

ANNUAL FINANCIAL REPORT
COFFEE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015



DIVISION OF LOCAL GOVERNMENT AUDIT



**ANNUAL FINANCIAL REPORT
COFFEE COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2015**

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

***DIVISION OF LOCAL GOVERNMENT AUDIT
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This financial report is available at www.comptroller.tn.gov

COFFEE COUNTY, TENNESSEE
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Summary of Audit Findings

Annual Financial Report
Coffee County, Tennessee
For the Year Ended June 30, 2015

Scope

We have audited the basic financial statements of Coffee County as of and for the year ended June 30, 2015.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The General Purpose School Fund required material audit adjustments for proper financial statement presentation.
- ◆ General ledger payroll liability accounts were not reconciled monthly.
- ◆ Duties were not segregated adequately.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ Execution docket trial balances were not prepared for Circuit, General Sessions, and Juvenile Courts.
- ◆ The office software did not have adequate application controls.

OFFICE OF REGISTER OF DEEDS

- ◆ The office did not review all software audit logs.

INTRODUCTORY SECTION

Coffee County Officials
June 30, 2015

Officials

Gary Cordell, County Mayor
Benton Bartlett, Road Superintendent
Dr. LaDonna McFall, Director of Schools
John Marchesoni, Trustee
Jimmy White, Assessor of Property
Teresa McFadden, County Clerk
Heather Hinds Duncan, Circuit, General Sessions, and Juvenile Courts Clerk
Charlotte Broyles, Clerk and Master
Donna Toney, Register of Deeds
Steve Graves, Sheriff
Marianna Edinger, Director of Accounts and Budgets

Board of County Commissioners

Gary Cordell, County Mayor, Chairman
Diane Argraves
B. Rush Bricken
Barbara Buckner
Bobby Bryan
Rosemary Crabtree
Michael Crockett
Margaret Cunningham
Missy Deford
Jackie Duncan
Kerry Farrar

Dennis Hunt
Steven Jones
Mark Kelly
Sam Mai
Kimberly Martin
Tim Morris
David Orrick
Major Shelton
Harold Speer
Timothy Stubblefield
Warren Walker

Road Commission

James Weaver, Chairman
Jeff Bush
Raymond Duke
Richard Harris
Marshall Qualls

Board of Education

Brett Henley, Chairman
Pat Barton
Shannon Duncan
Freda Jones
Sandra Klonaris
Gary Nester
Esther Sims

(Continued)

Coffee County Officials (Cont.)

Budget and Finance Committee

B. Rush Bricken, Chairman
Bobby Bryan
Steven Jones
Mark Kelly
Tim Morris

Audit Committee

Gary Hunt, Chairman
Margaret Cunningham
Stan Teal

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

Coffee County Mayor and
Board of County Commissioners
Coffee 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 Coffee County, Tennessee, as of and for the year ended June 30, 2015, 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 Coffee County Emergency Communications District, which represent 3.33 percent, 4.96 percent, and 1.84 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units; the Public Building Authority of Coffee County, which represent 6.94 percent, 3.24 percent, and 1.75 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units; and the Industrial Board of Coffee County, which represent 4.65 percent, 6.84 percent, and 3.68 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 Coffee County Emergency Communications District, the Public Building Authority of Coffee County, and the Industrial Board of Coffee County 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 report 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 Coffee County, Tennessee, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Coffee County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to these matters.

Emphasis of Matter

We draw attention to Note I.D.10. to the financial statements, which describes a prior-period adjustment decreasing the beginning Governmental Activities net position by \$108,725 on the Government-wide Statement of Activities. This adjustment was necessary due to an overstatement of revenue in the prior year caused by an error in posting. We also draw attention to Notes I.D.11. and VIII.J. to the financial statements, which describe restatements decreasing the beginning Governmental Activities net position by \$230,061, the discretely presented Coffee County School Department's net position by \$6,216,013, and the discretely presented Industrial

Board of Coffee County's net position by \$4,381 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedule of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress – other postemployment benefits plan on pages 113-119 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 Coffee 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 and Rural Debt Service funds, combining and individual fund financial statements of the Coffee 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 and Rural Debt Service funds, combining and individual fund financial statements of the Coffee County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

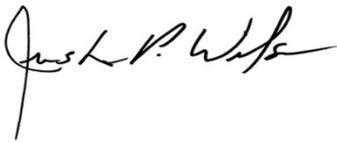
information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion,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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 11, 2016, on our consideration of Coffee 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 Coffee County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 11, 2016

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Coffee County, Tennessee
 Statement of Net Position
 June 30, 2015

| | Primary Government | | | Component Units | | | |
|--|--------------------|---------------|---------------|---------------------------------|---|--|-----------------------------------|
| | Governmental | Business-type | Total | Coffee County School Department | Coffee County Emergency Communications District | Public Building Authority of Coffee County | Industrial Board of Coffee County |
| | Activities | Activities | Total | Department | District | County | County |
| ASSETS | | | | | | | |
| Cash | \$ 715,445 | \$ 0 | \$ 715,445 | \$ 6,095 | \$ 2,292,500 | \$ 108,924 | \$ 905,306 |
| Equity in Pooled Cash and Investments | 14,018,882 | 18,291 | 14,037,173 | 6,677,318 | 0 | 0 | 0 |
| Inventories | 2,789 | 0 | 2,789 | 0 | 0 | 10,972 | 0 |
| Accounts Receivable | 1,441,546 | 2,926 | 1,444,472 | 199,466 | 0 | 3,965,584 | 0 |
| Allowance for Uncollectibles | (733,597) | 0 | (733,597) | 0 | 0 | 0 | 0 |
| Due from Other Governments | 1,601,380 | 0 | 1,601,380 | 1,424,843 | 0 | 0 | 0 |
| Due from Other Funds | 0 | 14,883 | 14,883 | 0 | 0 | 0 | 0 |
| Due from Component Units | 71,426 | 0 | 71,426 | 0 | 0 | 0 | 0 |
| Property Taxes Receivable | 15,410,851 | 0 | 15,410,851 | 9,293,767 | 0 | 0 | 0 |
| Allowance for Uncollectible Property Taxes | (512,000) | 0 | (512,000) | (278,438) | 0 | 0 | 0 |
| Prepaid Items | 0 | 0 | 0 | 0 | 7,414 | 5,700 | 0 |
| Accrued Interest Receivable | 0 | 0 | 0 | 0 | 2,845 | 56,179 | 1,257 |
| Note Receivable | 0 | 0 | 0 | 0 | 0 | 0 | 79,129 |
| Net Pension Asset - Agent Plan | 1,681,172 | 0 | 1,681,172 | 1,651,534 | 0 | 0 | 32,019 |
| Net Pension Asset - Cost-sharing Plan | 0 | 0 | 0 | 74,043 | 0 | 0 | 0 |
| Other Restricted Assets | 0 | 0 | 0 | 0 | 0 | 5,756 | 0 |
| Capital Assets: | | | | | | | |
| Assets Not Depreciated: | | | | | | | |
| Land | 4,081,549 | 30,120 | 4,111,669 | 1,438,853 | 0 | 25,000 | 0 |
| Construction in Progress | 22,052,296 | 0 | 22,052,296 | 13,053 | 25,765 | 0 | 0 |
| Assets Net of Accumulated Depreciation: | | | | | | | |
| Buildings and Improvements | 9,325,918 | 476,275 | 9,802,193 | 49,105,222 | 72,066 | 1,692,913 | 0 |
| Infrastructure | 7,357,072 | 0 | 7,357,072 | 0 | 0 | 0 | 0 |
| Other Capital Assets | 3,078,631 | 0 | 3,078,631 | 2,815,296 | 436,032 | 40,424 | 2,939,218 |
| Total Assets | \$ 79,593,360 | \$ 542,495 | \$ 80,135,855 | \$ 72,421,052 | \$ 2,836,622 | \$ 5,911,452 | \$ 3,956,929 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | |
| Deferred Charge on Refunding | \$ 49,925 | \$ 0 | \$ 49,925 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Pension Changes in Experience | 0 | 0 | 0 | 179,758 | 0 | 0 | 0 |
| Pension Contributions After Measurement Date | 750,859 | 0 | 750,859 | 1,890,010 | 0 | 0 | 10,309 |
| Total Deferred Outflows of Resources | \$ 800,784 | \$ 0 | \$ 800,784 | \$ 2,069,768 | \$ 0 | \$ 0 | \$ 10,309 |

(Continued)

Exhibit A

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

| | Primary Government | | | Component Units | | | | |
|--|--------------------|---------------|-----------------|-----------------|---------------|-----------------|--------------|--|
| | Governmental | Business-type | Total | Coffee | Coffee County | Public Building | Industrial | |
| | Activities | Activities | | School | Emergency | Authority | Board of | |
| | | | Department | District | County | Coffee | County | |
| LIABILITIES | | | | | | | | |
| Accounts Payable | \$ 136,767 | \$ 0 | \$ 136,767 | \$ 9,516 | \$ 7,683 | \$ 40,613 | \$ 21,247 | |
| Accrued Interest Payable | 317,877 | 0 | 317,877 | 0 | 0 | 56,179 | 0 | |
| Accrued Payroll | 0 | 0 | 0 | 2,419,519 | 0 | 0 | 0 | |
| Payroll Deductions Payable | 126,160 | 0 | 126,160 | 1,019,940 | 39 | 0 | 0 | |
| Contracts Payable | 0 | 0 | 0 | 116,267 | 0 | 0 | 0 | |
| Retainage Payable | 0 | 0 | 0 | 6,119 | 0 | 0 | 0 | |
| Claims and Judgments Payable | 0 | 0 | 0 | 237,278 | 0 | 0 | 0 | |
| Due to Other Funds | 14,883 | 0 | 14,883 | 0 | 0 | 0 | 0 | |
| Due to Primary Government | 0 | 0 | 0 | 71,426 | 0 | 0 | 0 | |
| Due to State of Tennessee | 3,898 | 0 | 3,898 | 14,952 | 0 | 0 | 0 | |
| Other Accrued Liabilities | 0 | 0 | 0 | 0 | 0 | 43,842 | 0 | |
| Noncurrent Liabilities: | | | | | | | | |
| Due Within One Year | 2,682,108 | 5,089 | 2,687,197 | 77,900 | 0 | 520,000 | 14,746 | |
| Due in More Than One Year (net of unamortized premium on debt) | 73,768,620 | 283,273 | 74,051,893 | 5,416,679 | 0 | 3,405,000 | 0 | |
| Total Liabilities | \$ 77,050,313 | \$ 288,362 | \$ 77,338,675 | \$ 9,389,596 | \$ 7,722 | \$ 4,065,634 | \$ 35,993 | |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | |
| Deferred Current Property Taxes | \$ 14,451,592 | \$ 0 | \$ 14,451,592 | \$ 8,729,699 | \$ 0 | \$ 0 | \$ 0 | |
| Pension Changes in Experience | 605,387 | 0 | 605,387 | 594,714 | 0 | 0 | 0 | |
| Pension Changes in Investment Earnings | 1,198,401 | 0 | 1,198,401 | 7,277,947 | 0 | 0 | 34,358 | |
| Pension Other Deferrals | 0 | 0 | 0 | 68,259 | 0 | 0 | 0 | |
| Total Deferred Inflow of Resources | \$ 16,255,380 | \$ 0 | \$ 16,255,380 | \$ 16,670,619 | \$ 0 | \$ 0 | \$ 34,358 | |
| NET POSITION | | | | | | | | |
| Net Investment in Capital Assets | \$ 19,733,995 | \$ 218,033 | \$ 19,952,028 | \$ 53,372,424 | \$ 533,863 | \$ 1,758,337 | \$ 2,939,218 | |
| Restricted for: | | | | | | | | |
| General Government | 443,203 | 0 | 443,203 | 0 | 0 | 0 | 0 | |
| Finance | 14,953 | 0 | 14,953 | 0 | 0 | 0 | 0 | |
| Administration of Justice | 54,027 | 0 | 54,027 | 0 | 0 | 0 | 0 | |
| Public Safety | 203,037 | 0 | 203,037 | 0 | 0 | 0 | 0 | |
| Public Health and Welfare | 2,316,318 | 0 | 2,316,318 | 0 | 0 | 0 | 0 | |
| Highways/Public Works | 864,385 | 0 | 864,385 | 0 | 0 | 0 | 0 | |
| Debt Service | 7,958,107 | 0 | 7,958,107 | 0 | 0 | 0 | 0 | |
| Capital Projects | 870,128 | 0 | 870,128 | 0 | 0 | 0 | 0 | |
| Education | 0 | 0 | 0 | 3,152,659 | 0 | 0 | 0 | |
| Other Purposes | 1,681,172 | 0 | 1,681,172 | 0 | 0 | 16,905 | 32,019 | |
| Unrestricted | (47,050,874) | 36,100 | (47,014,774) | (8,094,478) | 2,295,037 | 70,576 | 925,650 | |
| Total Net Position | \$ (12,911,549) | \$ 254,133 | \$ (12,657,416) | \$ 48,430,605 | \$ 2,828,900 | \$ 1,845,818 | \$ 3,896,887 | |

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

Exhibit B

Coffee County, Tennessee
 Statement of Activities
 For the Year Ended June 30, 2015

| 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 | Coffee County School Department | Coffee County Emergency Communications District | Public Building Authority of Coffee County | Industrial Board of Coffee County |
| Primary Government: | | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | | |
| General Government | \$ 3,020,016 | \$ 690,987 | \$ 76,550 | \$ 0 | \$ (2,252,479) | \$ 0 | \$ (2,252,479) | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Finance | 1,405,997 | 1,587,458 | 0 | 0 | 181,461 | 0 | 181,461 | 0 | 0 | 0 | 0 |
| Administration of Justice | 2,244,115 | 2,141,166 | 0 | 0 | (102,949) | 0 | (102,949) | 0 | 0 | 0 | 0 |
| Public Safety | 8,478,274 | 920,263 | 443,875 | 3,672 | (7,110,464) | 0 | (7,110,464) | 0 | 0 | 0 | 0 |
| Public Health and Welfare | 4,373,933 | 1,055,325 | 547,604 | 0 | (2,771,004) | 0 | (2,771,004) | 0 | 0 | 0 | 0 |
| Social, Cultural, and Recreational Services | 1,107,201 | 62,981 | 32,178 | 0 | (1,012,042) | 0 | (1,012,042) | 0 | 0 | 0 | 0 |
| Agriculture and Natural Resources | 304,682 | 0 | 1,000 | 0 | (303,682) | 0 | (303,682) | 0 | 0 | 0 | 0 |
| Highways/Public Works | 2,402,460 | 0 | 1,919,521 | 158,519 | (324,420) | 0 | (324,420) | 0 | 0 | 0 | 0 |
| Education | 3,254,719 | 0 | 0 | 0 | (3,254,719) | 0 | (3,254,719) | 0 | 0 | 0 | 0 |
| Interest on Long-term Debt | 3,432,184 | 0 | 0 | 0 | (3,432,184) | 0 | (3,432,184) | 0 | 0 | 0 | 0 |
| Total Governmental Activities | \$ 30,023,581 | \$ 6,458,180 | \$ 3,020,728 | \$ 162,191 | \$ (20,382,482) | \$ 0 | \$ (20,382,482) | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Business-type Activities: | | | | | | | | | | | |
| Wayside Acres Sewer Fund | \$ 65,598 | \$ 35,113 | \$ 35,000 | \$ 0 | \$ 0 | \$ 4,515 | \$ 4,515 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Business-type Activities | \$ 65,598 | \$ 35,113 | \$ 35,000 | \$ 0 | \$ 0 | \$ 4,515 | \$ 4,515 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Primary Government | \$ 30,089,179 | \$ 6,493,293 | \$ 3,055,728 | \$ 162,191 | \$ (20,382,482) | \$ 4,515 | \$ (20,377,967) | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Component Units: | | | | | | | | | | | |
| School Department | \$ 38,583,958 | \$ 913,136 | \$ 4,690,204 | \$ 3,000,000 | \$ 0 | \$ 0 | \$ 0 | \$ (29,980,618) | \$ 0 | \$ 0 | \$ 0 |
| Emergency Communications District | 559,680 | 521,308 | 40,569 | 0 | 0 | 0 | 0 | 0 | 2,197 | 0 | 0 |
| Public Building Authority | 976,282 | 494,921 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (481,361) | 0 |
| Industrial Development Board | 281,586 | 0 | 239,172 | 1,452,070 | 0 | 0 | 0 | 0 | 0 | 0 | 1,409,656 |
| Total Component Units | \$ 40,401,506 | \$ 1,929,365 | \$ 4,969,945 | \$ 4,452,070 | \$ 0 | \$ 0 | \$ 0 | \$ (29,980,618) | \$ 2,197 | \$ (481,361) | \$ 1,409,656 |

(Continued)

Exhibit B

Coffee County, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | | | | |
|--|----------|----------------------------|---|---|---|---------------------------------|------------------------|--|--|---|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | Component Units | | | |
| | | | | | Governmental Activities | Business- type Activities | Total | Coffee County School Department | Coffee County Emergency Communications District | Public Building Authority of Coffee County | Industrial Board of Coffee County |
| General Revenues: | | | | | | | | | | | |
| Taxes: | | | | | | | | | | | |
| Property Taxes Levied for General Purposes | | | | | \$ 11,547,671 | \$ 0 | \$ 11,547,671 | \$ 8,807,533 | \$ 0 | \$ 0 | \$ 0 |
| Property Taxes Levied for Debt Service | | | | | 2,926,194 | 0 | 2,926,194 | 0 | 0 | 0 | 0 |
| Local Option Sales Taxes | | | | | 3,300,685 | 0 | 3,300,685 | 4,212,657 | 0 | 0 | 0 |
| Litigation Taxes | | | | | 632,279 | 0 | 632,279 | 0 | 0 | 0 | 0 |
| Wholesale Beer Tax | | | | | 261,666 | 0 | 261,666 | 0 | 0 | 0 | 0 |
| Mineral Severance Tax | | | | | 75,313 | 0 | 75,313 | 0 | 0 | 0 | 0 |
| Business Tax | | | | | 892,205 | 0 | 892,205 | 0 | 0 | 0 | 0 |
| Other Local Taxes | | | | | 2,476 | 0 | 2,476 | 6,626 | 0 | 0 | 0 |
| Grants and Contributions Not Restricted for Specific Programs | | | | | 1,562,297 | 0 | 1,562,297 | 21,130,674 | 279,843 | 131,679 | 0 |
| Unrestricted Investment Earnings | | | | | 72,422 | 0 | 72,422 | 452 | 13,348 | 173,616 | 9,873 |
| Miscellaneous | | | | | 13,552 | 0 | 13,552 | 38,944 | 0 | 11,930 | 4,120 |
| Sale of Equipment | | | | | 16,986 | 0 | 16,986 | 0 | 0 | 0 | 0 |
| Pension Income | | | | | 107,444 | 0 | 107,444 | 180,428 | 0 | 0 | 2,043 |
| Amortized Premium | | | | | 55,943 | 0 | 55,943 | 0 | 0 | 0 | 0 |
| Donation of Capital Assets | | | | | 34,057 | 0 | 34,057 | 0 | 0 | 0 | 0 |
| Total General Revenues | | | | | \$ 21,501,190 | \$ 0 | \$ 21,501,190 | \$ 34,377,314 | \$ 293,191 | \$ 317,225 | \$ 16,036 |
| Change in Net Assets | | | | | \$ 1,118,708 | \$ 4,515 | \$ 1,123,223 | \$ 4,396,696 | \$ 295,388 | \$ (164,136) | \$ 1,425,692 |
| Net Position, July 1, 2014 | | | | | (13,691,471) | 249,618 | (13,441,853) | 50,249,922 | 2,533,512 | 2,009,954 | 2,475,576 |
| Prior-period Adjustment - See Note I.D.10. | | | | | (108,725) | 0 | (108,725) | 0 | 0 | 0 | 0 |
| Restatement - Pensions - See Note I.D.11. | | | | | (230,061) | 0 | (230,061) | (6,216,013) | 0 | 0 | 0 |
| Restatement - Pensions - See Note VIII.J. | | | | | 0 | 0 | 0 | 0 | 0 | 0 | (4,381) |
| Net Position, June 30, 2015 | | | | | \$ (12,911,549) | \$ 254,133 | \$ (12,657,416) | \$ 48,430,605 | \$ 2,828,900 | \$ 1,845,818 | \$ 3,896,887 |

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

Exhibit C-1

Coffee County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2015

| | Major Funds | | | | Nonmajor Funds | Total Governmental Funds |
|---|----------------------|---------------------|---------------------|---------------------|-------------------------------------|--------------------------------|
| | General | General | Rural | General | Other Govern- mental Funds | |
| | | Debt Service | Debt Service | Capital Projects | | |
| <u>ASSETS</u> | | | | | | |
| Cash | \$ 2,020 | \$ 0 | \$ 0 | \$ 0 | \$ 713,425 | \$ 715,445 |
| Equity in Pooled Cash and Investments | 2,138,862 | 3,187,287 | 4,259,422 | 1,033,486 | 3,399,825 | 14,018,882 |
| Inventories | 2,789 | 0 | 0 | 0 | 0 | 2,789 |
| Accounts Receivable | 119,072 | 0 | 0 | 0 | 1,322,474 | 1,441,546 |
| Allowance for Uncollectibles | 0 | 0 | 0 | 0 | (733,597) | (733,597) |
| Due from Other Governments | 398,762 | 7,912 | 655,507 | 120,640 | 418,559 | 1,601,380 |
| Due from Other Funds | 183,686 | 0 | 0 | 15,000 | 35,674 | 234,360 |
| Property Taxes Receivable | 10,586,826 | 1,592,952 | 1,202,706 | 345,397 | 1,682,970 | 15,410,851 |
| Allowance for Uncollectible Property Taxes | (272,696) | (53,376) | (67,273) | 0 | (118,655) | (512,000) |
| Total Assets | \$ 13,159,321 | \$ 4,734,775 | \$ 6,050,362 | \$ 1,514,523 | \$ 6,720,675 | \$ 32,179,656 |
| <u>LIABILITIES</u> | | | | | | |
| Accounts Payable | \$ 83,879 | \$ 0 | \$ 0 | \$ 0 | \$ 52,888 | \$ 136,767 |
| Payroll Deductions Payable | 98,278 | 0 | 0 | 0 | 27,882 | 126,160 |
| Due to Other Funds | 35,674 | 15,000 | 0 | 14,883 | 183,686 | 249,243 |
| Due to State of Tennessee | 3,275 | 0 | 0 | 0 | 623 | 3,898 |
| Total Liabilities | \$ 221,106 | \$ 15,000 | \$ 0 | \$ 14,883 | \$ 265,079 | \$ 516,068 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | | |
| Deferred Current Property Taxes | \$ 10,077,453 | \$ 1,479,347 | \$ 1,066,226 | \$ 345,397 | \$ 1,483,169 | \$ 14,451,592 |
| Deferred Delinquent Property Taxes | 219,373 | 55,825 | 64,147 | 0 | 75,380 | 414,725 |
| Other Deferred/Unavailable Revenue | 60,541 | 0 | 219,720 | 27,434 | 697,396 | 1,005,091 |
| Total Deferred Inflows of Resources | \$ 10,357,367 | \$ 1,535,172 | \$ 1,350,093 | \$ 372,831 | \$ 2,255,945 | \$ 15,871,408 |

(Continued)

Exhibit C-1

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

| | Major Funds | | | | Nonmajor | Total | |
|---|-------------|-----------|-----------|---------|--------------|-----------|--------------|
| | General | General | Rural | General | Other | | Governmental |
| | | Debt | Debt | Capital | Governmental | | |
| | Service | Service | Projects | Funds | Funds | | |
| <u>FUND BALANCES</u> | | | | | | | |
| Nonspendable: | | | | | | | |
| Inventory | \$ 2,789 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 2,789 | |
| Restricted: | | | | | | | |
| Restricted for General Government | 28,604 | 0 | 0 | 0 | 0 | 28,604 | |
| Restricted for Finance | 82,438 | 0 | 0 | 0 | 0 | 82,438 | |
| Restricted for Administration of Justice | 144,674 | 0 | 0 | 0 | 0 | 144,674 | |
| Restricted for Public Safety | 26,330 | 0 | 0 | 456,342 | 512,426 | 995,098 | |
| Restricted for Public Health and Welfare | 6,356 | 0 | 0 | 0 | 1,919,129 | 1,925,485 | |
| Restricted for Other Operations | 0 | 0 | 0 | 0 | 514,531 | 514,531 | |
| Restricted for Highways/Public Works | 0 | 0 | 0 | 0 | 699,573 | 699,573 | |
| Restricted for Capital Outlay | 0 | 0 | 0 | 0 | 386,352 | 386,352 | |
| Restricted for Debt Service | 0 | 3,184,603 | 4,700,269 | 0 | 0 | 7,884,872 | |
| Committed: | | | | | | | |
| Committed for Public Safety | 8,177 | 0 | 0 | 0 | 0 | 8,177 | |
| Committed for Public Health and Welfare | 46,744 | 0 | 0 | 0 | 0 | 46,744 | |
| Committed for Social, Cultural, and Recreational Services | 422,453 | 0 | 0 | 0 | 0 | 422,453 | |
| Committed for Capital Outlay | 0 | 0 | 0 | 670,467 | 0 | 670,467 | |
| Assigned: | | | | | | | |
| Assigned for General Government | 44,896 | 0 | 0 | 0 | 0 | 44,896 | |
| Assigned for Finance | 2,407 | 0 | 0 | 0 | 0 | 2,407 | |
| Assigned for Administration of Justice | 2,469 | 0 | 0 | 0 | 0 | 2,469 | |
| Assigned for Public Safety | 36,653 | 0 | 0 | 0 | 25,858 | 62,511 | |
| Assigned for Public Health and Welfare | 152 | 0 | 0 | 0 | 104,456 | 104,608 | |
| Assigned for Social, Cultural, and Recreational Services | 23,977 | 0 | 0 | 0 | 0 | 23,977 | |
| Assigned for Other Operations | 300 | 0 | 0 | 0 | 0 | 300 | |
| Assigned for Highways/Public Works | 0 | 0 | 0 | 0 | 37,326 | 37,326 | |

(Continued)

Exhibit C-1

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

| | Major Funds | | | | Nonmajor Funds | Total Governmental Funds |
|---|---------------|----------------------------|--------------------------|--------------------------------|-------------------------------------|--------------------------------|
| | General | General Debt Service | Rural Debt Service | General Capital Projects | Other Govern- mental Funds | |
| <u>FUND BALANCES (Cont.)</u> | | | | | | |
| Unassigned | \$ 1,701,429 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,701,429 |
| Total Fund Balances | \$ 2,580,848 | \$ 3,184,603 | \$ 4,700,269 | \$ 1,126,809 | \$ 4,199,651 | \$ 15,792,180 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 13,159,321 | \$ 4,734,775 | \$ 6,050,362 | \$ 1,514,523 | \$ 6,720,675 | \$ 32,179,656 |

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

Exhibit C-2

Coffee County, Tennessee
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2015

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) | | \$ 15,792,180 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds | | |
| Add: land | \$ 4,081,549 | |
| Add: construction in progress | 22,052,296 | |
| Add: buildings and improvements net of accumulated depreciation | 9,325,918 | |
| Add: infrastructure net of accumulated depreciation | 7,357,072 | |
| Add: other capital assets net of accumulated depreciation | <u>3,078,631</u> | 45,895,466 |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | |
| Less: bonds payable | \$ (61,884,647) | |
| Less: notes payable | (761,000) | |
| Less: other loans payable | (12,172,708) | |
| Add: debt to be contributed by the School Department | 71,426 | |
| Add: deferred amount on refunding | 49,925 | |
| Less: compensated absences payable | (736,828) | |
| Less: other postemployment benefits liability | (580,108) | |
| Less: accrued interest on bonds, notes, and other loans | (317,877) | |
| Less: unamortized premium on debt | <u>(315,437)</u> | (76,647,254) |
| (3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years: | | |
| Add: deferred outflows of resources related to pensions | \$ 750,859 | |
| Less: deferred inflows of resources related to pensions | <u>(1,803,788)</u> | (1,052,929) |
| (4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds. | | 1,681,172 |
| (5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | <u>1,419,816</u> |
| Net position of governmental activities (Exhibit A) | | <u><u>\$ (12,911,549)</u></u> |

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

Exhibit C-3

Coffee County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2015

| | Major Funds | | | | Nonmajor | Total |
|---|----------------------|----------------------------|--------------------------|--------------------------------|-------------------------------------|----------------------|
| | General | General Debt Service | Rural Debt Service | General Capital Projects | Other Govern- mental Funds | |
| <u>Revenues</u> | | | | | | |
| Local Taxes | \$ 11,862,215 | \$ 2,116,191 | \$ 3,554,222 | \$ 327,863 | \$ 2,004,094 | \$ 19,864,585 |
| Licenses and Permits | 250,203 | 0 | 0 | 0 | 15,566 | 265,769 |
| Fines, Forfeitures, and Penalties | 572,197 | 0 | 0 | 0 | 246,323 | 818,520 |
| Charges for Current Services | 616,855 | 0 | 0 | 0 | 1,946,330 | 2,563,185 |
| Other Local Revenues | 299,888 | 152,982 | 23,098 | 0 | 83,166 | 559,134 |
| Fees Received from County Officials | 2,850,473 | 0 | 0 | 0 | 0 | 2,850,473 |
| State of Tennessee | 2,025,602 | 0 | 0 | 0 | 2,170,788 | 4,196,390 |
| Federal Government | 187,365 | 0 | 397,225 | 0 | 0 | 584,590 |
| Other Governments and Citizens Groups | 131,387 | 0 | 71,429 | 0 | 0 | 202,816 |
| Total Revenues | \$ 18,796,185 | \$ 2,269,173 | \$ 4,045,974 | \$ 327,863 | \$ 6,466,267 | \$ 31,905,462 |
| <u>Expenditures</u> | | | | | | |
| Current: | | | | | | |
| General Government | \$ 1,738,197 | \$ 0 | \$ 0 | \$ 0 | \$ 22 | \$ 1,738,219 |
| Finance | 1,452,872 | 0 | 0 | 0 | 0 | 1,452,872 |
| Administration of Justice | 2,332,242 | 0 | 0 | 0 | 2,110 | 2,334,352 |
| Public Safety | 8,135,251 | 0 | 0 | 0 | 239,054 | 8,374,305 |
| Public Health and Welfare | 797,826 | 0 | 0 | 0 | 3,510,326 | 4,308,152 |
| Social, Cultural, and Recreational Services | 1,101,696 | 0 | 0 | 0 | 0 | 1,101,696 |
| Agriculture and Natural Resources | 312,558 | 0 | 0 | 0 | 0 | 312,558 |
| Other Operations | 1,225,165 | 0 | 0 | 0 | 124,357 | 1,349,522 |
| Highways | 0 | 0 | 0 | 0 | 1,813,507 | 1,813,507 |
| Debt Service: | | | | | | |
| Principal on Debt | 350,000 | 23,210,353 | 2,960,313 | 0 | 83,000 | 26,603,666 |
| Interest on Debt | 8,750 | 798,357 | 2,665,205 | 0 | 6,406 | 3,478,718 |
| Other Debt Service | 0 | 57,433 | 254,719 | 0 | 0 | 312,152 |

(Continued)

Exhibit C-3

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

| | Major Funds | | | General Capital Projects | Nonmajor Funds | Total Governmental Funds |
|--|---------------|----------------------------|--------------------------|--------------------------------|-------------------------------------|--------------------------------|
| | General | General Debt Service | Rural Debt Service | | Other Govern- mental Funds | |
| <u>Expenditures (Cont.)</u> | | | | | | |
| Capital Projects | \$ 0 | \$ 0 | \$ 0 | \$ 3,825,482 | \$ 0 | \$ 3,825,482 |
| Capital Projects - Donated | 0 | 0 | 0 | 0 | 3,000,000 | 3,000,000 |
| Total Expenditures | \$ 17,454,557 | \$ 24,066,143 | \$ 5,880,237 | \$ 3,825,482 | \$ 8,778,782 | \$ 60,005,201 |
| <u>Excess (Deficiency) of Revenues</u> | | | | | | |
| Over Expenditures | \$ 1,341,628 | \$ (21,796,970) | \$ (1,834,263) | \$ (3,497,619) | \$ (2,312,515) | \$ (28,099,739) |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Bonds Issued | \$ 0 | \$ 22,000,000 | \$ 0 | \$ 0 | \$ 0 | \$ 22,000,000 |
| Notes Issued | 0 | 0 | 0 | 500,000 | 0 | 500,000 |
| Proceeds from Sale of Capital Assets | 0 | 0 | 0 | 0 | 11,059 | 11,059 |
| Transfers In | 0 | 0 | 136,117 | 400,000 | 0 | 536,117 |
| Transfers Out | (136,117) | 0 | (400,000) | 0 | 0 | (536,117) |
| Total Other Financing Sources (Uses) | \$ (136,117) | \$ 22,000,000 | \$ (263,883) | \$ 900,000 | \$ 11,059 | \$ 22,511,059 |
| Net Change in Fund Balances | \$ 1,205,511 | \$ 203,030 | \$ (2,098,146) | \$ (2,597,619) | \$ (2,301,456) | \$ (5,588,680) |
| Prior-period Adjustment | 0 | 0 | 0 | (108,725) | 0 | (108,725) |
| Fund Balance, July 1, 2014 | 1,375,337 | 2,981,573 | 6,798,415 | 3,833,153 | 6,501,107 | 21,489,585 |
| Fund Balance, June 30, 2015 | \$ 2,580,848 | \$ 3,184,603 | \$ 4,700,269 | \$ 1,126,809 | \$ 4,199,651 | \$ 15,792,180 |

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

Exhibit C-4

Coffee 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, 2015

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) | | \$ (5,588,680) |
| | | |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows: | | |
| Add: capital assets purchased in the current period | \$ 4,259,283 | |
| Less: current-year depreciation expense | <u>(1,530,718)</u> | 2,728,565 |
| | | |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position. | | |
| Add: assets donated and capitalized | \$ 34,057 | |
| Less: book value of capital assets disposed | <u>(56,299)</u> | (22,242) |
| | | |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds. | | |
| Add: deferred delinquent property taxes and other deferred June 30, 2015 | \$ 1,419,816 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2014 | <u>(2,296,344)</u> | (876,528) |
| | | |
| (4) The issuance of long-term debt (e.g., notes, other loans, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items: | | |
| Less: bond proceeds | \$ (22,000,000) | |
| Less: note proceeds | (500,000) | |
| Add: change in premium on debt issuances | 55,943 | |
| Add: principal payments on bonds | 3,100,353 | |
| Add: principal payments on notes | 22,243,000 | |
| Add: principal payments on other loans | 1,260,313 | |
| Less: contributions from the School Department for other loans | (71,429) | |
| Less: change in deferred amount on refunding debt | <u>(21,876)</u> | 4,066,304 |
| | | |
| (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 | \$ 46,535 | |
| Change in net pension liability/asset | 1,911,232 | |
| Change in deferred outflows related to pensions | 750,859 | |
| Change in deferred inflows related to pensions | (1,803,788) | |
| Change in compensated absences payable | (69,442) | |
| Change in other postemployment benefits liability | <u>(24,107)</u> | 811,289 |
| | | |
| Change in net position of governmental activities (Exhibit B) | | <u>\$ 1,118,708</u> |

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

Exhibit C-5

Coffee County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2015

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|----------------------|----------------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 11,862,215 | \$ 0 | \$ 0 | \$ 11,862,215 | \$ 11,982,328 | \$ 11,940,010 | \$ (77,795) |
| Licenses and Permits | 250,203 | 0 | 0 | 250,203 | 219,233 | 219,233 | 30,970 |
| Fines, Forfeitures, and Penalties | 572,197 | 0 | 0 | 572,197 | 603,700 | 623,700 | (51,503) |
| Charges for Current Services | 616,855 | 0 | 0 | 616,855 | 616,500 | 616,500 | 355 |
| Other Local Revenues | 299,888 | 0 | 0 | 299,888 | 327,170 | 327,170 | (27,282) |
| Fees Received from County Officials | 2,850,473 | 0 | 0 | 2,850,473 | 2,886,000 | 2,936,000 | (85,527) |
| State of Tennessee | 2,025,602 | 0 | 0 | 2,025,602 | 2,079,734 | 2,417,139 | (391,537) |
| Federal Government | 187,365 | 0 | 0 | 187,365 | 182,575 | 220,922 | (33,557) |
| Other Governments and Citizens Groups | 131,387 | 0 | 0 | 131,387 | 48,050 | 48,050 | 83,337 |
| Total Revenues | \$ 18,796,185 | \$ 0 | \$ 0 | \$ 18,796,185 | \$ 18,945,290 | \$ 19,348,724 | \$ (552,539) |
| <u>Expenditures</u> | | | | | | | |
| <u>General Government</u> | | | | | | | |
| County Commission | \$ 48,956 | \$ 0 | \$ 0 | \$ 48,956 | \$ 46,510 | \$ 50,495 | \$ 1,539 |
| Board of Equalization | 1,534 | 0 | 0 | 1,534 | 1,615 | 1,615 | 81 |
| Other Boards and Committees | 22,026 | 0 | 0 | 22,026 | 22,030 | 22,030 | 4 |
| County Mayor/Executive | 193,142 | 0 | 0 | 193,142 | 198,978 | 201,131 | 7,989 |
| County Attorney | 40,800 | 0 | 0 | 40,800 | 40,800 | 40,800 | 0 |
| Election Commission | 342,069 | (8,647) | 7,978 | 341,400 | 363,610 | 365,910 | 24,510 |
| Register of Deeds | 215,515 | (640) | 0 | 214,875 | 208,965 | 239,012 | 24,137 |
| Codes Compliance | 103,751 | 0 | 388 | 104,139 | 100,051 | 107,731 | 3,592 |
| County Buildings | 637,364 | (19,077) | 36,530 | 654,817 | 675,173 | 723,390 | 68,573 |
| Other General Administration | 131,479 | 0 | 0 | 131,479 | 137,698 | 138,573 | 7,094 |
| Preservation of Records | 1,561 | 0 | 0 | 1,561 | 250 | 1,750 | 189 |
| <u>Finance</u> | | | | | | | |
| Accounting and Budgeting | 407,346 | (2,133) | 0 | 405,213 | 402,767 | 407,259 | 2,046 |
| Property Assessor's Office | 335,411 | 0 | 1,457 | 336,868 | 342,620 | 349,932 | 13,064 |
| Reappraisal Program | 23,766 | 0 | 0 | 23,766 | 20,992 | 28,398 | 4,632 |
| County Trustee's Office | 298,845 | 0 | 950 | 299,795 | 303,543 | 303,543 | 3,748 |
| County Clerk's Office | 387,504 | 0 | 0 | 387,504 | 404,836 | 412,756 | 25,252 |

(Continued)

Exhibit C-5

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| <u>Administration of Justice</u> | | | | | | | |
| Circuit Court | \$ 1,052,241 | \$ 0 | \$ 2,469 | \$ 1,054,710 | \$ 1,111,980 | \$ 1,131,980 | \$ 77,270 |
| General Sessions Judge | 399,781 | 0 | 0 | 399,781 | 421,746 | 414,310 | 14,529 |
| Drug Court | 236,969 | 0 | 0 | 236,969 | 250,000 | 237,000 | 31 |
| Chancery Court | 288,351 | 0 | 0 | 288,351 | 291,863 | 293,776 | 5,425 |
| Judicial Commissioners | 118,158 | 0 | 0 | 118,158 | 120,252 | 121,852 | 3,694 |
| Probation Services | 236,742 | 0 | 0 | 236,742 | 261,818 | 261,818 | 25,076 |
| <u>Public Safety</u> | | | | | | | |
| Sheriff's Department | 2,619,648 | (2,468) | 7,663 | 2,624,843 | 2,739,121 | 2,689,975 | 65,132 |
| Traffic Control | 13,159 | 0 | 0 | 13,159 | 14,190 | 14,190 | 1,031 |
| Administration of the Sexual Offender Registry | 450 | 0 | 0 | 450 | 2,000 | 2,000 | 1,550 |
| Jail | 3,847,201 | (30,010) | 28,990 | 3,846,181 | 4,468,780 | 3,911,745 | 65,564 |
| Juvenile Services | 313,111 | (1,223) | 0 | 311,888 | 329,984 | 333,340 | 21,452 |
| Rural Fire Protection | 282,000 | 0 | 0 | 282,000 | 282,000 | 282,000 | 0 |
| Civil Defense | 157,354 | (5,927) | 0 | 151,427 | 131,523 | 169,870 | 18,443 |
| Rescue Squad | 17,000 | 0 | 0 | 17,000 | 17,000 | 17,000 | 0 |
| County Coroner/Medical Examiner | 83,848 | 0 | 0 | 83,848 | 40,000 | 85,178 | 1,330 |
| Other Public Safety | 801,480 | 0 | 0 | 801,480 | 854,048 | 854,048 | 52,568 |
| <u>Public Health and Welfare</u> | | | | | | | |
| Local Health Center | 579,932 | (3,800) | 152 | 576,284 | 760,233 | 800,617 | 224,333 |
| Rabies and Animal Control | 88,996 | 0 | 0 | 88,996 | 104,070 | 104,070 | 15,074 |
| Alcohol and Drug Programs | 2,000 | 0 | 0 | 2,000 | 2,000 | 2,000 | 0 |
| Appropriation to State | 82,378 | 0 | 0 | 82,378 | 82,378 | 82,378 | 0 |
| General Welfare Assistance | 8,846 | 0 | 0 | 8,846 | 8,850 | 8,850 | 4 |
| Other Waste Disposal | 35,674 | 0 | 0 | 35,674 | 67,400 | 67,400 | 31,726 |
| <u>Social, Cultural, and Recreational Services</u> | | | | | | | |
| Senior Citizens Assistance | 202,980 | 0 | 0 | 202,980 | 199,478 | 203,187 | 207 |
| Libraries | 882,301 | (9,990) | 23,919 | 896,230 | 917,898 | 917,898 | 21,668 |
| Other Social, Cultural, and Recreational | 16,415 | (2,664) | 58 | 13,809 | 0 | 16,967 | 3,158 |

(Continued)

Exhibit C-5

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
| | | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| <u>Agriculture and Natural Resources</u> | | | | | | | |
| Agricultural Extension Service | \$ 226,540 | \$ 0 | \$ 0 | \$ 226,540 | \$ 225,544 | \$ 226,544 | \$ 4 |
| Soil Conservation | 86,018 | 0 | 0 | 86,018 | 86,663 | 86,663 | 645 |
| <u>Other Operations</u> | | | | | | | |
| Industrial Development | 239,172 | 0 | 0 | 239,172 | 239,172 | 239,172 | 0 |
| Veterans' Services | 11,692 | 0 | 300 | 11,992 | 12,298 | 12,352 | 360 |
| Other Charges | 931,351 | 0 | 0 | 931,351 | 1,264,000 | 947,295 | 15,944 |
| Contributions to Other Agencies | 14,450 | 0 | 0 | 14,450 | 14,450 | 14,450 | 0 |
| Payments to Cities | 28,500 | 0 | 0 | 28,500 | 28,500 | 28,500 | 0 |
| <u>Principal on Debt</u> | | | | | | | |
| General Government | 350,000 | 0 | 0 | 350,000 | 0 | 350,000 | 0 |
| <u>Interest on Debt</u> | | | | | | | |
| General Government | 8,750 | 0 | 0 | 8,750 | 0 | 8,750 | 0 |
| Total Expenditures | \$ 17,454,557 | \$ (86,579) | \$ 110,854 | \$ 17,478,832 | \$ 18,619,677 | \$ 18,331,500 | \$ 852,668 |
| Excess (Deficiency) of Revenues | | | | | | | |
| Over Expenditures | \$ 1,341,628 | \$ 86,579 | \$ (110,854) | \$ 1,317,353 | \$ 325,613 | \$ 1,017,224 | \$ 300,129 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Insurance Recovery | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 1,553 | \$ (1,553) |
| Transfers Out | (136,117) | 0 | 0 | (136,117) | (146,755) | (146,755) | 10,638 |
| Total Other Financing Sources | \$ (136,117) | \$ 0 | \$ 0 | \$ (136,117) | \$ (146,755) | \$ (145,202) | \$ 9,085 |
| Net Change in Fund Balance | | | | | | | |
| Fund Balance, July 1, 2014 | \$ 1,205,511 | \$ 86,579 | \$ (110,854) | \$ 1,181,236 | \$ 178,858 | \$ 872,022 | \$ 309,214 |
| | 1,375,337 | (86,579) | 0 | 1,288,758 | 575,665 | 575,665 | 713,093 |
| Fund Balance, June 30, 2015 | | | | | | | |
| | \$ 2,580,848 | \$ 0 | \$ (110,854) | \$ 2,469,994 | \$ 754,523 | \$ 1,447,687 | \$ 1,022,307 |

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

Exhibit D-1

Coffee County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2015

| | Business-type Activities |
|---|--------------------------------|
| | Nonmajor Enterprise Fund |
| | Wayside Acres Sewer Fund |
| <u>ASSETS</u> | |
| Current Assets: | |
| Equity in Pooled Assets and Investments | \$ 18,291 |
| Accounts Receivable | 2,926 |
| Due from Other Funds | 14,883 |
| Total Current Assets | <u>\$ 36,100</u> |
| Noncurrent Assets: | |
| Capital Assets: | |
| Assets Not Depreciated: | |
| Land | \$ 30,120 |
| Assets Net of Accumulated Depreciated: | |
| Buildings and Improvements | 476,275 |
| Total Noncurrent Assets | <u>\$ 506,395</u> |
| Total Assets | <u>\$ 542,495</u> |
| <u>LIABILITIES</u> | |
| Current Liabilities: | |
| Current Portion of Long-term Debt | \$ 5,089 |
| Total Current Liabilities | <u>\$ 5,089</u> |
| Noncurrent Liabilities: | |
| Due in More Than One Year | \$ 283,273 |
| Total Noncurrent Liabilities | <u>\$ 283,273</u> |
| Total Liabilities | <u>\$ 288,362</u> |
| <u>NET POSITION</u> | |
| Net Investment in Capital Assets | \$ 218,033 |
| Unrestricted | <u>36,100</u> |
| Total Net Position | <u>\$ 254,133</u> |

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

Exhibit D-2

Coffee County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2015

| | Business-type Activities |
|---|--------------------------------|
| | Nonmajor Enterprise Fund |
| | Wayside Acres Sewer Fund |
| <u>Operating Revenues</u> | |
| Charges for Current Services | \$ 35,113 |
| Total Operating Revenues | <u>\$ 35,113</u> |
| <u>Operating Expenses</u> | |
| Public Health and Welfare | \$ 26,339 |
| Depreciation | 26,951 |
| Total Operating Expenses | <u>\$ 53,290</u> |
| Operating Income (Loss) | <u>\$ (18,177)</u> |
| <u>Nonoperating Revenues (Expenses)</u> | |
| Contributions | \$ 35,000 |
| Interest on Other Loans | (12,308) |
| Total Nonoperating Revenues (Expenses) | <u>\$ 22,692</u> |
| Change in Net Position | \$ 4,515 |
| Net Position, July 1, 2014 | <u>249,618</u> |
| Net Position, June 30, 2015 | <u><u>\$ 254,133</u></u> |

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

Exhibit D-3

Coffee County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2015

| | Business-type Activities |
|---|--------------------------------|
| | Nonmajor Enterprise Fund |
| | Wayside Acres Sewer Fund |
| <u>Cash Flows from Operating Activities</u> | |
| Receipts from Customers and Users | \$ 35,113 |
| Payments to Suppliers | (26,339) |
| Net Cash Provided By (Used In) Operating Activities | <u>\$ 8,774</u> |
| <u>Cash Flows from Capital and Related Financing Activities</u> | |
| Principal Paid on Other Loans | \$ (4,804) |
| Interest Paid on Other Loans | (12,308) |
| Net Cash Provided By (Used In) Capital and Related Financing Activities | <u>\$ (17,112)</u> |
| <u>Cash Flows from Noncapital Financing Activities</u> | |
| Contributions | \$ 20,117 |
| Net Cash Provided By (Used In) Noncapital Financing Activities | <u>\$ 20,117</u> |
| Net Increase (Decrease) in Cash | \$ 11,779 |
| Cash, July 1, 2014 | <u>6,512</u> |
| Cash, June 30, 2015 | <u><u>\$ 18,291</u></u> |
| <u>Reconciliation of Operating Income (Loss) to Net Cash</u> | |
| <u> Provided By (Used In) Operating Activities</u> | |
| Operating Income (Loss) | \$ (18,177) |
| Adjustment to Reconcile Net Operating Income | |
| to Net Cash Provided By (Used In) Operating Activities: | |
| Depreciation | <u>26,951</u> |
| Net Cash Provided By (Used In) Operating Activities | <u><u>\$ 8,774</u></u> |

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

Exhibit E

Coffee County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2015

| | <u>Agency Funds</u> |
|--|-------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 2,859,383 |
| Equity in Pooled Cash and Investments | 470,291 |
| Accounts Receivable | 4,208 |
| Due from Other Governments | 2,798,618 |
| Property Taxes Receivable | 8,559,389 |
| Allowance for Uncollectible Property Taxes | <u>(259,467)</u> |
| Total Assets | <u>\$ 14,432,422</u> |
| <u>LIABILITIES</u> | |
| Accounts Payable | \$ 763 |
| Cash Overdraft | 129,557 |
| Due to State of Tennessee | 127 |
| Due to Other Taxing Units | 11,057,055 |
| Due to Litigants, Heirs, and Others | 2,954,316 |
| Due to Joint Ventures | <u>290,604</u> |
| Total Liabilities | <u>\$ 14,432,422</u> |

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

COFFEE COUNTY, TENNESSEE
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COFFEE COUNTY, TENNESSEE
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COFFEE COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Coffee 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 Coffee County:

A. Reporting Entity

Coffee County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Coffee 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 Coffee County School Department operates the public school system in the county, and the voters of Coffee 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 Coffee County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Coffee County, and the Coffee 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 Industrial Board of Coffee County provides and assists industry in Coffee County, and the Coffee County Commission appoints its board of directors. The board comprises three members each from the City of Tullahoma, the City of Manchester, and from rural areas. The board is primarily funded by appropriations from the county.

The Coffee County Public Building Authority oversees the operations of the conference center, which benefits the citizens of the City of Manchester and

Coffee County. The Coffee County Commission appoints the seven-member board of directors, and Coffee County and the City of Manchester share equally in the profits and losses of the conference center. The center is primarily funded by charges assessed for the use of the facility. During the year ended June 30, 2015, the county's share of the losses of the conference center totaled \$80,000.

The Coffee 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 Coffee County Emergency Communications District, the Industrial Board of Coffee County, and the Public Building Authority of Coffee County can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Coffee County Emergency Communications District
911 Jack Welch Drive
Manchester, TN 37355

Industrial Board of Coffee County
1329 McArthur Street, Suite 4
Manchester, TN 37355

Public Building Authority of Coffee County
147 Hospitality Boulevard
Manchester, TN 37355

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 Coffee 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.

Coffee County issues all debt for the discretely presented Coffee County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2015.

Separate financial statements are provided for governmental funds, proprietary funds (enterprise), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the nonmajor 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 Coffee County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Coffee County only reports one proprietary fund, a nonmajor enterprise fund.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds and the 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. 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. Coffee County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the debt service funds for payments to be made early in the following year.

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

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

Coffee 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.

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

Rural Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds issued for school projects outside the territorial limits of the Special School District.

General Capital Projects – This fund accounts for general capital expenditures of the county. These include various construction projects and purchases of capital assets.

Additionally, Coffee County 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.

Enterprise Fund – The Wayside Acres Sewer Fund is used to account for the transactions of the Wayside Acres sewer operation.

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

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

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

Additionally, the Coffee 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 Other Capital Projects Fund is used to account for the receipt of debt issued by Coffee 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 used to account for the transactions of the Wayside Acres sewer operation.

Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's enterprise fund are charges for services.

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on deposit with the county trustee.

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Coffee 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 and the Education Capital Projects funds. Coffee 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 and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.67 percent of total taxes levied.

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

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

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

Most payables are disaggregated on the face of the financial statements. Claims and judgments payable are discussed in Note V.A. Risk Management.

Retainage payable in the discretely presented School Department's Other Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects.

3. Inventories

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

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 (\$10,000 for the discretely presented Coffee County School Department) or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and Improvements | 10 - 50 |
| Land Improvements | 10 - 50 |
| Infrastructure | 15 - 40 |
| Other Capital Assets | 3 - 20 |
| Library Assets | 3 - 40 |

5. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that

applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for pension changes in experience, employer contributions made to the pension plan after the measurement date, and the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

6. Compensated Absences

The general policy of Coffee County allows employees to accumulate a limited number of unused vacation days; however, the unused vacation days that exceed the limit allowed by county policy are transferred to sick days on the employee's anniversary date. The remaining unused vacation days are paid to employees when they separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

County employees are allowed to accumulate unlimited sick leave days; however, the granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

The general policy of the discretely presented Coffee County School Department does not allow for the accumulation of vacation days beyond year-end for professional employees. Support staff are allowed to accumulate unused vacation days. Vacation pay is accrued for support staff when incurred in the government-wide financial

statements for the School Department. A liability for vacation pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. All professional personnel (teachers) of the School Department are allowed to accumulate unlimited sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

7. 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, claims and judgments, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Balance

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

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

and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

On the government-wide Statement of Net Position (Exhibit A), the account Restricted for Other Purposes for the primary government consists of pension obligations.

As of June 30, 2015, Coffee County had \$48,677,708 in outstanding debt for capital purposes for the discretely presented Coffee County School Department. This debt is a liability of Coffee County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Coffee County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

9. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists and consists of the sum of committed, assigned, and unassigned fund balance:

General Fund – four percent of current-year appropriations

Debt Service Funds – an amount equal to debt requirements for the first six months of the subsequent fiscal year

10. Prior-period Adjustment

Fund balance was restated \$108,725 from the prior year in the General Capital Projects Fund because an error was made in posting part of the proceeds of a bond anticipation note in the prior year resulting in an overstatement of revenue.

11. Restatement

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position.

Therefore, a restatement decreasing Coffee County's and the Coffee County School Department's beginning net position has been recognized on the Statement of Activities totaling \$230,061 and \$6,216,013, respectively.

E. Pension Plans

Primary Government

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

Discretely Presented Coffee County School Department

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

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 Coffee 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 Coffee County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

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

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Board of Equalization, County Mayor, 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, 2015, Coffee County and the Coffee County School Department reported the following significant encumbrances:

| Fund | Description | Amount |
|-------------------------|-------------------------------------|-----------|
| Primary Government: | | |
| Major Funds: | | |
| General | Jail Food and Non-Food Supplies | \$ 26,063 |
| " | Election Software | 7,978 |
| " | HVAC Unit | 27,323 |
| " | Library Books and Supplies | 23,918 |
| Nonmajor Funds: | | |
| Solid Waste/ Sanitation | Repairs to Dumpsters and Containers | 5,500 |
| " | Hydraulic Cylinders | 4,200 |
| Ambulance Service | Ambulance | 80,987 |
| Drug Control | Equipping Patrol Cars | 23,418 |
| Highway/Public Works | Asphalt | 21,505 |
| " | Crushed Stone | 10,000 |
| School Department: | | |
| Major Fund: | | |
| General Purpose School | Textbooks | 4,601 |
| " | Computer Hardware | 24,746 |
| " | Paving | 99,999 |
| " | Gym Floor | 17,900 |

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Coffee County and the Coffee 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, 2015.

B. Capital Assets

Capital assets activity for the year ended June 30, 2015, was as follows:

Primary Government

Governmental Activities:

| | Balance 7-1-14 | Increases | Decreases | Balance 6-30-15 |
|--|----------------------|-----------------------|---------------------|----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 4,081,549 | \$ 0 | \$ 0 | \$ 4,081,549 |
| Construction in Progress | 18,269,210 | 3,783,086 | 0 | 22,052,296 |
| Total Capital Assets Not Depreciated | <u>\$ 22,350,759</u> | <u>\$ 3,783,086</u> | <u>\$ 0</u> | <u>\$ 26,133,845</u> |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 18,156,764 | \$ 0 | \$ 0 | \$ 18,156,764 |
| Infrastructure | 15,767,746 | 0 | 0 | 15,767,746 |
| Other Capital Assets | 7,666,440 | 510,254 | (114,741) | 8,061,953 |
| Total Capital Assets Depreciated | <u>\$ 41,590,950</u> | <u>\$ 510,254</u> | <u>\$ (114,741)</u> | <u>\$ 41,986,463</u> |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | \$ 8,456,019 | \$ 374,827 | \$ 0 | \$ 8,830,846 |
| Infrastructure | 7,875,933 | 534,741 | 0 | 8,410,674 |
| Other Capital Assets | 4,420,614 | 621,150 | (58,442) | 4,983,322 |
| Total Accumulated Depreciation | <u>\$ 20,752,566</u> | <u>\$ 1,530,718</u> | <u>\$ (58,442)</u> | <u>\$ 22,224,842</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 20,838,384</u> | <u>\$ (1,020,464)</u> | <u>\$ (56,299)</u> | <u>\$ 19,761,621</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 43,189,143</u> | <u>\$ 2,762,622</u> | <u>\$ (56,299)</u> | <u>\$ 45,895,466</u> |

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

Governmental Activities:

| | | |
|---|----|------------------|
| General Government | \$ | 329,488 |
| Finance | | 7,433 |
| Administration of Justice | | 4,083 |
| Public Safety | | 258,799 |
| Public Health and Welfare | | 150,811 |
| Social, Cultural, and Recreational | | 111,161 |
| Highways/Public Works | | <u>641,943</u> |
| Total Depreciation Expense - Governmental Activities | \$ | <u>1,503,718</u> |

Business-type Activities:

| | Balance 7-1-14 | Increases | Balance 6-30-15 |
|---|-------------------|--------------------|--------------------|
| Capital Assets Not Depreciated: | | | |
| Land | \$ 30,120 | \$ 0 | \$ 30,120 |
| Total Capital Assets Not Depreciated | <u>\$ 30,120</u> | <u>\$ 0</u> | <u>\$ 30,120</u> |
| Capital Assets Depreciated: | | | |
| Infrastructure | \$ 673,775 | \$ 0 | \$ 673,775 |
| Total Capital Assets Depreciated | <u>\$ 673,775</u> | <u>\$ 0</u> | <u>\$ 673,775</u> |
| Less Accumulated Depreciation For: | | | |
| Infrastructure | \$ 170,549 | \$ 26,951 | \$ 197,500 |
| Total Accumulated Depreciation | <u>\$ 170,549</u> | <u>\$ 26,951</u> | <u>\$ 197,500</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 503,226</u> | <u>\$ (26,951)</u> | <u>\$ 476,275</u> |
| Business-type Activities Capital Assets, Net | <u>\$ 533,346</u> | <u>\$ (26,951)</u> | <u>\$ 506,395</u> |

The business-type activities had no decreases in capital assets during the year ended June 30, 2015.

Discretely Presented Coffee County School Department

Governmental Activities:

| | Balance 7-1-14 | Increases | Decreases | Balance 6-30-15 |
|--|----------------------|----------------------|------------------------|----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 1,438,853 | \$ 0 | \$ 0 | \$ 1,438,853 |
| Construction in Progress | 22,643,924 | 1,642,004 | (24,272,875) | 13,053 |
| Total Capital Assets Not Depreciated | \$ 24,082,777 | \$ 1,642,004 | \$ (24,272,875) | \$ 1,451,906 |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 35,910,202 | \$ 24,385,404 | \$ (279,988) | \$ 60,015,618 |
| Other Capital Assets | 5,349,729 | 89,542 | (109,912) | 5,329,359 |
| Total Capital Assets Depreciated | \$ 41,259,931 | \$ 24,474,946 | \$ (389,900) | \$ 65,344,977 |
| Less Accumulated Depreciation: | | | | |
| Buildings and Improvements | \$ 10,289,014 | \$ 801,648 | \$ (180,266) | \$ 10,910,396 |
| Other Capital Assets | 2,345,856 | 278,119 | (109,912) | 2,514,063 |
| Total Accumulated Depreciation | \$ 12,634,870 | \$ 1,079,767 | \$ (290,178) | \$ 13,424,459 |
| Total Capital Assets Depreciated, Net | \$ 28,625,061 | \$ 23,395,179 | \$ (99,722) | \$ 51,920,518 |
| Governmental Activities Capital Assets, Net | \$ 52,707,838 | \$ 25,037,183 | \$ (24,372,597) | \$ 53,372,424 |

Depreciation expense was charged to functions of the School Department as follows:

Governmental Activities:

| | |
|---|----------------------------|
| Instruction | \$ 848,352 |
| Support Services | 204,580 |
| Operation of Non-instructional Services | <u>26,835</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 1,079,767</u> |

C. Construction Commitments

At June 30, 2015, the School Department had an uncompleted construction contracts of approximately \$947,614 for the construction of new roofs at three middle schools. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, was as follows:

Due to/from Other Funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|---|--------------------------|---------------|
| Primary Government: | | |
| General | Nonmajor governmental | \$ 183,686 |
| General Capital Projects | General Debt Service | 15,000 |
| Nonmajor governmental | General | 35,674 |
| Nonmajor enterprise | General Capital Projects | 14,883 |
| Discretely Presented School Department: | | |
| General Purpose School | Nonmajor governmental | 41,686 |
| Nonmajor governmental | General Purpose School | 2,000 |

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

Due to/from Primary Government and Component Unit:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|--------------------------------------|---------------|
| Primary Government | Component Unit: School Department | \$ 71,426 |

The Due to Primary Government consists of the balance of the energy efficiency loan issued by the county for the School Department. The School Department has agreed to contribute the funds annually to retire this lease. This long-term obligation is reflected in the governmental activities on the Statement of Net Position.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2015, consisted of the following amounts:

Primary Government

| Transfers Out | Transfers In | |
|--------------------|----------------------------------|--|
| | Rural Debt Service Fund | General Capital Projects Fund |
| General Fund | \$ 136,117 | \$ 0 |
| Rural Debt Service | 0 | 400,000 |
| Total | <u>\$ 136,117</u> | <u>\$ 400,000</u> |

Discretely Presented Coffee County School Department

| Transfer Out | Transfer In |
|----------------------------|--------------------------------------|
| | General Purpose School Fund |
| Nonmajor governmental fund | \$ 24,997 |

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

E. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

Coffee 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. Bond anticipation notes have been issued to provide funds for the construction of a jail facility, and capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, notes, and other loans outstanding were issued for original terms of up to 38 years for bonds, six years for notes, and up to 18 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. General obligation bonds included in long-term debt as of June 30, 2015, will be retired from the General Debt Service and Rural Debt Service funds. Notes included in long-term debt will be retired from the General Debt Service, Highway/Public Works, and Rural Debt Service funds. Other loans included in long-term debt will be retired from the General, General Debt Service, and Rural Debt Service funds.

General obligation bonds, notes, and other loans outstanding as of June 30, 2015, for governmental activities are as follows:

| Type | Interest Rate | Final Maturity | Original Amount of Issue | Balance 6-30-15 |
|--------------------------------------|-----------------|----------------|--------------------------|-----------------|
| General Obligation Bonds | 3.125 to 7.15 % | 8-28-52 | \$ 61,875,000 | \$ 61,284,647 |
| General Obligation Bonds - Refunding | 2.56 | 6-1-17 | 1,500,000 | 600,000 |
| Notes | 2.19 to 2.3 | 7-22-18 | 1,250,000 | 761,000 |
| Other Loans | 0 to 4.75 | 7-1-27 | 16,137,000 | 11,822,708 |
| Other Loans | Variable | 12-31-16 | 1,750,000 | 350,000 |

The county was the defendant in a lawsuit filed by the City of Tullahoma and its board of education. The city was seeking reimbursement of certain sales tax proceeds that they alleged were due them since Coffee County failed to follow state statute relative to the disbursement of sales tax proceeds, which are used for educational purposes. In October 2009, a settlement was reached between the parties for a payment to the City of Tullahoma totaling \$2,000,000. In accordance with the settlement, Coffee County made a payment to the City of Tullahoma for \$250,000 from the General Fund on October 1, 2010. The balance of \$1,750,000 was originally to be paid on or before December 31, 2011; however, an agreement was reached between the county and the City of Tullahoma to allow the balance to be repaid over a period of five years. This amount is reflected as an Other Loans Payable and is to be repaid in five equal installments of \$350,000 at a variable interest rate based on the Fed Funds Rate.

On November 2, 2006, Coffee County entered into a loan agreement with the Public Building Authority of Coffee County. Under this agreement, the authority loaned \$4,510,000 to Coffee County at interest rates ranging from 3.55 to four percent to refinance a portion of the outstanding balance of a loan issued to the county during the 2000-01 year.

On December 10, 2008, Coffee County entered into a loan agreement with the Tennessee Local Government Alternative Loan Program. Under this agreement the program loaned \$7,600,000 to Coffee County at an interest rate of 4.75 percent for school construction projects and agreed to refinance the outstanding balance of debt issued in prior years.

On October 7, 2010, Coffee County entered into a loan agreement with the Tennessee State School Board Authority. Under this loan agreement, the authority loaned Coffee County \$3,027,000 from Qualified School Construction Bonds, Series 2010 for rehabilitation and repairs of county school buildings. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the annual principal payment. The county pays an annual administrative fee of \$2,422 under this agreement. The loan retirement schedule also includes equal monthly payments of interest of approximately 4.85 percent which is offset by a federal interest rate subsidy.

In prior years, Coffee County and the discretely presented Coffee County School Department entered into two separate loan agreements with the state Department of Economic and Community Development to provide energy efficiency improvements in the county's schools. Under each of these agreements, the state loaned the county \$500,000 at an interest rate of zero percent.

The annual requirements to amortize all general obligation bonds, notes, and other loans outstanding as of June 30, 2015, including interest payments, are presented in the following tables:

| Year Ending June 30 | Bonds | | |
|------------------------|---------------|---------------|----------------|
| | Principal | Interest | Total |
| 2016 | \$ 889,957 | \$ 2,798,218 | \$ 3,688,175 |
| 2017 | 899,940 | 2,768,235 | 3,668,175 |
| 2018 | 635,241 | 2,737,934 | 3,373,175 |
| 2019 | 630,869 | 2,717,306 | 3,348,175 |
| 2020 | 656,835 | 2,696,940 | 3,353,775 |
| 2021-2025 | 4,146,197 | 13,137,790 | 17,283,987 |
| 2026-2030 | 8,627,407 | 12,167,263 | 20,794,670 |
| 2031-2035 | 11,214,550 | 10,321,799 | 21,536,349 |
| 2036-2040 | 13,732,077 | 7,737,798 | 21,469,875 |
| 2041-2045 | 14,111,026 | 3,214,974 | 17,326,000 |
| 2046-2050 | 4,279,305 | 670,695 | 4,950,000 |
| 2051-2053 | 2,061,243 | 72,921 | 2,134,164 |
| Total | \$ 61,884,647 | \$ 61,041,873 | \$ 122,926,520 |

| Year Ending June 30 | Notes | | |
|------------------------|------------|-----------|------------|
| | Principal | Interest | Total |
| 2016 | \$ 245,000 | \$ 16,065 | \$ 261,065 |
| 2017 | 247,000 | 10,828 | 257,828 |
| 2018 | 204,000 | 5,475 | 209,475 |
| 2019 | 65,000 | 2,452 | 67,452 |
| Total | \$ 761,000 | \$ 34,820 | \$ 795,820 |

| Year Ending June 30 | Other Loans | | |
|------------------------|---------------|--------------|---------------|
| | Principal | Interest | Total |
| 2016 | \$ 1,510,310 | \$ 550,856 | \$ 2,061,166 |
| 2017 | 1,148,884 | 515,782 | 1,664,666 |
| 2018 | 1,183,884 | 479,331 | 1,663,215 |
| 2019 | 1,253,884 | 441,284 | 1,695,168 |
| 2020 | 1,298,884 | 399,117 | 1,698,001 |
| 2021-2025 | 4,667,702 | 1,395,045 | 6,062,747 |
| 2026-2028 | 1,109,160 | 401,622 | 1,510,782 |
| Total | \$ 12,172,708 | \$ 4,183,037 | \$ 16,355,745 |

There is \$7,884,872 available in the debt service funds to service long-term debt. Debt per capita, including bonds, notes, and other loans totaled \$1,417, based on the 2010 federal census.

The School Department is currently contributing funds to service some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government.

| Description of Indebtedness | Outstanding 6-30-15 |
|---|------------------------|
| <u>Other Loans Payable</u> | |
| <u>Contributions from the General Purpose School Fund</u> | |
| Energy Efficiency Improvements | \$ 71,426 |

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2015, was as follows:

Governmental Activities:

| | Bonds | Notes | Other Loans |
|-----------------------------|----------------------|-------------------|----------------------|
| Balance, July 1, 2014 | \$ 42,985,000 | \$ 22,504,000 | \$ 13,433,021 |
| Additions | 22,000,000 | 500,000 | 0 |
| Reductions | (3,100,353) | (22,243,000) | (1,260,313) |
| Balance, June 30, 2015 | <u>\$ 61,884,647</u> | <u>\$ 761,000</u> | <u>\$ 12,172,708</u> |
| Balance Due Within One Year | <u>\$ 889,957</u> | <u>\$ 245,000</u> | <u>\$ 1,510,310</u> |

| | Compensated Absences | Other Postemployment Benefits |
|-----------------------------|-------------------------|-------------------------------------|
| Balance, July 1, 2014 | \$ 667,386 | \$ 556,001 |
| Additions | 726,215 | 45,573 |
| Reductions | (656,773) | (21,466) |
| Balance, June 30, 2015 | <u>\$ 736,828</u> | <u>\$ 580,108</u> |
| Balance Due Within One Year | <u>\$ 36,841</u> | <u>\$ 0</u> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|----------------------|
| Total Noncurrent Liabilities, June 30, 2015 | \$ 76,135,291 |
| Less: Balance Due Within One Year | (2,682,108) |
| Add: Unamortized Premium on Debt | <u>315,437</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 73,768,620</u> |

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Wayside Acres Sewer Fund (enterprise fund)

Other loans outstanding were issued for original terms of up to 38 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The other loans included in long-term liabilities as of June 30, 2015, will be retired by the enterprise fund.

Other loans outstanding as of June 30, 2015, for business-type activities are as follows:

| Type | Interest Rate | Final Maturity | Original Amount of Issue | Balance 6-30-15 |
|-------------|------------------|----------------|--------------------------|-----------------|
| Other Loans | 4.125 to 4.375 % | 12-20-44 | \$ 324,000 | \$ 288,362 |

The annual requirements to amortize all other loans outstanding as of June 30, 2015, including interest payments, are presented in the following table:

| Year Ending June 30 | Other Loans | | |
|------------------------|-------------|------------|------------|
| | Principal | Interest | Total |
| 2016 | \$ 5,089 | \$ 12,023 | \$ 17,112 |
| 2017 | 5,306 | 11,806 | 17,112 |
| 2018 | 5,533 | 11,579 | 17,112 |
| 2019 | 5,770 | 11,342 | 17,112 |
| 2020 | 6,016 | 11,096 | 17,112 |
| 2021-2025 | 34,171 | 51,389 | 85,560 |
| 2026-2030 | 42,137 | 43,423 | 85,560 |
| 2031-2035 | 51,963 | 33,597 | 85,560 |
| 2036-2040 | 64,089 | 21,471 | 85,560 |
| 2041-2045 | 68,288 | 6,624 | 74,912 |
| Total | \$ 288,362 | \$ 214,350 | \$ 502,712 |

Changes in Long-term Obligations

Long-term obligations activity for the Wayside Acres Sewer Fund (enterprise fund) for the year ended June 30, 2015, was as follows:

Business-type Activities:

| | Other Loans |
|-----------------------------|-------------|
| Balance, July 1, 2014 | \$ 293,166 |
| Reductions | (4,804) |
| Balance, June 30, 2015 | \$ 288,362 |
| Balance Due Within One Year | \$ 5,089 |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|-------------------|
| Total Noncurrent Liabilities, June 30, 2015 | \$ 288,362 |
| Less: Balance Due Within One Year | <u>(5,089)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 283,273</u> |

Discretely Presented Coffee County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Coffee County School Department for the year ended June 30, 2015, was as follows:

Governmental Activities:

| | Compensated Absences | Other Postemployment Benefits |
|-----------------------------|-------------------------|-------------------------------------|
| Balance, July 1, 2014 | \$ 88,351 | \$ 4,890,814 |
| Additions | 61,768 | 1,097,040 |
| Reductions | <u>(52,744)</u> | <u>(590,650)</u> |
| Balance, June 30, 2015 | <u>\$ 97,375</u> | <u>\$ 5,397,204</u> |
| Balance Due Within One Year | <u>\$ 77,900</u> | <u>\$ 0</u> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|---------------------|
| Total Noncurrent Liabilities, June 30, 2015 | \$ 5,494,579 |
| Less: Balance Due Within One Year | <u>(77,900)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 5,416,679</u> |

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

F. On-Behalf Payments

Primary Government

The State of Tennessee pays health insurance premiums for retired employee's on-behalf of Coffee County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of

Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2015, were \$875. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

Discretely Presented Coffee County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Coffee 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, 2015, were \$200,601 and \$38,513, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Short-term Debt

The county issued revenue anticipation notes in advance of collections and deposited the proceeds in the General, Ambulance Service, General Purpose School, and School Federal Projects funds. These notes were necessary because funds were not available to meet fund obligations coming due before current revenue collections. Short-term debt activity for the year ended June 30, 2015, was as follows:

| Fund | Balance 7-1-14 | Issued | Paid | Balance 6-30-15 |
|------------------------|-------------------|--------------|----------------|--------------------|
| Primary Government: | | | | |
| General | \$ 0 | \$ 2,000,000 | \$ (2,000,000) | \$ 0 |
| Ambulance Service | 0 | 349,000 | (349,000) | 0 |
| School Department: | | | | |
| General Purpose School | 0 | 1,200,000 | (1,200,000) | 0 |

V. OTHER INFORMATION

A. Risk Management

Primary Government

Coffee County's policy (except for the Highway Department and Ambulance Service) is to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property, casualty, workers' compensation, and environmental. Settled claims have not exceeded this commercial coverage in any of the past two fiscal years.

The Highway Department's risk of loss relating to general liability, property, casualty, and workers' compensation is covered by participation in the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund, which are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The Highway Department pays an annual premium to the pools for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of these pools provides for them to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims of more than \$100,000 for each insured event.

The Coffee County Ambulance Service purchases commercial insurance for the risk of losses to which it is exposed. These risks include general liability, property, casualty, and accident. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Coffee County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF 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. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Coffee County School Department

The discretely presented Coffee County 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 an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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

The School Department provides a self-insured dental and vision plan for all full-time employees through the General Purpose School Fund. Retirees are

not allowed to participate in the program. The cost of this plan was provided by appropriations made for that purpose. Payroll deductions were made from employees' compensation for the portion of premiums relating to family coverage. The dental and vision plan provides maximum yearly benefit amounts for participants. The maximum calendar year benefit under the dental plan is \$1,500 per person. The vision plan also contains limits on benefits and the number of procedures covered by the plan. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The self-insurance program funds established claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustments and expenditures, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

| | Beginning of Fiscal Year Liability | Current Year Claims and Estimates | Payments | End of Fiscal Year Liability |
|---------|--|--|------------|------------------------------------|
| 2013-14 | \$ 122,895 | \$ 566,908 | \$ 591,488 | 98,315 |
| 2014-15 | 98,315 | 675,656 | 536,693 | 237,278 |

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*; Statement No. 69, *Government Combinations and Disposals of Government Operations*; and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date-an Amendment of GASB Statement No. 68* became effective for the year ended June 30, 2015.

GASB Statement No. 68, replaces the requirements of Statements No. 27 and No. 50 as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows/inflows, and expenses/expenditures.

GASB Statement No. 69, establishes accounting and financial reporting standards related to government combinations and disposals of government operations such as mergers, acquisitions, and transfer of operations.

GASB Statement No. 71, addresses issues related to amounts of contributions made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability.

C. Subsequent Events

Between July 1, 2015, and February 11, 2016, the various county funds issued tax anticipation notes to provide temporary operating funds. These notes are summarized in the following schedule:

| <u>From Fund</u> | <u>To Fund</u> | <u>Amount</u> |
|--------------------|-------------------------|---------------|
| Rural Debt Service | General | \$ 1,827,794 |
| " | General Purpose School | 1,500,000 |
| " | School Federal Projects | 100,000 |

On December 15, 2015, Coffee County issued \$4,875,000 in general obligation bonds on behalf of the School Department for repairs and upgrades to the high school building and \$2,610,000 in general obligation refunding bonds for the purpose of refunding the county’s Series Z-4-A loans.

D. Contingent Liabilities

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

E. Changes in Administration

On August 31, 2014, David Pennington left the Office of County Mayor and was succeeded by Gary Cordell, Steve Parks left the Office of Road Superintendent and was succeeded by Benton Bartlett, James Wilhem left the Office of Trustee and was succeeded by John Marchesoni, and Ellen Vaughn left the Office of Register and was succeeded by Donna Toney.

F. Joint Ventures

The Fourteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourteenth Judicial District and participating municipalities in the district. The DTF interlocal agreement was signed by the sheriff of Coffee County and the police chiefs of the cities of Manchester and Tullahoma. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district

attorney general and is governed by a board of directors including the district attorney general, sheriff, and police chiefs of participating law enforcement agencies within each judicial district. Coffee County made no contributions to the DTF for the year ended June 30, 2015.

Coffee County is a participant with Warren, Cannon, and Rutherford counties in a multi-county Municipal Solid Waste Planning Region. This entity was created to promote the preparation of municipal solid waste regional plans to effectively and efficiently manage solid waste. This entity is governed by a 13-member board comprising appointees from Cannon County (2), Coffee County (2), Rutherford County (3), Warren County (2), the City of Manchester (1), the City of McMinnville (1), the City of Murfreesboro (1), and the City of Woodbury (1). Funding is provided from member contributions and grants. There are no separately issued financial statements for the Municipal Solid Waste Planning Region. Rutherford County has been designated as the fiscal agent for the Planning Region and accounts for its activities through the Joint Venture Fund (agency fund), which is included in the financial statements reflected in Rutherford County's comprehensive annual financial report.

Coffee County does not have an equity interest in the above-noted joint ventures. Complete financial statements for the DTF and the Municipal Solid Waste Planning Region can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
Fourteenth Judicial District
307 South Woodland
Manchester, TN 37355

Municipal Solid Waste Planning Region
c/o Ernest Burgess, Rutherford County Mayor
County Courthouse, Room 101
Murfreesboro, TN 37130

Discretely Presented Coffee County School Department

The Coffee County School Department participates in the Volunteer State Cooperative (VOLCO), which represents a cost-sharing arrangement. The cooperative was established through a contractual agreement between the Boards of Education of Coffee County, Coffee County, Dickson County, Fayetteville City, Hickman County, Houston County, Humphreys County, Manchester City, Marshall County, Maury County, Robertson County, and Stewart County. The cooperative was authorized through Chapter 49 of *Tennessee Code Annotated*. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Stewart County School

Department) and a service provider to offer these services. The cooperative is governed by a Representative Committee, comprising one representative from each of the member districts; and an Executive Council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the Representative Committee.

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

Administrative Office:

Volunteer State Cooperative
P.O. Box 433
110 Natcor Drive
Dover, TN 37058

G. Jointly Governed Organization

The Tri-County Railroad Authority is jointly operated by Coffee County, in conjunction with Warren and White counties. The authority's board comprises the county mayor/executive of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity.

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Coffee County, non-certified employees of the discretely presented Coffee County School Department, the discretely presented Public Building Authority of Coffee County, and the discretely presented Industrial Development Board of Coffee County are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 49.35 percent, the non-certified employees of the discretely presented School Department comprise 48.48 percent, the employees of the discretely presented Public Building Authority of Coffee County comprise 1.3 percent, and the employees of the discretely presented Industrial Development Board of Coffee County comprise .87 percent, of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and

administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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

Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

| | |
|--|------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 175 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 309 |
| Active Employees | <u>462</u> |
| Total | <u>946</u> |

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the

Tennessee General Assembly. Employees contribute five percent of salary. Coffee County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Coffee County were \$1,100,026 based on a rate of 8.78 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Coffee County's state shared taxes if required employer contributions are not remitted. The employer's actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Coffee County's net pension liability (asset) was measured as of June 30, 2014, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 3% |
| Salary Increases | Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25% |
| Investment Rate of Return | 7.5%, Net of Pension Plan Investment Expenses, Including Inflation |
| Cost of Living Adjustment | 2.5% |

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study, adjusted for some of the expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at

June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Percentage Long-term Expected Real Rate of Return | | Percentage Target Allocations | |
|---|---|---|-------------------------------------|---|
| U.S. Equity Developed Market | 6.46 | % | 33 | % |
| International Equity Emerging Market | 6.26 | | 17 | |
| International Equity Private Equity and Strategic Lending | 6.40 | | 5 | |
| U.S. Fixed Income | 4.61 | | 8 | |
| Real Estate | 0.98 | | 29 | |
| Short-term Securities | 4.73 | | 7 | |
| | 0.00 | | 1 | |
| Total | | | 100 | % |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Coffee County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected

rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

| | Increase (Decrease) | | |
|---|--------------------------------------|--|--|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
| Balance, July 1, 2013 | \$ 34,934,223 | \$ 33,373,989 | \$ 1,560,234 |
| Changes for the year: | | | |
| Service Cost | \$ 1,124,029 | \$ 0 | \$ 1,124,029 |
| Interest | 2,652,435 | 0 | 2,652,435 |
| Differences Between Expected and Actual Experience | (1,472,065) | 0 | (1,472,065) |
| Contributions-Employer | 0 | 1,094,055 | (1,094,055) |
| Contributions-Employees | 0 | 644,561 | (644,561) |
| Net Investment Income | 0 | 5,551,086 | (5,551,086) |
| Benefit Payments, Including Refunds of Employee Contributions | (1,384,888) | (1,384,888) | 0 |
| Administrative Expense | 0 | (18,439) | 18,439 |
| Other Changes | 0 | 0 | 0 |
| Net Changes | <u>\$ 919,511</u> | <u>\$ 5,886,375</u> | <u>\$ (4,966,864)</u> |
| Balance, June 30, 2014 | <u>\$ 35,853,734</u> | <u>\$ 39,260,364</u> | <u>\$ (3,406,630)</u> |

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

| | | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
|---------------------------------|--------|-------------------------------|--------------------------------------|--|
| Primary Government | 49.35% | \$ 17,693,818 | \$ 19,374,990 | \$ (1,681,172) |
| School Department | 48.48% | 17,381,890 | 19,033,424 | (1,651,534) |
| Public Building Authority | 1.3% | 466,099 | 510,385 | (44,286) |
| Industrial Development Board | 0.87% | 311,927 | 341,565 | (29,638) |
| Total | | <u>\$ 35,853,734</u> | <u>\$ 39,260,364</u> | <u>\$ (3,406,630)</u> |

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Coffee County calculated using the discount rate of 7.5 percent, as well as what the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-----------------------|----------------|-----------------------------|----------------|
| Coffee County | 6.5% | 7.5% | 8.5% |
| Net Pension Liability | \$ 1,277,531 | \$ (3,406,630) | \$ (7,306,756) |

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Income. For the year ended June 30, 2015, Coffee County recognized pension income of \$217,718.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, Coffee County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences Between Expected and Actual Experience | \$ 0 | \$ 1,226,721 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 0 | 2,428,370 |
| Contributions Subsequent to the Measurement Date of June 30, 2014 (1) | 1,100,026 | N/A |
| Total | \$ 1,100,026 | \$ 3,655,091 |

(1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|------------------------------|--------------------------------------|-------------------------------------|
| Primary Government | \$ 750,859 | \$ 1,803,788 |
| School Department | 338,858 | 1,771,988 |
| Public Building Authority | 0 (1) | 47,516 |
| Industrial Development Board | 10,309 | 31,799 |
| Total | <u>\$ 1,100,026</u> | <u>\$ 3,655,091</u> |

(1) Amount unavailable

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

| Year Ending June 30 | Amount |
|------------------------|--------------|
| 2016 | \$ (852,437) |
| 2017 | (852,437) |
| 2018 | (852,437) |
| 2019 | (852,437) |
| 2020 | (245,344) |
| Thereafter | 0 |

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

Discretely Presented Coffee County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Coffee County, non-certified employees of the discretely presented Coffee County School Department, and employees of the discretely presented Public Building Authority of Coffee County, and

the employees of the Industrial Development Board of Coffee County are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 49.35 percent, the non-certified employees of the discretely presented School Department comprise 48.48 percent, the employees of the discretely presented Public Building Authority of Coffee County comprise 1.3 percent, and the employees of the discretely presented Industrial Development Board of Coffee County comprise .87 percent, of the plan based on census data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Coffee County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan is closed to new membership. Teachers with membership in the TCRS after June 30, 2014, are provided with pensions through a legally separate plan referred to as the Teacher Retirement Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members of the Teachers Retirement Plan are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2015, to the Teacher Retirement Plan were \$39,007, which is four percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Liabilities. Since the measurement date is June 30, 2014, which is prior to the July 1, 2014, inception of the Teacher Retirement Plan, there is no net pension liability to report at June 30, 2015.

Pension Expense. Since the measurement date is June 30, 2014, the Coffee County School Department did not recognize any pension expense at June 30, 2015.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ending June 30, 2015, the Coffee County School Department reported deferred outflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| LEAs Contributions Subsequent to the Measurement Date of June 30, 2014 | \$ 39,007 | N/A |

The Coffee County School Department's employer contributions of \$39,007 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ending June 30, 2016.

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Coffee County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$1,512,145, which is 9.04 percent of pensionable payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

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

Pension Assets. At June 30, 2015, the Coffee County School Department reported an asset of \$74,043 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Coffee County School Department's proportion of the net pension asset was based on the Coffee County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, the Coffee County School Department's proportion was .455662 percent. The proportion measured as of June 30, 2013, was .460501 percent.

Pension Income. For the year ended June 30, 2015, the Coffee County School Department recognized a pension income of \$74,878.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ending June 30, 2015, the Coffee County School Department

reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences Between Expected and Actual Experience | \$ 179,758 | \$ 0 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 0 | 6,100,673 |
| Changes in Proportion and Differences Between LEAs Contributions and Proportionate Share of Contributions | 0 | 68,259 |
| LEAs Contributions Subsequent to the Measurement Date of June 30, 2014 | <u>1,512,145</u> | <u>N/A</u> |
| Total | <u>\$ 1,691,903</u> | <u>\$ 6,168,932</u> |

The Coffee County School Department's employer contributions of \$1,512,145 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30 | Amount |
|------------------------|----------------|
| 2016 | \$ (1,506,585) |
| 2017 | (1,506,585) |
| 2018 | (1,506,585) |
| 2019 | (1,506,585) |
| 2020 | 18,583 |
| Thereafter | 18,583 |

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

Actuarial Assumptions. The total pension liability in the June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 3% |
| Salary Increases | Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25% |
| Investment Rate of Return | 7.5%, Net of Pension Plan Investment Expenses, Including Inflation |
| Cost of Living Adjustment | 2.5% |

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Percentage Long-term Expected Real Rate of Return | Percentage Target Allocations |
|---|---|-------------------------------------|
| U.S. Equity Developed Market | 6.46 % | 33 % |
| International Equity Emerging Market | 6.26 | 17 |
| International Equity Private Equity and Strategic Lending | 6.40 | 5 |
| U.S. Fixed Income Real Estate | 4.61 | 8 |
| Short-term Securities | 0.98 | 29 |
| | 4.73 | 7 |
| | 0.00 | 1 |
| Total | | 100 % |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the four factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents Coffee County School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what Coffee County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5 %) or one percentage point higher (8.5 %) than the current rate:

| School Department's Proportionate Share of the Net Pension Liability (Asset) | 1% Decrease 6.5% | Current Discount Rate 7.5% | 1% Increase 8.5% |
|--|---------------------|-------------------------------|---------------------|
|--|---------------------|-------------------------------|---------------------|

Net Pension Liability \$ 12,488,190 \$ (74,043) \$ 10,474,210

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

2. Deferred Compensation

Teachers hired after July 1, 2014, by the discretely presented Coffee County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the Coffee County School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the Coffee County School Department contributed \$48,758 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

Coffee County School Department offers its employees two deferred compensation plans, one established pursuant to IRC Section 401(k), and the other pursuant to IRC Section 408(a), Roth IRA. All costs of administering and funding these programs are the responsibility of plan participants. The Section 401(k) and Section 408(a) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 401(k) and 408(a) establish participation, contribution, and withdrawal provisions for the plans.

I. Other Postemployment Benefits (OPEB)

Plan Description

Coffee County and the Coffee County School Department participate in the state-administered Local Education Group Insurance Plan and Local Government Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by

Section 8-27-207, *Tennessee Code Annotated (TCA)*, for local governments and Section 8-27-302, *TCA*, 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 plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution rate for retirees ranges from ten percent to 55 percent based on the years of service. During the year ended June 30, 2015, the county and the discretely presented School Department contributed \$21,466 and \$590,650, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

| | Local Government Group Plan | Local Education Group Plan |
|------------------------------|--------------------------------------|-------------------------------------|
| ARC | \$ 45,000 | \$ 1,092,000 |
| Interest on the NOPEBO | 22,240 | 195,633 |
| Adjustment to the ARC | (21,667) | (190,593) |
| Annual OPEB cost | \$ 45,573 | \$ 1,097,040 |
| Amount of contribution | (21,466) | (590,650) |
| Increase/decrease in NOPEBO | \$ 24,107 | \$ 506,390 |
| Net OPEB obligation, 7-1-14 | 556,001 | 4,890,814 |
| Net OPEB obligation, 6-30-15 | <u>\$ 580,108</u> | <u>\$ 5,397,204</u> |

| Fiscal Year Ended | Plans | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation at Year End |
|-------------------|------------------------|------------------|--|---------------------------------|
| 6-30-13 | Local Government Group | \$ 103,951 | 13 % | \$ 517,027 |
| 6-30-14 | " | 44,533 | 12 | 556,001 |
| 6-30-15 | " | 45,573 | 47 | 580,108 |
| 6-30-13 | Local Education Group | 1,169,612 | 47 | 4,438,146 |
| 6-30-14 | " | 1,058,573 | 57 | 4,890,814 |
| 6-30-15 | " | 1,097,040 | 54 | 5,397,204 |

Funded Status and Funding Progress

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

| | Local Government Group Plan | Local Education Group Plan |
|---|-----------------------------|----------------------------|
| Actuarial valuation date | 7-1-13 | 7-1-13 |
| Actuarial accrued liability (AAL) | \$ 304,000 | \$ 9,030,000 |
| Actuarial value of plan assets | \$ 0 | \$ 0 |
| Unfunded actuarial accrued liability (UAAL) | \$ 304,000 | \$ 9,030,000 |
| Actuarial value of assets as a % of the AAL | 0% | 0 |
| Covered payroll (active plan members) | \$ 8,945,449 | \$ 19,997,052 |
| UAAL as a % of covered payroll | 3% | 45% |

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 Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of seven percent for fiscal year 2015. The trend rate will decrease to 6.5 percent in fiscal year 2016, and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

J. Office of Central Accounting and Budgeting

Office of Director of Accounts and Budgets

Coffee County operates under the provisions of a local resolution, which creates the Office of Director of Accounts and Budgets. Under this resolution, the director of accounts and budgets directs the operation of the funds under the control of the county mayor. For years, the director of accounts and budgets has also performed all accounting and budgeting functions for the county's Highway Department; however, there is no state law or local resolution governing this arrangement in Coffee County. The nature and operation of this informal arrangement has created a type of Office of Central Accounting, Budgeting, and Purchasing similar to that created by the adoption of the County Fiscal Procedure Law of 1957.

K. Purchasing Laws

Offices of County Mayor and Road Superintendent

Purchasing procedures for these offices are governed by provisions of the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures in the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for the purchasing agent to make purchases for these departments, with purchases exceeding \$7,500 (\$10,000 Highway Department) to be made on the basis of competitive bids solicited through public advertisement.

Office of Director of Schools

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

VI. **OTHER NOTES – DISCRETELY PRESENTED COFFEE COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

A. **Summary of Significant Accounting Policies**

The Coffee County Emergency Communications District was established on April 4, 1987, to provide an enhanced level of 911 service to Coffee County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due to increased speed in the transmittal of critical information and improved reliability of address and information. It is a component unit of Coffee County. The district is run by a board of directors, which is appointed by Coffee County. The district must file a budget with Coffee County each year. Any bond issued by the district is subject to approval by Coffee County.

The district uses the accrual basis of accounting and economic resource measurement focus. Revenues are recognized when earned, and expenses are recognized when incurred.

1. **Depreciation**

Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives using the straight-line method. Depreciation begins when the capital assets are placed in service. Depreciation is summarized as follows:

| | <u>Method</u> | <u>Estimated Useful Life (Years)</u> | <u>2015 Depreciation</u> |
|-------------------------|---------------|--------------------------------------|--------------------------|
| Buildings/Improvements | S/L | 10-30 | \$ 5,050 |
| Office Equipment | S/L | 5-10 | 972 |
| Furniture and Fixtures | S/L | 5-10 | 1,433 |
| Communication Equipment | S/L | 5-20 | <u>88,815</u> |
| Total | | | <u>\$ 96,270</u> |

2. **Major Source of Revenue**

The major source of operating revenue is emergency telephone and wireless surcharges. The district’s nonoperating revenue consists of a grant, contributions from other governments and agencies, reimbursements, interest/investment income, and sales of map books.

B. **Subsequent Events**

The district has evaluated subsequent events through the date the financial statements were available to be issued.

C. Cash and Cash Investments

The following is a schedule of bank accounts at June 30, 2015:

| | |
|---|--------------------------------|
| Checking – First National Bank | \$ 110,262 |
| Money Market – American City Bank | 180,695 |
| Money Market – Southern Community Bank | 251,059 |
| Tower Fund – Coffee County Bank | 109,634 |
| Checking (Building) – Coffee County Bank | 59,659 |
| Certificates of Deposit – Coffee County Bank | 500,000 |
| Certificates of Deposit – Peoples Bank | 160,184 |
| Certificates of Deposit – Peoples Bank | 260,463 |
| Certificates of Deposit – First National Bank | 305,901 |
| Certificates of Deposit – First National Bank | 151,958 |
| Certificates of Deposit – Southern Community Bank | <u>202,685</u> |
| Total | <u><u>\$ 2,292,500</u></u> |

At June 30, 2015, the carrying amount of the district’s cash deposits was \$2,292,500. The district’s deposit accounts are covered up to \$250,000 by the Federal Deposit Insurance Corporation. Any amounts over \$250,000 are covered by collateralization held by First National Bank and Coffee County Bank in the district’s name. Peoples Bank and American City Bank are members of the Government Collateralization Pool. The district is authorized to deposit and invest funds according to the provisions of Section 5-8-301, *Tennessee Code Annotated*. [Acts 1992, ch 891, section 10].

D. Bonding and Insurance

The district had a bond covering certain members of the board at June 30, 2015. The district has liability insurance covering the building and its contents. The policy also insures employees automobiles used in the conduct of business. The district had no settlements that exceeded the coverage for the past three years.

E. Capital Assets

The following is a schedule of capital assets at June 30, 2015:

| Assets | Cost | Accumulated Depreciation | Net |
|--------------------------|---------------------|-----------------------------|-------------------|
| Non-Depreciable Assets: | | | |
| Construction in Progress | \$ 25,765 | \$ 0 | \$ 25,765 |
| Depreciable Assets: | | | |
| Buildings/Improvements | \$ 186,628 | \$ 114,563 | \$ 72,065 |
| Office Equipment | 33,114 | 30,048 | 3,066 |
| Furniture and Fixtures | 44,716 | 42,316 | 2,400 |
| Communication Equipment | 1,171,061 | 740,494 | 430,567 |
| Subtotal | <u>\$ 1,435,519</u> | <u>\$ 927,421</u> | <u>\$ 508,098</u> |
| Total Assets | <u>\$ 1,461,284</u> | <u>\$ 927,421</u> | <u>\$ 533,863</u> |

| Assets | Balance 7-1-14 | Additions | Balance 6-30-15 |
|--------------------------|---------------------|------------------|---------------------|
| Non-Depreciable Assets | | | |
| Construction in Progress | \$ 0 | \$ 25,765 | \$ 25,765 |
| Depreciable Assets | | | |
| Buildings/Improvements | \$ 186,628 | \$ 0 | \$ 186,628 |
| Office Equipment | 29,519 | 3,595 | 33,114 |
| Furniture and Fixtures | 43,625 | 1,091 | 44,716 |
| Communication Equipment | 1,171,061 | 0 | 1,171,061 |
| Subtotal | <u>\$ 1,430,833</u> | <u>\$ 4,686</u> | <u>\$ 1,435,519</u> |
| Total | <u>\$ 1,430,833</u> | <u>\$ 30,451</u> | <u>\$ 1,461,284</u> |

F. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

G. Accounts Receivable/Due from Other Governments

As of June 30, 2015, all 911 Surcharge revenue was received by the district.

H. Compensated Absences

There were no compensated absences as of June 30, 2015.

I. Salaries and Wages

The district has a contract with Coffee County for the county to provide the director and dispatcher labor to the district. These contracts are disclosed under "Contracts with Government Agencies" in the Statement of Revenues,

Expenses, and Changes in Net Position. The district pays payroll directly to part-time employees, which is disclosed under “Salaries and Wages – Part-time Personnel” in the Statement of Revenues, Expenses, and Changes in Net Position.

J. Calculation of Invested in Capital Assets

| | |
|----------------------------------|--------------------------|
| Net Book Value | \$ 533,863 |
| Current and Noncurrent Debt | <u>0</u> |
| Total Invested in Capital Assets | <u><u>\$ 533,863</u></u> |

K. Budgetary Information

As stated above, the district must file a budget with Coffee County each year, which must be adopted by the Board of Directors. The budget is prepared on the accrual basis of accounting. Compliance with the adopted budget is required at the line-item level.

VII. OTHER NOTES – DISCRETELY PRESENTED PUBLIC BUILDING AUTHORITY OF COFFEE COUNTY

A. Summary of Significant Accounting Policies

The Public Building Authority of Coffee County, Tennessee, was incorporated September 5, 2000. The purpose of the authority is to provide the capital resources (through the sale of bonds, notes, and other obligations) necessary to acquire, construct, reconstruct, rehabilitate, or improve facilities necessary or convenient to the operation of the related entities. In accordance with Section 12-10-108, *Tennessee Code Annotated*, the authority has seven Board of Directors that are elected by the governing body, the County Commission of Coffee County, Tennessee, and they hold office for staggered six-year terms. As defined in GASB Statement No. 14, the authority is a legal entity that meets the definition of a component unit of Coffee County in that a financial benefit/burden relationship exists between the county and the authority.

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

1. Reporting Entity

The authority follows the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, to define the reporting entity. The financial statements include all operations over which the authority is financially accountable. The

authority is not a participant in any joint venture and has not identified any entities, which would be component units of the authority.

2. 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 authority's activities. 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 or segment. 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 as general revenues. The effect of interfund activity has been removed from the government-wide financial statements.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

3. Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide 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 are met. Expenses are recorded when liabilities are incurred.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are 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. Revenues susceptible to accrual are interest on investments and intergovernmental revenues. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific expenditures are recognized when all eligibility requirements are met, provided they are collected in the current period or within sixty

days thereafter. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The authority has presented the following major governmental funds:

General Fund – This fund is the main operating fund of the authority. This fund is used to account for all financial resources not accounted for in other funds. All general revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Bond Fund – This fund is a special revenue fund used to account for the loans made by the authority to the city and county for capital projects such as the joint industrial park, vocational rehab center, and water lines for the county. The collection of principal and interest on these loans is recorded in the bond fund.

Proprietary Fund Financial Statements

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 a proprietary fund's ongoing operations. The principal operating revenues of the Conference Center are charges for catering, space rental, and related services. During the June 30, 2013 fiscal year, the Conference Center began offering a culinary arts and hospitality tech school in conjunction with the Tennessee Technology Center at McMinnville. This activity was discontinued during the current fiscal year. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The authority has presented the following major proprietary fund:

Manchester Conference Center – This fund is used to account for the services provided at the conference center.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are

reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the authority's policy to use restricted resources first, then unrestricted resources as they are needed.

4. Equipment

Plant and equipment is stated at cost, and depreciation is computed using the straight-line method based upon the estimated useful lives of the assets. The estimated useful lives vary from five to 40 years. Major expenditures for plant and equipment are capitalized while maintenance and repairs are expensed when incurred.

5. Use of Estimates

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

6. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the authority considers all highly liquid investments (including restricted assets) with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

7. Interfund Receivables, Payables, and Transactions Between Funds

Short-term amounts owed between funds are classified as "due to/from other funds." Legally authorized transfers are treated as operating transfers and are included in the results of operations of both Governmental and Proprietary Funds. Any residual balances outstanding between the governmental and business-type activities are reported in the governmental-wide financial statements as "internal balances".

8. Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the authority is bound to honor constraints on specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The authority did not have any nonspendable resources as of June 30, 2015.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The authority did not have any restricted resources as of June 30, 2015.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board. These amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that as employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The authority did not have any committed resources as of June 30, 2015.

Assigned: This classification includes amounts that are constrained by the authority's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board or through the Board delegating this responsibility to the manager through the budgetary process. The authority did not have any assigned resources as of June 30, 2015.

Unassigned: This classification includes the residual fund balance for the General Fund.

The authority would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to deter the use of these other classified funds.

9. Conference Center

During the year ended June 30, 2002, the authority completed construction of the Manchester-Coffee County Conference Center, located adjacent to the Holiday Inn in Manchester. The PBA is responsible for operating the Conference Center. Operations of the

Conference Center are reported as an enterprise fund of the PBA. In an agreement with the authority, the City of Manchester and Coffee County are jointly responsible for underwriting the debt and operations of the Center. Furthermore, any net profits and losses attributable to the operation of the Conference Center are born equally by the City of Manchester and Coffee County.

B. Cash

The authority is authorized to invest funds in financial institutions and direct obligations of the Federal Government. During 2015, the authority invested funds that are not immediately needed in certificates of deposit, savings accounts, and money market accounts. The authority's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the authority's bank in the authority's name. The carrying amount of total cash deposits (including petty cash) at June 30, 2015, was \$108,924.

C. Receivables

A summary of governmental receivables for the year ended June 30, 2015, follows:

| Governmental Entity: | Balance 6-30-15 |
|----------------------|----------------------------|
| Coffee County | \$ 2,915,000 |
| City of Manchester | <u>1,010,000</u> |
| Total | <u><u>\$ 3,925,000</u></u> |

Of the total, the authority expects to receive \$138,750 from the City of Manchester and \$416,250 from Coffee County for bond payment within the next 12 months.

The business-type activities consist of the following receivables for the year ended June 30, 2015:

| Receivables | Balance 6-30-15 |
|-------------------|-------------------------|
| Trade Receivables | <u>\$ 40,584</u> |
| Total | <u><u>\$ 40,584</u></u> |

D. Capital Assets

A summary of changes in property, plant, and equipment for the year ended June 30, 2015, follows:

Governmental Activities

| | Balance 7-1-14 | Increases | Decreases | Balance 6-30-15 |
|--|-------------------|------------|-----------|--------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 25,000 | \$ 0 | \$ 0 | \$ 25,000 |
| Total Capital Assets Not Depreciated | \$ 25,000 | \$ 0 | \$ 0 | \$ 25,000 |
| Capital Assets Depreciated: | | | | |
| Other Capital Assets | \$ 26,817 | \$ 0 | \$ 0 | \$ 26,817 |
| Total Capital Assets Depreciated | \$ 26,817 | \$ 0 | \$ 0 | \$ 26,817 |
| Less Accumulated Depreciation For: | | | | |
| Other Capital Assets | \$ 8,653 | \$ 1,758 | \$ 0 | \$ 10,411 |
| Total Accumulated Depreciation | \$ 8,653 | \$ 1,758 | \$ 0 | \$ 10,411 |
| Total Capital Assets Depreciated, Net | \$ 18,164 | \$ (1,758) | \$ 0 | \$ 16,406 |
| Governmental Activities Capital Assets, Net | \$ 43,164 | \$ (1,758) | \$ 0 | \$ 41,406 |

Depreciation expense totaled \$1,758 for the year ended June 30, 2015.

Business-type Activities:

| | Balance 7-1-14 | Increases | Decreases | Balance 6-30-15 |
|---|---------------------|-------------------|-------------|---------------------|
| Capital Assets Depreciated: | | | | |
| Buildings | \$ 2,415,202 | \$ 59,997 | \$ 0 | \$ 2,475,199 |
| Other Capital Assets | 328,402 | 8,808 | 0 | 337,210 |
| Total Capital Assets Depreciated | \$ 2,743,604 | \$ 68,805 | \$ 0 | \$ 2,812,409 |
| Less Accumulated Depreciation For: | | | | |
| Buildings | \$ 718,567 | \$ 63,719 | \$ 0 | \$ 782,286 |
| Other Capital Assets | 307,035 | 6,157 | 0 | 313,192 |
| Total Accumulated Depreciation | \$ 1,025,602 | \$ 69,876 | \$ 0 | \$ 1,095,478 |
| Total Capital Assets, Net | \$ 1,718,002 | \$ (1,071) | \$ 0 | \$ 1,716,931 |

Depreciation expense totaled \$69,876 for the year ended June 30, 2015.

E. Bonds Payable

The following is a summary of the authority's bonded debt transactions for the year ended June 30, 2015:

| | Series Z-4A 4.5 to 5% |
|-------------------------------|-----------------------------|
| Balance, July 1, 2014 | \$ 4,445,000 |
| Reductions | (520,000) |
| Balance, June 30, 2015 | \$ 3,925,000 |

Annual debt service requirements for bonds, Series Z-4A outstanding to maturity are as follows:

| Year Ending June 30 | Principal | Interest | Total |
|------------------------|---------------------|-------------------|---------------------|
| 2016 | \$ 555,000 | \$ 157,000 | \$ 712,000 |
| 2017 | 590,000 | 134,800 | 724,800 |
| 2018 | 630,000 | 111,200 | 741,200 |
| 2019-2021 | 2,150,000 | 175,400 | 2,325,400 |
| Total | <u>\$ 3,925,000</u> | <u>\$ 578,400</u> | <u>\$ 4,503,400</u> |

The City of Manchester and Coffee County are jointly responsible for the bonds payable.

F. Conduit Debt

The authority is an unauthorized conduit debt issuer under the Tennessee Local Government Alternative Loan Program (TN-LOANS Program). The authority has issued bonds as conduit debt on behalf of the Cities of Manchester, TN, Winchester, TN, Fayetteville, TN, White House, TN, Lawrenceburg, TN, Harrison County, TN, and Coffee County, Tennessee. The borrowers have guaranteed, insured, and pledged certain revenues for repayments of these bond issues. The bonds do not constitute a debt or pledge of faith and credit of the authority and, accordingly, have not been reported in the accompanying financial statements. The total conduit debt outstanding as of June 31, 2015, for all conduit bond issues is \$27,225,000.00.

G. Inventory

Inventory is stated at cost and includes food and supplies used by the conference center. The cost is recorded as an expense when purchased.

H. Restricted Net Position

The government-wide Statement of Net Position and Statement of Net Position – Proprietary Fund reports \$16,905 of restricted net position, which has been restricted due to liquor license requirements.

I. Budgetary Data

Formal budgetary accounting is employed as a management control for all funds of the authority. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required, and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principles basis. Budgetary control is exercised at the departmental level.

The Public Building Authority’s actual expenditures exceeded the amount appropriated in the final budget passed on August 11, 2014. This practice is

contrary to state statutes, which require all expenditures of the general fund be authorized by the governing body.

J. Risk Financing Activities

It is the policy of the authority to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, worker's compensation, and environmental. Settled claims have not exceeded commercial coverage in the past four fiscal years, and there are currently no pending lawsuits.

K. Retirement Plan

The employees of the authority are covered under the plan covering employees of Coffee County. The Coffee County Government unit pays for this plan.

L. Allowance for Doubtful Accounts

The authority has adopted the direct write-off method to account for bad debt expense. Receivables are reviewed annually and uncollectable accounts are currently expensed. There was no bad debt expense in 2015.

M. Special Investigation

The office of the Comptroller of the Treasury is conducting a special investigation of selected records of the Public Building Authority of Coffee County, Tennessee. The report is not available as of the release date of the Audit Report.

VIII. OTHER NOTES – DISCRETELY PRESENTED INDUSTRIAL BOARD OF COFFEE COUNTY, TENNESSEE, INC.

A. Summary of Significant Accounting Policies

The Industrial Board of Coffee County, Tennessee, Inc. (the board) was incorporated in 1969. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Industrial Board of Coffee County, Tennessee, Inc. The board is a component unit of Coffee County, Tennessee (the primary government). The primary government appoints members of the board of directors, and is funded primarily by appropriations from the county. The purpose of the board is to promote industry and develop trade for Coffee County, Tennessee.

The financial statements of the Industrial Board of Coffee County, Tennessee, Inc., have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standard Board (GASB) is the accepted standards-setting body for

establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below:

1. **Government-wide Statements**

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resource measurement focus, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The government-wide Statement of Activities reports both the gross and the net cost of the board's programs. The functions are also supported by general governmental revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function.

As required by GASB Statement No. 63, net position is presented in the following three components:

- Net investment in capital assets – This component of net position 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. If there are significant unspent debt proceeds at year-end, the portion of debt is included in the same net position component as unspent proceeds.
- Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – This component of net position consists of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

2. **Reserves, Designations of Fund Balances**

In the governmental fund financial statements, the board has established and will maintain reservations of fund balance, as defined in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The main objective of this standard is to improve the understandability and the usefulness of fund balance information by providing clear fund balance classifications. GASB Statement No. 54 shall only apply to the board's governmental funds. Fund balance is reported in the fund financial statements under the following classifications:

Nonspendable fund balance – Amounts that cannot be spent because they are not in a spendable form, including items not expected to be converted to cash (i.e. inventory or prepaids) or are legally or contractually required to be maintained in tact (principal of a permanent fund).

Restricted fund balance – Amounts of fund balance that can be spent for specific purposes stipulated by an external source or through enabling legislation.

Committed fund balance – Amounts constrained for specific purposes as determined by formal action of the Board of Directors, the highest level of decision-making body. Amounts classified as committed are not subject to legal enforceability; however, they cannot be used for any other purpose unless the board removes or changes the commitment by the same highest level of action taken to commit the funds, either by resolution or ordinance.

Assigned fund balance – Amounts intended to be used by the board but do not meet the criteria of restricted or committed. Intent can be expressed by the board or by an official who has been designated this authority by the board. Appropriations of fund balance to eliminate budgetary deficits in subsequent year's budget are presented as assigned.

Unassigned fund balance – In accordance with GAAP, unassigned fund balance is the residual classification of the General Fund that does not meet any other classifications.

Stabilization policy – The board has a fund balance policy that requires the unassigned fund balance be maintained at a level sufficient to provide for the required resources to meet operating cost needs, to allow for unseen needs of an emergency nature, and to permit orderly adjustment of changes resulting from fluctuations of revenue sources.

Spending policy – Unless otherwise stated, the fund balances will be spent in the following order:

Restricted
Committed
Assigned
Unassigned

3. **Fund Financial Statements**

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified

accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e. both measurable and available). Available means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

The financial transactions of the board are reported in individual funds in the fund financial statement. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues, and expenditures. The board reports the following fund:

General Fund – This fund is used as the general operating fund of the board. It is used to account for financial resources except those required to be accounted for in another fund.

The board adopts a budget for the General Fund as a management control device. The budget is adopted on a basis consistent with generally accepted accounting principles.

4. Date of Management’s Subsequent Review

Management has evaluated subsequent events through the date the financial statements were available to be issued.

5. Impact of Recently Issued Accounting Pronouncements

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions Liabilities*, required for fiscal periods beginning after June 15, 2014. This statement improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. Implementation of the Statement No. 68 resulted in a restatement of the beginning net position in government-wide statement of activities (see Note J below).

The GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The objective of this statement is to address an issue regarding application of the transition provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. GASB Statement No. 71 is a one page amendment to GASB Statement No. 68.

6. Estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or revenues and expenses during the reporting period. Actual results could differ from those estimates.

7. Equipment

Equipment is stated at cost, less accumulated depreciation, which is computed by the straight-line method over an estimated useful life of five to 20 years. Major expenditures for equipment and for repairs which substantially increase the useful lives are capitalized. Maintenance, minor repairs and minor acquisitions are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in revenue or expense.

8. Cash and Cash Equivalents

For purpose of reporting cash flows, cash equivalents include all short-term liquid investments with maturities of three months or less.

9. Accounts Receivable

The board considers accounts receivable to be fully collectible at June 30, 2015; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged off when that determination is made.

10. Compensated Absences

Employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation leave and sick leave, if vested. Accumulated unpaid vacation and sick pay related to governmental fund type operations that has not matured is reported in the applicable governmental activities in the Statements of Net Position and Activities, but is not a governmental fund liability, because it is not expected to be liquidated with expendable available resources.

11. Federal Income Taxes

The board is exempt from federal and state income tax.

12. Pension Plan

The board does not provide a pension plan for its employees; however, employees are covered under the plan for Coffee County. Employees of Coffee 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).

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

13. Deferred Outflows of Resources

The board reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position. The only deferred outflows of resources reported in this year's financial statements is a deferred outflow of resources for contributions made to the board's defined benefit pension plans between the measurement date of the net pension liabilities from those plans and the end of the board's fiscal year. No deferred outflows of resources affect the governmental funds financial statements in the current year.

14. Deferred Inflows of Resources

The board's statements of net position reports a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to a future period(s). Deferred inflows of resources are reported in the System's statement of net position for actual pension plan investment earnings in excess of the expected amounts included in determining pension expense. This deferred inflow of resources is attributed to pension expense over a total of 5 years, including the current year. No deferred inflows of resources affect the governmental funds financial statements in the current year.

B. Cash Deposits with Financial Institutions

The board is authorized to deposit its funds in banks, trust companies, or other depositories as the board may select. Deposits are carried at cost. At year-end, the carrying amount of deposits was \$905,306, and the bank balance was \$905,295. Deposits in financial institutions are required by state statute to be

secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105% of the value of the deposits placed in the institutions, less the amount protected by federal depository insurance. At June 30, 2015, deposits of approximately \$5,482 were not collateralized.

C. Capital Assets

Property, plant, and equipment consist of various office machines and improvements, which are being depreciated over five to 20 years using the straight line method.

A summary of changes in capital assets is as follows:

| Assets | Balance 7-1-14 | Additions | Deletions | Balance 6-30-15 |
|---------------------------------------|---------------------|---------------------|-------------------|---------------------|
| Capital Assets being Depreciated: | | | | |
| Equipment | \$ 24,571 | \$ 0 | \$ (8,881) | \$ 15,690 |
| Land Improvement | 1,694,573 | 1,123,940 | 0 | 2,818,513 |
| Vehicles | 199,705 | 0 | 0 | 199,705 |
| Total Capital Assets | | | | |
| being Depreciated: | <u>\$ 1,918,849</u> | <u>\$ 1,123,940</u> | <u>\$ (8,881)</u> | <u>\$ 3,033,908</u> |
| Less Accumulated Depreciation: | | | | |
| Equipment | \$ 21,949 | \$ 1,611 | \$ (8,751) | \$ 14,809 |
| Vehicles | 69,896 | 9,985 | 0 | 79,881 |
| Total Accumulated Depreciation | <u>\$ 91,845</u> | <u>\$ 11,596</u> | <u>\$ (8,751)</u> | <u>\$ 94,690</u> |
| Total Capital Assets | | | | |
| being Depreciated, Net: | <u>\$ 1,827,004</u> | <u>\$ 1,112,344</u> | <u>\$ (130)</u> | <u>\$ 2,939,218</u> |

Depreciation expense for the year ended June 30, 2015, was \$11,596.

Land is transferred to the board from Coffee County and in private-sector company account. It was deeded to the board at \$1 with improvements made during 2014 and 2015 fiscal years. The property will be deeded to the company at the end in twenty years.

D. Notes Payable and Other Obligations

1. Transaction Summary

Notes and other obligations activity for the year ended June 30, 2015, was as follows:

| | Compensated Absences | Notes | Net Pension Liability |
|------------------------|-------------------------|-------------|-----------------------------|
| Balance, July 1, 2014 | \$ 10,493 | \$ 843,952 | \$ 4,381 (1) |
| Additions | 4,253 | 0 | 8,012 |
| Reductions | 0 | (843,952) | (44,412) |
| Balance, June 30, 2015 | <u>\$ 14,746</u> | <u>\$ 0</u> | <u>\$ (32,019)</u> |

(1) As restated

2. Description of Amounts Payable

| | |
|----------------------|------------------|
| Other obligations: | |
| Compensated Absences | <u>\$ 14,746</u> |
| Total | <u>\$ 14,746</u> |

E. Pension

Plan Description. Employees of the board are provided a defined benefit pension plan through the Coffee County Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under *Tennessee Code Annotated (TCA) Title 8, Chapters 34-37*. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publically available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility.

The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

Employees Covered by Benefit Terms. At the measurement date of June 30, 2014, the following employees were covered by the benefit terms:

| | |
|--|---------------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 0 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 0 |
| Active Employees | 2 |
| Total | <u><u>2</u></u> |

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. Coffee County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, employer contributions for Coffee County were \$10,309 based on a rate of 8.78 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Coffee County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution (ADC) and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

At June 30, 2014, the board reported an asset of \$32,019 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The board’s proportion of the net pension liability was based on a projection of the board’s long-term share of contributions to the pension plan relative to the projected contributions of all participating Coffee County, actuarially determined. At June 30, 2014, the board’s proportion was .94 percent.

Actuarial Assumptions. The total pension liability as of June 30, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 3% |
| Salary Increases | Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25% |
| Investment Rate of Return | 7.5%, Net of Pension Plan Investment Expenses, Including Inflation |
| Cost of Living Adjustment | 2.5% |

Mortality rates were based on actual experience from the June 30, 2012, actuarial experience study adjusted for some of the expected future improvement in life expectancy. The actuarial assumptions used in the June 30, 2014, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding inflation of 3 percent. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Percentage Long-term Expected Real Rate of Return | Percentage Target Allocations |
|---|---|-------------------------------------|
| U.S. Equity Developed Market | 6.46 % | 33 % |
| International Equity Emerging Market | 6.26 | 17 |
| International Equity Private Equity and Strategic Lending | 6.40 | 5 |
| U.S. Fixed Income Real Estate | 4.61 | 8 |
| Short-term Securities | 0.98 | 29 |
| | 4.73 | 7 |
| | 0.00 | 1 |
| Total | | 100 % |

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.5 percent based on a blending of the three factors described above.

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Coffee County will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Board's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the board's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

| | 1% Decrease 6.5% | Current Discount Rate 7.5% | 1% Increase 8.5% |
|---|------------------------|-------------------------------------|------------------------|
| Boards Proportionate Share of the Net Pension Liability (Asset) | \$ 12,009 | \$ (32,022) | \$ (68,684) |

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

Pension Expense (Income) and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Pension Income. For the year ended June 30, 2015, the board recognized pension income of \$2,043.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences Between Expected and Actual Experience | \$ 0 | \$ 11,531 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 0 | 22,827 |
| Contributions Subsequent to the Measurement Date of June 30, 2014 | 10,309 | N/A |
| Total | <u>\$ 10,309</u> | <u>\$ 34,358</u> |

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2014,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30 | Amount |
|------------------------|------------|
| 2016 | \$ (8,013) |
| 2017 | (8,013) |
| 2018 | (8,013) |
| 2019 | (8,013) |
| 2020 | (2,306) |
| Thereafter | 0 |

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

F. Other Postemployment Benefits (OPEB)

The Industrial Board of Coffee County, Tennessee, Inc., and Coffee County participate in the state-administered Local Government Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-207, *Tennessee Code Annotated (TCA)* for local governments. Prior to reaching age 65, all members have the option of choosing between standard or partnership preferred provider organization plan for healthcare benefits. Subsequent to age 65, members who are also in the state’s retirement system may participate in a state-administered Medicare Supplement Plan that does not include

pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial report (CAFR). The CAFR is available on the state's website at <http://tennessee.gov/finbance/act/cafr.html>.

Funding Policy

The premium requirements of the plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employee' premiums since the committee are not prescriptive on that issue. During the year, the board contributed \$0 to the plan. The liability for the Industrial Board of Coffee County, Tennessee, Inc., and Coffee County is not considered material. Addition actuarial information on the OPEB cost and obligation is available on the annual report for Coffee County, Tennessee, for the year ended June 30, 2015.

G. Commitments and Contingencies

The board receives a substantial amount of its support from the local county government. A significant reduction in the level of such support, if this were to occur, may have an effect on the board's programs and activities.

H. Note Receivable

The board has a note receivable due from an individual dated September 28, 2006, to sell 17.42 acres located in the Coffee County Interstate Industrial Park. The gross sales price was \$104,520, with \$42,000 paid to the board at closing, and a note receivable for the remainder of \$62,520. The note was due September 28, 2013, and is secured by a deed of trust on the property. No monthly payments were due until September 28, 2010, at which time payments of \$633 were commenced for not more than three years, with the remainder being due at September 28, 2013. According to the terms of the note, interest is added to the principal balance annually. The interest rate is 5.5%. The balance of the note receivable at June 30, 2015, was \$79,129. No payments have been received during 2015 fiscal year; however, the note is considered collectible; therefore, no provision for loss has been recorded.

Schedule of changes to note receivable during the year follows:

| | <u>Teal Note</u> |
|-----------------------------|------------------|
| Balance, July 1, 2014 | \$ 79,129 |
| Balance, June 30, 2015 | \$ 79,129 |
| Balance Due Within One Year | \$ 79,129 |

I. Lease Agreement

The board purchased a fire truck in July 2007 for \$199,705. The truck is to be leased to the Hickerson Station Fire Department. There is no stated monthly lease payment with the fire station responsible for insurance, maintenance and service on the truck with ownership remaining with the board. The lease is for continuous twelve-month periods with 60 days' notice by either party required to terminate the lease agreement.

J. Restatement and Reclassifications

As mentioned in Note VIII.A.5. to the financial statements, the board implemented GASB Statement No. 68, Accounting and Financial Reporting for Pensions Liabilities. This pension standard includes significant changes on how governmental employers report liabilities related to pension obligations. As such, the opening fund balances have been adjusted to this change as follows:

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| Net Position, Beginning as Previously Presented | \$ 2,475,576 |
| Implementation of GASB Statement No. 68 To Reduce Net Position for Amount of Net Position Liability as of July 1, 2014 | (4,381) |
| Net Position, Beginning as Restated | \$ 2,471,195 |

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Coffee County, Tennessee
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on
Participation in the Public Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

| | <u>2014</u> |
|--|----------------------------------|
| Total Pension Liability (Asset) | |
| Service Cost | \$ 1,124,029 |
| Interest | 2,652,435 |
| Changes in Benefit Terms | 0 |
| Differences Between Actual and Expected Experience | (1,472,065) |
| Changes in Assumptions | 0 |
| Benefit Payments, Including Refunds of Employee Contributions | (1,384,888) |
| Net Change in Total Pension Liability (Asset) | \$ 919,511 |
| Total Pension Liability (Asset), Beginning | <u>34,934,223</u> |
| Total Pension Liability (Asset), Ending (a) | \$ <u>35,853,734</u> |
| Plan Fiduciary Net Position | |
| Contributions - Employer | \$ 1,094,055 |
| Contributions - Employee | 644,561 |
| Net Investment Income | 5,551,086 |
| Benefit Payments, Including Refunds of Employee Contributions | (1,384,888) |
| Administrative Expense | (18,439) |
| Net Change in Plan Fiduciary Net Position | \$ 5,886,375 |
| Plan Fiduciary Net Position, Beginning | <u>33,373,989</u> |
| Plan Fiduciary Net Position, Ending (b) | \$ <u>39,260,364</u> |
| Net Pension Liability (Asset), Ending (a - b) | \$ <u><u>(3,406,630)</u></u> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 109.50% |
| Covered Employee Payroll | \$ 12,841,020 |
| Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll | 26.53% |

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

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit F-2

Coffee County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
For the Fiscal Year Ended June 30

| | <u>2014</u> | <u>2015</u> |
|---|--------------------|--------------------|
| Actuarially Determined Contribution | \$ 1,094,055 | \$ 1,100,026 |
| Less Contributions in Relation to the Actuarially Determined Contribution | <u>(1,094,055)</u> | <u>(1,100,026)</u> |
| Contribution Deficiency (Excess) | <u>\$ 0</u> | <u>\$ 0</u> |
| Covered Employee Payroll | \$ 12,841,020 | \$ 12,413,644 |
| Contributions as a Percentage of Covered Employee Payroll | 8.52% | 8.86% |

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

Note: data presented includes primary government and discretely presented non-certified employees of the School Department.

Exhibit F-3

Coffee County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Retirement Plan of TCRS
Discretely Presented Coffee County School Department
For the Fiscal Year Ended June 30

| | <u>2015</u> |
|---|--------------------|
| Actuarially Determined Contribution | \$ 24,379 |
| Less Contributions in Relation to the Actuarially Determined Contribution | <u>(39,007)</u> |
| Contribution Deficiency (Excess) | <u>\$ (14,628)</u> |
| Covered Employee Payroll | \$ 975,156 |
| Contributions as a Percentage of Covered Employee Payroll | 4.00% |

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

Exhibit F-4

Coffee County, Tennessee
Schedule of Contributions Based on Participation in the Teacher
Legacy Pension Plan of TCRS
Discretely Presented Coffee County School Department
For the Fiscal Year Ended June 30

| | <u>2014</u> | <u>2015</u> |
|---|---------------|---------------|
| Actuarially Determined Contribution | \$ 1,588,162 | \$ 1,512,145 |
| Less Contributions in Relation to the Actuarially Determined Contribution | (1,588,162) | (1,512,145) |
| Contribution Deficiency (Excess) | <u>\$ 0</u> | <u>\$ 0</u> |
| Covered Employee Payroll | \$ 17,884,717 | \$ 16,730,203 |
| Contributions as a Percentage of Covered Employee Payroll | 8.88% | 9.04% |

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

Exhibit F-5

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

| | <u>2014</u> |
|--|---------------|
| School Department's Proportion of the Net Pension Asset | 0.455662% |
| School Department's Proportionate Share of the Net Pension Asset | \$ 74,043 |
| Covered Employee Payroll | \$ 17,884,717 |
| School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll | 0.41% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 100.08% |

* The amounts presented were determined as of June 30 of the prior fiscal year.

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

Exhibit F-6

Coffee County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and the Discretely Presented Coffee County School Department
June 30, 2015

(Dollar amounts in thousands)

| Plans | 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) |
|---|--------------------------|------------------------------------|---|-----------------------------|--------------------|---------------------|---|
| <u>PRIMARY GOVERNMENT</u> | | | | | | | |
| Local Government Group | 7-1-10 | \$ 0 | \$ 1,114 | \$ 1,114 | 0 % | \$ 7,193 | 15 % |
| " | 7-1-11 | 0 | 730 | 730 | 0 | 7,409 | 10 |
| " | 7-1-13 | 0 | 304 | 304 | 0 | 8,945 | 3 |
| <u>DISCRETELY PRESENTED COFFEE COUNTY SCHOOL DEPARTMENT</u> | | | | | | | |
| Local Education Group | 7-1-10 | 0 | 11,583 | 11,583 | 0 | 19,838 | 58 |
| " | 7-1-11 | 0 | 9,495 | 9,495 | 0 | 22,108 | 43 |
| " | 7-1-13 | 0 | 9,030 | 9,030 | 0 | 19,997 | 45 |

COFFEE COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Frozen Initial Liability |
| Amortization Method | Level Dollar, Closed (Not to Exceed 20 Years) |
| Remaining Amortization Period | 1 Year |
| Asset Valuation | 10-Year Smoothed Within a 20% Corridor to Market Value |
| Inflation | 3% |
| Salary Increases | Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25% |
| Investment Rate of Return | 7.5%, Net of Investment Expense, Including Inflation |
| Retirement Age | Pattern of Retirement Determined by Experience Study |
| Mortality | Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement |
| Cost of Living Adjustment | 2.5% |

**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 the transactions relating to the disposal of solid waste.

Ambulance Service Fund – The Ambulance Service Fund is used to account for the transactions of the county’s Ambulance Service.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for a special property tax levied on the Interstate Industrial Park to provide city services for the park.

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.

Highway/Public Works Fund – The Highway/Public Works Fund is used to account for transactions of the county’s Highway Department.

Capital Projects Fund

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

Exhibit G-1

Coffee County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

| | Special Revenue Funds | | | | |
|--|--------------------------------|----------------------|-------------------------|-------------------|--|
| | Solid Waste / Sanitation | Ambulance Service | Local Purpose Tax | Drug Control | Constitu - tional Officers - Fees |
| <u>ASSETS</u> | | | | | |
| Cash | \$ 0 | \$ 159,780 | \$ 0 | \$ 0 | \$ 167,293 |
| Equity in Pooled Cash and Investments | 1,548,018 | 234,941 | 514,531 | 538,394 | 0 |
| Accounts Receivable | 77,785 | 1,228,296 | 0 | 0 | 16,393 |
| Allowance for Uncollectibles | 0 | (733,597) | 0 | 0 | 0 |
| Due from Other Governments | 54,804 | 0 | 0 | 0 | 0 |
| Due from Other Funds | 35,674 | 0 | 0 | 0 | 0 |
| Property Taxes Receivable | 942,114 | 541,136 | 199,720 | 0 | 0 |
| Allowance for Uncollectible Property Taxes | (60,312) | (16,304) | (42,039) | 0 | 0 |
| Total Assets | <u>\$ 2,598,083</u> | <u>\$ 1,414,252</u> | <u>\$ 672,212</u> | <u>\$ 538,394</u> | <u>\$ 183,686</u> |
| <u>LIABILITIES</u> | | | | | |
| Accounts Payable | \$ 47,313 | \$ 2,804 | \$ 0 | \$ 110 | \$ 0 |
| Payroll Deductions Payable | 4,427 | 16,928 | 0 | 0 | 0 |
| Due to Other Funds | 0 | 0 | 0 | 0 | 183,686 |
| Due to State of Tennessee | 376 | 247 | 0 | 0 | 0 |
| Total Liabilities | <u>\$ 52,116</u> | <u>\$ 19,979</u> | <u>\$ 0</u> | <u>\$ 110</u> | <u>\$ 183,686</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | |
| Deferred Current Property Taxes | \$ 819,757 | \$ 508,018 | \$ 155,394 | \$ 0 | \$ 0 |
| Deferred Delinquent Property Taxes | 57,508 | 15,585 | 2,287 | 0 | 0 |
| Other Deferred/Unavailable Revenue | 21,088 | 494,699 | 0 | 0 | 0 |
| Total Deferred Inflows of Resources | <u>\$ 898,353</u> | <u>\$ 1,018,302</u> | <u>\$ 157,681</u> | <u>\$ 0</u> | <u>\$ 0</u> |

(Continued)

Exhibit G-1

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

| | Special Revenue Funds | | | | |
|---|--------------------------|---------------------|-------------------|-------------------|--------------------------------|
| | Solid Waste / Sanitation | Ambulance Service | Local Purpose Tax | Drug Control | Constitutional Officers - Fees |
| <u>FUND BALANCES</u> | | | | | |
| Restricted: | | | | | |
| Restricted for Public Safety | \$ 0 | \$ 0 | \$ 0 | \$ 512,426 | \$ 0 |
| Restricted for Public Health and Welfare | 1,636,700 | 282,429 | 0 | 0 | 0 |
| Restricted for Other Operations | 0 | 0 | 514,531 | 0 | 0 |
| Restricted for Highways/Public Works | 0 | 0 | 0 | 0 | 0 |
| Restricted for Capital Outlay | 0 | 0 | 0 | 0 | 0 |
| Assigned: | | | | | |
| Assigned for Public Safety | 0 | 0 | 0 | 25,858 | 0 |
| Assigned for Public Health and Welfare | 10,914 | 93,542 | 0 | 0 | 0 |
| Assigned for Highways/Public Works | 0 | 0 | 0 | 0 | 0 |
| Total Fund Balances | <u>\$ 1,647,614</u> | <u>\$ 375,971</u> | <u>\$ 514,531</u> | <u>\$ 538,284</u> | <u>\$ 0</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 2,598,083</u> | <u>\$ 1,414,252</u> | <u>\$ 672,212</u> | <u>\$ 538,394</u> | <u>\$ 183,686</u> |

(Continued)

Exhibit G-1

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

| | Special Revenue Funds (Cont.) | | Capital Projects Fund | Total Nonmajor Governmental Funds |
|--|----------------------------------|--------------|----------------------------------|--|
| | Highway / Public Works | Total | Education Capital Projects | |
| <u>ASSETS</u> | | | | |
| Cash | \$ 0 | \$ 327,073 | \$ 386,352 | \$ 713,425 |
| Equity in Pooled Cash and Investments | 563,941 | 3,399,825 | 0 | 3,399,825 |
| Accounts Receivable | 0 | 1,322,474 | 0 | 1,322,474 |
| Allowance for Uncollectibles | 0 | (733,597) | 0 | (733,597) |
| Due from Other Governments | 363,755 | 418,559 | 0 | 418,559 |
| Due from Other Funds | 0 | 35,674 | 0 | 35,674 |
| Property Taxes Receivable | 0 | 1,682,970 | 0 | 1,682,970 |
| Allowance for Uncollectible Property Taxes | 0 | (118,655) | 0 | (118,655) |
| Total Assets | \$ 927,696 | \$ 6,334,323 | \$ 386,352 | \$ 6,720,675 |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 2,661 | \$ 52,888 | \$ 0 | \$ 52,888 |
| Payroll Deductions Payable | 6,527 | 27,882 | 0 | 27,882 |
| Due to Other Funds | 0 | 183,686 | 0 | 183,686 |
| Due to State of Tennessee | 0 | 623 | 0 | 623 |
| Total Liabilities | \$ 9,188 | \$ 265,079 | \$ 0 | \$ 265,079 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Deferred Current Property Taxes | \$ 0 | \$ 1,483,169 | \$ 0 | \$ 1,483,169 |
| Deferred Delinquent Property Taxes | 0 | 75,380 | 0 | 75,380 |
| Other Deferred/Unavailable Revenue | 181,609 | 697,396 | 0 | 697,396 |
| Total Deferred Inflows of Resources | \$ 181,609 | \$ 2,255,945 | \$ 0 | \$ 2,255,945 |

(Continued)

Exhibit G-1

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

FUND BALANCES

Restricted:

Restricted for Public Safety

Restricted for Public Health and Welfare

Restricted for Other Operations

Restricted for Highways/Public Works

Restricted for Capital Outlay

Assigned:

Assigned for Public Safety

Assigned for Public Health and Welfare

Assigned for Highways/Public Works

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

| Special Revenue Funds (Cont.) | | Capital Projects Fund | Total Nonmajor Governmental Funds |
|----------------------------------|---------------------|----------------------------------|--|
| Highway / Public Works | Total | Education Capital Projects | |
| \$ 0 | \$ 512,426 | \$ 0 | \$ 512,426 |
| 0 | 1,919,129 | 0 | 1,919,129 |
| 0 | 514,531 | 0 | 514,531 |
| 699,573 | 699,573 | 0 | 699,573 |
| 0 | 0 | 386,352 | 386,352 |
| 0 | 25,858 | 0 | 25,858 |
| 0 | 104,456 | 0 | 104,456 |
| 37,326 | 37,326 | 0 | 37,326 |
| <u>\$ 736,899</u> | <u>\$ 3,813,299</u> | <u>\$ 386,352</u> | <u>\$ 4,199,651</u> |
| <u>\$ 927,696</u> | <u>\$ 6,334,323</u> | <u>\$ 386,352</u> | <u>\$ 6,720,675</u> |

Exhibit G-2

Coffee County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2015

| | Special Revenue Funds | | | | |
|-----------------------------------|--------------------------------|----------------------|-------------------------|-------------------|--|
| | Solid Waste / Sanitation | Ambulance Service | Local Purpose Tax | Drug Control | Constitu - tional Officers - Fees |
| <u>Revenues</u> | | | | | |
| Local Taxes | \$ 1,224,673 | \$ 511,819 | \$ 192,289 | \$ 0 | \$ 0 |
| Licenses and Permits | 6,566 | 9,000 | 0 | 0 | 0 |
| Fines, Forfeitures, and Penalties | 0 | 0 | 0 | 246,323 | 0 |
| Charges for Current Services | 116,393 | 1,827,805 | 0 | 0 | 2,132 |
| Other Local Revenues | 73,928 | 42 | 0 | 6,674 | 0 |
| State of Tennessee | 43,748 | 0 | 59,013 | 0 | 0 |
| Total Revenues | <u>\$ 1,465,308</u> | <u>\$ 2,348,666</u> | <u>\$ 251,302</u> | <u>\$ 252,997</u> | <u>\$ 2,132</u> |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| General Government | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 22 |
| Administration of Justice | 0 | 0 | 0 | 0 | 2,110 |
| Public Safety | 0 | 0 | 0 | 239,054 | 0 |
| Public Health and Welfare | 1,253,377 | 2,256,949 | 0 | 0 | 0 |
| Other Operations | 28,600 | 0 | 95,757 | 0 | 0 |
| Highways | 0 | 0 | 0 | 0 | 0 |
| Debt Service: | | | | | |
| Principal on Debt | 0 | 0 | 0 | 0 | 0 |
| Interest on Debt | 0 | 0 | 0 | 0 | 0 |
| Capital Projects - Donated | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | <u>\$ 1,281,977</u> | <u>\$ 2,256,949</u> | <u>\$ 95,757</u> | <u>\$ 239,054</u> | <u>\$ 2,132</u> |

(Continued)

Exhibit G-2

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

| | Special Revenue Funds | | | | |
|--|--------------------------------|----------------------|-------------------------|-----------------|--|
| | Solid Waste / Sanitation | Ambulance Service | Local Purpose Tax | Drug Control | Constitu - tional Officers - Fees |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 183,331 | \$ 91,717 | \$ 155,545 | \$ 13,943 | \$ 0 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Proceeds from Sale of Capital Assets | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Other Financing Sources (Uses) | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Net Change in Fund Balances | \$ 183,331 | \$ 91,717 | \$ 155,545 | \$ 13,943 | \$ 0 |
| Fund Balance, July 1, 2014 | 1,464,283 | 284,254 | 358,986 | 524,341 | 0 |
| Fund Balance, June 30, 2015 | \$ 1,647,614 | \$ 375,971 | \$ 514,531 | \$ 538,284 | \$ 0 |

(Continued)

Exhibit G-2

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

| | Special Revenue Funds (Cont.) | | Capital Projects Fund | Total Nonmajor Governmental Funds |
|-----------------------------------|----------------------------------|---------------------|----------------------------------|--|
| | Highway / Public Works | Total | Education Capital Projects | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 75,313 | \$ 2,004,094 | \$ 0 | \$ 2,004,094 |
| Licenses and Permits | 0 | 15,566 | 0 | 15,566 |
| Fines, Forfeitures, and Penalties | 0 | 246,323 | 0 | 246,323 |
| Charges for Current Services | 0 | 1,946,330 | 0 | 1,946,330 |
| Other Local Revenues | 2,522 | 83,166 | 0 | 83,166 |
| State of Tennessee | 2,068,027 | 2,170,788 | 0 | 2,170,788 |
| Total Revenues | <u>\$ 2,145,862</u> | <u>\$ 6,466,267</u> | <u>\$ 0</u> | <u>\$ 6,466,267</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| General Government | \$ 0 | \$ 22 | \$ 0 | \$ 22 |
| Administration of Justice | 0 | 2,110 | 0 | 2,110 |
| Public Safety | 0 | 239,054 | 0 | 239,054 |
| Public Health and Welfare | 0 | 3,510,326 | 0 | 3,510,326 |
| Other Operations | 0 | 124,357 | 0 | 124,357 |
| Highways | 1,813,507 | 1,813,507 | 0 | 1,813,507 |
| Debt Service: | | | | |
| Principal on Debt | 83,000 | 83,000 | 0 | 83,000 |
| Interest on Debt | 6,406 | 6,406 | 0 | 6,406 |
| Capital Projects - Donated | 0 | 0 | 3,000,000 | 3,000,000 |
| Total Expenditures | <u>\$ 1,902,913</u> | <u>\$ 5,778,782</u> | <u>\$ 3,000,000</u> | <u>\$ 8,778,782</u> |

(Continued)

Exhibit G-2

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

| | Special Revenue Funds (Cont.) | | Capital Projects Fund | Total |
|--|----------------------------------|--------------|----------------------------------|-----------------------------------|
| | Highway / Public Works | Total | Education Capital Projects | Nonmajor Governmental Funds |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 242,949 | \$ 687,485 | \$ (3,000,000) | \$ (2,312,515) |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Proceeds from Sale of Capital Assets | \$ 11,059 | \$ 11,059 | \$ 0 | \$ 11,059 |
| Total Other Financing Sources (Uses) | \$ 11,059 | \$ 11,059 | \$ 0 | \$ 11,059 |
| Net Change in Fund Balances | \$ 254,008 | \$ 698,544 | \$ (3,000,000) | \$ (2,301,456) |
| Fund Balance, July 1, 2014 | 482,891 | 3,114,755 | 3,386,352 | 6,501,107 |
| Fund Balance, June 30, 2015 | \$ 736,899 | \$ 3,813,299 | \$ 386,352 | \$ 4,199,651 |

Exhibit G-3

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2015

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|---------------------|---------------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 1,224,673 | \$ 0 | \$ 0 | \$ 1,224,673 | \$ 1,206,415 | \$ 1,207,023 | \$ 17,650 |
| Licenses and Permits | 6,566 | 0 | 0 | 6,566 | 5,000 | 5,000 | 1,566 |
| Charges for Current Services | 116,393 | 0 | 0 | 116,393 | 108,400 | 149,900 | (33,507) |
| Other Local Revenues | 73,928 | 0 | 0 | 73,928 | 45,000 | 70,011 | 3,917 |
| State of Tennessee | 43,748 | 0 | 0 | 43,748 | 93,700 | 52,200 | (8,452) |
| Total Revenues | \$ 1,465,308 | \$ 0 | \$ 0 | \$ 1,465,308 | \$ 1,458,515 | \$ 1,484,134 | \$ (18,826) |
| <u>Expenditures</u> | | | | | | | |
| <u>Public Health and Welfare</u> | | | | | | | |
| Sanitation Management | \$ 177,894 | \$ (7,130) | \$ 0 | \$ 170,764 | \$ 180,248 | \$ 192,748 | \$ 21,984 |
| Waste Pickup | 653,306 | 0 | 800 | 654,106 | 787,471 | 774,971 | 120,865 |
| Convenience Centers | 342,305 | (64,358) | 10,114 | 288,061 | 353,699 | 353,699 | 65,638 |
| Other Waste Collection | 79,872 | 0 | 0 | 79,872 | 107,649 | 107,649 | 27,777 |
| Other Waste Disposal | 0 | 0 | 0 | 0 | 4,500 | 4,500 | 4,500 |
| <u>Other Operations</u> | | | | | | | |
| Other Charges | 28,600 | 0 | 0 | 28,600 | 28,600 | 28,600 | 0 |
| Total Expenditures | \$ 1,281,977 | \$ (71,488) | \$ 10,914 | \$ 1,221,403 | \$ 1,462,167 | \$ 1,462,167 | \$ 240,764 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 183,331 | \$ 71,488 | \$ (10,914) | \$ 243,905 | \$ (3,652) | \$ 21,967 | \$ 221,938 |
| Net Change in Fund Balance | \$ 183,331 | \$ 71,488 | \$ (10,914) | \$ 243,905 | \$ (3,652) | \$ 21,967 | \$ 221,938 |
| Fund Balance, July 1, 2014 | 1,464,283 | (71,488) | 0 | 1,392,795 | 1,392,794 | 1,392,794 | 1 |
| Fund Balance, June 30, 2015 | \$ 1,647,614 | \$ 0 | \$ (10,914) | \$ 1,636,700 | \$ 1,389,142 | \$ 1,414,761 | \$ 221,939 |

Exhibit G-4

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Ambulance Service Fund
For the Year Ended June 30, 2015

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 511,819 | \$ 0 | \$ 0 | \$ 511,819 | \$ 503,713 | \$ 503,713 | \$ 8,106 |
| Licenses and Permits | 9,000 | 0 | 0 | 9,000 | 7,000 | 7,000 | 2,000 |
| Charges for Current Services | 1,827,805 | 0 | 0 | 1,827,805 | 1,880,650 | 1,880,650 | (52,845) |
| Other Local Revenues | 42 | 0 | 0 | 42 | 150 | 150 | (108) |
| Total Revenues | \$ 2,348,666 | \$ 0 | \$ 0 | \$ 2,348,666 | \$ 2,391,513 | \$ 2,391,513 | \$ (42,847) |
| <u>Expenditures</u> | | | | | | | |
| <u>Public Health and Welfare</u> | | | | | | | |
| Ambulance/Emergency Medical Services | \$ 2,256,949 | \$ (94,257) | \$ 93,542 | \$ 2,256,234 | \$ 2,458,885 | \$ 2,458,885 | \$ 202,651 |
| Total Expenditures | \$ 2,256,949 | \$ (94,257) | \$ 93,542 | \$ 2,256,234 | \$ 2,458,885 | \$ 2,458,885 | \$ 202,651 |
| <u>Excess (Deficiency) of Revenues</u> | | | | | | | |
| Over Expenditures | \$ 91,717 | \$ 94,257 | \$ (93,542) | \$ 92,432 | \$ (67,372) | \$ (67,372) | \$ 159,804 |
| Net Change in Fund Balance | \$ 91,717 | \$ 94,257 | \$ (93,542) | \$ 92,432 | \$ (67,372) | \$ (67,372) | \$ 159,804 |
| Fund Balance, July 1, 2014 | 284,254 | (94,257) | 0 | 189,997 | 189,998 | 189,998 | (1) |
| Fund Balance, June 30, 2015 | \$ 375,971 | \$ 0 | \$ (93,542) | \$ 282,429 | \$ 122,626 | \$ 122,626 | \$ 159,803 |

Exhibit G-5

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2015

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-------------------|-------------------|-------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 192,289 | \$ 191,298 | \$ 191,298 | \$ 991 |
| State of Tennessee | 59,013 | 35,000 | 59,013 | 0 |
| Total Revenues | <u>\$ 251,302</u> | <u>\$ 226,298</u> | <u>\$ 250,311</u> | <u>\$ 991</u> |
| <u>Expenditures</u> | | | | |
| <u>Other Operations</u> | | | | |
| Industrial Development | \$ 95,757 | \$ 129,500 | \$ 129,500 | \$ 33,743 |
| Total Expenditures | <u>\$ 95,757</u> | <u>\$ 129,500</u> | <u>\$ 129,500</u> | <u>\$ 33,743</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 155,545</u> | <u>\$ 96,798</u> | <u>\$ 120,811</u> | <u>\$ 34,734</u> |
| Net Change in Fund Balance | \$ 155,545 | \$ 96,798 | \$ 120,811 | \$ 34,734 |
| Fund Balance, July 1, 2014 | <u>358,986</u> | <u>358,985</u> | <u>358,985</u> | <u>1</u> |
| Fund Balance, June 30, 2015 | <u>\$ 514,531</u> | <u>\$ 455,783</u> | <u>\$ 479,796</u> | <u>\$ 34,735</u> |

Exhibit G-6

Coffee County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Drug Control Fund
 For the Year Ended June 30, 2015

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Fines, Forfeitures, and Penalties | \$ 246,323 | \$ 0 | \$ 0 | \$ 246,323 | \$ 240,000 | \$ 236,744 | \$ 9,579 |
| Other Local Revenues | 6,674 | 0 | 0 | 6,674 | 0 | 6,358 | 316 |
| Total Revenues | \$ 252,997 | \$ 0 | \$ 0 | \$ 252,997 | \$ 240,000 | \$ 243,102 | \$ 9,895 |
| <u>Expenditures</u> | | | | | | | |
| <u>Public Safety</u> | | | | | | | |
| Drug Enforcement | \$ 239,054 | \$ (1,693) | \$ 25,858 | \$ 263,219 | \$ 368,140 | \$ 368,140 | \$ 104,921 |
| Total Expenditures | \$ 239,054 | \$ (1,693) | \$ 25,858 | \$ 263,219 | \$ 368,140 | \$ 368,140 | \$ 104,921 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 13,943 | \$ 1,693 | \$ (25,858) | \$ (10,222) | \$ (128,140) | \$ (125,038) | \$ 114,816 |
| Net Change in Fund Balance | \$ 13,943 | \$ 1,693 | \$ (25,858) | \$ (10,222) | \$ (128,140) | \$ (125,038) | \$ 114,816 |
| Fund Balance, July 1, 2014 | 524,341 | (1,693) | 0 | 522,648 | 522,649 | 522,649 | (1) |
| Fund Balance, June 30, 2015 | \$ 538,284 | \$ 0 | \$ (25,858) | \$ 512,426 | \$ 394,509 | \$ 397,611 | \$ 114,815 |

Exhibit G-7

Coffee County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Highway/Public Works Fund
 For the Year Ended June 30, 2015

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|---------------------|---------------------|--|
| | | | | | Original | Final | |
| Revenues | | | | | | | |
| Local Taxes | \$ 75,313 | \$ 0 | \$ 0 | \$ 75,313 | \$ 65,000 | \$ 65,000 | \$ 10,313 |
| Other Local Revenues | 2,522 | 0 | 0 | 2,522 | 6,400 | 6,400 | (3,878) |
| State of Tennessee | 2,068,027 | 0 | 0 | 2,068,027 | 2,758,095 | 2,758,095 | (690,068) |
| Total Revenues | \$ 2,145,862 | \$ 0 | \$ 0 | \$ 2,145,862 | \$ 2,829,495 | \$ 2,829,495 | \$ (683,633) |
| Expenditures | | | | | | | |
| Highways | | | | | | | |
| Administration | \$ 313,581 | \$ 0 | \$ 0 | \$ 313,581 | \$ 327,255 | \$ 334,236 | \$ 20,655 |
| Highway and Bridge Maintenance | 812,713 | (12,149) | 34,733 | 835,297 | 1,446,807 | 1,449,296 | 613,999 |
| Operation and Maintenance of Equipment | 324,235 | (1,137) | 2,593 | 325,691 | 405,745 | 404,195 | 78,504 |
| Other Charges | 188,879 | 0 | 0 | 188,879 | 187,510 | 190,305 | 1,426 |
| Capital Outlay | 174,099 | 0 | 0 | 174,099 | 653,180 | 567,774 | 393,675 |
| Principal on Debt | | | | | | | |
| Highways and Streets | 83,000 | 0 | 0 | 83,000 | 0 | 83,000 | 0 |
| Interest on Debt | | | | | | | |
| Highways and Streets | 6,406 | 0 | 0 | 6,406 | 0 | 6,406 | 0 |
| Total Expenditures | \$ 1,902,913 | \$ (13,286) | \$ 37,326 | \$ 1,926,953 | \$ 3,020,497 | \$ 3,035,212 | \$ 1,108,259 |
| Excess (Deficiency) of Revenues Over Expenditures | | | | | | | |
| | \$ 242,949 | \$ 13,286 | \$ (37,326) | \$ 218,909 | \$ (191,002) | \$ (205,717) | \$ 424,626 |
| Other Financing Sources (Uses) | | | | | | | |
| Proceeds from Sale of Capital Assets | \$ 11,059 | \$ 0 | \$ 0 | \$ 11,059 | \$ 0 | \$ 0 | \$ 11,059 |
| Insurance Recovery | 0 | 0 | 0 | 0 | 34,167 | 39,822 | (39,822) |
| Total Other Financing Sources | \$ 11,059 | \$ 0 | \$ 0 | \$ 11,059 | \$ 34,167 | \$ 39,822 | \$ (28,763) |
| Net Change in Fund Balance | | | | | | | |
| | \$ 254,008 | \$ 13,286 | \$ (37,326) | \$ 229,968 | \$ (156,835) | \$ (165,895) | \$ 395,863 |
| Fund Balance, July 1, 2014 | 482,891 | (13,286) | 0 | 469,605 | 468,854 | 468,854 | 751 |
| Fund Balance, June 30, 2015 | \$ 736,899 | \$ 0 | \$ (37,326) | \$ 699,573 | \$ 312,019 | \$ 302,959 | \$ 396,614 |

Major Governmental Funds

Debt Service Funds

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

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

Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the retirement of bonds issued for school projects outside the territorial limits of the Special School District.

Exhibit H-1

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2015

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|-----------------|------------------|-----------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 2,116,191 | \$ 2,122,581 | \$ 2,122,581 | \$ (6,390) |
| Other Local Revenues | 152,982 | 203,731 | 203,731 | (50,749) |
| Total Revenues | \$ 2,269,173 | \$ 2,326,312 | \$ 2,326,312 | \$ (57,139) |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| General Government | \$ 23,210,353 | \$ 1,202,928 | \$ 23,210,354 | \$ 1 |
| <u>Interest on Debt</u> | | | | |
| General Government | 798,357 | 665,661 | 798,368 | 11 |
| <u>Other Debt Service</u> | | | | |
| General Government | 57,433 | 51,000 | 66,000 | 8,567 |
| Total Expenditures | \$ 24,066,143 | \$ 1,919,589 | \$ 24,074,722 | \$ 8,579 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (21,796,970) | \$ 406,723 | \$ (21,748,410) | \$ (48,560) |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Bonds Issued | \$ 22,000,000 | \$ 0 | \$ 22,000,000 | \$ 0 |
| Total Other Financing Sources | \$ 22,000,000 | \$ 0 | \$ 22,000,000 | \$ 0 |
| Net Change in Fund Balance | \$ 203,030 | \$ 406,723 | \$ 251,590 | \$ (48,560) |
| Fund Balance, July 1, 2014 | 2,981,573 | 2,981,573 | 2,981,573 | 0 |
| Fund Balance, June 30, 2015 | \$ 3,184,603 | \$ 3,388,296 | \$ 3,233,163 | \$ (48,560) |

Exhibit H-2

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural Debt Service Fund
For the Year Ended June 30, 2015

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|----------------|------------------|----------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 3,554,222 | \$ 3,356,864 | \$ 3,356,864 | \$ 197,358 |
| Other Local Revenues | 23,098 | 0 | 0 | 23,098 |
| Federal Government | 397,225 | 428,505 | 428,505 | (31,280) |
| Other Governments and Citizens Groups | 71,429 | 0 | 71,429 | 0 |
| Total Revenues | \$ 4,045,974 | \$ 3,785,369 | \$ 3,856,798 | \$ 189,176 |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| Education | \$ 2,960,313 | \$ 1,427,420 | \$ 3,033,849 | \$ 73,536 |
| <u>Interest on Debt</u> | | | | |
| Education | 2,665,205 | 2,661,887 | 2,678,650 | 13,445 |
| <u>Other Debt Service</u> | | | | |
| General Government | 0 | 64,500 | 0 | 0 |
| Education | 254,719 | 0 | 264,500 | 9,781 |
| Total Expenditures | \$ 5,880,237 | \$ 4,153,807 | \$ 5,976,999 | \$ 96,762 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ (1,834,263) | \$ (368,438) | \$ (2,120,201) | \$ 285,938 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | \$ 136,117 | \$ 146,752 | \$ 146,752 | \$ (10,635) |
| Transfers Out | (400,000) | (600,000) | (400,000) | 0 |
| Total Other Financing Sources | \$ (263,883) | \$ (453,248) | \$ (253,248) | \$ (10,635) |
| Net Change in Fund Balance | \$ (2,098,146) | \$ (821,686) | \$ (2,373,449) | \$ 275,303 |
| Fund Balance, July 1, 2014 | 6,798,415 | 6,798,414 | 6,798,414 | 1 |
| Fund Balance, June 30, 2015 | \$ 4,700,269 | \$ 5,976,728 | \$ 4,424,965 | \$ 275,304 |

Fiduciary Funds

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

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

City School ADA - Tullahoma Fund – The City School ADA - Tullahoma Fund is used to account for the Tullahoma City School’s share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis.

City School ADA - Manchester Fund – The City School ADA - Manchester Fund is used to account for the Manchester City School’s share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis.

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

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues held in trust for the benefit of the Fourteenth Judicial District Drug Task Force.

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

Exhibit I-1

Coffee County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2015

| | Agency Funds | | | | | | Total |
|---------------------------------------|--------------------------|--|--|---|--------------------------------------|---|----------------------|
| | Cities - Sales Tax | City School ADA- Tulahoma Fund | City School ADA- Manchester Fund | Constitu- tional Officers - Agency | Judicial District Drug Fund | District Attorney General Fund | |
| <u>ASSETS</u> | | | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 0 | \$ 2,859,383 | \$ 0 | \$ 0 | \$ 2,859,383 |
| Equity in Pooled Cash and Investments | 0 | 11,726 | 82,966 | 0 | 284,874 | 90,725 | 470,291 |
| Accounts Receivable | 0 | 0 | 0 | 4,208 | 0 | 0 | 4,208 |
| Due from Other Governments | 2,791,657 | 241 | 100 | 0 | 6,620 | 0 | 2,798,618 |
| Property Taxes Receivable | 0 | 6,060,811 | 2,498,578 | 0 | 0 | 0 | 8,559,389 |
| Allowance for Uncollectible Property | 0 | (185,224) | (74,243) | 0 | 0 | 0 | (259,467) |
| Total Assets | <u>\$ 2,791,657</u> | <u>\$ 5,887,554</u> | <u>\$ 2,507,401</u> | <u>\$ 2,863,591</u> | <u>\$ 291,494</u> | <u>\$ 90,725</u> | <u>\$ 14,432,422</u> |
| <u>LIABILITIES</u> | | | | | | | |
| Accounts Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 763 | \$ 0 | \$ 763 |
| Cash Overdraft | 0 | 129,557 | 0 | 0 | 0 | 0 | 129,557 |
| Due to State of Tennessee | 0 | 0 | 0 | 0 | 127 | 0 | 127 |
| Due to Other Taxing Units | 2,791,657 | 5,757,997 | 2,507,401 | 0 | 0 | 0 | 11,057,055 |
| Due to Litigants, Heirs, and Others | 0 | 0 | 0 | 2,863,591 | 0 | 90,725 | 2,954,316 |
| Due to Joint Ventures | 0 | 0 | 0 | 0 | 290,604 | 0 | 290,604 |
| Total Liabilities | <u>\$ 2,791,657</u> | <u>\$ 5,887,554</u> | <u>\$ 2,507,401</u> | <u>\$ 2,863,591</u> | <u>\$ 291,494</u> | <u>\$ 90,725</u> | <u>\$ 14,432,422</u> |

Exhibit I-2

Coffee County, Tennessee
 Combining Statement of Changes in Assets and
 Liabilities - All Agency Funds
 For the Year Ended June 30, 2015

| | Beginning Balance | Additions | Deductions | Ending Balance |
|--|----------------------|----------------------|----------------------|---------------------|
| Cities - Sales Tax Fund | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 14,566,404 | \$ 14,566,404 | \$ 0 |
| Due from Other Governments | 2,642,015 | 2,791,657 | 2,642,015 | 2,791,657 |
| Total Assets | \$ 2,642,015 | \$ 17,358,061 | \$ 17,208,419 | \$ 2,791,657 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 2,642,015 | \$ 17,358,061 | \$ 17,208,419 | \$ 2,791,657 |
| Total Liabilities | \$ 2,642,015 | \$ 17,358,061 | \$ 17,208,419 | \$ 2,791,657 |
| City School ADA-Tullahoma Fund | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 105,204 | \$ 5,737,925 | \$ 5,831,403 | \$ 11,726 |
| Due from Other Governments | 298 | 241 | 298 | 241 |
| Property Taxes Receivable | 6,121,281 | 6,060,811 | 6,121,281 | 6,060,811 |
| Allowance for Uncollectible Property Taxes | (166,460) | 166,460 | 185,224 | (185,224) |
| Total Assets | \$ 6,060,323 | \$ 11,965,437 | \$ 12,138,206 | \$ 5,887,554 |
| <u>Liabilities</u> | | | | |
| Cash Overdraft | \$ 0 | \$ 129,557 | \$ 0 | \$ 129,557 |
| Due to Other Taxing Units | 6,060,323 | 11,835,880 | 12,138,206 | 5,757,997 |
| Total Liabilities | \$ 6,060,323 | \$ 11,965,437 | \$ 12,138,206 | \$ 5,887,554 |
| City School ADA-Manchester Fund | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 2,472 | \$ 2,372,008 | \$ 2,291,514 | \$ 82,966 |
| Due from Other Governments | 116 | 100 | 116 | 100 |
| Property Taxes Receivable | 2,396,112 | 2,498,578 | 2,396,112 | 2,498,578 |
| Allowance for Uncollectible Property Taxes | (66,907) | 66,907 | 74,243 | (74,243) |
| Total Assets | \$ 2,331,793 | \$ 4,937,593 | \$ 4,761,985 | \$ 2,507,401 |
| <u>Liabilities</u> | | | | |
| Cash Overdraft | \$ 32,105 | \$ 0 | \$ 32,105 | \$ 0 |
| Due to Other Taxing Units | 2,299,688 | 4,937,593 | 4,729,880 | 2,507,401 |
| Total Liabilities | \$ 2,331,793 | \$ 4,937,593 | \$ 4,761,985 | \$ 2,507,401 |
| Constitutional Officers - Agency Fund | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 2,571,837 | \$ 11,110,079 | \$ 10,822,533 | \$ 2,859,383 |
| Accounts Receivable | 0 | 4,208 | 0 | 4,208 |
| Total Assets | \$ 2,571,837 | \$ 11,114,287 | \$ 10,822,533 | \$ 2,863,591 |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs, and Others | \$ 2,571,837 | \$ 11,114,287 | \$ 10,822,533 | \$ 2,863,591 |
| Total Liabilities | \$ 2,571,837 | \$ 11,114,287 | \$ 10,822,533 | \$ 2,863,591 |

(Continued)

Exhibit I-2

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

| | Beginning Balance | Additions | Deductions | Ending Balance |
|--|----------------------|----------------------|----------------------|----------------------|
| <u>Judicial District Drug Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 371,070 | \$ 264,614 | \$ 350,810 | \$ 284,874 |
| Due from Other Governments | 12,217 | 6,620 | 12,217 | 6,620 |
| Total Assets | \$ 383,287 | \$ 271,234 | \$ 363,027 | \$ 291,494 |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 48,498 | \$ 763 | \$ 48,498 | \$ 763 |
| Due to State of Tennessee | 148 | 127 | 148 | 127 |
| Due to Joint Ventures | 334,641 | 270,345 | 314,382 | 290,604 |
| Total Liabilities | \$ 383,287 | \$ 271,235 | \$ 363,028 | \$ 291,494 |
| <u>District Attorney General Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 97,300 | \$ 23,713 | \$ 30,288 | \$ 90,725 |
| Total Assets | \$ 97,300 | \$ 23,713 | \$ 30,288 | \$ 90,725 |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs, and Others | \$ 97,300 | \$ 23,713 | \$ 30,288 | \$ 90,725 |
| Total Liabilities | \$ 97,300 | \$ 23,713 | \$ 30,288 | \$ 90,725 |
| <u>Totals - All Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 2,571,837 | \$ 11,110,079 | \$ 10,822,533 | \$ 2,859,383 |
| Equity in Pooled Cash and Investments | 576,046 | 22,964,664 | 23,070,419 | 470,291 |
| Accounts Receivable | 0 | 4,208 | 0 | 4,208 |
| Due from Other Governments | 2,654,646 | 2,798,618 | 2,654,646 | 2,798,618 |
| Property Taxes Receivable | 8,517,393 | 8,559,389 | 8,517,393 | 8,559,389 |
| Allowance for Uncollectible Property Taxes | (233,367) | 233,367 | 259,467 | (259,467) |
| Total Assets | \$ 14,086,555 | \$ 45,670,325 | \$ 45,324,458 | \$ 14,432,422 |
| <u>Liabilities</u> | | | | |
| Accounts Payable | \$ 48,498 | \$ 763 | \$ 48,498 | \$ 763 |
| Cash Overdraft | 32,105 | 129,557 | 32,105 | 129,557 |
| Due to State of Tennessee | 148 | 127 | 148 | 127 |
| Due to Other Taxing Units | 11,002,026 | 34,131,534 | 34,076,505 | 11,057,055 |
| Due to Litigants, Heirs, and Others | 2,669,137 | 11,138,000 | 10,852,821 | 2,954,316 |
| Due to Joint Ventures | 334,641 | 270,345 | 314,382 | 290,604 |
| Total Liabilities | \$ 14,086,555 | \$ 45,670,326 | \$ 45,324,459 | \$ 14,432,422 |

Coffee County School Department

This section presents combining and individual fund financial statements for the Coffee County School Department, a discretely presented component unit. The Coffee County 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.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for building construction of a middle school and renovations of a high school, as well as other renovation of the School Department.

Exhibit J-1

Coffee County, Tennessee
Statement of Activities
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2015

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) |
|--|----------------------|----------------------------|---|---|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Position Total Governmental Activities |
| Governmental Activities: | | | | | |
| Instruction | \$ 21,579,565 | \$ 79,699 | \$ 1,896,611 | \$ 3,000,000 | \$ (16,603,255) |
| Support Services | 13,327,340 | 0 | 350,385 | 0 | (12,976,955) |
| Operation of Non-instructional Services | 3,677,053 | 833,437 | 2,443,208 | 0 | (400,408) |
| Total Governmental Activities | \$ 38,583,958 | \$ 913,136 | \$ 4,690,204 | \$ 3,000,000 | \$ (29,980,618) |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property Taxes Levied for General Purposes | | | | | \$ 8,807,533 |
| Local Option Sales Taxes | | | | | 4,212,657 |
| Other Local Taxes | | | | | 6,626 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 21,130,674 |
| Unrestricted Investment Earnings | | | | | 452 |
| Miscellaneous | | | | | 38,944 |
| Pension Income | | | | | 180,428 |
| Total General Revenues | | | | | \$ 34,377,314 |
| Change in Net Position | | | | | \$ 4,396,696 |
| Net Position, July 1, 2014 | | | | | 50,249,922 |
| Restatement - Pensions - See Note I.D.11. | | | | | (6,216,013) |
| Net Position, June 30, 2015 | | | | | \$ 48,430,605 |

Exhibit J-2

Coffee County, Tennessee
 Balance Sheet - Governmental Funds
 Discretely Presented Coffee County School Department
 June 30, 2015

| | Major Fund | Nonmajor Funds | |
|---|------------------------------|-------------------------------------|--------------------------------|
| | General Purpose School | Other Govern- mental Funds | Total Governmental Funds |
| <u>ASSETS</u> | | | |
| Cash | \$ 2,238 | \$ 3,857 | \$ 6,095 |
| Equity in Pooled Cash and Investments | 4,940,148 | 1,737,170 | 6,677,318 |
| Accounts Receivable | 182,658 | 16,808 | 199,466 |
| Due from Other Governments | 1,127,251 | 297,592 | 1,424,843 |
| Due from Other Funds | 41,686 | 2,000 | 43,686 |
| Property Taxes Receivable | 9,293,767 | 0 | 9,293,767 |
| Allowance for Uncollectible Property Taxes | (278,438) | 0 | (278,438) |
| Total Assets | <u>\$ 15,309,310</u> | <u>\$ 2,057,427</u> | <u>\$ 17,366,737</u> |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 9,392 | \$ 124 | \$ 9,516 |
| Accrued Payroll | 2,193,053 | 226,466 | 2,419,519 |
| Payroll Deductions Payable | 941,891 | 78,049 | 1,019,940 |
| Contracts Payable | 0 | 116,267 | 116,267 |
| Retainage Payable | 0 | 6,119 | 6,119 |
| Claims and Judgments Payable | 237,278 | 0 | 237,278 |
| Due to Other Funds | 2,000 | 41,686 | 43,686 |
| Due to State of Tennessee | 0 | 14,952 | 14,952 |
| Total Liabilities | <u>\$ 3,383,614</u> | <u>\$ 483,663</u> | <u>\$ 3,867,277</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred Current Property Taxes | \$ 8,729,699 | \$ 0 | \$ 8,729,699 |
| Deferred Delinquent Property Taxes | 264,747 | 0 | 264,747 |
| Other Deferred/Unavailable Revenue | 386,769 | 0 | 386,769 |
| Total Deferred Inflows of Resources | <u>\$ 9,381,215</u> | <u>\$ 0</u> | <u>\$ 9,381,215</u> |
| <u>FUND BALANCES</u> | | | |
| Restricted: | | | |
| Restricted for Education | \$ 53,840 | \$ 679,691 | \$ 733,531 |
| Restricted for Capital Projects | 0 | 693,551 | 693,551 |
| Committed: | | | |
| Committed for Education | 0 | 200,000 | 200,000 |
| Assigned: | | | |
| Assigned for Education | 324,843 | 522 | 325,365 |
| Unassigned | 2,165,798 | 0 | 2,165,798 |
| Total Fund Balances | <u>\$ 2,544,481</u> | <u>\$ 1,573,764</u> | <u>\$ 4,118,245</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 15,309,310</u> | <u>\$ 2,057,427</u> | <u>\$ 17,366,737</u> |

Exhibit J-3

Coffee County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Coffee County School Department
June 30, 2015

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) | | \$ | 4,118,245 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | | |
| Add: land | \$ | 1,438,853 | |
| Add: construction in progress | | 13,053 | |
| Add: buildings and improvements net of accumulated depreciation | | 49,105,222 | |
| Add: other capital assets net of accumulated depreciation | | <u>2,815,296</u> | 53,372,424 |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | | |
| Less: contributions due on primary government debt for other loans | \$ | (71,426) | |
| Less: compensated absences payable | | (97,375) | |
| Less: other postemployment benefits liability | | <u>(5,397,204)</u> | (5,566,005) |
| (3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years: | | | |
| Add: deferred outflows of resources related to pensions | \$ | 2,069,768 | |
| Less: deferred inflows of resources related to pensions | | <u>(7,940,920)</u> | (5,871,152) |
| (4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds. | | | |
| Add: net pension assets - agent plan | \$ | 1,651,534 | |
| Add: net pension assets - cost-sharing plan | | <u>74,043</u> | 1,725,577 |
| (5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | | <u>651,516</u> |
| Net position of governmental activities (Exhibit A) | | | <u>\$ 48,430,605</u> |

Exhibit J-4

Coffee County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2015

| | <u>Major Fund</u> | <u>Nonmajor</u> <u>Funds</u> | |
|--|----------------------|---------------------------------|----------------------|
| | General | Other | Total |
| | Purpose | Govern- mental | Governmental |
| | School | Funds | Funds |
| <u>Revenues</u> | | | |
| Local Taxes | \$ 12,986,709 | \$ 0 | \$ 12,986,709 |
| Licenses and Permits | 2,195 | 0 | 2,195 |
| Charges for Current Services | 171,582 | 741,554 | 913,136 |
| Other Local Revenues | 85,544 | 2,447 | 87,991 |
| State of Tennessee | 21,287,293 | 24,143 | 21,311,436 |
| Federal Government | 356,365 | 3,901,744 | 4,258,109 |
| Other Governments and Citizens Groups | 0 | 3,200,000 | 3,200,000 |
| Total Revenues | <u>\$ 34,889,688</u> | <u>\$ 7,869,888</u> | <u>\$ 42,759,576</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Instruction | \$ 19,620,119 | \$ 1,971,135 | \$ 21,591,254 |
| Support Services | 13,155,483 | 267,894 | 13,423,377 |
| Operation of Non-instructional Services | 1,157,413 | 2,525,453 | 3,682,866 |
| Capital Outlay | 144,716 | 0 | 144,716 |
| Debt Service: | | | |
| Principal on Debt | 71,429 | 0 | 71,429 |
| Capital Projects | 0 | 1,794,538 | 1,794,538 |
| Total Expenditures | <u>\$ 34,149,160</u> | <u>\$ 6,559,020</u> | <u>\$ 40,708,180</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 740,528</u> | <u>\$ 1,310,868</u> | <u>\$ 2,051,396</u> |
| <u>Other Financing Sources (Uses)</u> | | | |
| Proceeds from Sale of Capital Assets | \$ 13,611 | \$ 0 | \$ 13,611 |
| Transfers In | 24,997 | 0 | 24,997 |
| Transfers Out | 0 | (24,997) | (24,997) |
| Total Other Financing Sources (Uses) | <u>\$ 38,608</u> | <u>\$ (24,997)</u> | <u>\$ 13,611</u> |
| Net Change in Fund Balances | \$ 779,136 | \$ 1,285,871 | \$ 2,065,007 |
| Fund Balance, July 1, 2014 | 1,765,345 | 287,893 | 2,053,238 |
| Fund Balance, June 30, 2015 | <u>\$ 2,544,481</u> | <u>\$ 1,573,764</u> | <u>\$ 4,118,245</u> |

Exhibit J-5

Coffee County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2015

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) | | \$ 2,065,007 |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows: | | |
| Add: capital assets purchased in the current period | \$ 1,844,075 | |
| Less: current-year depreciation expense | <u>(1,079,767)</u> | 764,308 |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position | | (99,722) |
| Less: book value of capital assets disposed | | |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds. | | |
| Add: deferred delinquent property taxes and other deferred June 30, 2015 | \$ 651,516 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2014 | <u>(610,866)</u> | 40,650 |
| (4) The contribution of long-term debt (e.g., notes, other loans, bonds) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. | | |
| Add: principal contributions on other loans to the primary government | | 71,429 |
| (5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | |
| Change in compensated absences payable | \$ (9,024) | |
| Change in other postemployment benefits liability | (506,390) | |
| Change in net pension liability/asset | 7,941,590 | |
| Change in deferred outflows related to pensions | 2,069,768 | |
| Change in deferred inflows related to pensions | <u>(7,940,920)</u> | <u>1,555,024</u> |
| Change in net position of governmental activities (Exhibit B) | | <u>\$ 4,396,696</u> |

Exhibit J-6

Coffee County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Coffee County School Department
June 30, 2015

| | <u>Special Revenue Funds</u> | | | <u>Capital</u> | <u>Total</u> |
|---------------------------------------|------------------------------|------------------|--------------|----------------------|---------------------|
| | <u>School</u> | <u>Central</u> | <u>Total</u> | <u>Projects Fund</u> | |
| | <u>Federal</u> | <u>Cafeteria</u> | | <u>Other</u> | <u>Nonmajor</u> |
| | <u>Projects</u> | | | <u>Capital</u> | <u>Governmental</u> |
| | | | | <u>Projects</u> | <u>Funds</u> |
| <u>ASSETS</u> | | | | | |
| Cash | \$ 0 | \$ 3,857 | \$ 3,857 | \$ 0 | \$ 3,857 |
| Equity in Pooled Cash and Investments | 140,357 | 780,876 | 921,233 | 815,937 | 1,737,170 |
| Accounts Receivable | 6,288 | 10,520 | 16,808 | 0 | 16,808 |
| Due from Other Governments | 297,592 | 0 | 297,592 | 0 | 297,592 |
| Due from Other Funds | 0 | 2,000 | 2,000 | 0 | 2,000 |
| Total Assets | \$ 444,237 | \$ 797,253 | \$ 1,241,490 | \$ 815,937 | \$ 2,057,427 |
| <u>LIABILITIES</u> | | | | | |
| Accounts Payable | \$ 42 | \$ 82 | \$ 124 | \$ 0 | \$ 124 |
| Accrued Payroll | 152,408 | 74,058 | 226,466 | 0 | 226,466 |
| Payroll Deductions Payable | 54,250 | 23,799 | 78,049 | 0 | 78,049 |
| Contracts Payable | 0 | 0 | 0 | 116,267 | 116,267 |
| Retainage Payable | 0 | 0 | 0 | 6,119 | 6,119 |
| Due to Other Funds | 22,063 | 19,623 | 41,686 | 0 | 41,686 |
| Due to State of Tennessee | 14,952 | 0 | 14,952 | 0 | 14,952 |
| Total Liabilities | \$ 243,715 | \$ 117,562 | \$ 361,277 | \$ 122,386 | \$ 483,663 |
| <u>FUND BALANCES</u> | | | | | |
| Restricted: | | | | | |
| Restricted for Education | \$ 0 | \$ 679,691 | \$ 679,691 | \$ 0 | \$ 679,691 |
| Restricted for Capital Projects | 0 | 0 | 0 | 693,551 | 693,551 |
| Committed: | | | | | |
| Committed for Education | 200,000 | 0 | 200,000 | 0 | 200,000 |
| Assigned: | | | | | |
| Assigned for Education | 522 | 0 | 522 | 0 | 522 |
| Total Fund Balances | \$ 200,522 | \$ 679,691 | \$ 880,213 | \$ 693,551 | \$ 1,573,764 |
| Total Liabilities and Fund Balances | \$ 444,237 | \$ 797,253 | \$ 1,241,490 | \$ 815,937 | \$ 2,057,427 |

Exhibit J-7

Coffee County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2015

| | Special Revenue Funds | | | Capital | Total Nonmajor Governmental Funds |
|--|-------------------------------|----------------------|--------------|---------------------------------|--|
| | School Federal Projects | Central Cafeteria | Total | Projects Capital Projects | |
| <u>Revenues</u> | | | | | |
| Charges for Current Services | \$ 0 | \$ 741,554 | \$ 741,554 | \$ 0 | \$ 741,554 |
| Other Local Revenues | 0 | 2,447 | 2,447 | 0 | 2,447 |
| State of Tennessee | 0 | 24,143 | 24,143 | 0 | 24,143 |
| Federal Government | 2,189,710 | 1,712,034 | 3,901,744 | 0 | 3,901,744 |
| Other Governments and Citizens Groups | 200,000 | 0 | 200,000 | 3,000,000 | 3,200,000 |
| Total Revenues | \$ 2,389,710 | \$ 2,480,178 | \$ 4,869,888 | \$ 3,000,000 | \$ 7,869,888 |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| Instruction | \$ 1,971,135 | \$ 0 | \$ 1,971,135 | \$ 0 | \$ 1,971,135 |
| Support Services | 267,894 | 0 | 267,894 | 0 | 267,894 |
| Operation of Non-instructional Services | 0 | 2,525,453 | 2,525,453 | 0 | 2,525,453 |
| Capital Projects | 0 | 0 | 0 | 1,794,538 | 1,794,538 |
| Total Expenditures | \$ 2,239,029 | \$ 2,525,453 | \$ 4,764,482 | \$ 1,794,538 | \$ 6,559,020 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 150,681 | \$ (45,275) | \$ 105,406 | \$ 1,205,462 | \$ 1,310,868 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers Out | \$ (24,997) | \$ 0 | \$ (24,997) | \$ 0 | \$ (24,997) |
| Total Other Financing Sources (Uses) | \$ (24,997) | \$ 0 | \$ (24,997) | \$ 0 | \$ (24,997) |

(Continued)

Exhibit J-7

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

| | Special Revenue Funds | | | Capital | Total |
|-----------------------------|-------------------------------|----------------------|------------|---|--------------|
| | School Federal Projects | Central Cafeteria | Total | Projects Fund Other Capital Projects | |
| Net Change in Fund Balances | \$ 125,684 | \$ (45,275) | \$ 80,409 | \$ 1,205,462 | \$ 1,285,871 |
| Fund Balance, July 1, 2014 | 74,838 | 724,966 | 799,804 | (511,911) | 287,893 |
| Fund Balance, June 30, 2015 | \$ 200,522 | \$ 679,691 | \$ 880,213 | \$ 693,551 | \$ 1,573,764 |

Exhibit J-8

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee County School Department
General Purpose School Fund
For the Year Ended June 30, 2015

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------|---------------------------|-----------------------------------|-----------------------------------|---|----------------------|----------------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Local Taxes | \$ 12,986,709 | \$ 0 | \$ 0 | \$ 12,986,709 | \$ 12,780,088 | \$ 12,780,088 | \$ 206,621 |
| Licenses and Permits | 2,195 | 0 | 0 | 2,195 | 2,200 | 2,200 | (5) |
| Charges for Current Services | 171,582 | 0 | 0 | 171,582 | 193,400 | 192,500 | (20,918) |
| Other Local Revenues | 85,544 | 0 | 0 | 85,544 | 63,146 | 58,072 | 27,472 |
| State of Tennessee | 21,287,293 | 0 | 0 | 21,287,293 | 21,056,617 | 21,242,871 | 44,422 |
| Federal Government | 356,365 | 0 | 0 | 356,365 | 350,181 | 407,212 | (50,847) |
| Total Revenues | \$ 34,889,688 | \$ 0 | \$ 0 | \$ 34,889,688 | \$ 34,445,632 | \$ 34,682,943 | \$ 206,745 |
| <u>Expenditures</u> | | | | | | | |
| <u>Instruction</u> | | | | | | | |
| Regular Instruction Program | \$ 14,942,054 | \$ (48,732) | \$ 29,941 | \$ 14,923,263 | \$ 16,140,276 | \$ 15,369,510 | \$ 446,247 |
| Alternative Instruction Program | 13,259 | 0 | 0 | 13,259 | 15,000 | 20,000 | 6,741 |
| Special Education Program | 3,253,843 | (16,093) | 1,507 | 3,239,257 | 3,308,729 | 3,335,478 | 96,221 |
| Vocational Education Program | 1,346,685 | (7,042) | 10,129 | 1,349,772 | 1,363,761 | 1,384,059 | 34,287 |
| Student Body Education Program | 64,278 | 0 | 0 | 64,278 | 66,189 | 66,689 | 2,411 |
| <u>Support Services</u> | | | | | | | |
| Attendance | 154,741 | (164) | 0 | 154,577 | 175,105 | 160,896 | 6,319 |
| Health Services | 742,489 | (968) | 0 | 741,521 | 739,182 | 756,214 | 14,693 |
| Other Student Support | 985,920 | (11,811) | 0 | 974,109 | 1,008,358 | 1,041,370 | 67,261 |
| Regular Instruction Program | 1,366,755 | (29,574) | 0 | 1,337,181 | 1,375,239 | 1,389,053 | 51,872 |
| Special Education Program | 321,603 | (628) | 0 | 320,975 | 329,300 | 332,724 | 11,749 |
| Vocational Education Program | 50,393 | 0 | 0 | 50,393 | 51,830 | 55,136 | 4,743 |
| Other Programs | 239,114 | 0 | 0 | 239,114 | 0 | 239,114 | 0 |
| Board of Education | 1,112,856 | 0 | 0 | 1,112,856 | 1,085,820 | 1,149,150 | 36,294 |
| Director of Schools | 271,244 | 0 | 0 | 271,244 | 313,350 | 304,700 | 33,456 |
| Office of the Principal | 2,514,559 | 0 | 0 | 2,514,559 | 1,932,589 | 2,582,101 | 67,542 |
| Fiscal Services | 305,652 | (600) | 0 | 305,052 | 307,528 | 310,107 | 5,055 |
| Operation of Plant | 2,379,717 | 0 | 0 | 2,379,717 | 2,354,800 | 2,415,248 | 35,531 |
| Maintenance of Plant | 609,496 | 0 | 2,000 | 611,496 | 692,665 | 686,312 | 74,816 |
| Transportation | 2,100,944 | (28) | 2,353 | 2,103,269 | 2,130,920 | 2,186,495 | 83,226 |

(Continued)

Exhibit J-8

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

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|---------------|--|
| | | | | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | | | | |
| <u>Operation of Non-Instructional Services</u> | | | | | | | |
| Community Services | \$ 469,114 | \$ (185) | \$ 350 | \$ 469,279 | \$ 439,123 | \$ 534,899 | \$ 65,620 |
| Early Childhood Education | 688,299 | (15,584) | 0 | 672,715 | 673,650 | 680,882 | 8,167 |
| <u>Capital Outlay</u> | | | | | | | |
| Regular Capital Outlay | 144,716 | (76,229) | 140,003 | 208,490 | 200,000 | 233,131 | 24,641 |
| <u>Principal on Debt</u> | | | | | | | |
| Education | 71,429 | 0 | 0 | 71,429 | 71,429 | 71,429 | 0 |
| Total Expenditures | \$ 34,149,160 | \$ (207,638) | \$ 186,283 | \$ 34,127,805 | \$ 34,774,843 | \$ 35,304,697 | \$ 1,176,892 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 740,528 | \$ 207,638 | \$ (186,283) | \$ 761,883 | \$ (329,211) | \$ (621,754) | \$ 1,383,637 |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Proceeds from Sale of Capital Assets | \$ 13,611 | \$ 0 | \$ 0 | \$ 13,611 | \$ 0 | \$ 25,000 | \$ (11,389) |
| Transfers In | 24,997 | 0 | 0 | 24,997 | 40,000 | 40,000 | (15,003) |
| Transfers Out | 0 | 0 | 0 | 0 | (13,934) | (13,100) | 13,100 |
| Total Other Financing Sources | \$ 38,608 | \$ 0 | \$ 0 | \$ 38,608 | \$ 26,066 | \$ 51,900 | \$ (13,292) |
| Net Change in Fund Balance | \$ 779,136 | \$ 207,638 | \$ (186,283) | \$ 800,491 | \$ (303,145) | \$ (569,854) | \$ 1,370,345 |
| Fund Balance, July 1, 2014 | 1,765,345 | (207,638) | 0 | 1,557,707 | 1,247,495 | 1,247,495 | 310,212 |
| Fund Balance, June 30, 2015 | \$ 2,544,481 | \$ 0 | \$ (186,283) | \$ 2,358,198 | \$ 944,350 | \$ 677,641 | \$ 1,680,557 |

Exhibit J-9

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee County School Department
School Federal Projects Fund
For the Year Ended June 30, 2015

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Add: Encumbrances 6/30/2015 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|-----------------------------------|---|------------------|--------------|--|
| | | | | | Original | Final | |
| <u>Revenues</u> | | | | | | | |
| Federal Government | \$ 2,189,710 | \$ 0 | \$ 0 | \$ 2,189,710 | \$ 2,269,349 | \$ 2,512,699 | \$ (322,989) |
| Other Governments and Citizens Groups | 200,000 | 0 | 0 | 200,000 | 0 | 200,000 | 0 |
| Total Revenues | \$ 2,389,710 | \$ 0 | \$ 0 | \$ 2,389,710 | \$ 2,269,349 | \$ 2,712,699 | \$ (322,989) |
| <u>Expenditures</u> | | | | | | | |
| <u>Instruction</u> | | | | | | | |
| Regular Instruction Program | \$ 1,101,584 | \$ (1,920) | \$ 0 | \$ 1,099,664 | \$ 1,139,733 | \$ 1,187,730 | \$ 88,066 |
| Special Education Program | 807,367 | (13,201) | 626 | 794,792 | 841,192 | 841,205 | 46,413 |
| Vocational Education Program | 62,184 | 0 | 0 | 62,184 | 62,002 | 62,192 | 8 |
| <u>Support Services</u> | | | | | | | |
| Other Student Support | 65,125 | (1,560) | 0 | 63,565 | 37,061 | 95,104 | 31,539 |
| Regular Instruction Program | 149,011 | 0 | 0 | 149,011 | 117,804 | 237,802 | 88,791 |
| Special Education Program | 49,901 | (127) | 0 | 49,774 | 42,797 | 57,331 | 7,557 |
| Vocational Education Program | 3,857 | 0 | 0 | 3,857 | 3,885 | 3,885 | 28 |
| Total Expenditures | \$ 2,239,029 | \$ (16,808) | \$ 626 | \$ 2,222,847 | \$ 2,244,474 | \$ 2,485,249 | \$ 262,402 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 150,681 | \$ 16,808 | \$ (626) | \$ 166,863 | \$ 24,875 | \$ 227,450 | \$ (60,587) |
| <u>Other Financing Sources (Uses)</u> | | | | | | | |
| Transfers Out | \$ (24,997) | \$ 0 | \$ 0 | \$ (24,997) | \$ (24,875) | \$ (27,450) | \$ 2,453 |
| Total Other Financing Sources | \$ (24,997) | \$ 0 | \$ 0 | \$ (24,997) | \$ (24,875) | \$ (27,450) | \$ 2,453 |
| Net Change in Fund Balance | \$ 125,684 | \$ 16,808 | \$ (626) | \$ 141,866 | \$ 0 | \$ 200,000 | \$ (58,134) |
| Fund Balance, July 1, 2014 | 74,838 | (16,808) | 0 | 58,030 | 0 | 0 | 58,030 |
| Fund Balance, June 30, 2015 | \$ 200,522 | \$ 0 | \$ (626) | \$ 199,896 | \$ 0 | \$ 200,000 | \$ (104) |

Exhibit J-10

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Coffee County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2015

| | Actual (GAAP Basis) | Less: Encumbrances 7/1/2014 | Actual Revenues/ Expenditures (Budgetary Basis) | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------------|-----------------------------------|---|---------------------|---------------------|--|
| | | | | Original | Final | |
| <u>Revenues</u> | | | | | | |
| Charges for Current Services | \$ 741,554 | \$ 0 | \$ 741,554 | \$ 842,700 | \$ 842,720 | \$ (101,166) |
| Other Local Revenues | 2,447 | 0 | 2,447 | 1,500 | 3,500 | (1,053) |
| State of Tennessee | 24,143 | 0 | 24,143 | 25,000 | 25,000 | (857) |
| Federal Government | 1,712,034 | 0 | 1,712,034 | 1,772,309 | 1,818,081 | (106,047) |
| Total Revenues | <u>\$ 2,480,178</u> | <u>\$ 0</u> | <u>\$ 2,480,178</u> | <u>\$ 2,641,509</u> | <u>\$ 2,689,301</u> | <u>\$ (209,123)</u> |
| <u>Expenditures</u> | | | | | | |
| <u>Operation of Non-Instructional Services</u> | | | | | | |
| Food Service | \$ 2,525,453 | \$ (10,060) | \$ 2,515,393 | \$ 2,693,392 | \$ 2,741,184 | \$ 225,791 |
| Total Expenditures | <u>\$ 2,525,453</u> | <u>\$ (10,060)</u> | <u>\$ 2,515,393</u> | <u>\$ 2,693,392</u> | <u>\$ 2,741,184</u> | <u>\$ 225,791</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (45,275)</u> | <u>\$ 10,060</u> | <u>\$ (35,215)</u> | <u>\$ (51,883)</u> | <u>\$ (51,883)</u> | <u>\$ 16,668</u> |
| Net Change in Fund Balance | \$ (45,275) | \$ 10,060 | \$ (35,215) | \$ (51,883) | \$ (51,883) | \$ 16,668 |
| Fund Balance, July 1, 2014 | <u>724,966</u> | <u>(10,060)</u> | <u>714,906</u> | <u>729,549</u> | <u>729,549</u> | <u>(14,643)</u> |
| Fund Balance, June 30, 2015 | <u>\$ 679,691</u> | <u>\$ 0</u> | <u>\$ 679,691</u> | <u>\$ 677,666</u> | <u>\$ 677,666</u> | <u>\$ 2,025</u> |

MISCELLANEOUS SCHEDULES

Exhibit K-1

Coffee County, Tennessee
 Schedule of Changes in Long-term Notes, Other Loans, and Bonds
 For the Year Ended June 30, 2015

| Description of Indebtedness | Original Amount of Issue | Interest Rate | Date of Issue | Last Maturity Date | Outstanding 7-1-14 | Issued During Period | Paid and/or Matured During Period | Outstanding 6-30-15 |
|---|--------------------------|---------------|---------------|--------------------|----------------------|----------------------|-----------------------------------|----------------------|
| GOVERNMENTAL ACTIVITIES: | | | | | | | | |
| NOTES PAYABLE | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| Jail Construction - Capital Outlay Note | \$ 2,000,000 | (1) 1.6 % | 10-4-11 | 8-28-14 | \$ 1,500,000 | \$ 500,000 | \$ 2,000,000 | \$ 0 |
| Jail Construction - Bond Anticipation Note | 19,985,000 | (1) .83 | 12-21-12 | 8-28-14 | 19,985,000 | 0 | 19,985,000 | 0 |
| General Obligation Bond Anticipation Note, Series 2013A | 5,000 | (1) 3.125 | 3-21-13 | 8-28-14 | 5,000 | 0 | 5,000 | 0 |
| General Obligation Bond Anticipation Note, Series 2013B | 5,000 | (1) 3.125 | 3-21-13 | 8-28-14 | 5,000 | 0 | 5,000 | 0 |
| General Obligation Bond Anticipation Note, Series 2013C | 5,000 | (1) 3.125 | 3-21-13 | 8-28-14 | 5,000 | 0 | 5,000 | 0 |
| Lighting Project and Ambulance Repair Capital Outlay Note | 450,000 | 2.21 | 7-22-13 | 7-22-18 | 405,000 | 0 | 90,000 | 315,000 |
| Total Payable through General Debt Service Fund | | | | | <u>\$ 21,905,000</u> | <u>\$ 500,000</u> | <u>\$ 22,090,000</u> | <u>\$ 315,000</u> |
| <u>Payable through Rural Debt Service Fund</u> | | | | | | | | |
| School Buses | 300,000 | 2.19 | 7-22-13 | 7-22-18 | \$ 300,000 | \$ 0 | \$ 70,000 | \$ 230,000 |
| Total Payable through Rural Debt Service Fund | | | | | <u>\$ 300,000</u> | <u>\$ 0</u> | <u>\$ 70,000</u> | <u>\$ 230,000</u> |
| <u>Payable through Highway Public Works Fund</u> | | | | | | | | |
| Equipment and Vehicles | 500,000 | 2.3 | 9-26-11 | 8-1-17 | \$ 299,000 | \$ 0 | \$ 83,000 | \$ 216,000 |
| Total Payable through Highway/Public Works Fund | | | | | <u>\$ 299,000</u> | <u>\$ 0</u> | <u>\$ 83,000</u> | <u>\$ 216,000</u> |
| Total Notes Payable | | | | | <u>\$ 22,504,000</u> | <u>\$ 500,000</u> | <u>\$ 22,243,000</u> | <u>\$ 761,000</u> |
| OTHER LOANS PAYABLE | | | | | | | | |
| <u>Payable through General Fund</u> | | | | | | | | |
| City of Tullahoma Sales Tax Agreement | 1,750,000 | Variable | 11-8-11 | 12-31-16 | \$ 700,000 | \$ 0 | \$ 350,000 | \$ 350,000 |
| Total Payable through General Fund | | | | | <u>\$ 700,000</u> | <u>\$ 0</u> | <u>\$ 350,000</u> | <u>\$ 350,000</u> |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| Public Improvement, Series Z-4-A | 4,510,000 | 3.55 to 4 | 11-2-06 | 3-1-21 | \$ 3,315,000 | \$ 0 | \$ 400,000 | \$ 2,915,000 |
| Total Payable through General Debt Service Fund | | | | | <u>\$ 3,315,000</u> | <u>\$ 0</u> | <u>\$ 400,000</u> | <u>\$ 2,915,000</u> |
| <u>Payable through Rural Debt Service Fund</u> | | | | | | | | |
| Education Improvement Series Z-6-A | 7,600,000 | 4.75 | 12-10-08 | 6-1-26 | \$ 6,375,000 | \$ 0 | \$ 200,000 | \$ 6,175,000 |
| Qualified School Construction Bonds Series 2010 | 3,027,000 | 0 (2) | 10-7-10 | 7-1-27 | 2,491,840 | 0 | 188,880 | 2,302,960 |
| Energy Efficiency Improvements | 500,000 | 0 | 7-26-11 | 9-1-22 | 408,326 | 0 | 50,004 | 358,322 |
| Total Payable through Rural Debt Service Fund | | | | | <u>\$ 9,275,166</u> | <u>\$ 0</u> | <u>\$ 438,884</u> | <u>\$ 8,836,282</u> |
| <u>Contributions Due by the School Department from the General Purpose School Fund to the Rural Debt Service Fund</u> | | | | | | | | |
| Energy Efficiency Improvements | 500,000 | 0 | 9-5-07 | 7-15-15 | \$ 142,855 | \$ 0 | \$ 71,429 | \$ 71,426 |
| Total Contributed by the School Department through the General Purpose School Fund to the Rural Debt Service Fund | | | | | <u>\$ 142,855</u> | <u>\$ 0</u> | <u>\$ 71,429</u> | <u>\$ 71,426</u> |
| Total Other Loans Payable | | | | | <u>\$ 13,433,021</u> | <u>\$ 0</u> | <u>\$ 1,260,313</u> | <u>\$ 12,172,708</u> |

(Continued)

Exhibit K-1

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

| Description of Indebtedness | Original Amount of Issue | Interest Rate | Date of Issue | Last Maturity Date | Outstanding 7-1-14 | Issued During Period | Paid and/or Matured During Period | Outstanding 6-30-15 |
|--|--------------------------------|------------------|---------------------|--------------------------|-----------------------|----------------------------|--|------------------------|
| GOVERNMENTAL ACTIVITIES (CONT.): | | | | | | | | |
| BONDS PAYABLE | | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | | |
| General Obligation Refunding Bonds, Series 2006C | \$ 2,745,000 | 4 % | 11-29-06 | 2-1-15 | \$ 165,000 | \$ 0 | \$ 165,000 | \$ 0 |
| General Obligation Refunding Bonds, Series 2009 | 1,500,000 | 2.56 | 10-1-09 | 6-1-17 | 900,000 | 0 | 300,000 | 600,000 |
| General Obligation Bond, Series 2013A | 9,000,000 | 3.125 | 8-28-14 | 8-28-52 | 0 | 9,000,000 | 104,463 | 8,895,537 |
| General Obligation Bond, Series 2013B | 9,000,000 | 3.125 | 8-28-14 | 8-28-52 | 0 | 9,000,000 | 104,463 | 8,895,537 |
| General Obligation Bond, Series 2013C | 4,000,000 | 3.125 | 8-28-14 | 8-28-52 | 0 | 4,000,000 | 46,427 | 3,953,573 |
| Total Payable through General Debt Service Fund | | | | | <u>\$ 1,065,000</u> | <u>\$ 22,000,000</u> | <u>\$ 720,353</u> | <u>\$ 22,344,647</u> |
| <u>Payable through Rural Debt Service Fund</u> | | | | | | | | |
| Rural School Refunding, Series 2006B | 2,615,000 | 4 | 11-29-06 | 2-1-15 | \$ 370,000 | \$ 0 | \$ 370,000 | \$ 0 |
| Senior High School Refunding Bonds, Series 2006A | 4,110,000 | 3.75 to 4 | 11-29-06 | 5-14-15 | 1,900,000 | 0 | 1,900,000 | 0 |
| Build America Bonds | 17,125,000 | 7.15 | 7-15-09 | 6-1-44 | 17,125,000 | 0 | 0 | 17,125,000 |
| Rural School Bonds, Series 2013 | 9,100,000 | 3.83 | 1-6-14 | 6-1-37 | 9,100,000 | 0 | 0 | 9,100,000 |
| Rural School Bonds, Series 2014 | 13,650,000 | 4.19 | 1-6-14 | 6-1-37 | 13,425,000 | 0 | 110,000 | 13,315,000 |
| Total Payable through Rural Debt Service Fund | | | | | <u>\$ 41,920,000</u> | <u>\$ 0</u> | <u>\$ 2,380,000</u> | <u>\$ 39,540,000</u> |
| Total Bonds Payable | | | | | <u>\$ 42,985,000</u> | <u>\$ 22,000,000</u> | <u>\$ 3,100,353</u> | <u>\$ 61,884,647</u> |
| BUSINESS-TYPE ACTIVITIES: | | | | | | | | |
| OTHER LOANS PAYABLE | | | | | | | | |
| <u>Payable through Wayside Acres Sewer Fund</u> | | | | | | | | |
| Sewer Construction | 224,000 | 4.125 | 10-10-06 | 10-10-44 | \$ 202,200 | \$ 0 | \$ 3,368 | \$ 198,832 |
| Sewer Construction | 100,000 | 4.375 | 12-20-06 | 12-20-44 | 90,966 | 0 | 1,436 | 89,530 |
| Total Other Loans Payable | | | | | <u>\$ 293,166</u> | <u>\$ 0</u> | <u>\$ 4,804</u> | <u>\$ 288,362</u> |

- (1) These notes were issued for a jail construction project, which the county is involved in currently. The county retired these notes with the issuance of \$22 million in general obligation bonds on August 28, 2014.
- (2) Interest rate of approximately 4.85 percent is offset by a federal interest subsidy resulting in a net interest rate of zero percent.

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES

| Year Ending June 30 | Notes | | Total |
|---------------------------|------------|-----------|------------|
| | Principal | Interest | |
| 2016 | \$ 245,000 | \$ 16,065 | \$ 261,065 |
| 2017 | 247,000 | 10,828 | 257,828 |
| 2018 | 204,000 | 5,475 | 209,475 |
| 2019 | 65,000 | 2,452 | 67,452 |
| Total | \$ 761,000 | \$ 34,820 | \$ 795,820 |

| Year Ending June 30 | Other Loans | | Total |
|---------------------------|---------------|--------------|---------------|
| | Principal | Interest (1) | |
| 2016 | \$ 1,510,310 | \$ 550,856 | \$ 2,061,166 |
| 2017 | 1,148,884 | 515,782 | 1,664,666 |
| 2018 | 1,183,884 | 479,331 | 1,663,215 |
| 2019 | 1,253,884 | 441,284 | 1,695,168 |
| 2020 | 1,298,884 | 399,117 | 1,698,001 |
| 2021 | 1,393,884 | 354,299 | 1,748,183 |
| 2022 | 838,884 | 304,499 | 1,143,383 |
| 2023 | 762,174 | 274,499 | 1,036,673 |
| 2024 | 803,880 | 246,249 | 1,050,129 |
| 2025 | 868,880 | 215,499 | 1,084,379 |
| 2026 | 883,880 | 181,499 | 1,065,379 |
| 2027 | 207,474 | 146,749 | 354,223 |
| 2028 | 17,806 | 73,374 | 91,180 |
| Total | \$ 12,172,708 | \$ 4,183,037 | \$ 16,355,745 |

(Continued)

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES (CONT.)

| Year Ending June 30 | Bonds | | Total |
|---------------------------|---------------|---------------|----------------|
| | Principal | Interest | |
| 2016 | \$ 889,957 | \$ 2,798,218 | \$ 3,688,175 |
| 2017 | 899,940 | 2,768,235 | 3,668,175 |
| 2018 | 635,241 | 2,737,934 | 3,373,175 |
| 2019 | 630,869 | 2,717,306 | 3,348,175 |
| 2020 | 656,835 | 2,696,940 | 3,353,775 |
| 2021 | 638,146 | 2,675,629 | 3,313,775 |
| 2022 | 679,818 | 2,653,907 | 3,333,725 |
| 2023 | 866,857 | 2,630,618 | 3,497,475 |
| 2024 | 979,280 | 2,604,445 | 3,583,725 |
| 2025 | 982,096 | 2,573,191 | 3,555,287 |
| 2026 | 1,030,320 | 2,541,274 | 3,571,594 |
| 2027 | 1,803,960 | 2,504,634 | 4,308,594 |
| 2028 | 1,863,035 | 2,441,159 | 4,304,194 |
| 2029 | 1,927,555 | 2,375,439 | 4,302,994 |
| 2030 | 2,002,537 | 2,304,757 | 4,307,294 |
| 2031 | 2,077,991 | 2,231,203 | 4,309,194 |
| 2032 | 2,153,938 | 2,152,256 | 4,306,194 |
| 2033 | 2,235,389 | 2,068,317 | 4,303,706 |
| 2034 | 2,327,361 | 1,980,719 | 4,308,080 |
| 2035 | 2,419,871 | 1,889,304 | 4,309,175 |
| 2036 | 2,512,938 | 1,792,987 | 4,305,925 |
| 2037 | 2,606,577 | 1,692,723 | 4,299,300 |
| 2038 | 2,750,805 | 1,588,495 | 4,339,300 |
| 2039 | 2,870,644 | 1,419,906 | 4,290,550 |
| 2040 | 2,991,113 | 1,243,687 | 4,234,800 |
| 2041 | 3,112,229 | 1,055,171 | 4,167,400 |
| 2042 | 3,259,016 | 858,784 | 4,117,800 |
| 2043 | 3,406,493 | 652,707 | 4,059,200 |
| 2044 | 3,554,681 | 436,919 | 3,991,600 |
| 2045 | 778,607 | 211,393 | 990,000 |
| 2046 | 803,289 | 186,711 | 990,000 |
| 2047 | 828,755 | 161,245 | 990,000 |
| 2048 | 855,028 | 134,972 | 990,000 |
| 2049 | 882,134 | 107,866 | 990,000 |
| 2050 | 910,099 | 79,901 | 990,000 |
| 2051 | 938,950 | 51,050 | 990,000 |
| 2052 | 968,716 | 21,284 | 990,000 |
| 2053 | 153,577 | 587 | 154,164 |
| Total | \$ 61,884,647 | \$ 61,041,873 | \$ 122,926,520 |

(Continued)

Exhibit K-2

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

BUSINESS-TYPE ACTIVITIES

| Year Ending June 30 | Other Loans | | Total |
|---------------------------|-------------|------------|------------|
| | Principal | Interest | |
| 2016 | \$ 5,089 | \$ 12,023 | \$ 17,112 |
| 2017 | 5,306 | 11,806 | 17,112 |
| 2018 | 5,533 | 11,579 | 17,112 |
| 2019 | 5,770 | 11,342 | 17,112 |
| 2020 | 6,016 | 11,096 | 17,112 |
| 2021 | 6,274 | 10,838 | 17,112 |
| 2022 | 6,543 | 10,569 | 17,112 |
| 2023 | 6,822 | 10,290 | 17,112 |
| 2024 | 7,114 | 9,998 | 17,112 |
| 2025 | 7,418 | 9,694 | 17,112 |
| 2026 | 7,736 | 9,376 | 17,112 |
| 2027 | 8,067 | 9,045 | 17,112 |
| 2028 | 8,412 | 8,700 | 17,112 |
| 2029 | 8,773 | 8,339 | 17,112 |
| 2030 | 9,149 | 7,963 | 17,112 |
| 2031 | 9,540 | 7,572 | 17,112 |
| 2032 | 9,948 | 7,164 | 17,112 |
| 2033 | 10,375 | 6,737 | 17,112 |
| 2034 | 10,818 | 6,294 | 17,112 |
| 2035 | 11,282 | 5,830 | 17,112 |
| 2036 | 11,766 | 5,346 | 17,112 |
| 2037 | 12,269 | 4,843 | 17,112 |
| 2038 | 12,795 | 4,317 | 17,112 |
| 2039 | 13,344 | 3,768 | 17,112 |
| 2040 | 13,915 | 3,197 | 17,112 |
| 2041 | 14,511 | 2,601 | 17,112 |
| 2042 | 15,134 | 1,978 | 17,112 |
| 2043 | 15,782 | 1,330 | 17,112 |
| 2044 | 16,458 | 654 | 17,112 |
| 2045 | 6,403 | 61 | 6,464 |
| Total | \$ 288,362 | \$ 214,350 | \$ 502,712 |

(1) Includes interest requirements on Qualified School Construction Bonds, Series 2010, before federal interest rate subsidy.

Exhibit K-3

Coffee County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Coffee County School Department
For the Year Ended June 30, 2015

| <u>From Fund</u> | <u>To Fund</u> | <u>Purpose</u> | <u>Amount</u> |
|---|--------------------------|-----------------------|-------------------|
| <u>PRIMARY GOVERNMENT</u> | | | |
| General | Rural Debt Service | Operations | \$ 136,117 |
| Rural Debt Service | General Capital Projects | Purchase school buses | <u>400,000</u> |
| Total Transfers Primary Government | | | <u>\$ 536,117</u> |
| <u>DISCRETELY PRESENTED COFFEE</u> <u>COFFEE SCHOOL DEPARTMENT</u> | | | |
| School Federal Projects | General Purpose School | Indirect costs | <u>\$ 24,997</u> |

Exhibit K-4

Coffee County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Coffee County School Department
For the Year Ended June 30, 2015

| Official | Authorization for Salary | Salary Paid During Period | Bond | Surety |
|--|---|---------------------------|-----------|--------------------------------------|
| County Mayor: | | | | |
| David Pennington (July 1, 2014 through August 31, 2014) | Section 8-24-102, TCA | \$ 14,690 | \$ 50,000 | Auto-Owners Mutual Insurance Company |
| Gary Cordell (September 1, 2014 through June 30, 2015) | Section 8-24-102, TCA | 73,451 | 100,000 | " |
| Road Superintendent: | | | | |
| Steve Parks (July 1, 2014 through August 31, 2014) | Section 8-24-102, TCA | 13,991 | 100,000 | " |
| Benton Bartlett (September 1, 2014 through June 30, 2015) | Section 8-24-102, TCA | 69,954 | 100,000 | " |
| Director of Schools | | | | |
| | State Board of Education and Coffee County Board of Education | 116,101 (1) | (2) | |
| Trustee: | | | | |
| James Wilhelm (July 1, 2014 through August 31, 2014) | Section 8-24-102, TCA | 12,719 | 1,727,490 | " |
| John Marchesoni (September 1, 2014 through June 30, 2015) | Section 8-24-102, TCA | 63,594 | 2,163,387 | " |
| Assessor of Property | Section 8-24-102, TCA | 76,313 | 10,000 | " |
| Director of Accounts and Budgets | Coffee County Commission | 76,052 | 100,000 | " |
| County Clerk | Section 8-24-102, TCA | 76,313 | 100,000 | " |
| Circuit, General Sessions, and Juvenile Courts Clerk | Section 8-24-102, TCA | 76,313 | 100,000 | " |
| Clerk and Master | Section 8-24-102, TCA | 76,313 | 50,000 | " |
| Register of Deeds: | | | | |
| Ellen Vaughn (July 1, 2014 through August 31, 2014) | Section 8-24-102, TCA | 12,719 | 25,000 | " |
| Donna Toney (September 1, 2014 through June 30, 2015) | Section 8-24-102, TCA | 63,594 | 100,000 | " |
| Sheriff | | | | |
| | Section 8-24-102, TCA | 83,945 (3) | 100,000 | " |
| Employee Blanket Bonds: | | | | |
| Public Employee Dishonesty - County Departments (excluding Highway Department) | | | 1,000,000 | Brit Global Specialty USA |
| Public Employee Dishonesty - Highway Department | | | 150,000 | Local Government Insurance Pool |
| Public Employee Dishonesty - School Department | | | 150,000 | Tennessee Risk Management Trust |

- (1) Includes a chief executive officer training supplement of \$1,000.
(2) The director is covered under the School Department's blanket bond.
(3) Does not include a law enforcement training supplement of \$600.

Exhibit K-5

Coffee County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2015

| | Special Revenue Funds | | | | |
|--|-----------------------|--------------------------|-------------------|-------------------|--------------|
| | General | Solid Waste / Sanitation | Ambulance Service | Local Purpose Tax | Drug Control |
| <u>Local Taxes</u> | | | | | |
| <u>County Property Taxes</u> | | | | | |
| Current Property Tax | \$ 9,602,390 | \$ 792,055 | \$ 484,455 | \$ 191,844 | \$ 0 |
| Trustee's Collections - Prior Year | 201,102 | 19,560 | 14,302 | 272 | 0 |
| Trustee's Collections - Bankruptcy | 10,012 | 311 | 200 | 0 | 0 |
| Circuit/Clerk and Master Collections - Prior Years | 102,521 | 26,876 | 7,283 | 0 | 0 |
| Interest and Penalty | 75,300 | 12,556 | 4,878 | 173 | 0 |
| Payments in-Lieu-of Taxes - T.V.A. | 627 | 117 | 32 | 0 | 0 |
| Payments in-Lieu-of Taxes - Local Utilities | 7,097 | 1,860 | 504 | 0 | 0 |
| Payments in-Lieu-of Taxes - Other | 2,321 | 608 | 165 | 0 | 0 |
| <u>County Local Option Taxes</u> | | | | | |
| Local Option Sales Tax | 347,631 | 109,064 | 0 | 0 | 0 |
| Litigation Tax - General | 181,660 | 0 | 0 | 0 | 0 |
| Litigation Tax - Special Purpose | 101,937 | 0 | 0 | 0 | 0 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Courthouse Security | 67,258 | 0 | 0 | 0 | 0 |
| Business Tax | 893,338 | 0 | 0 | 0 | 0 |
| Mineral Severance Tax | 0 | 0 | 0 | 0 | 0 |
| <u>Statutory Local Taxes</u> | | | | | |
| Bank Excise Tax | 266,514 | 0 | 0 | 0 | 0 |
| Wholesale Beer Tax | 0 | 261,666 | 0 | 0 | 0 |
| Interstate Telecommunications Tax | 2,507 | 0 | 0 | 0 | 0 |
| Total Local Taxes | \$ 11,862,215 | \$ 1,224,673 | \$ 511,819 | \$ 192,289 | \$ 0 |
| <u>Licenses and Permits</u> | | | | | |
| <u>Licenses</u> | | | | | |
| Cable TV Franchise | \$ 153,964 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | |
|--|-----------------------|--------------------------|-------------------|-------------------|--------------|
| | General | Solid Waste / Sanitation | Ambulance Service | Local Purpose Tax | Drug Control |
| <u>Licenses and Permits (Cont.)</u> | | | | | |
| <u>Permits</u> | | | | | |
| Beer Permits | \$ 0 | \$ 6,566 | \$ 0 | \$ 0 | \$ 0 |
| Building Permits | 79,064 | 0 | 0 | 0 | 0 |
| Plumbing Permits | 10,800 | 0 | 0 | 0 | 0 |
| Other Permits | 6,375 | 0 | 9,000 | 0 | 0 |
| Total Licenses and Permits | <u>\$ 250,203</u> | <u>\$ 6,566</u> | <u>\$ 9,000</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | |
| <u>Circuit Court</u> | | | | | |
| Fines | \$ 17,605 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Officers Costs | 13,316 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 125,200 | 0 | 0 | 0 | 24,276 |
| Judicial Commissioner Fees | 1,839 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 2,408 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Circuit Court | 31,532 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 153 | 0 | 0 | 0 | 0 |
| <u>General Sessions Court</u> | | | | | |
| Fines | 154,881 | 0 | 0 | 0 | 0 |
| Officers Costs | 67,082 | 0 | 0 | 0 | 0 |
| Game and Fish Fines | 504 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 89,559 |
| Jail Fees | 16,455 | 0 | 0 | 0 | 0 |
| Interpreter Fee | 142 | 0 | 0 | 0 | 0 |
| Judicial Commissioner Fees | 6,540 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 23,131 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 2,609 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | |
|--|-----------------------|--------------------------|-------------------|-------------------|--------------|
| | General | Solid Waste / Sanitation | Ambulance Service | Local Purpose Tax | Drug Control |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | |
| <u>Juvenile Court</u> | | | | | |
| Fines | \$ 1,026 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Officers Costs | 5,072 | 0 | 0 | 0 | 0 |
| Judicial Commissioner Fees | 732 | 0 | 0 | 0 | 0 |
| <u>Chancery Court</u> | | | | | |
| Officers Costs | 4,295 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Chancery Court | 7,299 | 0 | 0 | 0 | 0 |
| Courtroom Security Fee | 4,560 | 0 | 0 | 0 | 0 |
| <u>Other Courts - In-county</u> | | | | | |
| Drug Control Fines | 49,512 | 0 | 0 | 0 | 0 |
| Drug Court Fees | 36,304 | 0 | 0 | 0 | 0 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 0 | 0 | 132,488 |
| Total Fines, Forfeitures, and Penalties | \$ 572,197 | \$ 0 | \$ 0 | \$ 0 | 246,323 |
| <u>Charges for Current Services</u> | | | | | |
| <u>General Service Charges</u> | | | | | |
| Convenience Waste Centers Collection Charge | \$ 0 | \$ 8,468 | \$ 0 | \$ 0 | 0 |
| Solid Waste Disposal Fee | 0 | 72,278 | 0 | 0 | 0 |
| Surcharge - Waste Tire Disposal | 0 | 35,647 | 0 | 0 | 0 |
| Patient Charges | 7,668 | 0 | 1,822,595 | 0 | 0 |
| Other General Service Charges | 3,102 | 0 | 0 | 0 | 0 |
| <u>Fees</u> | | | | | |
| Subdivision Lot Fees | 9,550 | 0 | 0 | 0 | 0 |
| Recreation Fees | 17,397 | 0 | 0 | 0 | 0 |
| Copy Fees | 4,919 | 0 | 1,380 | 0 | 0 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | |
|--|-----------------------|--------------------------|-------------------|-------------------|--------------|
| | General | Solid Waste / Sanitation | Ambulance Service | Local Purpose Tax | Drug Control |
| <u>Charges for Current Services (Cont.)</u> | | | | | |
| <u>Fees (Cont.)</u> | | | | | |
| Library Fees | \$ 62,981 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Archives and Records Management Fee - County Clerk | 113 | 0 | 0 | 0 | 0 |
| Greenbelt Late Application Fee | 300 | 0 | 0 | 0 | 0 |
| Telephone Commissions | 91,124 | 0 | 0 | 0 | 0 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Register | 17,544 | 0 | 0 | 0 | 0 |
| Probation Fees | 323,280 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Sheriff | 7,077 | 0 | 0 | 0 | 0 |
| Sexual Offender Registration Fee - Sheriff | 4,350 | 0 | 0 | 0 | 0 |
| Data Processing Fee - County Clerk | 9,450 | 0 | 0 | 0 | 0 |
| <u>Other Charges for Services</u> | | | | | |
| Other Charges for Services | 58,000 | 0 | 3,830 | 0 | 0 |
| Total Charges for Current Services | \$ 616,855 | \$ 116,393 | \$ 1,827,805 | \$ 0 | 0 |
| <u>Other Local Revenues</u> | | | | | |
| <u>Recurring Items</u> | | | | | |
| Investment Income | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Lease/Rentals | 19,560 | 0 | 0 | 0 | 0 |
| Commissary Sales | 2,896 | 0 | 0 | 0 | 0 |
| Sale of Maps | 31 | 0 | 0 | 0 | 0 |
| Sale of Recycled Materials | 0 | 48,916 | 0 | 0 | 2,904 |
| Miscellaneous Refunds | 9,743 | 11 | 42 | 0 | 0 |
| <u>Nonrecurring Items</u> | | | | | |
| Sale of Equipment | 0 | 25,001 | 0 | 0 | 2,859 |
| Damages Recovered from Individuals | 3,746 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | |
|--|-----------------------|--------------------------|-------------------|-------------------|--------------|
| | General | Solid Waste / Sanitation | Ambulance Service | Local Purpose Tax | Drug Control |
| <u>Other Local Revenues (Cont.)</u> | | | | | |
| <u>Nonrecurring Items (Cont.)</u> | | | | | |
| Contributions and Gifts | \$ 263,912 | \$ 0 | \$ 0 | \$ 0 | \$ 911 |
| Total Other Local Revenues | \$ 299,888 | \$ 73,928 | \$ 42 | \$ 0 | \$ 6,674 |
| <u>Fees Received from County Officials</u> | | | | | |
| <u>Fees in-Lieu-of Salary</u> | | | | | |
| County Clerk | \$ 515,443 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Circuit Court Clerk | 913,395 | 0 | 0 | 0 | 0 |
| Clerk and Master | 216,349 | 0 | 0 | 0 | 0 |
| Register | 200,960 | 0 | 0 | 0 | 0 |
| Sheriff | 22,797 | 0 | 0 | 0 | 0 |
| Trustee | 981,529 | 0 | 0 | 0 | 0 |
| Total Fees Received from County Officials | \$ 2,850,473 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>State of Tennessee</u> | | | | | |
| <u>General Government Grants</u> | | | | | |
| Juvenile Services Program | \$ 12,870 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| On-behalf Contributions for OPEB | 875 | 0 | 0 | 0 | 0 |
| <u>Public Safety Grants</u> | | | | | |
| Law Enforcement Training Programs | 25,200 | 0 | 0 | 0 | 0 |
| <u>Health and Welfare Grants</u> | | | | | |
| Other Health and Welfare Grants | 1,000 | 0 | 0 | 0 | 0 |
| <u>Public Works Grants</u> | | | | | |
| Bridge Program | 0 | 0 | 0 | 0 | 0 |
| Litter Program | 0 | 43,748 | 0 | 0 | 0 |
| Other Public Works Grants | 0 | 0 | 0 | 59,013 | 0 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | |
|-----------------------------------|-----------------------|--------------------------------|----------------------|-------------------------|-----------------|
| | General | Solid Waste / Sanitation | Ambulance Service | Local Purpose Tax | Drug Control |
| <u>State of Tennessee (Cont.)</u> | | | | | |
| <u>Other State Revenues</u> | | | | | |
| Income Tax | \$ 79,889 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Beer Tax | 18,055 | 0 | 0 | 0 | 0 |
| Vehicle Certificate of Title Fees | 54,580 | 0 | 0 | 0 | 0 |
| Alcoholic Beverage Tax | 84,558 | 0 | 0 | 0 | 0 |
| State Revenue Sharing - T.V.A. | 307,463 | 0 | 0 | 0 | 0 |
| Emergency Hospital - Prisoners | 249,715 | 0 | 0 | 0 | 0 |
| Contracted Prisoner Boarding | 655,959 | 0 | 0 | 0 | 0 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 0 |
| Petroleum Special Tax | 0 | 0 | 0 | 0 | 0 |
| T.B.I. - Equipment Reimbursement | 3,672 | 0 | 0 | 0 | 0 |
| Registrar's Salary Supplement | 15,164 | 0 | 0 | 0 | 0 |
| Other State Grants | 476,093 | 0 | 0 | 0 | 0 |
| Other State Revenues | 40,509 | 0 | 0 | 0 | 0 |
| Total State of Tennessee | <u>\$ 2,025,602</u> | <u>\$ 43,748</u> | <u>\$ 0</u> | <u>\$ 59,013</u> | <u>\$ 0</u> |
| <u>Federal Government</u> | | | | | |
| <u>Federal Through State</u> | | | | | |
| Civil Defense Reimbursement | \$ 35,850 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Homeland Security Grants | 15,398 | 0 | 0 | 0 | 0 |
| <u>Direct Federal Revenue</u> | | | | | |
| Tax Credit Bond Rebate | 136,117 | 0 | 0 | 0 | 0 |
| Total Federal Government | <u>\$ 187,365</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | |
|--|-----------------------|--------------------------|---------------------|-------------------|-------------------|
| | General | Solid Waste / Sanitation | Ambulance Service | Local Purpose Tax | Drug Control |
| <u>Other Governments and Citizens Groups</u> | | | | | |
| <u>Other Governments</u> | | | | | |
| Contributions | \$ 111,066 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Contracted Services | 5,615 | 0 | 0 | 0 | 0 |
| <u>Citizens Groups</u> | | | | | |
| Donations | 14,706 | 0 | 0 | 0 | 0 |
| Total Other Governments and Citizens Groups | <u>\$ 131,387</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Total | <u>\$ 18,796,185</u> | <u>\$ 1,465,308</u> | <u>\$ 2,348,666</u> | <u>\$ 251,302</u> | <u>\$ 252,997</u> |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds (Cont.) | | Debt Service Funds | | Capital Projects Fund | Total |
|--|---|------------------------------|----------------------------|--------------------------|--------------------------------|---------------|
| | Constitu- tional Officers - Fees | Highway / Public Works | General Debt Service | Rural Debt Service | General Capital Projects | |
| <u>Local Taxes</u> | | | | | | |
| <u>County Property Taxes</u> | | | | | | |
| Current Property Tax | \$ 0 | \$ 0 | \$ 1,735,303 | \$ 1,020,968 | \$ 0 | \$ 13,827,015 |
| Trustee's Collections - Prior Year | 0 | 0 | 51,209 | 26,019 | 0 | 312,464 |
| Trustee's Collections - Bankruptcy | 0 | 0 | 1,654 | 343 | 0 | 12,520 |
| Circuit/Clerk and Master Collections - Prior Years | 0 | 0 | 26,089 | 29,979 | 0 | 192,748 |
| Interest and Penalty | 0 | 0 | 18,002 | 14,759 | 0 | 125,668 |
| Payments in-Lieu-of Taxes - T.V.A. | 0 | 0 | 113 | 131 | 0 | 1,020 |
| Payments in-Lieu-of Taxes - Local Utilities | 0 | 0 | 1,806 | 2,075 | 0 | 13,342 |
| Payments in-Lieu-of Taxes - Other | 0 | 0 | 591 | 679 | 0 | 4,364 |
| <u>County Local Option Taxes</u> | | | | | | |
| Local Option Sales Tax | 0 | 0 | 0 | 2,459,269 | 327,863 | 3,243,827 |
| Litigation Tax - General | 0 | 0 | 0 | 0 | 0 | 181,660 |
| Litigation Tax - Special Purpose | 0 | 0 | 0 | 0 | 0 | 101,937 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 0 | 281,424 | 0 | 0 | 281,424 |
| Litigation Tax - Courthouse Security | 0 | 0 | 0 | 0 | 0 | 67,258 |
| Business Tax | 0 | 0 | 0 | 0 | 0 | 893,338 |
| Mineral Severance Tax | 0 | 75,313 | 0 | 0 | 0 | 75,313 |
| <u>Statutory Local Taxes</u> | | | | | | |
| Bank Excise Tax | 0 | 0 | 0 | 0 | 0 | 266,514 |
| Wholesale Beer Tax | 0 | 0 | 0 | 0 | 0 | 261,666 |
| Interstate Telecommunications Tax | 0 | 0 | 0 | 0 | 0 | 2,507 |
| Total Local Taxes | \$ 0 | \$ 75,313 | \$ 2,116,191 | \$ 3,554,222 | \$ 327,863 | \$ 19,864,585 |
| <u>Licenses and Permits</u> | | | | | | |
| <u>Licenses</u> | | | | | | |
| Cable TV Franchise | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 153,964 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds (Cont.) | | Debt Service Funds | | Capital | Total |
|--|---|------------------------------|----------------------------|--------------------------|---|----------------|
| | Constitu- tional - Officers - Fees | Highway / Public Works | General Debt Service | Rural Debt Service | Projects Fund General Capital Projects | |
| Licenses and Permits (Cont.) | | | | | | |
| <u>Permits</u> | | | | | | |
| Beer Permits | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 6,566 |
| Building Permits | 0 | 0 | 0 | 0 | 0 | 79,064 |
| Plumbing Permits | 0 | 0 | 0 | 0 | 0 | 10,800 |
| Other Permits | 0 | 0 | 0 | 0 | 0 | 15,375 |
| Total Licenses and Permits | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>265,769</u> |
| Fines, Forfeitures, and Penalties | | | | | | |
| <u>Circuit Court</u> | | | | | | |
| Fines | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 17,605 |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 13,316 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 149,476 |
| Judicial Commissioner Fees | 0 | 0 | 0 | 0 | 0 | 1,839 |
| DUI Treatment Fines | 0 | 0 | 0 | 0 | 0 | 2,408 |
| Data Entry Fee - Circuit Court | 0 | 0 | 0 | 0 | 0 | 31,532 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 153 |
| <u>General Sessions Court</u> | | | | | | |
| Fines | 0 | 0 | 0 | 0 | 0 | 154,881 |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 67,082 |
| Game and Fish Fines | 0 | 0 | 0 | 0 | 0 | 504 |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 89,559 |
| Jail Fees | 0 | 0 | 0 | 0 | 0 | 16,455 |
| Interpreter Fee | 0 | 0 | 0 | 0 | 0 | 142 |
| Judicial Commissioner Fees | 0 | 0 | 0 | 0 | 0 | 6,540 |
| DUI Treatment Fines | 0 | 0 | 0 | 0 | 0 | 23,131 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 2,609 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds (Cont.) | | Debt Service Funds | | Capital Projects Fund | |
|--|---|------------------------------|----------------------------|--------------------------|--------------------------------|-----------|
| | Constitu- tional Officers - Fees | Highway / Public Works | General Debt Service | Rural Debt Service | General Capital Projects | Total |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | | |
| <u>Juvenile Court</u> | | | | | | |
| Fines | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 1,026 |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 5,072 |
| Judicial Commissioner Fees | 0 | 0 | 0 | 0 | 0 | 732 |
| <u>Chancery Court</u> | | | | | | |
| Officers Costs | 0 | 0 | 0 | 0 | 0 | 4,295 |
| Data Entry Fee - Chancery Court | 0 | 0 | 0 | 0 | 0 | 7,299 |
| Courtroom Security Fee | 0 | 0 | 0 | 0 | 0 | 4,560 |
| <u>Other Courts - In-county</u> | | | | | | |
| Drug Control Fines | 0 | 0 | 0 | 0 | 0 | 49,512 |
| Drug Court Fees | 0 | 0 | 0 | 0 | 0 | 36,304 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 0 | 0 | 0 | 132,488 |
| Total Fines, Forfeitures, and Penalties | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 818,520 |
| <u>Charges for Current Services</u> | | | | | | |
| <u>General Service Charges</u> | | | | | | |
| Convenience Waste Centers Collection Charge | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 8,468 |
| Solid Waste Disposal Fee | 0 | 0 | 0 | 0 | 0 | 72,278 |
| Surcharge - Waste Tire Disposal | 0 | 0 | 0 | 0 | 0 | 35,647 |
| Patient Charges | 0 | 0 | 0 | 0 | 0 | 1,830,263 |
| Other General Service Charges | 0 | 0 | 0 | 0 | 0 | 3,102 |
| <u>Fees</u> | | | | | | |
| Subdivision Lot Fees | 0 | 0 | 0 | 0 | 0 | 9,550 |
| Recreation Fees | 0 | 0 | 0 | 0 | 0 | 17,397 |
| Copy Fees | 0 | 0 | 0 | 0 | 0 | 6,299 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds (Cont.) | | Debt Service Funds | | Capital Projects Fund | |
|--|---|------------------------------|----------------------------|--------------------------|--------------------------------|-----------|
| | Constitu- tional Officers - Fees | Highway / Public Works | General Debt Service | Rural Debt Service | General Capital Projects | Total |
| <u>Charges for Current Services (Cont.)</u> | | | | | | |
| <u>Fees (Cont.)</u> | | | | | | |
| Library Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 62,981 |
| Archives and Records Management Fee - County Clerk | 0 | 0 | 0 | 0 | 0 | 113 |
| Greenbelt Late Application Fee | 0 | 0 | 0 | 0 | 0 | 300 |
| Telephone Commissions | 0 | 0 | 0 | 0 | 0 | 91,124 |
| Constitutional Officers' Fees and Commissions | 2,132 | 0 | 0 | 0 | 0 | 2,132 |
| Data Processing Fee - Register | 0 | 0 | 0 | 0 | 0 | 17,544 |
| Probation Fees | 0 | 0 | 0 | 0 | 0 | 323,280 |
| Data Processing Fee - Sheriff | 0 | 0 | 0 | 0 | 0 | 7,077 |
| Sexual Offender Registration Fee - Sheriff | 0 | 0 | 0 | 0 | 0 | 4,350 |
| Data Processing Fee - County Clerk | 0 | 0 | 0 | 0 | 0 | 9,450 |
| <u>Other Charges for Services</u> | | | | | | |
| Other Charges for Services | 0 | 0 | 0 | 0 | 0 | 61,830 |
| Total Charges for Current Services | \$ 2,132 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 2,563,185 |
| <u>Other Local Revenues</u> | | | | | | |
| <u>Recurring Items</u> | | | | | | |
| Investment Income | \$ 0 | \$ 622 | \$ 48,702 | \$ 23,098 | \$ 0 | 72,422 |
| Lease/Rentals | 0 | 0 | 104,280 | 0 | 0 | 123,840 |
| Commissary Sales | 0 | 0 | 0 | 0 | 0 | 2,896 |
| Sale of Maps | 0 | 0 | 0 | 0 | 0 | 31 |
| Sale of Recycled Materials | 0 | 104 | 0 | 0 | 0 | 51,924 |
| Miscellaneous Refunds | 0 | 10 | 0 | 0 | 0 | 9,806 |
| <u>Nonrecurring Items</u> | | | | | | |
| Sale of Equipment | 0 | 1,786 | 0 | 0 | 0 | 29,646 |
| Damages Recovered from Individuals | 0 | 0 | 0 | 0 | 0 | 3,746 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds (Cont.) | | Debt Service Funds | | Capital Projects Fund | Total |
|--|---|------------------------------|----------------------------|--------------------------|--------------------------------|-----------|
| | Constitu- tional Officers - Fees | Highway / Public Works | General Debt Service | Rural Debt Service | General Capital Projects | |
| <u>Other Local Revenues (Cont.)</u> | | | | | | |
| <u>Nonrecurring Items (Cont.)</u> | | | | | | |
| Contributions and Gifts | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 264,823 |
| Total Other Local Revenues | \$ 0 | \$ 2,522 | \$ 152,982 | \$ 23,098 | \$ 0 | 559,134 |
| <u>Fees Received from County Officials</u> | | | | | | |
| <u>Fees in-Lieu-of Salary</u> | | | | | | |
| County Clerk | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 515,443 |
| Circuit Court Clerk | 0 | 0 | 0 | 0 | 0 | 913,395 |
| Clerk and Master | 0 | 0 | 0 | 0 | 0 | 216,349 |
| Register | 0 | 0 | 0 | 0 | 0 | 200,960 |
| Sheriff | 0 | 0 | 0 | 0 | 0 | 22,797 |
| Trustee | 0 | 0 | 0 | 0 | 0 | 981,529 |
| Total Fees Received from County Officials | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 2,850,473 |
| <u>State of Tennessee</u> | | | | | | |
| <u>General Government Grants</u> | | | | | | |
| Juvenile Services Program | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 12,870 |
| On-behalf Contributions for OPEB | 0 | 0 | 0 | 0 | 0 | 875 |
| <u>Public Safety Grants</u> | | | | | | |
| Law Enforcement Training Programs | 0 | 0 | 0 | 0 | 0 | 25,200 |
| <u>Health and Welfare Grants</u> | | | | | | |
| Other Health and Welfare Grants | 0 | 0 | 0 | 0 | 0 | 1,000 |
| <u>Public Works Grants</u> | | | | | | |
| Bridge Program | 0 | 158,519 | 0 | 0 | 0 | 158,519 |
| Litter Program | 0 | 0 | 0 | 0 | 0 | 43,748 |
| Other Public Works Grants | 0 | 0 | 0 | 0 | 0 | 59,013 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds (Cont.) | | Debt Service Funds | | Capital | Total |
|-----------------------------------|---|------------------------------|----------------------------|--------------------------|---|-----------|
| | Constitu- tional Officers - Fees | Highway / Public Works | General Debt Service | Rural Debt Service | Projects Fund General Capital Projects | |
| <u>State of Tennessee (Cont.)</u> | | | | | | |
| <u>Other State Revenues</u> | | | | | | |
| Income Tax | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 79,889 |
| Beer Tax | 0 | 0 | 0 | 0 | 0 | 18,055 |
| Vehicle Certificate of Title Fees | 0 | 0 | 0 | 0 | 0 | 54,580 |
| Alcoholic Beverage Tax | 0 | 0 | 0 | 0 | 0 | 84,558 |
| State Revenue Sharing - T.V.A. | 0 | 0 | 0 | 0 | 0 | 307,463 |
| Emergency Hospital - Prisoners | 0 | 0 | 0 | 0 | 0 | 249,715 |
| Contracted Prisoner Boarding | 0 | 0 | 0 | 0 | 0 | 655,959 |
| Gasoline and Motor Fuel Tax | 0 | 1,871,413 | 0 | 0 | 0 | 1,871,413 |
| Petroleum Special Tax | 0 | 38,095 | 0 | 0 | 0 | 38,095 |
| T.B.I. - Equipment Reimbursement | 0 | 0 | 0 | 0 | 0 | 3,672 |
| Registrar's Salary Supplement | 0 | 0 | 0 | 0 | 0 | 15,164 |
| Other State Grants | 0 | 0 | 0 | 0 | 0 | 476,093 |
| Other State Revenues | 0 | 0 | 0 | 0 | 0 | 40,509 |
| Total State of Tennessee | \$ 0 | \$ 2,068,027 | \$ 0 | \$ 0 | \$ 0 | 4,196,390 |
| <u>Federal Government</u> | | | | | | |
| <u>Federal Through State</u> | | | | | | |
| Civil Defense Reimbursement | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 35,850 |
| Homeland Security Grants | 0 | 0 | 0 | 0 | 0 | 15,398 |
| <u>Direct Federal Revenue</u> | | | | | | |
| Tax Credit Bond Rebate | 0 | 0 | 0 | 397,225 | 0 | 533,342 |
| Total Federal Government | \$ 0 | \$ 0 | \$ 0 | \$ 397,225 | \$ 0 | 584,590 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds (Cont.) | | Debt Service Funds | | Capital Projects Fund | |
|--|---|------------------------------|----------------------------|--------------------------|--------------------------------|----------------------|
| | Constitu- tional Officers - Fees | Highway / Public Works | General Debt Service | Rural Debt Service | General Capital Projects | Total |
| <u>Other Governments and Citizens Groups</u> | | | | | | |
| <u>Other Governments</u> | | | | | | |
| Contributions | \$ 0 | \$ 0 | \$ 0 | 71,429 | \$ 0 | 182,495 |
| Contracted Services | 0 | 0 | 0 | 0 | 0 | 5,615 |
| <u>Citizens Groups</u> | | | | | | |
| Donations | 0 | 0 | 0 | 0 | 0 | 14,706 |
| Total Other Governments and Citizens Groups | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>71,429</u> | <u>\$ 0</u> | <u>202,816</u> |
| Total | <u>\$ 2,132</u> | <u>\$ 2,145,862</u> | <u>\$ 2,269,173</u> | <u>\$ 4,045,974</u> | <u>\$ 327,863</u> | <u>\$ 31,905,462</u> |

Exhibit K-6

Coffee County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 Discretely Presented Coffee County School Department
 For the Year Ended June 30, 2015

| | Special Revenue Funds | | | Capital | Total |
|--|------------------------|-------------------------|-------------------|------------------------|---------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | Other Capital Projects | |
| <u>Local Taxes</u> | | | | | |
| <u>County Property Taxes</u> | | | | | |
| Current Property Tax | \$ 8,324,484 | \$ 0 | \$ 0 | \$ 0 | \$ 8,324,484 |
| Trustee's Collections - Prior Year | 245,828 | 0 | 0 | 0 | 245,828 |
| Trustee's Collections - Bankruptcy | 10,961 | 0 | 0 | 0 | 10,961 |
| Circuit/Clerk and Master Collections - Prior Years | 125,239 | 0 | 0 | 0 | 125,239 |
| Interest and Penalty | 90,018 | 0 | 0 | 0 | 90,018 |
| Payments in-Lieu-of Taxes - T.V.A. | 543 | 0 | 0 | 0 | 543 |
| Payments in-Lieu-of Taxes - Local Utilities | 99 | 0 | 0 | 0 | 99 |
| Payments in-Lieu-of Taxes - Other | 32 | 0 | 0 | 0 | 32 |
| <u>County Local Option Taxes</u> | | | | | |
| Local Option Sales Tax | 4,182,879 | 0 | 0 | 0 | 4,182,879 |
| Mixed Drink Tax | 3,898 | 0 | 0 | 0 | 3,898 |
| <u>Statutory Local Taxes</u> | | | | | |
| Interstate Telecommunications Tax | 2,728 | 0 | 0 | 0 | 2,728 |
| Total Local Taxes | \$ 12,986,709 | \$ 0 | \$ 0 | \$ 0 | \$ 12,986,709 |
| <u>Licenses and Permits</u> | | | | | |
| <u>Licenses</u> | | | | | |
| Marriage Licenses | \$ 2,195 | \$ 0 | \$ 0 | \$ 0 | \$ 2,195 |
| Total Licenses and Permits | \$ 2,195 | \$ 0 | \$ 0 | \$ 0 | \$ 2,195 |
| <u>Charges for Current Services</u> | | | | | |
| <u>Education Charges</u> | | | | | |
| Tuition - Summer School | \$ 2,000 | \$ 0 | \$ 0 | \$ 0 | \$ 2,000 |
| Lunch Payments - Children | 0 | 0 | 455,063 | 0 | 455,063 |

(Continued)

Exhibit K-6

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

| | <u>Special Revenue Funds</u> | | | <u>Capital</u> | <u>Total</u> |
|---|-------------------------------|--------------------------------|--------------------------|-------------------------------|-------------------|
| | <u>General Purpose School</u> | <u>School Federal Projects</u> | <u>Central Cafeteria</u> | <u>Other Capital Projects</u> | |
| <u>Charges for Current Services (Cont.)</u> | | | | | |
| <u>Education Charges (Cont.)</u> | | | | | |
| Lunch Payments - Adults | \$ 0 | \$ 0 | \$ 34,042 | \$ 0 | \$ 34,042 |
| Income from Breakfast | 0 | 0 | 52,005 | 0 | 52,005 |
| A la carte Sales | 0 | 0 | 200,425 | 0 | 200,425 |
| Receipts from Individual Schools | 77,680 | 0 | 19 | 0 | 77,699 |
| Community Service Fees - Children | 91,902 | 0 | 0 | 0 | 91,902 |
| Total Charges for Current Services | \$ 171,582 | \$ 0 | \$ 741,554 | \$ 0 | \$ 913,136 |
| <u>Other Local Revenues</u> | | | | | |
| <u>Recurring Items</u> | | | | | |
| Investment Income | \$ 0 | \$ 0 | \$ 452 | \$ 0 | \$ 452 |
| Sale of Materials and Supplies | 3,649 | 0 | 1,995 | 0 | 5,644 |
| E-Rate Funding | 27,653 | 0 | 0 | 0 | 27,653 |
| Miscellaneous Refunds | 8 | 0 | 0 | 0 | 8 |
| <u>Nonrecurring Items</u> | | | | | |
| Damages Recovered from Individuals | 3,334 | 0 | 0 | 0 | 3,334 |
| Contributions and Gifts | 20,942 | 0 | 0 | 0 | 20,942 |
| <u>Other Local Revenues</u> | | | | | |
| Other Local Revenues | 29,958 | 0 | 0 | 0 | 29,958 |
| Total Other Local Revenues | \$ 85,544 | \$ 0 | \$ 2,447 | \$ 0 | \$ 87,991 |
| <u>State of Tennessee</u> | | | | | |
| <u>General Government Grants</u> | | | | | |
| On-behalf Contributions for OPEB | \$ 239,114 | \$ 0 | \$ 0 | \$ 0 | \$ 239,114 |

(Continued)

Exhibit K-6

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

| | <u>Special Revenue Funds</u> | | | <u>Capital</u> | <u>Total</u> |
|---|-------------------------------|--------------------------------|--------------------------|-------------------------------|---------------|
| | <u>General Purpose School</u> | <u>School Federal Projects</u> | <u>Central Cafeteria</u> | <u>Other Capital Projects</u> | |
| <u>State of Tennessee (Cont.)</u> | | | | | |
| <u>State Education Funds</u> | | | | | |
| Basic Education Program | \$ 19,363,000 | \$ 0 | \$ 0 | \$ 0 | \$ 19,363,000 |
| Early Childhood Education | 644,392 | 0 | 0 | 0 | 644,392 |
| School Food Service | 0 | 0 | 24,143 | 0 | 24,143 |
| Driver Education | 18,800 | 0 | 0 | 0 | 18,800 |
| Other State Education Funds | 12,335 | 0 | 0 | 0 | 12,335 |
| Coordinated School Health | 83,211 | 0 | 0 | 0 | 83,211 |
| Internet Connectivity | 12,907 | 0 | 0 | 0 | 12,907 |
| Family Resource Centers | 58,737 | 0 | 0 | 0 | 58,737 |
| Career Ladder Program | 122,588 | 0 | 0 | 0 | 122,588 |
| Career Ladder - Extended Contract | 32,545 | 0 | 0 | 0 | 32,545 |
| <u>Other State Revenues</u> | | | | | |
| Alcoholic Beverage Tax | 4,021 | 0 | 0 | 0 | 4,021 |
| State Revenue Sharing - T.V.A. | 671,240 | 0 | 0 | 0 | 671,240 |
| Safe Schools | 24,403 | 0 | 0 | 0 | 24,403 |
| Total State of Tennessee | \$ 21,287,293 | \$ 0 | \$ 24,143 | \$ 0 | \$ 21,311,436 |
| <u>Federal Government</u> | | | | | |
| <u>Federal Through State</u> | | | | | |
| USDA School Lunch Program | \$ 0 | \$ 0 | \$ 1,116,742 | \$ 0 | \$ 1,116,742 |
| USDA - Commodities | 0 | 0 | 136,057 | 0 | 136,057 |
| Breakfast | 0 | 0 | 420,794 | 0 | 420,794 |
| USDA - Other | 0 | 0 | 19,668 | 0 | 19,668 |
| Vocational Education - Basic Grants to States | 0 | 88,768 | 0 | 0 | 88,768 |
| Title I Grants to Local Education Agencies | 0 | 1,036,089 | 0 | 0 | 1,036,089 |

(Continued)

Exhibit K-6

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

| | Special Revenue Funds | | | Capital Projects Fund | |
|--|------------------------------|-------------------------------|----------------------|------------------------------|---------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | Other Capital Projects | Total |
| <u>Federal Government (Cont.)</u> | | | | | |
| <u>Federal Through State (Cont.)</u> | | | | | |
| Special Education - Grants to States | \$ 0 | \$ 837,985 | \$ 0 | \$ 0 | \$ 837,985 |
| Special Education Preschool Grants | 0 | 24,908 | 0 | 0 | 24,908 |
| English Language Acquisition Grants | 0 | 6,402 | 0 | 0 | 6,402 |
| Rural Education | 0 | 68,503 | 0 | 0 | 68,503 |
| Eisenhower Professional Development State Grants | 0 | 127,055 | 0 | 0 | 127,055 |
| Other Federal through State | 311,323 | 0 | 18,773 | 0 | 330,096 |
| <u>Direct Federal Revenue</u> | | | | | |
| ROTC Reimbursement | 45,042 | 0 | 0 | 0 | 45,042 |
| Total Federal Government | \$ 356,365 | \$ 2,189,710 | \$ 1,712,034 | \$ 0 | \$ 4,258,109 |
| <u>Other Governments and Citizens Groups</u> | | | | | |
| <u>Other Governments</u> | | | | | |
| Contributions | \$ 0 | \$ 200,000 | \$ 0 | \$ 3,000,000 | \$ 3,200,000 |
| Total Other Governments and Citizens Groups | \$ 0 | \$ 200,000 | \$ 0 | \$ 3,000,000 | \$ 3,200,000 |
| Total | \$ 34,889,688 | \$ 2,389,710 | \$ 2,480,178 | \$ 3,000,000 | \$ 42,759,576 |

Exhibit K-7

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2015

General FundGeneral GovernmentCounty Commission

| | | | |
|----------------------------------|----|--------|-----------|
| Board and Committee Members Fees | \$ | 24,315 | |
| Social Security | | 1,860 | |
| Audit Services | | 15,839 | |
| Dues and Memberships | | 1,700 | |
| Maintenance Agreements | | 552 | |
| Travel | | 4,690 | |
| Total County Commission | | | \$ 48,956 |

Board of Equalization

| | | | |
|----------------------------------|----|-------|-------|
| Board and Committee Members Fees | \$ | 1,425 | |
| Social Security | | 109 | |
| Total Board of Equalization | | | 1,534 |

Other Boards and Committees

| | | | |
|-----------------------------------|----|--------|--------|
| Board and Committee Members Fees | \$ | 20,000 | |
| Social Security | | 1,530 | |
| Travel | | 496 | |
| Total Other Boards and Committees | | | 22,026 |

County Mayor/Executive

| | | | |
|---|----|--------|---------|
| County Official/Administrative Officer | \$ | 88,141 | |
| Secretary(ies) | | 35,402 | |
| Clerical Personnel | | 7,295 | |
| Part-time Personnel | | 3,909 | |
| Social Security | | 9,813 | |
| Pensions | | 4,958 | |
| Medical Insurance | | 6,275 | |
| Dental Insurance | | 516 | |
| Unemployment Compensation | | 134 | |
| Communication | | 8,476 | |
| Dues and Memberships | | 13,906 | |
| Legal Notices, Recording, and Court Costs | | 2,835 | |
| Maintenance Agreements | | 1,293 | |
| Printing, Stationery, and Forms | | 489 | |
| Travel | | 2,677 | |
| Office Supplies | | 1,901 | |
| In Service/Staff Development | | 550 | |
| Other Charges | | 4,572 | |
| Total County Mayor/Executive | | | 193,142 |

County Attorney

| | | | |
|--|----|--------|--------|
| County Official/Administrative Officer | \$ | 4,800 | |
| Legal Services | | 36,000 | |
| Total County Attorney | | | 40,800 |

Election Commission

| | | | |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 68,682 | |
|--|----|--------|--|

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

| | | | |
|---|----|--------|------------|
| Deputy(ies) | \$ | 64,838 | |
| Clerical Personnel | | 7,487 | |
| Overtime Pay | | 935 | |
| Election Commission | | 10,467 | |
| Election Workers | | 67,911 | |
| Social Security | | 13,331 | |
| Pensions | | 10,736 | |
| Medical Insurance | | 15,270 | |
| Dental Insurance | | 688 | |
| Unemployment Compensation | | 658 | |
| Communication | | 5,077 | |
| Operating Lease Payments | | 1,121 | |
| Legal Notices, Recording, and Court Costs | | 56,660 | |
| Maintenance Agreements | | 6,231 | |
| Maintenance and Repair Services - Equipment | | 726 | |
| Postal Charges | | 865 | |
| Travel | | 1,955 | |
| Other Contracted Services | | 2,493 | |
| Office Supplies | | 3,624 | |
| In Service/Staff Development | | 300 | |
| Data Processing Equipment | | 2,014 | |
| Total Election Commission | | | \$ 342,069 |

Register of Deeds

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 76,313 | |
| Deputy(ies) | | 78,701 | |
| Social Security | | 11,603 | |
| Pensions | | 2,464 | |
| Medical Insurance | | 11,749 | |
| Dental Insurance | | 494 | |
| Unemployment Compensation | | 412 | |
| Communication | | 1,880 | |
| Dues and Memberships | | 654 | |
| Operating Lease Payments | | 14,492 | |
| Maintenance Agreements | | 1,014 | |
| Other Contracted Services | | 1,820 | |
| Data Processing Supplies | | 2,780 | |
| Office Supplies | | 4,045 | |
| In Service/Staff Development | | 1,094 | |
| Other Charges | | 6,000 | |
| Total Register of Deeds | | | 215,515 |

Codes Compliance

| | | | |
|---------------------|----|--------|--|
| Assistant(s) | \$ | 9,068 | |
| Supervisor/Director | | 46,554 | |
| Secretary(ies) | | 18,141 | |
| Social Security | | 5,169 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

| | | | |
|--|----|-------|------------|
| Pensions | \$ | 3,995 | |
| Medical Insurance | | 7,440 | |
| Dental Insurance | | 473 | |
| Unemployment Compensation | | 185 | |
| Communication | | 1,171 | |
| Consultants | | 595 | |
| Dues and Memberships | | 125 | |
| Legal Notices, Recording, and Court Costs | | 1,315 | |
| Maintenance Agreements | | 1,350 | |
| Maintenance and Repair Services - Vehicles | | 1,710 | |
| Printing, Stationery, and Forms | | 414 | |
| Travel | | 186 | |
| Gasoline | | 2,218 | |
| Office Supplies | | 3,160 | |
| In Service/Staff Development | | 482 | |
| Total Codes Compliance | | | \$ 103,751 |

County Buildings

| | | | |
|---|----|---------|---------|
| Supervisor/Director | \$ | 47,828 | |
| Custodial Personnel | | 21,410 | |
| Maintenance Personnel | | 82,538 | |
| Overtime Pay | | 14,256 | |
| Social Security | | 12,585 | |
| Pensions | | 12,795 | |
| Medical Insurance | | 20,057 | |
| Dental Insurance | | 1,032 | |
| Unemployment Compensation | | 413 | |
| Communication | | 33,396 | |
| Maintenance Agreements | | 66,057 | |
| Maintenance and Repair Services - Buildings | | 121,735 | |
| Maintenance and Repair Services - Equipment | | 5,113 | |
| Maintenance and Repair Services - Vehicles | | 924 | |
| Pest Control | | 3,045 | |
| Disposal Fees | | 181 | |
| Other Contracted Services | | 41,634 | |
| Custodial Supplies | | 13,300 | |
| Electricity | | 97,098 | |
| Gasoline | | 5,013 | |
| Natural Gas | | 24,212 | |
| Office Supplies | | 219 | |
| Uniforms | | 165 | |
| Water and Sewer | | 5,323 | |
| Other Supplies and Materials | | 339 | |
| Maintenance Equipment | | 2,671 | |
| Other Equipment | | 4,025 | |
| Total County Buildings | | | 637,364 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration

| | | | |
|------------------------------------|----|--------|------------|
| Data Processing Personnel | \$ | 40,611 | |
| Social Security | | 3,107 | |
| Pensions | | 2,609 | |
| Unemployment Compensation | | 83 | |
| On-behalf Payments to OPEB | | 875 | |
| Communication | | 5,037 | |
| Data Processing Services | | 7,145 | |
| Maintenance Agreements | | 14,512 | |
| Postal Charges | | 57,500 | |
| Total Other General Administration | | | \$ 131,479 |

Preservation of Records

| | | | |
|-------------------------------|----|-------|-------|
| Other Supplies and Materials | \$ | 63 | |
| Other Charges | | 1,498 | |
| Total Preservation of Records | | | 1,561 |

Finance

Accounting and Budgeting

| | | | |
|---|----|---------|---------|
| Supervisor/Director | \$ | 76,052 | |
| Accountants/Bookkeepers | | 214,907 | |
| Social Security | | 21,693 | |
| Pensions | | 25,546 | |
| Medical Insurance | | 34,065 | |
| Dental Insurance | | 1,805 | |
| Unemployment Compensation | | 504 | |
| Communication | | 1,018 | |
| Dues and Memberships | | 885 | |
| Legal Notices, Recording, and Court Costs | | 2,963 | |
| Maintenance Agreements | | 16,322 | |
| Office Supplies | | 8,469 | |
| In Service/Staff Development | | 3,117 | |
| Total Accounting and Budgeting | | | 407,346 |

Property Assessor's Office

| | | | |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 76,313 | |
| Clerical Personnel | | 145,624 | |
| Social Security | | 16,816 | |
| Pensions | | 19,415 | |
| Medical Insurance | | 25,580 | |
| Dental Insurance | | 1,547 | |
| Unemployment Compensation | | 359 | |
| Audit Services | | 15,300 | |
| Communication | | 1,630 | |
| Data Processing Services | | 23,612 | |
| Dues and Memberships | | 1,500 | |
| Maintenance Agreements | | 1,114 | |
| Maintenance and Repair Services - Vehicles | | 1,273 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

| | | | |
|----------------------------------|----|-------|------------|
| Printing, Stationery, and Forms | \$ | 1,168 | |
| Gasoline | | 3,255 | |
| Office Supplies | | 905 | |
| Total Property Assessor's Office | | | \$ 335,411 |

Reappraisal Program

| | | | |
|---------------------------|----|--------|--------|
| Other Salaries and Wages | \$ | 13,183 | |
| Social Security | | 1,008 | |
| Unemployment Compensation | | 75 | |
| Other Charges | | 9,500 | |
| Total Reappraisal Program | | | 23,766 |

County Trustee's Office

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 76,313 | |
| Deputy(ies) | | 133,058 | |
| Social Security | | 15,055 | |
| Pensions | | 13,284 | |
| Medical Insurance | | 30,350 | |
| Dental Insurance | | 1,096 | |
| Unemployment Compensation | | 288 | |
| Communication | | 883 | |
| Dues and Memberships | | 527 | |
| Maintenance Agreements | | 9,969 | |
| Postal Charges | | 4,667 | |
| Printing, Stationery, and Forms | | 224 | |
| Travel | | 1,743 | |
| Other Contracted Services | | 6,600 | |
| Office Supplies | | 4,788 | |
| Total County Trustee's Office | | | 298,845 |

County Clerk's Office

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 76,313 | |
| Deputy(ies) | | 185,413 | |
| Social Security | | 18,987 | |
| Pensions | | 21,805 | |
| Medical Insurance | | 36,025 | |
| Dental Insurance | | 1,913 | |
| Unemployment Compensation | | 525 | |
| Communication | | 2,497 | |
| Dues and Memberships | | 777 | |
| Maintenance Agreements | | 24,955 | |
| Printing, Stationery, and Forms | | 1,619 | |
| Office Supplies | | 4,958 | |
| In Service/Staff Development | | 3,277 | |
| Other Charges | | 8,440 | |
| Total County Clerk's Office | | | 387,504 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice

Circuit Court

| | | | |
|--|----|---------|--------------|
| County Official/Administrative Officer | \$ | 76,313 | |
| Deputy(ies) | | 619,073 | |
| Part-time Personnel | | 47,600 | |
| Jury and Witness Expense | | 6,776 | |
| Social Security | | 55,185 | |
| Pensions | | 48,567 | |
| Medical Insurance | | 103,452 | |
| Dental Insurance | | 4,964 | |
| Unemployment Compensation | | 1,846 | |
| Communication | | 3,817 | |
| Dues and Memberships | | 697 | |
| Maintenance Agreements | | 34,819 | |
| Printing, Stationery, and Forms | | 10,924 | |
| Travel | | 3,786 | |
| Duplicating Supplies | | 5,708 | |
| Office Supplies | | 9,331 | |
| Other Charges | | 19,383 | |
| Total Circuit Court | | | \$ 1,052,241 |

General Sessions Judge

| | | | |
|------------------------------|----|---------|---------|
| Judge(s) | \$ | 317,580 | |
| Secretary(ies) | | 18,638 | |
| Social Security | | 20,633 | |
| Pensions | | 13,942 | |
| Medical Insurance | | 12,174 | |
| Dental Insurance | | 516 | |
| Unemployment Compensation | | 72 | |
| Communication | | 1,691 | |
| Dues and Memberships | | 665 | |
| Legal Services | | 371 | |
| Travel | | 3,978 | |
| Other Contracted Services | | 530 | |
| Office Supplies | | 820 | |
| Periodicals | | 8,171 | |
| Total General Sessions Judge | | | 399,781 |

Drug Court

| | | | |
|------------------|----|---------|---------|
| Drug Treatment | \$ | 236,969 | |
| Total Drug Court | | | 236,969 |

Chancery Court

| | | | |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 76,313 | |
| Deputy(ies) | | 125,390 | |
| Part-time Personnel | | 5,914 | |
| Social Security | | 15,061 | |
| Pensions | | 17,710 | |
| Medical Insurance | | 27,299 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

| | | | |
|---------------------------------|----|-------|------------|
| Dental Insurance | \$ | 1,246 | |
| Unemployment Compensation | | 409 | |
| Communication | | 1,277 | |
| Dues and Memberships | | 1,157 | |
| Maintenance Agreements | | 9,264 | |
| Printing, Stationery, and Forms | | 1,273 | |
| Travel | | 1,829 | |
| Office Supplies | | 3,452 | |
| Periodicals | | 757 | |
| Total Chancery Court | | | \$ 288,351 |

Judicial Commissioners

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 77,506 | |
| Temporary Personnel | | 12,195 | |
| Social Security | | 6,958 | |
| Pensions | | 6,957 | |
| Medical Insurance | | 9,639 | |
| Dental Insurance | | 774 | |
| Unemployment Compensation | | 307 | |
| Communication | | 1,585 | |
| Maintenance Agreements | | 567 | |
| Office Supplies | | 1,145 | |
| In Service/Staff Development | | 525 | |
| Total Judicial Commissioners | | | 118,158 |

Probation Services

| | | | |
|--|----|--------|---------|
| Supervisor/Director | \$ | 40,335 | |
| Deputy(ies) | | 31,811 | |
| Probation Officer(s) | | 57,996 | |
| Clerical Personnel | | 22,493 | |
| Part-time Personnel | | 35,033 | |
| Social Security | | 13,068 | |
| Pensions | | 9,906 | |
| Medical Insurance | | 13,491 | |
| Dental Insurance | | 711 | |
| Unemployment Compensation | | 639 | |
| Communication | | 2,553 | |
| Maintenance Agreements | | 801 | |
| Maintenance and Repair Services - Vehicles | | 49 | |
| Printing, Stationery, and Forms | | 455 | |
| Travel | | 445 | |
| Gasoline | | 332 | |
| Office Supplies | | 3,047 | |
| Uniforms | | 508 | |
| Other Supplies and Materials | | 2,732 | |
| In Service/Staff Development | | 88 | |
| Furniture and Fixtures | | 249 | |
| Total Probation Services | | | 236,742 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety

Sheriff's Department

| | | | |
|---|----|-----------|--------------|
| County Official/Administrative Officer | \$ | 83,945 | |
| Deputy(ies) | | 1,436,953 | |
| Salary Supplements | | 25,200 | |
| Secretary(ies) | | 42,927 | |
| Clerical Personnel | | 54,872 | |
| Overtime Pay | | 84,030 | |
| Other Salaries and Wages | | 74,182 | |
| Social Security | | 134,508 | |
| Pensions | | 142,048 | |
| Medical Insurance | | 208,706 | |
| Dental Insurance | | 10,960 | |
| Unemployment Compensation | | 3,367 | |
| Communication | | 37,930 | |
| Dues and Memberships | | 3,272 | |
| Maintenance Agreements | | 11,624 | |
| Maintenance and Repair Services - Equipment | | 2,261 | |
| Maintenance and Repair Services - Vehicles | | 64,392 | |
| Printing, Stationery, and Forms | | 601 | |
| Travel | | 1,398 | |
| Gasoline | | 172,980 | |
| Law Enforcement Supplies | | 13,898 | |
| Office Supplies | | 5,617 | |
| Uniforms | | 1,696 | |
| Data Processing Equipment | | 2,281 | |
| Total Sheriff's Department | | | \$ 2,619,648 |

Traffic Control

| | | | |
|--------------------------------------|----|-------|--------|
| Contracts with Other Public Agencies | \$ | 8,850 | |
| Road Signs | | 4,309 | |
| Total Traffic Control | | | 13,159 |

Administration of the Sexual Offender Registry

| | | | |
|--|----|-----|-----|
| Law Enforcement Supplies | \$ | 450 | |
| Total Administration of the Sexual Offender Registry | | | 450 |

Jail

| | | | |
|--------------------------|----|---------|--|
| Deputy(ies) | \$ | 217,297 | |
| Medical Personnel | | 119,940 | |
| Guards | | 903,095 | |
| Clerical Personnel | | 49,922 | |
| Attendants | | 10,148 | |
| Cafeteria Personnel | | 46,390 | |
| Overtime Pay | | 113,837 | |
| Bonus Payments | | 13,155 | |
| Other Salaries and Wages | | 66,650 | |
| Social Security | | 115,108 | |
| Pensions | | 86,095 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

| | | | |
|---|----|-----------|--------------|
| Medical Insurance | \$ | 201,339 | |
| Dental Insurance | | 10,552 | |
| Unemployment Compensation | | 6,076 | |
| Communication | | 17,355 | |
| Contracts with Private Agencies | | 30,100 | |
| Evaluation and Testing | | 11,300 | |
| Maintenance Agreements | | 9,327 | |
| Maintenance and Repair Services - Equipment | | 485 | |
| Medical and Dental Services | | 1,151,634 | |
| Printing, Stationery, and Forms | | 2,887 | |
| Transportation - Other than Students | | 6,995 | |
| Travel | | 6,052 | |
| Custodial Supplies | | 40,990 | |
| Electricity | | 166,993 | |
| Food Supplies | | 294,113 | |
| Law Enforcement Supplies | | 3,415 | |
| Natural Gas | | 57,128 | |
| Office Supplies | | 8,394 | |
| Prisoners Clothing | | 21,646 | |
| Uniforms | | 2,874 | |
| Water and Sewer | | 55,909 | |
| Total Jail | | | \$ 3,847,201 |

Juvenile Services

| | | | |
|------------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 42,234 | |
| Youth Service Officer(s) | | 156,569 | |
| Salary Supplements | | 9,000 | |
| Other Salaries and Wages | | 7,750 | |
| In-service Training | | 875 | |
| Social Security | | 15,886 | |
| Pensions | | 16,878 | |
| Medical Insurance | | 28,221 | |
| Dental Insurance | | 1,506 | |
| Unemployment Compensation | | 488 | |
| Communication | | 2,618 | |
| Contracts with Government Agencies | | 17,560 | |
| Maintenance Agreements | | 855 | |
| Travel | | 4,968 | |
| Other Contracted Services | | 2,037 | |
| Office Supplies | | 1,895 | |
| Data Processing Equipment | | 2,765 | |
| Furniture and Fixtures | | 1,006 | |
| Total Juvenile Services | | | 313,111 |

Rural Fire Protection

| | | | |
|-----------------------------|----|---------|---------|
| Contributions | \$ | 282,000 | |
| Total Rural Fire Protection | | | 282,000 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense

| | | | |
|--|----|--------|------------|
| Supervisor/Director | \$ | 41,452 | |
| Deputy(ies) | | 33,681 | |
| Social Security | | 5,106 | |
| Pensions | | 6,795 | |
| Medical Insurance | | 9,399 | |
| Dental Insurance | | 516 | |
| Unemployment Compensation | | 144 | |
| Communication | | 6,604 | |
| Dues and Memberships | | 175 | |
| Maintenance and Repair Services - Vehicles | | 2,550 | |
| Travel | | 2,429 | |
| Food Supplies | | 1,117 | |
| Gasoline | | 5,412 | |
| Office Supplies | | 2,390 | |
| Uniforms | | 1,768 | |
| Other Supplies and Materials | | 3,218 | |
| In Service/Staff Development | | 295 | |
| Other Charges | | 18,535 | |
| Communication Equipment | | 15,768 | |
| Total Civil Defense | | | \$ 157,354 |

Rescue Squad

| | | | |
|--------------------|----|--------|--------|
| Contributions | \$ | 17,000 | |
| Total Rescue Squad | | | 17,000 |

County Coroner/Medical Examiner

| | | | |
|---------------------------------------|----|--------|--------|
| Medical and Dental Services | \$ | 83,848 | |
| Total County Coroner/Medical Examiner | | | 83,848 |

Other Public Safety

| | | | |
|-----------------------------|----|---------|---------|
| Supervisor/Director | \$ | 45,081 | |
| Salary Supplements | | 26,868 | |
| Dispatchers/Radio Operators | | 466,694 | |
| Educational Assistants | | 39,478 | |
| Overtime Pay | | 21,611 | |
| Other Salaries and Wages | | 20,254 | |
| Social Security | | 45,472 | |
| Pensions | | 44,898 | |
| Medical Insurance | | 85,167 | |
| Dental Insurance | | 4,255 | |
| Unemployment Compensation | | 1,702 | |
| Total Other Public Safety | | | 801,480 |

Public Health and Welfare

Local Health Center

| | | | |
|--------------------|----|---------|--|
| Medical Personnel | \$ | 104,226 | |
| Clerical Personnel | | 155,881 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

| | | | |
|---|----|--------|------------|
| Educational Assistants | \$ | 85,551 | |
| Social Security | | 25,950 | |
| Pensions | | 27,235 | |
| Medical Insurance | | 55,048 | |
| Dental Insurance | | 2,536 | |
| Unemployment Compensation | | 1,013 | |
| Communication | | 5,320 | |
| Contributions | | 40,000 | |
| Maintenance and Repair Services - Buildings | | 16,787 | |
| Travel | | 13,489 | |
| Custodial Supplies | | 22 | |
| Drugs and Medical Supplies | | 72 | |
| Office Supplies | | 434 | |
| Utilities | | 8,086 | |
| Other Supplies and Materials | | 1,223 | |
| In Service/Staff Development | | 200 | |
| Other Charges | | 36,859 | |
| Total Local Health Center | | | \$ 579,932 |

Rabies and Animal Control

| | | | |
|---|----|--------|--------|
| Supervisor/Director | \$ | 32,289 | |
| Deputy(ies) | | 23,823 | |
| Overtime Pay | | 2,544 | |
| Social Security | | 4,474 | |
| Pensions | | 3,896 | |
| Medical Insurance | | 6,897 | |
| Dental Insurance | | 473 | |
| Unemployment Compensation | | 150 | |
| Communication | | 3,622 | |
| Dues and Memberships | | 125 | |
| Maintenance and Repair Services - Buildings | | 190 | |
| Maintenance and Repair Services - Vehicles | | 1,903 | |
| Veterinary Services | | 235 | |
| Animal Food and Supplies | | 233 | |
| Custodial Supplies | | 526 | |
| Drugs and Medical Supplies | | 14 | |
| Gasoline | | 5,102 | |
| Office Supplies | | 716 | |
| Uniforms | | 584 | |
| Utilities | | 1,200 | |
| Total Rabies and Animal Control | | | 88,996 |

Alcohol and Drug Programs

| | | | |
|---------------------------------|----|-------|-------|
| Other Supplies and Materials | \$ | 2,000 | |
| Total Alcohol and Drug Programs | | | 2,000 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

| | | |
|-------------------------------|-----------|-----------|
| <u>Appropriation to State</u> | | |
| Contributions | \$ 82,378 | |
| Total Appropriation to State | | \$ 82,378 |

General Welfare Assistance

| | | |
|----------------------------------|----------|-------|
| Contributions | \$ 8,846 | |
| Total General Welfare Assistance | | 8,846 |

Other Waste Disposal

| | | |
|----------------------------|-----------|--------|
| Disposal Fees | \$ 35,674 | |
| Total Other Waste Disposal | | 35,674 |

Social, Cultural, and Recreational Services

Senior Citizens Assistance

| | | |
|----------------------------------|-----------|---------|
| Contributions | \$ 59,478 | |
| Tax Relief Program | 143,502 | |
| Total Senior Citizens Assistance | | 202,980 |

Libraries

| | | |
|---|------------|---------|
| Librarians | \$ 497,540 | |
| Social Security | 36,102 | |
| Pensions | 31,634 | |
| Medical Insurance | 64,108 | |
| Dental Insurance | 2,944 | |
| Unemployment Compensation | 1,772 | |
| Communication | 6,810 | |
| Data Processing Services | 1,285 | |
| Dues and Memberships | 759 | |
| Janitorial Services | 13,468 | |
| Maintenance Agreements | 45,864 | |
| Maintenance and Repair Services - Equipment | 2,573 | |
| Printing, Stationery, and Forms | 788 | |
| Travel | 1,225 | |
| Other Contracted Services | 8,794 | |
| Riprap | 22,285 | |
| Library Books/Media | 63,415 | |
| Office Supplies | 9,125 | |
| Periodicals | 2,535 | |
| Utilities | 40,931 | |
| Other Supplies and Materials | 15,916 | |
| Office Equipment | 12,428 | |
| Total Libraries | | 882,301 |

Other Social, Cultural, and Recreational

| | | |
|---------------------------|----------|--|
| Librarians | \$ 1,134 | |
| Social Security | 83 | |
| Pensions | 50 | |
| Unemployment Compensation | 1 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational (Cont.)

| | | | |
|--|----|-------|-----------|
| Other Contracted Services | \$ | 1,280 | |
| Riprap | | 52 | |
| Library Books/Media | | 3,238 | |
| Other Supplies and Materials | | 4,127 | |
| Office Equipment | | 6,450 | |
| Total Other Social, Cultural, and Recreational | | | \$ 16,415 |

Agriculture and Natural Resources

Agricultural Extension Service

| | | | |
|--------------------------------------|----|--------|---------|
| Salary Supplements | \$ | 85,395 | |
| Secretary(ies) | | 51,231 | |
| Social Security | | 845 | |
| Pensions | | 966 | |
| Unemployment Compensation | | 77 | |
| Other Fringe Benefits | | 38,296 | |
| Communication | | 710 | |
| Contracts with Private Agencies | | 45,825 | |
| Travel | | 600 | |
| Utilities | | 1,595 | |
| Other Charges | | 1,000 | |
| Total Agricultural Extension Service | | | 226,540 |

Soil Conservation

| | | | |
|---------------------------|----|--------|--------|
| Secretary(ies) | \$ | 34,530 | |
| Other Salaries and Wages | | 27,519 | |
| Social Security | | 4,119 | |
| Pensions | | 5,448 | |
| Medical Insurance | | 11,742 | |
| Dental Insurance | | 516 | |
| Unemployment Compensation | | 144 | |
| Contributions | | 2,000 | |
| Total Soil Conservation | | | 86,018 |

Other Operations

Industrial Development

| | | | |
|------------------------------|----|---------|---------|
| Contributions | \$ | 239,172 | |
| Total Industrial Development | | | 239,172 |

Veterans' Services

| | | | |
|---------------------------|----|-------|--|
| Clerical Personnel | \$ | 6,959 | |
| Social Security | | 532 | |
| Unemployment Compensation | | 58 | |
| Communication | | 850 | |
| Travel | | 852 | |
| Data Processing Supplies | | 44 | |
| Electricity | | 1,081 | |
| Natural Gas | | 742 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

| | | | |
|--------------------------|----|-----|-----------|
| Office Supplies | \$ | 272 | |
| Water and Sewer | | 302 | |
| Total Veterans' Services | | | \$ 11,692 |

Other Charges

| | | | |
|------------------------------------|----|---------|---------|
| Other Contracted Services | \$ | 11,275 | |
| Liability Insurance | | 283,434 | |
| Premiums on Corporate Surety Bonds | | 17,964 | |
| Trustee's Commission | | 246,967 | |
| Workers' Compensation Insurance | | 276,176 | |
| Liability Claims | | 2,211 | |
| Loss from Joint Venture | | 80,000 | |
| Other Charges | | 13,324 | |
| Total Other Charges | | | 931,351 |

Contributions to Other Agencies

| | | | |
|---------------------------------------|----|--------|--------|
| Contributions | \$ | 14,450 | |
| Total Contributions to Other Agencies | | | 14,450 |

Payments to Cities

| | | | |
|--------------------------|----|--------|--------|
| Contributions | \$ | 28,500 | |
| Total Payments to Cities | | | 28,500 |

Principal on Debt

General Government

| | | | |
|--------------------------|----|---------|---------|
| Principal on Other Loans | \$ | 350,000 | |
| Total General Government | | | 350,000 |

Interest on Debt

General Government

| | | | |
|--------------------------|----|-------|-------|
| Interest on Other Loans | \$ | 8,750 | |
| Total General Government | | | 8,750 |

Total General Fund \$ 17,454,557

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

| | | | |
|---------------------|----|--------|--|
| Supervisor/Director | \$ | 47,826 | |
| Secretary(ies) | | 33,778 | |
| Part-time Personnel | | 2,346 | |
| Overtime Pay | | 1,661 | |
| In-service Training | | 825 | |
| Social Security | | 6,432 | |
| Pensions | | 7,311 | |
| Medical Insurance | | 11,742 | |
| Dental Insurance | | 516 | |

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Sanitation Management (Cont.)

| | | | |
|---|----|--------|------------|
| Unemployment Compensation | \$ | 133 | |
| Communication | | 2,432 | |
| Maintenance and Repair Services - Buildings | | 16,221 | |
| Postal Charges | | 880 | |
| Travel | | 903 | |
| Custodial Supplies | | 1,038 | |
| Utilities | | 8,630 | |
| Other Supplies and Materials | | 2,455 | |
| Trustee's Commission | | 21,440 | |
| Other Charges | | 11,325 | |
| Total Sanitation Management | | | \$ 177,894 |

Waste Pickup

| | | | |
|---|----|---------|---------|
| Truck Drivers | \$ | 113,311 | |
| Guards | | 24,690 | |
| Overtime Pay | | 15,515 | |
| Social Security | | 11,028 | |
| Pensions | | 7,712 | |
| Medical Insurance | | 30,265 | |
| Dental Insurance | | 1,032 | |
| Unemployment Compensation | | 360 | |
| Contracts with Government Agencies | | 21,098 | |
| Contracts with Private Agencies | | 320,708 | |
| Maintenance and Repair Services - Equipment | | 965 | |
| Maintenance and Repair Services - Vehicles | | 17,874 | |
| Medical and Dental Services | | 225 | |
| Diesel Fuel | | 53,343 | |
| Garage Supplies | | 2,822 | |
| Gasoline | | 6,727 | |
| Tires and Tubes | | 8,555 | |
| Uniforms | | 2,186 | |
| Other Supplies and Materials | | 3,921 | |
| Vehicle and Equipment Insurance | | 10,969 | |
| Total Waste Pickup | | | 653,306 |

Convenience Centers

| | | | |
|---|----|---------|--|
| Attendants | \$ | 155,357 | |
| Overtime Pay | | 7,054 | |
| Other Salaries and Wages | | 13,532 | |
| Social Security | | 13,159 | |
| Pensions | | 7,506 | |
| Medical Insurance | | 37,862 | |
| Dental Insurance | | 2,299 | |
| Unemployment Compensation | | 1,027 | |
| Communication | | 5,237 | |
| Maintenance and Repair Services - Buildings | | 4,219 | |
| Maintenance and Repair Services - Equipment | | 16,963 | |

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

| | | | |
|---------------------------|----|--------|------------|
| Rentals | \$ | 7,560 | |
| Crushed Stone | | 375 | |
| Electricity | | 8,929 | |
| Building Improvements | | 35,895 | |
| Solid Waste Equipment | | 25,331 | |
| Total Convenience Centers | | | \$ 342,305 |

Other Waste Collection

| | | | |
|---|----|--------|--------|
| Supervisor/Director | \$ | 14,001 | |
| Secretary(ies) | | 8,653 | |
| Social Security | | 1,686 | |
| Pensions | | 1,989 | |
| Unemployment Compensation | | 30 | |
| Contracts with Government Agencies | | 1,324 | |
| Contracts with Private Agencies | | 49,198 | |
| Contracts with Vehicle Owners | | 1,659 | |
| Maintenance and Repair Services - Equipment | | 352 | |
| Crushed Stone | | 850 | |
| Office Supplies | | 130 | |
| Total Other Waste Collection | | | 79,872 |

Other Operations

Other Charges

| | | | |
|---------------------------------|----|--------|--------|
| Workers' Compensation Insurance | \$ | 28,600 | |
| Total Other Charges | | | 28,600 |

Total Solid Waste/Sanitation Fund \$ 1,281,977

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

| | | | |
|---------------------------|----|---------|--|
| Assistant(s) | \$ | 48,079 | |
| Supervisor/Director | | 60,300 | |
| Accountants/Bookkeepers | | 27,041 | |
| Medical Personnel | | 787,168 | |
| Overtime Pay | | 511,845 | |
| In-service Training | | 3,540 | |
| Social Security | | 105,464 | |
| Pensions | | 99,213 | |
| Medical Insurance | | 158,350 | |
| Dental Insurance | | 7,242 | |
| Unemployment Compensation | | 3,087 | |
| Communication | | 14,935 | |
| Consultants | | 3,000 | |
| Dues and Memberships | | 790 | |
| Operating Lease Payments | | 2,453 | |
| Licenses | | 2,750 | |

(Continued)

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

| | | | |
|---|----|---------|--------------|
| Maintenance Agreements | \$ | 7,338 | |
| Maintenance and Repair Services - Equipment | | 12,459 | |
| Maintenance and Repair Services - Vehicles | | 33,270 | |
| Travel | | 382 | |
| Other Contracted Services | | 1,951 | |
| Custodial Supplies | | 996 | |
| Drugs and Medical Supplies | | 63,697 | |
| Gasoline | | 56,125 | |
| Office Supplies | | 2,594 | |
| Tires and Tubes | | 5,078 | |
| Uniforms | | 9,237 | |
| Utilities | | 28,982 | |
| Other Supplies and Materials | | 699 | |
| Liability Insurance | | 18,800 | |
| Trustee's Commission | | 29,026 | |
| Vehicle and Equipment Insurance | | 39,033 | |
| Communication Equipment | | 1,512 | |
| Furniture and Fixtures | | 1,176 | |
| Motor Vehicles | | 109,247 | |
| Other Equipment | | 90 | |
| Total Ambulance/Emergency Medical Services | | | \$ 2,256,949 |

Total Ambulance Service Fund \$ 2,256,949

Local Purpose Tax Fund

Other Operations

Industrial Development

| | | | |
|------------------------------------|----|--------|-----------|
| Contracts with Government Agencies | \$ | 75,000 | |
| Other Contracted Services | | 16,172 | |
| Utilities | | 740 | |
| Trustee's Commission | | 3,845 | |
| Total Industrial Development | | | \$ 95,757 |

Total Local Purpose Tax Fund 95,757

Drug Control Fund

Public Safety

Drug Enforcement

| | | | |
|--|----|--------|--|
| Confidential Drug Enforcement Payments | \$ | 5,000 | |
| Dues and Memberships | | 3,530 | |
| Maintenance and Repair Services - Vehicles | | 4,540 | |
| Travel | | 17,971 | |
| Instructional Supplies and Materials | | 5,675 | |
| Law Enforcement Supplies | | 5,183 | |
| Prisoners Clothing | | 19,925 | |
| Uniforms | | 1,406 | |
| Trustee's Commission | | 237 | |

(Continued)

Exhibit K-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

| | | | |
|---------------------------|----|---------|------------|
| Communication Equipment | \$ | 6,875 | |
| Data Processing Equipment | | 6,494 | |
| Furniture and Fixtures | | 2,978 | |
| Law Enforcement Equipment | | 7,628 | |
| Motor Vehicles | | 151,612 | |
| Total Drug Enforcement | | | \$ 239,054 |

Total Drug Control Fund \$ 239,054

Constitutional Officers - Fees Fund

General Government

Register of Deeds

| | | | |
|---|----|----|-------|
| Constitutional Officers' Operating Expenses | \$ | 22 | |
| Total Register of Deeds | | | \$ 22 |

Administration of Justice

Circuit Court

| | | | |
|---|----|-------|-------|
| Constitutional Officers' Operating Expenses | \$ | 2,110 | |
| Total Circuit Court | | | 2,110 |

Total Constitutional Officers - Fees Fund 2,132

Highway/Public Works Fund

Highways

Administration

| | | | |
|--|----|--------|------------|
| County Official/Administrative Officer | \$ | 83,945 | |
| Assistant(s) | | 52,342 | |
| Supervisor/Director | | 32,386 | |
| Secretary(ies) | | 32,386 | |
| Board and Committee Members Fees | | 6,225 | |
| Social Security | | 15,857 | |
| Pensions | | 12,677 | |
| Life Insurance | | 1,278 | |
| Medical Insurance | | 28,512 | |
| Dental Insurance | | 828 | |
| Unemployment Compensation | | 1,094 | |
| Accounting Services | | 12,000 | |
| Dues and Memberships | | 3,380 | |
| Engineering Services | | 20,814 | |
| Evaluation and Testing | | 420 | |
| Legal Services | | 3,000 | |
| Maintenance and Repair Services - Office Equipment | | 2,007 | |
| Travel | | 1,060 | |
| Other Contracted Services | | 459 | |
| Office Supplies | | 918 | |
| Other Charges | | 1,993 | |
| Total Administration | | | \$ 313,581 |

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

| | | | |
|--------------------------------------|----|---------|------------|
| Equipment Operators | \$ | 351,403 | |
| Social Security | | 26,882 | |
| Pensions | | 24,713 | |
| Life Insurance | | 4,223 | |
| Medical Insurance | | 120,929 | |
| Dental Insurance | | 2,867 | |
| Unemployment Compensation | | 4,801 | |
| Other Contracted Services | | 5,316 | |
| Asphalt - Cold Mix | | 17,923 | |
| Asphalt - Liquid | | 152,023 | |
| Crushed Stone | | 84,964 | |
| Pipe - Concrete | | 4,644 | |
| Road Signs | | 2,361 | |
| Salt | | 3,154 | |
| Other Supplies and Materials | | 6,510 | |
| Total Highway and Bridge Maintenance | | | \$ 812,713 |

Operation and Maintenance of Equipment

| | | | |
|--|----|--------|---------|
| Mechanic(s) | \$ | 92,706 | |
| Social Security | | 7,092 | |
| Pensions | | 8,139 | |
| Life Insurance | | 667 | |
| Medical Insurance | | 19,917 | |
| Dental Insurance | | 774 | |
| Unemployment Compensation | | 572 | |
| Laundry Service | | 2,937 | |
| Diesel Fuel | | 49,865 | |
| Equipment and Machinery Parts | | 96,801 | |
| Garage Supplies | | 1,825 | |
| Gasoline | | 22,059 | |
| Lubricants | | 2,728 | |
| Tires and Tubes | | 14,313 | |
| Other Supplies and Materials | | 3,840 | |
| Total Operation and Maintenance of Equipment | | | 324,235 |

Other Charges

| | | | |
|---------------------------------|----|---------|---------|
| Communication | \$ | 3,883 | |
| Electricity | | 5,489 | |
| Natural Gas | | 3,868 | |
| Water and Sewer | | 609 | |
| Liability Insurance | | 44,699 | |
| Trustee's Commission | | 19,964 | |
| Workers' Compensation Insurance | | 106,019 | |
| Other Charges | | 4,348 | |
| Total Other Charges | | | 188,879 |

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

| | | |
|----------------------|------------|------------|
| Bridge Construction | \$ 140,909 | |
| Highway Equipment | 33,190 | |
| Total Capital Outlay | | \$ 174,099 |

Principal on Debt

Highways and Streets

| | | |
|----------------------------|-----------|--------|
| Principal on Notes | \$ 83,000 | |
| Total Highways and Streets | | 83,000 |

Interest on Debt

Highways and Streets

| | | |
|----------------------------|----------|-------|
| Interest on Notes | \$ 6,406 | |
| Total Highways and Streets | | 6,406 |

Total Highway/Public Works Fund \$ 1,902,913

General Debt Service Fund

Principal on Debt

General Government

| | | |
|--------------------------|------------|---------------|
| Principal on Bonds | \$ 720,353 | |
| Principal on Notes | 22,090,000 | |
| Principal on Other Loans | 400,000 | |
| Total General Government | | \$ 23,210,353 |

Interest on Debt

General Government

| | | |
|--------------------------|------------|---------|
| Interest on Bonds | \$ 603,246 | |
| Interest on Notes | 65,838 | |
| Interest on Other Loans | 129,273 | |
| Total General Government | | 798,357 |

Other Debt Service

General Government

| | | |
|-----------------------------|----------|--------|
| Fiscal Agent Charges | \$ 4,490 | |
| Trustee's Commission | 37,943 | |
| Other Debt Issuance Charges | 15,000 | |
| Total General Government | | 57,433 |

Total General Debt Service Fund 24,066,143

Rural Debt Service Fund

Principal on Debt

Education

| | | |
|--------------------------|--------------|--------------|
| Principal on Bonds | \$ 2,380,000 | |
| Principal on Notes | 70,000 | |
| Principal on Other Loans | 510,313 | |
| Total Education | | \$ 2,960,313 |

(Continued)

Exhibit K-7

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

Rural Debt Service Fund (Cont.)

Interest on Debt

Education

| | | |
|-------------------------|--------------|--------------|
| Interest on Bonds | \$ 2,213,718 | |
| Interest on Notes | 5,905 | |
| Interest on Other Loans | 445,582 | |
| Total Education | | \$ 2,665,205 |

Other Debt Service

Education

| | | |
|----------------------|------------|---------|
| Contributions | \$ 200,000 | |
| Fiscal Agent Charges | 8,903 | |
| Trustee's Commission | 45,816 | |
| Total Education | | 254,719 |

Total Rural Debt Service Fund \$ 5,880,237

General Capital Projects Fund

Capital Projects

General Administration Projects

| | | |
|---------------------------------------|----------|----------|
| Trustee's Commission | \$ 3,195 | |
| Total General Administration Projects | | \$ 3,195 |

Public Safety Projects

| | | |
|---------------------------------|-----------|-----------|
| Architects | \$ 37,459 | |
| Consultants | 2,500 | |
| Contracts with Private Agencies | 3,357,026 | |
| Engineering Services | 37,053 | |
| Legal Services | 13,225 | |
| Building Improvements | 144,107 | |
| Data Processing Equipment | 83,277 | |
| Furniture and Fixtures | 63,835 | |
| Law Enforcement Equipment | 2,514 | |
| Maintenance Equipment | 15,190 | |
| Health Equipment | 11,900 | |
| Total Public Safety Projects | | 3,768,086 |

Public Health and Welfare Projects

| | | |
|--|-----------|--------|
| Other Supplies and Materials | \$ 46,484 | |
| Total Public Health and Welfare Projects | | 46,484 |

Public Utility Projects

| | | |
|-------------------------------|----------|-------|
| State Aid Projects | \$ 7,717 | |
| Total Public Utility Projects | | 7,717 |

Total General Capital Projects Fund 3,825,482

(Continued)

Exhibit K-7

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

| | | | |
|---|----|------------------|-----------------------------|
| <u>Education Capital Projects Fund</u> | | | |
| <u>Capital Projects - Donated</u> | | | |
| Capital Projects Donated to School Department | | | |
| Contributions | \$ | <u>3,000,000</u> | |
| Total Capital Projects Donated to School Department | | | <u>\$ 3,000,000</u> |
| | | | |
| Total Education Capital Projects Fund | | | <u>\$ 3,000,000</u> |
| | | | |
| Total Governmental Funds - Primary Government | | | <u><u>\$ 60,005,201</u></u> |

Exhibit K-8

Coffee County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Coffee County School Department
For the Year Ended June 30, 2015

General Purpose School Fund

Instruction

Regular Instruction Program

| | | | |
|---|----|-----------|---------------|
| Teachers | \$ | 9,696,070 | |
| Career Ladder Program | | 66,148 | |
| Career Ladder Extended Contracts | | 21,630 | |
| Homebound Teachers | | 11,989 | |
| Instructional Computer Personnel | | 62,261 | |
| Educational Assistants | | 262,313 | |
| Other Salaries and Wages | | 24,781 | |
| Certified Substitute Teachers | | 29,087 | |
| Non-certified Substitute Teachers | | 118,975 | |
| Social Security | | 600,406 | |
| Pensions | | 893,719 | |
| Life Insurance | | 76,032 | |
| Medical Insurance | | 1,903,844 | |
| Dental Insurance | | 139,089 | |
| Employer Medicare | | 141,584 | |
| Maintenance and Repair Services - Equipment | | 39,900 | |
| Other Contracted Services | | 113,692 | |
| Instructional Supplies and Materials | | 154,165 | |
| Textbooks | | 318,749 | |
| Other Supplies and Materials | | 87,673 | |
| Other Charges | | 30,178 | |
| Regular Instruction Equipment | | 149,769 | |
| Total Regular Instruction Program | | | \$ 14,942,054 |

Alternative Instruction Program

| | | | |
|---------------------------------------|----|--------|--------|
| Other Charges | \$ | 13,259 | |
| Total Alternative Instruction Program | | | 13,259 |

Special Education Program

| | | | |
|---|----|-----------|--|
| Teachers | \$ | 1,720,478 | |
| Career Ladder Program | | 11,392 | |
| Homebound Teachers | | 4,129 | |
| Educational Assistants | | 198,559 | |
| Speech Pathologist | | 138,682 | |
| Other Salaries and Wages | | 118,653 | |
| Certified Substitute Teachers | | 3,720 | |
| Non-certified Substitute Teachers | | 26,968 | |
| Social Security | | 129,650 | |
| Pensions | | 186,705 | |
| Life Insurance | | 19,393 | |
| Medical Insurance | | 452,104 | |
| Dental Insurance | | 43,903 | |
| Employer Medicare | | 30,387 | |
| Maintenance and Repair Services - Equipment | | 83 | |
| Other Contracted Services | | 129,771 | |
| Instructional Supplies and Materials | | 13,633 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

| | | | |
|---------------------------------|----|--------|--------------|
| Other Supplies and Materials | \$ | 13,028 | |
| Other Charges | | 1,235 | |
| Special Education Equipment | | 11,370 | |
| Total Special Education Program | | | \$ 3,253,843 |

Vocational Education Program

| | | | |
|--------------------------------------|----|---------|-----------|
| Teachers | \$ | 920,465 | |
| Career Ladder Program | | 5,000 | |
| Educational Assistants | | 14,358 | |
| Certified Substitute Teachers | | 2,310 | |
| Non-certified Substitute Teachers | | 12,692 | |
| Social Security | | 55,561 | |
| Pensions | | 83,800 | |
| Life Insurance | | 6,902 | |
| Medical Insurance | | 173,635 | |
| Dental Insurance | | 13,130 | |
| Employer Medicare | | 13,171 | |
| Travel | | 1,213 | |
| Instructional Supplies and Materials | | 30,265 | |
| Building Construction | | 3,363 | |
| Vocational Instruction Equipment | | 10,820 | |
| Total Vocational Education Program | | | 1,346,685 |

Student Body Education Program

| | | | |
|--------------------------------------|----|--------|--------|
| Other Salaries and Wages | \$ | 43,595 | |
| Social Security | | 2,557 | |
| Pensions | | 3,731 | |
| Employer Medicare | | 680 | |
| Other Charges | | 13,715 | |
| Total Student Body Education Program | | | 64,278 |

Support Services

Attendance

| | | | |
|------------------------------|----|--------|--|
| Supervisor/Director | \$ | 64,443 | |
| Career Ladder Program | | 1,000 | |
| Clerical Personnel | | 29,433 | |
| Other Salaries and Wages | | 3,912 | |
| Social Security | | 5,998 | |
| Pensions | | 8,954 | |
| Life Insurance | | 669 | |
| Medical Insurance | | 13,880 | |
| Dental Insurance | | 1,271 | |
| Employer Medicare | | 1,403 | |
| Travel | | 1,511 | |
| Other Contracted Services | | 16,621 | |
| Other Supplies and Materials | | 1,187 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Attendance (Cont.)

| | | | |
|------------------------------|----|-------|------------|
| In Service/Staff Development | \$ | 1,325 | |
| Attendance Equipment | | 3,134 | |
| Total Attendance | | | \$ 154,741 |

Health Services

| | | | |
|------------------------------|----|---------|---------|
| Career Ladder Program | \$ | 1,000 | |
| Medical Personnel | | 360,392 | |
| Other Salaries and Wages | | 134,789 | |
| Social Security | | 28,200 | |
| Pensions | | 42,261 | |
| Life Insurance | | 3,562 | |
| Medical Insurance | | 100,938 | |
| Dental Insurance | | 6,185 | |
| Employer Medicare | | 6,750 | |
| Travel | | 6,299 | |
| Other Supplies and Materials | | 22,320 | |
| In Service/Staff Development | | 6,256 | |
| Other Charges | | 23,537 | |
| Total Health Services | | | 742,489 |

Other Student Support

| | | | |
|-----------------------------|----|---------|---------|
| Career Ladder Program | \$ | 3,000 | |
| Guidance Personnel | | 592,631 | |
| Psychological Personnel | | 23,755 | |
| Secretary(ies) | | 63,628 | |
| Social Security | | 40,214 | |
| Pensions | | 60,575 | |
| Life Insurance | | 4,525 | |
| Medical Insurance | | 124,641 | |
| Dental Insurance | | 8,496 | |
| Employer Medicare | | 9,435 | |
| Evaluation and Testing | | 53,412 | |
| Travel | | 1,608 | |
| Total Other Student Support | | | 985,920 |

Regular Instruction Program

| | | | |
|----------------------------------|----|---------|--|
| Supervisor/Director | \$ | 304,559 | |
| Career Ladder Program | | 7,000 | |
| Career Ladder Extended Contracts | | 6,000 | |
| Librarians | | 450,504 | |
| Secretary(ies) | | 65,930 | |
| Other Salaries and Wages | | 99,321 | |
| Social Security | | 53,788 | |
| Pensions | | 81,665 | |
| Life Insurance | | 5,749 | |
| Medical Insurance | | 163,136 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

| | | | |
|-----------------------------------|----|--------|--------------|
| Dental Insurance | \$ | 11,537 | |
| Employer Medicare | | 12,579 | |
| Travel | | 23,837 | |
| Library Books/Media | | 54,179 | |
| Other Supplies and Materials | | 5,740 | |
| In Service/Staff Development | | 8,562 | |
| Other Charges | | 7,117 | |
| Other Equipment | | 5,552 | |
| Total Regular Instruction Program | | | \$ 1,366,755 |

Special Education Program

| | | | |
|---|----|---------|---------|
| Supervisor/Director | \$ | 65,986 | |
| Career Ladder Program | | 1,000 | |
| Psychological Personnel | | 127,703 | |
| Secretary(ies) | | 19,198 | |
| Other Salaries and Wages | | 2,291 | |
| Social Security | | 11,997 | |
| Pensions | | 19,487 | |
| Life Insurance | | 1,458 | |
| Medical Insurance | | 37,495 | |
| Dental Insurance | | 2,678 | |
| Employer Medicare | | 2,806 | |
| Communication | | 4,044 | |
| Maintenance and Repair Services - Equipment | | 4,401 | |
| Travel | | 6,420 | |
| Other Supplies and Materials | | 2,252 | |
| In Service/Staff Development | | 11,435 | |
| Other Charges | | 952 | |
| Total Special Education Program | | | 321,603 |

Vocational Education Program

| | | | |
|------------------------------------|----|--------|--------|
| Supervisor/Director | \$ | 37,350 | |
| Social Security | | 2,317 | |
| Pensions | | 3,376 | |
| Life Insurance | | 448 | |
| Medical Insurance | | 4,192 | |
| Employer Medicare | | 542 | |
| Communication | | 50 | |
| Travel | | 2,118 | |
| Total Vocational Education Program | | | 50,393 |

Other Programs

| | | | |
|----------------------------|----|---------|---------|
| On-behalf Payments to OPEB | \$ | 239,114 | |
| Total Other Programs | | | 239,114 |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

| | | | |
|----------------------------------|----|---------|--------------|
| Secretary to Board | \$ | 274 | |
| Board and Committee Members Fees | | 14,155 | |
| Social Security | | 553 | |
| Pensions | | 3 | |
| Life Insurance | | 3,072 | |
| Medical Insurance | | 216,386 | |
| Dental Insurance | | 8,142 | |
| Unemployment Compensation | | 21,705 | |
| Employer Medicare | | 209 | |
| Audit Services | | 7,770 | |
| Dues and Memberships | | 7,172 | |
| Legal Services | | 21,159 | |
| Travel | | 5,144 | |
| Liability Insurance | | 266,969 | |
| Trustee's Commission | | 266,377 | |
| Workers' Compensation Insurance | | 203,375 | |
| In Service/Staff Development | | 10,650 | |
| Other Charges | | 59,741 | |
| Total Board of Education | | | \$ 1,112,856 |

Director of Schools

| | | | |
|---|----|---------|---------|
| County Official/Administrative Officer | \$ | 115,101 | |
| Career Ladder Program | | 1,000 | |
| Secretary(ies) | | 31,981 | |
| Clerical Personnel | | 24,631 | |
| Social Security | | 10,746 | |
| Pensions | | 13,233 | |
| Life Insurance | | 560 | |
| Medical Insurance | | 10,601 | |
| Dental Insurance | | 1,166 | |
| Employer Medicare | | 2,523 | |
| Communication | | 10,451 | |
| Dues and Memberships | | 3,363 | |
| Maintenance and Repair Services - Equipment | | 15,160 | |
| Postal Charges | | 1,622 | |
| Travel | | 6,882 | |
| Office Supplies | | 6,405 | |
| In Service/Staff Development | | 1,779 | |
| Other Charges | | 14,040 | |
| Total Director of Schools | | | 271,244 |

Office of the Principal

| | | | |
|-------------------------|----|---------|--|
| Principals | \$ | 696,124 | |
| Career Ladder Program | | 5,916 | |
| Accountants/Bookkeepers | | 77,861 | |
| Assistant Principals | | 754,438 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

| | | | |
|-------------------------------|----|---------|--------------|
| Secretary(ies) | \$ | 279,091 | |
| Social Security | | 105,537 | |
| Pensions | | 160,400 | |
| Life Insurance | | 12,831 | |
| Medical Insurance | | 320,797 | |
| Dental Insurance | | 23,839 | |
| Employer Medicare | | 24,682 | |
| Communication | | 44,787 | |
| Travel | | 3,606 | |
| Office Supplies | | 4,650 | |
| Total Office of the Principal | | | \$ 2,514,559 |

Fiscal Services

| | | | |
|------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 60,929 | |
| Accountants/Bookkeepers | | 146,910 | |
| Social Security | | 12,125 | |
| Pensions | | 17,759 | |
| Life Insurance | | 1,537 | |
| Medical Insurance | | 33,108 | |
| Dental Insurance | | 2,914 | |
| Employer Medicare | | 2,836 | |
| Travel | | 635 | |
| Other Contracted Services | | 22,433 | |
| Other Supplies and Materials | | 2,866 | |
| In Service/Staff Development | | 520 | |
| Administration Equipment | | 1,080 | |
| Total Fiscal Services | | | 305,652 |

Operation of Plant

| | | | |
|------------------------------|----|-----------|-----------|
| Custodial Personnel | \$ | 581,443 | |
| Social Security | | 34,251 | |
| Pensions | | 42,305 | |
| Life Insurance | | 7,979 | |
| Medical Insurance | | 171,167 | |
| Dental Insurance | | 15,627 | |
| Employer Medicare | | 8,198 | |
| Laundry Service | | 9,123 | |
| Electricity | | 1,210,861 | |
| Natural Gas | | 95,712 | |
| Water and Sewer | | 102,320 | |
| Other Supplies and Materials | | 100,731 | |
| Total Operation of Plant | | | 2,379,717 |

Maintenance of Plant

| | | | |
|-----------------------|----|---------|--|
| Supervisor/Director | \$ | 45,784 | |
| Maintenance Personnel | | 231,248 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

| | | | |
|---|----|---------|------------|
| Other Salaries and Wages | \$ | 23,845 | |
| Social Security | | 18,224 | |
| Pensions | | 22,854 | |
| Life Insurance | | 2,604 | |
| Medical Insurance | | 53,460 | |
| Dental Insurance | | 4,503 | |
| Employer Medicare | | 4,262 | |
| Communication | | 7,402 | |
| Maintenance and Repair Services - Buildings | | 1,987 | |
| Maintenance and Repair Services - Equipment | | 10,955 | |
| Travel | | 517 | |
| Other Supplies and Materials | | 150,211 | |
| In Service/Staff Development | | 259 | |
| Maintenance Equipment | | 31,381 | |
| Total Maintenance of Plant | | | \$ 609,496 |

Transportation

| | | | |
|------------------------------|----|---------|-----------|
| Supervisor/Director | \$ | 60,110 | |
| Mechanic(s) | | 114,194 | |
| Bus Drivers | | 763,929 | |
| Clerical Personnel | | 43,676 | |
| Other Salaries and Wages | | 43 | |
| Social Security | | 56,730 | |
| Pensions | | 77,600 | |
| Life Insurance | | 20,946 | |
| Medical Insurance | | 456,318 | |
| Dental Insurance | | 39,465 | |
| Employer Medicare | | 13,268 | |
| Communication | | 1,900 | |
| Laundry Service | | 7,724 | |
| Travel | | 1,682 | |
| Other Contracted Services | | 921 | |
| Diesel Fuel | | 214,125 | |
| Gasoline | | 17,174 | |
| Tires and Tubes | | 28,479 | |
| Utilities | | 15,801 | |
| Vehicle Parts | | 132,729 | |
| Other Supplies and Materials | | 1,253 | |
| In Service/Staff Development | | 1,025 | |
| Other Charges | | 8,866 | |
| Administration Equipment | | 3,775 | |
| Transportation Equipment | | 19,211 | |
| Total Transportation | | | 2,100,944 |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Community Services

| | | | |
|---------------------------------|----|---------|------------|
| Supervisor/Director | \$ | 50,755 | |
| Other Salaries and Wages | | 245,464 | |
| Social Security | | 17,918 | |
| Pensions | | 8,674 | |
| Life Insurance | | 730 | |
| Medical Insurance | | 17,242 | |
| Dental Insurance | | 1,231 | |
| Employer Medicare | | 4,190 | |
| Communication | | 2,546 | |
| Printing, Stationery, and Forms | | 4,523 | |
| Rentals | | 6,375 | |
| Travel | | 16,174 | |
| Other Contracted Services | | 43,438 | |
| Food Supplies | | 3,029 | |
| Other Supplies and Materials | | 28,454 | |
| In Service/Staff Development | | 319 | |
| Other Charges | | 18,052 | |
| Total Community Services | | | \$ 469,114 |

Early Childhood Education

| | | | |
|--------------------------------------|----|---------|---------|
| Teachers | \$ | 325,816 | |
| Educational Assistants | | 89,045 | |
| Other Salaries and Wages | | 25,090 | |
| Certified Substitute Teachers | | 960 | |
| Non-certified Substitute Teachers | | 5,864 | |
| Social Security | | 24,539 | |
| Pensions | | 38,953 | |
| Life Insurance | | 4,932 | |
| Medical Insurance | | 121,760 | |
| Dental Insurance | | 9,078 | |
| Employer Medicare | | 5,781 | |
| Communication | | 940 | |
| Travel | | 939 | |
| Instructional Supplies and Materials | | 7,697 | |
| Other Supplies and Materials | | 5,451 | |
| Other Charges | | 10,064 | |
| Regular Instruction Equipment | | 250 | |
| Other Equipment | | 11,140 | |
| Total Early Childhood Education | | | 688,299 |

Capital Outlay

Regular Capital Outlay

| | | | |
|------------------------------|----|---------|---------|
| Building Improvements | \$ | 33,131 | |
| Other Capital Outlay | | 111,585 | |
| Total Regular Capital Outlay | | | 144,716 |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Principal on Debt

Education

| | | |
|---|-----------|-----------|
| Debt Service Contribution to Primary Government | \$ 71,429 | |
| Total Education | | \$ 71,429 |

Total General Purpose School Fund \$ 34,149,160

School Federal Projects Fund

Instruction

Regular Instruction Program

| | | |
|--------------------------------------|------------|--------------|
| Teachers | \$ 664,755 | |
| Other Salaries and Wages | 98,085 | |
| Certified Substitute Teachers | 4,350 | |
| Non-certified Substitute Teachers | 9,648 | |
| Social Security | 47,283 | |
| Pensions | 70,232 | |
| Life Insurance | 3,196 | |
| Medical Insurance | 133,708 | |
| Employer Medicare | 11,066 | |
| Instructional Supplies and Materials | 42,324 | |
| Other Supplies and Materials | 1,604 | |
| Regular Instruction Equipment | 15,333 | |
| Total Regular Instruction Program | | \$ 1,101,584 |

Special Education Program

| | | |
|--------------------------------------|-----------|---------|
| Teachers | \$ 34,868 | |
| Educational Assistants | 406,021 | |
| Other Salaries and Wages | 19,429 | |
| Certified Substitute Teachers | 1,860 | |
| Non-certified Substitute Teachers | 16,628 | |
| Social Security | 27,413 | |
| Pensions | 35,141 | |
| Life Insurance | 5,767 | |
| Medical Insurance | 225,586 | |
| Employer Medicare | 6,437 | |
| Instructional Supplies and Materials | 17,685 | |
| Textbooks | 8,341 | |
| Other Charges | 336 | |
| Special Education Equipment | 1,855 | |
| Total Special Education Program | | 807,367 |

Vocational Education Program

| | | |
|---|----------|--------|
| Maintenance and Repair Services - Equipment | \$ 2,922 | |
| Instructional Supplies and Materials | 9,140 | |
| Other Charges | 1,000 | |
| Vocational Instruction Equipment | 49,122 | |
| Total Vocational Education Program | | 62,184 |

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services

Other Student Support

| | | | |
|------------------------------|----|--------|-----------|
| Other Salaries and Wages | \$ | 9,041 | |
| Social Security | | 558 | |
| Pensions | | 807 | |
| Life Insurance | | 73 | |
| Medical Insurance | | 527 | |
| Employer Medicare | | 130 | |
| Evaluation and Testing | | 5,716 | |
| Travel | | 19,734 | |
| Other Supplies and Materials | | 26,668 | |
| In Service/Staff Development | | 591 | |
| Other Charges | | 1,280 | |
| Total Other Student Support | | | \$ 65,125 |

Regular Instruction Program

| | | | |
|-----------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 34,491 | |
| Secretary(ies) | | 23,010 | |
| Social Security | | 3,565 | |
| Pensions | | 5,138 | |
| Life Insurance | | 171 | |
| Medical Insurance | | 10,301 | |
| Employer Medicare | | 834 | |
| Travel | | 1,623 | |
| Other Supplies and Materials | | 2,209 | |
| In Service/Staff Development | | 63,715 | |
| Other Equipment | | 3,954 | |
| Total Regular Instruction Program | | | 149,011 |

Special Education Program

| | | | |
|---------------------------------|----|--------|--------|
| Secretary(ies) | \$ | 19,198 | |
| Social Security | | 1,190 | |
| Pensions | | 1,686 | |
| Life Insurance | | 52 | |
| Medical Insurance | | 5,812 | |
| Employer Medicare | | 278 | |
| Other Contracted Services | | 12,948 | |
| Other Supplies and Materials | | 3,185 | |
| In Service/Staff Development | | 5,552 | |
| Total Special Education Program | | | 49,901 |

Vocational Education Program

| | | | |
|------------------------------------|----|-------|-------|
| Travel | \$ | 2,936 | |
| Other Supplies and Materials | | 321 | |
| In Service/Staff Development | | 600 | |
| Total Vocational Education Program | | | 3,857 |

Total School Federal Projects Fund \$ 2,239,029

(Continued)

Exhibit K-8

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

| | | | |
|---|----|---------|--------------|
| Supervisor/Director | \$ | 58,185 | |
| Accountants/Bookkeepers | | 28,489 | |
| Cafeteria Personnel | | 685,047 | |
| Other Salaries and Wages | | 10,923 | |
| Social Security | | 45,380 | |
| Pensions | | 58,988 | |
| Life Insurance | | 7,430 | |
| Medical Insurance | | 282,522 | |
| Dental Insurance | | 10,319 | |
| Employer Medicare | | 10,613 | |
| Accounting Services | | 980 | |
| Bank Charges | | 157 | |
| Communication | | 1,290 | |
| Maintenance and Repair Services - Equipment | | 12,503 | |
| Travel | | 6,677 | |
| Other Contracted Services | | 16,446 | |
| Food Preparation Supplies | | 111,907 | |
| Food Supplies | | 960,351 | |
| Office Supplies | | 7,404 | |
| USDA - Commodities | | 136,057 | |
| Other Supplies and Materials | | 10,741 | |
| In Service/Staff Development | | 20,432 | |
| Other Charges | | 850 | |
| Food Service Equipment | | 41,762 | |
| Total Food Service | | | \$ 2,525,453 |

Total Central Cafeteria Fund \$ 2,525,453

Other Capital Projects Fund

Capital Projects

Education Capital Projects

| | | | |
|----------------------------------|----|---------|--------------|
| Other Salaries and Wages | \$ | 1,088 | |
| Social Security | | 67 | |
| Pensions | | 95 | |
| Employer Medicare | | 16 | |
| Architects | | 15,010 | |
| Engineering Services | | 63,766 | |
| Building Construction | | 382,160 | |
| Building Improvements | | 410,844 | |
| Data Processing Equipment | | 220,290 | |
| Regular Instruction Equipment | | 667,946 | |
| Site Development | | 355 | |
| Solid Waste Equipment | | 25,331 | |
| Other Equipment | | 4,000 | |
| Other Construction | | 3,570 | |
| Total Education Capital Projects | | | \$ 1,794,538 |

Total Other Capital Projects Fund 1,794,538

Total Governmental Funds - Coffee County School Department \$ 40,708,180

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2015

| | Enterprise Fund |
|-------------------------------------|--------------------------------|
| | Wayside Acres Sewer Fund |
| <hr/> | |
| <u>Revenues</u> | |
| <u>Operating Revenues</u> | |
| <u>Charges for Current Services</u> | |
| Water Treatment Charges | \$ 16,638 |
| Other General Service Charges | 18,475 |
| Total Operating Revenues | <u>\$ 35,113</u> |
| <u>Nonoperating Revenues</u> | |
| Contributions | \$ 35,000 |
| Total Nonoperating Revenues | <u>\$ 35,000</u> |
| Total Revenues | <u><u>\$ 70,113</u></u> |
| <u>Expenses</u> | |
| <u>Operating Expenses</u> | |
| <u>Public Health and Welfare</u> | |
| Communication | \$ 624 |
| Engineering Services | 5,866 |
| Permits | 150 |
| Other Contracted Services | 16,279 |
| Electricity | 3,028 |
| Water and Sewer | 77 |
| Other Supplies and Materials | 315 |
| Depreciation | 26,951 |
| Total Operating Expenses | <u>\$ 53,290</u> |
| <u>Nonoperating Expenses</u> | |
| Interest on Other Loans | \$ 12,308 |
| Total Nonoperating Expenses | <u>\$ 12,308</u> |
| Total Expenses | <u><u>\$ 65,598</u></u> |

Exhibit K-10

Coffee County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2015

| | Cities - Sales Tax Fund | City School ADA- Tulahoma Fund | City School ADA- Manchester Fund | Total |
|--|-------------------------------|--|--|----------------------|
| <u>Cash Receipts</u> | | | | |
| Current Property Taxes | \$ 0 | \$ 5,404,707 | \$ 2,234,125 | \$ 7,638,832 |
| Trustee's Collections - Prior Years | 0 | 173,824 | 71,853 | 245,677 |
| Trustee's Collections - Bankruptcy | 0 | 7,139 | 2,949 | 10,088 |
| Circuit/Clerk and Master Collections - Prior Years | 0 | 81,325 | 33,729 | 115,054 |
| Interest and Penalty | 0 | 57,293 | 23,712 | 81,005 |
| Payments in-Lieu-of Taxes - TVA | 0 | 354 | 146 | 500 |
| Payments in-Lieu-of Taxes - Local Utilities | 0 | 5,639 | 2,331 | 7,970 |
| Payments in-Lieu-of Taxes - Other | 0 | 1,844 | 762 | 2,606 |
| Local Option Sales Tax | 14,566,404 | 0 | 0 | 14,566,404 |
| Mixed Drink Tax | 0 | 0 | 0 | 0 |
| Interstate Telecommunications Tax | 0 | 1,714 | 708 | 2,422 |
| Marriage Licenses | 0 | 1,423 | 592 | 2,015 |
| Alcoholic Beverage Tax | 0 | 2,663 | 1,101 | 3,764 |
| Total Cash Receipts | \$ 14,566,404 | \$ 5,737,925 | \$ 2,372,008 | \$ 22,676,337 |
| <u>Cash Disbursements</u> | | | | |
| Remittance of Revenues Collected | \$ 14,375,051 | \$ 5,847,035 | \$ 2,258,007 | \$ 22,480,093 |
| Trustee's Commission | 191,353 | 113,925 | 1,402 | 306,680 |
| Total Cash Disbursements | \$ 14,566,404 | \$ 5,960,960 | \$ 2,259,409 | \$ 22,786,773 |
| Excess of Cash Receipts Over (Under) Cash Disbursements | \$ 0 | \$ (223,035) | \$ 112,599 | \$ (110,436) |
| Cash Balance, July 1, 2014 | 0 | 105,204 | (29,633) | 75,571 |
| Cash Balance, June 30, 2015 | \$ 0 | \$ (117,831) | \$ 82,966 | \$ (34,865) |

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

Coffee County Mayor and
Board of County Commissioners
Coffee 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 Coffee County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Coffee County's basic financial statements, and have issued our report thereon dated February 11, 2016. Our report includes a reference to other auditors who audited the financial statements of the Coffee County Emergency Communications District, the Public Building Authority of Coffee County, and the Industrial Board of Coffee County as described in our report on Coffee County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coffee 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 Coffee County's internal control. Accordingly, we do not express an opinion on the effectiveness of Coffee County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the following deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 2015-001.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2015-002, 2015-003, 2015-005, and 2015-006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coffee County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item 2015-004.

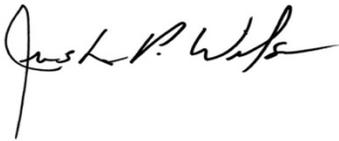
Coffee County's Response to the Finding

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

Purpose of this Report

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

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 11, 2016

JPW/kp



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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Coffee County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Coffee County's major federal programs for the year ended June 30, 2015. Coffee 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 Coffee 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 Coffee 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 Coffee County's compliance.

Opinion on Each Major Federal Program

In our opinion, Coffee 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, 2015.

Report on Internal Control Over Compliance

Management of Coffee 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 Coffee 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 Coffee 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.

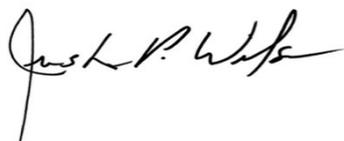
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 Coffee County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Coffee County's basic financial statements. We issued our report thereon dated February 11, 2016, 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

February 11, 2016

JPW/kp

Coffee County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2015

| Federal/Pass-through Agency/State Grantor Program Title | Federal CFDA Number | Passed-through Entity Identifying Number | Expenditures |
|--|---------------------------|--|---------------------|
| U.S. Department of Agriculture: | | | |
| Passed-through State Department of Agriculture: | | | |
| National School Lunch Program (Commodities - Noncash Assistance) | 10.555 | N/A | \$ 136,057 (3) |
| Passed-through State Department of Education: | | | |
| Child Nutrition Cluster: | | | |
| School Breakfast Program | 10.553 | N/A | 420,794 |
| National School Lunch Program | 10.555 | N/A | 1,136,410 (3) |
| Child Nutrition Discretionary Grants Limited Availability | 10.579 | N/A | 18,773 |
| Total U.S. Department of Agriculture | | | <u>\$ 1,712,034</u> |
| U.S. Department of Defense: | | | |
| Passed-through State Department of General Services: | | | |
| Section 1033 Excess Property Program | 12.UNKNOWN | N/A | \$ 52,802 |
| Total U.S. Department of Defense | | | <u>\$ 52,802</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) | \$ 8,370 |
| Total U.S. Department of Justice | | | <u>\$ 8,370</u> |
| U.S. Department of Transportation: | | | |
| Passed-through Governor's Highway Safety Office: | | | |
| Alcohol Open Container Requirements | 20.607 | (2) | \$ 4,842 |
| Total U.S. Department of Transportation | | | <u>\$ 4,842</u> |
| Institute of Museum and Library Services: | | | |
| Passed-through Tennessee Secretary of State: | | | |
| Grants to States | 45.310 | N/A | \$ 4,629 |
| Total Institute of Museum and Library Services: | | | <u>\$ 4,629</u> |
| U.S. Department of Education: | | | |
| Passed-through State Department of Education: | | | |
| Title 1 Grants to Local Educational Agencies | 84.010 | N/A | \$ 1,090,016 |
| Special Education Cluster: | | | |
| Special Education - Grants to States | 84.027 | N/A | 847,460 |
| Special Education - Preschool Grants | 84.173 | N/A | 25,770 |
| Career and Technical Education - Basic Grants to States | 84.048 | N/A | 88,766 |
| Twenty-first Century Community Learning Centers | 84.287 | N/A | 78,043 |
| Rural Education | 84.358 | N/A | 71,243 |
| Improving Teacher Quality State Grants | 84.367 | N/A | 134,368 |
| Passed-through Lincoln County Board of Education: | | | |
| English Language Acquisition Grants | 84.365 | N/A | 6,403 |
| Total U.S. Department of Education | | | <u>\$ 2,342,069</u> |
| U.S. Department of Health and Human Services: | | | |
| Passed-through State Department of Mental Health and Substance Abuse Services: | | | |
| Substance Abuse and Mental Health Services - Projects of Regional and National Significance | 93.243 | (2) | \$ 51,571 |
| Drug-free Communities Support Program Grants | 93.276 | (2) | 104,005 |
| Block Grants for Prevention and Treatment of Substance Abuse | 93.959 | (2) | 78,043 |
| Passed-through State Department of Health and Human Services: | | | |
| Temporary Assistance for Needy Families | 93.558 | (2) | 3,902 |
| Total U.S. Department of Health and Human Services | | | <u>\$ 237,521</u> |
| U.S. Department of Homeland Security: | | | |
| Passed-through State Department of Military: | | | |
| Emergency Management Performance Grants | 97.042 | (2) | \$ 35,850 |
| Homeland Security Grant Program | 97.067 | (2) | 15,398 |
| Total U.S. Department of Homeland Security | | | <u>\$ 51,248</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 4,413,515</u> |

(Continued)

Coffee 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> | | | |
| Voluntary Pre-K for Tennessee - State Department of Education | N/A | (2) | \$ 644,392 |
| Coordinated School Health - State Department of Education | N/A | (2) | 83,211 |
| Family Resource Center - State Department of Education | N/A | (2) | 58,737 |
| ConnecTenn - State Department of Education | N/A | (2) | 12,907 |
| Safe Schools Act - State Department of Education | N/A | (2) | 24,403 |
| Project Diabetes Services - State Department of Health | N/A | (2) | 7,344 |
| Litter Program - State Department of Transportation | N/A | (2) | 43,748 |
| Rural Local Health Services - State Department of Health | N/A | GG-15-42216-00 | 463,281 |
| State Industrial Access Program - State Department of Transportation | N/A | (2) | 59,013 |
| Juvenile Justice - State Commission on Children and Youth | N/A | (2) | 4,500 |
| Tennessee Agricultural Enhancement Program Grant - State Department of Agriculture | N/A | (2) | 1,000 |
| Archives Development Program Grants - Tennessee Secretary of State | N/A | (2) | 1,498 |
| Public Technology Training - Tennessee Secretary of State | N/A | (2) | 1,843 |
| Total State Grants | | | <u>\$ 1,405,877</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 \$1,272,467.

Coffee County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2015

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 Coffee County, Tennessee, for the year ended June 30, 2014, which have not been corrected.

OFFICE OF DIRECTOR OF SCHOOLS

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|---------------------------|------------------------|---|
| 2014-001 | 216 | The General Purpose School Fund required material audit adjustments for proper financial statement presentation |
| 2014-002 | 217 | Insurance payroll liability accounts were not reconciled monthly |
| 2014-010 | 221 | Duties were not segregated adequately |

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

| <u>Finding Number</u> | <u>Page Number</u> | <u>Subject</u> |
|---------------------------|------------------------|--|
| 2014-007 | 220 | Execution docket trial balances were not prepared for Circuit, General Sessions, and Juvenile Courts |
| 2014-008 | 220 | The office software did not have adequate application controls |

COFFEE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Coffee County is unmodified.
2. The audit of the financial statements of Coffee County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements.
4. The audit reported no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), and the Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Coffee 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. The register of deeds' written response is paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2015-001

THE GENERAL PURPOSE SCHOOL FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2015, certain general ledger account balances in the General Purpose School Fund were not materially correct, and audit adjustments totaling \$724,631 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the School Department to have adequate controls over the maintenance of its accounting records. Material audit adjustments were required because the department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report. This deficiency exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The School Department should have appropriate processes in place to ensure its general ledgers are materially correct.

FINDING 2015-002

GENERAL LEDGER PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED MONTHLY

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

General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments each month in the General Purpose School, School Federal Projects, and Central Cafeteria funds. As a result, unidentified balances accumulated in the liability accounts for several payroll deductions. Sound business practices dictate that payroll liability accounts should be reconciled with billings and payments monthly. The failure to regularly reconcile payroll liability accounts is a significant deficiency that increases the risk that errors will not be discovered and corrected in a timely manner. This deficiency exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors discovered should be corrected promptly.

FINDING 2015-003

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among the officials and employees in the Office of Director of Schools. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Sound business practices dictate that management is responsible for designing internal controls 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 finding exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 2015-004

EXECUTION DOCKET TRIAL BALANCES WERE NOT PREPARED FOR CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS

(Noncompliance Under *Government Auditing Standards*)

Execution docket cause balances were not prepared for Circuit, General Sessions, and Juvenile Courts as required by Section 18-2-103, *Tennessee Code Annotated (TCA)*. Consequently, we were unable to reconcile cash journal accounts with cause balances. Furthermore, we were unable to determine if the clerk had complied with provisions of the Unclaimed Property Act, Section 66-29-110, *TCA*. This statute provides that any funds held by the courts for more than one year and unclaimed by the owner are considered abandoned. Section 66-29-113, *TCA*, further requires these funds to be reported and paid to the state Treasurer's Office. Cash journals in Circuit, General Sessions, and Juvenile Courts reflected court funds of \$314,158, \$289,252, and \$11,678, respectively, at June 30, 2015, that we were unable to identify. This deficiency exists due to the failure of management to correct the deficiency noted in the prior-year audit report.

RECOMMENDATION

Execution docket cause balances should be prepared and reconciled with cash journal accounts for Circuit, General Sessions, and Juvenile Courts as required by state statute. To further comply with state statutes, the clerk should report and pay to the state Treasurer's Office any unclaimed funds held for more than one year.

FINDING 2015-005

THE OFFICE SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS

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

The following internal control deficiencies related to the software were identified:

- A. Users can alter the “Paid Amount” on the bill of cost without leaving an adequate audit trail.
- B. Users can alter receipts without leaving an adequate audit trail.
- C. A report is not available that captures all “Outside Direct Payments.”

Sound business practices dictate that proper computer application controls be implemented. Since the vendor did not design the system with proper controls, inappropriate system activity could occur. Deficiencies noted above in items A. and B. were corrected subsequent to fiscal year-end.

RECOMMENDATION

A report should be available that captures all “Outside Direct Payments.”

OFFICE OF REGISTER OF DEEDS

FINDING 2015-006

THE OFFICE DID NOT REVIEW ALL SOFTWARE AUDIT LOGS

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

The software application used by the office generated two audit logs that display changes made by users. These logs provide the only audit trail of these changes and should be reviewed for inappropriate activity. Because management was not aware of its importance, they did not review one of these audit logs until we brought it to their attention several months into the fiscal year. Procedures for reviewing this audit log are currently in place.

RECOMMENDATION

Management should ensure all audit logs are reviewed on a routine basis.

MANAGEMENT'S RESPONSE – REGISTER OF DEEDDS

I agree with the finding. The software application used by our office provides two separate audit reports. Both reports are used to audit and review changes made by users. I was only aware of one of the reports. When I took office in September 2014, there was no normal transition of the office over to me. The office staff left with the retiring register with no notice. There were no files to refer to for guidance on this matter and many other operations of the office. When this matter was brought to my attention by the auditor, the chief deputy and I printed the reports for the months of September 2014 through April 2015. We compared and reviewed the reports for any suspicious activity or any items that did not match up. All was verified to be in good order. We are currently printing these reports weekly for review.

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

There were no findings and questioned costs for federal programs.

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 Coffee County.

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

Coffee County operates under the provisions of the Fiscal Control Acts of 1957 for central purchasing covering the funds controlled by the county mayor and the road superintendent. Also, the county operates under the provisions of a local resolution, which creates the Office of Director of Accounts and Budgets. Under this resolution, the director of accounts and budgets directs the operation of the funds under the control of the county mayor. For years, the director of accounts and budgets has also performed all accounting and budgeting functions for the county's Highway Department; however, there is no state law or local resolution governing this arrangement in Coffee County. The nature and operation of this informal arrangement has created a type of Office of Central Accounting and Budgeting similar to that created by the adoption of the County Fiscal Procedure Law of 1957. However, neither this arrangement nor the 1957 Act includes the county's School Department.

Sound business practices dictate that establishing a central system would significantly improve internal control 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. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Coffee County. Therefore, 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.

**COFFEE COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2015**

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