		
Non-certified Substitute Teachers		14,490		
Social Security		123,456		
State Retirement		186,302		
Life Insurance		2,727		
Medical Insurance		375,692		
Dental Insurance		6,692		
Employer Medicare		28,930		
Maintenance and Repair Services - Equipment		1,032		
Other Contracted Services		731		
Equipment and Machinery Parts		2,142		
General Construction Materials		5,223		
Instructional Supplies and Materials		92,339		
Vocational Instruction Equipment		9,574		
Total Vocational Education Program				2,957,677
Support Services				
Health Services				
Secretary(ies)	$	21,588		
Other Salaries and Wages		28,037		
Social Security		2,833		
State Retirement		5,728		
Life Insurance		115		

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Health Services (Cont.)				
Medical Insurance	$	15,450		
Dental Insurance		336		
Employer Medicare		663		
Communication		350		
Printing, Stationery, and Forms		14		
Travel		3,648		
Other Contracted Services		829		
Other Supplies and Materials		31,357		
Total Health Services			$	110,948
Other Student Support				
Career Ladder Program	$	7,000		
Guidance Personnel		1,302,583		
Secretary(ies)		79,422		
Social Security		81,513		
State Retirement		123,251		
Life Insurance		1,809		
Medical Insurance		220,841		
Dental Insurance		4,354		
Employer Medicare		19,203		
Total Other Student Support				1,839,976
Regular Instruction Program				
Supervisor/Director	$	169,674		
Career Ladder Program		14,000		
Librarians		1,163,860		
Truck Drivers		19,981		
Secretary(ies)		152,858		
Other Salaries and Wages		180,586		
Social Security		98,227		
State Retirement		164,853		
Life Insurance		2,170		
Medical Insurance		292,025		
Dental Insurance		4,900		
Employer Medicare		23,359		
Communication		3,957		
Dues and Memberships		16,911		
Licenses		35		
Maintenance Agreements		53,284		
Maintenance and Repair Services - Equipment		15,884		
Printing, Stationery, and Forms		1,538		
Rentals		404		
Travel		19,805		
Other Contracted Services		2,859		
Gasoline		20,557		
Instructional Supplies and Materials		114,361		
Library Books/Media		115,700		
Office Supplies		9,864		
Periodicals		19,462		

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Regular Instruction Program (Cont.)				
Propane Gas	$	212		
Other Supplies and Materials		2,764		
In Service/Staff Development		118,074		
Attendance Equipment		60,041		
Data Processing Equipment		15,053		
Motor Vehicles		30,000		
Other Equipment		2,710		
Total Regular Instruction Program			$	2,909,968
Special Education Program				
Supervisor/Director	$	84,541		
Career Ladder Program		2,000		
Secretary(ies)		31,582		
Social Security		7,215		
State Retirement		12,422		
Life Insurance		115		
Medical Insurance		8,667		
Dental Insurance		336		
Employer Medicare		1,687		
Communication		713		
Dues and Memberships		247		
Maintenance and Repair Services - Equipment		1,692		
Rentals		1,144		
Travel		31,493		
Office Supplies		1,285		
Other Supplies and Materials		303		
In Service/Staff Development		20,009		
Total Special Education Program				205,451
Vocational Education Program				
Supervisor/Director	$	66,830		
Secretary(ies)		31,582		
Social Security		5,979		
State Retirement		10,672		
Life Insurance		115		
Medical Insurance		16,669		
Dental Insurance		168		
Employer Medicare		1,398		
Communication		539		
Dues and Memberships		15		
Licenses		18		
Printing, Stationery, and Forms		264		
Travel		5,076		
Office Supplies		370		
Propane Gas		932		
In Service/Staff Development		292		
Total Vocational Education Program				140,919

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Support Services (Cont.)		
Other Programs		
On-Behalf Payments to OPEB	$ 1,033,284	
Total Other Programs		$ 1,033,284
Board of Education		
Board and Committee Members Fees	$ 51,089	
Social Security	2,315	
Medical Insurance	6,966	
Dental Insurance	518	
Unemployment Compensation	70,853	
Employer Medicare	731	
Advertising	206	
Audit Services	66,750	
Dues and Memberships	15,574	
Legal Services	33,450	
Maintenance Agreements	4,000	
Travel	12,097	
Other Contracted Services	793	
Garage Supplies	22	
Periodicals	521	
Other Supplies and Materials	1,434	
Building and Contents Insurance	107,103	
Liability Insurance	114,689	
Trustee's Commission	739,587	
Workers' Compensation Insurance	366,500	
Other Charges	25,000	
Data Processing Equipment	621	
Total Board of Education		1,620,819
Director of Schools		
County Official/Administrative Officer	$ 140,254	
Assistant(s)	191,136	
Career Ladder Program	4,000	
Secretary(ies)	37,947	
Social Security	20,260	
State Retirement	35,475	
Life Insurance	173	
Medical Insurance	45,003	
Dental Insurance	168	
Employer Medicare	5,065	
Communication	163,322	
Dues and Memberships	6,926	
Freight Expenses	49	
Maintenance and Repair Services - Equipment	23,817	
Postal Charges	16,320	
Printing, Stationery, and Forms	81	
Travel	8,179	
Other Contracted Services	31,748	
Office Supplies	4,626	
Other Supplies and Materials	240	
Data Processing Equipment	2,599	
Total Director of Schools		737,388

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Office of the Principal				
Principals	$	1,717,400		
Career Ladder Program		46,300		
Accountants/Bookkeepers		424,751		
Assistant Principals		1,220,338		
Secretary(ies)		695,838		
Other Salaries and Wages		69,000		
Social Security		241,616		
State Retirement		432,288		
Life Insurance		5,329		
Medical Insurance		754,687		
Dental Insurance		12,096		
Employer Medicare		56,904		
Travel		3,715		
Other Contracted Services		195,048		
Office Supplies		9,832		
Data Processing Equipment		5,900		
Total Office of the Principal			$	5,891,042
Fiscal Services				
Supervisor/Director	$	70,212		
Accountants/Bookkeepers		193,431		
Social Security		15,612		
State Retirement		33,958		
Life Insurance		363		
Medical Insurance		49,362		
Dental Insurance		742		
Employer Medicare		3,650		
Bank Charges		3,027		
Maintenance and Repair Services - Equipment		715		
Postal Charges		5		
Printing, Stationery, and Forms		3,568		
Travel		1,264		
Other Contracted Services		9,970		
Office Supplies		5,729		
In Service/Staff Development		360		
Other Charges		7,278		
Total Fiscal Services				399,246
Human Services/Personnel				
Supervisor/Director	$	87,468		
Secretary(ies)		31,582		
Clerical Personnel		96,993		
Social Security		12,722		
State Retirement		27,053		
Life Insurance		289		
Medical Insurance		33,077		
Dental Insurance		672		
Employer Medicare		2,975		
Advertising		230		

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Human Services/Personnel (Cont.)				
Maintenance and Repair Services - Equipment	$	681		
Travel		607		
Other Contracted Services		24,760		
Office Supplies		1,651		
Total Human Services/Personnel			$	320,760
Operation of Plant				
Foremen	$	36,700		
Custodial Personnel		1,849,645		
Social Security		108,344		
State Retirement		277,196		
Life Insurance		4,920		
Medical Insurance		626,272		
Dental Insurance		10,640		
Employer Medicare		25,339		
Licenses		2,900		
Maintenance and Repair Services - Buildings		33,865		
Maintenance and Repair Services - Equipment		1,360		
Custodial Supplies		102,356		
Electricity		2,382,598		
Equipment Parts - Light		104		
Fuel Oil		80,224		
Garage Supplies		414		
Natural Gas		148,211		
Propane Gas		105,577		
Uniforms		7,232		
Water and Sewer		315,375		
Plant Operation Equipment		13,438		
Total Operation of Plant				6,132,710
Maintenance of Plant				
Supervisor/Director	$	72,050		
Foremen		133,686		
Secretary(ies)		55,098		
Maintenance Personnel		1,592,979		
Social Security		104,859		
State Retirement		270,767		
Life Insurance		2,944		
Medical Insurance		477,042		
Dental Insurance		6,986		
Employer Medicare		24,969		
Communication		10,885		
Licenses		5,821		
Maintenance Agreements		8,274		
Maintenance and Repair Services - Buildings		39,571		
Maintenance and Repair Services - Equipment		5,331		
Maintenance and Repair Services - Vehicles		2,633		
Rentals		146		
Towing Services		50		

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)				
Support Services (Cont.)				
Maintenance of Plant (Cont.)				
Travel	$	3,143		
Disposal Fees		45,847		
Other Contracted Services		71,044		
Asphalt		195		
Crushed Stone		4,019		
Diesel Fuel		6,139		
Equipment Parts - Heavy		1,251		
Equipment Parts - Light		21,220		
Equipment and Machinery Parts		67,997		
Garage Supplies		6,403		
Gasoline		121,544		
General Construction Materials		120,004		
Office Supplies		1,968		
Small Tools		2,811		
Tires and Tubes		12,121		
Uniforms		12,717		
Vehicle Parts		26,624		
Chemicals		10,017		
Other Supplies and Materials		24,178		
In Service/Staff Development		4,386		
Administration Equipment		851		
Maintenance Equipment		1,795		
Motor Vehicles		42,956		
Plant Operation Equipment		639		
Other Equipment		14,346		
Total Maintenance of Plant			$	3,438,306
Transportation				
Bus Drivers	$	9,662		
Social Security		391		
Employer Medicare		140		
Contracts with Parents		4,777		
Contracts with Vehicle Owners		4,020,394		
Licenses		88		
Maintenance and Repair Services - Vehicles		1,193		
Towing Services		125		
Garage Supplies		6,111		
Gasoline		118,780		
Tires and Tubes		5,273		
Vehicle Parts		14,812		
Other Supplies and Materials		999		
Motor Vehicles		168,185		
Total Transportation				4,350,930
Operation of Non-Instructional Services				
Food Service				
Supervisor/Director	$	71,631		
Career Ladder Program		1,000		
Accountants/Bookkeepers		31,567		

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)		
Operation of Non-Instructional Services (Cont.)		
Food Service (Cont.)		
Truck Drivers	$ 18,629	
Secretary(ies)	34,832	
Cafeteria Personnel	1,661,325	
Other Salaries and Wages	73,721	
Social Security	112,120	
State Retirement	128,244	
Life Insurance	2,609	
Medical Insurance	427,137	
Dental Insurance	4,788	
Employer Medicare	26,448	
Bank Charges	390	
Consultants	2,562	
Contracts with Other School Systems	12,663	
Data Processing Services	10,315	
Dues and Memberships	766	
Operating Lease Payments	2,727	
Licenses	4,050	
Maintenance Agreements	1,885	
Maintenance and Repair Services - Equipment	22,333	
Printing, Stationery, and Forms	97	
Travel	14,813	
Other Contracted Services	360	
Equipment and Machinery Parts	34,777	
Food Preparation Supplies	170,883	
Food Supplies	1,805,740	
Gasoline	2,422	
Office Supplies	5,794	
USDA - Commodities	297,390	
Other Supplies and Materials	2,650	
In Service/Staff Development	5,139	
Food Service Equipment	10,082	
Plant Operation Equipment	3,556	
Total Food Service		$ 5,005,445
Community Services		
Other Salaries and Wages	$ 15,565	
Social Security	958	
State Retirement	1,609	
Employer Medicare	224	
Food Supplies	3,233	
Total Community Services		21,589
Early Childhood Education		
Teachers	$ 236,103	
Educational Assistants	87,620	
Other Salaries and Wages	25,993	
Social Security	17,567	
State Retirement	34,109	
Life Insurance	693	

(Continued)

Exhibit L-8

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

General Purpose School Fund (Cont.)			
Operation of Non-Instructional Services (Cont.)			
Early Childhood Education (Cont.)			
Medical Insurance	$ 91,916		
Dental Insurance	1,848		
Employer Medicare	4,485		
Travel	1,046		
Crushed Stone	2,472		
Instructional Supplies and Materials	23,185		
In Service/Staff Development	1,760		
Regular Instruction Equipment	14,891		
Total Early Childhood Education		$ 543,688	
Capital Outlay			
Regular Capital Outlay			
Architects	$ 600		
Building Improvements	383,619		
Furniture and Fixtures	2,279		
Heating and Air Conditioning Equipment	4,059		
Total Regular Capital Outlay		390,557	
Interest on Debt			
Education			
Interest on Notes	$ 3,541		
Total Education		3,541	
Other Debt Service			
Education			
Debt Service Contribution to Primary Government	$ 2,102,094		
Total Education		2,102,094	
Total General Purpose School Fund			$ 88,559,475
School Federal Projects Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 83,522		
Educational Assistants	600,226		
Bonus Payments	10,000		
Other Salaries and Wages	435,818		
Certified Substitute Teachers	295		
Social Security	49,541		
State Retirement	79,366		
Life Insurance	2,138		
Medical Insurance	171,289		
Dental Insurance	3,045		
Employer Medicare	15,466		
Instructional Supplies and Materials	116,372		
Other Supplies and Materials	21,037		
Regular Instruction Equipment	973,796		
Total Regular Instruction Program		$ 2,561,911	

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)				
Instruction (Cont.)				
Special Education Program				
Teachers	$	436,091		
Educational Assistants		880,320		
Speech Pathologist		51,664		
Other Salaries and Wages		25,914		
Certified Substitute Teachers		110		
Social Security		78,145		
State Retirement		159,269		
Life Insurance		3,429		
Medical Insurance		343,029		
Dental Insurance		6,482		
Employer Medicare		18,348		
Instructional Supplies and Materials		27,640		
Total Special Education Program			$	2,030,441
Vocational Education Program				
Instructional Supplies and Materials	$	24,012		
Vocational Instruction Equipment		82,100		
Total Vocational Education Program				106,112
Support Services				
Attendance				
Other Contracted Services	$	18,000		
Total Attendance				18,000
Other Student Support				
Other Salaries and Wages	$	81,671		
Social Security		4,827		
State Retirement		7,252		
Life Insurance		115		
Medical Insurance		14,535		
Dental Insurance		294		
Employer Medicare		1,129		
Communication		347		
Travel		34,208		
Other Contracted Services		44,144		
Other Supplies and Materials		31,351		
In Service/Staff Development		2,666		
Total Other Student Support				222,539
Regular Instruction Program				
Supervisor/Director	$	57,380		
Clerical Personnel		15,568		
Other Salaries and Wages		369,866		
Social Security		27,079		
State Retirement		40,050		
Life Insurance		437		
Medical Insurance		35,899		
Dental Insurance		1,078		
Employer Medicare		6,334		

(Continued)

Exhibit L-8

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

School Federal Projects Fund (Cont.)			
Support Services (Cont.)			
Regular Instruction Program (Cont.)			
Maintenance and Repair Services - Equipment	$ 3,053		
Travel	17,528		
Other Supplies and Materials	105,343		
In Service/Staff Development	170,644		
Other Equipment	20,622		
Total Regular Instruction Program		$ 870,881	
Special Education Program			
Psychological Personnel	$ 76,917		
Assessment Personnel	15,828		
Other Salaries and Wages	173,742		
Social Security	12,619		
State Retirement	20,965		
Life Insurance	256		
Medical Insurance	40,721		
Dental Insurance	616		
Employer Medicare	3,626		
Other Equipment	6,678		
Total Special Education Program		351,968	
Vocational Education Program			
Travel	$ 3,308		
Total Vocational Education Program		3,308	
Transportation			
Mechanic(s)	$ 35,222		
Bus Drivers	299,452		
Clerical Personnel	5,543		
Social Security	19,800		
State Retirement	20,040		
Life Insurance	462		
Medical Insurance	42,762		
Dental Insurance	1,176		
Employer Medicare	4,729		
Total Transportation		429,186	
Other Debt Service			
Education			
Debt Service Contribution to Primary Government	$ 94,088		
Total Education		94,088	
Total School Federal Projects Fund			$ 6,688,434
Other Education Special Revenue Fund			
Instruction			
Regular Instruction Program			
Teachers	$ 1,350		
Social Security	84		
State Retirement	120		

(Continued)

Exhibit L-8

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

Other Education Special Revenue Fund (Cont.)				
Instruction (Cont.)				
Regular Instruction Program (Cont.)				
Employer Medicare	$	20		
Contracts with Vehicle Owners		540		
Evaluation and Testing		510		
Other Contracted Services		1,271		
Instructional Supplies and Materials		41,418		
In Service/Staff Development		5,452		
Data Processing Equipment		16,500		
Furniture and Fixtures		97,945		
Regular Instruction Equipment		226,105		
Total Regular Instruction Program			$	391,315
Support Services				
Director of Schools				
Consultants	$	9,617		
Total Director of Schools				9,617
Office of the Principal				
Principals	$	70,630		
Social Security		4,156		
State Retirement		6,266		
Life Insurance		63		
Medical Insurance		7,243		
Dental Insurance		182		
Employer Medicare		972		
Travel		1,507		
Office Supplies		1,027		
Other Supplies and Materials		2,675		
Furniture and Fixtures		1,356		
Total Office of the Principal				96,077
Operation of Plant				
Custodial Personnel	$	26,814		
Social Security		1,609		
State Retirement		3,475		
Life Insurance		41		
Medical Insurance		4,700		
Dental Insurance		140		
Employer Medicare		376		
Disposal Fees		1,103		
Custodial Supplies		980		
Electricity		23,762		
Water and Sewer		1,604		
Total Operation of Plant				64,604
Maintenance of Plant				
Maintenance Personnel	$	8,534		
Social Security		529		
State Retirement		1,280		
Employer Medicare		124		

(Continued)

Exhibit L-8

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

Other Education Special Revenue Fund (Cont.)			
Support Services (Cont.)			
Maintenance of Plant (Cont.)			
Other Contracted Services	$ 485		
Equipment and Machinery Parts	135		
General Construction Materials	5,408		
Total Maintenance of Plant		$ 16,495	
Total Other Education Special Revenue Fund			$ 578,108
Education Capital Projects Fund			
Capital Projects			
Education Capital Projects			
Architects	$ 80,443		
Building Improvements	3,413,856		
Furniture and Fixtures	2,380		
Regular Instruction Equipment	296,790		
Total Education Capital Projects		$ 3,793,469	
Total Education Capital Projects Fund			3,793,469
Total Governmental Funds - Sullivan County School Department			$ 100,480,368

Exhibit L-9

Sullivan 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	City School ADA - Bristol Fund	City School ADA - Kingsport Fund	Total
Cash Receipts				
Current Property Taxes	$ 0	$ 9,365,617	$ 15,093,473	$ 24,459,090
Trustee's Collections - Prior Years	0	207,091	333,745	540,836
Circuit/Clerk and Master Collections - Prior Years	0	109,556	176,566	286,122
Interest and Penalty	0	81,616	131,537	213,153
Pick-up Taxes	0	97,113	156,506	253,619
Local Option Sales Tax	20,535,284	4,422,608	7,127,401	32,085,293
Bank Excise Tax	0	8,099	13,052	21,151
Interstate Telecommunication Tax	0	1,817	2,927	4,744
Marriage Licenses	0	2,111	3,403	5,514
Other Local Revenues	0	216	348	564
Total Cash Receipts	$ 20,535,284	$ 14,295,844	$ 23,038,958	$ 57,870,086
Cash Disbursements				
Remittance of Revenues Collected	$ 20,329,931	$ 14,038,543	$ 22,625,109	$ 56,993,583
Trustee's Commission	205,353	240,037	386,899	832,289
Total Cash Disbursements	$ 20,535,284	$ 14,278,580	$ 23,012,008	$ 57,825,872
Excess of Cash Receipts Over (Under) Cash Disbursements	$ 0	$ 17,264	$ 26,950	$ 44,214
Cash Balance, July 1, 2012	0	392,727	633,785	1,026,512
Cash Balance, June 30, 2013	$ 0	$ 409,991	$ 660,735	$ 1,070,726

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

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sullivan County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Sullivan County's basic financial statements, and have issued our report thereon dated January 24, 2014. Our report includes a reference to other auditors who audited the financial statements of the Sullivan County Emergency Communications District, as described in our report on Sullivan 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 Sullivan 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 Sullivan County's internal control. Accordingly, we do not express an opinion on the effectiveness of Sullivan County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a

deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

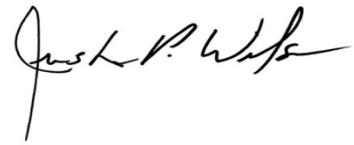
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Sullivan 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 Sullivan 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

January 24, 2014

JPW/kp

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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Sullivan 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 Sullivan 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 Sullivan 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 Sullivan County's internal control over compliance.

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

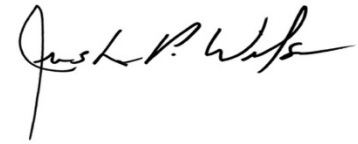
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Sullivan County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Sullivan County's basic financial statements. We issued our report thereon dated January 24, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 24, 2014

JPW/kp

Sullivan 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:				
Direct Program:				
Schools and Roads - Grants to States	10.665	N/A	$ 64,268	
Community Facilities Loans and Grants	10.766	N/A	2,883	
Passed-through State Department of Agriculture:				
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	297,390	(7)
Passed-through State Department of Education:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	N/A	628,879	
National School Lunch Program	10.555	N/A	2,069,771	(7)
Passed-through State Department of Health:				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	(3)	874,870	
Total U.S. Department of Agriculture			$ 3,938,061	
U.S. Department of the Interior:				
Direct Program:				
Payments in-Lieu-of Taxes	15.226	N/A	$ 49,711	
Total U.S. Department of the Interior			$ 49,711	
U.S. Department of Justice:				
Direct Program:				
Local Law Enforcement Block Grant Program	16.592	2012-DJ-BX-082	$ 8,206	
Passed-through State Commission on Children and Youth:				
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(4)	62,720	
Passed-through State Department of Finance and Administration:				
Violence Against Women Formula Grants	16.588	(2)	69,486	
Total U.S. Department of Justice			$ 140,412	
U.S. Department of Transportation:				
Passed-through State Department of Transportation:				
State and Community Highway Safety	20.600	(2)	$ 56,004	
Total U.S. Department of Transportation			$ 56,004	

(Continued)

Sullivan 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 Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	$ 2,539,214
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,868,935
Special Education - Preschool Grants	84.173	N/A	104,563
Career and Technical Education - Basic Grants to States	84.048	N/A	228,932
Improving Teacher Quality State Grants	84.367	N/A	474,475
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	782,840
Total U.S. Department of Education			$ 6,998,959
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	N/A	$ 42,920
Total U.S. Election Assistance Commission			$ 42,920
U.S. Department of Health and Human Services:			
Passed-through State Department of Health:			
Public Health Emergency Preparedness	93.069	(5)	$ 423,456
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	GG-13-33270-00	73,242
Childhood Lead Poisoning Prevention Projects - State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	GU-13-38464-00	72,700
Family Planning - Services	93.217	GU-13-37821-00	225,473
Immunization Grants	93.268	GG-12-38475-00	145,481
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	GG-12-38284-00	26,367
Cancer Control	93.399	GG-13-38333-00	56,699
HIV Prevention Activities - Health Department Based	93.940	GG-12-37609-00	91,629
Preventive Health and Health Services Block Grant	93.991	(6)	55,227
Maternal and Child Health Services Block Grant to the States	93.994	GG-13-38320-00	51,275
Total U.S. Department of Health and Human Services			$ 1,221,549
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(2)	$ 60,000
Homeland Security Grant Program	97.067	(2)	167,970
Total U.S. Department of Homeland Security			$ 227,970
Total Expenditures of Federal Awards			$ 12,675,586

(Continued)

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

Federal/Pass through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
State Grants			
Care and Coordination Services - State Department of Health	N/A	GG-13-38320-00	$ 34,183
Adolescent Pregnancy - State Department of Health	N/A	GG-13-37820-00	57,905
Tenncare Dental Prevention - State Department of Health	N/A	GG-12-35039-00	161,941
Home Visiting - State Department of Heath	N/A	GG-13-37819-00	341,324
TenderCare Outreach - State Department of Health	N/A	GG-13-38285-00	170,890
Rural Library Grant - State Department of Library and Archives	N/A	(2)	5,067
Grant in Aid - State Department of Health	N/A	GG-13-13027-00	170,100
Juvenile Service Program - State Commission on Children and Youth	N/A	GG-13-30371-00	53,967
State Aid Program - State Department of Transportation	N/A	(2)	442,509
Litter Program - State Department of Transportation	N/A	(2)	80,332
Fast Track Industrial Infrastructure Program - State Department of Economic and Community Development	N/A	(2)	33,060
Art Student Ticket Subsidy - Tennessee Arts Commission through State Department of Education	N/A	(2)	3,515
Safe Schools Act Grant - State Department of Education	N/A	(2)	25,447
Connect TN - State Department of Education	N/A	(2)	35,505
Coordinated School Health - State Department of Education	N/A	(2)	99,979
Statewide Student Mangement System - State Department of Education	N/A	(2)	28,105
Driver Education - State Department of Education	N/A	(2)	19,785
Early Childhood Education Project - State Department of Education	N/A	(2)	491,322
Total State Grants			$ 2,254,936

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) - GG-13-33337-00: $693,565; GG-12-37188-00: $181,305.
(4) - GG-13-30644-00: $53,720; GG-13-16756-00: $9,000.
(5) - GG-13-38971-00: $398,138; GG-12-36851-00: $25,318.
(6) - GG-12-36850-00: $8,863; GG-13-34334: $16,110; GG-12-35329-00: $1,898; GG-13-39024-00: $28,356.
(7) - Total for CFDA No. 10.555 is $2,367,161.

Sullivan 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. There are no findings from the Annual Financial Report for Sullivan County, Tennessee, for the year ended June 30, 2012, which have not been corrected.

SULLIVAN COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Sullivan County is unmodified.

2. The audit of the financial statements of Sullivan County disclosed no significant deficiencies in internal control.

3. The audit disclosed no instances of noncompliance that are material to the financial statements of Sullivan 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), the Title I Grants to Local Education Agencies (CFDA No. 84.010), the State Fiscal Stabilization Fund – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395), and the Public Health and Emergency Preparedness Program (CFDA No. 93.069) were determined to be major programs.

8. A $380,268 threshold was used to distinguish between Type A and Type B federal programs.

9. Sullivan County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, 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.

OFFICE OF COUNTY MAYOR

FINDING 2013-001 **THE SOLID WASTE DEPARTMENT HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**
(Noncompliance Under *Government Auditing Standards*)

The Solid Waste Department did not regularly store system backups at an off-site location. Section 10-7-121, *Tennessee Code Annotated*, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system be copied daily to storage media, and media more than one week old, be stored at an off-site location. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process.

RECOMMENDATION

Management should ensure backups are rotated off-site on a routine basis.

BEST PRACTICE

SULLIVAN COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING AND BUDGETING FOR ALL DEPARTMENTS

Sullivan County operates a central purchasing department that makes purchases and enters into all contracts for all departments pursuant to Chapter 261, Private Acts of 1947, as amended. For its accounting and budgeting, Sullivan County operates under provisions of Section 5-12-101, et seq., *Tennessee Code Annotated* (*TCA*), and Section 5-13-101, et seq., *TCA*. These acts include provisions for centralized accounting and budgeting under the administration of the director of accounts and budgets for funds maintained by the mayor and road superintendent. However, accounting records for the School Department are maintained by School Department personnel. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting and budgeting processes. The absence of a central system of accounting and budgeting has been a management decision by the governing body resulting in decentralization and some duplication of effort. We recommend the adoption of the County

Financial Management System of 1981 or a private act, which would provide for a central system of accounting and budgeting for all county departments.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs for federal programs.

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

There were no audit findings relative to federal awards presented in the current-year's Schedule of Findings and Questioned Costs. There were audit findings relative to federal awards presented in the prior-year's Schedule of Findings and Questioned Costs.

Director of Schools – Summary Schedule of Prior-Year's Findings

FINDINGS 12.04 and 12.07

Management's responses and corrective action plans may be obtained from the state Department of Education, School Nutrition Program, 1240 Foster Avenue, Nashville, TN, 37243.