
ANNUAL FINANCIAL REPORT HAYWOOD COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2014



**ANNUAL FINANCIAL REPORT
HAYWOOD COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2014**

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

***DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director***

***JAN PAGE, CPA, CFE
Audit Manager***

***B. KEITH RICE, CGFM
Auditor 4***

***MELISSA DARBY, CPA, CFE
LAUREN JEWELL
GREG HOWELL
VICKY BARBER, CFE
ELISHA CROWELL, CISA CFE
State Auditors***

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

HAYWOOD COUNTY, TENNESSEE

TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6-7
<u>INTRODUCTORY SECTION</u>		8
Haywood County Officials		9
<u>FINANCIAL SECTION</u>		10
Independent Auditor's Report		11-14
BASIC FINANCIAL STATEMENTS:		15
Government-wide Financial Statements:		
Statement of Net Position	A	16-17
Statement of Activities	B	18-19
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	20-21
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	22
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	23-24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	25
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Fund	C-5	26-27
Highway/Public Works Fund	C-6	28
Proprietary Fund:		
Statement of Net Position	D-1	29
Statement of Revenues, Expenses, and Changes in Net Position	D-2	30-31
Statement of Cash Flows	D-3	32
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	33
Index and Notes to the Financial Statements		34-79
REQUIRED SUPPLEMENTARY INFORMATION:		80
Schedule of Funding Progress – Pension Plan – Primary Government and Discretely Presented Haywood County School Department	F-1	81
Schedule of Funding Progress – Other Postemployment Benefits Plan – Discretely Presented Haywood County School Department	F-2	82
Notes to the Required Supplementary Information		83

	Exhibit	Page(s)
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		84
Nonmajor Governmental Funds:		85-86
Combining Balance Sheet	G-1	87-88
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	89-92
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Solid Waste/Sanitation Fund	G-3	93
Drug Control Fund	G-4	94
Major Governmental Fund:		95
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	96
Fiduciary Funds:		97
Combining Statement of Fiduciary Assets and Liabilities	I-1	98
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	I-2	99
Component Unit:		
Discretely Presented Haywood County School Department:		100
Statement of Activities	J-1	101
Balance Sheet – Governmental Funds	J-2	102
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	J-3	103
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	104
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	105
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	J-7	107
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual (Budgetary Basis) and Budget:		
General Purpose School Fund	J-8	108-109
School Federal Projects Fund	J-9	110
Central Cafeteria Fund	J-10	111

	Exhibit	Page(s)
Miscellaneous Schedules:		112
Schedule of Changes in Long-term Note, Capital Leases, Other Loans, and Bonds	K-1	113
Schedule of Long-term Debt Requirements by Year	K-2	114-115
Schedule of Transfers – Primary Government and Discretely Presented Haywood County School Department	K-3	116
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented Haywood County School Department	K-4	117
Schedule of Detailed Revenues – All Governmental Fund Types	K-5	118-129
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented Haywood County School Department	K-6	130-133
Schedule of Detailed Expenditures – All Governmental Fund Types	K-7	134-153
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented Haywood County School Department	K-8	154-166
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	K-9	167
 <u>SINGLE AUDIT SECTION</u>		 168
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government</i> <i>Auditing Standards</i>		 169-170
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		 171-173
Schedule of Expenditures of Federal Awards and State Grants		174-175
Schedule of Audit Findings Not Corrected		176-177
Schedule of Findings and Questioned Costs		178-186
Best Practice		187
Auditee Reporting Responsibilities		188

Summary of Audit Findings

Annual Financial Report
Haywood County, Tennessee
For the Year Ended June 30, 2014

Scope

We have audited the basic financial statements of Haywood County as of and for the year ended June 30, 2014.

Results

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

Our audit resulted in 12 findings and recommendations, which we have reviewed with Haywood County management. Detailed findings and recommendations are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The Solid Waste Disposal Fund had a deficit in unrestricted net position.
- ◆ A lease-purchase agreement and a capital outlay note were not issued in compliance with state statutes.
- ◆ Expenditures exceeded appropriations.
- ◆ Some Ambulance Service funds were not deposited within three days of collection.
- ◆ Employees using the landfill software shared usernames and passwords.
- ◆ The billing/accounts receivable software used by the Solid Waste Office did not identify the user who processed transactions.
- ◆ The billing/accounts receivable software used by the Solid Waste Office did not have adequate application controls.

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

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

OFFICES OF CLERK AND MASTER AND REGISTER OF DEEDS

- ◆ Multiple employees operated from the same cash drawer.

OFFICE OF REGISTER OF DEEDS

- ◆ The register of deeds allowed individuals unsupervised access to the office after business hours.
 - ◆ Employees shared usernames and passwords.
-

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

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

Haywood County Officials
June 30, 2014

Officials

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

Board of County Commissioners

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

Highway Commission

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

Board of Education

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

Audit Committee

Steve Correa
Lenoard Jones, Jr.
Greg Vanstory
Pam Deen White

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

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Haywood County Utility District, which represent 12.5 percent, 13.5 percent, and .9 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Also, we did not audit the financial statements of the Haywood County Emergency Communications District, which represent 5.5 percent, 6.8 percent and one percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and

our opinion, insofar as it relates to the amounts included for the Haywood County Utility District and the Haywood County Emergency Communications District, is based solely on the reports 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 reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principles

As described in Note V.B., Haywood County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedules of funding progress – pension plan and other postemployment benefits plan on pages 81 - 83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Haywood County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Haywood County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

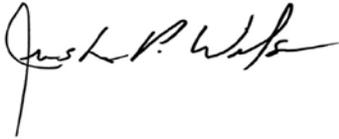
in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Haywood County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2015, on our consideration of Haywood County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Haywood County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

March 9, 2015

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Haywood County, Tennessee
Statement of Net Position
June 30, 2014

	Primary Government			Component Units		
	Governmental Activities	Business- type Activities	Total	Haywood	Haywood	Haywood County
				School Department	County Utility District	Emergency Communications District
ASSETS						
Cash	\$ 18,729	\$ 0	\$ 18,729	\$ 0	\$ 370,868	\$ 1,061,663
Equity in Pooled Cash and Investments	9,834,816	24,901	9,859,717	3,440,611	0	0
Accounts Receivable	1,053,748	437,349	1,491,097	3,098	25,671	0
Allowance for Uncollectibles	(207,623)	(131,205)	(338,828)	0	0	0
Due from Other Governments	845,898	5,508	851,406	1,386,780	0	0
Due from Primary Government	0	0	0	85,976	0	0
Due from Component Units	59,171	0	59,171	0	0	0
Property Taxes Receivable	6,335,748	0	6,335,748	3,945,321	0	0
Allowance for Uncollectible Property Taxes	(140,502)	0	(140,502)	(87,492)	0	0
Capital Assets:						
Assets Not Depreciated:						
Land	4,274,111	235,000	4,509,111	143,868	0	0
Construction in Progress	0	0	0	1,001,161	0	0
Assets Net of Accumulated Depreciation:						
Buildings and Improvements	11,028,847	91,811	11,120,658	12,405,260	3,290,739	0
Infrastructure	5,933,128	0	5,933,128	0	0	0
Other Capital Assets	3,060,014	149,872	3,209,886	1,903,586	0	563,015
Total Assets	\$ 42,096,085	\$ 813,236	\$ 42,909,321	\$ 24,228,169	\$ 3,687,278	\$ 1,624,678
LIABILITIES						
Accounts Payable	\$ 174,505	\$ 36,293	\$ 210,798	\$ 157,842	\$ 12,039	\$ 0
Payroll Deductions Payable	45,353	1,053	46,406	691,127	0	0
Contracts Payable	0	0	0	137,737	0	0
Due to Primary Government	0	0	0	59,171	0	0
Due to State of Tennessee	5,282	197	5,479	0	0	0
Accrued Interest Payable	63,373	0	63,373	0	8,926	0
Other Current Liabilities	14,672	0	14,672	0	0	0
Customer Deposits Payable	0	0	0	0	18,555	0
Noncurrent Liabilities:						
Due Within One Year	1,116,131	36,425	1,152,556	0	10,960	0
Due in More Than One Year (net of unamortized premium on debt)	17,819,939	1,802,461	19,622,400	635,706	434,570	0
Total Liabilities	\$ 19,239,255	\$ 1,876,429	\$ 21,115,684	\$ 1,681,583	\$ 485,050	\$ 0
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 5,801,231	\$ 0	\$ 5,801,231	\$ 3,612,458	\$ 0	\$ 0
Total Deferred Inflows of Resources	\$ 5,801,231	\$ 0	\$ 5,801,231	\$ 3,612,458	\$ 0	\$ 0

(Continued)

Exhibit A

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

	Primary Government			Component Units		
	Governmental	Business-	Total	Haywood	Haywood	Haywood County
	Activities	type		School	County	Emergency
	Activities	Activities	Department	Utility	Communications	District
<u>NET POSITION</u>						
Net Investment in Capital Assets	\$ 10,902,824	\$ 419,339	\$ 11,322,163	\$ 15,453,875	\$ 2,845,209	\$ 563,015
Restricted for:						
General Government	99,292	0	99,292	0	0	0
Finance	12,523	0	12,523	0	0	0
Administration of Justice	377,956	0	377,956	0	0	0
Public Safety	38,017	0	38,017	0	0	0
Public Health and Welfare	21,140	0	21,140	0	0	0
Social, Cultural, and Recreational						
Services	12,737	0	12,737	0	0	0
Highway/Public Works	2,155,966	0	2,155,966	0	0	0
Education	0	0	0	113,382	0	0
Operation of Non-instructional Services	0	0	0	580,917	0	0
Capital Projects	134,832	0	134,832	0	0	0
Unrestricted	3,300,312	(1,482,532)	1,817,780	2,785,954	357,019	1,061,663
Total Net Position	<u>\$ 17,055,599</u>	<u>\$ (1,063,193)</u>	<u>\$ 15,992,406</u>	<u>\$ 18,934,128</u>	<u>\$ 3,202,228</u>	<u>\$ 1,624,678</u>

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

Exhibit B

Haywood County, Tennessee
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues				Primary Government			Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Haywood County School Department	Haywood County Utility District	Haywood County Emergency Communications District
Primary Government:										
Governmental Activities:										
General Government	\$ 1,781,787	\$ 173,046	\$ 36,039	\$ 0	\$ (1,572,702)	\$ 0	\$ (1,572,702)	\$ 0	\$ 0	\$ 0
Finance	947,071	578,380	0	0	(368,691)	0	(368,691)	0	0	0
Administration of Justice	1,131,714	806,777	4,635	0	(320,302)	0	(320,302)	0	0	0
Public Safety	4,006,892	1,006,892	45,925	0	(3,554,135)	0	(3,554,135)	0	0	0
Public Health and Welfare	2,116,369	1,645,034	110,568	64,366	(296,401)	0	(296,401)	0	0	0
Social, Cultural, and Recreational Services	1,272,925	47,823	171,778	0	(1,053,324)	0	(1,053,324)	0	0	0
Agriculture and Natural Resources	239,770	0	0	0	(239,770)	0	(239,770)	0	0	0
Highways/Public Works	3,147,321	299,489	1,839,581	0	(1,008,251)	0	(1,008,251)	0	0	0
Education	213,787	0	0	0	(213,787)	0	(213,787)	0	0	0
Interest on Long-term Debt	767,788	0	48,880	0	(718,908)	0	(718,908)	0	0	0
Total Governmental Activities	\$ 16,225,424	\$ 4,557,381	\$ 2,257,406	\$ 64,366	\$ (9,346,271)	\$ 0	\$ (9,346,271)	\$ 0	\$ 0	\$ 0
Business-type Activities:										
Solid Waste Disposal	\$ 865,911	\$ 466,586	\$ 39,298	\$ 0	\$ 0	\$ (360,027)	\$ (360,027)	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 17,091,335	\$ 5,023,967	\$ 2,296,704	\$ 64,366	\$ (9,346,271)	\$ (360,027)	\$ (9,706,298)	\$ 0	\$ 0	\$ 0
Component Units:										
Haywood County School Department	\$ 28,981,214	\$ 312,950	\$ 5,033,631	\$ 1,676,393	\$ 0	\$ 0	\$ 0	\$ (21,958,240)	\$ 0	\$ 0
Haywood County Utility District	336,538	282,052	0	0	0	0	0	0	(54,486)	0
Haywood County Emergency Communications District	215,636	52,788	258,977	0	0	0	0	0	0	96,129
Total Component Units	\$ 29,533,388	\$ 647,790	\$ 5,292,608	\$ 1,676,393	\$ 0	\$ 0	\$ 0	\$ (21,958,240)	\$ (54,486)	\$ 96,129

(Continued)

Exhibit B

Haywood County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position										
	Program Revenues					Component Units					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-type Activities	Total	Haywood County School Department	Haywood County Utility District	Haywood County Emergency Communications District
General Revenues:											
Taxes:											
Property Taxes Levied for General Purposes					\$ 5,040,881	\$ 0	\$ 5,040,881	\$ 3,711,332	\$ 0	\$ 0	\$ 0
Property Taxes Levied for Debt Service					918,221	0	918,221	0	0	0	0
Local Option Sales Taxes					130,582	0	130,582	1,602,432	0	0	0
Hotel/Motel Tax					43,361	0	43,361	0	0	0	0
Wheel Tax					935,991	0	935,991	269,344	0	0	0
Litigation Taxes					460,108	0	460,108	0	0	0	0
Business Tax					119,326	0	119,326	0	0	0	0
Wholesale Beer Tax					92,105	0	92,105	0	0	0	0
Other Local Taxes					34,402	0	34,402	39,269	0	0	0
Grants and Contributions Not Restricted to Specific Programs					1,593,797	0	1,593,797	17,981,560	0	0	0
Unrestricted Investment Income					68,269	0	68,269	0	1,276	0	1,355
Miscellaneous					50,273	21,000	71,273	28,944	0	0	0
Total General Revenues					\$ 9,487,316	\$ 21,000	\$ 9,508,316	\$ 23,632,881	\$ 1,276	\$ 1,355	
Transfers					(230,000)	\$ 230,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Change in Net Position					(88,955)	\$ (109,027)	\$ (197,982)	\$ 1,674,641	\$ (53,210)	\$ 97,484	
Net Position, July 1, 2013					17,144,554	(954,166)	16,190,388	17,259,487	3,255,438	1,527,194	
Net Position, June 30, 2014					17,055,599	(1,063,193)	15,992,406	18,934,128	3,202,228	1,624,678	

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

Haywood County, Tennessee
 Balance Sheet
 Governmental Funds
 June 30, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Governmental Funds	
\$	0	0	0	0	18,729	18,729
Cash	3,182,342	3,610,130	2,737,991	279,233	9,809,696	9,809,696
Equity in Pooled Cash and Investments	1,048,167	136	0	5,445	1,053,748	1,053,748
Accounts Receivable	(207,623)	0	0	0	(207,623)	(207,623)
Allowance for Uncollectibles	533,314	312,584	0	0	845,898	845,898
Due from Other Governments	7,093	25,120	0	0	32,213	32,213
Due from Other Funds	0	0	0	59,171	59,171	59,171
Due from Component Units	4,850,847	506,846	978,055	0	6,335,748	6,335,748
Property Taxes Receivable	(107,573)	(11,240)	(21,689)	0	(140,502)	(140,502)
Allowance for Uncollectible Property Taxes						
Total Assets	\$ 9,306,567	\$ 4,443,576	\$ 3,694,357	\$ 362,578	\$ 17,807,078	\$ 17,807,078

LIABILITIES

\$	160,428	12,894	0	0	1,183	174,505
Accounts Payable	40,063	0	0	5,290	45,353	45,353
Payroll Deductions Payable	0	0	0	7,093	7,093	7,093
Due to Other Funds	4,776	0	0	506	5,282	5,282
Due to State of Tennessee	14,672	0	0	0	14,672	14,672
Other Current Liabilities						
Total Liabilities	\$ 219,939	\$ 12,894	\$ 0	\$ 14,072	\$ 246,905	\$ 246,905
\$	4,441,598	464,083	895,550	0	5,801,231	5,801,231
Deferred Current Property Taxes	271,104	28,329	54,652	0	354,085	354,085
Deferred Delinquent Property Taxes	868,415	154,500	0	0	1,022,915	1,022,915
Other Deferred/Unavailable Revenue	5,581,117	646,912	950,202	0	7,178,231	7,178,231
Total Deferred Inflows of Resources						

DEFERRED INFLOWS OF RESOURCES

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Governmental Funds	
Restricted:						
Restricted for General Government	\$ 99,292	\$ 0	\$ 0	\$ 0	\$ 0	99,292
Restricted for Finance	12,523	0	0	0	0	12,523
Restricted for Administration of Justice	377,956	0	0	0	0	377,956
Restricted for Public Safety	24,311	0	0	13,706	0	38,017
Restricted for Social, Cultural, and Recreational Services	12,737	0	0	0	0	12,737
Restricted for Highways/Public Works	0	1,995,811	0	0	0	1,995,811
Restricted for Capital Projects	0	0	0	131,829	0	131,829
Restricted for Other Purposes	21,140	0	0	3,003	0	24,143
Committed:						
Committed for Finance	0	0	0	13,043	0	13,043
Committed for Public Safety	9,823	0	0	0	0	9,823
Committed for Public Health and Welfare	23,541	0	0	127,131	0	150,672
Committed for Highways/Public Works	0	1,787,959	0	0	0	1,787,959
Committed for Capital Outlay	0	0	0	35,830	0	35,830
Committed for Debt Service	0	0	2,744,155	0	0	2,744,155
Committed for Capital Projects	0	0	0	23,964	0	23,964
Unassigned	2,924,188	0	0	0	0	2,924,188
Total Fund Balances	\$ 3,505,511	\$ 3,783,770	\$ 2,744,155	\$ 348,506	\$ 0	10,381,942
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 9,306,567	\$ 4,443,576	\$ 3,694,357	\$ 362,578	\$ 17,807,078	

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

Exhibit C-2

Haywood County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2014

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)		\$ 10,381,942
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 4,274,111	
Add: buildings and improvements net of accumulated depreciation	11,028,847	
Add: infrastructure net of accumulated depreciation	5,933,128	
Add: other capital assets net of accumulated depreciation	<u>3,060,014</u>	24,296,100
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: capital lease payable	\$ (33,324)	
Less: other loans payable	(3,096,995)	
Less: bonds payable	(15,718,280)	
Less: compensated absences payable	(22,674)	
Less: accrued interest on bonds and capital lease	(63,373)	
Less: other deferred revenues - premium on bonds	<u>(64,797)</u>	(18,999,443)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,377,000</u>
Net position of governmental activities (Exhibit A)		<u>\$ 17,055,599</u>

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

Haywood County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds		
Revenues						
Local Taxes	\$ 6,312,644	\$ 632,658	\$ 1,477,848	\$ 0	\$ 0	\$ 8,423,150
Licenses and Permits	18,087	0	0	0	0	18,087
Fines, Forfeitures, and Penalties	262,130	0	1,503	22,897	0	286,530
Charges for Current Services	1,171,500	0	0	771,695	0	1,943,195
Other Local Revenues	113,254	322,244	100,794	27,903	0	564,195
Fees Received from County Officials	995,536	0	0	0	0	995,536
State of Tennessee	1,248,913	1,760,905	61,029	89,881	0	3,160,728
Federal Government	226,289	85,802	95,425	64,366	0	471,882
Other Governments and Citizens Groups	530,583	0	0	300	0	530,883
Total Revenues	\$ 10,878,936	\$ 2,801,609	\$ 1,736,599	\$ 977,042	\$ 0	\$ 16,394,186
Expenditures						
Current:						
General Government	\$ 1,489,662	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,489,662
Finance	692,390	0	0	185,241	0	877,631
Administration of Justice	944,989	0	0	10,060	0	955,049
Public Safety	3,797,362	0	0	13,077	0	3,810,439
Public Health and Welfare	1,602,417	0	0	367,738	0	1,970,155
Social, Cultural, and Recreational Services	1,035,938	0	0	0	0	1,035,938
Agriculture and Natural Resources	233,137	0	0	0	0	233,137
Other Operations	716,169	0	0	62,227	0	778,396
Highways	0	2,436,534	0	0	0	2,436,534
Debt Service:						
Principal on Debt	31,438	0	1,120,579	0	0	1,152,017
Interest on Debt	3,885	0	736,477	0	0	740,362
Other Debt Service	0	0	31,993	0	0	31,993

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds		
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 377,179	\$	\$ 377,179
Total Expenditures	\$ 10,547,387	\$ 2,436,534	\$ 1,889,049	\$ 1,015,522	\$	\$ 15,888,492
Excess (Deficiency) of Revenues Over Expenditures	\$ 331,549	\$ 365,075	\$ (152,450)	\$ (38,480)	\$	\$ 505,694
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 100,000	\$	\$ 100,000
Other Loans Issued	0	0	0	113,787		113,787
Insurance Recovery	186,004	0	0	0	0	186,004
Transfers Out	0	0	0	(230,000)		(230,000)
Total Other Financing Sources (Uses)	\$ 186,004	\$ 0	\$ 0	\$ (16,213)	\$	\$ 169,791
Net Change in Fund Balances	\$ 517,553	\$ 365,075	\$ (152,450)	\$ (54,693)	\$	\$ 675,485
Fund Balance, July 1, 2013	2,987,958	3,418,695	2,896,605	403,199		9,706,457
Fund Balance, June 30, 2014	\$ 3,505,511	\$ 3,783,770	\$ 2,744,155	\$ 348,506	\$	\$ 10,381,942

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

Exhibit C-4

Haywood County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

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)		\$ 675,485
(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	\$ 391,091	
Less: current-year depreciation expense	<u>(2,017,054)</u>	(1,625,963)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: proceeds received from the disposal of capital assets		(55,074)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$ 1,377,000	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(1,421,072)</u>	(44,072)
(4) The issuance of long-term debt (e.g., bonds, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Less: note proceeds	\$ (100,000)	
Less: other loans proceeds	(113,787)	
Add: principal payments on note	100,000	
Add: principal payments on capital leases	31,438	
Add: principal payments on other loans	278,004	
Add: principal payments on bonds	742,575	
Add: change in premium on bond issuance	<u>16,354</u>	954,584
(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	\$ 4,567	
Change in compensated absences payable	<u>1,518</u>	<u>6,085</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (88,955)</u>

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

Exhibit C-5

Haywood County, Tennessee
 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Actual and Budget
 General Fund
 For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,312,644	\$ 6,240,323	\$ 6,240,323	\$ 72,321
Licenses and Permits	18,087	19,708	19,708	(1,621)
Fines, Forfeitures, and Penalties	262,130	247,424	254,769	7,361
Charges for Current Services	1,171,500	1,000,572	1,003,072	168,428
Other Local Revenues	113,254	102,456	102,456	10,798
Fees Received from County Officials	995,536	1,280,061	1,280,061	(284,525)
State of Tennessee	1,248,913	1,047,993	1,047,993	200,920
Federal Government	226,289	211,322	211,322	14,967
Other Governments and Citizens Groups	530,583	520,219	524,683	5,900
Total Revenues	\$ 10,878,936	\$ 10,670,078	\$ 10,684,387	\$ 194,549
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 131,620	\$ 138,353	\$ 138,853	\$ 7,233
Beer Board	2,113	1,800	2,100	(13)
County Mayor/Executive	270,102	259,592	275,592	5,490
County Attorney	67,558	68,169	68,169	611
Election Commission	117,144	122,150	122,151	5,007
Register of Deeds	130,589	131,434	137,373	6,784
Development	65,747	68,875	68,875	3,128
County Buildings	704,789	672,204	732,450	27,661
<u>Finance</u>				
Accounting and Budgeting	11,200	8,000	11,500	300
Property Assessor's Office	315,060	346,870	346,870	31,810
Reappraisal Program	12,075	34,223	34,223	22,148
County Trustee's Office	76,601	268,151	268,151	191,550
County Clerk's Office	277,454	287,812	290,312	12,858
<u>Administration of Justice</u>				
Circuit Court	450,404	442,264	456,264	5,860
General Sessions Judge	239,999	240,251	242,452	2,453
General Sessions Court Clerk	4,003	4,500	4,500	497
Chancery Court	169,728	179,021	179,021	9,293
Juvenile Court	80,855	82,559	82,559	1,704
<u>Public Safety</u>				
Sheriff's Department	1,323,782	1,485,564	1,450,242	126,460
Jail	1,786,637	1,713,612	1,807,397	20,760
Workhouse	205,262	151,536	207,036	1,774
Fire Prevention and Control	311,624	337,549	340,549	28,925
Civil Defense	0	72,773	72,773	72,773
Rescue Squad	13,008	13,410	13,410	402
County Coroner/Medical Examiner	4,800	4,800	4,800	0
Other Public Safety	152,249	185,000	185,000	32,751
<u>Public Health and Welfare</u>				
Local Health Center	53,723	55,914	55,914	2,191
Rabies and Animal Control	76,193	85,000	85,000	8,807
Ambulance/Emergency Medical Services	1,294,781	1,363,508	1,378,341	83,560
Alcohol and Drug Programs	12,446	5,000	14,646	2,200
Other Local Health Services	6,154	2,500	11,269	5,115
Appropriation to State	108,846	138,816	139,896	31,050

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Other Public Health and Welfare	\$ 50,274	\$ 20,000	\$ 49,540	\$ (734)
<u>Social, Cultural, and Recreational Services</u>				
Libraries	148,570	148,964	153,734	5,164
Parks and Fair Boards	713,925	719,333	719,333	5,408
Other Social, Cultural, and Recreational	173,443	175,000	185,000	11,557
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	142,084	154,865	154,865	12,781
Soil Conservation	91,053	93,959	93,959	2,906
<u>Other Operations</u>				
Industrial Development	80,258	142,000	142,000	61,742
Veterans' Services	16,742	17,025	17,180	438
Other Charges	71,967	73,471	73,493	1,526
Contributions to Other Agencies	290,310	295,923	299,223	8,913
Miscellaneous	256,892	266,600	266,600	9,708
<u>Principal on Debt</u>				
General Government	31,438	0	31,438	0
<u>Interest on Debt</u>				
General Government	3,885	0	3,885	0
Total Expenditures	\$ 10,547,387	\$ 11,078,350	\$ 11,417,938	\$ 870,551
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 331,549	\$ (408,272)	\$ (733,551)	\$ 1,065,100
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 0	\$ 5,000	\$ 5,000	\$ (5,000)
Insurance Recovery	186,004	0	60,398	125,606
Total Other Financing Sources	\$ 186,004	\$ 5,000	\$ 65,398	\$ 120,606
Net Change in Fund Balance	\$ 517,553	\$ (403,272)	\$ (668,153)	\$ 1,185,706
Fund Balance, July 1, 2013	2,987,958	2,987,958	2,987,958	0
Fund Balance, June 30, 2014	\$ 3,505,511	\$ 2,584,686	\$ 2,319,805	\$ 1,185,706

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

Exhibit C-6

Haywood County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 632,658	\$ 623,706	\$ 623,706	\$ 8,952
Other Local Revenues	322,244	303,070	303,070	19,174
State of Tennessee	1,760,905	2,534,607	2,534,607	(773,702)
Federal Government	85,802	139,775	139,775	(53,973)
Total Revenues	<u>\$ 2,801,609</u>	<u>\$ 3,601,158</u>	<u>\$ 3,601,158</u>	<u>\$ (799,549)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 156,569	\$ 161,104	\$ 162,304	\$ 5,735
Highway and Bridge Maintenance	1,167,579	1,325,235	1,309,379	141,800
Operation and Maintenance of Equipment	641,489	711,781	711,781	70,292
Other Charges	116,575	122,000	122,105	5,530
Employee Benefits	214,399	254,250	254,250	39,851
Capital Outlay	139,923	985,000	999,551	859,628
Total Expenditures	<u>\$ 2,436,534</u>	<u>\$ 3,559,370</u>	<u>\$ 3,559,370</u>	<u>\$ 1,122,836</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 365,075</u>	<u>\$ 41,788</u>	<u>\$ 41,788</u>	<u>\$ 323,287</u>
Net Change in Fund Balance	\$ 365,075	\$ 41,788	\$ 41,788	\$ 323,287
Fund Balance, July 1, 2013	<u>3,418,695</u>	<u>0</u>	<u>0</u>	<u>3,418,695</u>
Fund Balance, June 30, 2014	<u>\$ 3,783,770</u>	<u>\$ 41,788</u>	<u>\$ 41,788</u>	<u>\$ 3,741,982</u>

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

Haywood County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2014

	<u>Major Fund</u> <u>Business-type</u> <u>Activities -</u> <u>Enterprise</u> <u>Fund</u> <u>Solid Waste</u> <u>Disposal Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 24,901
Accounts Receivable	437,349
Allowance for Uncollectibles	(131,205)
Due from Other Governments	5,508
Total Current Assets	<u>\$ 336,553</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 235,000
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	91,811
Other Capital Assets	149,872
Total Noncurrent Assets	<u>\$ 476,683</u>
Total Assets	<u>\$ 813,236</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 36,293
Payroll Deductions Payable	1,053
Due to State of Tennessee	197
Total Current Liabilities	<u>\$ 37,543</u>
Noncurrent Liabilities:	
Due Within One Year	\$ 36,425
Due in More than One Year	1,802,461
Total Noncurrent Liabilities	<u>\$ 1,838,886</u>
Total Liabilities	<u>\$ 1,876,429</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 419,339
Unrestricted	<u>(1,482,532)</u>
Net Position	<u>\$ (1,063,193)</u>

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

Exhibit D-2

Haywood County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2014

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
 <u>Operating Revenues</u>	
Tipping Fees	\$ 444,728
Sale of Materials and Supplies	21,710
Miscellaneous Refunds	148
Total Operating Revenues	<u>\$ 466,586</u>
 <u>Operating Expenses</u>	
Supervisor/Director	\$ 19,241
Equipment Operators	95,494
Overtime Pay	9,624
Social Security	9,835
State Retirement	13,818
Employee and Dependent Insurance	8,866
Life Insurance	1,447
Unemployment Compensation	603
Other Fringe Benefits	6,909
Communication	2,439
Contracts with Government Agencies	3,448
Contracts with Private Agencies	442,904
Licenses	8,775
Maintenance and Repair Services	923
Printing, Stationery, and Forms	394
Rentals	42,000
Travel	186
Crushed Stone	1,099
Diesel Fuel	15,161
Drugs and Medical Supplies	294
Electricity	6,006
Equipment and Machinery Parts	53,657
Gasoline	7,375
Lubricants	1,279
Office Supplies	1,315
Tires and Tubes	5,514
Other Supplies and Materials	2,839
Premiums on Corporate Surety Bonds	100
Trustee's Commission	4,857
Vehicle and Equipment Insurance	12,789

(Continued)

Exhibit D-2

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

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise</u>
	<u>Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>Operating Expenses (Cont.)</u>	
Workers' Compensation Insurance	\$ 9,151
Depreciation	45,196
Landfill Postclosure Care Costs	26,328
Other Charges	3,670
Other Construction	2,031
Total Operating Expenses	<u>\$ 865,567</u>
Operating Income (Loss)	<u>\$ (398,981)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Lease/Rentals	\$ 5,000
Solid Waste Grants	13,048
Gain on Disposal of Capital Assets	16,000
Contributions	26,250
Debt Issuance Charges	(344)
Total Nonoperating Revenues (Expenses)	<u>\$ 59,954</u>
Income Before Transfers	\$ (339,027)
Transfers In	<u>230,000</u>
Change in Net Position	\$ (109,027)
Net Position, July 1, 2013	<u>(954,166)</u>
Net Position, June 30, 2014	<u>\$ (1,063,193)</u>

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

Exhibit D-3

Haywood County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2014

	<u>Major Fund</u> <u>Business-type</u> <u>Activities -</u> <u>Enterprise</u> <u>Fund</u> <u>Solid Waste</u> <u>Disposal Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 477,371
Receipts from Others	21,858
Payments for Waste Collections and Disposal Activity	(816,118)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (316,889)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Proceeds from Capital Debt	\$ 57,344
Acquisition of Capital Assets	(73,000)
Gain on Disposal of Capital Assets	16,000
Debt Issuance Costs	(344)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ 0</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Receipts from Farmland Rental	\$ 5,000
Receipts from Grants	13,048
Contributions	26,250
Transfers from Other Funds	230,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 274,298</u>
Net Increase (Decrease) in Cash	\$ (42,591)
Cash, July 1, 2013	<u>67,492</u>
Cash, June 30, 2014	<u><u>\$ 24,901</u></u>
<u>Reconciliation of Operating Income (Loss)</u>	
Other Current Liabilities	
Operating Income (Loss)	\$ (398,981)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	45,196
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	46,085
Increase (Decrease) in Allowance for Uncollectibles	(13,184)
(Increase) Decrease in Due from Other Governments	(258)
Increase (Decrease) in Accounts Payable	3,704
Increase (Decrease) in Payroll Deductions Payable	(179)
Increase (Decrease) in Due to State of Tennessee	23
Increase (Decrease) in Accrued Liability for Landfill Postclosure Care Costs	705
Net Cash Provided By (Used In) Operating Activities	<u>\$ (316,889)</u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Equity in Pooled Cash and Investments Per Net Position	<u>\$ 24,901</u>
Cash, June 30, 2014	<u><u>\$ 24,901</u></u>

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

Exhibit E

Haywood County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 574,258
Accounts Receivable	2,738
Due from Other Governments	<u>250,820</u>
Total Assets	<u><u>\$ 827,816</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 250,820
Due to Litigants, Heirs, and Others	<u>576,996</u>
Total Liabilities	<u><u>\$ 827,816</u></u>

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

HAYWOOD COUNTY, TENNESSEE

Index of Notes to the 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	40
2. Receivables and Payables	41
3. Capital Assets	42
4. Deferred Outflows/Inflows of Resources	43
5. Compensated Absences	43
6. Long-term Obligations	44
7. Net Position and Fund Balance	45
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	46
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	47
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	47
B. Net Position Deficit	48
C. Expenditures Exceeded Appropriations	48
D. The County Mayor Failed to Comply with State Statutes When Issuing Debt	48
IV. Detailed Notes on All Funds	
A. Deposits and Investments	48
B. Capital Assets	50
C. Construction Commitments	53
D. Interfund Receivables, Payables, and Transfers	53
E. Operating Lease	54
F. Capital Leases - Governmental Activities and Business-type Activities	54
G. Long-term Obligations	55
H. On-Behalf Payments	60

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

Note	Page(s)
V. Other Information	
A. Risk Management	60
B. Accounting Changes	61
C. Subsequent Event	61
D. Contingent Liabilities	62
E. Landfill Closure/Postclosure Care Costs	62
F. Joint Ventures	62
G. Retirement Commitments	64
H. Other Postemployment Benefits (OPEB)	67
I. Purchasing Laws	69
VI. Other Notes - Discretely Presented Haywood County Utility District	70
VII. Other Notes - Discretely Presented Haywood County Emergency Communications District	76

HAYWOOD COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

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

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

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

The Haywood County Utility District provides water services to customers within the district, and the Haywood County Commission appoints its three-member governing body. The district is funded primarily from charges to customers for water services and grants. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Haywood County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Haywood County, and the Haywood County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

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

Administrative Offices:

Haywood County Utility District
1 North Washington
Brownsville, TN 38012

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

B. Government-wide and Fund Financial Statements

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

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

Haywood County issues all debt for the discretely presented Haywood County School Department. Net debt issues totaling \$213,787 were contributed by the county to the School Department during the year ended June 30, 2014.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

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

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

Fund financial statements of Haywood County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. Haywood County reports one proprietary fund, a major enterprise fund.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Haywood County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest

on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Haywood County reports the following major governmental funds:

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

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

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

Haywood County reports the following major enterprise fund:

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

Additionally, Haywood County reports the following fund types:

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, amounts collected for a

joint venture emergency management agency, and local sales taxes received by the state to be forwarded to the various cities in Haywood County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Haywood County School Department reports the following major governmental fund:

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

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund, to account for the operations of the county's landfill. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's enterprise fund are tipping fees.

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes funds held by the county trustee as Equity in Pooled Cash and Investments.

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

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

2. Receivables and Payables

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

All ambulance, solid waste disposal, and property taxes receivable are shown with an allowance for uncollectibles. Ambulance and solid waste disposal receivables allowances for uncollectibles are based on historical collection data. The allowance for uncollectible property taxes is equal to 2.22 percent of total taxes levied.

Property taxes receivables are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes

are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

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

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

3. Capital Assets

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5 - 10
Infrastructure	8 - 30

Property, plant, and equipment of the Solid Waste Disposal Fund (enterprise fund) are depreciated using the straight-line method over the following estimated useful lives:

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

4. Deferred Outflows/Inflows of Resources

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

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

5. Compensated Absences

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

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

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

6. Long-term Obligations

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

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

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

7. Net Position and Fund Balance

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

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

As of June 30, 2014, Haywood County had \$5,488,840 in outstanding debt issued for capital purposes of the discretely presented Haywood County School Department. This debt is a liability of Haywood County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Haywood County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Haywood County School Department

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

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

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements 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 Haywood County School Department

Exhibit J-5 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total governmental funds with the change in net position of governmental activities reported in the government-wide Statement of Activities.

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

At June 30, 2014, the Haywood County School Department reported the following significant encumbrances:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
School Department:		
Major Fund:		
General Purpose School	Computers	\$ 181,602
"	Textbooks	18,830
"	HVAC units	18,225

B. Net Position Deficit

The Solid Waste Disposal Fund had a deficit of \$1,482,532 in unrestricted net position and a total net position deficit of \$1,063,193 at June 30, 2014. This deficit primarily resulted from the recognition of a liability totaling \$1,781,542 for costs associated with closing the county's landfill and monitoring the landfill for 30 years after closure.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Beer Board and Other Public Health and Welfare major appropriations categories (the legal level of control) of the General Fund by \$13 and \$734, respectively. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues in the General Fund.

D. The County Mayor Failed to Comply with State Statutes When Issuing Debt

The county mayor failed to comply with state statutes when entering into a lease-purchase agreement for a tractor and dirt pan and when issuing a capital outlay note for School Department heating and cooling equipment. Details are discussed in the Schedule of Findings and Questioned Costs section of this report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

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

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

Investments

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

The county had no pooled or nonpooled investments as of June 30, 2014.

B. Capital Assets

Capital assets activity for the year ended June 30, 2014, was as follows:

Primary Government - Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets				
Not Depreciated:				
Land	\$ 4,256,511	\$ 17,600	\$ 0	\$ 4,274,111
Total Capital Assets				
Not Depreciated	\$ 4,256,511	\$ 17,600	\$ 0	\$ 4,274,111
Capital Assets				
Depreciated:				
Buildings				
and Improvements	\$ 18,316,431	\$ 85,825	\$ 0	\$ 18,402,256
Infrastructure	51,026,819	0	0	51,026,819
Other Capital Assets	10,188,920	287,666	(285,039)	10,191,547
Total Capital Assets				
Depreciated	\$ 79,532,170	\$ 373,491	\$ (285,039)	\$ 79,620,622
Less Accumulated				
Depreciation For:				
Buildings				
and Improvements	\$ 6,777,920	\$ 595,489	\$ 0	\$ 7,373,409
Infrastructure	44,411,497	682,194	0	45,093,691
Other Capital Assets	6,622,127	739,371	(229,965)	7,131,533
Total Accumulated				
Depreciation	\$ 57,811,544	\$ 2,017,054	\$ (229,965)	\$ 59,598,633
Total Capital Assets				
Depreciated, Net	\$ 21,720,626	\$ (1,643,563)	\$ (55,074)	\$ 20,021,989
Governmental Activities				
Capital Assets, Net	\$ 25,977,137	\$ (1,625,963)	\$ (55,074)	\$ 24,296,100

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

Governmental Activities:

General Government	\$ 105,877
Finance	52,860
Administration of Justice	102,416
Public Safety	774,698
Public Health and Welfare	87,703
Social, Cultural, and Recreational Services	65,453
Other Operations	3,990
Highway Department	<u>824,057</u>

Total Depreciation Expense - Governmental Activities \$ 2,017,054

Primary Government - Business-type Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets				
Not Depreciated:				
Land	\$ 235,000	\$ 0	\$ 0	\$ 235,000
Total Capital Assets				
Not Depreciated	<u>\$ 235,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 235,000</u>
Capital Assets				
Depreciated:				
Buildings and				
Improvements	\$ 215,300	\$ 0	\$ 0	\$ 215,300
Other Capital Assets	605,643	73,000	(27,000)	651,643
Total Capital Assets				
Depreciated	<u>\$ 820,943</u>	<u>\$ 73,000</u>	<u>\$ (27,000)</u>	<u>\$ 866,943</u>
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 116,303	\$ 7,186	\$ 0	\$ 123,489
Other Capital Assets	490,761	38,010	(27,000)	501,771
Total Accumulated				
Depreciation	<u>\$ 607,064</u>	<u>\$ 45,196</u>	<u>\$ (27,000)</u>	<u>\$ 625,260</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 213,879</u>	<u>\$ 27,804</u>	<u>\$ 0</u>	<u>\$ 241,683</u>
Business-type Activities				
Capital Assets, Net	<u>\$ 448,879</u>	<u>\$ 27,804</u>	<u>\$ 0</u>	<u>\$ 476,683</u>

**Discretely Presented Haywood County School Department -
Governmental Activities:**

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 143,868	\$ 0	\$ 0	\$ 143,868
Construction in Progress	5,280,825	1,001,161	(5,280,825)	1,001,161
Total Capital Assets Not Depreciated	\$ 5,424,693	\$ 1,001,161	\$ (5,280,825)	\$ 1,145,029
Capital Assets Depreciated:				
Buildings and Improvements	\$ 19,245,954	\$ 6,631,503	\$ 0	\$ 25,877,457
Other Capital Assets	6,008,277	481,597	0	6,489,874
Total Capital Assets Depreciated	\$ 25,254,231	\$ 7,113,100	\$ 0	\$ 32,367,331
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 12,914,417	\$ 557,780	\$ 0	\$ 13,472,197
Other Capital Assets	4,171,062	415,226	0	4,586,288
Total Accumulated Depreciation	\$ 17,085,479	\$ 973,006	\$ 0	\$ 18,058,485
Total Capital Assets Depreciated, Net	\$ 8,168,752	\$ 6,140,094	\$ 0	\$ 14,308,846
Governmental Activities Capital Assets, Net	\$ 13,593,445	\$ 7,141,255	\$ (5,280,825)	\$ 15,453,875

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

Governmental Activities:

Instruction	\$ 413,436
Support Services	504,355
Operation of Non-instructional Services	<u>55,215</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 973,006</u>

C. Construction Commitments

At June 30, 2014, the School Department's General Purpose School Fund had uncompleted construction contracts of \$174,770 for school renovations. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2014, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 7,093
Highway/Public Works	General	25,120

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

The receivable in the Highway/Public Works Fund totaling \$25,120 was in transit from the General Fund at June 30, 2014.

Due to/from Primary Government and Component Units:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
Nonmajor governmental	Component Unit: School Department: General Purpose School	\$ 59,171
Component Unit:		
School Department: Nonmajor governmental	Primary Government: General	85,976

The receivable in the nonmajor governmental funds totaling \$85,976 was in transit from the General Fund at June 30, 2014.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2014, consisted of the following amounts:

Primary Government

	Transfer In Solid Waste Disposal Fund
Transfer Out	
Nonmajor governmental fund	\$ 230,000

Discretely Presented Haywood County School Department

	Transfer In General Purpose School Fund
Transfer Out	
Nonmajor governmental fund	\$ 52,664

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.

E. Operating Lease

On August 28, 2012, the county mayor obtained document scanning services under an operating lease. The rental expenditures for the year ended June 30, 2014, were \$69,000. The future lease minimum lease payments are as follows:

Year Ending June 30	Amount
2015	\$ 69,000
2016	69,000
2017	<u>69,000</u>
Total	<u>\$ 207,000</u>

F. Capital Leases - Governmental Activities and Business-type Activities

On September 21, 2012, Haywood County entered into a two-year lease-purchase agreement for four Sheriff's Department vehicles. The terms of the agreement require total lease payments of \$100,085 plus interest of six

percent. Title to the vehicles transfers to Haywood County at the end of the lease period. The General Fund is making the lease payments.

On September 6, 2013, Haywood County entered into a five-year lease-purchase agreement for a tractor and dirt pan. The terms of the agreement require total lease payments of \$57,344 plus interest of three percent. Title to the equipment transfers to Haywood County at the end of the lease period. The Solid Waste Disposal Fund is making the lease payments. This lease-purchase agreement was not entered into in compliance with state statutes.

The assets acquired through the capital leases are as follows:

Asset	Governmental Activities	Business- type Activities
Other Capital Assets	\$ 100,085	\$ 73,000
Less: Accumulated Depreciation	(37,679)	(6,083)
Total Book Value	\$ 62,406	\$ 66,917

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

Year Ending June 30	Governmental Activities	Business- type Activities
2015	\$ 35,323	\$ 12,522
2016	0	12,522
2017	0	12,522
2018	0	12,522
2019	0	12,522
Total Minimum Lease Payments	\$ 35,323	\$ 62,610
Less: Amount Representing Interest	(1,999)	(5,266)
Present Value of Minimum Lease Payments	\$ 33,324	\$ 57,344

G. Long-term Obligations

Primary Government

General Obligation Bonds, Note and Other Loans

Haywood County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In

addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 39 years for bonds and 16 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and other loans included in long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

General obligation bonds, other loans, and the capital lease outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds	3.625 to 5.55%	8-5-37	\$ 15,860,000	\$ 14,693,280
General Obligation Bonds - Refunding	3 to 3.5	6-30-16	3,400,000	1,025,000
Other Loans Payable	0 to variable	6-1-27	3,509,000	3,096,995
Capital Lease	6	9-21-14	100,085	33,324

During the 2011-12 year, Haywood County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient School Initiative program. Under this agreement, the program made \$2,000,000 available for loan to Haywood County to increase energy efficiency in the Haywood County school system. This is an interest-free loan.

During the 2011-12 year, Haywood County entered into a loan agreement with the City of Clarksville Public Building Authority. Under the loan agreement, the authority made \$1,509,000 available for loan to Haywood County for school renovation projects. This loan is repayable at a variable interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees in connection with this loan. At June 30, 2014, the variable interest rate was .66 percent and other fees totaled .15 percent of the outstanding loan principal. The loan is also assessed an annual trustee fee of \$1,600.

The annual requirements to amortize all general obligation bonds and other loans outstanding as of June 30, 2014, including interest payments and other loan fees, are presented in the following tables:

Year Ending	Bonds		
	Principal	Interest	Total
2015	\$ 783,798	\$ 701,996	\$ 1,485,794
2016	800,142	673,925	1,474,067
2017	881,546	644,673	1,526,219
2018	933,019	609,461	1,542,480
2019	984,558	571,923	1,556,481
2020-2024	4,793,496	2,239,405	7,032,901
2025-2029	5,176,551	1,155,954	6,332,505
2030-2034	1,272,842	103,403	1,376,245
2035-2038	92,328	8,308	100,636
Total	<u>\$ 15,718,280</u>	<u>\$ 6,709,048</u>	<u>\$ 22,427,328</u>

Year Ending	Other Loans			
	Principal	Interest	Other Fees	Total
2015	\$ 282,004	\$ 8,950	\$ 3,624	\$ 294,578
2016	285,004	8,408	3,500	296,912
2017	288,004	7,847	3,372	299,223
2018	292,004	7,267	3,240	302,511
2019	295,004	6,659	3,102	304,765
2020-2024	1,286,975	23,357	13,242	1,323,574
2025-2027	368,000	5,043	6,084	379,127
Total	<u>\$ 3,096,995</u>	<u>\$ 67,531</u>	<u>\$ 36,164</u>	<u>\$ 3,200,690</u>

There is \$2,744,155 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, other loans, and the capital lease, totaled \$1,003 based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

Governmental Activities:

	Other		
	Bonds	Note	Loans
Balance, July 1, 2013	\$ 16,460,855	\$ 0	\$ 3,261,212
Additions	0	100,000	113,787
Reductions	(742,575)	(100,000)	(278,004)
Balance, June 30, 2014	<u>\$ 15,718,280</u>	<u>\$ 0</u>	<u>\$ 3,096,995</u>
Balance Due Within One Year	<u>\$ 783,798</u>	<u>\$ 0</u>	<u>\$ 282,004</u>

	Capital Lease	Compensated Absences
Balance, July 1, 2013	\$ 64,762	\$ 24,192
Additions	0	24,625
Reductions	(31,438)	(26,143)
	<hr/>	<hr/>
Balance, June 30, 2014	\$ 33,324	\$ 22,674
	<hr/>	<hr/>
Balance Due Within One Year	\$ 33,324	\$ 17,005
	<hr/>	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 18,871,273
Less: Balance Due Within One Year	(1,116,131)
Add: Unamortized Premium on Debt	64,797
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 17,819,939</u>

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

Haywood County Solid Waste Disposal Fund (enterprise fund)

Capital Lease

The capital lease outstanding as of June 30, 2014, for business-type activities is as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-14</u>
Capital Lease	3 %	9-5-18	\$ 57,344	\$ 57,344

Changes in Long-term Obligations

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2014, was as follows:

Business-type Activities:

	Capital Lease	Postclosure Care Costs
Balance, July 1, 2013	\$ 0	\$ 1,780,837
Additions	57,344	26,328
Reductions	0	(25,623)
	<u>\$ 57,344</u>	<u>\$ 1,781,542</u>
Balance, June 30, 2014		
	<u>\$ 10,802</u>	<u>\$ 25,623</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 1,838,886
Less: Balance Due Within One Year	<u>(36,425)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,802,461</u>

Discretely Presented Haywood County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Haywood County School Department for the year ended June 30, 2014, was as follows:

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2013	\$ 664,611
Additions	137,684
Reductions	<u>(166,589)</u>
Balance, June 30, 2014	<u>\$ 635,706</u>
Balance Due Within One Year	<u>\$ 0</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Haywood County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2014, were \$85,502 and \$40,477, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

Employee Health Insurance

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

Workers' Compensation Insurance

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

Liability, Property, and Casualty

Haywood County is exposed to various risks related to general liability, property, and casualty losses. The county participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through

member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

Discretely Presented Haywood County School Department

Employee Health Insurance

The Haywood County School Department participates in the Local Education Group Insurance Fund (LEGIF), which is a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

Liability, Property, Casualty, and Workers' Compensation Insurance

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70 relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

C. Subsequent Event

In September 2014, the county entered into an \$83,539 lease-purchase agreement for landfill equipment.

D. Contingent Liabilities

The county and School Department are involved in several pending lawsuits. Management advised that any potential claims not covered by insurance resulting from such litigation should not materially affect the county or School Department's financial statements.

E. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Haywood County closed its sanitary landfill in 1998. The \$1,781,542, reported as postclosure care liability at June 30, 2014, represents amounts based on what it would cost to perform all postclosure care in 2014. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Brownsville - Haywood County Emergency Management Agency is a joint venture between Haywood County and the City of Brownsville. The agency's three-member board includes the county mayor, the mayor of the City of Brownsville, and one member who is jointly selected by the county mayor and the city mayor. The agency is jointly funded by the county and the City of Brownsville with additional revenues received from the State of Tennessee, the federal government, and private contributions. During the year ended June 30, 2014, the county provided financial assistance of \$16,811 to the agency.

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

During the year ended June 30, 2014, the county contributed \$10,000 to the rescue squad.

The HTL Advantage is a joint venture between Haywood, Tipton, and Lauderdale counties and the cities of Brownsville, Ripley, and Covington. The board comprises ten members and consists of the mayors from each of the counties and cities, and one member from the Southwest Tennessee Electric Cooperative, the Covington Electric System, Ripley Power and Light, and the Brownsville Electric System. The purpose of the board is to establish and operate an office that markets the entire defined region for economic development and to bring the region attention of prospective industrial and commercial interests, which would be beneficial for the common good of all entities involved herein. The counties, cities, and electric systems provide the funding for the board. Haywood County contributed \$60,000 to HTL Advantage during the year.

The Elma Ross Public Library is a joint venture between Haywood County and the City of Brownsville. It is operated by an appointed board. The board comprises seven members, four of whom are appointed by the Haywood County Commission. The remaining three members are appointed by the City of Brownsville. Haywood County has control over budgeting and financing the joint venture only to the extent of representation by the four board members appointed. Haywood County contributed \$75,272 to the operations of the library during the year ended June 30, 2014.

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

Administrative Offices:

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

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

HTL Advantage
1469 South Main Street
Covington, TN 38019

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

G. Retirement Commitments

Plan Description

Employees of Haywood County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Haywood County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Haywood County has adopted a noncontributory retirement plan for its employees by assuming employee contributions up to five percent of annual covered payroll. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 11.99 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, 2014, Haywood County's annual pension cost of \$1,106,526 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was two years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6-30-14	\$1,106,526	100%	\$0
6-30-13	1,111,708	100	0
6-30-12	1,189,567	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 96.57 percent funded. The actuarial accrued liability for benefits was \$32.47 million, and the actuarial value of assets was \$31.36 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.11 million. The covered payroll (annual payroll of active employees covered by the plan) was \$9.06 million, and the ratio of the UAAL to the covered payroll was 12.28 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.

SCHOOL TEACHERS

Plan Description

The Haywood County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2014, 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, 2014, 2013, and 2012, were \$1,152,098, \$1,144,939, and \$1,186,704, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in the plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2014, the School Department contributed \$166,589 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 137,000
Interest on the NOPEBO	26,584
Adjustment to the ARC	(25,900)
	<hr/>
Annual OPEB cost	\$ 137,684
Less: Amount of contribution	(166,589)
	<hr/>
Increase/decrease in NOPEBO	\$ (28,905)
Net OPEB obligation, 7-1-13	664,611
	<hr/>
Net OPEB obligation, 6-30-14	<u>\$ 635,706</u>

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Education Group	\$ 270,004	52%	\$ 535,716
6-30-13	"	271,683	53	664,611
6-30-14	"	137,684	121	635,706

Funded Status and Funding Progress

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

	Local Education Group Plan
	<hr/>
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	\$ 1,303,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,303,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 12,988,667
UAAL as a % of covered payroll	10%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual

results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Education Group Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of 7.5 percent for fiscal year 2014. The trend will decrease to seven percent in fiscal year 2015 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

I. Purchasing Laws

Office of County Mayor

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

Office of Chief Administrative Highway Officer

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

Office of Director of Schools

Purchasing procedures for the discretely presented School Department are governed by purchasing laws applicable to schools as set forth in

Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

VI. OTHER NOTES – DISCRETELY PRESENTED HAYWOOD COUNTY UTILITY DISTRICT

A. Summary of Significant Accounting Policies

1. Reporting Entity

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund’s principal ongoing operations. The principal operating revenues of the district are charges for sales to customers for sales and service. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and

depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

3. Assets, Liabilities, and Equity

a. Deposits and Investments

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

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

b. Accounts Receivable

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

c. Capital Assets

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

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

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

<u>Assets</u>	<u>Years</u>
Distribution Plant	33 - 40

d. Compensated Absences

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

e. Long-term Obligations

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

f. Net Position

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

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

g. Net Position Flow Assumption

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

h. Impact of Recently Issued Accounting Pronouncements

In March 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred outflows or deferred inflows of resources, certain items that were previously reported as assets and liabilities. This statement was effective for periods beginning after December 15, 2012.

B. Stewardship, Compliance, and Accountability

Budgetary Information

The district does not adopt a formal budget.

C. Detailed Notes

1. Deposits and Investments

Custodial Credit Risk – The district’s policies limit deposits and investments to those instruments allowed by applicable state laws and are described below. State statute requires that all deposits with financial institutions be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the district’s agent in the district’s name, or by the Federal Reserve Banks acting as third-party agents. State statutes also authorize the district to invest in bonds, notes, or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2014, the district had no risk exposure.

2. Receivables

Receivables as of June 30, 2014, consisted of the following:

	<u>Balance 6-30-14</u>
Billed Services for Utility Customers	\$ 25,671

3. Capital Assets

Capital assets activity during the year was as follows:

Description	Balance 7-1-13	Additions	Balance 6-30-14
Capital Assets, Not Depreciated	\$ 18,401	\$ 0	\$ 18,401
Capital Assets, Depreciated	\$ 5,014,664	\$ 0	\$ 5,014,664
Less Accumulated Depreciation	\$ 1,604,339	\$ 137,987	\$ 1,742,326
Total Capital Assets, Depreciated, Net	\$ 3,410,325	\$ (137,987)	\$ 3,272,338
Total Capital Assets, Net	<u>\$ 3,428,726</u>	<u>\$ (137,987)</u>	<u>\$ 3,290,739</u>

4. Long-term Debt

Long-term debt is comprised of the following:

	Balance 6-30-14
General Obligation Bonds:	
General Obligation Bonds, Series 1998 interest at 4.875% due serially through 2037	\$ 445,530
Total General Obligation Bonds	\$ 445,530
Total Current Portion of General Obligation Bonds	\$ 10,960
Total Long-term Portion of General Obligation Bonds	\$ 434,570

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

The following is a summary of long-term debt transactions for the year ended June 30, 2014.

	<u>Bonds</u>
Balance, July 1, 2013	\$ 456,192
Reductions	<u>(10,662)</u>
Balance, June 30, 2014	<u>\$ 445,530</u>
Balance Due Within One Year	<u>\$ 10,960</u>

The scheduled annual requirements for long-term debt at June 30, 2014, are as follows:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 10,960	\$ 21,565	\$ 32,525
2016	11,501	21,024	32,525
2017	12,010	20,514	32,524
2018	12,661	19,864	32,525
2019	13,286	19,239	32,525
2020-2024	76,874	85,749	162,623
2025-2029	97,782	64,840	162,622
2030-2034	124,472	38,151	162,623
2035-2037	85,984	7,155	93,139
Total	<u>\$ 445,530</u>	<u>\$ 298,101</u>	<u>\$ 743,631</u>

5. Net Position

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

	<u>Balance 6-30-14</u>
Net Investment in Capital Assets:	
Net Property, Plant and Equipment in Services	\$ 3,290,739
Less: Debt Disclosed in Note VI.C.4.	<u>(445,530)</u>
	\$ 2,845,209
Unrestricted	<u>357,019</u>
Total Net Position	<u>\$ 3,202,228</u>

D. Other Information

Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2014, the district did not purchase any insurance. The district contracts with Brownsville Energy Authority for services necessary to operate and maintain the district. No settled claims have been incurred in any of the above mentioned risk categories during the past three years, and there has been no significant reduction in the coverage provided.

VII. OTHER NOTES - DISCRETELY PRESENTED HAYWOOD COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. General Information

The Haywood County Emergency Communications District, a component unit of Haywood County, is a quasi-municipality, which was formed to establish and provide emergency communications services to the residents of Haywood County. Revenues are received from a tariff charged and collected by area telephone companies. The district's board is appointed by the county. The county is provided with the board's budget for information purposes prior to the beginning of the respective fiscal year. The Board of Directors for the district is responsible for all major budget decisions.

The accounting and reporting framework and the more significant accounting principles and practices of the Haywood County Emergency Communications District are discussed in subsequent sections of this note. The remaining notes are organized to provide explanations, including required disclosures of the district's financial activities for the fiscal year ended June 30, 2014.

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

The 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating activities of the district are charges to customers for services. Operating

expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. **Significant Accounting Policies**

1. **Cash, Investments, and Regulations**

The district considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. State statutes authorize the government and the district to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments for the district are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. As of June 30, 2014, investments consisted entirely of certificates of deposit.

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. The district does not have a deposit policy for custodial credit risk. Collateral is required for demand deposits and certificates of deposit at 105 percent of all amounts not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State of Tennessee and its subdivisions. As of June 30, 2014, there was no exposure to custodial credit risk due to being entirely covered by federal depository insurance, the pool, and pledged collateral held by the pledging financial institution's agency in the entity's name. The district has a total of \$1,061,663 of cash and cash equivalents.

2. **Capital Assets And Depreciation**

The district's property, plant, and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The district generally capitalizes assets with a cost of \$1,000 or more at the time of purchase. The cost of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations. Estimated useful lives, in years, for depreciable assets are as follows:

<u>Assets</u>	<u>Threshold Amount</u>	<u>Years</u>
Buildings	\$ 5,000	30-40
Improvements Other Than Buildings	5,000	30-40
Tower	1,000	30-40
Equipment	1,000	7-10
Computer Equipment	1,000	5-7
Furniture and Fixtures	1,000	5-7

3. **Fund Equity**

The proprietary fund financial statements report restricted net position for amounts not available for appropriation or legally restricted for specified purposes.

4. **Budgetary Information**

The district's Board of Directors approves an appropriatory budget annually. The budget is prepared on a basis, which differs from generally accepted accounting principles pertaining to proprietary funds, in that capital expenditures are budgeted as operating expenses rather than being capitalized as capital assets, and expenses are on the cash basis rather than the accrual basis. It is only necessary to present budgetary revenues and expenses compared to actual. The legal level of control is at each line-item of expense; therefore, each line-item must be amended prior to expending funds.

The fund's appropriated budget is prepared on a detailed line-item basis. Revenues are budgeted by source. Expenses are budgeted by class as follows: salaries, compensation-related, services and supplies, computer and equipment, supplies, travel, equipment rental, core material, and miscellaneous. Expenses may not exceed appropriations. The budget for the operating funds is prepared on the cash and expenditures basis. Revenues are budgeted in the year funds are expected; and expenditures are budgeted in the year that the applicable purchase orders are expected to be issued.

The County Commission is provided with the district's budget for information purposes prior to the beginning of the respective fiscal year. Once approved, the board may amend the legally adopted budget when unexpected modifications are required. However, final authority on all major decisions rests with the County Commission.

D. **Receivables**

Accounts receivable are tariffs due from area telephone companies within the next month. Revenue is recorded when eligibility requirements are met.

E. Prepaid Warranty

The district purchased extensive communication equipment. The purchase agreement contains a five-year service warranty agreement.

F. Capital Assets

The following table provides a summary of changes in capital assets:

	Balance		Balance
	7-1-13	Increases	6-30-14
Capital Assets Being			
Depreciated:			
Office Equipment - Computers	\$ 27,852	\$ 0	\$ 27,852
Office Furniture	13,254	0	13,254
Communications Equipment	878,050	17,844	895,894
Warranty	58,211	0	58,211
Total Capital Assets			
Being Depreciated	\$ 977,367	\$ 17,844	\$ 995,211
Less Accumulated			
Depreciation:			
Office Equipment - Computers	\$ 12,070	\$ 5,570	\$ 17,640
Office Furniture	5,896	2,597	8,493
Communications Equipment	283,794	85,122	368,916
Warranty	25,445	11,702	37,147
Total Accumulated			
Depreciation	\$ 327,205	\$ 104,991	\$ 432,196
Total Capital Assets, Net	\$ 650,162	\$ (87,147)	\$ 563,015

G. Risk Management

The district is vulnerable to two types of losses. The first is the physical loss of capital assets from theft, fire, etc. Other losses are from civil actions based on negligence in relation to the disposition of emergency calls. Neither of these losses has occurred since the district's inception. However, the district has third-party insurance coverage that is adequate to cover any occurrence.

H. Litigations and Contingencies

The district does not have litigations or contingencies at June 30, 2014.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Haywood County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Haywood County School Department
June 30, 2014

(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)
7-1-13	\$ 31,357	\$ 32,469	\$ 1,112	96.57 %	\$ 9,059	12.28 %
7-1-11	27,801	28,415	615	97.84	8,771	7.01
7-1-09	22,465	22,739	274	98.80	8,388	3.27

Exhibit F-2

Haywood County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Haywood County School Department
June 30, 2014

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-10	\$ 0	\$ 2,015	\$ 2,015	0%	\$ 11,225	18%
"	7-1-11	0	2,170	2,170	0	13,078	17
"	7-1-13	0	1,303	1,303	0	12,989	10

HAYWOOD COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2014

None

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Capital Projects Funds

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

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

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

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

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for debt issued by Haywood County that is subsequently contributed to the discretely presented Haywood County School Department for construction and renovation projects.

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

Haywood County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2014

	Special Revenue Funds			Capital Projects Funds		
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects	Community Development/Industrial Park
Cash	\$ 1,000	\$ 0	\$ 17,729	\$ 18,729	\$ 0	\$ 0
Equity in Pooled Cash and Investments	125,155	13,706	0	138,861	77,575	23,964
Accounts Receivable	5,445	0	0	5,445	0	0
Due from Component Units	0	0	0	0	59,171	0
Total Assets	\$ 131,600	\$ 13,706	\$ 17,729	\$ 163,035	\$ 136,746	\$ 23,964
LIABILITIES						
Accounts Payable	\$ 1,183	\$ 0	\$ 0	\$ 1,183	\$ 0	\$ 0
Payroll Deductions Payable	3,090	0	0	3,090	2,200	0
Due to Other Funds	0	0	4,686	4,686	2,407	0
Due to State of Tennessee	196	0	0	196	310	0
Total Liabilities	\$ 4,469	\$ 0	\$ 4,686	\$ 9,155	\$ 4,917	\$ 0
FUND BALANCES						
Restricted:	\$ 0	\$ 13,706	\$ 0	\$ 13,706	\$ 0	\$ 0
Restricted for Public Safety	0	0	0	0	131,829	0
Restricted for Capital Projects	0	0	0	0	0	0
Restricted for Other Purposes	0	0	0	0	0	0
Committed:	0	0	13,043	13,043	0	0
Committed for Finance	127,131	0	0	127,131	0	0
Committed for Public Health and Welfare	0	0	0	0	0	0
Committed for Capital Outlay	0	0	0	0	0	0
Committed for Capital Projects	0	0	0	0	0	23,964
Total Fund Balances	\$ 127,131	\$ 13,706	\$ 13,043	\$ 153,880	\$ 131,829	\$ 23,964
Total Liabilities and Fund Balances	\$ 131,600	\$ 13,706	\$ 17,729	\$ 163,035	\$ 136,746	\$ 23,964

(Continued)

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

	Capital Projects Funds (Cont.)			Total Nonmajor Governmental Funds
	HUD Grant Projects	Other Capital Projects	Total	
Cash	\$ 0	\$ 0	\$ 0	\$ 18,729
Equity in Pooled Cash and Investments	3,003	35,830	140,372	279,233
Accounts Receivable	0	0	0	5,445
Due from Component Units	0	0	59,171	59,171
Total Assets	\$ 3,003	\$ 35,830	\$ 199,543	\$ 362,578
<u>ASSETS</u>				
<u>LIABILITIES</u>				
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 13,706
Restricted for Capital Projects	0	0	131,829	131,829
Restricted for Other Purposes	3,003	0	3,003	3,003
Committed:				
Committed for Finance	0	0	0	13,043
Committed for Public Health and Welfare	0	0	0	127,131
Committed for Capital Outlay	0	35,830	35,830	35,830
Committed for Capital Projects	0	0	23,964	23,964
Total Fund Balances	\$ 3,003	\$ 35,830	\$ 194,626	\$ 348,506
Total Liabilities and Fund Balances	\$ 3,003	\$ 35,830	\$ 199,543	\$ 362,578

Exhibit G-2

Haywood County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2014

	Special Revenue Funds				Capital Projects Funds		
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects	Development/Industrial Park	Community
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 0	\$ 22,897	\$ 0	\$ 22,897	\$ 0	\$ 0	0
Charges for Current Services	582,945	0	188,750	771,695	0	0	0
Other Local Revenues	6	0	0	6	0	0	0
State of Tennessee	33,951	0	0	33,951	55,930	0	0
Federal Government	0	0	0	0	0	64,366	0
Other Governments and Citizens Groups	0	0	0	0	0	0	300
Total Revenues	\$ 616,902	\$ 22,897	\$ 188,750	\$ 828,549	\$ 55,930	\$ 64,366	
<u>Expenditures</u>							
Current:							
Finance	\$ 0	\$ 0	\$ 185,241	\$ 185,241	\$ 0	\$ 0	0
Administration of Justice	0	0	10,060	10,060	0	0	0
Public Safety	0	13,077	0	13,077	0	0	0
Public Health and Welfare	367,738	0	0	367,738	0	0	0
Other Operations	62,227	0	0	62,227	0	0	0
Capital Projects	0	0	0	0	198,737	64,366	0
Total Expenditures	\$ 429,965	\$ 13,077	\$ 195,301	\$ 638,343	\$ 198,737	\$ 64,366	
Excess (Deficiency) of Revenues Over Expenditures	\$ 186,937	\$ 9,820	\$ (6,551)	\$ 190,206	\$ (142,807)	\$ 300	
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Loans Issued	0	0	0	0	113,787	0	0

(Continued)

Exhibit G-2

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

	Special Revenue Funds				Capital Projects Funds		
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects	Development/ Industrial Park	Community
Other Financing Sources (Uses) (Cont.)							
Transfers Out	\$ (230,000)	\$ 0	\$ 0	\$ (230,000)	\$ 0	\$ 0	\$ 0
Total Other Financing Sources (Uses)	\$ (230,000)	\$ 0	\$ 0	\$ (230,000)	\$ 113,787	\$ 0	\$ 0
Net Change in Fund Balances	\$ (43,063)	\$ 9,820	\$ (6,551)	\$ (39,794)	\$ (29,020)	\$ 300	\$ 300
Fund Balance, July 1, 2013	170,194	3,886	19,594	193,674	160,849	23,664	23,664
Fund Balance, June 30, 2014	\$ 127,131	\$ 13,706	\$ 13,043	\$ 153,880	\$ 131,829	\$ 23,964	\$ 23,964

(Continued)

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Total	
<u>Revenues</u>					
Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,897
Charges for Current Services	0	0	0	0	771,695
Other Local Revenues	0	0	27,897	27,897	27,903
State of Tennessee	0	0	0	55,930	89,881
Federal Government	0	0	0	64,366	64,366
Other Governments and Citizens Groups	0	0	0	300	300
Total Revenues	\$ 0	\$ 0	\$ 27,897	\$ 148,493	\$ 977,042
<u>Expenditures</u>					
Current:					
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 185,241
Administration of Justice	0	0	0	0	10,060
Public Safety	0	0	0	0	13,077
Public Health and Welfare	0	0	0	0	367,738
Other Operations	0	0	0	0	62,227
Capital Projects	0	100,000	14,076	377,179	377,179
Total Expenditures	\$ 0	\$ 100,000	\$ 14,076	\$ 377,179	\$ 1,015,522
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (100,000)	\$ 13,821	\$ (228,686)	\$ (38,480)
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 100,000	\$ 0	\$ 100,000	\$ 100,000
Other Loans Issued	0	0	0	113,787	113,787

(Continued)

Exhibit G-2

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Total	
Other Financing Sources (Uses) (Cont.)					
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0	\$ (230,000)
Total Other Financing Sources (Uses)	\$ 0	\$ 100,000	\$ 0	\$ 213,787	\$ (16,213)
Net Change in Fund Balances	\$ 0	\$ 0	\$ 13,821	\$ (14,899)	\$ (54,693)
Fund Balance, July 1, 2013	3,003	0	22,009	209,525	403,199
Fund Balance, June 30, 2014	\$ 3,003	\$ 0	\$ 35,830	\$ 194,626	\$ 348,506

Exhibit G-3

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 582,945	\$ 590,500	\$ 590,500	\$ (7,555)
Other Local Revenues	6	1,000	1,000	(994)
State of Tennessee	33,951	35,200	35,200	(1,249)
Total Revenues	\$ 616,902	\$ 626,700	\$ 626,700	\$ (9,798)
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 367,738	\$ 341,057	\$ 384,227	\$ 16,489
<u>Other Operations</u>				
Other Charges	18,557	29,960	29,960	11,403
Employee Benefits	43,670	47,850	47,850	4,180
Total Expenditures	\$ 429,965	\$ 418,867	\$ 462,037	\$ 32,072
Excess (Deficiency) of Revenues Over Expenditures	\$ 186,937	\$ 207,833	\$ 164,663	\$ 22,274
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (230,000)	\$ (210,000)	\$ (230,000)	\$ 0
Total Other Financing Sources	\$ (230,000)	\$ (210,000)	\$ (230,000)	\$ 0
Net Change in Fund Balance	\$ (43,063)	\$ (2,167)	\$ (65,337)	\$ 22,274
Fund Balance, July 1, 2013	170,194	170,068	170,068	126
Fund Balance, June 30, 2014	\$ 127,131	\$ 167,901	\$ 104,731	\$ 22,400

Exhibit G-4

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 22,897	\$ 16,806	\$ 16,806	\$ 6,091
Total Revenues	\$ 22,897	\$ 16,806	\$ 16,806	\$ 6,091
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 13,077	\$ 16,806	\$ 16,806	\$ 3,729
Total Expenditures	\$ 13,077	\$ 16,806	\$ 16,806	\$ 3,729
Excess (Deficiency) of Revenues Over Expenditures	\$ 9,820	\$ 0	\$ 0	\$ 9,820
Net Change in Fund Balance	\$ 9,820	\$ 0	\$ 0	\$ 9,820
Fund Balance, July 1, 2013	3,886	0	0	3,886
Fund Balance, June 30, 2014	\$ 13,706	\$ 0	\$ 0	\$ 13,706

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,477,848	\$ 1,521,531	\$ 1,521,531	\$ (43,683)
Fines, Forfeitures, and Penalties	1,503	1,000	1,000	503
Other Local Revenues	100,794	124,426	124,426	(23,632)
State of Tennessee	61,029	63,183	63,183	(2,154)
Federal Government	95,425	102,830	102,830	(7,405)
Total Revenues	<u>\$ 1,736,599</u>	<u>\$ 1,812,970</u>	<u>\$ 1,812,970</u>	<u>\$ (76,371)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 742,575	\$ 1,120,575	\$ 742,575	\$ 0
Education	378,004	0	378,004	0
<u>Interest on Debt</u>				
General Government	727,150	778,410	769,083	41,933
Education	9,327	0	9,327	0
<u>Other Debt Service</u>				
General Government	28,274	32,000	31,387	3,113
Education	3,719	0	3,719	0
Total Expenditures	<u>\$ 1,889,049</u>	<u>\$ 1,930,985</u>	<u>\$ 1,934,095</u>	<u>\$ 45,046</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (152,450)</u>	<u>\$ (118,015)</u>	<u>\$ (121,125)</u>	<u>\$ (31,325)</u>
Net Change in Fund Balance	\$ (152,450)	\$ (118,015)	\$ (121,125)	\$ (31,325)
Fund Balance, July 1, 2013	<u>2,896,605</u>	<u>2,895,559</u>	<u>2,895,559</u>	<u>1,046</u>
Fund Balance, June 30, 2014	<u>\$ 2,744,155</u>	<u>\$ 2,777,544</u>	<u>\$ 2,774,434</u>	<u>\$ (30,279)</u>

Fiduciary Funds

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

Cities - Sales Tax Fund – The Cities - Sales Tax Fund is used to account for the second half of the sales tax revenues collected inside 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.

Joint Venture Fund – The Joint Venture Fund is used to account for funding received primarily from Haywood County and the City of Brownsville for an emergency management agency.

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

Exhibit I-1

Haywood County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2014

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 574,258	\$ 574,258
Accounts Receivable	0	2,738	2,738
Due from Other Governments	250,820	0	250,820
Total Assets	<u>\$ 250,820</u>	<u>\$ 576,996</u>	<u>\$ 827,816</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 250,820	\$ 0	\$ 250,820
Due to Litigants, Heirs, and Others	0	576,996	576,996
Total Liabilities	<u>\$ 250,820</u>	<u>\$ 576,996</u>	<u>\$ 827,816</u>

Exhibit I-2

Haywood County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 1,460,737	\$ 1,460,737	\$ 0
Due from Other Governments	239,707	250,820	239,707	250,820
Total Assets	\$ 239,707	\$ 1,711,557	\$ 1,700,444	\$ 250,820
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 239,707	\$ 1,711,557	\$ 1,700,444	\$ 250,820
Total Liabilities	\$ 239,707	\$ 1,711,557	\$ 1,700,444	\$ 250,820
<u>Joint Venture Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 68,575	\$ 68,575	\$ 0
Total Assets	\$ 0	\$ 68,575	\$ 68,575	\$ 0
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 0	\$ 68,575	\$ 68,575	\$ 0
Total Liabilities	\$ 0	\$ 68,575	\$ 68,575	\$ 0
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 997,485	\$ 5,728,044	\$ 6,151,271	\$ 574,258
Accounts Receivable	2,583	2,738	2,583	2,738
Total Assets	\$ 1,000,068	\$ 5,730,782	\$ 6,153,854	\$ 576,996
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,000,068	\$ 5,730,782	\$ 6,153,854	\$ 576,996
Total Liabilities	\$ 1,000,068	\$ 5,730,782	\$ 6,153,854	\$ 576,996
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 997,485	\$ 5,728,044	\$ 6,151,271	\$ 574,258
Equity in Pooled Cash and Investments	0	1,529,312	1,529,312	0
Accounts Receivable	2,583	2,738	2,583	2,738
Due from Other Governments	239,707	250,820	239,707	250,820
Total Assets	\$ 1,239,775	\$ 7,510,914	\$ 7,922,873	\$ 827,816
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 239,707	\$ 1,711,557	\$ 1,700,444	\$ 250,820
Due to Litigants, Heirs, and Others	1,000,068	5,799,357	6,222,429	576,996
Total Liabilities	\$ 1,239,775	\$ 7,510,914	\$ 7,922,873	\$ 827,816

Haywood County School Department

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

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

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

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

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

Exhibit J-1

Haywood County, Tennessee
Statement of Activities
Discretely Presented Haywood County School Department
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 17,673,124	\$ 30,505	\$ 1,727,406	\$ 0	\$ (15,915,213)
Support Services	8,154,289	0	530,703	1,676,393	(5,947,193)
Operation of Non-instructional Services	3,153,801	282,445	2,775,522	0	(95,834)
Total Governmental Activities	\$ 28,981,214	\$ 312,950	\$ 5,033,631	\$ 1,676,393	\$ (21,958,240)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,711,332
Local Option Sales Taxes					1,602,432
Wheel Tax					269,344
Other Local Taxes					39,269
Grants and Contributions Not Restricted to Specific Programs					17,981,560
Miscellaneous					28,944
Total General Revenues					\$ 23,632,881
Change in Net Position					\$ 1,674,641
Net Position, July 1, 2013					17,259,487
Net Position, June 30, 2014					\$ 18,934,128

Exhibit J-2

Haywood County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Haywood County School Department
June 30, 2014

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 2,835,391	\$ 605,220	\$ 3,440,611
Accounts Receivable	3,098	0	3,098
Due from Other Governments	1,198,937	187,843	1,386,780
Due from Primary Government	0	85,976	85,976
Property Taxes Receivable	3,945,321	0	3,945,321
Allowance for Uncollectible Property Taxes	(87,492)	0	(87,492)
Total Assets	<u>\$ 7,895,255</u>	<u>\$ 879,039</u>	<u>\$ 8,774,294</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 157,757	\$ 85	\$ 157,842
Payroll Deductions Payable	620,069	71,058	691,127
Contracts Payable	137,737	0	137,737
Due to Primary Government	59,171	0	59,171
Total Liabilities	<u>\$ 974,734</u>	<u>\$ 71,143</u>	<u>\$ 1,045,877</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,612,458	\$ 0	\$ 3,612,458
Deferred Delinquent Property Taxes	220,506	0	220,506
Other Deferred/Unavailable Revenue	136,938	0	136,938
Total Deferred Inflows of Resources	<u>\$ 3,969,902</u>	<u>\$ 0</u>	<u>\$ 3,969,902</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 86,039	\$ 27,343	\$ 113,382
Restricted for Operation of Non-instructional Services	0	580,917	580,917
Assigned:			
Assigned for Education	274,793	199,636	474,429
Assigned for Support Services	3,448	0	3,448
Unassigned	2,586,339	0	2,586,339
Total Fund Balances	<u>\$ 2,950,619</u>	<u>\$ 807,896</u>	<u>\$ 3,758,515</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,895,255</u>	<u>\$ 879,039</u>	<u>\$ 8,774,294</u>

Exhibit J-3

Haywood County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Discretely Presented Haywood County School Department
June 30, 2014

Amounts reported for governmental activities in the statement of net position
(Exhibit A) are different because:

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 3,758,515
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 143,868	
Add: construction in progress	1,001,161	
Add: buildings and improvements net of accumulated depreciation	12,405,260	
Add: other capital assets net of accumulated depreciation	<u>1,903,586</u>	15,453,875
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability		(635,706)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>357,444</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 18,934,128</u></u>

Exhibit J-4

Haywood County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Haywood County School Department
For the Year Ended June 30, 2014

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 5,797,174	\$ 0	\$ 5,797,174
Licenses and Permits	1,084	0	1,084
Charges for Current Services	30,505	282,445	312,950
Other Local Revenues	201,783	698	202,481
State of Tennessee	18,202,886	20,658	18,223,544
Federal Government	1,562,729	4,386,503	5,949,232
Other Governments and Citizens Groups	100,000	128,483	228,483
Total Revenues	<u>\$ 25,896,161</u>	<u>\$ 4,818,787</u>	<u>\$ 30,714,948</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 13,557,869	\$ 1,688,810	\$ 15,246,679
Support Services	9,978,417	607,122	10,585,539
Operation of Non-instructional Services	621,227	2,403,868	3,025,095
Capital Outlay	1,876,123	0	1,876,123
Capital Projects	0	144,029	144,029
Total Expenditures	<u>\$ 26,033,636</u>	<u>\$ 4,843,829</u>	<u>\$ 30,877,465</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (137,475)</u>	<u>\$ (25,042)</u>	<u>\$ (162,517)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 6,916	\$ 0	\$ 6,916
Transfers In	52,664	0	52,664
Transfers Out	0	(52,664)	(52,664)
Total Other Financing Sources (Uses)	<u>\$ 59,580</u>	<u>\$ (52,664)</u>	<u>\$ 6,916</u>
Net Change in Fund Balances	<u>\$ (77,895)</u>	<u>\$ (77,706)</u>	<u>\$ (155,601)</u>
Fund Balance, July 1, 2013	<u>3,028,514</u>	<u>885,602</u>	<u>3,914,116</u>
Fund Balance, June 30, 2014	<u>\$ 2,950,619</u>	<u>\$ 807,896</u>	<u>\$ 3,758,515</u>

Exhibit J-5

Haywood County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Haywood County School Department
For the Year Ended June 30, 2014

Amounts reported for governmental activities in the statement of activities (Exhibit B) are different because:

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ (155,601)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,833,436	
Less: current-year depreciation expense	<u>(973,006)</u>	1,860,430
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$ 357,444	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(416,537)</u>	(59,093)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in other postemployment benefits liability		<u>28,905</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,674,641</u>

Exhibit J-6

Haywood County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Haywood County School Department
June 30, 2014

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 90,979	\$ 514,241	\$ 605,220
Due from Other Governments	187,843	0	187,843
Due from Primary Government	0	85,976	85,976
Total Assets	<u>\$ 278,822</u>	<u>\$ 600,217</u>	<u>\$ 879,039</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 85	\$ 0	\$ 85
Payroll Deductions Payable	51,758	19,300	71,058
Total Liabilities	<u>\$ 51,843</u>	<u>\$ 19,300</u>	<u>\$ 71,143</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 27,343	\$ 0	\$ 27,343
Restricted for Operation of Non-instructional Services	0	580,917	580,917
Assigned:			
Assigned for Education	199,636	0	199,636
Total Fund Balances	<u>\$ 226,979</u>	<u>\$ 580,917</u>	<u>\$ 807,896</u>
Total Liabilities and Fund Balances	<u>\$ 278,822</u>	<u>\$ 600,217</u>	<u>\$ 879,039</u>

Haywood County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances -
 Nonmajor Governmental Funds
 Discretely Presented Haywood County School Department
 For the Year Ended June 30, 2014

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects		
Revenues						
Charges for Current Services	\$ 0	\$ 282,445	\$ 282,445	\$ 0	\$ 0	\$ 282,445
Other Local Revenues	0	698	698	0	0	698
State of Tennessee	0	20,658	20,658	0	0	20,658
Federal Government	2,638,045	1,748,458	4,386,503	0	0	4,386,503
Other Governments and Citizens Groups	0	14,696	14,696	113,787		128,483
Total Revenues	\$ 2,638,045	\$ 2,066,955	\$ 4,705,000	\$ 113,787	\$	\$ 4,818,787
Expenditures						
Current:						
Instruction	\$ 1,688,810	\$ 0	\$ 1,688,810	\$ 0	\$ 0	\$ 1,688,810
Support Services	607,122	0	607,122	0	0	607,122
Operation of Non-instructional Services	312,418	2,091,450	2,403,868	0	0	2,403,868
Capital Projects	0	0	0	144,029		144,029
Total Expenditures	\$ 2,608,350	\$ 2,091,450	\$ 4,699,800	\$ 144,029	\$	\$ 4,843,829
Excess (Deficiency) of Revenues Over Expenditures	\$ 29,695	\$ (24,495)	\$ 5,200	\$ (30,242)	\$	\$ (25,042)
Other Financing Sources (Uses)						
Transfers Out	\$ (52,664)	\$ 0	\$ (52,664)	\$ 0	\$ 0	\$ (52,664)
Total Other Financing Sources (Uses)	\$ (52,664)	\$ 0	\$ (52,664)	\$ 0	\$	\$ (52,664)
Net Change in Fund Balances	\$ (22,969)	\$ (24,495)	\$ (47,464)	\$ (30,242)	\$	\$ (77,706)
Fund Balance, July 1, 2013	249,948	605,412	855,360	30,242		885,602
Fund Balance, June 30, 2014	\$ 226,979	\$ 580,917	\$ 807,896	\$ 0	\$	\$ 807,896

Exhibit J-8

Haywood County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Haywood County School Department
 General Purpose School Fund
 For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 5,797,174	\$ 0	\$ 0	\$ 5,797,174	\$ 5,722,578	\$ 5,669,731	\$ 127,443
Licenses and Permits	1,084	0	0	1,084	2,000	2,000	(916)
Charges for Current Services	30,505	0	0	30,505	34,268	34,268	(3,763)
Other Local Revenues	201,783	0	0	201,783	150,760	181,675	20,108
State of Tennessee	18,202,886	0	0	18,202,886	17,772,360	18,255,764	(52,878)
Federal Government	1,562,729	0	0	1,562,729	552,752	2,036,807	(474,078)
Other Governments and Citizens Groups	100,000	0	0	100,000	0	100,000	0
Total Revenues	\$ 25,896,161	\$ 0	\$ 0	\$ 25,896,161	\$ 24,234,718	\$ 26,280,245	\$ (384,084)
Expenditures							
Instruction							
Regular Instruction Program	\$ 10,810,329	\$ (44,710)	\$ 171,580	\$ 10,937,199	\$ 10,940,615	\$ 11,012,178	\$ 74,979
Alternative Instruction Program	578,595	(12,237)	0	566,358	540,296	567,185	827
Special Education Program	1,536,974	0	28,709	1,565,683	1,583,441	1,573,441	7,758
Vocational Education Program	631,971	0	0	631,971	627,642	634,642	2,671
Support Services							
Attendance	135,251	0	6,621	141,872	129,715	150,073	8,201
Health Services	189,756	(390)	754	190,120	191,821	191,821	1,701
Other Student Support	906,752	(2,625)	0	904,127	903,807	933,102	28,975
Regular Instruction Program	1,020,493	(716)	2,498	1,022,275	1,069,586	1,036,893	14,618
Alternative Instruction Program	31,883	0	0	31,883	29,000	32,075	192
Special Education Program	337,035	(2,000)	0	335,035	308,465	345,440	10,405
Vocational Education Program	137,891	0	0	137,891	143,681	138,766	875
Other Programs	125,979	0	0	125,979	0	125,979	0
Board of Education	461,803	(270)	0	461,533	491,803	491,803	30,270
Director of Schools	318,513	0	0	318,513	338,720	338,720	20,207

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Office of the Principal	\$ 1,410,898	\$ 0	\$ 0	\$ 1,410,898	\$ 1,437,621	\$ 1,437,621	\$ 26,723
Fiscal Services	322,013	0	507	322,520	337,977	337,977	15,457
Operation of Plant	1,476,615	(378)	0	1,476,237	1,525,179	1,536,342	60,105
Maintenance of Plant	750,411	(15,566)	34,907	769,752	708,063	790,428	20,676
Transportation	1,876,022	(94,611)	0	1,781,411	1,788,140	1,803,590	22,179
Central and Other	477,102	(1,845)	0	475,257	229,373	480,076	4,819
<u>Operation of Non-instructional Services</u>							
Food Service	22,234	(21,421)	0	813	2,118	2,118	1,305
Early Childhood Education	598,993	(14,067)	22,118	607,044	608,019	610,055	3,011
<u>Capital Outlay</u>							
Regular Capital Outlay	1,876,123	0	7,099	1,883,222	795,656	2,442,344	559,122
Total Expenditures	\$ 26,033,636	\$ (210,836)	\$ 274,793	\$ 26,097,593	\$ 24,730,738	\$ 27,012,669	\$ 915,076
Excess (Deficiency) of Revenues Over Expenditures	\$ (137,475)	\$ 210,836	\$ (274,793)	\$ (201,432)	\$ (496,020)	\$ (732,424)	\$ 530,992
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 0	\$ 0
Insurance Recovery	6,916	0	0	6,916	3,019	3,019	3,897
Transfers In	52,664	0	0	52,664	133,000	134,543	(81,879)
Total Other Financing Sources	\$ 59,580	\$ 0	\$ 0	\$ 59,580	\$ 236,019	\$ 137,562	\$ (77,982)
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (77,895)	\$ 210,836	\$ (274,793)	\$ (141,852)	\$ (260,001)	\$ (594,862)	\$ 453,010
Fund Balance, July 1, 2013	3,028,514	(210,836)	0	2,817,678	2,883,362	2,883,362	(65,684)
Fund Balance, June 30, 2014	\$ 2,950,619	\$ 0	\$ (274,793)	\$ 2,675,826	\$ 2,623,361	\$ 2,288,500	\$ 387,326

Exhibit J-9

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Haywood County School Department
School Federal Projects Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Federal Government	\$ 2,638,045 \$	0 \$	0 \$	2,638,045 \$	2,617,449 \$	2,899,827 \$	(261,782)
Total Revenues	\$ 2,638,045 \$	0 \$	0 \$	2,638,045 \$	2,617,449 \$	2,899,827 \$	(261,782)
Expenditures							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,031,116 \$	(12,451) \$	27,343 \$	1,046,008 \$	947,225 \$	1,108,365 \$	62,357
Special Education Program	622,340	(496)	0	621,844	604,811	673,227	51,383
Vocational Education Program	35,354	0	0	35,354	35,143	35,354	0
<u>Support Services</u>							
Other Student Support	140,530	0	0	140,530	161,900	165,157	24,627
Regular Instruction Program	315,224	0	0	315,224	440,222	461,734	146,510
Special Education Program	107,759	0	0	107,759	98,890	116,629	8,870
Transportation	43,609	0	0	43,609	47,454	47,145	3,536
<u>Operation of Non-instructional Services</u>							
Community Services	312,418	0	0	312,418	300,527	312,458	40
Total Expenditures	\$ 2,608,350 \$	(12,947) \$	27,343 \$	2,622,746 \$	2,636,172 \$	2,920,069 \$	297,323
Excess (Deficiency) of Revenues Over Expenditures	\$ 29,695 \$	12,947 \$	(27,343) \$	15,299 \$	(18,723) \$	(20,242) \$	35,541
<u>Other Financing Sources (Uses)</u>							
Transfers In	0 \$	0 \$	0 \$	0 \$	1,995 \$	1,995 \$	(1,995)
Transfers Out	(52,664)	0	0	(52,664)	(3,223)	(52,664)	0
Total Other Financing Sources	\$ (52,664) \$	0 \$	0 \$	(52,664) \$	(1,228) \$	(50,669) \$	(1,995)
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (22,969) \$	12,947 \$	(27,343) \$	(37,365) \$	(19,951) \$	(70,911) \$	33,546
	249,948	(12,947)	0	237,001	249,948	249,948	(12,947)
Fund Balance, June 30, 2014	\$ 226,979 \$	0 \$	(27,343) \$	199,636 \$	229,997 \$	179,037 \$	20,599

Exhibit J-10

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Haywood County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 282,445	\$ 389,700	\$ 389,700	\$ (107,255)
Other Local Revenues	698	1,150	1,150	(452)
State of Tennessee	20,658	23,000	23,000	(2,342)
Federal Government	1,748,458	1,875,831	1,875,831	(127,373)
Other Governments and Citizens Groups	14,696	0	0	14,696
Total Revenues	<u>\$ 2,066,955</u>	<u>\$ 2,289,681</u>	<u>\$ 2,289,681</u>	<u>\$ (222,726)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 2,091,450	\$ 2,289,681	\$ 2,289,681	\$ 198,231
Total Expenditures	<u>\$ 2,091,450</u>	<u>\$ 2,289,681</u>	<u>\$ 2,289,681</u>	<u>\$ 198,231</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (24,495)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (24,495)</u>
Net Change in Fund Balance	\$ (24,495)	\$ 0	\$ 0	\$ (24,495)
Fund Balance, July 1, 2013	<u>605,412</u>	<u>628,887</u>	<u>628,887</u>	<u>(23,475)</u>
Fund Balance, June 30, 2014	<u>\$ 580,917</u>	<u>\$ 628,887</u>	<u>\$ 628,887</u>	<u>\$ (47,970)</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Haywood County, Tennessee
Schedule of Changes in Long-term Note, Capital Leases, Other Loans, and Bonds
For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-14
GOVERNMENTAL ACTIVITIES								
NOTE PAYABLE								
Payable through General Debt Service Fund								
School Improvement (HVAC)	\$ 100,000	5.25 %	1-22-14	1-22-14	\$ 0	\$ 100,000	\$ 100,000	\$ 0
Total Note Payable					\$ 0	\$ 100,000	\$ 100,000	\$ 0
CAPITAL LEASE PAYABLE								
Payable through General Fund								
Sheriff's Vehicles	100,085	6	9-21-12	9-21-14	\$ 64,762	\$ 0	\$ 31,438	\$ 33,324
Total Capital Lease Payable					\$ 64,762	\$ 0	\$ 31,438	\$ 33,324
OTHER LOANS PAYABLE								
Payable through General Debt Service Fund								
Energy Efficient School Initiative	2,000,000	0	9-8-11	4-1-23	\$ 1,949,999	\$ 0	\$ 200,004	\$ 1,749,995
Haywood High School Renovations	1,509,000	Variable	12-15-11	6-1-27	1,311,213	113,787	78,000	1,347,000
Total Other Loans Payable					\$ 3,261,212	\$ 113,787	\$ 278,004	\$ 3,096,995
BONDS PAYABLE								
Payable through General Debt Service Fund								
Waterline (USDA Rural Development)	560,000	4.875	2-5-1998	8-5-37	\$ 457,614	\$ 0	\$ 10,362	\$ 447,252
General Obligation 2007	5,000,000	4 to 4.05	12-20-07	6-1-28	5,000,000	0	0	5,000,000
General Obligation 2008	4,425,000	3.625 to 4.3	12-23-08	6-30-21	3,625,000	0	175,000	3,450,000
General Obligation Refunding, Series 2009	3,400,000	3 to 3.5	4-15-09	6-30-16	1,565,000	0	540,000	1,025,000
General Obligation 2009	300,000	4.5	6-30-09	6-28-24	238,241	0	17,213	221,028
General Obligation 2010	5,575,000	4.75 to 5.55	3-10-10	6-1-30	5,575,000	0	0	5,575,000
Total Bonds Payable					\$ 16,460,855	\$ 0	\$ 742,575	\$ 15,718,280
BUSINESS-TYPE ACTIVITIES								
CAPITAL LEASE PAYABLE								
Payable through Solid Waste Disposal Fund								
Tractor and Dirt Pan	57,344	3	9-6-13	9-5-18	\$ 0	\$ 57,344	\$ 0	\$ 57,344
Total Capital Lease Payable					\$ 0	\$ 57,344	\$ 0	\$ 57,344

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Capital Lease		
	Principal	Interest	Total
2015	\$ 33,324	\$ 1,999	\$ 35,323
Total	\$ 33,324	\$ 1,999	\$ 35,323

Year Ending June 30	Other Loans Payable			
	Principal	Interest	Other Fees	Total
2015	\$ 282,004	\$ 8,950	\$ 3,624	\$ 294,578
2016	285,004	8,408	3,500	296,912
2017	288,004	7,847	3,372	299,223
2018	292,004	7,267	3,240	302,511
2019	295,004	6,659	3,102	304,765
2020	299,004	6,032	2,959	307,995
2021	303,004	5,379	2,810	311,193
2022	307,004	4,699	2,655	314,358
2023	261,963	3,993	2,493	268,449
2024	116,000	3,254	2,325	121,579
2025	121,000	2,488	2,150	125,638
2026	125,000	1,690	1,968	128,658
2027	122,000	865	1,966	124,831
Total	\$ 3,096,995	\$ 67,531	\$ 36,164	\$ 3,200,690

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 783,798	\$ 701,996	\$ 1,485,794
2016	800,142	673,925	1,474,067
2017	881,546	644,673	1,526,219
2018	933,019	609,461	1,542,480
2019	984,558	571,923	1,556,481
2020	1,011,171	531,708	1,542,879
2021	1,062,858	489,823	1,552,681
2022	869,624	445,105	1,314,729
2023	906,472	406,834	1,313,306
2024	943,371	365,935	1,309,306

(Continued)

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

GOVERNMENTAL ACTIVITIES (CONT.)

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2025	\$ 952,496	\$ 322,811	\$ 1,275,307
2026	993,359	278,797	1,272,156
2027	1,034,266	233,641	1,267,907
2028	1,075,216	185,660	1,260,876
2029	1,121,214	135,045	1,256,259
2030	1,172,260	74,049	1,246,309
2031	23,359	9,125	32,484
2032	24,511	7,973	32,484
2033	25,721	6,763	32,484
2034	26,991	5,493	32,484
2035	28,321	4,165	32,486
2036	29,720	2,766	32,486
2037	31,186	1,300	32,486
2038	3,101	77	3,178
Total	<u>\$ 15,718,280</u>	<u>\$ 6,709,048</u>	<u>\$ 22,427,328</u>

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Capital Lease		
	Principal	Interest	Total
2015	\$ 10,802	\$ 1,720	\$ 12,522
2016	11,126	1,396	12,522
2017	11,456	1,066	12,522
2018	11,803	719	12,522
2019	12,157	365	12,522
Total	<u>\$ 57,344</u>	<u>\$ 5,266</u>	<u>\$ 62,610</u>

Exhibit K-3

Haywood County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Haywood County School Department
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Solid Waste/Sanitation	Solid Waste Disposal	Operations	\$ <u>230,000</u>
Total Transfers Primary Government			\$ <u>230,000</u>
<u>DISCRETELY PRESENTED HAYWOOD</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	\$ <u>52,664</u>
Total Transfers Discretely Presented Haywood County School Department			\$ <u>52,664</u>

Exhibit K-4

Haywood County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Haywood County School Department
For the Year Ended June 30, 2014

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA, and County Commission	\$ 92,800 (1,2)	\$ 50,000	State Automobile Mutual Insurance Company
Chief Administrative Highway Officer	Section 8-24-102, TCA, and County Commission	76,994 (1)	100,000	"
Director of Schools	State Board of Education and County Board of Education	96,400 (3)	150,000	Tennessee Risk Management Trust
Trustee	Section 8-24-102, TCA, and County Commission	64,152 (1)	938,755	State Automobile Mutual Insurance Company
Assessor of Property	Section 8-24-102, TCA, and County Commission	64,152 (1)	50,000	Auto-Owners Insurance Company
County Clerk	Section 8-24-102, TCA, and County Commission	64,152 (1)	50,000	State Automobile Mutual Insurance Company
Circuit, General Sessions, and Juvenile Courts Clerk and Master	Section 8-24-102, TCA, and County Commission	64,152 (1)	50,000	Western Surety Company
Register of Deeds	Section 8-24-102, TCA, County Commission, and Chancery Court Judge	64,152 (1,4)	70,000	RLI Insurance Company
Sheriff	Section 8-24-102, TCA, and County Commission	64,152 (1)	25,000	State Automobile Mutual Insurance Company
	Section 8-24-102, TCA, and County Commission	70,315 (1)	25,000	"
Employee Blanket Bonds:				
Office of County Mayor and Highway Department:				
All Employees			150,000	Local Government Property and Casualty Fund
Office of Director of Schools:				
All Employees			150,000	Tennessee Risk Management Trust

(1) Includes a certified public administrator supplement of \$2,520.
(2) Includes county commission chairman compensation of \$19,096.
(3) Includes a career ladder supplement of \$1,000 and \$2,010 paid from the School Federal Projects Fund.
(4) Does not include special commissioner fees of \$10,060.

Exhibit K-5

Haywood County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2014

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 4,207,903	\$ 0	\$ 0	\$ 0	\$ 442,470	\$ 848,434
Discount on Property Taxes	(48,635)	0	0	0	(5,082)	(9,806)
Trustee's Collections - Prior Year	255,072	0	0	0	23,626	49,783
Trustee's Collections - Bankruptcy	3,650	0	0	0	384	657
Circuit/Clerk and Master Collections - Prior Years	145,626	0	0	0	15,217	29,358
Interest and Penalty	37,944	0	0	0	4,082	7,348
Payments in-Lieu-of Taxes - T.V.A.	180,463	0	0	0	17,289	33,362
Payments in-Lieu-of Taxes - Local Utilities	65,640	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	264,448	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	131,350	0	0	0	0	0
Hotel/Motel Tax	47,829	0	0	0	0	0
Wheel Tax	531,951	0	0	0	134,672	269,368
Litigation Tax - General	207,432	0	0	0	0	0
Litigation Tax - Special Purpose	3,332	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Business Tax	134,320	0	0	0	0	0
Mixed Drink Tax	2,429	0	0	0	0	0
Other County Local Option Taxes	29,864	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	17,892	0	0	0	0	0
Wholesale Beer Tax	92,105	0	0	0	0	0
Beer Privilege Tax	2,011	0	0	0	0	0
Other Statutory Local Taxes	18	0	0	0	0	0
Total Local Taxes	\$ 6,312,644	\$ 0	\$ 0	\$ 0	\$ 632,658	\$ 1,477,848

(Continued)

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	852 \$	0 \$	0 \$	0 \$	0 \$	0
Cable TV Franchise	1,303	0	0	0	0	0
<u>Permits</u>						
Beer Permits	1,662	0	0	0	0	0
Building Permits	14,270	0	0	0	0	0
Total Licenses and Permits	18,087 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	7,003 \$	0 \$	0 \$	0 \$	0 \$	0
Officers Costs	5,151	0	0	0	0	0
Drug Control Fines	0	0	1,826	0	0	0
Jail Fees	2,973	0	0	0	0	0
DUI Treatment Fines	48	0	0	0	0	0
Data Entry Fee - Circuit Court	344	0	0	0	0	0
Courtroom Security Fee	662	0	0	0	0	0
<u>Criminal Court</u>						
Victims Assistance Assessments	1,381	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	55,313	0	0	0	0	0
Officers Costs	27,696	0	0	0	0	0
Game and Fish Fines	671	0	0	0	0	0
Drug Control Fines	0	0	309	0	0	0
Jail Fees	33,188	0	0	0	0	0
DUI Treatment Fines	6,233	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Data Entry Fee - General Sessions Court	\$ 24,943	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	63,995	0	0	0	0	0
Victims Assistance Assessments	26,676	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	1,098	0	0	0	0	0
Officers Costs	1,088	0	0	0	0	0
Game and Fish Fines	11	0	0	0	0	0
Data Entry Fee - Juvenile Court	274	0	0	0	0	0
Courtroom Security Fee	2	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	766	0	0	0	0	0
Data Entry Fee - Chancery Court	2,614	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	1,503
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	20,762	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 262,130	\$ 0	\$ 22,897	\$ 0	\$ 0	\$ 1,503
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Residential Waste Collection Charge	\$ 0	\$ 582,864	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	962,739	0	0	0	0	0
Zoning Studies	120	0	0	0	0	0
Work Release Charges for Board	0	81	0	0	0	0
Health Department Collections	102,096	0	0	0	0	0
Other General Service Charges	10,050	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees</u>						
Recreation Fees	\$ 33,734	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Copy Fees	1,158	0	0	0	0	0
Greenbelt Late Application Fee	750	0	0	0	0	0
Telephone Commissions	36,190	0	0	0	0	0
Vending Machine Collections	14,078	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	188,750	0	0
Data Processing Fee - Register	5,233	0	0	0	0	0
Data Processing Fee - Sheriff	2,259	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,500	0	0	0	0	0
Data Processing Fee - County Clerk	1,593	0	0	0	0	0
Total Charges for Current Services	\$ 1,171,500	\$ 582,945	\$ 0	\$ 188,750	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 68,269
Lease/Rentals	21,350	0	0	0	570	0
Sale of Materials and Supplies	44,346	0	0	0	18,572	0
Commissary Sales	19,476	0	0	0	0	0
Sale of Gasoline	0	0	0	0	280,917	0
Miscellaneous Refunds	28,082	6	0	0	635	0
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	21,550	0
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	32,525
Total Other Local Revenues	\$ 113,254	\$ 6	\$ 0	\$ 0	\$ 322,244	\$ 100,794

(Continued)

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
Trustee	\$ 185,170	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees in-Lieu-of Salary</u>						
County Clerk	215,888	0	0	0	0	0
Circuit Court Clerk	23,364	0	0	0	0	0
General Sessions Court Clerk	378,514	0	0	0	0	0
Clerk and Master	94,389	0	0	0	0	0
Juvenile Court Clerk	35,268	0	0	0	0	0
Register	55,599	0	0	0	0	0
Sheriff	7,394	0	0	0	0	0
Total Fees Received from County Officials	\$ 995,536	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 4,635	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other General Government Grants	3,415	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	17,094	0	0	0	0	0
<u>Public Works Grants</u>						
Litter Program	0	33,951	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	20,525	0	0	0	0	0
Alcoholic Beverage Tax	67,518	0	0	0	0	0
State Revenue Sharing - T.V.A.	302,682	0	0	0	31,626	61,029
Contracted Prisoner Boarding	809,782	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	1,715,723	0

(Continued)

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Petroleum Special Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,556	\$ 0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Revenues	8,098	0	0	0	0	0
Total State of Tennessee	\$ 1,248,913	\$ 33,951	\$ 0	\$ 0	\$ 1,760,905	\$ 61,029
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 184,638	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Community Development	0	0	0	0	0	0
Other Federal through State	0	0	0	0	85,802	0
<u>Direct Federal Revenue</u>						
Forest Service	41,651	0	0	0	0	0
Tax Credit Bond Rebate	0	0	0	0	0	95,425
Total Federal Government	\$ 226,289	\$ 0	\$ 0	\$ 0	\$ 85,802	\$ 95,425
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 426,855	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	86,268	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	17,460	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 530,583	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 10,878,936	\$ 616,902	\$ 22,897	\$ 188,750	\$ 2,801,609	\$ 1,736,599

(Continued)

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

	Capital Projects Funds				Total
	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects		
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 0	5,498,807
Discount on Property Taxes	0	0	0	0	(63,523)
Trustee's Collections - Prior Year	0	0	0	0	328,481
Trustee's Collections - Bankruptcy	0	0	0	0	4,691
Circuit/Clerk and Master Collections - Prior Years	0	0	0	0	190,201
Interest and Penalty	0	0	0	0	49,374
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	231,114
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	65,640
Payments in-Lieu-of Taxes - Other	0	0	0	0	264,448
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	0	0	131,350
Hotel/Motel Tax	0	0	0	0	47,829
Wheel Tax	0	0	0	0	935,991
Litigation Tax - General	0	0	0	0	207,432
Litigation Tax - Special Purpose	0	0	0	0	3,332
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	249,344
Business Tax	0	0	0	0	134,320
Mixed Drink Tax	0	0	0	0	2,429
Other County Local Option Taxes	0	0	0	0	29,864
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	17,892
Wholesale Beer Tax	0	0	0	0	92,105
Beer Privilege Tax	0	0	0	0	2,011
Other Statutory Local Taxes	0	0	0	0	18
Total Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,423,150

(Continued)

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

	Capital Projects Funds				Total
	General Capital Projects	Community Development/Industrial Park	Other Capital Projects		
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	0 \$	0 \$	0 \$	0 \$	852
Cable TV Franchise	0	0	0	0	1,303
<u>Permits</u>					
Beer Permits	0	0	0	0	1,662
Building Permits	0	0	0	0	14,270
Total Licenses and Permits	0 \$	0 \$	0 \$	0 \$	18,087
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	0 \$	0 \$	0 \$	0 \$	7,003
Officers Costs	0	0	0	0	5,151
Drug Control Fines	0	0	0	0	1,826
Jail Fees	0	0	0	0	2,973
DUI Treatment Fines	0	0	0	0	48
Data Entry Fee - Circuit Court	0	0	0	0	344
Courtroom Security Fee	0	0	0	0	662
<u>Criminal Court</u>					
Victims Assistance Assessments	0	0	0	0	1,381
<u>General Sessions Court</u>					
Fines	0	0	0	0	55,313
Officers Costs	0	0	0	0	27,696
Game and Fish Fines	0	0	0	0	671
Drug Control Fines	0	0	0	0	309
Jail Fees	0	0	0	0	33,188
DUI Treatment Fines	0	0	0	0	6,233

(Continued)

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

	Capital Projects Funds				Total
	General Capital Projects	Community Development/Industrial Park	Other Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Data Entry Fee - General Sessions Court	\$ 0	\$ 0	\$ 0	\$ 0	24,943
Courtroom Security Fee	0	0	0	0	63,995
Victims Assistance Assessments	0	0	0	0	26,676
<u>Juvenile Court</u>					
Fines	0	0	0	0	1,098
Officers Costs	0	0	0	0	1,088
Game and Fish Fines	0	0	0	0	11
Data Entry Fee - Juvenile Court	0	0	0	0	274
Courtroom Security Fee	0	0	0	0	2
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	766
Data Entry Fee - Chancery Court	0	0	0	0	2,614
Courtroom Security Fee	0	0	0	0	1,503
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures	0	0	0	0	20,762
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	286,530
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Residential Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	582,864
Patient Charges	0	0	0	0	962,739
Zoning Studies	0	0	0	0	120
Work Release Charges for Board	0	0	0	0	81
Health Department Collections	0	0	0	0	102,096
Other General Service Charges	0	0	0	0	10,050

(Continued)

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

	Capital Projects Funds				Total
	General Capital Projects	Community Development/Industrial Park	Other Capital Projects		
<u>Charges for Current Services (Cont.)</u>					
<u>Fees</u>					
Recreation Fees	\$ 0	\$ 0	\$ 0	\$ 0	33,734
Copy Fees	0	0	0	0	1,158
Greenbelt Late Application Fee	0	0	0	0	750
Telephone Commissions	0	0	0	0	36,190
Vending Machine Collections	0	0	0	0	14,078
Constitutional Officers' Fees and Commissions	0	0	0	0	188,750
Data Processing Fee - Register	0	0	0	0	5,233
Data Processing Fee - Sheriff	0	0	0	0	2,259
Sexual Offender Registration Fee - Sheriff	0	0	0	0	1,500
Data Processing Fee - County Clerk	0	0	0	0	1,593
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	1,943,195
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	68,269
Lease/Rentals	0	0	27,897	0	49,817
Sale of Materials and Supplies	0	0	0	0	62,918
Commissary Sales	0	0	0	0	19,476
Sale of Gasoline	0	0	0	0	280,917
Miscellaneous Refunds	0	0	0	0	28,723
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	21,550
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	32,525
Total Other Local Revenues	\$ 0	\$ 0	\$ 27,897	\$ 0	564,195

(Continued)

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

	Capital Projects Funds				Total
	General Capital Projects	Community Development/Industrial Park	Other Capital Projects		
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
Trustee	\$ 0	\$ 0	\$ 0	\$ 0	185,170
<u>Fees in-Lieu-of Salary</u>					
County Clerk	0	0	0	0	215,838
Circuit Court Clerk	0	0	0	0	23,364
General Sessions Court Clerk	0	0	0	0	378,514
Clerk and Master	0	0	0	0	94,389
Juvenile Court Clerk	0	0	0	0	35,268
Register	0	0	0	0	55,599
Sheriff	0	0	0	0	7,394
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 0	995,536
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	4,635
Other General Government Grants	0	0	0	0	3,415
<u>Health and Welfare Grants</u>					
Other Health and Welfare Grants	55,930	0	0	0	73,024
<u>Public Works Grants</u>					
Litter Program	0	0	0	0	33,951
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	20,525
Alcoholic Beverage Tax	0	0	0	0	67,518
State Revenue Sharing - T.V.A.	0	0	0	0	395,337
Contracted Prisoner Boarding	0	0	0	0	809,782
Gasoline and Motor Fuel Tax	0	0	0	0	1,715,723

(Continued)

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

	Capital Projects Funds				Total
	General Capital Projects	Community Development/Industrial Park	Other Capital Projects		
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Petroleum Special Tax	\$ 0 \$	0 \$	0 \$	0 \$	13,556
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Revenues	0	0	0	0	8,098
Total State of Tennessee	\$ 55,930 \$	0 \$	0 \$	0 \$	3,160,728
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA - Other	0 \$	0 \$	0 \$	0 \$	184,638
Community Development	0	64,366	0	0	64,366
Other Federal through State	0	0	0	0	85,802
<u>Direct Federal Revenue</u>					
Forest Service	0	0	0	0	41,651
Tax Credit Bond Rebate	0	0	0	0	95,425
Total Federal Government	\$ 0 \$	64,366 \$	0 \$	0 \$	471,882
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	0 \$	300 \$	0 \$	0 \$	427,155
Contracted Services	0	0	0	0	86,268
<u>Citizens Groups</u>					
Donations	0	0	0	0	17,460
Total Other Governments and Citizens Groups	\$ 0 \$	300 \$	0 \$	0 \$	530,883
Total	\$ 55,930 \$	64,666 \$	27,897 \$	16,394,186	

Haywood County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Haywood County School Department
 For the Year Ended June 30, 2014

	General Purpose School	Special Revenue Funds			Capital Projects Fund		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	Education Capital Projects		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 3,445,927	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,445,927	
Discount on Property Taxes	(39,556)	0	0	0	0	(39,556)	
Trustee's Collections - Prior Year	183,905	0	0	0	0	183,905	
Trustee's Collections - Bankruptcy	3,032	0	0	0	0	3,032	
Circuit/Clerk and Master Collections - Prior Years	118,445	0	0	0	0	118,445	
Interest and Penalty	30,048	0	0	0	0	30,048	
Payments in-Lieu-of Taxes - T.V.A.	146,776	0	0	0	0	146,776	
<u>County Local Option Taxes</u>							
Local Option Sales Tax	1,597,564	0	0	0	0	1,597,564	
Wheel Tax	269,344	0	0	0	0	269,344	
Mixed Drink Tax	2,430	0	0	0	0	2,430	
<u>Statutory Local Taxes</u>							
Interstate Telecommunications Tax	2,734	0	0	0	0	2,734	
Other Statutory Local Taxes	36,525	0	0	0	0	36,525	
Total Local Taxes	\$ 5,797,174	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,797,174	
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 1,084	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,084	
Total Licenses and Permits	\$ 1,084	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,084	
<u>Charges for Current Services</u>							
<u>Education Charges</u>							
Lunch Payments - Children	\$ 0	\$ 0	\$ 60,542	\$ 0	\$ 0	\$ 60,542	

(Continued)

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

	Special Revenue Funds			Capital Projects		Total
	General Purpose School	School Federal Projects	Central Cafeteria	Fund Education Capital Projects		
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Lunch Payments - Adults	\$ 0	\$ 0	24,673	\$ 0	\$ 0	24,673
Income from Breakfast	0	0	7,086	0	0	7,086
A la carte Sales	0	0	21,669	0	0	21,669
Receipts from Individual Schools	30,505	0	0	0	0	30,505
<u>Other Charges for Services</u>						
Other Charges for Services	0	0	168,475	0	0	168,475
Total Charges for Current Services	\$ 30,505	\$ 0	\$ 282,445	\$ 0	\$ 0	\$ 312,950
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	0	0	698	0	0	698
Sale of Materials and Supplies	821	0	0	0	0	821
Miscellaneous Refunds	25,229	0	0	0	0	25,229
<u>Nonrecurring Items</u>						
Sale of Equipment	1,200	0	0	0	0	1,200
Damages Recovered from Individuals	1,694	0	0	0	0	1,694
Contributions and Gifts	5,941	0	0	0	0	5,941
<u>Other Local Revenues</u>						
Other Local Revenues	166,898	0	0	0	0	166,898
Total Other Local Revenues	\$ 201,783	\$ 0	\$ 698	\$ 0	\$ 0	\$ 202,481
<u>State of Tennessee</u>						
General Government Grants						
On-behalf Contributions for OPEB	\$ 125,979	\$ 0	\$ 0	\$ 0	\$ 0	\$ 125,979

(Continued)

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

	Special Revenue Funds			Capital Projects		Total
	General Purpose School	School Federal Projects	Central Cafeteria	Fund Education Capital Projects		
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 16,670,001	\$ 0	\$ 0	\$ 0	\$ 16,670,001	
Early Childhood Education	610,008	0	0	0	610,008	
School Food Service	0	0	20,658	0	20,658	
Energy Efficient School Initiative	17,594	0	0	0	17,594	
Driver Education	5,190	0	0	0	5,190	
Other State Education Funds	419,890	0	0	0	419,890	
Career Ladder Program	77,040	0	0	0	77,040	
Career Ladder - Extended Contract	22,270	0	0	0	22,270	
<u>Other State Revenues</u>						
State Revenue Sharing - T.V.A.	246,179	0	0	0	246,179	
Other State Grants	8,735	0	0	0	8,735	
Total State of Tennessee	\$ 18,202,886	\$ 0	\$ 20,658	\$ 0	\$ 18,223,544	
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,112,041	\$ 0	\$ 1,112,041	
USDA - Commodities	0	0	104,133	0	104,133	
Breakfast	0	0	514,948	0	514,948	
USDA - Other	0	0	17,336	0	17,336	
Vocational Education - Basic Grants to States	0	52,643	0	0	52,643	
Title I Grants to Local Education Agencies	0	900,597	0	0	900,597	
Special Education - Grants to States	0	685,075	0	0	685,075	
Special Education Preschool Grants	0	47,878	0	0	47,878	
English Language Acquisition Grants	0	6,801	0	0	6,801	

(Continued)

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

	General Purpose School	Special Revenue Funds			Capital Projects	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects		
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Safe and Drug-free Schools - State Grants	\$ 0	\$ 354,174	\$ 0	\$ 0	\$ 354,174	
Rural Education	0	64,548	0	0	64,548	
Eisenhower Professional Development State Grants	0	196,140	0	0	196,140	
Homeland Security Grants	1,462,606	0	0	0	1,462,606	
Race-to-the-Top - ARRA	0	224,061	0	0	224,061	
Other Federal through State	0	106,128	0	0	106,128	
Direct Federal Revenue	100,123	0	0	0	100,123	
ROTC Reimbursement	1,562,729	2,638,045	1,748,458	0	5,949,232	
Total Federal Government	\$ 1,562,729	\$ 2,638,045	\$ 1,748,458	\$ 0	\$ 5,949,232	
<u>Other Governments and Citizens Groups</u>						
Other Governments	\$ 100,000	\$ 0	\$ 0	\$ 113,787	\$ 213,787	
Contributions	0	0	14,696	0	14,696	
Other	100,000	0	14,696	113,787	228,483	
Total Other Governments and Citizens Groups	\$ 25,896,161	\$ 2,638,045	\$ 2,066,955	\$ 113,787	\$ 30,714,948	

Exhibit K-7

Haywood County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2014

General Fund

General Government

County Commission

Other Salaries and Wages	\$	19,096	
Board and Committee Members Fees		23,350	
Social Security		2,662	
State Retirement		2,535	
Employee and Dependent Insurance		2,369	
Life Insurance		1,515	
Audit Services		5,636	
Dues and Memberships		4,631	
Other Contracted Services		60,000	
Food Supplies		9,528	
Other Charges		298	
Total County Commission			\$ 131,620

Beer Board

Secretary to Board	\$	450	
Board and Committee Members Fees		1,250	
Legal Notices, Recording, and Court Costs		307	
Library Books/Media		106	
Total Beer Board			2,113

County Mayor/Executive

County Official/Administrative Officer	\$	71,184	
Accountants/Bookkeepers		70,405	
Secretary(ies)		20,000	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		13,822	
State Retirement		17,508	
Employee and Dependent Insurance		9,555	
Life Insurance		809	
Unemployment Compensation		457	
Other Fringe Benefits		2,520	
Communication		6,244	
Data Processing Services		6,386	
Dues and Memberships		2,084	
Maintenance and Repair Services - Office Equipment		219	
Maintenance and Repair Services - Vehicles		1,848	
Postal Charges		2,631	
Travel		1,953	
Gasoline		1,161	
Library Books/Media		930	
Office Supplies		2,171	
Other Supplies and Materials		1,496	
Premiums on Corporate Surety Bonds		87	
Workers' Compensation Insurance		442	
Other Charges		33,670	
Total County Mayor/Executive			270,102

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	5,400	
Social Security		413	
State Retirement		648	
Operating Lease Payments		1,331	
Legal Services		55,482	
Library Books/Media		4,271	
Workers' Compensation Insurance		13	
Total County Attorney			\$ 67,558

Election Commission

County Official/Administrative Officer	\$	55,468	
Part-time Personnel		8,168	
Election Commission		3,941	
Election Workers		8,207	
Social Security		4,800	
State Retirement		6,651	
Employee and Dependent Insurance		1,226	
Life Insurance		237	
Unemployment Compensation		240	
Communication		4,504	
Data Processing Services		6,342	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		889	
Maintenance Agreements		4,920	
Postal Charges		926	
Printing, Stationery, and Forms		3,017	
Travel		1,268	
Office Supplies		1,600	
Workers' Compensation Insurance		166	
Other Charges		127	
Data Processing Equipment		1,540	
Voting Machines		2,757	
Total Election Commission			117,144

Register of Deeds

County Official/Administrative Officer	\$	61,632
Deputy(ies)		27,600
Educational Incentive - Official/Admin Officer		2,520
Social Security		6,417
State Retirement		10,749
Employee and Dependent Insurance		9,448
Life Insurance		512
Unemployment Compensation		126
Other Fringe Benefits		420
Communication		1,740
Dues and Memberships		542
Postal Charges		212

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Printing, Stationery, and Forms	\$	770	
Rentals		1,140	
Office Supplies		159	
Premiums on Corporate Surety Bonds		44	
Workers' Compensation Insurance		220	
Data Processing Equipment		6,338	
Total Register of Deeds			\$ 130,589

Development

Supervisor/Director	\$	32,000	
Secretary(ies)		1,200	
Social Security		2,508	
State Retirement		4,081	
Employee and Dependent Insurance		2,936	
Life Insurance		175	
Unemployment Compensation		131	
Other Fringe Benefits		840	
Communication		1,497	
Contracts with Government Agencies		11,300	
Data Processing Services		966	
Dues and Memberships		25	
Maintenance and Repair Services - Vehicles		1,981	
Postal Charges		49	
Travel		125	
Gasoline		3,087	
Office Supplies		1,613	
Vehicle and Equipment Insurance		539	
Workers' Compensation Insurance		694	
Total Development			65,747

County Buildings

Supervisor/Director	\$	68,623	
Guards		51,835	
Custodial Personnel		98,187	
Overtime Pay		358	
Other Salaries and Wages		19,982	
Social Security		18,464	
State Retirement		21,193	
Employee and Dependent Insurance		10,451	
Life Insurance		1,242	
Unemployment Compensation		1,724	
Other Fringe Benefits		7,980	
Communication		17,933	
Maintenance Agreements		54,933	
Maintenance and Repair Services - Vehicles		1,831	
Rentals		2,400	
Travel		610	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Custodial Supplies	\$	3,513	
Duplicating Supplies		1,359	
Gasoline		7,353	
Utilities		216,086	
Other Supplies and Materials		56,424	
Vehicle and Equipment Insurance		1,504	
Workers' Compensation Insurance		5,282	
Building Improvements		35,522	
Total County Buildings			\$ 704,789

Finance

Accounting and Budgeting

Board and Committee Members Fees	\$	11,200	
Total Accounting and Budgeting			11,200

Property Assessor's Office

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		128,269	
Educational Incentive - Official/Admin Officer		2,520	
Board and Committee Members Fees		2,049	
Social Security		13,485	
State Retirement		22,908	
Employee and Dependent Insurance		12,989	
Life Insurance		1,275	
Unemployment Compensation		530	
Other Fringe Benefits		4,620	
Communication		3,467	
Contracts with Private Agencies		9,892	
Data Processing Services		18,121	
Dues and Memberships		1,495	
Maintenance and Repair Services - Vehicles		1,738	
Postal Charges		1,410	
Rentals		7,200	
Travel		2,077	
Duplicating Supplies		1,923	
Gasoline		3,555	
Office Supplies		750	
Utilities		5,230	
Vehicle and Equipment Insurance		1,017	
Workers' Compensation Insurance		483	
Data Processing Equipment		2,654	
Office Equipment		3,771	
Total Property Assessor's Office			315,060

Reappraisal Program

Other Salaries and Wages	\$	8,857	
Social Security		1,915	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

State Retirement	\$	1,026	
Unemployment Compensation		100	
Office Supplies		121	
Workers' Compensation Insurance		56	
Total Reappraisal Program			\$ 12,075

County Trustee's Office

Social Security	\$	12,231	
State Retirement		18,381	
Employee and Dependent Insurance		13,694	
Life Insurance		833	
Unemployment Compensation		513	
Communication		5,240	
Data Processing Services		6,450	
Dues and Memberships		442	
Maintenance Agreements		4,777	
Maintenance and Repair Services - Office Equipment		301	
Postal Charges		4,670	
Printing, Stationery, and Forms		1,712	
Office Supplies		3,260	
Premiums on Corporate Surety Bonds		2,781	
Workers' Compensation Insurance		421	
Other Charges		895	
Total County Trustee's Office			76,601

County Clerk's Office

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		126,900	
Part-time Personnel		1,074	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		14,610	
State Retirement		21,715	
Employee and Dependent Insurance		10,902	
Life Insurance		1,085	
Unemployment Compensation		729	
Other Fringe Benefits		4,620	
Communication		2,561	
Dues and Memberships		602	
Operating Lease Payments		1,260	
Maintenance Agreements		16,125	
Postal Charges		2,803	
Printing, Stationery, and Forms		974	
Travel		750	
Office Supplies		2,057	
Premiums on Corporate Surety Bonds		100	
Workers' Compensation Insurance		472	
Data Processing Equipment		3,345	
Office Equipment		618	
Total County Clerk's Office			277,454

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		237,284	
Educational Incentive - Official/Admin Officer		2,520	
Jury and Witness Expense		9,680	
Social Security		22,513	
State Retirement		35,269	
Employee and Dependent Insurance		27,562	
Life Insurance		2,064	
Unemployment Compensation		1,205	
Other Fringe Benefits		9,450	
Communication		1,970	
Data Processing Services		12,323	
Dues and Memberships		677	
Maintenance and Repair Services - Office Equipment		570	
Postal Charges		2,285	
Printing, Stationery, and Forms		1,510	
Rentals		4,890	
Travel		576	
Office Supplies		2,350	
Premiums on Corporate Surety Bonds		250	
Workers' Compensation Insurance		719	
Other Charges		4,855	
Office Equipment		8,250	
Total Circuit Court			\$ 450,404

General Sessions Judge

Judge(s)	\$	165,206	
Secretary(ies)		28,813	
In-service Training		436	
Social Security		11,668	
State Retirement		23,515	
Employee and Dependent Insurance		2,280	
Life Insurance		699	
Unemployment Compensation		126	
Other Fringe Benefits		2,100	
Communication		1,797	
Dues and Memberships		630	
Travel		996	
Library Books/Media		817	
Office Supplies		360	
Workers' Compensation Insurance		459	
Office Equipment		97	
Total General Sessions Judge			239,999

General Sessions Court Clerk

Postal Charges	\$	417	
Printing, Stationery, and Forms		1,278	
Office Supplies		2,308	
Total General Sessions Court Clerk			4,003

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		60,077	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		9,117	
State Retirement		15,046	
Employee and Dependent Insurance		7,374	
Life Insurance		732	
Unemployment Compensation		378	
Other Fringe Benefits		1,260	
Communication		1,847	
Dues and Memberships		632	
Legal Notices, Recording, and Court Costs		937	
Postal Charges		682	
Printing, Stationery, and Forms		894	
Travel		86	
Other Contracted Services		400	
Office Supplies		794	
Workers' Compensation Insurance		290	
Other Charges		170	
Data Processing Equipment		3,921	
Office Equipment		939	
Total Chancery Court			\$ 169,728

Juvenile Court

Youth Service Officer(s)	\$	57,105	
Social Security		4,548	
State Retirement		7,149	
Employee and Dependent Insurance		1,639	
Life Insurance		392	
Unemployment Compensation		252	
Other Fringe Benefits		2,520	
Communication		2,368	
Dues and Memberships		210	
Legal Services		2,039	
Postal Charges		155	
Travel		701	
Office Supplies		1,285	
Workers' Compensation Insurance		130	
Other Charges		362	
Total Juvenile Court			80,855

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	67,795	
Supervisor/Director		40,537	
Deputy(ies)		299,526	
Investigator(s)		9,657	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Lieutenant(s)	\$	194,202	
Sergeant(s)		97,105	
Secretary(ies)		50,641	
Educational Incentive - Official/Admin Officer		2,520	
Overtime Pay		40,218	
Social Security		60,426	
State Retirement		91,399	
Employee and Dependent Insurance		72,856	
Life Insurance		4,703	
Unemployment Compensation		2,922	
Other Fringe Benefits		22,470	
Communication		20,037	
Dues and Memberships		1,603	
Legal Notices, Recording, and Court Costs		190	
Maintenance and Repair Services - Equipment		5,760	
Maintenance and Repair Services - Office Equipment		2,200	
Maintenance and Repair Services - Vehicles		21,419	
Medical and Dental Services		890	
Postal Charges		1,253	
Travel		5,728	
Tuition		5,750	
Gasoline		90,516	
Instructional Supplies and Materials		615	
Law Enforcement Supplies		12,262	
Library Books/Media		450	
Office Supplies		3,044	
Tires and Tubes		7,674	
Uniforms		11,377	
Other Supplies and Materials		1,975	
Premiums on Corporate Surety Bonds		508	
Vehicle and Equipment Insurance		14,693	
Workers' Compensation Insurance		25,457	
Other Charges		350	
Law Enforcement Equipment		17,957	
Motor Vehicles		13,000	
Other Equipment		2,097	
Total Sheriff's Department			\$ 1,323,782

Jail

Assistant(s)	\$	34,398
Supervisor/Director		37,433
Deputy(ies)		488,881
Secretary(ies)		28,967
Cafeteria Personnel		70,243
Overtime Pay		68,770
Social Security		54,975
State Retirement		76,199

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Employee and Dependent Insurance	\$	55,261	
Life Insurance		4,640	
Unemployment Compensation		3,879	
Other Fringe Benefits		19,740	
Communication		4,649	
Maintenance Agreements		19,412	
Maintenance and Repair Services - Equipment		13,724	
Maintenance and Repair Services - Office Equipment		2,054	
Maintenance and Repair Services - Vehicles		565	
Medical and Dental Services		467,591	
Postal Charges		742	
Printing, Stationery, and Forms		1,573	
Travel		2,955	
Remittance of Revenue Collected		1,070	
Custodial Supplies		19,112	
Drugs and Medical Supplies		44,322	
Food Supplies		202,186	
Gasoline		1,340	
Library Books/Media		97	
Office Supplies		2,487	
Prisoners Clothing		7,830	
Uniforms		8,592	
Other Supplies and Materials		2,370	
Vehicle and Equipment Insurance		1,128	
Workers' Compensation Insurance		23,826	
Food Service Equipment		15,101	
Law Enforcement Equipment		525	
Total Jail			\$ 1,786,637

Workhouse

County Official/Administrative Officer	\$	12,000
Assistant(s)		22,948
Laborers		20,016
Overtime Pay		1,071
Social Security		3,796
State Retirement		5,644
Employee and Dependent Insurance		8,628
Life Insurance		384
Unemployment Compensation		292
Other Fringe Benefits		1,050
Communication		1,372
Maintenance and Repair Services - Buildings		1,172
Maintenance and Repair Services - Equipment		19,491
Pauper Burials		100
Veterinary Services		165
Other Contracted Services		2,202
Diesel Fuel		14,127

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Workhouse (Cont.)

Fertilizer, Lime, and Seed	\$	14,030	
Gasoline		6,393	
Utilities		5,653	
Vehicle and Equipment Insurance		1,880	
Workers' Compensation Insurance		1,427	
Other Charges		1,471	
Building Improvements		20,442	
Other Equipment		39,508	
Total Workhouse			\$ 205,262

Fire Prevention and Control

Other Per Diem and Fees	\$	31,150	
Social Security		1,094	
State Retirement		1,718	
Life Insurance		145	
Unemployment Compensation		132	
Contracts with Government Agencies		214,273	
Maintenance and Repair Services - Equipment		10,502	
Maintenance and Repair Services - Vehicles		5,937	
Diesel Fuel		8,821	
Gasoline		2,014	
Vehicle and Equipment Insurance		33,687	
Workers' Compensation Insurance		2,151	
Total Fire Prevention and Control			311,624

Rescue Squad

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

County Coroner/Medical Examiner

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

Other Public Safety

Contracts with Government Agencies	\$	152,249	
Total Other Public Safety			152,249

Public Health and Welfare

Local Health Center

Custodial Personnel	\$	16,800	
Communication		2,833	
Contracts with Government Agencies		15,154	
Maintenance and Repair Services - Buildings		7,614	
Postal Charges		133	
Custodial Supplies		306	
Drugs and Medical Supplies		912	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Office Supplies	\$	1,703	
Utilities		<u>8,268</u>	
Total Local Health Center			\$ 53,723

Rabies and Animal Control

Contracts with Government Agencies	\$	<u>76,193</u>	
Total Rabies and Animal Control			76,193

Ambulance/Emergency Medical Services

Assistant(s)	\$	44,889	
Supervisor/Director		56,160	
Medical Personnel		2,000	
Materials Supervisor		7,800	
Paraprofessionals		289,992	
Secretary(ies)		51,166	
Attendants		219,666	
Part-time Personnel		52,694	
Overtime Pay		39,941	
Other Salaries and Wages		19,439	
In-service Training		3,975	
Social Security		59,176	
State Retirement		79,037	
Employee and Dependent Insurance		35,798	
Life Insurance		4,251	
Unemployment Compensation		3,646	
Other Fringe Benefits		18,270	
Communication		5,251	
Data Processing Services		5,801	
Dues and Memberships		300	
Laundry Service		1,750	
Licenses		2,220	
Maintenance Agreements		5,605	
Maintenance and Repair Services - Buildings		5,966	
Maintenance and Repair Services - Vehicles		31,878	
Postal Charges		3,612	
Travel		2,197	
Tuition		1,769	
Custodial Supplies		3,205	
Diesel Fuel		42,504	
Drugs and Medical Supplies		49,279	
Gasoline		2,113	
Office Supplies		9,400	
Uniforms		6,993	
Utilities		9,516	
Other Supplies and Materials		3,325	
Liability Insurance		17,429	
Refunds		4,473	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Vehicle and Equipment Insurance	\$	12,682	
Workers' Compensation Insurance		62,347	
Other Equipment		17,266	
Total Ambulance/Emergency Medical Services			\$ 1,294,781

Alcohol and Drug Programs

Contributions	\$	5,000	
Other Supplies and Materials		7,446	
Total Alcohol and Drug Programs			12,446

Other Local Health Services

Other Supplies and Materials	\$	6,154	
Total Other Local Health Services			6,154

Appropriation to State

Paraprofessionals	\$	32,268	
Clerical Personnel		50,672	
Social Security		6,017	
State Retirement		5,492	
Employee and Dependent Insurance		6,825	
Life Insurance		570	
Unemployment Compensation		549	
Other Fringe Benefits		1,470	
Travel		1,633	
Workers' Compensation Insurance		3,350	
Total Appropriation to State			108,846

Other Public Health and Welfare

Other Charges	\$	50,274	
Total Other Public Health and Welfare			50,274

Social, Cultural, and Recreational Services

Libraries

Librarians	\$	49,194	
Social Security		3,416	
State Retirement		6,175	
Employee and Dependent Insurance		6,684	
Life Insurance		383	
Unemployment Compensation		252	
Other Fringe Benefits		2,310	
Contributions		75,272	
Workers' Compensation Insurance		117	
Building Improvements		4,767	
Total Libraries			148,570

Parks and Fair Boards

County Official/Administrative Officer	\$	41,683	
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(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards (Cont.)

Supervisor/Director	\$	11,044	
Foremen		33,748	
Laborers		113,107	
Secretary(ies)		31,350	
Temporary Personnel		50,339	
Overtime Pay		1,471	
Social Security		21,255	
State Retirement		29,018	
Employee and Dependent Insurance		32,195	
Life Insurance		1,650	
Unemployment Compensation		1,786	
Other Fringe Benefits		11,130	
Communication		5,782	
Contributions		5,550	
Dues and Memberships		925	
Maintenance and Repair Services - Buildings		30,066	
Maintenance and Repair Services - Equipment		9,160	
Maintenance and Repair Services - Office Equipment		1,123	
Maintenance and Repair Services - Vehicles		6,192	
Pest Control		1,626	
Postal Charges		391	
Travel		2,636	
Custodial Supplies		10,984	
Fertilizer, Lime, and Seed		35,702	
Gasoline		15,553	
Office Supplies		5,207	
Utilities		82,286	
Other Supplies and Materials		27,177	
Refunds		12,580	
Vehicle and Equipment Insurance		3,516	
Workers' Compensation Insurance		8,875	
Other Charges		14,181	
Building Improvements		25,869	
Heating and Air Conditioning Equipment		8,689	
Maintenance Equipment		20,064	
Motor Vehicles		15	
Total Parks and Fair Boards			\$ 713,925

Other Social, Cultural, and Recreational

Temporary Personnel	\$	5,218	
Unemployment Compensation		73	
Contracts with Government Agencies		167,738	
Travel		24	
Office Supplies		190	
Other Supplies and Materials		200	
Total Other Social, Cultural, and Recreational			173,443

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	122,971	
Part-time Personnel		1,140	
Social Security		44	
Unemployment Compensation		16	
Communication		3,823	
Licenses		2,158	
Travel		7,319	
Custodial Supplies		571	
Other Supplies and Materials		3,037	
Other Charges		742	
Data Processing Equipment		263	
Total Agricultural Extension Service			\$ 142,084

Soil Conservation

Secretary(ies)	\$	24,683	
Other Salaries and Wages		42,986	
Social Security		4,663	
State Retirement		8,466	
Employee and Dependent Insurance		6,565	
Life Insurance		442	
Unemployment Compensation		252	
Other Fringe Benefits		2,940	
Workers' Compensation Insurance		56	
Total Soil Conservation			91,053

Other Operations

Industrial Development

Other Contracted Services	\$	60,000	
Other Charges		19,058	
Site Development		1,200	
Total Industrial Development			80,258

Veterans' Services

Other Salaries and Wages	\$	11,912	
Social Security		848	
Unemployment Compensation		137	
Communication		1,845	
Data Processing Services		424	
Postal Charges		1	
Rentals		600	
Travel		948	
Workers' Compensation Insurance		27	
Total Veterans' Services			16,742

Other Charges

Assistant(s)	\$	20,331	
Supervisor/Director		26,789	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges (Cont.)

Social Security	\$	3,681	
State Retirement		6,178	
Employee and Dependent Insurance		5,698	
Life Insurance		315	
Unemployment Compensation		252	
Other Fringe Benefits		4,410	
Communication		926	
Maintenance Agreements		1,683	
Office Supplies		54	
Workers' Compensation Insurance		1,650	
Total Other Charges			\$ 71,967

Contributions to Other Agencies

Contributions	\$	262,253	
Remittance of Revenue Collected		28,057	
Total Contributions to Other Agencies			290,310

Miscellaneous

Building and Contents Insurance	\$	61,903	
Liability Insurance		65,355	
Trustee's Commission		126,214	
Other Charges		3,420	
Total Miscellaneous			256,892

Principal on Debt

General Government

Principal on Capital Leases	\$	31,438	
Total General Government			31,438

Interest on Debt

General Government

Interest on Capital Leases	\$	3,885	
Total General Government			3,885

Total General Fund \$ 10,547,387

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Supervisor/Director	\$	20,469	
Equipment Operators		101,331	
Secretary(ies)		31,030	
Overtime Pay		3,670	
Life Insurance		858	
Unemployment Compensation		787	
Other Fringe Benefits		10,080	
Communication		2,002	

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Data Processing Services	\$	30,948	
Maintenance and Repair Services - Equipment		539	
Postal Charges		15,946	
Printing, Stationery, and Forms		547	
Diesel Fuel		49,887	
Electricity		5,434	
Equipment and Machinery Parts		47,544	
Gasoline		12,711	
Instructional Supplies and Materials		7,498	
Lubricants		2,466	
Office Supplies		1,061	
Tires and Tubes		11,836	
Other Supplies and Materials		2,249	
Other Charges		549	
Maintenance Equipment		8,296	
Total Waste Pickup			\$ 367,738

Other Operations

Other Charges

Trustee's Commission	\$	5,859	
Vehicle and Equipment Insurance		3,162	
Workers' Compensation Insurance		9,536	
Total Other Charges			18,557

Employee Benefits

Social Security	\$	12,189	
State Retirement		18,049	
Employee and Dependent Insurance		13,432	
Total Employee Benefits			43,670

Total Solid Waste/Sanitation Fund \$ 429,965

Drug Control Fund

Public Safety

Drug Enforcement

Maintenance and Repair Services - Vehicles	\$	7,043	
Law Enforcement Supplies		1,219	
Trustee's Commission		230	
Law Enforcement Equipment		4,541	
Motor Vehicles		44	
Total Drug Enforcement			\$ 13,077

Total Drug Control Fund 13,077

(Continued)

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

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 185,241	
Total County Trustee's Office		\$ 185,241

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$ 10,060	
Total Chancery Court		<u>10,060</u>

Total Constitutional Officers - Fees Fund		\$ 195,301
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 74,474	
Accountants/Bookkeepers	31,530	
Educational Incentive - Official/Admin Officer	2,520	
Longevity Pay	1,680	
Board and Committee Members Fees	13,200	
Communication	5,625	
Data Processing Services	6,702	
Dues and Memberships	3,338	
Legal Notices, Recording, and Court Costs	1,212	
Postal Charges	374	
Travel	1,497	
Drugs and Medical Supplies	608	
Electricity	10,812	
Office Supplies	893	
Other Charges	2,104	
Total Administration		\$ 156,569

Highway and Bridge Maintenance

Laborers	\$ 413,695	
Asphalt - Hot Mix	34,819	
Asphalt - Liquid	325,178	
Crushed Stone	195,307	
Fertilizer, Lime, and Seed	82,920	
Other Road Materials	59,587	
Pipe	49,627	
Road Signs	2,651	
Wood Products	3,795	
Total Highway and Bridge Maintenance		1,167,579

Operation and Maintenance of Equipment

Laborers	\$ 106,529	
Diesel Fuel	257,278	
Equipment and Machinery Parts	78,438	
Gasoline	180,944	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Lubricants	\$	3,131	
Tires and Tubes		<u>15,169</u>	
Total Operation and Maintenance of Equipment	\$		641,489

Other Charges

Liability Insurance	\$	3,802	
Premiums on Corporate Surety Bonds		700	
Trustee's Commission		28,590	
Vehicle and Equipment Insurance		44,105	
Workers' Compensation Insurance		<u>39,378</u>	
Total Other Charges			116,575

Employee Benefits

Social Security	\$	46,115	
State Retirement		74,584	
Employee and Dependent Insurance		91,050	
Unemployment Compensation		433	
Other Fringe Benefits		<u>2,217</u>	
Total Employee Benefits			214,399

Capital Outlay

Engineering Services	\$	33,217	
Bridge Construction		2,920	
Highway Equipment		91,452	
Other Capital Outlay		<u>12,334</u>	
Total Capital Outlay			<u>139,923</u>

Total Highway/Public Works Fund \$ 2,436,534

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	<u>742,575</u>	
Total General Government	\$		742,575

Education

Principal on Notes	\$	100,000	
Principal on Other Loans		<u>278,004</u>	
Total Education			378,004

Interest on Debt

General Government

Interest on Bonds	\$	<u>727,150</u>	
Total General Government			727,150

Education

Interest on Other Loans	\$	<u>9,327</u>	
Total Education			9,327

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Trustee's Commission	\$	24,868	
Other Debt Issuance Charges		<u>3,406</u>	
Total General Government	\$		28,274

Education

Other Debt Service	\$	<u>3,719</u>	
Total Education			<u>3,719</u>

Total General Debt Service Fund \$ 1,889,049

General Capital Projects Fund

Capital Projects

Social, Cultural, and Recreation Projects

Other Construction	\$	<u>84,950</u>	
Total Social, Cultural, and Recreation Projects	\$		84,950

Education Capital Projects

Contributions	\$	<u>113,787</u>	
Total Education Capital Projects			<u>113,787</u>

Total General Capital Projects Fund 198,737

Community Development/Industrial Park Fund

Capital Projects

Public Safety Projects

Consultants	\$	<u>3,000</u>	
Total Public Safety Projects	\$		3,000

Other General Government Projects

Engineering Services	\$	<u>61,366</u>	
Total Other General Government Projects			<u>61,366</u>

Total Community Development/Industrial Park Fund 64,366

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Contributions	\$	<u>100,000</u>	
Total Education Capital Projects	\$		<u>100,000</u>

Total Education Capital Projects Fund 100,000

Other Capital Projects Fund

Capital Projects

Social, Cultural, and Recreation Projects

Consultants	\$	<u>6,950</u>	
Total Social, Cultural, and Recreation Projects	\$		6,950

(Continued)

Exhibit K-7

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

Other Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Other General Government Projects

Engineering Services

\$ 7,059

Other Construction

67

Total Other General Government Projects

\$ 7,126

Total Other Capital Projects Fund

\$ 14,076

Total Governmental Funds - Primary Government

\$ 15,888,492

Haywood County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Haywood County School Department
For the Year Ended June 30, 2014

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 7,111,681	
Career Ladder Program	40,678	
Career Ladder Extended Contracts	29,500	
Educational Assistants	660,581	
Other Salaries and Wages	21,748	
Certified Substitute Teachers	31,622	
Non-certified Substitute Teachers	67,846	
Social Security	463,136	
State Retirement	718,732	
Medical Insurance	946,434	
Dental Insurance	43,060	
Unemployment Compensation	14,471	
Employer Medicare	108,883	
Other Contracted Services	21,990	
Instructional Supplies and Materials	154,714	
Textbooks	260,176	
Other Supplies and Materials	3,718	
Other Charges	4,567	
Regular Instruction Equipment	106,792	
Total Regular Instruction Program		\$ 10,810,329

Alternative Instruction Program

Teachers	\$ 394,085	
Career Ladder Program	1,000	
Other Salaries and Wages	29,378	
Non-certified Substitute Teachers	3,604	
Social Security	23,284	
State Retirement	36,234	
Medical Insurance	68,268	
Dental Insurance	1,921	
Unemployment Compensation	540	
Employer Medicare	5,838	
Instructional Supplies and Materials	1,869	
Other Equipment	12,574	
Total Alternative Instruction Program		578,595

Special Education Program

Teachers	\$ 1,045,704	
Career Ladder Program	1,000	
Homebound Teachers	31,806	
Educational Assistants	72,646	
Other Salaries and Wages	14,352	
Certified Substitute Teachers	3,008	
Non-certified Substitute Teachers	6,558	
Social Security	68,720	
State Retirement	104,017	

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Medical Insurance	\$	132,690	
Dental Insurance		6,056	
Unemployment Compensation		2,064	
Employer Medicare		16,129	
Other Contracted Services		923	
Instructional Supplies and Materials		2,778	
Textbooks		14,951	
Other Supplies and Materials		2,821	
Special Education Equipment		10,751	
Total Special Education Program			\$ 1,536,974

Vocational Education Program

Teachers	\$	467,388	
Certified Substitute Teachers		2,502	
Non-certified Substitute Teachers		7,857	
Social Security		27,852	
State Retirement		41,576	
Medical Insurance		46,965	
Dental Insurance		1,671	
Unemployment Compensation		811	
Employer Medicare		6,550	
Maintenance and Repair Services - Equipment		731	
Other Contracted Services		2,470	
Instructional Supplies and Materials		8,915	
T&I Construction Materials		6,067	
Textbooks		2,525	
Vocational Instruction Equipment		8,091	
Total Vocational Education Program			631,971

Support Services

Attendance

Supervisor/Director	\$	68,435	
Career Ladder Program		1,000	
Other Salaries and Wages		13,733	
Social Security		4,044	
State Retirement		6,166	
Medical Insurance		12,851	
Dental Insurance		607	
Unemployment Compensation		37	
Employer Medicare		1,145	
Travel		106	
Other Contracted Services		21,951	
Other Supplies and Materials		1,005	
In Service/Staff Development		1,661	
Other Charges		1,511	
Attendance Equipment		999	
Total Attendance			135,251

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

Career Ladder Program	\$	2,000	
Medical Personnel		122,631	
Social Security		7,101	
State Retirement		11,791	
Medical Insurance		16,370	
Dental Insurance		612	
Unemployment Compensation		191	
Employer Medicare		1,661	
Travel		3,501	
Other Contracted Services		7,545	
Drugs and Medical Supplies		1,744	
Other Supplies and Materials		8,575	
In Service/Staff Development		2,371	
Other Charges		3,663	
Total Health Services			\$ 189,756

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		331,566	
Career Ladder Extended Contracts		200	
Attendants		142,971	
Other Salaries and Wages		49,224	
Social Security		30,844	
State Retirement		50,913	
Medical Insurance		58,289	
Dental Insurance		2,109	
Unemployment Compensation		916	
Employer Medicare		7,214	
Contracts with Government Agencies		86,075	
Contracts with Other School Systems		7,511	
Evaluation and Testing		69,985	
Travel		2,651	
Other Contracted Services		27,180	
Other Supplies and Materials		3,280	
In Service/Staff Development		8,741	
Other Charges		15,556	
Other Equipment		8,527	
Total Other Student Support			906,752

Regular Instruction Program

Supervisor/Director	\$	354,180	
Career Ladder Program		8,001	
Librarians		274,990	
Instructional Computer Personnel		105,312	
Social Security		40,353	
State Retirement		61,301	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Medical Insurance	\$	81,938	
Dental Insurance		3,707	
Unemployment Compensation		1,215	
Employer Medicare		10,150	
Travel		3,459	
Other Contracted Services		5,395	
Library Books/Media		31,694	
Periodicals		2,407	
Other Supplies and Materials		1,934	
In Service/Staff Development		28,082	
Other Charges		3,230	
Other Equipment		3,145	
Total Regular Instruction Program			\$ 1,020,493

Alternative Instruction Program

Unemployment Compensation	\$	5	
Travel		66	
Other Contracted Services		31,812	
Total Alternative Instruction Program			31,883

Special Education Program

Supervisor/Director	\$	133,355	
Career Ladder Program		3,000	
Psychological Personnel		115,263	
In-service Training		2,376	
Social Security		15,234	
State Retirement		22,554	
Medical Insurance		18,733	
Dental Insurance		905	
Unemployment Compensation		297	
Employer Medicare		3,563	
Travel		8,348	
Other Contracted Services		6,540	
Other Supplies and Materials		1,743	
In Service/Staff Development		2,174	
Other Charges		142	
Other Equipment		2,808	
Total Special Education Program			337,035

Vocational Education Program

Supervisor/Director	\$	60,844	
Secretary(ies)		42,490	
Social Security		6,299	
State Retirement		10,497	
Medical Insurance		176	
Dental Insurance		306	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program (Cont.)

Unemployment Compensation	\$	171	
Employer Medicare		1,473	
Travel		6,360	
Other Contracted Services		1,959	
Other Supplies and Materials		4,067	
In Service/Staff Development		3,249	
Total Vocational Education Program			\$ 137,891

Other Programs

On-behalf Payments to OPEB	\$	125,979	
Total Other Programs			125,979

Board of Education

Secretary to Board	\$	3,019	
Board and Committee Members Fees		5,485	
Social Security		517	
State Retirement		362	
Medical Insurance		399	
Unemployment Compensation		13	
Employer Medicare		121	
Audit Services		6,750	
Dues and Memberships		9,185	
Legal Services		1,124	
Postal Charges		1,491	
Travel		12,923	
Other Contracted Services		35,996	
Office Supplies		559	
Other Supplies and Materials		1,357	
Liability Insurance		34,204	
Trustee's Commission		143,465	
Workers' Compensation Insurance		194,132	
In Service/Staff Development		2,912	
Refund to Applicant for Criminal Investigation		3,066	
Other Charges		4,723	
Total Board of Education			461,803

Director of Schools

County Official/Administrative Officer	\$	93,390	
Career Ladder Program		1,000	
Clerical Personnel		114,503	
Social Security		12,190	
State Retirement		22,098	
Medical Insurance		25,706	
Dental Insurance		306	
Unemployment Compensation		340	
Employer Medicare		2,851	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Communication	\$	12,449	
Dues and Memberships		2,477	
Postal Charges		2,467	
Travel		4,573	
Other Contracted Services		5,842	
Office Supplies		9,611	
Other Supplies and Materials		255	
In Service/Staff Development		2,505	
Other Charges		1,172	
Administration Equipment		4,778	
Total Director of Schools	\$		318,513

Office of the Principal

Principals	\$	343,979	
Career Ladder Program		4,917	
Accountants/Bookkeepers		68,485	
Assistant Principals		406,470	
Secretary(ies)		193,937	
Social Security		59,116	
State Retirement		98,541	
Medical Insurance		120,271	
Dental Insurance		3,529	
Unemployment Compensation		2,019	
Employer Medicare		13,826	
Communication		53,000	
Dues and Memberships		3,250	
Travel		1,994	
Other Contracted Services		34,000	
Other Supplies and Materials		164	
In Service/Staff Development		906	
Other Charges		2,494	
Total Office of the Principal			1,410,898

Fiscal Services

Supervisor/Director	\$	87,068	
Accountants/Bookkeepers		82,925	
Clerical Personnel		67,407	
Social Security		13,657	
State Retirement		28,568	
Medical Insurance		18,651	
Dental Insurance		306	
Unemployment Compensation		406	
Employer Medicare		3,194	
Data Processing Services		787	
Dues and Memberships		752	
Travel		1,894	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services (Cont.)

Other Contracted Services	\$	7,464	
Data Processing Supplies		4,661	
Office Supplies		43	
Other Supplies and Materials		210	
In Service/Staff Development		3,602	
Other Charges		50	
Administration Equipment		368	
Total Fiscal Services			\$ 322,013

Operation of Plant

Other Salaries and Wages	\$	1,200	
Social Security		74	
Unemployment Compensation		2	
Employer Medicare		17	
Other Contracted Services		597,254	
Electricity		542,798	
Natural Gas		123,391	
Water and Sewer		62,352	
Other Supplies and Materials		1,045	
Boiler Insurance		7,609	
Building and Contents Insurance		138,627	
Other Charges		2,246	
Total Operation of Plant			1,476,615

Maintenance of Plant

Supervisor/Director	\$	41,727	
Maintenance Personnel		156,960	
Social Security		11,603	
State Retirement		22,593	
Medical Insurance		24,130	
Unemployment Compensation		306	
Employer Medicare		2,714	
Laundry Service		2,446	
Maintenance and Repair Services - Buildings		236,379	
Maintenance and Repair Services - Equipment		3,383	
Other Contracted Services		105,644	
Other Supplies and Materials		117,687	
Other Charges		831	
Administration Equipment		16,540	
Maintenance Equipment		7,468	
Total Maintenance of Plant			750,411

Transportation

Supervisor/Director	\$	43,434
Mechanic(s)		153,594
Bus Drivers		601,405

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Other Salaries and Wages	\$	1,260	
Social Security		48,759	
State Retirement		90,591	
Medical Insurance		16,390	
Dental Insurance		199	
Unemployment Compensation		1,450	
Employer Medicare		11,403	
Communication		6,913	
Laundry Service		2,322	
Maintenance and Repair Services - Vehicles		57,701	
Medical and Dental Services		9,401	
Other Contracted Services		19,651	
Diesel Fuel		263,151	
Gasoline		66,011	
Lubricants		9,441	
Tires and Tubes		34,354	
Vehicle Parts		102,319	
Other Supplies and Materials		30,028	
Vehicle and Equipment Insurance		42,801	
In Service/Staff Development		6,498	
Other Charges		1,950	
Administration Equipment		7,172	
Transportation Equipment		247,824	
Total Transportation			\$ 1,876,022

Central and Other

Data Processing Personnel	\$	68,999	
Other Salaries and Wages		61,682	
Social Security		7,753	
State Retirement		13,734	
Medical Insurance		8,537	
Dental Insurance		306	
Unemployment Compensation		116	
Employer Medicare		1,813	
Data Processing Services		25,488	
Travel		2,101	
Other Contracted Services		55,169	
Data Processing Supplies		9,230	
Office Supplies		142	
Other Supplies and Materials		3,763	
Data Processing Equipment		215,999	
Other Equipment		2,270	
Total Central and Other			477,102

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services

Food Service

Food Supplies	\$ 813	
Food Service Equipment	21,421	
Total Food Service		\$ 22,234

Early Childhood Education

Teachers	\$ 280,519	
Educational Assistants	113,468	
Other Salaries and Wages	991	
Certified Substitute Teachers	1,852	
Non-certified Substitute Teachers	2,217	
Social Security	23,014	
State Retirement	38,641	
Medical Insurance	46,187	
Dental Insurance	1,810	
Unemployment Compensation	776	
Employer Medicare	5,409	
Other Contracted Services	4,000	
Instructional Supplies and Materials	49,851	
Textbooks	1,160	
Other Supplies and Materials	16,903	
In Service/Staff Development	513	
Other Charges	6,231	
Other Equipment	5,451	
Total Early Childhood Education		598,993

Capital Outlay

Regular Capital Outlay

Foremen	\$ 107,166	
Social Security	7,383	
Unemployment Compensation	542	
Architects	124,016	
Consultants	68,835	
Liability Insurance	1,761	
Building Construction	1,382,196	
Building Improvements	170,860	
Site Development	13,364	
Total Regular Capital Outlay		1,876,123

Total General Purpose School Fund \$ 26,033,636

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 501,488
Educational Assistants	176,448
Other Salaries and Wages	7,226

(Continued)

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Certified Substitute Teachers	\$	1,495	
Non-certified Substitute Teachers		1,853	
Social Security		37,905	
State Retirement		63,774	
Medical Insurance		106,948	
Dental Insurance		3,668	
Unemployment Compensation		1,532	
Employer Medicare		9,159	
Other Contracted Services		47,068	
Instructional Supplies and Materials		7,310	
Regular Instruction Equipment		65,242	
Total Regular Instruction Program			\$ 1,031,116

Special Education Program

Teachers	\$	45,425	
Educational Assistants		450,213	
Social Security		29,823	
State Retirement		55,738	
Medical Insurance		16,189	
Dental Insurance		305	
Unemployment Compensation		980	
Employer Medicare		6,975	
Maintenance and Repair Services - Equipment		443	
Instructional Supplies and Materials		7,019	
Other Supplies and Materials		522	
Special Education Equipment		8,708	
Total Special Education Program			622,340

Vocational Education Program

Maintenance and Repair Services - Equipment	\$	103	
Other Contracted Services		10,640	
Vocational Instruction Equipment		24,611	
Total Vocational Education Program			35,354

Support Services

Other Student Support

Supervisor/Director	\$	50,642	
Other Salaries and Wages		27,443	
Social Security		4,768	
State Retirement		6,916	
Medical Insurance		369	
Dental Insurance		306	
Unemployment Compensation		46	
Employer Medicare		1,116	
Postal Charges		64	
Travel		18,221	

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Other Contracted Services	\$	791	
Instructional Supplies and Materials		1,887	
Other Supplies and Materials		10,430	
In Service/Staff Development		11,377	
Other Charges		4,239	
Other Equipment		1,915	
Total Other Student Support			\$ 140,530

Regular Instruction Program

Supervisor/Director	\$	48,726	
Other Salaries and Wages		82,723	
In-service Training		15,764	
Social Security		8,772	
State Retirement		13,141	
Medical Insurance		8,076	
Dental Insurance		484	
Unemployment Compensation		65	
Employer Medicare		2,083	
Travel		1,017	
Other Contracted Services		100,470	
In Service/Staff Development		33,903	
Total Regular Instruction Program			315,224

Special Education Program

Assessment Personnel	\$	53,866	
In-service Training		756	
Social Security		3,322	
State Retirement		4,850	
Medical Insurance		660	
Dental Insurance		306	
Employer Medicare		777	
Other Contracted Services		39,120	
Other Supplies and Materials		3,879	
In Service/Staff Development		223	
Total Special Education Program			107,759

Transportation

Bus Drivers	\$	23,668	
Social Security		1,467	
State Retirement		2,553	
Unemployment Compensation		5	
Employer Medicare		343	
Contracts with Parents		3,573	
Other Charges		12,000	
Total Transportation			43,609

(Continued)

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

School Federal Projects Fund (Cont.)

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$	52,015	
Other Salaries and Wages		200,335	
Social Security		15,402	
State Retirement		22,409	
Medical Insurance		8,561	
Employer Medicare		3,602	
Travel		851	
Instructional Supplies and Materials		3,604	
In Service/Staff Development		2,200	
Other Charges		3,439	
Total Community Services			\$ 312,418

Total School Federal Projects Fund \$ 2,608,350

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	61,401	
Accountants/Bookkeepers		39,571	
Clerical Personnel		28,777	
Cafeteria Personnel		608,782	
Other Salaries and Wages		17,641	
Social Security		44,497	
State Retirement		85,301	
Medical Insurance		49,785	
Unemployment Compensation		1,492	
Employer Medicare		10,407	
Other Fringe Benefits		21,027	
Communication		283	
Maintenance and Repair Services - Equipment		22,021	
Transportation - Other than Students		8,336	
Travel		4,409	
Other Contracted Services		14,193	
Food Preparation Supplies		63,917	
Food Supplies		821,064	
Office Supplies		5,423	
Uniforms		4,293	
USDA - Commodities		104,133	
Other Supplies and Materials		28,207	
In Service/Staff Development		1,944	
Other Charges		1,750	
Food Service Equipment		42,796	
Total Food Service			\$ 2,091,450

Total Central Cafeteria Fund 2,091,450

(Continued)

Exhibit K-8

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

<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Building Improvements	\$ 144,029	
Total Education Capital Projects		\$ 144,029
Total Education Capital Projects Fund		\$ 144,029
Total Governmental Funds - Haywood County School Department		\$ 30,877,465

Exhibit K-9

Haywood County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2014

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 1,460,737
Total Cash Receipts	<u>\$ 1,460,737</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,446,130
Trustee's Commission	14,607
Total Cash Disbursements	<u>\$ 1,460,737</u>
 Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2013	<u>0</u>
 Cash Balance, June 30, 2014	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Haywood County's basic financial statements, and have issued our report thereon dated March 9, 2015. Our report includes a reference to other auditors who audited the financial statements of the Haywood County Utility District and the Haywood County Emergency Communications District, as described in our report on Haywood County's financial statements. This report does not include the results of the other auditors testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2014-001, 2014-005, 2014-006, 2014-007, 2014-008, 2014-009, 2014-010, 2014-011, and 2014-012.

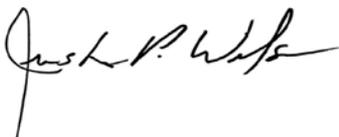
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Haywood County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2014-002, 2014-003, and 2014-004.

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

March 9, 2015

JPW/yu



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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Haywood County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Haywood County's major federal programs for the year ended June 30, 2014. Haywood County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

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

Opinion on Each Major Federal Program

In our opinion, Haywood County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

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

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

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

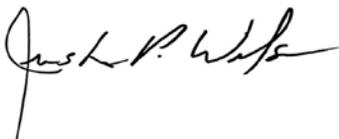
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Haywood County's basic financial statements. We issued our report thereon dated March 9, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

March 9, 2015

JPW/yu

Haywood County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2014

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 514,948
National School Lunch Program	10.555	N/A	1,112,041 (3)
Summer Food Service Program for Children	10.559	N/A	17,336
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	104,133 (3)
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	(2)	184,638
Passed-through Natural Resources Conservation Service:			
ARRA - Emergency Watershed Protection Program	10.923	68-4741-3-051	85,802
Total U.S. Department of Agriculture			<u>\$ 2,018,898</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants - State's Program	14.228	34817	\$ 64,366
Total U.S. Department of Housing and Urban Development			<u>\$ 64,366</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	\$ 4,635
Total U.S. Department of Justice			<u>\$ 4,635</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 890,523
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	686,451
Special Education - Preschool Grants	84.173	N/A	47,878
Career and Technical Education - Basic Grants to States	84.048	N/A	52,643
Twenty-first Century Community Learning Centers	84.287	N/A	354,460
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	99,750
Rural Education	84.358	N/A	76,610
English Language Acquisition State Grants	84.365	N/A	7,269
Improving Teacher Quality State Grants	84.367	N/A	196,140
Teacher Incentive Fund	84.374	N/A	118,326
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	80,964
Total U.S. Department of Education			<u>\$ 2,611,014</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	30510-00213-47	\$ 3,244
Total U.S. Election Assistance Commission			<u>\$ 3,244</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Hazard Mitigation Grant	97.039	34101-12273	\$ 1,462,606
Total U.S. Department of Homeland Security			<u>\$ 1,462,606</u>
Total Expenditures of Federal Awards			<u>\$ 6,164,763</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Help America Vote Act Requirement Payments - Tennessee Secretary of State	N/A	30510-00213-47	\$ 171
Recreational Trails Program - State Department of Environment and Conservation	N/A	RES-RTP 34645	55,930
Litter Grant - State Department of Transportation	N/A	(2)	33,951
Optional Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	13,048
Early Childhood Education - State Department of Education	N/A	(2)	610,008
Energy Efficient School Initiative - State Department of Education	N/A	(2)	17,594
ACT/Explore/Plan - State Department of Education	N/A	(2)	3,384
Statewide Student Management System - State Department of Education	N/A	(2)	8,608
ConnecTenn - State Department of Education	N/A	(2)	9,236
Family Resource Center - State Department of Education	N/A	(2)	29,612
School Climate - State Department of Education	N/A	(2)	37,697
Coordinated School Health - State Department of Education	N/A	(2)	90,000
Art Student Subsidy - State Department of Education	N/A	(2)	3,660
Total State Grants			<u>\$ 912,899</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$1,216,174.

Haywood County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2014

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Haywood County, Tennessee, for the year ended June 30, 2013, which have not been corrected.

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-001	162	The Solid Waste Disposal Fund had a deficit in unrestricted net position
2013-003	163	A lease-purchase agreement was not in compliance with state statutes
2013-005	164	Some Ambulance Service funds were not deposited within three days of collection
2013-007	165	Usernames and passwords were shared by employees using the landfill software
2013-008	165	The billing/accounts receivable software used by the Solid Waste Office did not identify the user that processed transactions
2013-009	166	The billing/accounts receivable software used by the Solid Waste Office did not have adequate application controls

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-010	167	The Highway Department did not maintain a system to account for materials used on some types of road projects

OFFICE OF REGISTER OF DEEDS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-013	169	The register of deeds allowed individuals unsupervised access to the office after business hours
2013-014	169	Multiple employees operated from the same cash drawer
2013-015	170	Usernames and passwords were shared by employees

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

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-016	170	Duties were not segregated adequately

HAYWOOD COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Haywood County is unmodified.
2. The audit of the financial statements of Haywood County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Haywood County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); Title I Grants to Local Educational Agencies (CFDA No. 84.010); Twenty-first Century Community Learning Centers (CFDA No. 84.287); and Hazard Mitigation Grant (CFDA No. 97.039) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Haywood County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, 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 2014-001

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

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

The Solid Waste Disposal Fund had a deficit in unrestricted net position of \$1,482,532 at June 30, 2014. This deficit resulted from the recognition of a liability totaling \$1,781,542 in the financial statements for costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency exists because management failed to correct the finding noted in prior-year audit reports and failed to provide adequate financing to fund the liability.

RECOMMENDATION

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

FINDING 2014-002

A LEASE-PURCHASE AGREEMENT AND A CAPITAL OUTLAY NOTE WERE NOT ISSUED IN COMPLIANCE WITH STATE STATUTES

(Noncompliance Under *Government Auditing Standards*)

On September 6, 2013, the county entered into a \$57,344 lease-purchase agreement for a tractor and dirt pan. The office did not file a Report on Debt Obligation with the state Comptroller's Office for this lease-purchase agreement. On January 2, 2014, the county mayor signed a \$100,000 capital outlay note for School Department heating and cooling equipment without the approval of the state Comptroller's Office. Also, the office did not file a Report on Debt Obligation with the state Comptroller's Office for the capital outlay note. Section 9-21-601, *Tennessee Code Annotated (TCA)*, requires the approval of the state Comptroller's Office prior to the issuance of capital outlay notes. Section 9-21-151, *TCA*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt was issued, a description of the debt obligation, and an itemized description of the costs of issuance. These deficiencies were the result of management's failure to correct the finding noted in the prior-year audit report. When this was brought to management's attention during the audit, the Reports on Debt Obligation were filed with

the state Comptroller's Office in February 2015 for the lease-purchase agreement and the capital outlay note.

RECOMMENDATION

All debt should be issued in compliance with state statutes. The office should file a Report on Debt Obligation with the state Comptroller's Office for each debt issuance within the required time period.

FINDING 2014-003

EXPENDITURES EXCEEDED APPROPRIATIONS
(Noncompliance Under *Government Auditing Standards*)

We noted the following deficiencies in budget operations:

- A. Expenditures exceeded appropriations approved by the County Commission in two of 45 major appropriation categories (the legal level of control) of the General Fund: Beer Board by \$13 and Other Public Health and Welfare by \$734.
- B. Two of 105 salary line-items exceeded appropriations in the General Fund by \$1,550 and \$8,207. The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county shall not exceed expenditures that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies." These deficiencies exist because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

FINDING 2014-004

SOME AMBULANCE SERVICE FUNDS WERE NOT DEPOSITED WITHIN THREE DAYS OF COLLECTION
(Noncompliance Under *Government Auditing Standards*)

The Ambulance Service did not deposit some collections to the office bank account within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*. Throughout the year, deposits were usually made one day per week resulting in collections

that were consistently held over three days before depositing. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

FINDING 2014-005

EMPLOYEES USING THE LANDFILL SOFTWARE SHARED USERNAMES AND PASSWORDS

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

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

RECOMMENDATION

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

FINDING 2014-006

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

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

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

changed to a new software package in February 2015. Controls over the new application will be evaluated in the 2014-15 audit cycle.

RECOMMENDATION

Management should ensure the new software has adequate controls that would properly identify the user who processed each transaction.

FINDING 2014-007

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

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

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

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

Sound business practices dictate that proper application controls be implemented. Because the vendor did not design the system with proper controls, inappropriate system activity could occur. This deficiency is also a result of management’s failure to correct the finding noted in the prior-year audit report. The office changed to a new software package in February 2015. Controls over the new application will be evaluated in the 2014-15 audit cycle.

RECOMMENDATION

Management should ensure the new software has adequate applications controls that would correct the above-noted deficiencies.

OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

FINDING 2014-008

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

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

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

RECOMMENDATION

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

OFFICES OF CLERK AND MASTER AND REGISTER OF DEEDS

FINDING 2014-009

MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER

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

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

RECOMMENDATION

Officials should assign each employee their own cash drawer.

OFFICE OF REGISTER OF DEEDS

FINDING 2014-010

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

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

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

RECOMMENDATION

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

FINDING 2014-011

EMPLOYEES SHARED USERNAMES AND PASSWORDS

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

Although each individual had been assigned a unique username for accessing the office's accounting software, the official knew the employee's password and processed transactions using the employee's username. If inappropriate activity were to occur, the individual responsible for this activity would not be easily identified. This deficiency was the result of management's decision to utilize the employee's user account to process transactions. This deficiency was also the result of management's failure to correct the finding noted in the prior-year audit report. This deficiency was corrected after it was again brought to the official's attention in January 2014.

RECOMMENDATION

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

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

FINDING 2014-012

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

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

RECOMMENDATION

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

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

There were no findings and questioned costs for federal awards.

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below 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 Haywood County.

HAYWOOD COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

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

HAYWOOD COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2014

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