

ANNUAL FINANCIAL REPORT
CROCKETT COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015



DIVISION OF LOCAL GOVERNMENT AUDIT



**ANNUAL FINANCIAL REPORT
CROCKETT 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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State Auditors***

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

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Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ A formal purchase order system had not been established.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The office had deficiencies in budget operations.
- ◆ The former director of technology misappropriated funds and equipment from the School Department.

OFFICE OF SHERIFF

- ◆ Fees were not reported and paid to the county in compliance with state statute.

AMBULANCE SERVICE AND OFFICES OF COUNTY MAYOR AND SHERIFF

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

Crockett County Officials
June 30, 2015

Officials

Gary Reasons, County Mayor
Milton Legions, Road Supervisor
Robert Mullins, Director of Schools
Gary Spraggins, Trustee
Walter Yearwood, Assessor of Property
Ernest Bushart, County Clerk
Kim Kail, Circuit, General Sessions, and Juvenile Courts Clerk
James Stephenson, Clerk and Master
Alan Castellaw, Register of Deeds
Troy Klyce, Sheriff

Board of County Commissioners

Gary Reasons, County Mayor, Chairman
Harvey Bradshaw
Pat Branch
Nixon Brasfield
James Rayce Castellaw
Harold Craig
Joseph Gibson, IV
David Gilpin
Ronde Howell
Ian Seth Jones
Ashley Jordan
Jerrel Little
Darrell Lowery

Carolyn Nance
Cayce Nanney
Harold Park
Donald Prescott
John Schwerdt
Jane Smith
Edwin Tritt
Debra Turnage
Richard Walker
Jimmy Webb
Gary Williams
Joe Williams

Road Commission

Thomas Haynes, Chairman
William Beaird
Andy Edwards

Board of Education

Jasper Taylor, IV, Chairman
John Cole
Keith Curl
Tony Emison
Henry King
Will Spence
Kyle Utley

Audit Committee

Donnie Bates, Chairman
Clint Williams
Gary Williams

FINANCIAL SECTION



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

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett 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 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Crockett 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 this matter.

Emphasis of Matter

We draw attention to Note I.D.8. in the notes to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position by \$405,842 and the discretely presented Crockett County School Department's net position by \$2,610,618 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 this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to

supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension asset, and schedule of funding progress - other postemployment benefit plans on pages 73-79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the 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 Crockett County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Crockett County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Crockett County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Crockett 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 November 16, 2015, on our consideration of Crockett 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 Crockett County's internal control over financial reporting and compliance.

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

November 16, 2015

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	<u>Primary Governmental Activities</u>	<u>Component Unit Crockett County School Department</u>
<u>ASSETS</u>		
Cash	\$ 2,064	\$ 0
Equity in Pooled Cash and Investments	4,168,155	452,046
Accounts Receivable	1,999,703	5,894
Allowance for Uncollectibles	(1,168,579)	0
Due from Other Governments	805,836	822,377
Due from Primary Government	0	2,016
Property Taxes Receivable	4,193,768	1,423,139
Allowance for Uncollectible Property Taxes	(205,727)	(69,812)
Cash Shortage	0	5,923
Net Pension Asset - Agent Plan	383,953	317,844
Net Pension Asset - Cost-sharing Plan	0	29,890
Capital Assets:		
Assets Not Depreciated:		
Land	889,130	935,805
Construction in Progress	0	25,972
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	2,939,534	12,005,340
Infrastructure	2,275,285	191,712
Other Capital Assets	661,581	478,528
Total Assets	<u>\$ 16,944,703</u>	<u>\$ 16,626,674</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Amount on Refunding	\$ 97,158	\$ 0
Pension Changes in Experience	0	72,573
Pension Other Deferrals	0	95,565
Pension Changes in Contributions After Measurement Date	226,065	766,130
Total Deferred Outflows of Resources	<u>\$ 323,223</u>	<u>\$ 934,268</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 12,901
Contracts Payable	6,225	0
Retainage Payable	30,188	0
Due to Component Unit	2,016	0
Accrued Interest Payable	55,098	0
Noncurrent Liabilities:		
Due Within One Year	1,396,254	0
Due in More Than One Year (net of unamortized premium on debt)	13,692,323	353,886
Total Liabilities	<u>\$ 15,182,104</u>	<u>\$ 366,787</u>

(Continued)

Exhibit A

Crockett County, Tennessee
Statement of Net Position (Continued)

	<u>Primary Governmental Activities</u>	<u>Component Unit Crockett County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 3,850,292	\$ 1,306,582
Pension Changes in Experience	207,449	171,731
Pension Changes in Investment Earnings	502,109	2,878,628
Total Deferred Inflows of Resources	<u>\$ 4,559,850</u>	<u>\$ 4,356,941</u>

NET POSITION

Net Investment in Capital Assets	\$ 4,929,249	\$ 13,637,357
Restricted for:		
General Government	25,894	0
Finance	1,282	0
Administration of Justice	12,241	0
Public Safety	47,293	0
Highways/Public Works	1,603,669	0
Education	0	26,306
Support Services	0	17,259
Operation of Non-instructional Services	0	86,822
Debt Service	57,008	0
Capital Projects	51,813	0
Unrestricted	<u>(9,202,477)</u>	<u>(930,530)</u>
Total Net Position	<u>\$ (2,474,028)</u>	<u>\$ 12,837,214</u>

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

Exhibit B

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

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	Component
					Governmental Total	Unit Crockett County School Department
Primary Government: Governmental Activities:						
General Government	\$ 917,727	\$ 91,203	\$ 15,164	\$ 0	\$ (811,360)	\$ 0
Finance	496,069	344,089	0	0	(151,980)	0
Administration of Justice	642,038	319,726	78,776	0	(243,536)	0
Public Safety	2,366,468	365,263	50,247	504,562	(1,446,396)	0
Public Health and Welfare	1,618,273	834,000	123,218	0	(661,055)	0
Social, Cultural, and Recreational Services	546,616	5,197	231,868	0	(309,551)	0
Agriculture and Natural Resources	187,687	0	0	0	(187,687)	0
Highway/Public Works	1,492,893	22,200	1,413,211	773,026	715,544	0
Education	105,000	0	0	0	(105,000)	0
Interest on Long-term Debt	434,613	0	487,512	0	52,899	0
Total Primary Government	\$ 8,807,384	\$ 1,981,678	\$ 2,399,996	\$ 1,277,588	\$ (3,148,122)	\$ 0
Component Unit: Crockett County School Department	\$ 15,630,063	\$ 250,705	\$ 2,876,966	\$ 105,000	\$ 0	\$ (12,397,392)
Total Component Unit	\$ 15,630,063	\$ 250,705	\$ 2,876,966	\$ 105,000	\$ 0	\$ (12,397,392)

(Continued)

Exhibit B

Crockett 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	Component
					Governmental Total	Unit Crockett County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 3,536,228	\$ 1,346,011
Property Taxes Levied for Debt Service					428,774	0
Local Option Sales Tax					800,142	390,589
Wheel Tax					704,733	168,072
Business Tax					99,482	0
Wholesale Beer Tax					114,195	0
Other Local Taxes					92,948	1,828
Grants and Contributions Not Restricted to Specific Programs					428,169	11,009,066
Unrestricted Investment Income					43,272	5,503
Miscellaneous					40,301	40,823
Pension Income					80,237	76,131
Total General Revenues					<u>\$ 6,368,481</u>	<u>\$ 13,038,023</u>
Change in Net Position					\$ 3,220,359	\$ 640,631
Net Position, July 1, 2014					(5,288,545)	14,807,201
Restatement - Pension Liability (see Note I.D.8)					<u>(405,842)</u>	<u>(2,610,618)</u>
Net Position, June 30, 2015					<u>\$ (2,474,028)</u>	<u>\$ 12,837,214</u>

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 2,064	\$ 2,064
Equity in Pooled Cash and Investments	977,357	1,395,972	1,608,636	186,190	4,168,155
Accounts Receivable	1,995,682	4,021	0	0	1,999,703
Allowance for Uncollectibles	(1,168,579)	0	0	0	(1,168,579)
Due from Other Governments	129,724	491,917	109,911	74,284	805,836
Due from Other Funds	2,064	0	0	0	2,064
Property Taxes Receivable	3,751,093	0	442,675	0	4,193,768
Allowance for Uncollectible Property Taxes	(184,012)	0	(21,715)	0	(205,727)
Total Assets	<u>\$ 5,503,329</u>	<u>\$ 1,891,910</u>	<u>\$ 2,139,507</u>	<u>\$ 262,538</u>	<u>\$ 9,797,284</u>
<u>LIABILITIES</u>					
Contracts Payable	\$ 0	\$ 0	\$ 0	\$ 6,225	\$ 6,225
Retainage Payable	0	0	0	30,188	30,188
Due to Other Funds	0	0	0	2,064	2,064
Due to Component Units	2,016	0	0	0	2,016
Total Liabilities	<u>\$ 2,016</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 38,477</u>	<u>\$ 40,493</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 3,443,872	\$ 0	\$ 406,420	\$ 0	\$ 3,850,292
Deferred Delinquent Property Taxes	117,367	0	13,851	0	131,218
Other Deferred/Unavailable Revenue	753,731	126,212	52,878	20,017	952,838
Total Deferred Inflows of Resources	<u>\$ 4,314,970</u>	<u>\$ 126,212</u>	<u>\$ 473,149</u>	<u>\$ 20,017</u>	<u>\$ 4,934,348</u>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 25,894	\$ 0	\$ 0	\$ 0	\$ 25,894
Restricted for Finance	1,282	0	0	0	1,282
Restricted for Administration of Justice	12,241	0	0	0	12,241
Restricted for Public Safety	0	0	0	47,293	47,293
Restricted for Highways/Public Works	0	1,547,586	0	0	1,547,586
Restricted for Capital Outlay	51,813	0	0	0	51,813
Committed:					
Committed for Public Health and Welfare	0	0	0	156,751	156,751
Committed for Highways/Public Works	0	218,112	0	0	218,112
Committed for Debt Service	0	0	1,666,358	0	1,666,358
Unassigned	1,095,113	0	0	0	1,095,113
Total Fund Balances	<u>\$ 1,186,343</u>	<u>\$ 1,765,698</u>	<u>\$ 1,666,358</u>	<u>\$ 204,044</u>	<u>\$ 4,822,443</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,503,329</u>	<u>\$ 1,891,910</u>	<u>\$ 2,139,507</u>	<u>\$ 262,538</u>	<u>\$ 9,797,284</u>

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

Exhibit C-2

Crockett 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)		\$ 4,822,443	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$ 889,130		
Add: buildings and improvements net of accumulated depreciation	2,939,534		
Add: infrastructure net of accumulated depreciation	2,275,285		
Add: other capital assets net of accumulated depreciation	<u>661,581</u>	6,765,530	
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$ (1,173,359)		
Less: other loan payable	(1,516,642)		
Less: capital leases payable	(31,903)		
Less: bonds payable	(11,998,234)		
Less: compensated absences payable	(70,129)		
Less: other postemployment benefits liability	(209,339)		
Add: deferred amount on refunding	97,158		
Less: accrued interest on notes, capital leases, and bonds	(55,098)		
Less: other deferred revenue - premium on debt	<u>(88,971)</u>	(15,046,517)	
(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	\$ 226,065		
Less: deferred inflows of resources related to pensions	<u>(709,558)</u>	(483,493)	
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			383,953
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,084,056</u>
Net position of governmental activities (Exhibit A)			<u>\$ (2,474,028)</u>

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 3,781,052	\$ 392,199	\$ 1,370,363	\$ 291,480	\$ 5,835,094
Licenses and Permits	42,867	0	0	0	42,867
Fines, Forfeitures, and Penalties	87,772	0	0	15,709	103,481
Charges for Current Services	653,669	0	0	12,560	666,229
Other Local Revenues	60,522	25,170	92,091	0	177,783
Fees Received from County Officials	615,103	0	0	0	615,103
State of Tennessee	1,090,049	1,939,283	0	23,610	3,052,942
Federal Government	39,669	245,249	0	504,562	789,480
Other Governments and Citizens Groups	32,741	7,785	487,512	0	528,038
Total Revenues	\$ 6,403,444	\$ 2,609,686	\$ 1,949,966	\$ 847,921	\$ 11,811,017
<u>Expenditures</u>					
Current:					
General Government	\$ 744,105	\$ 0	\$ 0	\$ 0	\$ 744,105
Finance	439,624	0	0	0	439,624
Administration of Justice	532,926	0	0	0	532,926
Public Safety	1,963,406	0	0	2,964	1,966,370
Public Health and Welfare	1,097,959	0	0	298,729	1,396,688
Social, Cultural, and Recreational Services	461,014	0	0	0	461,014
Agriculture and Natural Resources	174,775	0	0	0	174,775
Other Operations	1,059,768	0	0	0	1,059,768
Highways	0	2,452,703	0	0	2,452,703
Debt Service:					
Principal on Debt	59,301	0	1,324,564	0	1,383,865
Interest on Debt	4,243	0	416,968	0	421,211
Other Debt Service	0	0	20,140	0	20,140

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 603,398	\$ 603,398
Total Expenditures	\$ 6,537,121	\$ 2,452,703	\$ 1,761,672	\$ 905,091	\$ 11,656,587
Excess (Deficiency) of Revenues Over Expenditures	\$ (133,677)	\$ 156,983	\$ 188,294	\$ (57,170)	\$ 154,430
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 172,000	\$ 0	\$ 0	\$ 105,000	\$ 277,000
Capital Leases Issued	23,997	0	0	0	23,997
Insurance Recovery	0	2,492	0	0	2,492
Transfers In	248	0	0	0	248
Transfers Out	0	0	0	(248)	(248)
Total Other Financing Sources (Uses)	\$ 196,245	\$ 2,492	\$ 0	\$ 104,752	\$ 303,489
Net Change in Fund Balances	\$ 62,568	\$ 159,475	\$ 188,294	\$ 47,582	\$ 457,919
Fund Balance, July 1, 2014	1,123,775	1,606,223	1,478,064	156,462	4,364,524
Fund Balance, June 30, 2015	\$ 1,186,343	\$ 1,765,698	\$ 1,666,358	\$ 204,044	\$ 4,822,443

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

Exhibit C-4

Crockett 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)		\$ 457,919
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 1,775,379	
Less: current-year depreciation expense	<u>(569,167)</u>	1,206,212
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.</p>		
Add: assets donated and capitalized		41,752
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$ 1,084,056	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(978,484)</u>	105,572
<p>(4) The issuance of long-term debt (e.g., notes and capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.</p>		
Less: note proceeds	\$ (277,000)	
Less: capital lease proceeds	(23,997)	
Add: principal payments on notes	168,408	
Add: principal payments on other loan	200,004	
Add: principal payments on capital leases	59,301	
Add: principal payments on bonds	956,152	
Add: change in premium on debt issuances	30,917	
Less: change in deferred amount on refunding debt	<u>(14,844)</u>	1,098,941
<p>(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.</p>		
Change in accrued interest payable	\$ 1,442	
Change in compensated absences payable	10,506	
Change in other postemployment benefits liability	(8,287)	
Change in deferred outflows related to pensions	226,065	
Change in deferred inflows related to pensions	(709,558)	
Change in net pension liability/asset	<u>789,795</u>	<u>309,963</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,220,359</u>

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

Exhibit C-5

Crockett County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,781,052	\$ 3,776,207	\$ 3,777,407	\$ 3,645
Licenses and Permits	42,867	38,000	38,000	4,867
Fines, Forfeitures, and Penalties	87,772	77,410	77,410	10,362
Charges for Current Services	653,669	650,700	650,700	2,969
Other Local Revenues	60,522	53,600	53,600	6,922
Fees Received from County Officials	615,103	623,000	623,000	(7,897)
State of Tennessee	1,090,049	1,233,303	1,232,103	(142,054)
Federal Government	39,669	40,458	40,458	(789)
Other Governments and Citizens Groups	32,741	7,300	7,300	25,441
Total Revenues	<u>\$ 6,403,444</u>	<u>\$ 6,499,978</u>	<u>\$ 6,499,978</u>	<u>\$ (96,534)</u>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 15,586	\$ 15,700	\$ 15,700	\$ 114
Board of Equalization	210	420	420	210
Beer Board	0	200	200	200
County Mayor/Executive	159,447	165,488	165,488	6,041
County Attorney	475	1,150	1,150	675
Election Commission	141,535	138,908	146,855	5,320
Register of Deeds	95,952	96,693	96,693	741
County Buildings	330,900	413,971	413,971	83,071
<u>Finance</u>				
Accounting and Budgeting	4,944	5,600	5,600	656
Property Assessor's Office	137,569	135,617	137,586	17
County Trustee's Office	139,227	139,804	139,804	577
County Clerk's Office	157,884	164,987	164,987	7,103
<u>Administration of Justice</u>				
Circuit Court	198,458	204,625	204,625	6,167
General Sessions Judge	95,949	95,850	96,019	70
Drug Court	70,187	73,000	73,000	2,813
Chancery Court	97,151	101,458	101,458	4,307
Juvenile Court	62,188	68,048	68,048	5,860
Other Administration of Justice	8,993	8,996	8,996	3
<u>Public Safety</u>				
Sheriff's Department	964,675	1,060,230	1,031,673	66,998
Jail	853,637	907,220	907,220	53,583
Juvenile Services	60	500	500	440
Fire Prevention and Control	60,856	60,082	60,857	1
Civil Defense	53,204	64,720	64,720	11,516
Rescue Squad	10,000	10,000	10,000	0
Other Emergency Management	5,999	0	6,500	501
County Coroner/Medical Examiner	11,375	10,200	11,375	0
Other Public Safety	3,600	3,601	3,601	1
<u>Public Health and Welfare</u>				
Local Health Center	110,693	139,755	139,755	29,062
Rabies and Animal Control	28,203	32,375	32,375	4,172

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Ambulance/Emergency Medical Services	\$ 838,488	\$ 875,434	\$ 864,443	\$ 25,955
Maternal and Child Health Services	4,000	4,000	4,000	0
Alcohol and Drug Programs	10,165	10,165	10,165	0
Crippled Children Services	1,650	1,650	1,650	0
Other Local Health Services	17,208	17,950	20,750	3,542
Appropriation to State	51,900	51,900	51,900	0
Other Local Welfare Services	923	1,200	1,200	277
Waste Pickup	33,093	33,699	33,699	606
Other Public Health and Welfare	1,636	0	1,700	64
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	330,128	379,330	392,904	62,776
Libraries	122,708	99,799	131,799	9,091
Parks and Fair Boards	8,178	10,075	10,075	1,897
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	62,939	63,595	63,595	656
Soil Conservation	101,119	101,474	101,474	355
Flood Control	10,717	10,717	10,717	0
<u>Other Operations</u>				
Veterans' Services	19,048	20,096	20,096	1,048
Other Charges	280,286	275,051	280,151	(135)
Contributions to Other Agencies	42,300	42,300	42,300	0
Employee Benefits	666,780	694,850	694,850	28,070
Miscellaneous	51,354	73,550	73,550	22,196
<u>Principal on Debt</u>				
General Government	59,301	0	59,301	0
<u>Interest on Debt</u>				
General Government	4,243	0	4,243	0
Total Expenditures	\$ 6,537,121	\$ 6,886,033	\$ 6,983,738	\$ 446,617
Excess (Deficiency) of Revenues Over Expenditures	\$ (133,677)	\$ (386,055)	\$ (483,760)	\$ 350,083
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 172,000	\$ 172,000	\$ 172,000	\$ 0
Capital Leases Issued	23,997	0	23,997	0
Insurance Recovery	0	10,000	10,000	(10,000)
Transfers In	248	0	0	248
Total Other Financing Sources	\$ 196,245	\$ 182,000	\$ 205,997	\$ (9,752)
Net Change in Fund Balance	\$ 62,568	\$ (204,055)	\$ (277,763)	\$ 340,331
Fund Balance, July 1, 2014	1,123,775	1,133,649	1,133,649	(9,874)
Fund Balance, June 30, 2015	\$ 1,186,343	\$ 929,594	\$ 855,886	\$ 330,457

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

Exhibit C-6

Crockett County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 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>						
Local Taxes	\$ 392,199	\$ 0	\$ 392,199	\$ 383,222	\$ 383,222	\$ 8,977
Other Local Revenues	25,170	0	25,170	6,000	6,000	19,170
State of Tennessee	1,939,283	0	1,939,283	2,985,107	2,985,107	(1,045,824)
Federal Government	245,249	0	245,249	304,152	304,152	(58,903)
Other Governments and Citizens Groups	7,785	0	7,785	5,000	5,000	2,785
Total Revenues	\$ 2,609,686	\$ 0	\$ 2,609,686	\$ 3,683,481	\$ 3,683,481	\$ (1,073,795)
<u>Expenditures</u>						
<u>Highways</u>						
Administration	\$ 183,327	\$ 0	\$ 183,327	\$ 198,433	\$ 198,433	\$ 15,106
Highway and Bridge Maintenance	572,116	0	572,116	1,192,281	1,192,281	620,165
Operation and Maintenance of Equipment	300,009	0	300,009	435,725	435,725	135,716
Other Charges	127,796	0	127,796	133,248	133,248	5,452
Employee Benefits	213,419	0	213,419	242,129	242,129	28,710
Capital Outlay	1,056,036	(486,227)	569,809	2,294,644	2,294,644	1,724,835
Total Expenditures	\$ 2,452,703	\$ (486,227)	\$ 1,966,476	\$ 4,496,460	\$ 4,496,460	\$ 2,529,984
Excess (Deficiency) of Revenues Over Expenditures	\$ 156,983	\$ 486,227	\$ 643,210	\$ (812,979)	\$ (812,979)	\$ 1,456,189
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 2,492	\$ 0	\$ 2,492	\$ 0	\$ 0	\$ 2,492
Total Other Financing Sources	\$ 2,492	\$ 0	\$ 2,492	\$ 0	\$ 0	\$ 2,492
Net Change in Fund Balance	\$ 159,475	\$ 486,227	\$ 645,702	\$ (812,979)	\$ (812,979)	\$ 1,458,681
Fund Balance, July 1, 2014	1,606,223	(486,227)	1,119,996	1,664,074	1,664,074	(544,078)
Fund Balance, June 30, 2015	\$ 1,765,698	\$ 0	\$ 1,765,698	\$ 851,095	\$ 851,095	\$ 914,603

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 506,750
Equity in Pooled Cash and Investments	2,616
Accounts Receivable	3,448
Due from Other Governments	114,374
Property Taxes Receivable	533,952
Allowance for Uncollectible Property Taxes	<u>(26,193)</u>
Total Assets	<u>\$ 1,134,947</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 624,749
Due to Litigants, Heirs, and Others	<u>510,198</u>
Total Liabilities	<u>\$ 1,134,947</u>

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

CROCKETT COUNTY, TENNESSEE

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Crockett 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 Crockett County:

A. Reporting Entity

Crockett County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Crockett 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 Crockett County School Department operates the public school system in the county, and the voters of Crockett 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 Crockett County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Crockett County, and the Crockett County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Crockett County Emergency Communications District were not available from other auditors in time for inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

The Crockett County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Although required by GAAP, the financial statements of the Crockett

County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Crockett County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Crockett County Emergency Communications District
22 South Court Street
Alamo, TN 38001

B. Government-wide and Fund Financial Statements

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

Crockett County issues all debt for the discretely presented Crockett County School Department. Net debt issues totaling \$105,000 were contributed by the county to the School Department during the year ended June 30, 2015.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the 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 Crockett County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary; however, Crockett County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. The 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. Crockett County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not measurable

(reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

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.

Crockett County reports the following major governmental funds:

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

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

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

Additionally, Crockett County reports the following fund types:

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

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 Crockett County, and the city school systems’ shares of educational revenues. 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 Crockett County School Department reports the following major governmental funds:

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

School Transportation Fund – This special revenue fund is used to account for transportation operations of the School Department. Local taxes are the foundational revenues of this fund.

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Crockett 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 General Purpose School funds. Crockett 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.

2. Receivables and Payables

Activity between funds for unremitted current collections 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 2.6 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.

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

3. Capital Assets

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25 - 50
Other Capital Assets	3 - 20
Infrastructure:	
Roads	8 - 20
Bridges	15 - 30

4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has 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 the deferred charge on refunding, pension changes in experience and changes in proportionate share of contributions, and employer contributions made to the pension plan after the measurement date.

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, etc.) 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 and changes in investment earnings, and various receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. Compensated Absences

The policy of Crockett County (with the exception of the Highway Department) does not provide for employees to receive compensation for unused accumulated vacation or sick leave days. The Highway Department permits its employees to accumulate a limited amount of earned but unused sick leave benefits, which will be paid to employees upon death or retirement from county service. A liability for sick leave benefits is reported in governmental funds only if amounts have matured, for example, as a result of employee retirements.

There is no liability for unpaid accumulated vacation leave for employees of the discretely presented Crockett County School Department since those benefits do not vest or accumulate and must be used within the year or lost. There is also no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the government.

6. Long-term Obligations

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported

as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

7. Net Position and Fund Balance

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

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

As of June 30, 2015, Crockett County had \$12,889,872 in outstanding debt for capital purposes for the discretely presented Crockett County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Alamo and City of Bells school systems) based on average daily attendance proration. This debt is a liability of Crockett County, but the capital assets acquired are reported in the financial statements of the School Department and the City of Alamo and the City of Bells school systems. Therefore, Crockett 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 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 has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

8. 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 new pension liability in their Statement of Net Position. Therefore, a restatement decreasing Crockett County’s beginning net

position by \$405,842 has been recognized on the Statement of Activities. In addition, a restatement decreasing the Crockett County School Department's beginning net position by \$2,610,618 has been recognized on the Statement of Activities for liabilities of the pension agent plan (\$335,963) and the pension cost-sharing plan (\$2,274,655).

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 Crockett County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Crockett 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 Crockett 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 Crockett County School Department

Exhibit I-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 Crockett County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

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

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

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

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Other Charges major appropriation category (the legal level of control) of the General Fund by \$135. Also, expenditures exceeded appropriations approved by the County Commission in the Support Services - Board of Education major appropriation category (the legal level of control) of the discretely presented School Department's General Purpose School Fund by \$1,974. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balances.

C. Cash Shortages – Prior and Current Years

The Office of County Clerk had a theft of cash and checks totaling \$4,324 on October 16, 2013. A janitorial employee at the courthouse pled guilty to the theft in October 2014 and was ordered to pay restitution of \$4,324. However, this individual has paid no restitution as of the date of this report. The county has recovered \$3,726 of the cash shortage. The actual missing checks (\$1,999) that were stolen have not been located; however, the county clerk recovered all but \$98 of these checks by contacting individual payors and having them reissue their checks to the county. In addition, the county's bonding company made a payment of \$1,825 to reimburse the county for the missing cash (\$2,325) less a \$500 deductible. The County Commission approved a resolution on January 20, 2015, to write off the remaining outstanding \$598 balance of the cash shortage.

The Crockett County School Department had a cash shortage of at least \$5,923 at June 30, 2015. Details of this cash shortage and other irregularities are discussed in the Schedule of Findings and Questions Costs section of this report.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

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

Investment Balances. As of June 30, 2015, Crockett County had the following investments carried at fair value. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Crockett County and the discretely presented Crockett

County School Department since both pool their deposits and investments through the county trustee.

<u>Investment</u>	Weighted Average Maturity (days)	Fair Value
State Treasurer's Investment Pool	3 to 139	\$ 2,467

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Crockett County has no investment policy that would further limit its investment choices. As of June 30, 2015, Crockett County's investment in the State Treasurer's Investment Pool was unrated.

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	\$ 889,130	\$ 0	\$ 0	\$ 889,130
Construction in Progress	225,217	0	(225,217)	0
Total Capital Assets				
Not Depreciated	\$ 1,114,347	\$ 0	\$ (225,217)	\$ 889,130
Capital Assets Depreciated:				
Buildings and				
Improvements	\$ 5,480,169	\$ 819,031	\$ 0	\$ 6,299,200
Infrastructure	1,996,835	845,438	0	2,842,273
Other Capital Assets	3,865,940	377,879	(165,123)	4,078,696
Total Capital Assets				
Depreciated	\$ 11,342,944	\$ 2,042,348	\$ (165,123)	\$ 13,220,169

Primary Government - Governmental Activities (Cont.):

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,175,088	\$ 184,578	\$ 0	\$ 3,359,666
Infrastructure	469,005	97,983	0	566,988
Other Capital Assets	3,295,632	286,606	(165,123)	3,417,115
Total Accumulated Depreciation	<u>\$ 6,939,725</u>	<u>\$ 569,167</u>	<u>\$ (165,123)</u>	<u>\$ 7,343,769</u>
Total Capital Assets Depreciated, Net	<u>\$ 4,403,219</u>	<u>\$ 1,473,181</u>	<u>\$ 0</u>	<u>\$ 5,876,400</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,517,566</u>	<u>\$ 1,473,181</u>	<u>\$ (225,217)</u>	<u>\$ 6,765,530</u>

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

Governmental Activities:

General Government	\$ 68,022
Finance	1,800
Administration of Justice	661
Public Safety	129,930
Public Health and Welfare	97,494
Social, Cultural, and Recreational Services	24,191
Highway/Public Works	<u>247,069</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 569,167</u>

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

	Balance 7-1-14	Increases	Balance 6-30-15
Capital Assets Not Depreciated:			
Land	\$ 830,805	\$ 105,000	\$ 935,805
Construction in Progress	0	25,972	25,972
Total Capital Assets Not Depreciated	<u>\$ 830,805</u>	<u>\$ 130,972</u>	<u>\$ 961,777</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 20,145,310	\$ 0	\$ 20,145,310
Infrastructure	497,553	0	497,553
Other Capital Assets	3,156,811	127,007	3,283,818
Total Capital Assets Depreciated	<u>\$ 23,799,674</u>	<u>\$ 127,007</u>	<u>\$ 23,926,681</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 7,704,399	\$ 435,571	\$ 8,139,970
Infrastructure	282,979	22,862	305,841
Other Capital Assets	2,694,673	110,617	2,805,290
Total Accumulated Depreciation	<u>\$ 10,682,051</u>	<u>\$ 569,050</u>	<u>\$ 11,251,101</u>
Total Capital Assets Depreciated, Net	<u>\$ 13,117,623</u>	<u>\$ (442,043)</u>	<u>\$ 12,675,580</u>
Governmental Activities Capital Assets, Net	<u>\$ 13,948,428</u>	<u>\$ (311,071)</u>	<u>\$ 13,637,357</u>

There were no decreases in capital assets to report during the year ended June 30, 2015. Depreciation expense was charged to functions of the discretely presented Crockett County School Department as follows:

Governmental Activities:

Instruction	\$ 365,626
Support Services	165,163
Operation of Non-instructional Services	<u>38,261</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 569,050</u>

C. 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	\$ 2,064
Discretely Presented		
School Department:		
General Purpose School	Nonmajor governmental	13,634

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>
Component Unit:		
School Department:	Primary Government:	
General Purpose School	General	\$ 2,016

Interfund Transfers:

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

Primary Government

<u>Transfer Out</u>	<u>Transfer In</u> <u>General</u> <u>Fund</u>
Nonmajor governmental fund	\$ 248
Total	<u>\$ 248</u>

Discretely Presented Crockett County School Department

Transfer Out	Transfer In General Purpose School Fund
School Transportation Fund	\$ 328,762
Total	<u>\$ 328,762</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

D. Operating Leases

On August 12, 2013, the Crockett County School Department entered into a three-year operating lease for 210 laptop computers for teachers. The terms of the lease agreement require total lease payments of \$173,275. The expenditures for the year ended June 30, 2015, were \$57,758.

Also on August 12, 2013, the Crockett County School Department entered into a three-year operating lease for 600 laptop computers for students. The terms of the lease agreement require total lease payments of \$347,425. The expenditures for the year ended June 30, 2015, were \$115,809.

On September 5, 2013, the Crockett County School Department entered into a five-year operating lease for eight copy machines. The terms of the lease agreement require total lease payments of \$74,940. The expenditures for the year ended June 30, 2015, were \$14,988.

The future minimum lease payments for these leases are as follows:

Year Ending June 30	Amount
2016	\$ 188,555
2017	14,988
2018	14,988
2019	<u>3,747</u>
Total	<u>\$ 222,278</u>

E. Capital Leases

On February 4, 2014, Crockett County entered into a two-year lease-purchase agreement for two Sheriff's Department vehicles. The terms of the agreement require total lease payments of \$49,307 plus interest payments of 6.5 percent. Title to the vehicles transfers to Crockett County at the end of the lease period. The lease payments are made from the General Fund.

On October 30, 2014, Crockett County entered into a two-year lease-purchase agreement for a truck for the Sheriff's Department. The terms of the agreement require total lease payments of \$23,997 plus interest payments of 6.5 percent. Title to the vehicle transfers to Crockett County at the end of the lease period. The lease payments are made from the General Fund.

The assets acquired through capital leases are as follows:

<u>Assets</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 73,304
Less: Accumulated Depreciation	<u>(30,979)</u>
Total Book Value	<u><u>\$ 42,325</u></u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

<u>Year Ending June 30</u>	<u>Governmental Funds</u>
2016	\$ 25,989
2017	<u>8,507</u>
Total Minimum Lease Payments	\$ 34,496
Less: Amount Representing Interest	<u>(2,593)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 31,903</u></u>

F. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loan

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

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 40 years for bonds, up to 12 years for notes, and up to ten years for the other loan. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and the other loan included in long-term debt as of June 30, 2015, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, the other loan, and capital leases 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	5%	1-1-19	\$ 350,000	\$ 43,234
General Obligation Bonds - Refunding	2 to 4	4-1-25	15,085,000	11,955,000
Capital Outlay Notes	0 to 2.95	6-1-25	1,721,000	1,173,359
Other Loan	0	10-1-22	2,000,000	1,516,642
Capital Leases	6.5	10-29-16	73,304	31,903

During 2011-12, Crockett County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient Schools Initiative program. Under this agreement, the program loaned Crockett County \$2,000,000 to fund a project to increase energy efficiency in the Crockett County school system. The loan is interest free.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 973,673	\$ 387,680	\$ 1,361,353
2017	994,000	367,090	1,361,090
2018	1,082,701	345,139	1,427,840
2019	1,132,860	301,818	1,434,678
2020	1,190,000	267,775	1,457,775
2021-2025	6,625,000	718,813	7,343,813
Total	\$ 11,998,234	\$ 2,388,315	\$ 14,386,549

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 195,156	\$ 13,900	\$ 209,056
2017	195,417	12,452	207,869
2018	187,287	11,058	198,345
2019	187,564	9,657	197,221
2020	166,908	8,249	175,157
2021-2025	241,027	19,191	260,218
Total	\$ 1,173,359	\$ 74,507	\$ 1,247,866

Year Ending June 30	Other Loan	
	Principal	Total
2016	\$ 200,004	\$ 200,004
2017	200,004	200,004
2018	200,004	200,004
2019	200,004	200,004
2020	200,004	200,004
2021-2023	516,622	516,622
Total	\$ 1,516,642	\$ 1,516,642

There is \$1,666,358 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, other loan, and capital leases totaled \$1,009, based on the 2010 federal census.

Changes in Long-term Obligations

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

Governmental Activities:

	Bonds	Notes	Other Loan
Balance, July 1, 2014	\$ 12,954,386	\$ 1,064,767	\$ 1,716,646
Additions	0	277,000	0
Reductions	(956,152)	(168,408)	(200,004)
Balance, June 30, 2015	<u>\$ 11,998,234</u>	<u>\$ 1,173,359</u>	<u>\$ 1,516,642</u>
Balance Due Within One Year	<u>\$ 973,673</u>	<u>\$ 195,156</u>	<u>\$ 200,004</u>

	Capital Leases	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2014	\$ 67,207	\$ 80,635	\$ 201,052
Additions	23,997	28,488	13,207
Reductions	(59,301)	(38,994)	(4,920)
Balance, June 30, 2015	<u>\$ 31,903</u>	<u>\$ 70,129</u>	<u>\$ 209,339</u>
Balance Due Within One Year	<u>\$ 23,915</u>	<u>\$ 3,506</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 14,999,606
Less: Balance Due Within One Year	(1,396,254)
Add: Unamortized Premium on Debt	<u>88,971</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 13,692,323</u>

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

Discretely Presented Crockett County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2014	\$ 351,767
Additions	74,363
Reductions	<u>(72,244)</u>
Balance, June 30, 2015	<u>\$ 353,886</u>
Balance Due Within One Year	<u>\$ 0</u>

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

G. On-Behalf Payments – Discretely Presented Crockett County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Crockett 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 \$26,308 and \$12,850, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Employee Health Insurance

Primary Government

Crockett 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 8-27-201, *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 Crockett County School Department

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

Liability, Property, Casualty, and Workers' Compensation Insurance

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 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 Event

On October 6, 2015, the county's General Debt Service Fund issued a \$210,285 tax anticipation note to the General Fund for temporary operating funds.

D. Contingent Liabilities

The county attorney advised us of one pending lawsuit involving Crockett County. Any potential claims against the county not covered by insurance resulting from such litigation should not materially affect the county's financial statements.

E. Joint Venture

The Twenty-eight Judicial District Drug Task Force (DTF) is participating in a joint venture formed by an interlocal agreement between the district attorney generals of the Twenty-eighth Judicial District, the Twenty-ninth Judicial District, the Thirtieth Judicial District, the Gibson County Sheriff's Department, and the West Tennessee Judicial Violent Crime and Drug Task Force (WTJDTF). The purpose of the entity is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities and highway criminal interdiction. Funds for the operations of the entity come primarily from federal grants, fines, and the forfeiture of assets to the entity. Crockett County made no contributions to the WTJDTF for the year ended June 30, 2015.

Crockett County does not have an equity interest in the above-noted joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following addresses:

Administrative Offices:

Office of District Attorney General
Twenty-eighth Judicial District
P.O. Box 145
Trenton, TN 38382

F. Retirement Commitments

Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Crockett County and non-certified employees of the discretely presented Crockett County School Department 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 54.71 percent and the non-certified employees of the discretely present School Department comprise 45.29 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	89
Inactive Employees Entitled to But Not Yet Receiving Benefits	103
Active Employees	<u>170</u>
 Total	 <u><u>362</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 five percent of salary. Crockett 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 Crockett County were \$336,556 based on a rate of 6.51 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Crockett 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)

Crockett 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 Crockett 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	\$ 13,702,692	\$ 12,607,989	\$ 1,094,703
Changes for the Year:			
Service Cost	\$ 337,380	\$ 0	\$ 337,380
Interest	1,029,449	0	1,029,449
Differences Between Expected and Actual Experience	(455,016)	0	(455,016)
Contributions-Employer	0	352,898	(352,898)
Contributions-Employees	0	269,913	(269,913)
Net Investment Income	0	2,092,345	(2,092,345)
Benefit Payments, Including Refunds of Employee Contributions	(628,188)	(628,188)	0
Administrative Expense	0	(6,843)	6,843
Net Changes	<u>\$ 283,625</u>	<u>\$ 2,080,125</u>	<u>\$ (1,796,500)</u>
Balance, June 30, 2014	<u>\$ 13,986,317</u>	<u>\$ 14,688,114</u>	<u>\$ (701,797)</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	54.71%	\$ 7,651,914	\$ 8,035,867	\$ (383,953)
School Department	45.29%	<u>6,334,403</u>	<u>6,652,247</u>	<u>(317,844)</u>
Total		<u>\$ 13,986,317</u>	<u>\$ 14,688,114</u>	<u>\$ (701,797)</u>

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

Crockett County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 1,068,533	\$ (701,797)	\$ (2,175,924)

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

Pension Income. For the year ended June 30, 2015, Crockett County recognized pension income of \$146,659.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, Crockett 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	\$ 379,180
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	917,763
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	336,556	N/A
Total	\$ 336,556	\$ 1,296,943

(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	\$ 226,065	\$ 709,558
School Department	110,491	587,385
Total	<u>\$ 336,556</u>	<u>\$ 1,296,943</u>

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 <u>June 30</u>	<u>Amount</u>
2016	\$ (305,277)
2017	(305,277)
2018	(305,277)
2019	(305,277)
2020	(75,835)
Thereafter	0

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

Discretely Presented Crockett County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Crockett County and non-certified employees of the discretely presented Crockett County School Department 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 54.71 percent and the non-certified employees of the discretely present School Department comprise 45.29 percent of the plan based on census data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Crockett 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 \$13,630, 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 Crockett 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 ended June 30, 2015, the Crockett County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 13,630	N/A

The Crockett County School Department’s employer contributions of \$13,630 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 Crockett 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 Crockett County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$642,009, 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 Crockett County School Department reported an asset of \$29,890 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 Crockett County School Department’s proportion of the net pension asset was based on the Crockett 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 June 30, 2014, measurement date, the Crockett County School Department’s proportion was .183961 percent. The proportion measured as of June 30, 2013, was .177186 percent.

Pension Income. For the year ended June 30, 2015, the Crockett County School Department recognized a pension income of \$9,709.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Crockett 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	\$ 72,573	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,462,974
Changes in Proportion and Differences Between LEAs Contributions and Proportionate Share of Contributions	95,565	0
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	642,009	N/A
Total	<u>\$ 810,147</u>	<u>\$ 2,462,974</u>

The Crockett County School Department's employer contributions of \$642,009 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 ended 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	\$ (587,721)
2017	(587,721)
2018	(587,721)
2019	(587,721)
2020	28,024
Thereafter	28,024

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	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 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 Crockett 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 Crockett County School Department's proportionate share of the net pension liability (asset) would be if it were 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	\$ 5,041,754	\$ (29,890)	\$ (4,288,666)

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

G. Other Postemployment Benefits (OPEB)

Plan Description

Crockett County and the Crockett County School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-207, *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. Retirees' contributions vary depending on the insurance options they select. During the year ended June 30, 2015, Crockett County and the School Department contributed \$4,920 and \$72,244, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 74,000	\$ 13,000
Interest on the NOPEBO	14,071	8,042
Adjustment to the ARC	(13,708)	(7,835)
Annual OPEB cost	\$ 74,363	\$ 13,207
Less: Amount of contribution	(72,244)	(4,920)
Increase/decrease in NOPEBO	\$ 2,119	\$ 8,287
Net OPEB obligation, 7-1-14	351,767	201,052
 Net OPEB obligation, 6-30-15	 \$ 353,886	 \$ 209,339

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Education Group	\$ 140,264	53%	\$ 365,455
6-30-14	"	72,376	119	351,767
6-30-15	"	74,363	97	353,886
6-30-13	Local Government Group	36,611	9	191,191
6-30-14	"	13,197	25	201,052
6-30-15	"	13,207	37	209,339

Funded Status and Funding Progress

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

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 641,000	\$ 78,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 641,000	\$ 78,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 5,790,850	\$ 2,188,017
UAAL as a % of covered payroll	11%	4%

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 Group and the Local Education Group plans, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of seven percent for fiscal year 2015. The trend 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.

H. Purchasing Laws

Office of County Mayor

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

Office of Road Supervisor

Purchasing procedures for the Highway Department are governed by provisions of Chapter 26, Private Acts of 1933, as amended, and the Uniform Road Law, Section 54-7-113, *TCA*. These statutes place purchasing responsibilities with the County Road Commission and require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the 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.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Crockett 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	\$ 337,380
Interest	1,029,449
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(455,016)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	<u>(628,188)</u>
Net Change in Total Pension Liability (Asset)	\$ 283,625
Total Pension Liability (Asset), Beginning	<u>13,702,692</u>
 Total Pension Liability (Asset), Ending (a)	 <u>\$ 13,986,317</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 352,898
Contributions - Employee	269,913
Net Investment Income	2,092,345
Benefit Payments, Including Refunds of Employee Contributions	(628,188)
Administrative Expense	<u>(6,843)</u>
Net Change in Plan Fiduciary Net Position	\$ 2,080,125
Plan Fiduciary Net Position, Beginning	<u>12,607,989</u>
 Plan Fiduciary Net Position, Ending (b)	 <u>\$ 14,688,114</u>
 Net Pension Liability (Asset), Ending (a - b)	 <u>\$ (701,797)</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 105.02%
Covered Employee Payroll	\$ 5,251,480
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	13.36%

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 E-2

Crockett 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	\$ 352,898	\$ 336,556
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(352,898)</u>	<u>(336,556)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 5,251,480	\$ 6,366,218
Contributions as a Percentage of Covered Employee Payroll	6.72%	5.29%

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 E-3

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 8,519
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(13,630)</u>
Contribution Deficiency (Excess)	<u>\$ (5,111)</u>
Covered Employee Payroll	\$ 340,750
Contributions as a Percentage of Covered Employee Payroll	4.00%

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

Exhibit E-4

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 641,175	\$ 642,009
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(641,175)</u>	<u>(642,009)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 7,220,425	\$ 7,286,725
Contributions as a Percentage of Covered Employee Payroll	8.88%	8.81%

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

Exhibit E-5

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

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.183961%
School Department's Proportionate Share of the Net Pension Asset	\$ 29,890
Covered Employee Payroll	\$ 7,220,425
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 E-6

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

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-10	\$ 0	\$ 619	\$ 619	0 %	\$ 1,856	33 %
"	7-1-11	0	266	266	0	2,065	13
"	7-1-13	0	78	78	0	2,188	4
<u>DISCRETELY PRESENTED CROCKETT COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-10	0	903	903	0	5,028	18
"	7-1-11	0	1,171	1,171	0	5,125	23
"	7-1-13	0	641	641	0	5,791	11

CROCKETT 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	Six Years
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 Crockett County’s convenience center operations.

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

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

Capital Projects Funds

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

General Capital Projects Fund – The General Capital Projects Fund is used to account for funds for the construction of an adult education technology center. This fund was closed during the 2014-15 year.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for grant funds to be used for the construction of an emergency management building addition.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for debt issued by Crockett County that is subsequently contributed to the discretely presented Crockett County School Department for the purchase of land.

Exhibit F-1

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

	Special Revenue Funds				Capital	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	Projects Fund Community Development/ Industrial Park	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 2,064	\$ 2,064	\$ 0	\$ 2,064
Equity in Pooled Cash and Investments	138,897	47,293	0	186,190	0	186,190
Due from Other Governments	37,871	0	0	37,871	36,413	74,284
Total Assets	\$ 176,768	\$ 47,293	\$ 2,064	\$ 226,125	\$ 36,413	\$ 262,538
<u>LIABILITIES</u>						
Contracts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,225	\$ 6,225
Retainage Payable	0	0	0	0	30,188	30,188
Due to Other Funds	0	0	2,064	2,064	0	2,064
Total Liabilities	\$ 0	\$ 0	\$ 2,064	\$ 2,064	\$ 36,413	\$ 38,477
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Other Deferred/Unavailable Revenue	\$ 20,017	\$ 0	\$ 0	\$ 20,017	\$ 0	\$ 20,017
Total Deferred Inflows of Resources	\$ 20,017	\$ 0	\$ 0	\$ 20,017	\$ 0	\$ 20,017
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 47,293	\$ 0	\$ 47,293	\$ 0	\$ 47,293
Committed:						
Committed for Public Health and Welfare	156,751	0	0	156,751	0	156,751
Total Fund Balances	\$ 156,751	\$ 47,293	\$ 0	\$ 204,044	\$ 0	\$ 204,044
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 176,768	\$ 47,293	\$ 2,064	\$ 226,125	\$ 36,413	\$ 262,538

Exhibit F-2

Crockett 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			Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Total	General Capital Projects	Community Development/ Industrial Park
<u>Revenues</u>					
Local Taxes	\$ 291,480	\$ 0	\$ 291,480	\$ 0	\$ 0
Fines, Forfeitures, and Penalties	0	15,709	15,709	0	0
Charges for Current Services	12,560	0	12,560	0	0
State of Tennessee	23,610	0	23,610	0	0
Federal Government	0	0	0	0	504,562
Total Revenues	\$ 327,650	\$ 15,709	\$ 343,359	\$ 0	\$ 504,562
<u>Expenditures</u>					
Current:					
Public Safety	\$ 0	\$ 2,964	\$ 2,964	\$ 0	\$ 0
Public Health and Welfare	298,729	0	298,729	0	0
Capital Projects	0	0	0	0	498,398
Total Expenditures	\$ 298,729	\$ 2,964	\$ 301,693	\$ 0	\$ 498,398
Excess (Deficiency) of Revenues Over Expenditures	\$ 28,921	\$ 12,745	\$ 41,666	\$ 0	\$ 6,164
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers Out	0	0	0	(248)	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ (248)	\$ 0
Net Change in Fund Balances	\$ 28,921	\$ 12,745	\$ 41,666	\$ (248)	\$ 6,164
Fund Balance, July 1, 2014	127,830	34,548	162,378	248	(6,164)
Fund Balance, June 30, 2015	\$ 156,751	\$ 47,293	\$ 204,044	\$ 0	\$ 0

(Continued)

Exhibit F-2

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

	Capital Projects Funds (Cont.)		Total Nonmajor Governmental Funds
	Education Capital Projects	Total	
<u>Revenues</u>			
Local Taxes	\$ 0	\$ 0	\$ 291,480
Fines, Forfeitures, and Penalties	0	0	15,709
Charges for Current Services	0	0	12,560
State of Tennessee	0	0	23,610
Federal Government	0	504,562	504,562
Total Revenues	<u>\$ 0</u>	<u>\$ 504,562</u>	<u>\$ 847,921</u>
<u>Expenditures</u>			
Current:			
Public Safety	\$ 0	\$ 0	\$ 2,964
Public Health and Welfare	0	0	298,729
Capital Projects	105,000	603,398	603,398
Total Expenditures	<u>\$ 105,000</u>	<u>\$ 603,398</u>	<u>\$ 905,091</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (105,000)</u>	<u>\$ (98,836)</u>	<u>\$ (57,170)</u>
<u>Other Financing Sources (Uses)</u>			
Notes Issued	\$ 105,000	\$ 105,000	\$ 105,000
Transfers Out	0	(248)	(248)
Total Other Financing Sources (Uses)	<u>\$ 105,000</u>	<u>\$ 104,752</u>	<u>\$ 104,752</u>
Net Change in Fund Balances	\$ 0	\$ 5,916	\$ 47,582
Fund Balance, July 1, 2014	0	(5,916)	156,462
Fund Balance, June 30, 2015	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 204,044</u>

Exhibit F-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 291,480	\$ 228,400	\$ 228,400	\$ 63,080
Charges for Current Services	12,560	12,000	12,000	560
State of Tennessee	23,610	50,150	50,150	(26,540)
Total Revenues	<u>\$ 327,650</u>	<u>\$ 290,550</u>	<u>\$ 290,550</u>	<u>\$ 37,100</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 298,729	\$ 316,213	\$ 316,213	\$ 17,484
Total Expenditures	<u>\$ 298,729</u>	<u>\$ 316,213</u>	<u>\$ 316,213</u>	<u>\$ 17,484</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 28,921</u>	<u>\$ (25,663)</u>	<u>\$ (25,663)</u>	<u>\$ 54,584</u>
Net Change in Fund Balance	\$ 28,921	\$ (25,663)	\$ (25,663)	\$ 54,584
Fund Balance, July 1, 2014	<u>127,830</u>	<u>116,444</u>	<u>116,444</u>	<u>11,386</u>
Fund Balance, June 30, 2015	<u><u>\$ 156,751</u></u>	<u><u>\$ 90,781</u></u>	<u><u>\$ 90,781</u></u>	<u><u>\$ 65,970</u></u>

Exhibit F-4

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 15,709	\$ 14,358	\$ 14,358	\$ 1,351
Total Revenues	\$ 15,709	\$ 14,358	\$ 14,358	\$ 1,351
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 2,964	\$ 16,150	\$ 16,150	\$ 13,186
Total Expenditures	\$ 2,964	\$ 16,150	\$ 16,150	\$ 13,186
Excess (Deficiency) of Revenues Over Expenditures	\$ 12,745	\$ (1,792)	\$ (1,792)	\$ 14,537
Net Change in Fund Balance	\$ 12,745	\$ (1,792)	\$ (1,792)	\$ 14,537
Fund Balance, July 1, 2014	34,548	34,479	34,479	69
Fund Balance, June 30, 2015	\$ 47,293	\$ 32,687	\$ 32,687	\$ 14,606

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Crockett 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	\$ 1,370,363	\$ 1,338,202	\$ 1,338,202	\$ 32,161
Other Local Revenues	92,091	89,000	89,000	3,091
Other Governments and Citizens Groups	487,512	264,883	414,883	72,629
Total Revenues	<u>\$ 1,949,966</u>	<u>\$ 1,692,085</u>	<u>\$ 1,842,085</u>	<u>\$ 107,881</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 263,412	\$ 216,183	\$ 263,414	\$ 2
Education	1,061,152	1,110,004	1,061,152	0
<u>Interest on Debt</u>				
General Government	34,703	24,087	37,663	2,960
Education	382,265	394,138	382,272	7
<u>Other Debt Service</u>				
General Government	18,829	18,030	18,912	83
Education	1,311	60	1,317	6
Total Expenditures	<u>\$ 1,761,672</u>	<u>\$ 1,762,502</u>	<u>\$ 1,764,730</u>	<u>\$ 3,058</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 188,294</u>	<u>\$ (70,417)</u>	<u>\$ 77,355</u>	<u>\$ 110,939</u>
Net Change in Fund Balance	\$ 188,294	\$ (70,417)	\$ 77,355	\$ 110,939
Fund Balance, July 1, 2014	<u>1,478,064</u>	<u>1,478,111</u>	<u>1,478,111</u>	<u>(47)</u>
Fund Balance, June 30, 2015	<u>\$ 1,666,358</u>	<u>\$ 1,407,694</u>	<u>\$ 1,555,466</u>	<u>\$ 110,892</u>

Exhibit H-1

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

	Agency Funds				Total
	Cities - Sales Tax	City School ADA - Alamo	City School ADA - Bells	Constitu- tional Officers - Agency	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 506,750	\$ 506,750
Equity in Pooled Cash and Investments	0	1,582	1,034	0	2,616
Accounts Receivable	0	0	0	3,448	3,448
Due from Other Governments	78,367	21,788	14,219	0	114,374
Property Taxes Receivable	0	322,985	210,967	0	533,952
Allowance for Uncollectible Property Taxes	0	(15,844)	(10,349)	0	(26,193)
Total Assets	<u>\$ 78,367</u>	<u>\$ 330,511</u>	<u>\$ 215,871</u>	<u>\$ 510,198</u>	<u>\$ 1,134,947</u>
<u>LIABILITIES</u>					
Due to Other Taxing Units	\$ 78,367	\$ 330,511	\$ 215,871	\$ 0	\$ 624,749
Due to Litigants, Heirs, and Others	0	0	0	510,198	510,198
Total Liabilities	<u>\$ 78,367</u>	<u>\$ 330,511</u>	<u>\$ 215,871</u>	<u>\$ 510,198</u>	<u>\$ 1,134,947</u>

Exhibit H-2

Crockett 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
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 438,573	\$ 438,573	\$ 0
Due from Other Governments	78,371	78,367	78,371	78,367
Total Assets	\$ 78,371	\$ 516,940	\$ 516,944	\$ 78,367
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 78,371	\$ 516,940	\$ 516,944	\$ 78,367
Total Liabilities	\$ 78,371	\$ 516,940	\$ 516,944	\$ 78,367
<u>City School ADA - Alamo Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 1,258	\$ 435,794	\$ 435,470	\$ 1,582
Due from Other Governments	21,201	21,788	21,201	21,788
Taxes Receivable	324,756	322,985	324,756	322,985
Allowance for Uncollectible Property Taxes	(15,296)	(15,844)	(15,296)	(15,844)
Total Assets	\$ 331,919	\$ 764,723	\$ 766,131	\$ 330,511
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 331,919	\$ 764,723	\$ 766,131	\$ 330,511
Total Liabilities	\$ 331,919	\$ 764,723	\$ 766,131	\$ 330,511
<u>City School ADA - Bells Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 835	\$ 284,639	\$ 284,440	\$ 1,034
Due from Other Governments	14,073	14,219	14,073	14,219
Taxes Receivable	215,566	210,967	215,566	210,967
Allowance for Uncollectible Property Taxes	(10,153)	(10,349)	(10,153)	(10,349)
Total Assets	\$ 220,321	\$ 499,476	\$ 503,926	\$ 215,871
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 220,321	\$ 499,476	\$ 503,926	\$ 215,871
Total Liabilities	\$ 220,321	\$ 499,476	\$ 503,926	\$ 215,871

(Continued)

Exhibit H-2

Crockett County, TennesseeCombining Statement of Changes in Assets and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 488,755	\$ 3,366,223	\$ 3,348,228	\$ 506,750
Accounts Receivable	4,303	3,448	4,303	3,448
Cash Shortage	598	0	598	0
Total Assets	<u>\$ 493,656</u>	<u>\$ 3,369,671</u>	<u>\$ 3,353,129</u>	<u>\$ 510,198</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	<u>\$ 493,656</u>	<u>\$ 3,369,671</u>	<u>\$ 3,353,129</u>	<u>\$ 510,198</u>
Total Liabilities	<u>\$ 493,656</u>	<u>\$ 3,369,671</u>	<u>\$ 3,353,129</u>	<u>\$ 510,198</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 488,755	\$ 3,366,223	\$ 3,348,228	\$ 506,750
Equity in Pooled Cash and Investments	2,093	1,159,006	1,158,483	2,616
Accounts Receivable	4,303	3,448	4,303	3,448
Due from Other Governments	113,645	114,374	113,645	114,374
Property Taxes Receivable	540,322	533,952	540,322	533,952
Allowance for Uncollectible Property Taxes	(25,449)	(26,193)	(25,449)	(26,193)
Cash Shortage	598	0	598	0
Total Assets	<u>\$ 1,124,267</u>	<u>\$ 5,150,810</u>	<u>\$ 5,140,130</u>	<u>\$ 1,134,947</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 630,611	\$ 1,781,139	\$ 1,787,001	\$ 624,749
Due to Litigants, Heirs, and Others	<u>493,656</u>	<u>3,369,671</u>	<u>3,353,129</u>	<u>510,198</u>
Total Liabilities	<u>\$ 1,124,267</u>	<u>\$ 5,150,810</u>	<u>\$ 5,140,130</u>	<u>\$ 1,134,947</u>

Fiduciary Funds

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

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

City School ADA - Alamo Fund and City School ADA - Bells Fund – These two funds are used to account for the city school systems' shares of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school systems on a monthly basis.

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.

Crockett County School Department

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

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

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

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

School Transportation Fund – The School Transportation Fund is used to account for a local tax levy to fund the transportation of all students in the county.

Exhibit I-1

Crockett County, Tennessee
Statement of Activities
Discretely Presented Crockett 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	\$ 8,995,383	\$ 0	\$ 1,230,429	\$ 105,000	\$ (7,659,954)
Support Services	4,974,955	31,737	330,482	0	(4,612,736)
Operation of Non-instructional Services	1,659,725	218,968	1,316,055	0	(124,702)
Total Governmental Activities	\$ 15,630,063	\$ 250,705	\$ 2,876,966	\$ 105,000	\$ (12,397,392)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 1,346,011
Local Option Sales Taxes					390,589
Wheel Tax					168,072
Other Local Taxes					1,828
Grants and Contributions Not Restricted to Specific Programs					11,009,066
Unrestricted Investment Income					5,503
Miscellaneous					40,823
Pension Income					76,131
Total General Revenues					\$ 13,038,023
Change in Net Position					\$ 640,631
Net Position, July 1, 2014					14,807,201
Restatement - Pension Liability (see Note I.D.8)					(2,610,618)
Net Position, June 30, 2015					\$ 12,837,214

Exhibit I-2

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General</u>	<u>School</u>	<u>Funds</u>	
			<u>Other</u>	
<u>Purpose</u>	<u>Transpor -</u>	<u>Govern-</u>	<u>Governmental</u>	
	<u>School</u>	<u>tation</u>	<u>Funds</u>	<u>Funds</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 392,104	\$ 8,841	\$ 51,101	\$ 452,046
Accounts Receivable	5,894	0	0	5,894
Due from Other Governments	750,784	0	71,593	822,377
Due from Other Funds	13,634	0	0	13,634
Due from Primary Government	2,016	0	0	2,016
Property Taxes Receivable	1,166,854	256,285	0	1,423,139
Allowance for Uncollectible Property Taxes	(57,240)	(12,572)	0	(69,812)
Cash Shortage	5,923	0	0	5,923
Total Assets	<u>\$ 2,279,969</u>	<u>\$ 252,554</u>	<u>\$ 122,694</u>	<u>\$ 2,655,217</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 12,901	\$ 0	\$ 0	\$ 12,901
Due to Other Funds	0	0	13,634	13,634
Total Liabilities	<u>\$ 12,901</u>	<u>\$ 0</u>	<u>\$ 13,634</u>	<u>\$ 26,535</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 1,071,287	\$ 235,295	\$ 0	\$ 1,306,582
Deferred Delinquent Property Taxes	36,510	8,019	0	44,529
Other Deferred/Unavailable Revenue	38,150	0	0	38,150
Total Deferred Inflows of Resources	<u>\$ 1,145,947</u>	<u>\$ 243,314</u>	<u>\$ 0</u>	<u>\$ 1,389,261</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 10,438	\$ 0	\$ 2,238	\$ 12,676
Restricted for Support Services	0	9,240	0	9,240
Restricted for Operation of Non-instructional Services	0	0	86,822	86,822
Assigned:				
Assigned for Education	0	0	20,000	20,000
Unassigned	1,110,683	0	0	1,110,683
Total Fund Balances	<u>\$ 1,121,121</u>	<u>\$ 9,240</u>	<u>\$ 109,060</u>	<u>\$ 1,239,421</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,279,969</u>	<u>\$ 252,554</u>	<u>\$ 122,694</u>	<u>\$ 2,655,217</u>

Exhibit I-3

Crockett County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Crockett 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 I-2)		\$	1,239,421
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	935,805	
Add: construction in progress		25,972	
Add: buildings and improvements net of accumulated depreciation		12,005,340	
Add: infrastructure net of accumulated depreciation		191,712	
Add: other capital assets net of accumulated depreciation		<u>478,528</u>	13,637,357
(2) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension assets - agent plan	\$	317,844	
Add: net pension assets - cost-sharing plan		<u>29,890</u>	347,734
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			82,679
(4) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other postemployment benefits liability			(353,886)
(5) 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	\$	934,268	
Less: deferred outflows of resources related to pensions		<u>(3,050,359)</u>	<u>(2,116,091)</u>
Net position of governmental activities (Exhibit A)			<u>\$ 12,837,214</u>

Exhibit I-4

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	School Transpor - tation	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 1,573,424	\$ 335,080	\$ 0	\$ 1,908,504
Licenses and Permits	815	0	0	815
Charges for Current Services	31,737	0	218,968	250,705
Other Local Revenues	105,776	0	2,776	108,552
State of Tennessee	11,630,491	0	9,592	11,640,083
Federal Government	45,039	0	1,983,630	2,028,669
Other Governments and Citizens Groups	259,183	0	0	259,183
Total Revenues	<u>\$ 13,646,465</u>	<u>\$ 335,080</u>	<u>\$ 2,214,966</u>	<u>\$ 16,196,511</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 7,953,227	\$ 0	\$ 795,656	\$ 8,748,883
Support Services	5,188,782	5,745	90,697	5,285,224
Operation of Non-instructional Services	439,024	0	1,271,673	1,710,697
Capital Outlay	32,930	0	0	32,930
Debt Service:				
Other Debt Service	350,004	0	0	350,004
Total Expenditures	<u>\$ 13,963,967</u>	<u>\$ 5,745</u>	<u>\$ 2,158,026</u>	<u>\$ 16,127,738</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (317,502)</u>	<u>\$ 329,335</u>	<u>\$ 56,940</u>	<u>\$ 68,773</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 44,735	\$ 0	\$ 0	\$ 44,735
Transfers In	328,762	0	0	328,762
Transfers Out	0	(328,762)	0	(328,762)
Total Other Financing Sources (Uses)	<u>\$ 373,497</u>	<u>\$ (328,762)</u>	<u>\$ 0</u>	<u>\$ 44,735</u>
Net Change in Fund Balances	\$ 55,995	\$ 573	\$ 56,940	\$ 113,508
Fund Balance, July 1, 2014	<u>1,065,126</u>	<u>8,667</u>	<u>52,120</u>	<u>1,125,913</u>
Fund Balance, June 30, 2015	<u>\$ 1,121,121</u>	<u>\$ 9,240</u>	<u>\$ 109,060</u>	<u>\$ 1,239,421</u>

Exhibit I-5

Crockett County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Crockett 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 I-4)		\$ 113,508
<p>(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:</p>		
Add: capital assets purchased in the current period	\$ 257,979	
Less: current-year depreciation expense	<u>(569,050)</u>	(311,071)
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property tax and other deferred June 30, 2015	\$ 82,679	
Less: deferred delinquent property tax and other deferred June 30, 2014	<u>(84,627)</u>	(1,948)
<p>(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in other postemployment benefits liability	\$ (2,119)	
Change in net pension liability/asset - agent plan	653,807	
Change in net pension liability/asset - cost-sharing plan	2,304,545	
Change in deferred outflows related to pensions	934,268	
Change in deferred inflows related to pensions	<u>(3,050,359)</u>	<u>840,142</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 640,631</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 21,632	\$ 29,469	\$ 51,101
Due from Other Governments	14,240	57,353	71,593
Total Assets	<u>\$ 35,872</u>	<u>\$ 86,822</u>	<u>\$ 122,694</u>
<u>LIABILITIES</u>			
Due to Other Funds	\$ 13,634	\$ 0	\$ 13,634
Total Liabilities	<u>\$ 13,634</u>	<u>\$ 0</u>	<u>\$ 13,634</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 2,238	\$ 0	\$ 2,238
Restricted for Operation of Non-instructional Services	0	86,822	86,822
Assigned:			
Assigned for Education	20,000	0	20,000
Total Fund Balances	<u>\$ 22,238</u>	<u>\$ 86,822</u>	<u>\$ 109,060</u>
Total Liabilities and Fund Balances	<u>\$ 35,872</u>	<u>\$ 86,822</u>	<u>\$ 122,694</u>

Exhibit I-7

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

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 218,968	\$ 218,968
Other Local Revenues	0	2,776	2,776
State of Tennessee	0	9,592	9,592
Federal Government	886,784	1,096,846	1,983,630
Total Revenues	<u>\$ 886,784</u>	<u>\$ 1,328,182</u>	<u>\$ 2,214,966</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 795,656	\$ 0	\$ 795,656
Support Services	90,697	0	90,697
Operation of Non-instructional Services	0	1,271,673	1,271,673
Total Expenditures	<u>\$ 886,353</u>	<u>\$ 1,271,673</u>	<u>\$ 2,158,026</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ 431</u>	<u>\$ 56,509</u>	<u>\$ 56,940</u>
Net Change in Fund Balances	\$ 431	\$ 56,509	\$ 56,940
Fund Balance, July 1, 2014	21,807	30,313	52,120
Fund Balance, June 30, 2015	<u>\$ 22,238</u>	<u>\$ 86,822</u>	<u>\$ 109,060</u>

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,573,424	\$ 1,535,737	\$ 1,536,237	\$ 37,187
Licenses and Permits	815	700	700	115
Charges for Current Services	31,737	32,050	32,050	(313)
Other Local Revenues	105,776	162,900	162,900	(57,124)
State of Tennessee	11,630,491	11,320,920	11,359,578	270,913
Federal Government	45,039	40,000	40,000	5,039
Other Governments and Citizens Groups	259,183	108,000	226,494	32,689
Total Revenues	<u>\$ 13,646,465</u>	<u>\$ 13,200,307</u>	<u>\$ 13,357,959</u>	<u>\$ 288,506</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 6,354,174	\$ 6,409,286	\$ 6,394,284	\$ 40,110
Alternative Instruction Program	155,970	159,855	159,855	3,885
Special Education Program	590,856	583,730	593,276	2,420
Vocational Education Program	845,181	822,567	845,381	200
Adult Education Program	7,046	12,112	12,112	5,066
<u>Support Services</u>				
Attendance	42,763	51,240	51,099	8,336
Health Services	157,753	157,147	158,725	972
Other Student Support	430,560	453,805	447,279	16,719
Regular Instruction Program	517,606	430,045	535,044	17,438
Special Education Program	127,730	141,730	132,184	4,454
Other Programs	39,158	0	39,158	0
Board of Education	295,491	284,242	293,517	(1,974)
Director of Schools	225,570	217,640	225,570	0
Office of the Principal	1,039,922	1,042,050	1,042,050	2,128
Fiscal Services	153,402	159,470	159,610	6,208
Operation of Plant	999,772	1,041,557	1,011,557	11,785
Maintenance of Plant	459,969	448,990	468,921	8,952
Transportation	699,086	757,679	757,678	58,592
<u>Operation of Non-instructional Services</u>				
Community Services	229,408	380,985	384,478	155,070
Early Childhood Education	209,616	214,727	214,727	5,111
<u>Capital Outlay</u>				
Regular Capital Outlay	32,930	40,000	40,000	7,070
<u>Principal on Debt</u>				
Education	0	150,000	0	0
<u>Other Debt Service</u>				
Education	350,004	201,000	351,000	996
Total Expenditures	<u>\$ 13,963,967</u>	<u>\$ 14,159,857</u>	<u>\$ 14,317,505</u>	<u>\$ 353,538</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (317,502)</u>	<u>\$ (959,550)</u>	<u>\$ (959,546)</u>	<u>\$ 642,044</u>

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 44,735	\$ 5,000	\$ 5,000	\$ 39,735
Transfers In	328,762	326,378	326,378	2,384
Total Other Financing Sources	<u>\$ 373,497</u>	<u>\$ 331,378</u>	<u>\$ 331,378</u>	<u>\$ 42,119</u>
Net Change in Fund Balance	\$ 55,995	\$ (628,172)	\$ (628,168)	\$ 684,163
Fund Balance, July 1, 2014	<u>1,065,126</u>	<u>1,085,456</u>	<u>1,085,456</u>	<u>(20,330)</u>
Fund Balance, June 30, 2015	<u>\$ 1,121,121</u>	<u>\$ 457,284</u>	<u>\$ 457,288</u>	<u>\$ 663,833</u>

Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 886,784	\$ 990,124	\$ 990,124	\$ (103,340)
Total Revenues	\$ 886,784	\$ 990,124	\$ 990,124	\$ (103,340)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 462,046	\$ 478,790	\$ 478,790	\$ 16,744
Special Education Program	305,044	363,624	363,624	58,580
Vocational Education Program	28,566	24,640	28,566	0
<u>Support Services</u>				
Other Student Support	10,769	17,489	15,075	4,306
Regular Instruction Program	53,845	60,639	60,639	6,794
Special Education Program	13,240	26,261	26,261	13,021
Vocational Education Program	469	1,981	469	0
Transportation	12,374	16,700	16,700	4,326
Total Expenditures	\$ 886,353	\$ 990,124	\$ 990,124	\$ 103,771
Excess (Deficiency) of Revenues Over Expenditures	\$ 431	\$ 0	\$ 0	\$ 431
Net Change in Fund Balance	\$ 431	\$ 0	\$ 0	\$ 431
Fund Balance, July 1, 2014	21,807	0	0	21,807
Fund Balance, June 30, 2015	\$ 22,238	\$ 0	\$ 0	\$ 22,238

Exhibit I-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 218,968	\$ 248,061	\$ 219,094	\$ (126)
Other Local Revenues	2,776	2,626	2,755	21
State of Tennessee	9,592	9,580	9,592	0
Federal Government	1,096,846	961,862	1,064,863	31,983
Total Revenues	<u>\$ 1,328,182</u>	<u>\$ 1,222,129</u>	<u>\$ 1,296,304</u>	<u>\$ 31,878</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 1,271,673	\$ 1,188,623	\$ 1,276,098	\$ 4,425
Total Expenditures	<u>\$ 1,271,673</u>	<u>\$ 1,188,623</u>	<u>\$ 1,276,098</u>	<u>\$ 4,425</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 56,509</u>	<u>\$ 33,506</u>	<u>\$ 20,206</u>	<u>\$ 36,303</u>
Net Change in Fund Balance	\$ 56,509	\$ 33,506	\$ 20,206	\$ 36,303
Fund Balance, July 1, 2014	<u>30,313</u>	<u>44,452</u>	<u>44,452</u>	<u>(14,139)</u>
Fund Balance, June 30, 2015	<u>\$ 86,822</u>	<u>\$ 77,958</u>	<u>\$ 64,658</u>	<u>\$ 22,164</u>

Exhibit I-11

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Crockett County School Department
School Transportation Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 335,080	\$ 332,078	\$ 332,278	\$ 2,802
Total Revenues	\$ 335,080	\$ 332,078	\$ 332,278	\$ 2,802
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 5,745	\$ 5,700	\$ 5,900	\$ 155
Total Expenditures	\$ 5,745	\$ 5,700	\$ 5,900	\$ 155
Excess (Deficiency) of Revenues Over Expenditures	\$ 329,335	\$ 326,378	\$ 326,378	\$ 2,957
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (328,762)	\$ (326,378)	\$ (328,762)	\$ 0
Total Other Financing Sources	\$ (328,762)	\$ (326,378)	\$ (328,762)	\$ 0
Net Change in Fund Balance	\$ 573	\$ 0	\$ (2,384)	\$ 2,957
Fund Balance, July 1, 2014	8,667	9,073	9,073	(406)
Fund Balance, June 30, 2015	\$ 9,240	\$ 9,073	\$ 6,689	\$ 2,551

MISCELLANEOUS SCHEDULES

Exhibit J-1

Crockett County, Tennessee
Schedule of Changes in Long-term Notes, Other Loan, Capital Leases, 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
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Emergency Management Building	\$ 84,000	0 %	6-30-07	2-17-17	\$ 25,200	\$ 0	\$ 8,400	\$ 16,800
Adult Education Technology Center	1,100,000	0	5-27-10	4-1-20	802,067	0	137,508	664,559
Public Works Projects	260,000	2.95	11-20-12	6-1-24	237,500	0	22,500	215,000
School Land	105,000	2.83	12-5-14	12-5-24	0	105,000	0	105,000
County Building Renovations	172,000	2.63	5-26-15	6-1-25	0	172,000	0	172,000
Total Notes Payable					\$ 1,064,767	\$ 277,000	\$ 168,408	\$ 1,173,359
<u>OTHER LOAN PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Energy Efficient Schools Initiative	2,000,000	0	2-2-12	10-1-22	\$ 1,716,646	\$ 0	\$ 200,004	\$ 1,516,642
Total Other Loan Payable					\$ 1,716,646	\$ 0	\$ 200,004	\$ 1,516,642
<u>CAPITAL LEASES PAYABLE</u>								
<u>Payable through General Fund</u>								
Sheriff's Patrol Cars	75,269	6	10-24-12	10-24-14	\$ 25,061	\$ 0	\$ 25,061	\$ 0
Ambulance Service Vehicle	31,001	6.5	11-2-12	11-2-14	10,320	0	10,320	0
Sheriff's Department Vehicles	49,307	6.5	2-4-14	2-4-16	31,826	0	15,412	16,414
Sheriff's Department Vehicle	23,997	6.5	10-30-14	10-29-16	0	23,997	8,508	15,489
Total Capital Leases Payable					\$ 67,207	\$ 23,997	\$ 59,301	\$ 31,903
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Nursing Home	300,000	5	10-26-1977	1-1-17	\$ 46,743	\$ 0	\$ 14,092	\$ 32,651
Nursing Home	50,000	5	2-9-1979	1-1-19	12,643	0	2,060	10,583
General Obligation Refunding 2010 Series	11,235,000	2 to 4	5-20-10	4-1-25	10,470,000	0	170,000	10,300,000
General Obligation Refunding 2012 Series	3,850,000	2	3-1-12	4-1-17	2,425,000	0	770,000	1,655,000
Total Bonds Payable					\$ 12,954,386	\$ 0	\$ 956,152	\$ 11,998,234

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 195,156	\$ 13,900	\$ 209,056
2017	195,417	12,452	207,869
2018	187,287	11,058	198,345
2019	187,564	9,657	197,221
2020	166,908	8,249	175,157
2021	52,642	6,771	59,413
2022	52,943	5,285	58,228
2023	53,252	3,791	57,043
2024	53,571	2,288	55,859
2025	28,619	1,056	29,675
Total	<u>\$ 1,173,359</u>	<u>\$ 74,507</u>	<u>\$ 1,247,866</u>

Year Ending June 30	Other Loan Payable	
	Principal	Total
2016	\$ 200,004	\$ 200,004
2017	200,004	200,004
2018	200,004	200,004
2019	200,004	200,004
2020	200,004	200,004
2021	200,004	200,004
2022	200,004	200,004
2023	116,614	116,614
Total	<u>\$ 1,516,642</u>	<u>\$ 1,516,642</u>

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2016	\$ 23,915	\$ 2,074	\$ 25,989
2017	7,988	519	8,507
Total	<u>\$ 31,903</u>	<u>\$ 2,593</u>	<u>\$ 34,496</u>

(Continued)

Exhibit J-2

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
2016	\$ 973,673	\$ 387,680	\$ 1,361,353
2017	994,000	367,090	1,361,090
2018	1,082,701	345,139	1,427,840
2019	1,132,860	301,818	1,434,678
2020	1,190,000	267,775	1,457,775
2021	1,230,000	230,588	1,460,588
2022	1,275,000	190,613	1,465,613
2023	1,320,000	145,987	1,465,987
2024	1,370,000	99,787	1,469,787
2025	1,430,000	51,838	1,481,838
Total	<u>\$ 11,998,234</u>	<u>\$ 2,388,315</u>	<u>\$ 14,386,549</u>

Exhibit J-3

Crockett County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Crockett 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 Capital Projects	General	Close fund	<u>\$ 248</u>
Total Transfers Primary Government			<u><u>\$ 248</u></u>
<u>DISCRETELY PRESENTED CROCKETT COUNTY SCHOOL DEPARTMENT</u>			
School Transportation	General Purpose School	School transportation	<u>\$ 328,762</u>
Total Transfers Discretely Presented Crockett County School Department			<u><u>\$ 328,762</u></u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 73,738	\$ 50,000	Auto Owners Insurance Company
Road Supervisor	Section 8-24-102, <i>TCA</i>	70,228	100,000	"
Director of Schools	State Board of Education and and County Board of Education	114,526 (1)	50,000	"
Trustee	Section 8-24-102, <i>TCA</i>	63,843	590,321	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	63,843	50,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	63,843	25,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	63,843	25,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	63,843	30,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	63,843	15,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	70,228 (2)	25,000	"
Employee Bonds:				
General Fund Employees			150,000	Tennessee Risk Management Trust
Road Department Employees			150,000	"
School Department Employees			150,000	"

(1) Includes a performance bonus of \$6,504.

(2) Does not include a law enforcement training supplement of \$600.

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 3,326,396	\$ 0	\$ 0	\$ 0	\$ 392,554
Discount on Property Taxes	(29,322)	0	0	0	(3,452)
Trustee's Collections - Prior Year	131,261	0	0	0	15,137
Trustee's Collections - Bankruptcy	213	0	0	0	9
Circuit/Clerk and Master Collections - Prior Years	110,927	0	0	0	13,091
Interest and Penalty	22,268	0	0	0	2,628
Payments in-Lieu-of Taxes - T.V.A.	96	0	0	0	7
Payments in-Lieu-of Taxes - Other	2,376	0	0	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	176,895	0	0	615,004
Hotel/Motel Tax	7,160	0	0	0	0
Wheel Tax	0	0	0	392,199	312,534
Litigation Tax - General	62,551	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	22,851
Business Tax	84,169	0	0	0	0
Mixed Drink Tax	884	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	62,073	0	0	0	0
Wholesale Beer Tax	0	114,195	0	0	0
Interstate Telecommunications Tax	0	390	0	0	0
Total Local Taxes	\$ 3,781,052	\$ 291,480	\$ 0	\$ 392,199	\$ 1,370,363
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 1,783	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service
<u>Licenses and Permits (Cont.)</u>					
<u>Licenses (Cont.)</u>					
Animal Vaccination	\$ 1,580	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	7,419	0	0	0	0
<u>Permits</u>					
Beer Permits	760	0	0	0	0
Building Permits	31,325	0	0	0	0
Total Licenses and Permits	<u>\$ 42,867</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 2,446	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	3,544	0	0	0	0
Drug Control Fines	24	0	950	0	0
Drug Court Fees	2,600	0	0	0	0
Jail Fees	6,713	0	0	0	0
DUI Treatment Fines	522	0	0	0	0
Data Entry Fee - Circuit Court	398	0	0	0	0
Courtroom Security Fee	6	0	0	0	0
<u>General Sessions Court</u>					
Fines	14,686	0	0	0	0
Fines for Littering	33	0	0	0	0
Officers Costs	21,281	0	0	0	0
Game and Fish Fines	161	0	0	0	0
Drug Control Fines	3,281	0	2,692	0	0
Drug Court Fees	2,949	0	0	0	0
Jail Fees	2,945	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
DUI Treatment Fines	\$ 4,305	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - General Sessions Court	8,748	0	0	0	0
Courtroom Security Fee	144	0	0	0	0
<u>Juvenile Court</u>					
Fines	147	0	0	0	0
Officers Costs	529	0	0	0	0
Data Entry Fee - Juvenile Court	193	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	1,322	0	0	0	0
Data Entry Fee - Chancery Court	2,080	0	0	0	0
Courtroom Security Fee	440	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	8,275	0	12,067	0	0
Total Fines, Forfeitures, and Penalties	\$ 87,772	\$ 0	\$ 15,709	\$ 0	\$ 0
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Convenience Waste Centers Collection Charge	\$ 0	\$ 10,400	\$ 0	\$ 0	\$ 0
Surcharge - Waste Tire Disposal	0	2,160	0	0	0
Patient Charges	612,255	0	0	0	0
<u>Fees</u>					
Library Fees	5,197	0	0	0	0
Telephone Commissions	27,981	0	0	0	0
Data Processing Fee - Register	4,027	0	0	0	0
Data Processing Fee - Sheriff	1,640	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Sexual Offender Registration Fee - Sheriff	\$ 1,800	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - County Clerk	769	0	0	0	0
Total Charges for Current Services	\$ 653,669	\$ 12,560	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,355
Lease/Rentals	26,710	0	0	0	79,736
Sale of Materials and Supplies	0	0	0	14,415	0
Commissary Sales	4,069	0	0	0	0
Miscellaneous Refunds	29,546	0	0	10,755	0
<u>Nonrecurring Items</u>					
Sale of Property	197	0	0	0	0
Total Other Local Revenues	\$ 60,522	\$ 0	\$ 0	\$ 25,170	\$ 92,091
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$ 148,555	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	24,813	0	0	0	0
General Sessions Court Clerk	130,282	0	0	0	0
Clerk and Master	56,434	0	0	0	0
Juvenile Court Clerk	4,716	0	0	0	0
Register	47,672	0	0	0	0
Sheriff	7,866	0	0	0	0
Trustee	194,765	0	0	0	0
Total Fees Received from County Officials	\$ 615,103	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,804	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	201,037	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	7,800	0	0	0	0
Other Public Safety Grants	4,378	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	89,518	0	0	0	0
<u>Public Works Grants</u>					
Bridge Program	0	0	0	527,777	0
Litter Program	33,700	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	10,434	0	0	0	0
Alcoholic Beverage Tax	0	23,610	0	0	0
State Revenue Sharing - T.V.A.	314,407	0	0	0	0
Contracted Prisoner Boarding	318,200	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	1,400,982	0
Petroleum Special Tax	0	0	0	10,524	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Grants	68,972	0	0	0	0
Other State Revenues	16,635	0	0	0	0
Total State of Tennessee	\$ 1,090,049	\$ 23,610	\$ 0	\$ 1,939,283	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 245,249	\$ 0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Civil Defense Reimbursement	\$ 34,000	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	4,069	0	0	0	0
<u>Direct Federal Revenue</u>					
Other Direct Federal Revenue	1,600	0	0	0	0
Total Federal Government	<u>\$ 39,669</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 245,249</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 1,965	\$ 0	\$ 0	\$ 0	\$ 350,004
Contracted Services	1,910	0	0	7,785	0
<u>Citizens Groups</u>					
Donations	28,866	0	0	0	137,508
Total Other Governments and Citizens Groups	<u>\$ 32,741</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,785</u>	<u>\$ 487,512</u>
Total	<u>\$ 6,403,444</u>	<u>\$ 327,650</u>	<u>\$ 15,709</u>	<u>\$ 2,609,686</u>	<u>\$ 1,949,966</u>

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund Community Development/ Industrial Park</u>	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 0	\$ 3,718,950
Discount on Property Taxes	0	(32,774)
Trustee's Collections - Prior Year	0	146,398
Trustee's Collections - Bankruptcy	0	222
Circuit/Clerk and Master Collections - Prior Years	0	124,018
Interest and Penalty	0	24,896
Payments in-Lieu-of Taxes - T.V.A.	0	103
Payments in-Lieu-of Taxes - Other	0	2,376
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	791,899
Hotel/Motel Tax	0	7,160
Wheel Tax	0	704,733
Litigation Tax - General	0	62,551
Litigation Tax - Jail, Workhouse, or Courthouse	0	22,851
Business Tax	0	84,169
Mixed Drink Tax	0	884
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	62,073
Wholesale Beer Tax	0	114,195
Interstate Telecommunications Tax	0	390
Total Local Taxes	<u>\$ 0</u>	<u>\$ 5,835,094</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Animal Registration	\$ 0	\$ 1,783

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>		
	Community Development/ Industrial Park		Total
<u>Licenses and Permits (Cont.)</u>			
<u>Licenses (Cont.)</u>			
Animal Vaccination	\$	0	\$ 1,580
Cable TV Franchise		0	7,419
<u>Permits</u>			
Beer Permits		0	760
Building Permits		0	31,325
Total Licenses and Permits	<u>\$</u>	<u>0</u>	<u>\$ 42,867</u>
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$	0	\$ 2,446
Officers Costs		0	3,544
Drug Control Fines		0	974
Drug Court Fees		0	2,600
Jail Fees		0	6,713
DUI Treatment Fines		0	522
Data Entry Fee - Circuit Court		0	398
Courtroom Security Fee		0	6
<u>General Sessions Court</u>			
Fines		0	14,686
Fines for Littering		0	33
Officers Costs		0	21,281
Game and Fish Fines		0	161
Drug Control Fines		0	5,973
Drug Court Fees		0	2,949
Jail Fees		0	2,945

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>		
	Community Development/ Industrial Park		Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>General Sessions Court (Cont.)</u>			
DUI Treatment Fines	\$	0	\$ 4,305
Data Entry Fee - General Sessions Court		0	8,748
Courtroom Security Fee		0	144
<u>Juvenile Court</u>			
Fines		0	147
Officers Costs		0	529
Data Entry Fee - Juvenile Court		0	193
<u>Chancery Court</u>			
Officers Costs		0	1,322
Data Entry Fee - Chancery Court		0	2,080
Courtroom Security Fee		0	440
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property		0	20,342
Total Fines, Forfeitures, and Penalties	\$	0	\$ 103,481
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Convenience Waste Centers Collection Charge	\$	0	\$ 10,400
Surcharge - Waste Tire Disposal		0	2,160
Patient Charges		0	612,255
<u>Fees</u>			
Library Fees		0	5,197
Telephone Commissions		0	27,981
Data Processing Fee - Register		0	4,027
Data Processing Fee - Sheriff		0	1,640

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>		
	Community Development/ Industrial Park		Total
<u>Charges for Current Services (Cont.)</u>			
<u>Fees (Cont.)</u>			
Sexual Offender Registration Fee - Sheriff	\$	0	\$ 1,800
Data Processing Fee - County Clerk		0	769
Total Charges for Current Services	<u>\$</u>	<u>0</u>	<u>\$ 666,229</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$	0	\$ 12,355
Lease/Rentals		0	106,446
Sale of Materials and Supplies		0	14,415
Commissary Sales		0	4,069
Miscellaneous Refunds		0	40,301
<u>Nonrecurring Items</u>			
Sale of Property		0	197
Total Other Local Revenues	<u>\$</u>	<u>0</u>	<u>\$ 177,783</u>
<u>Fees Received from County Officials</u>			
<u>Fees in-Lieu-of Salary</u>			
County Clerk	\$	0	\$ 148,555
Circuit Court Clerk		0	24,813
General Sessions Court Clerk		0	130,282
Clerk and Master		0	56,434
Juvenile Court Clerk		0	4,716
Register		0	47,672
Sheriff		0	7,866
Trustee		0	194,765
Total Fees Received from County Officials	<u>\$</u>	<u>0</u>	<u>\$ 615,103</u>

(Continued)

Exhibit J-5

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

	<u>Capital</u> <u>Projects Fund</u>		
	Community		
	Development/		
	Industrial		
	Park		Total
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$	0	\$ 9,804
Aging Programs		0	201,037
<u>Public Safety Grants</u>			
Law Enforcement Training Programs		0	7,800
Other Public Safety Grants		0	4,378
<u>Health and Welfare Grants</u>			
Health Department Programs		0	89,518
<u>Public Works Grants</u>			
Bridge Program		0	527,777
Litter Program		0	33,700
<u>Other State Revenues</u>			
Income Tax		0	10,434
Alcoholic Beverage Tax		0	23,610
State Revenue Sharing - T.V.A.		0	314,407
Contracted Prisoner Boarding		0	318,200
Gasoline and Motor Fuel Tax		0	1,400,982
Petroleum Special Tax		0	10,524
Registrar's Salary Supplement		0	15,164
Other State Grants		0	68,972
Other State Revenues		0	16,635
Total State of Tennessee	\$	0	\$ 3,052,942
<u>Federal Government</u>			
<u>Federal Through State</u>			
Community Development	\$	504,562	\$ 749,811

(Continued)

Exhibit J-5

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>Federal Government (Cont.)</u>		
<u>Federal Through State (Cont.)</u>		
Civil Defense Reimbursement	\$ 0	\$ 34,000
Homeland Security Grants	0	4,069
<u>Direct Federal Revenue</u>		
Other Direct Federal Revenue	0	1,600
Total Federal Government	<u>\$ 504,562</u>	<u>\$ 789,480</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contributions	\$ 0	\$ 351,969
Contracted Services	0	9,695
<u>Citizens Groups</u>		
Donations	0	166,374
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 528,038</u>
Total	<u>\$ 504,562</u>	<u>\$ 11,811,017</u>

Exhibit J-6

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

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,034,748	\$ 0	\$ 0	\$ 227,276	\$ 1,262,024
Discount on Property Taxes	(9,119)	0	0	(2,006)	(11,125)
Trustee's Collections - Prior Year	39,925	0	0	8,764	48,689
Trustee's Collections - Bankruptcy	66	0	0	13	79
Circuit/Clerk and Master Collections - Prior Years	34,515	0	0	7,579	42,094
Interest and Penalty	6,929	0	0	1,522	8,451
Payments in-Lieu-of Taxes - T.V.A.	46	0	0	10	56
<u>County Local Option Taxes</u>					
Local Option Sales Tax	388,296	0	0	0	388,296
Wheel Tax	76,150	0	0	91,922	168,072
Mixed Drink Tax	607	0	0	0	607
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	1,261	0	0	0	1,261
Total Local Taxes	\$ 1,573,424	\$ 0	\$ 0	\$ 335,080	\$ 1,908,504
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 815	\$ 0	\$ 0	\$ 0	\$ 815
Total Licenses and Permits	\$ 815	\$ 0	\$ 0	\$ 0	\$ 815
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Children	\$ 0	\$ 0	\$ 90,978	\$ 0	\$ 90,978
Lunch Payments - Adults	0	0	17,803	0	17,803

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor- tation	
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
Income from Breakfast	\$ 0	\$ 0	\$ 3,223	\$ 0	\$ 3,223
A la carte Sales	0	0	79,849	0	79,849
Transportation - Other State Systems	10,616	0	0	0	10,616
Receipts from Individual Schools	21,121	0	0	0	21,121
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	27,115	0	27,115
Total Charges for Current Services	<u>\$ 31,737</u>	<u>\$ 0</u>	<u>\$ 218,968</u>	<u>\$ 0</u>	<u>\$ 250,705</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 5,336	\$ 0	\$ 167	\$ 0	\$ 5,503
Lease/Rentals	18,621	0	0	0	18,621
E-Rate Funding	56,493	0	2,609	0	59,102
Miscellaneous Refunds	22,202	0	0	0	22,202
<u>Nonrecurring Items</u>					
Contributions and Gifts	3,000	0	0	0	3,000
<u>Other Local Revenues</u>					
Other Local Revenues	124	0	0	0	124
Total Other Local Revenues	<u>\$ 105,776</u>	<u>\$ 0</u>	<u>\$ 2,776</u>	<u>\$ 0</u>	<u>\$ 108,552</u>
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 39,158	\$ 0	\$ 0	\$ 0	\$ 39,158

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds</u>					
Basic Education Program	\$ 10,801,012	\$ 0	\$ 0	\$ 0	\$ 10,801,012
Early Childhood Education	209,617	0	0	0	209,617
School Food Service	0	0	9,592	0	9,592
Driver Education	19,552	0	0	0	19,552
Other State Education Funds	259,786	0	0	0	259,786
Coordinated School Health	89,984	0	0	0	89,984
Internet Connectivity	5,566	0	0	0	5,566
Family Resource Centers	24,243	0	0	0	24,243
Career Ladder Program	39,958	0	0	0	39,958
Career Ladder - Extended Contract	20,095	0	0	0	20,095
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	50,000	0	0	0	50,000
Other State Grants	71,520	0	0	0	71,520
Total State of Tennessee	\$ 11,629,217	\$ 0	\$ 9,592	\$ 0	\$ 11,638,809
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 659,846	\$ 0	\$ 659,846
USDA - Commodities	0	0	54,213	0	54,213
Breakfast	0	0	372,919	0	372,919
USDA - Other	0	0	9,868	0	9,868
Vocational Education - Basic Grants to States	0	39,621	0	0	39,621
Title I Grants to Local Education Agencies	0	406,746	0	0	406,746
Special Education - Grants to States	33,883	307,376	0	0	341,259

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Special Education Preschool Grants	\$ 11,156	\$ 23,230	\$ 0	\$ 0	\$ 34,386
English Language Acquisition Grants	0	9,048	0	0	9,048
Rural Education	0	32,479	0	0	32,479
Eisenhower Professional Development State Grants	0	68,284	0	0	68,284
Total Federal Government	<u>\$ 45,039</u>	<u>\$ 886,784</u>	<u>\$ 1,096,846</u>	<u>\$ 0</u>	<u>\$ 2,028,669</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 105,000	\$ 0	\$ 0	\$ 0	\$ 105,000
<u>Other</u>					
Other	154,183	0	0	0	154,183
Total Other Governments and Citizens Groups	<u>\$ 259,183</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 259,183</u>
Total	<u>\$ 13,646,465</u>	<u>\$ 886,784</u>	<u>\$ 1,328,182</u>	<u>\$ 335,080</u>	<u>\$ 16,196,511</u>

Exhibit J-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	14,286	
Dues and Memberships		<u>1,300</u>	
Total County Commission			\$ 15,586

Board of Equalization

Board and Committee Members Fees	\$	<u>210</u>	
Total Board of Equalization			210

County Mayor/Executive

County Official/Administrative Officer	\$	73,738	
Accountants/Bookkeepers		37,648	
Secretary(ies)		21,371	
Longevity Pay		950	
Contracts with Private Agencies		7,530	
Dues and Memberships		2,190	
Postal Charges		1,055	
Travel		3,979	
Other Contracted Services		5,000	
Office Supplies		1,356	
Office Equipment		<u>4,630</u>	
Total County Mayor/Executive			159,447

County Attorney

County Official/Administrative Officer	\$	<u>475</u>	
Total County Attorney			475

Election Commission

County Official/Administrative Officer	\$	52,671	
Temporary Personnel		16,050	
Election Commission		2,200	
Election Workers		24,389	
Contracts with Private Agencies		17,953	
Data Processing Services		12,106	
Dues and Memberships		425	
Legal Notices, Recording, and Court Costs		5,032	
Postal Charges		1,029	
Printing, Stationery, and Forms		1,199	
Travel		2,115	
Office Supplies		3,123	
Other Supplies and Materials		71	
Office Equipment		1,667	
Other Equipment		<u>1,505</u>	
Total Election Commission			141,535

Register of Deeds

County Official/Administrative Officer	\$	63,843	
Deputy(ies)		25,080	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Longevity Pay	\$	500	
Data Processing Services		3,654	
Dues and Memberships		507	
Operating Lease Payments		665	
Postal Charges		245	
Printing, Stationery, and Forms		138	
Office Supplies		1,320	
Total Register of Deeds			\$ 95,952

County Buildings

Custodial Personnel	\$	4,339	
Maintenance Personnel		21,168	
Communication		45,117	
Maintenance and Repair Services - Buildings		88,711	
Maintenance and Repair Services - Equipment		6,703	
Maintenance and Repair Services - Vehicles		266	
Pest Control		4,327	
Custodial Supplies		11,633	
Electricity		25,013	
Gasoline		215	
Natural Gas		11,987	
Water and Sewer		7,483	
Building and Contents Insurance		25,396	
Building Improvements		78,542	
Total County Buildings			330,900

Finance

Accounting and Budgeting

Accounting Services	\$	568	
Audit Services		4,376	
Total Accounting and Budgeting			4,944

Property Assessor's Office

County Official/Administrative Officer	\$	63,843	
Deputy(ies)		43,973	
Part-time Personnel		474	
Longevity Pay		550	
Contracts with Private Agencies		13,061	
Data Processing Services		8,094	
Dues and Memberships		1,510	
Legal Notices, Recording, and Court Costs		140	
Postal Charges		343	
Travel		2,965	
Office Supplies		1,128	
Premiums on Corporate Surety Bonds		62	
Office Equipment		1,426	
Total Property Assessor's Office			137,569

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	63,843	
Deputy(ies)		58,023	
Longevity Pay		2,050	
Data Processing Services		5,325	
Dues and Memberships		607	
Maintenance Agreements		2,562	
Postal Charges		2,711	
Printing, Stationery, and Forms		342	
Travel		1,203	
Other Contracted Services		1,564	
Office Supplies		997	
Total County Trustee's Office			\$ 139,227

County Clerk's Office

County Official/Administrative Officer	\$	63,843	
Deputy(ies)		70,110	
Longevity Pay		1,350	
Dues and Memberships		407	
Postal Charges		3,385	
Printing, Stationery, and Forms		62	
Travel		756	
Other Contracted Services		12,547	
Office Supplies		2,390	
Office Equipment		1,364	
Other Equipment		1,670	
Total County Clerk's Office			157,884

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,843	
Deputy(ies)		107,537	
Longevity Pay		1,550	
Jury and Witness Expense		5,203	
Data Processing Services		10,238	
Dues and Memberships		572	
Postal Charges		1,984	
Printing, Stationery, and Forms		870	
Other Contracted Services		1,065	
Office Supplies		5,596	
Total Circuit Court			198,458

General Sessions Judge

Judge(s)	\$	89,465	
Dues and Memberships		415	
Travel		1,669	
Other Contracted Services		4,400	
Total General Sessions Judge			95,949

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court

Assistant(s)	\$	24,000	
Supervisor/Director		24,000	
Social Security		5,234	
Communication		2,667	
Travel		3,448	
Drug Treatment		1,562	
Other Contracted Services		5,000	
Office Supplies		2,849	
Office Equipment		1,427	
Total Drug Court			\$ 70,187

Chancery Court

County Official/Administrative Officer	\$	63,843	
Deputy(ies)		23,431	
Longevity Pay		350	
Dues and Memberships		472	
Maintenance Agreements		3,750	
Postal Charges		3,431	
Printing, Stationery, and Forms		81	
Other Contracted Services		1,408	
Office Supplies		385	
Total Chancery Court			97,151

Juvenile Court

Supervisor/Director	\$	30,774	
Probation Officer(s)		17,973	
Longevity Pay		1,350	
Communication		807	
Maintenance and Repair Services - Vehicles		1,641	
Travel		301	
Other Contracted Services		1,200	
Gasoline		2,572	
Office Supplies		128	
In Service/Staff Development		1,798	
Other Charges		2,432	
Office Equipment		1,212	
Total Juvenile Court			62,188

Other Administration of Justice

Other Salaries and Wages	\$	7,743	
In Service/Staff Development		350	
Other Charges		900	
Total Other Administration of Justice			8,993

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	70,228	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Assistant(s)	\$	41,248	
Deputy(ies)		456,545	
Data Processing Personnel		30,975	
Guards		23,059	
Secretary(ies)		26,267	
Longevity Pay		6,640	
Other Salaries and Wages		63,604	
In-service Training		7,800	
Communication		26,706	
Data Processing Services		11,195	
Dues and Memberships		2,046	
Evaluation and Testing		1,170	
Legal Notices, Recording, and Court Costs		128	
Maintenance and Repair Services - Vehicles		26,974	
Postal Charges		4,462	
Travel		8,813	
Gasoline		61,044	
Law Enforcement Supplies		8,847	
Office Supplies		13,101	
Tires and Tubes		6,022	
Uniforms		9,351	
Vehicle Parts		1,795	
Other Supplies and Materials		2,325	
In Service/Staff Development		6,135	
Other Charges		4,527	
Law Enforcement Equipment		11,551	
Maintenance Equipment		110	
Motor Vehicles		29,275	
Office Equipment		2,648	
Other Equipment		84	
Total Sheriff's Department			\$ 964,675

Jail

Assistant(s)	\$	30,959
Supervisor/Director		34,611
Dispatchers/Radio Operators		132,328
Guards		253,222
Part-time Personnel		26,147
Longevity Pay		5,400
Other Salaries and Wages		53,355
Contracts with Public Carriers		851
Data Processing Services		750
Evaluation and Testing		2,820
Medical and Dental Services		88,744
Travel		3,612
Custodial Supplies		14,979
Drugs and Medical Supplies		23,056

(Continued)

Exhibit J-7

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

<u>General Fund (Cont.)</u>		
<u>Public Safety (Cont.)</u>		
<u>Jail (Cont.)</u>		
Electricity	\$	36,874
Food Supplies		107,355
Natural Gas		11,811
Uniforms		12,729
Water and Sewer		10,429
Other Supplies and Materials		365
In Service/Staff Development		100
Other Charges		572
Data Processing Equipment		2,372
Other Equipment		196
Total Jail		<u>853,637</u>
	\$	
<u>Juvenile Services</u>		
Other Charges	\$	60
Total Juvenile Services		60
<u>Fire Prevention and Control</u>		
Medical Insurance	\$	4,856
Contributions		56,000
Total Fire Prevention and Control		60,856
<u>Civil Defense</u>		
Assistant(s)	\$	11,707
Supervisor/Director		17,642
Other Salaries and Wages		1,336
Communication		4,579
Dues and Memberships		100
Operating Lease Payments		1,110
Maintenance and Repair Services - Vehicles		523
Travel		482
Electricity		9,818
Gasoline		2,875
Office Supplies		190
Uniforms		994
Utilities		515
Other Supplies and Materials		1,333
Total Civil Defense		53,204
<u>Rescue Squad</u>		
Contributions	\$	10,000
Total Rescue Squad		10,000
<u>Other Emergency Management</u>		
Other Supplies and Materials	\$	5,999
Total Other Emergency Management		5,999

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	2,000	
Contracts with Government Agencies		7,800	
Transportation - Other than Students		1,575	
Total County Coroner/Medical Examiner			\$ 11,375

Other Public Safety

Other Salaries and Wages	\$	3,600	
Total Other Public Safety			3,600

Public Health and Welfare

Local Health Center

Data Processing Personnel	\$	22,260	
Social Workers		4,241	
Medical Personnel		25,605	
Secretary(ies)		941	
Clerical Personnel		17,141	
Custodial Personnel		9,999	
Longevity Pay		400	
Social Security		4,015	
Pensions		4,319	
Employee and Dependent Insurance		5,839	
Unemployment Compensation		306	
Employer Medicare		939	
Communication		3,633	
Travel		697	
Custodial Supplies		213	
Drugs and Medical Supplies		497	
Office Supplies		609	
Utilities		8,489	
Other Charges		550	
Total Local Health Center			110,693

Rabies and Animal Control

Supervisor/Director	\$	18,375	
Communication		589	
Travel		3,335	
Other Contracted Services		2,168	
Other Supplies and Materials		3,736	
Total Rabies and Animal Control			28,203

Ambulance/Emergency Medical Services

Assistant(s)	\$	40,302	
Supervisor/Director		43,902	
Medical Personnel		456,875	
Part-time Personnel		36,184	
Longevity Pay		7,600	
Other Salaries and Wages		108,486	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Communication	\$	6,916	
Contracts with Private Agencies		6,727	
Dues and Memberships		568	
Evaluation and Testing		427	
Licenses		2,300	
Maintenance and Repair Services - Vehicles		20,282	
Postal Charges		2,058	
Travel		1,935	
Diesel Fuel		38,908	
Drugs and Medical Supplies		42,842	
Office Supplies		3,518	
Uniforms		4,432	
Other Supplies and Materials		3,425	
In Service/Staff Development		1,585	
Office Equipment		2,738	
Other Equipment		6,478	
Total Ambulance/Emergency Medical Services			\$ 838,488

Maternal and Child Health Services

Contributions	\$	4,000	
Total Maternal and Child Health Services			4,000

Alcohol and Drug Programs

Contributions	\$	10,165	
Total Alcohol and Drug Programs			10,165

Crippled Children Services

Contributions	\$	1,650	
Total Crippled Children Services			1,650

Other Local Health Services

Other Salaries and Wages	\$	750	
Contributions		2,000	
Travel		50	
Other Supplies and Materials		14,408	
Total Other Local Health Services			17,208

Appropriation to State

Contracts with Government Agencies	\$	43,900	
Contracts with Other Public Agencies		6,000	
Contributions		2,000	
Total Appropriation to State			51,900

Other Local Welfare Services

Other Charges	\$	923	
Total Other Local Welfare Services			923

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup

Other Salaries and Wages	\$	10,815	
Legal Notices, Recording, and Court Costs		496	
Travel		1,960	
Other Contracted Services		678	
Instructional Supplies and Materials		1,833	
Other Supplies and Materials		17,261	
Other Charges		50	
Total Waste Pickup			\$ 33,093

Other Public Health and Welfare

Other Contracted Services	\$	300	
Other Supplies and Materials		1,336	
Total Other Public Health and Welfare			1,636

Social, Cultural, and Recreational Services

Adult Activities

Assistant(s)	\$	16,315	
Supervisor/Director		36,563	
Social Workers		21,507	
Medical Personnel		104,785	
Bus Drivers		19,136	
Clerical Personnel		15,340	
Educational Assistants		19,250	
Cafeteria Personnel		14,810	
Maintenance Personnel		8,991	
Temporary Personnel		1,274	
Part-time Personnel		8,968	
Longevity Pay		3,450	
Audit Services		1,375	
Communication		4,671	
Data Processing Services		1,389	
Dues and Memberships		50	
Engineering Services		13,574	
Licenses		2,110	
Maintenance and Repair Services - Buildings		3,099	
Maintenance and Repair Services - Vehicles		1,734	
Postal Charges		1,594	
Travel		1,686	
Other Contracted Services		9,712	
Custodial Supplies		1,565	
Food Supplies		1,931	
Gasoline		2,820	
Instructional Supplies and Materials		257	
Office Supplies		2,084	
Utilities		6,418	
Other Supplies and Materials		1,063	
Criminal Investigation of Applicants - TBI		168	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Adult Activities (Cont.)

Office Equipment	\$	2,411	
Other Equipment		28	
Total Adult Activities			\$ 330,128

Libraries

Librarians	\$	28,119	
Custodial Personnel		900	
Longevity Pay		500	
Other Salaries and Wages		40,328	
Communication		2,369	
Postal Charges		98	
Travel		47	
Data Processing Supplies		1,100	
Library Books/Media		33,198	
Office Supplies		4,540	
Utilities		7,541	
Other Charges		1,607	
Data Processing Equipment		827	
Office Equipment		1,534	
Total Libraries			122,708

Parks and Fair Boards

Contributions	\$	3,000	
Other Contracted Services		2,400	
Electricity		1,978	
Other Charges		800	
Total Parks and Fair Boards			8,178

Agriculture and Natural Resources

Agricultural Extension Service

County Official/Administrative Officer	\$	17,071	
Assistant(s)		14,112	
Supervisor/Director		11,456	
Clerical Personnel		9,291	
Communication		3,922	
Dues and Memberships		380	
Travel		1,500	
Office Supplies		655	
Maintenance Equipment		4,552	
Total Agricultural Extension Service			62,939

Soil Conservation

Supervisor/Director	\$	35,458	
Secretary(ies)		26,733	
Longevity Pay		4,100	
Other Salaries and Wages		29,828	
Other Charges		5,000	
Total Soil Conservation			101,119

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Flood Control

Dues and Memberships	\$ 10,717	
Total Flood Control		\$ 10,717

Other Operations

Veterans' Services

Supervisor/Director	\$ 12,196	
Contracts with Private Agencies	399	
Postal Charges	353	
Travel	1,064	
Office Supplies	691	
Other Charges	4,345	
Total Veterans' Services		19,048

Other Charges

Legal Services	\$ 10,091	
Liability Insurance	54,600	
Trustee's Commission	85,724	
Vehicle and Equipment Insurance	34,971	
Workers' Compensation Insurance	90,480	
Liability Claims	4,420	
Total Other Charges		280,286

Contributions to Other Agencies

Contributions	\$ 42,300	
Total Contributions to Other Agencies		42,300

Employee Benefits

Social Security	\$ 263,335	
Pensions	198,483	
Employee and Dependent Insurance	1,350	
Medical Insurance	191,991	
Unemployment Compensation	11,621	
Total Employee Benefits		666,780

Miscellaneous

Contracts with Government Agencies	\$ 2,312	
Evaluation and Testing	8,500	
Legal Notices, Recording, and Court Costs	2,952	
Pauper Burials	650	
Postal Charges	1,060	
Other Contracted Services	10,022	
Instructional Supplies and Materials	3,528	
Office Supplies	4,096	
Other Supplies and Materials	3,226	
Premiums on Corporate Surety Bonds	5,599	
Other Charges	9,209	
Office Equipment	200	
Total Miscellaneous		51,354

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Principal on Debt

General Government

Principal on Capital Leases	\$ 59,301	
Total General Government		\$ 59,301

Interest on Debt

General Government

Interest on Capital Leases	\$ 4,243	
Total General Government		4,243

Total General Fund		\$ 6,537,121
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Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Supervisor/Director	\$ 7,078	
Attendants	43,250	
Part-time Personnel	478	
Social Security	3,345	
Communication	2,775	
Contracts with Private Agencies	224,395	
Maintenance and Repair Services - Equipment	235	
Maintenance and Repair Services - Vehicles	2,145	
Other Contracted Services	1,520	
Gasoline	2,424	
Utilities	3,825	
Trustee's Commission	3,355	
Other Charges	1,354	
Motor Vehicles	2,550	
Total Convenience Centers		\$ 298,729

Total Solid Waste/Sanitation Fund		298,729
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Drug Control Fund

Public Safety

Drug Enforcement

Contracts with Private Agencies	\$ 1,000	
Law Enforcement Supplies	1,938	
Trustee's Commission	26	
Total Drug Enforcement		\$ 2,964

Total Drug Control Fund		2,964
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 70,228
Accountants/Bookkeepers	66,528
Board and Committee Members Fees	14,220

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Communication	\$	3,369	
Data Processing Services		5,872	
Dues and Memberships		3,132	
Legal Notices, Recording, and Court Costs		180	
Maintenance and Repair Services - Buildings		50	
Maintenance and Repair Services - Office Equipment		467	
Postal Charges		501	
Printing, Stationery, and Forms		505	
Travel		2,323	
Custodial Supplies		1,287	
Data Processing Supplies		244	
Drugs and Medical Supplies		313	
Electricity		6,129	
Natural Gas		518	
Office Supplies		975	
Water and Sewer		1,840	
Other Charges		4,646	
Total Administration			\$ 183,327

Highway and Bridge Maintenance

Foremen	\$	33,919	
Equipment Operators		185,879	
Truck Drivers		40,025	
Laborers		85,948	
Engineering Services		28,839	
Other Contracted Services		656	
Asphalt - Cold Mix		1,643	
Asphalt - Hot Mix		25,746	
Asphalt - Liquid		45,407	
Concrete		24	
Crushed Stone		78,110	
Fertilizer, Lime, and Seed		885	
Pipe		40,081	
Road Signs		4,135	
Wood Products		534	
Other Supplies and Materials		285	
Total Highway and Bridge Maintenance			572,116

Operation and Maintenance of Equipment

Mechanic(s)	\$	30,461	
Laborers		55,319	
Laundry Service		2,202	
Maintenance and Repair Services - Equipment		22,366	
Diesel Fuel		100,171	
Equipment and Machinery Parts		37,680	
Garage Supplies		799	
Gasoline		18,174	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Lubricants	\$	5,012	
Propane Gas		30	
Small Tools		415	
Tires and Tubes		27,002	
Other Supplies and Materials		378	
Total Operation and Maintenance of Equipment			\$ 300,009

Other Charges

Premiums on Corporate Surety Bonds	\$	100	
Trustee's Commission		18,048	
Vehicle and Equipment Insurance		47,017	
Workers' Compensation Insurance		62,631	
Total Other Charges			127,796

Employee Benefits

Social Security	\$	36,117	
Pensions		32,982	
Employee and Dependent Insurance		131,141	
Unemployment Compensation		4,732	
Employer Medicare		8,447	
Total Employee Benefits			213,419

Capital Outlay

Bridge Construction	\$	746,574	
Building Construction		109,151	
Communication Equipment		1,854	
Highway Equipment		157,871	
Motor Vehicles		29,867	
Office Equipment		10,719	
Total Capital Outlay			<u>1,056,036</u>

Total Highway/Public Works Fund \$ 2,452,703

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	95,004	
Principal on Notes		168,408	
Total General Government			\$ 263,412

Education

Principal on Bonds	\$	861,148	
Principal on Other Loans		200,004	
Total Education			1,061,152

(Continued)

Exhibit J-7

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

<u>General Debt Service Fund (Cont.)</u>			
<u>Interest on Debt</u>			
<u>General Government</u>			
Interest on Bonds	\$	27,585	
Interest on Notes		<u>7,118</u>	
Total General Government			\$ 34,703
 <u>Education</u>			
Interest on Bonds	\$	<u>382,265</u>	
Total Education			382,265
 <u>Other Debt Service</u>			
<u>General Government</u>			
Fiscal Agent Charges	\$	101	
Trustee's Commission		<u>18,728</u>	
Total General Government			18,829
 <u>Education</u>			
Fiscal Agent Charges	\$	<u>1,311</u>	
Total Education			<u>1,311</u>
Total General Debt Service Fund			\$ 1,761,672
 <u>Community Development/Industrial Park Fund</u>			
<u>Capital Projects</u>			
<u>Public Health and Welfare Projects</u>			
Contracts with Private Agencies	\$	8,679	
Engineering Services		9,250	
Building Construction		<u>480,469</u>	
Total Public Health and Welfare Projects			\$ <u>498,398</u>
Total Community Development/Industrial Park Fund			498,398
 <u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contributions	\$	<u>105,000</u>	
Total Education Capital Projects			\$ <u>105,000</u>
Total Education Capital Projects Fund			<u>105,000</u>
Total Governmental Funds - Primary Government			<u>\$ 11,656,587</u>

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	4,342,241	
Career Ladder Program		24,400	
Career Ladder Extended Contracts		12,132	
Homebound Teachers		8,850	
Educational Assistants		166,958	
Other Salaries and Wages		53,083	
Certified Substitute Teachers		14,768	
Non-certified Substitute Teachers		85,582	
Social Security		272,940	
Pensions		403,598	
Medical Insurance		382,268	
Unemployment Compensation		26,009	
Employer Medicare		64,128	
Maintenance and Repair Services - Equipment		1,891	
Other Contracted Services		4,352	
Instructional Supplies and Materials		96,801	
Textbooks		111,633	
Other Charges		6,167	
Regular Instruction Equipment		276,373	
Total Regular Instruction Program			\$ 6,354,174

Alternative Instruction Program

Teachers	\$	122,994	
Social Security		7,029	
Pensions		9,529	
Medical Insurance		14,774	
Employer Medicare		1,644	
Total Alternative Instruction Program			155,970

Special Education Program

Teachers	\$	339,405	
Educational Assistants		120,432	
Social Security		25,995	
Pensions		37,618	
Medical Insurance		56,742	
Employer Medicare		6,080	
Instructional Supplies and Materials		268	
Other Supplies and Materials		3,896	
Special Education Equipment		420	
Total Special Education Program			590,856

Vocational Education Program

Teachers	\$	611,067	
Career Ladder Program		2,000	
Clerical Personnel		24,794	
Certified Substitute Teachers		562	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Non-certified Substitute Teachers	\$	8,430	
Social Security		36,980	
Pensions		56,195	
Medical Insurance		74,282	
Employer Medicare		8,653	
Maintenance and Repair Services - Equipment		1,532	
Instructional Supplies and Materials		17,726	
Other Supplies and Materials		1,887	
Other Charges		207	
Vocational Instruction Equipment		866	
Total Vocational Education Program			\$ 845,181

Adult Education Program

Other Supplies and Materials	\$	7,046	
Total Adult Education Program			7,046

Support Services

Attendance

Supervisor/Director	\$	28,390	
Social Security		1,521	
Pensions		2,220	
Medical Insurance		4,501	
Employer Medicare		356	
Data Processing Services		3,713	
Travel		1,567	
In Service/Staff Development		495	
Total Attendance			42,763

Health Services

Medical Personnel	\$	45,423	
Other Salaries and Wages		74,196	
Social Security		7,051	
Pensions		10,209	
Medical Insurance		9,806	
Employer Medicare		1,649	
Travel		2,131	
Other Supplies and Materials		2,267	
Other Charges		5,021	
Total Health Services			157,753

Other Student Support

Guidance Personnel	\$	186,688	
Guards		2,300	
Secretary(ies)		20,596	
Other Salaries and Wages		64,952	
Social Security		16,182	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Pensions	\$	22,402	
Medical Insurance		14,584	
Employer Medicare		3,818	
Evaluation and Testing		7,610	
Travel		175	
Other Contracted Services		79,984	
Other Supplies and Materials		7,605	
Other Charges		3,664	
Total Other Student Support			\$ 430,560

Regular Instruction Program

Supervisor/Director	\$	63,724	
Librarians		138,026	
Other Salaries and Wages		59,461	
Social Security		14,840	
Pensions		21,498	
Medical Insurance		33,128	
Employer Medicare		3,485	
Travel		8,927	
Library Books/Media		30,477	
In Service/Staff Development		34,608	
Land		105,000	
Other Equipment		4,432	
Total Regular Instruction Program			517,606

Special Education Program

Supervisor/Director	\$	62,383	
Speech Pathologist		15,000	
Social Security		3,714	
Pensions		5,600	
Medical Insurance		3,999	
Employer Medicare		868	
Travel		6,937	
Other Contracted Services		28,210	
Other Supplies and Materials		152	
In Service/Staff Development		867	
Total Special Education Program			127,730

Other Programs

On-behalf Payments to OPEB	\$	39,158	
Total Other Programs			39,158

Board of Education

Board and Committee Members Fees	\$	5,050	
Social Security		313	
Employer Medicare		73	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Audit Services	\$	5,200	
Dues and Memberships		10,441	
Travel		1,830	
Other Contracted Services		509	
Liability Insurance		16,289	
Premiums on Corporate Surety Bonds		112	
Trustee's Commission		46,556	
Workers' Compensation Insurance		115,972	
Refund to Applicant for Criminal Investigation		1,806	
Other Charges		91,340	
Total Board of Education			\$ 295,491

Director of Schools

County Official/Administrative Officer	\$	108,022	
Secretary(ies)		36,699	
Bonus Payments		6,504	
Social Security		8,726	
Pensions		12,665	
Medical Insurance		16,516	
Employer Medicare		2,026	
Communication		12,430	
Postal Charges		1,269	
Travel		10,810	
Other Contracted Services		6,400	
In Service/Staff Development		2,058	
Other Charges		1,445	
Total Director of Schools			225,570

Office of the Principal

Principals	\$	325,187	
Career Ladder Program		8,000	
Accountants/Bookkeepers		27,390	
Career Ladder Extended Contracts		4,672	
Assistant Principals		283,058	
Secretary(ies)		108,891	
Bonus Payments		16,950	
Social Security		42,519	
Pensions		61,709	
Medical Insurance		76,959	
Employer Medicare		10,482	
Communication		30,250	
Dues and Memberships		68	
Postal Charges		3,107	
Travel		6,658	
Other Contracted Services		28,976	
Office Supplies		5,046	
Total Office of the Principal			1,039,922

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Fiscal Services

Supervisor/Director	\$	50,804	
Clerical Personnel		54,288	
Social Security		4,704	
Pensions		5,260	
Medical Insurance		4,929	
Employer Medicare		1,419	
Data Processing Services		26,161	
Travel		78	
Office Supplies		4,619	
Administration Equipment		1,140	
Total Fiscal Services			\$ 153,402

Operation of Plant

Teachers	\$	137	
Custodial Personnel		257,115	
Social Security		14,092	
Pensions		13,028	
Medical Insurance		41,569	
Employer Medicare		3,296	
Other Contracted Services		48,976	
Electricity		304,505	
Natural Gas		113,908	
Water and Sewer		37,210	
Other Supplies and Materials		53,597	
Boiler Insurance		5,213	
Building and Contents Insurance		91,708	
Other Charges		5,669	
Plant Operation Equipment		9,749	
Total Operation of Plant			999,772

Maintenance of Plant

Maintenance Personnel	\$	136,977	
Social Security		7,603	
Pensions		8,709	
Medical Insurance		30,126	
Employer Medicare		1,778	
Communication		3,982	
Maintenance and Repair Services - Buildings		65,710	
Maintenance and Repair Services - Equipment		144,923	
Maintenance and Repair Services - Vehicles		2,420	
Travel		912	
Other Supplies and Materials		35,233	
Other Charges		4,596	
Maintenance Equipment		17,000	
Total Maintenance of Plant			459,969

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation

Supervisor/Director	\$	89,077	
Mechanic(s)		41,915	
Bus Drivers		175,276	
Other Salaries and Wages		30,789	
Social Security		20,041	
Pensions		15,404	
Medical Insurance		19,691	
Employer Medicare		4,729	
Communication		362	
Maintenance and Repair Services - Vehicles		12,519	
Medical and Dental Services		3,465	
Travel		1,145	
Diesel Fuel		96,163	
Equipment and Machinery Parts		450	
Gasoline		18,290	
Lubricants		3,316	
Tires and Tubes		9,992	
Vehicle Parts		10,910	
Other Supplies and Materials		5,189	
Vehicle and Equipment Insurance		29,321	
Other Charges		18,135	
Transportation Equipment		92,907	
Total Transportation			\$ 699,086

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$	4,125	
Teachers		103,841	
Clerical Personnel		2,500	
Educational Assistants		47,509	
Other Salaries and Wages		25,683	
Social Security		11,026	
Pensions		14,281	
Employer Medicare		2,579	
Travel		4,966	
Instructional Supplies and Materials		3,880	
Other Supplies and Materials		2,518	
In Service/Staff Development		862	
Other Charges		3,405	
Other Equipment		2,233	
Total Community Services			229,408

Early Childhood Education

Supervisor/Director	\$	28,773	
Teachers		78,550	
Educational Assistants		34,030	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Early Childhood Education (Cont.)

Social Security	\$	7,657	
Pensions		11,608	
Medical Insurance		22,573	
Employer Medicare		1,791	
Travel		2,005	
Instructional Supplies and Materials		13,676	
Other Supplies and Materials		8,953	
Total Early Childhood Education			\$ 209,616

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$	32,930	
Total Regular Capital Outlay			32,930

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	350,004	
Total Education			350,004

Total General Purpose School Fund \$ 13,963,967

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	310,298	
Educational Assistants		32,598	
Social Security		18,997	
Pensions		27,697	
Medical Insurance		16,938	
Employer Medicare		4,814	
Instructional Supplies and Materials		28,846	
Other Supplies and Materials		1,352	
Regular Instruction Equipment		20,506	
Total Regular Instruction Program			\$ 462,046

Special Education Program

Teachers	\$	145,448	
Educational Assistants		63,214	
Social Security		11,216	
Pensions		16,961	
Medical Insurance		35,708	
Employer Medicare		2,623	
Instructional Supplies and Materials		10,654	
Other Supplies and Materials		7,138	
Special Education Equipment		12,082	
Total Special Education Program			305,044

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

Instructional Supplies and Materials	\$	6,774	
Vocational Instruction Equipment		21,792	
Total Vocational Education Program			\$ 28,566

Support Services

Other Student Support

Travel	\$	10,097	
Other Supplies and Materials		183	
Other Charges		489	
Total Other Student Support			10,769

Regular Instruction Program

Supervisor/Director	\$	28,465	
Clerical Personnel		9,000	
Social Security		1,865	
Pensions		3,159	
Medical Insurance		3,311	
Employer Medicare		436	
Travel		2,418	
In Service/Staff Development		5,191	
Total Regular Instruction Program			53,845

Special Education Program

Travel	\$	6,215	
Other Contracted Services		5,432	
Other Supplies and Materials		1,593	
Total Special Education Program			13,240

Vocational Education Program

Travel	\$	469	
Total Vocational Education Program			469

Transportation

Bus Drivers	\$	8,211	
Social Security		509	
Pensions		535	
Employer Medicare		119	
Diesel Fuel		3,000	
Total Transportation			12,374

Total School Federal Projects Fund \$ 886,353

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	35,192	
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(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Food Service (Cont.)

Accountants/Bookkeepers	\$	30,567	
Cafeteria Personnel		371,964	
Social Security		24,479	
Pensions		24,029	
Medical Insurance		67,372	
Employer Medicare		5,725	
Communication		3,107	
Maintenance and Repair Services - Equipment		10,797	
Postal Charges		294	
Travel		5,361	
Other Contracted Services		13,512	
Food Supplies		564,710	
Office Supplies		2,340	
Uniforms		637	
USDA - Commodities		54,213	
Other Supplies and Materials		39,180	
Trustee's Commission		2	
In Service/Staff Development		3,162	
Other Charges		9,349	
Food Service Equipment		5,681	
Total Food Service		<u>5,681</u>	\$ <u>1,271,673</u>

Total Central Cafeteria Fund \$ 1,271,673

School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$	5,745	
Total Board of Education		<u>5,745</u>	\$ <u>5,745</u>

Total School Transportation Fund 5,745

Total Governmental Funds - Crockett County School Department \$ 16,127,738

Exhibit J-9

Crockett 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 - Alamo Fund	City School ADA - Bells Fund	Total
<u>Cash Receipts</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 285,949	\$ 186,776	\$ 472,725
Discount on Property Taxes	0	(2,524)	(1,649)	(4,173)
Trustee's Collections - Prior Years	0	11,705	7,646	19,351
Trustee's Collections - Bankruptcy	0	121	79	200
Circuit/Clerk and Master Collections - Prior Years	0	9,547	6,234	15,781
Interest and Penalty	0	1,936	1,265	3,201
Payments in-Lieu-of Taxes - T.V.A.	0	13	8	21
Local Option Sales Tax	438,573	116,693	76,221	631,487
Wheel Tax	0	11,619	7,579	19,198
Interstate Telecommunications Tax	0	337	220	557
Marriage Licenses	0	225	147	372
Mixed Drink Tax	0	173	113	286
Total Cash Receipts	\$ 438,573	\$ 435,794	\$ 284,639	\$ 1,159,006
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 434,187	\$ 428,092	\$ 279,621	\$ 1,141,900
Trustee's Commission	4,386	7,378	4,819	16,583
Total Cash Disbursements	\$ 438,573	\$ 435,470	\$ 284,440	\$ 1,158,483
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 324	\$ 199	\$ 523
Cash Balance, July 1, 2014	0	1,258	835	2,093
Cash Balance, June 30, 2015	\$ 0	\$ 1,582	\$ 1,034	\$ 2,616

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

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Crockett County's basic financial statements, and have issued our report thereon dated November 16, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2015-001 and 2015-005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crockett County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items: 2015-002, 2015-003, and 2015-004.

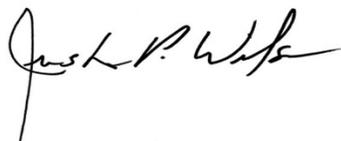
Crockett County's Responses to Findings

Crockett County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Crockett County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 16, 2015

JPW/sb



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Crockett 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 Crockett County's major federal programs for the year ended June 30, 2015. Crockett 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 Crockett 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 Crockett 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 Crockett County's compliance.

Opinion on Each Major Federal Program

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

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

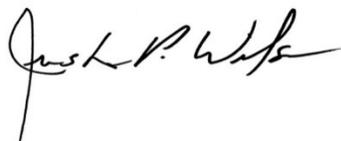
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Crockett County's basic financial statements. We issued our report thereon dated November 16, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 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

November 16, 2015

JPW/sb

Crockett 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	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 372,919
National School Lunch Program	10.555	N/A	669,714 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	54,213 (3)
Total U.S. Department of Agriculture			<u>\$ 1,096,846</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program	12.Unknown	N/A	\$ 41,752
Total U.S. Department of Defense			<u>\$ 41,752</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	GG-35503	\$ 749,811
Total U.S. Department of Housing and Urban Development			<u>\$ 749,811</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	31601-23606	\$ 9,804
Total U.S. Department of Justice			<u>\$ 9,804</u>
U.S. Department of Labor:			
Passed-through Dyersburg State Community College:			
WIA/WIOA Youth Activities	17.259	N/A	\$ 9,379
Total U.S. Department of Labor			<u>\$ 9,379</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(2)	\$ 4,378
Total U.S. Department of Transportation			<u>\$ 4,378</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 407,240
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	340,884
Special Education - Preschool Grants	84.173	N/A	34,813
Career and Technical Education - Basic Grants to States	84.048	N/A	39,621
Rural Education	84.358	(2)	32,466
English Language Acquisition State Grants	84.365	N/A	8,932
Improving Teacher Quality State Grants	84.367	N/A	67,436
Total U.S. Department of Education			<u>\$ 931,392</u>
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive			
Services and Senior Centers	93.044	(2)	\$ 70,147
Medical Assistance Program	93.778	(2)	111,050
Passed-through State Department of Health:			
Grants to States for Operation of Offices of Rural Health	93.913	GG-1541586	89,518
Total U.S. Department of Health and Human Services			<u>\$ 270,715</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security: Passed-through State Department of Military: Emergency Management Performance Grants	97.042	(2)	\$ 4,069
Homeland Security Grant Program	97.067	(2)	34,000
Total U.S. Department of Homeland Security			\$ 38,069
 Total Federal Awards			\$ 3,152,146
		Contract Number	
<u>State Grants</u>			
Homemaker and Personal Care Services - Northwest Tennessee Development District	N/A	(2)	\$ 17,923
Litter Grant - State Department of Transportation	N/A	(2)	33,700
Drug Court Grant - State Department of Mental Health and Substance Abuse Services	N/A	(2)	68,972
Early Childhood Education - State Department of Education	N/A	(2)	209,617
ACT/Explore - State Department of Education	N/A	(2)	11,185
Safe Schools - State Department of Education	N/A	(2)	12,421
Lottery for Education: After School Programs - State Department of Education	N/A	(2)	190,131
Coordinated School Health - State Department of Education	N/A	(2)	89,984
Connect Tennessee - State Department of Education	N/A	(2)	5,566
Family Resource - State Department of Education	N/A	(2)	24,243
Crockett Academy - State Department of Children's Services	N/A	(2)	71,520
Total State Grants			\$ 735,262

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 \$723,927.

Crockett 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 Crockett County, Tennessee, for the year ended June 30, 2014, which have not been corrected.

OFFICE OF COUNTY MAYOR

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-001	156	A formal purchase order system had not been established

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-008	159	Expenditures exceeded appropriations

OFFICE OF SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-011	161	Fees were not reported and paid to the county in compliance with state statute

AMBULANCE SERVICE AND OFFICES OF COUNTY MAYOR AND SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-012	161	Duties were not segregated adequately

CROCKETT 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 Crockett County is unmodified.
2. The audit of the financial statements of Crockett County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Crockett County.
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 Community Development Block Grants/State's Program (CFDA No. 14.228) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Crockett 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 county mayor provided written responses on certain findings, which are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 2015-001

A FORMAL PURCHASE ORDER SYSTEM HAD NOT BEEN ESTABLISHED

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

The office had not established a formal purchase order system. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. This deficiency exists because management failed to correct the finding noted in the prior-year audit report. The absence of a formal purchase order system increases the risks of unauthorized purchases.

RECOMMENDATION

The office should establish a formal purchase order system to improve internal controls over the purchasing process and to document purchasing commitments.

MANAGEMENT'S RESPONSE – COUNTY MAYOR

It is the opinion of our Budget Committee, Audit Committee, and myself that our current system is adequate. All purchases are budgeted and approved by the department supervisor or official. All invoices or statements are properly signed by the department supervisors prior to payment being issued. There is a good working relationship with my office and all county offices. Bids are issued for all purchases of \$10,000 or more. No purchase exceeded the amount a department had budgeted. Budget Committee members review reports at each meeting regarding revenues and expenditures. A purchase order system implemented adequately would be a huge expense for our county that would result in a tax rate increase, and if not done correctly, could possibly lead to more findings. The expense of this would be far too costly for us to assume at this time. We feel that we have adequate procedures in place to ensure against unauthorized purchases.

AUDITOR'S COMMENT

While the steps mentioned in the response above provide a measure of internal control, purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2015-002

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

(Noncompliance Under *Government Auditing Standards*)

The office had the following deficiencies in budget operations:

- A. Expenditures exceeded appropriations approved by the County Commission in one of 23 major appropriation categories (the legal level of control) of the General Purpose School Fund: Support Services – Board of Education by \$1,974.
- B. Salaries exceeded appropriations in six of 62 salary line-items of the General Purpose School and Central Cafeteria funds by amounts ranging from \$137 to \$4,495. The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county shall not exceed expenditures that accompany the resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

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

RECOMMENDATION

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

FINDING 2015-003

THE FORMER DIRECTOR OF TECHNOLOGY MISAPPROPRIATED FUNDS AND EQUIPMENT FROM THE SCHOOL DEPARTMENT

(Noncompliance Under *Government Auditing Standards*)

On September 2, 2015, the Comptroller’s Division of Investigations, Financial and Compliance Unit, issued a special report on the School Department for the period September 1, 2002, through September 9, 2014. This report disclosed that the former director of technology falsified an invoice resulting in a cash shortage of at least \$5,923. In addition, the former employee misappropriated electronics and supplies totaling \$5,451. Also, the former director of technology admitted to receiving kickbacks from his former employer for steering business that included equipment purchases and bid projects to businesses that his former employer owned. He also admitted to falsifying bids and

invoices, and stealing from the School Department. The report details numerous findings, including other questionable disbursements of at least \$372,455, and is available at www.comptroller.tn.gov. The former director of technology was indicted by a Grand Jury on July 20, 2015, on one count of theft of property, one count of tampering with evidence, and one count of official misconduct. At the time of our reporting, the next court date was tentatively set for November 23, 2015.

OFFICE OF SHERIFF

FINDING 2015-004

FEES WERE NOT REPORTED AND PAID TO THE COUNTY IN COMPLIANCE WITH STATE STATUTE (Noncompliance Under *Government Auditing Standards*)

The sheriff did not report and pay fees to the county in compliance with Section 8-24-103, *Tennessee Code Annotated*. This statute requires fees to be reported and paid to the county monthly. During the year, the office paid fees to the county during the months of July and September 2014 and June 2015. Unreported fees on hand at June 30, 2015, were \$460. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The sheriff should report and pay all fees to the county monthly in compliance with state statute.

AMBULANCE SERVICE AND OFFICES OF COUNTY MAYOR AND SHERIFF

FINDING 2015-005

DUTIES WERE NOT SEGREGATED ADEQUATELY (Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among officials and employees in the Ambulance Service and in the Offices of County Mayor and Sheriff. Officials and employees responsible for maintaining accounting records in these offices were also involved in billing, receipting, preparing bank deposits, taking deposits to the bank, posting receipts to the cash journal, disbursing funds, and/or reconciling bank statements. These same employees also performed the daily reconciliation of receipts with cash. Accounting standards provide that internal controls be designed to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY MAYOR

At the current time, there is no funding or space for additional personnel. Procedures are in place to prevent unauthorized transactions.

AUDITOR'S COMMENT

We have not recommended hiring additional employees. We realize that due to limited resources and personnel, management may not be able to fully segregate duties among employees. However, duties should be segregated to the extent possible.

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

There were no findings and questioned costs for federal awards.

BEST PRACTICE

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

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

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

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

CROCKETT 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.