

ANNUAL FINANCIAL REPORT
DEKALB COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
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FOR THE YEAR ENDED JUNE 30, 2015

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

DEKALB COUNTY, TENNESSEE TABLE OF CONTENTS

	Exhibit	Page(s)
Summary of Audit Findings		6
<u>INTRODUCTORY SECTION</u>		7
DeKalb County Officials		8
<u>FINANCIAL SECTION</u>		9
Independent Auditor's Report		10-13
BASIC FINANCIAL STATEMENTS:		14
Government-wide Financial Statements:		
Statement of Net Position	A	15-16
Statement of Activities	B	17-18
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet	C-1	19-20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	C-2	21
Statement of Revenues, Expenditures, and Changes in Fund Balances	C-3	22-23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C-4	24
Statements of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Fund	C-5	25-26
Local Purpose Tax Fund	C-6	27
Highway/Public Works Fund	C-7	28
Proprietary Fund:		
Statement of Net Position	D-1	29-30
Statement of Revenues, Expenses, and Changes in Net Position	D-2	31
Statement of Cash Flows	D-3	32
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	E	33
Index and Notes to the Financial Statements		34-90
REQUIRED SUPPLEMENTARY INFORMATION:		91
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-1	92

	Exhibit	Page(s)
Schedule of Contributions Based on Participation in the Public Employee Pension Plan of TCRS – Primary Government	F-2	93
Schedule of Contributions Based on Participation in the Teacher Retirement Plan of TCRS – Discretely Presented DeKalb County School Department	F-3	94
Schedule of Contributions Based on Participation in the Teacher Legacy Pension Plan of TCRS – Discretely Presented DeKalb County School Department	F-4	95
Schedule of Proportionate Share of the Net Pension Asset in the Teacher Legacy Pension Plan of TCRS – Discretely Presented DeKalb County School Department	F-5	96
Schedule of Funding Progress – Other Postemployment Benefits Plans – Primary Government and Discretely Presented DeKalb County School Department	F-6	97
Notes to the Required Supplementary Information		98
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:		99
Nonmajor Governmental Funds:		100
Combining Balance Sheet	G-1	101-102
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	G-2	103
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
Courthouse and Jail Maintenance Fund	G-3	104
Drug Control Fund	G-4	105
General Capital Projects Fund	G-5	106
Major Governmental Fund:		107
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Actual and Budget:		
General Debt Service Fund	H	108
Fiduciary Funds:		109
Combining Statement of Fiduciary Assets and Liabilities	I-1	110
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	I-2	111
Component Unit:		
Discretely Presented DeKalb County School Department:		112
Statement of Activities	J-1	113
Balance Sheet – Governmental Funds	J-2	114
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	J-3	115
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	J-4	116-117
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	J-5	118
Combining Balance Sheet – Nonmajor Governmental Funds	J-6	119
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	J-7	120

	Exhibit	Page(s)
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Actual and Budget:		
General Purpose School Fund	J-8	121-122
School Federal Projects Fund	J-9	123
Central Cafeteria Fund	J-10	124
Miscellaneous Schedules:		125
Schedule of Changes in Long-term Notes, Other Loans, and Bonds	K-1	126
Schedule of Long-term Debt Requirements by Year	K-2	127
Schedule of Notes Receivable	K-3	128
Schedule of Transfers – Primary Government and Discretely Presented DeKalb County School Department	K-4	129
Schedule of Salaries and Official Bonds of Principal Officials – Primary Government and Discretely Presented DeKalb County School Department	K-5	130
Schedule of Detailed Revenues – All Governmental Fund Types	K-6	131-142
Schedule of Detailed Revenues – All Governmental Fund Types – Discretely Presented DeKalb County School Department	K-7	143-146
Schedule of Detailed Expenditures – All Governmental Fund Types	K-8	147-161
Schedule of Detailed Expenditures – All Governmental Fund Types – Discretely Presented DeKalb County School Department	K-9	162-172
Schedule of Detailed Revenues and Expenses – Solid Waste Disposal Fund (enterprise fund)	K-10	173-174
Schedule of Detailed Receipts, Disbursements, and Changes in Cash Balance – City Agency Fund	K-11	175
 <u>SINGLE AUDIT SECTION</u>		 176
Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		177-178
Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133		179-181
Schedule of Expenditures of Federal Awards and State Grants		182-183
Schedule of Audit Findings Not Corrected		184
Schedule of Findings and Questioned Costs		185-189
Best Practice		190
Auditee Reporting Responsibilities		191

Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The Solid Waste Disposal Fund had a deficit in unrestricted net position.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ Execution docket trial balances for Circuit and General Sessions Courts did not reconcile with general ledger accounts.

OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK AND REGISTER OF DEEDS

- ◆ Multiple employees operated from the same cash drawer.

OFFICES OF ROAD SUPERVISOR, TRUSTEE, REGISTER OF DEEDS, AND SHERIFF

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

DeKalb County Officials
June 30, 2015

Officials

Tim Stribling, County Mayor
Wallace Agee, Road Supervisor
Dr. Danielle Collins, Director of Schools
Sean Driver, Trustee
Scott Cantrell, Assessor of Property
James Poss, County Clerk
Katherine Pack, Circuit, General Sessions, and Juvenile Courts Clerk
Debra Malone, Clerk and Master
Jeffery McMillen, Register of Deeds
Patrick Ray, Sheriff

Board of County Commissioners

Tim Stribling, County Mayor, Chairman	
Jerry Adcock	Bradley Hendrix
Betty Atnip	Joe Johnson
Jeff Barnes	James Midgett
Jack Barton	Jonathan Norris
Wayne Cantrell	Anita Puckett
Mason Carter	Kevin Robinson
Elmer Ellis	Larry Summers

Board of Education

W.J. Evins, III, Chairman
Jim Beshearse
Jerry Johnson
Kate Miller
Danny Parkerson
Doug Stephens
Shaun Tubbs

Purchasing Committee

Larry Summers, Chairman
Tim Stribling, County Mayor
Wallace Agee, Road Supervisor
Dr. Danielle Collins, Director of Schools
Jerry Adcock
Jonathan Norris

Audit Committee

Tom Janey, Chairman
Jack Barton
Bradley Hendrix
Jonathan Norris

FINANCIAL SECTION



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

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DeKalb County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of DeKalb County Emergency Communications District, which represent 5.17 percent, 7.8 percent, and 3.3 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the DeKalb County Emergency Communications District, is based solely on the report of the other auditors. We

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DeKalb County, Tennessee, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Local Purpose Tax, 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., DeKalb County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*; GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*; and GASB Statement No. 71 *Pension Transition for Contributions made Subsequent to the Measurement Date*. Our opinion is not modified with respect to these matters.

Emphasis of Matter

We draw attention to Note I.D.8. to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position by \$4,398, the Business-type Activities net position by \$317, and the discretely presented DeKalb County School Department net position by \$3,731,969 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB

Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedule of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress – other postemployment benefits plan on pages 92 - 98 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise DeKalb 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 DeKalb 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 DeKalb 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 DeKalb County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2016, on our consideration of DeKalb 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 DeKalb County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 10, 2016

JPW/yu

BASIC FINANCIAL STATEMENTS

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

	Primary Government			Component Units	
	Governmental	Business-type	Total	DeKalb County School Department	DeKalb County Emergency Communications District
	Activities	Activities			
<u>ASSETS</u>					
Cash	\$ 24,100	\$ 0	\$ 24,100	\$ 0	\$ 889,346
Equity in Pooled Cash and Investments	7,134,706	2,922,500	10,057,206	5,593,386	1,378
Accounts Receivable	1,516,228	63,950	1,580,178	5,112	0
Allowance for Uncollectibles	(603,965)	0	(603,965)	0	0
Due from Other Governments	890,457	82,565	973,022	346,493	0
Due from Component Units	2,249,547	0	2,249,547	0	0
Property Taxes Receivable	5,974,147	0	5,974,147	2,823,145	0
Allowance for Uncollectible Property Taxes	(136,390)	0	(136,390)	(67,002)	0
Prepaid Expense	0	0	0	0	25,834
Net Pension Asset - Agent Plan	355,743	25,628	381,371	418,316	21,778
Net Pension Asset - Cost-sharing Plan	0	0	0	46,396	0
Capital Assets:					
Assets Not Depreciated:					
Land	841,838	1,341,050	2,182,888	736,256	0
Construction in Progress	0	1,025,179	1,025,179	0	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	3,851,950	0	3,851,950	11,853,608	7,075
Other Capital Assets	1,818,052	478,770	2,296,822	1,543,551	325,310
Infrastructure	2,954,372	0	2,954,372	0	0
Total Assets	\$ 26,870,785	\$ 5,939,642	\$ 32,810,427	\$ 23,299,261	\$ 1,270,721
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Pension Changes in Experience	\$ 6,820	\$ 491	\$ 7,311	\$ 120,659	\$ 0
Pension Changes in Contributions after Measurement Date	207,823	13,833	221,656	1,122,525	16,355
Total Deferred Outflows of Resources	\$ 214,643	\$ 14,324	\$ 228,967	\$ 1,243,184	\$ 16,355

(Continued)

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

	Primary Government			Component Units	
	Governmental	Business-type	Total	DeKalb County School Department	DeKalb County Emergency Communications District
	Activities	Activities			
LIABILITIES					
Accounts Payable	\$ 3,967	\$ 0	\$ 3,967	\$ 0	\$ 1,091
Payroll Deductions Payable	1,340	0	1,340	0	10,454
Due to Primary Government	0	0	0	2,184,172	0
Accrued Interest Payable	48,541	0	48,541	0	0
Due to State of Tennessee	981	0	981	8,050	0
Noncurrent Liabilities:					
Due Within One Year	1,249,535	106,260	1,355,795	0	0
Due in More Than One Year (net of unamortized premium on debt)	10,084,049	6,690,362	16,774,411	631,927	0
Total Liabilities	\$ 11,388,413	\$ 6,796,622	\$ 18,185,035	\$ 2,824,149	\$ 11,545
DEFERRED INFLOWS OF RESOURCES					
Deferred Revenue - Current Property Taxes	\$ 5,695,127	\$ 0	\$ 5,695,127	\$ 2,682,828	\$ 0
Pension Changes in Experience	0	0	0	0	6,225
Pension Changes in Investment Earnings	344,808	24,840	369,648	4,228,221	18,738
Pension Changes in Other Deferrals	0	0	0	19,952	0
Total Deferred Inflows of Resources	\$ 6,039,935	\$ 24,840	\$ 6,064,775	\$ 6,931,001	\$ 24,963
NET POSITION					
Net Investment in Capital Assets	\$ 4,047,040	\$ 2,844,999	\$ 6,892,039	\$ 14,133,415	\$ 332,385
Restricted for:					
General Government	12,804	0	12,804	0	0
Administration of Justice	51,219	0	51,219	0	0
Public Safety	50,519	0	50,519	0	0
Public Health and Welfare	74,478	25,628	100,106	0	0
Highway/Public Works	747,144	0	747,144	0	0
Education	1,413,744	0	1,413,744	1,409,193	0
Debt Service	1,416,356	0	1,416,356	0	0
Capital Projects	702,006	0	702,006	0	0
Other Purposes	355,743	0	355,743	0	13,170
Unrestricted	786,027	(3,738,123)	(2,952,096)	(755,313)	905,013
Total Net Position	\$ 9,657,080	\$ (867,496)	\$ 8,789,584	\$ 14,787,295	\$ 1,250,568

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

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues					Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Business-type Activities	Total	DeKalb County School Department	DeKalb County Emergency Communications District
Primary Government:										
Governmental Activities:										
General Government	\$ 1,668,693	\$ 194,473	\$ 26,915	\$ 0	\$ (1,447,305)	0	\$ (1,447,305)	\$ 0	\$ 0	
Finance	527,047	435,925	0	0	(91,122)	0	(91,122)	0	0	
Administration of Justice	608,181	329,002	9,000	0	(270,179)	0	(270,179)	0	0	
Public Safety	3,328,824	68,664	322,602	0	(2,937,558)	0	(2,937,558)	0	0	
Public Health and Welfare	1,342,385	945,361	146,319	385,472	134,767	0	134,767	0	0	
Social, Cultural, and Recreational Services	205,131	61,644	12,507	0	(130,980)	0	(130,980)	0	0	
Agriculture and Natural Resources	77,150	0	0	0	(77,150)	0	(77,150)	0	0	
Highways/Public Works	2,110,239	0	1,364,547	125,123	(620,569)	0	(620,569)	0	0	
Education	1,568,956	0	0	238,096	(1,330,860)	0	(1,330,860)	0	0	
Interest on Long-term Debt	265,314	0	0	0	(265,314)	0	(265,314)	0	0	
Total Governmental Activities	\$ 11,701,920	\$ 2,035,069	\$ 1,881,890	\$ 748,691	\$ (7,036,270)	\$ 0	\$ (7,036,270)	\$ 0	\$ 0	
Business-type Activities:										
Solid Waste Disposal	\$ 1,339,529	\$ 168,842	\$ 0	\$ 134,144	\$ 0	\$ (1,036,543)	\$ (1,036,543)	\$ 0	\$ 0	
Total Primary Government	\$ 13,041,449	\$ 2,203,911	\$ 1,881,890	\$ 882,835	\$ (7,036,270)	\$ (1,036,543)	\$ (8,072,813)	\$ 0	\$ 0	
Component Units:										
School Department	\$ 22,450,066	\$ 267,852	\$ 3,201,603	\$ 133,607	\$ 0	\$ 0	0	\$ (18,847,004)	\$ 0	
Emergency Communications District	609,276	373,687	0	0	0	0	0	0	(235,589)	
Total Component Units	\$ 23,059,342	\$ 641,539	\$ 3,201,603	\$ 133,607	\$ 0	\$ 0	0	\$ (18,847,004)	\$ (235,589)	

(Continued)

DeKalb County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Net (Expense) Revenue and Changes in Net Position						Component Units	
		Program Revenues			Primary Government			DeKalb	DeKalb
		Charges	Operating	Capital	Governmental	Business-type	Total	County	County
		for	Grants	Grants	Activities	Activities		School	Emergency
	Services	and	Contributions	Contributions			Communications	District	
							Department		
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					\$ 4,577,425	\$ 130,768	\$ 4,708,193	\$ 2,645,953	\$ 0
Property Taxes Levied for Debt Service					577,779	0	577,779	0	0
Local Option Sales Taxes					2,396,214	351,304	2,747,518	0	0
Litigation Tax - General					50,166	0	50,166	0	0
Litigation Tax - Jail, Workhouse, or Courthouse					14,897	0	14,897	0	0
Business Tax					144,551	0	144,551	0	0
Hotel/Motel Tax					0	70,288	70,288	0	0
Wholesale Beer Tax					11,184	60,547	71,731	0	0
Bank Excise Tax					0	78,381	78,381	0	0
Mineral Severance Tax					24,004	0	24,004	0	0
Alcoholic Beverage Tax					0	38,796	38,796	0	0
State Revenue Sharing - T.V.A.					0	417,529	417,529	0	0
Other Local Taxes					6,937	18,055	24,992	10,861	11,058
Grants and Contributions Not Restricted to Specific Programs					158,809	0	158,809	16,991,749	411,579
Unrestricted Investment Earnings					104,709	0	104,709	1,695	0
Miscellaneous					0	0	0	89,802	731
Sale of Equipment					1,947	0	1,947	57	2,127
Pension Income					22,153	1,596	23,749	69,167	2,415
Total General Revenues					\$ 8,090,775	\$ 1,167,264	\$ 9,258,039	\$ 19,809,284	\$ 427,910
Insurance Recovery					\$ 12,107	\$ 1,350	\$ 13,457	\$ 6,650	\$ 0
Change in Net Position					\$ 1,066,612	\$ 132,071	\$ 1,198,683	\$ 968,930	\$ 192,321
Restatement - Pension Liability (See Note I.D.8)					(4,398)	(317)	(4,715)	(3,731,969)	0
Restatement - Pension Liability					0	0	0	0	(5,271)
Net Position, July 1, 2014					8,594,866	(999,250)	7,595,616	17,550,334	1,063,518
Net Position, June 30, 2015					\$ 9,657,080	\$ (867,496)	\$ 8,789,584	\$ 14,787,295	\$ 1,250,568

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

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

	Major Funds			Nonmajor	Total	
	General	Local Purpose Tax	Highway / Public Works	Other Governmental Funds		Governmental Funds
ASSETS						
Cash	\$ 525	\$ 0	\$ 0	\$ 23,575	\$ 24,100	
Equity in Pooled Cash and Investments	3,495,668	968,279	483,308	1,422,563	764,888	7,134,706
Accounts Receivable	1,507,331	0	0	0	8,897	1,516,228
Allowance for Uncollectibles	(603,965)	0	0	0	0	(603,965)
Due from Other Governments	179,405	445,465	265,587	0	0	890,457
Due from Other Funds	9,180	0	0	0	0	9,180
Due from Component Units	39,037	0	0	26,338	0	65,375
Property Taxes Receivable	4,638,901	0	196,455	595,160	543,631	5,974,147
Allowance for Uncollectible Property Taxes	(105,283)	0	(4,187)	(14,358)	(12,562)	(136,390)
Total Assets	\$ 9,160,799	\$ 1,413,744	\$ 941,163	\$ 2,029,703	\$ 1,328,429	\$ 14,873,838
LIABILITIES						
Accounts Payable	\$ 172	\$ 0	\$ 0	\$ 0	\$ 3,795	\$ 3,967
Payroll Deductions Payable	953	0	387	0	0	1,340
Due to Other Funds	0	0	0	0	9,180	9,180
Due to State of Tennessee	981	0	0	0	0	981
Total Liabilities	\$ 2,106	\$ 0	\$ 387	\$ 0	\$ 12,975	\$ 15,468
DEFERRED INFLOWS OF RESOURCES						
Deferred Current Property Taxes	\$ 4,424,313	\$ 0	\$ 188,269	\$ 564,806	\$ 517,739	\$ 5,695,127
Deferred Delinquent Property Taxes	96,901	0	3,545	14,181	11,817	126,444
Other Deferred/Unavailable Revenue	799,229	230,923	128,262	0	0	1,158,414
Total Deferred Inflows of Resources	\$ 5,320,443	\$ 230,923	\$ 320,076	\$ 578,987	\$ 529,556	\$ 6,979,985

(Continued)

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Local Purpose Tax	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 12,804	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,804
Restricted for Administration of Justice	51,219	0	0	0	0	51,219
Restricted for Public Safety	7,821	0	0	0	42,698	50,519
Restricted for Public Health and Welfare	74,478	0	0	0	0	74,478
Restricted for Highways/Public Works	0	0	620,700	0	0	620,700
Restricted for Education	0	1,182,821	0	0	0	1,182,821
Restricted for Capital Outlay	0	0	0	0	690,189	690,189
Restricted for Debt Service	0	0	0	1,450,716	0	1,450,716
Committed:						
Committed for General Government	0	0	0	0	29,719	29,719
Committed for Finance	0	0	0	0	23,292	23,292
Committed for Social, Cultural, and Recreational Services	135,933	0	0	0	0	135,933
Unassigned	3,555,995	0	0	0	0	3,555,995
Total Fund Balances	<u>\$ 3,838,250</u>	<u>\$ 1,182,821</u>	<u>\$ 620,700</u>	<u>\$ 1,450,716</u>	<u>\$ 785,898</u>	<u>\$ 7,878,385</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,160,799</u>	<u>\$ 1,413,744</u>	<u>\$ 941,163</u>	<u>\$ 2,029,703</u>	<u>\$ 1,328,429</u>	<u>\$ 14,873,838</u>

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

DeKalb 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)		\$ 7,878,385
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 841,838	
Add: buildings and improvements net of accumulated depreciation	3,851,950	
Add: other capital assets net of accumulated depreciation	1,818,052	
Add: infrastructure net of accumulated depreciation	<u>2,954,372</u>	9,466,212
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (8,190,000)	
Less: notes payable	(2,880,000)	
Less: other loans payable	(59,172)	
Add: debt to be contributed by the School Department	2,184,172	
Less: compensated absences payable	(5,363)	
Less: accrued interest on notes and bonds	(48,541)	
Less: unamortized premium on debt	(79,510)	
Less: other postemployment benefits liability	<u>(119,539)</u>	(9,197,953)
(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	\$ 214,643	
Less: deferred inflows of resources related to pensions	<u>(344,808)</u>	(130,165)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		355,743
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,284,858</u>
Net position of governmental activities (Exhibit A)		<u>\$ 9,657,080</u>

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

DeKalb 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	Local Purpose Tax	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Revenues						
Local Taxes	\$ 4,125,379	\$ 2,391,347	\$ 168,855	\$ 578,694	\$ 536,209	\$ 7,800,484
Licenses and Permits	48,470	0	0	0	0	48,470
Fines, Forfeitures, and Penalties	100,578	0	0	0	6,379	106,957
Charges for Current Services	1,028,647	0	0	0	112,666	1,141,313
Other Local Revenues	226,402	0	5,411	0	1,500	233,313
Fees Received from County Officials	635,410	0	0	0	0	635,410
State of Tennessee	855,590	0	1,489,670	0	10,000	2,355,260
Federal Government	104,641	0	0	0	0	104,641
Other Governments and Citizens Groups	73,182	0	0	238,096	0	311,278
Total Revenues	\$ 7,198,299	\$ 2,391,347	\$ 1,663,936	\$ 816,790	\$ 666,754	\$ 12,737,126
Expenditures						
Current:						
General Government	\$ 1,275,426	\$ 0	\$ 0	\$ 0	\$ 42,317	\$ 1,317,743
Finance	432,609	0	0	0	116,184	548,793
Administration of Justice	629,774	0	0	0	408	630,182
Public Safety	2,883,185	0	0	0	6,280	2,889,465
Public Health and Welfare	1,340,562	0	0	0	0	1,340,562
Social, Cultural, and Recreational Services	193,027	0	0	0	0	193,027
Agriculture and Natural Resources	71,937	0	0	0	0	71,937
Other Operations	178,836	0	0	0	189	179,025
Highways	0	0	1,818,682	0	0	1,818,682
Support Services	0	0	0	0	5,059	5,059
Debt Service:						
Principal on Debt	0	0	0	1,409,171	0	1,409,171
Interest on Debt	0	0	0	277,113	0	277,113

(Continued)

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

	Major Funds				Nonmajor Funds	Total Governmental Funds
	General	Local Purpose Tax	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>						
Debt Service (Cont.)						
Other Debt Service	\$ 0	\$ 0	\$ 0	\$ 13,228	\$ 0	\$ 13,228
Capital Projects	0	1,563,897	0	0	589,738	2,153,635
Total Expenditures	\$ 7,005,356	\$ 1,563,897	\$ 1,818,682	\$ 1,699,512	\$ 760,175	\$ 12,847,622
<u>Excess (Deficiency) of Revenues</u>						
Over Expenditures	\$ 192,943	\$ 827,450	\$ (154,746)	\$ (882,722)	\$ (93,421)	\$ (110,496)
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 12,107	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,107
Transfers In	0	0	0	823,541	0	823,541
Transfers Out	0	(823,541)	0	0	0	(823,541)
Total Other Financing Sources (Uses)	\$ 12,107	\$ (823,541)	\$ 0	\$ 823,541	\$ 0	\$ 12,107
Net Change in Fund Balances	\$ 205,050	\$ 3,909	\$ (154,746)	\$ (59,181)	\$ (93,421)	\$ (98,389)
Fund Balance, July 1, 2014	3,633,200	1,178,912	775,446	1,509,897	879,319	7,976,774
Fund Balance, June 30, 2015	\$ 3,838,250	\$ 1,182,821	\$ 620,700	\$ 1,450,716	\$ 785,898	\$ 7,878,385

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

DeKalb 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)		\$	(98,389)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	508,081	
Less: current-year depreciation expense		<u>(945,423)</u>	(437,342)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.			
Less: book value of capital assets disposed			(35,420)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$	1,284,858	
Less: deferred delinquent property taxes and other deferred June 30, 2014		<u>(1,111,195)</u>	173,663
(4) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:			
Less: change in premium on debt issuances	\$	(7,654)	
Less: principal on other loans contributed by the School Department		(184,171)	
Add: principal payments on notes		260,000	
Add: principal payments on other loans		59,171	
Add: principal payments on bonds		<u>1,090,000</u>	1,217,346
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in accrued interest payable on bonds	\$	10,731	
Change in accrued interest payable on notes		1,068	
Change in compensated absences payable		496	
Change in other postemployment benefits liability		(10,825)	
Change in net pension liability/asset		360,141	
Change in deferred outflows related to pensions		214,643	
Change in deferred inflows related to pensions		<u>(344,808)</u>	<u>231,446</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 1,051,304</u>

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

DeKalb 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	
Revenues				
Local Taxes	\$ 4,125,379	\$ 3,887,978	\$ 3,901,978	\$ 223,401
Licenses and Permits	48,470	41,500	41,500	6,970
Fines, Forfeitures, and Penalties	100,578	90,186	90,186	10,392
Charges for Current Services	1,028,647	1,200,215	1,200,215	(171,568)
Other Local Revenues	226,402	256,450	277,078	(50,676)
Fees Received from County Officials	635,410	755,850	755,850	(120,440)
State of Tennessee	855,590	661,147	651,297	204,293
Federal Government	104,641	38,000	97,894	6,747
Other Governments and Citizens Groups	73,182	80,000	80,000	(6,818)
Total Revenues	\$ 7,198,299	\$ 7,011,326	\$ 7,095,998	\$ 102,301
Expenditures				
General Government				
County Commission	\$ 88,886	\$ 116,230	\$ 105,630	\$ 16,744
Board of Equalization	1,768	4,100	4,100	2,332
Beer Board	3,642	3,880	3,880	238
County Mayor/Executive	165,808	174,462	172,962	7,154
County Attorney	18,805	22,000	22,000	3,195
Election Commission	179,688	181,257	193,357	13,669
Register of Deeds	151,128	157,763	157,763	6,635
Planning	14,265	15,434	15,434	1,169
County Buildings	217,480	221,231	232,925	15,445
Other Facilities	72,836	83,519	83,519	10,683
Other General Administration	361,120	399,866	406,916	45,796
Finance				
Property Assessor's Office	205,965	206,307	207,257	1,292
County Trustee's Office	35,867	168,009	168,009	132,142
County Clerk's Office	190,777	184,633	194,852	4,075
Administration of Justice				
Circuit Court	183,388	206,083	206,083	22,695
General Sessions Court	119,856	122,876	121,342	1,486
Drug Court	124,412	140,047	140,352	15,940
Chancery Court	120,228	125,210	126,752	6,524
Juvenile Court	44,337	53,493	53,493	9,156
Judicial Commissioners	37,553	36,803	38,337	784
Public Safety				
Sheriff's Department	1,352,059	1,466,075	1,480,883	128,824
Special Patrols	46,386	49,470	49,470	3,084
Traffic Control	17,105	17,493	17,493	388
Correctional Incentive Program Improvements	1,078,446	1,116,109	1,125,093	46,647
Fire Prevention and Control	209,297	162,250	218,425	9,128
Civil Defense	3,451	3,500	3,500	49
Other Emergency Management	127,700	119,895	128,318	618
County Coroner/Medical Examiner	31,920	43,500	43,500	11,580
Other Public Safety	16,821	16,821	16,821	0
Public Health and Welfare				
Local Health Center	136,717	172,093	172,093	35,376
Rabies and Animal Control	1,090	11,000	11,000	9,910
Ambulance/Emergency Medical Services	1,195,525	1,424,418	1,434,627	239,102

(Continued)

DeKalb 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>				
Regional Mental Health Center	\$ 7,180	\$ 7,180	\$ 7,180	\$ 0
General Welfare Assistance	50	2,750	2,750	2,700
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	22,590	27,226	27,226	4,636
Libraries	156,975	167,090	167,840	10,865
Other Social, Cultural, and Recreational	13,462	0	138,474	125,012
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	39,412	51,990	51,990	12,578
Soil Conservation	32,525	33,166	33,166	641
<u>Other Operations</u>				
Industrial Development	970	10,045	8,423	7,453
Other Economic and Community Development	19,162	27,000	27,000	7,838
Veterans' Services	10,988	15,000	15,000	4,012
Other Charges	106,102	106,761	106,761	659
Contributions to Other Agencies	15,745	42,571	42,571	26,826
Employee Benefits	5,862	8,100	8,100	2,238
Miscellaneous	20,007	41,300	29,116	9,109
Total Expenditures	\$ 7,005,356	\$ 7,766,006	\$ 8,021,783	\$ 1,016,427
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 192,943	\$ (754,680)	\$ (925,785)	\$ 1,118,728
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 12,107	\$ 0	\$ 12,107	\$ 0
Total Other Financing Sources	\$ 12,107	\$ 0	\$ 12,107	\$ 0
Net Change in Fund Balance				
Fund Balance, July 1, 2014	\$ 3,633,200	\$ (754,680)	\$ (913,678)	\$ 1,118,728
Fund Balance, June 30, 2015	\$ 3,838,250	\$ 2,309,237	\$ 2,150,239	\$ 1,688,011

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

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,391,347	\$ 2,250,000	\$ 2,250,000	\$ 141,347
Total Revenues	\$ 2,391,347	\$ 2,250,000	\$ 2,250,000	\$ 141,347
<u>Expenditures</u>				
<u>Capital Projects</u>				
Other General Government Projects	\$ 1,563,897	\$ 2,388,291	\$ 1,564,750	\$ 853
Total Expenditures	\$ 1,563,897	\$ 2,388,291	\$ 1,564,750	\$ 853
Excess (Deficiency) of Revenues Over Expenditures	\$ 827,450	\$ (138,291)	\$ 685,250	\$ 142,200
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (823,541)	\$ 0	\$ (823,541)	\$ 0
Total Other Financing Sources	\$ (823,541)	\$ 0	\$ (823,541)	\$ 0
Net Change in Fund Balance	\$ 3,909	\$ (138,291)	\$ (138,291)	\$ 142,200
Fund Balance, July 1, 2014	1,178,912	1,022,378	1,022,378	156,534
Fund Balance, June 30, 2015	\$ 1,182,821	\$ 884,087	\$ 884,087	\$ 298,734

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

DeKalb County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 168,855	\$ 151,321	\$ 169,838	\$ (983)
Other Local Revenues	5,411	0	15,952	(10,541)
State of Tennessee	1,489,670	1,846,805	1,846,805	(357,135)
Total Revenues	<u>\$ 1,663,936</u>	<u>\$ 1,998,126</u>	<u>\$ 2,032,595</u>	<u>\$ (368,659)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 153,380	\$ 178,550	\$ 178,700	\$ 25,320
Highway and Bridge Maintenance	837,134	987,367	930,592	93,458
Operation and Maintenance of Equipment	205,317	382,000	302,000	96,683
Quarry Operations	145,869	224,164	204,164	58,295
Other Charges	102,035	101,500	101,500	(535)
Employee Benefits	208,328	238,000	238,000	29,672
Capital Outlay	166,619	20,000	193,000	26,381
Total Expenditures	<u>\$ 1,818,682</u>	<u>\$ 2,131,581</u>	<u>\$ 2,147,956</u>	<u>\$ 329,274</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (154,746)</u>	<u>\$ (133,455)</u>	<u>\$ (115,361)</u>	<u>\$ (39,385)</u>
Net Change in Fund Balance	\$ (154,746)	\$ (133,455)	\$ (115,361)	\$ (39,385)
Fund Balance, July 1, 2014	<u>775,446</u>	<u>309,077</u>	<u>309,077</u>	<u>466,369</u>
Fund Balance, June 30, 2015	<u>\$ 620,700</u>	<u>\$ 175,622</u>	<u>\$ 193,716</u>	<u>\$ 426,984</u>

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

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

	Business-type Activities - Major Enterprise Fund
	<u>Solid Waste Disposal Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 2,922,500
Accounts Receivable	63,950
Due from Other Governments	82,565
Total Current Assets	<u>\$ 3,069,015</u>
Noncurrent Assets:	
Net Pension Asset	\$ 25,628
Capital Assets:	
Assets Not Depreciated:	
Land	1,341,050
Construction in Progress	1,025,179
Assets Net of Accumulated Depreciated:	
Machinery and Equipment	478,770
Total Noncurrent Assets	<u>\$ 2,870,627</u>
Total Assets	<u>\$ 5,939,642</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflows of Resources:	
Pension Changes in Experience	\$ 491
Pension Contributions After Measurement Date	13,833
Total Deferred Outflows of Resources	<u>\$ 14,324</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 5,953,966</u>

(Continued)

DeKalb County, Tennessee
Statement of Net Position
Proprietary Fund (Cont.)

	Business-type Activities - Major Enterprise Fund
	<u>Solid</u>
	Waste
	Disposal
	<u>Fund</u>
<u>LIABILITIES</u>	
Noncurrent Liabilities:	
Accrued Liability for Landfill Closure/Postclosure Care Costs	\$ 6,796,622
Total Liabilities	<u>\$ 6,796,622</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred Inflows of Resources:	
Pension Changes in Investment Earnings	\$ 24,840
Total Deferred Inflows of Resources	<u>\$ 24,840</u>
<u>NET POSITION</u>	
Restricted:	
Restricted for Public Health and Welfare	\$ 25,628
Investment in Capital Assets	2,844,999
Unrestricted (Deficit)	<u>(3,738,123)</u>
Total Net Position	<u>\$ (867,496)</u>

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

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

	Business-type Activities - Major Enterprise Fund <hr/> Solid Waste Disposal Fund <hr/>
<u>Operating Revenues</u>	
Charges for Current Services	\$ 167,277
Other Local Revenues	1,565
Total Operating Revenues	<u>\$ 168,842</u>
<u>Operating Expenses</u>	
Waste Pickup	\$ 67,279
Convenience Centers	224,585
Landfill Operation and Maintenance	829,002
Depreciation	205,541
Other Waste Disposal	13,122
Total Operating Expenses	<u>\$ 1,339,529</u>
Operating Income (Loss)	<u>\$ (1,170,687)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Local Taxes	\$ 691,288
State Taxes	474,380
Pension Income	1,596
Total Nonoperating Revenues (Expenses)	<u>\$ 1,167,264</u>
Income (Loss) Before Contributions and Insurance Recovery	\$ (3,423)
Insurance Recovery	1,350
Capital Contributions - City	<u>134,144</u>
Change in Net Position	\$ 132,071
Net Position, July 1, 2014	(999,250)
Restatement Pension Liability (See Note I.D.8.)	<u>(317)</u>
Net Position, June 30, 2015	<u><u>\$ (867,496)</u></u>

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

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

	Business-type Activities - Major Enterprise Fund
	<u>Solid Waste Disposal Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 147,405
Payments to Suppliers	(461,573)
Payments to Employees	(545,237)
Other Payments	(13,122)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (872,527)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	\$ (1,025,179)
Insurance Recovery	1,350
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (1,023,829)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Local Taxes	\$ 692,813
State Revenues	474,380
Grants Received	9,393
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 1,176,586</u>
Net Increase (Decrease) in Cash	\$ (719,770)
Cash, July 1, 2014	<u>3,642,270</u>
Cash, June 30, 2015	<u><u>\$ 2,922,500</u></u>
<u>Reconciliation of Net Operating Loss to Net Cash Provided By (Used In)</u>	
<u>Operating Activities</u>	
Operating Income (Loss)	\$ (1,170,687)
Adjustment to Reconcile Net Operating Loss to Net Cash Provided By (Used In) Operating Activities:	
Pension Contributions	(13,833)
Depreciation	205,541
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(21,437)
Increase (Decrease) in Landfill Closure/Postclosure Care Costs	127,889
Net Cash Provided By (Used In) Operating Activities	<u>\$ (872,527)</u>

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

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,574,112
Due from Other Governments	179,636
Notes Receivable - Long-term	<u>98,000</u>
Total Assets	<u>\$ 1,851,748</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 179,636
Due to Litigants, Heirs, and Others	<u>1,672,112</u>
Total Liabilities	<u>\$ 1,851,748</u>

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

DEKALB COUNTY, TENNESSEE
Index of Notes to the Financial Statements

Note	Page(s)
I. Summary of Significant Accounting Policies	
A. Reporting Entity	35
B. Government-wide and Fund Financial Statements	36
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	37
D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance	
1. Deposits and Investments	40
2. Receivables and Payables	40
3. Capital Assets	41
4. Deferred Outflows/Inflows of Resources	42
5. Compensated Absences	43
6. Long-term Obligations	43
7. Net Position and Fund Balance	44
8. Restatement	46
E. Pension Plans	46
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	47
B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities	47
III. Stewardship, Compliance, and Accountability	
A. Budgetary Information	47
B. Unrestricted Net Position Deficit	48
C. Expenditures Exceeded Appropriations	48
IV. Detailed Notes on All Funds	
A. Deposits and Investments	48
B. Notes Receivable	50
C. Capital Assets	50
D. Construction Commitments	53
E. Interfund Receivables, Payables, and Transfers	53
F. Long-term Obligations	55
G. On-Behalf Payments	60
V. Other Information	
A. Risk Management	60
B. Accounting Changes	61
C. Subsequent Event	62
D. Contingent Liabilities	62
E. Changes in Administration	62
F. Landfill Closure/Postclosure Care Costs	62
G. Joint Venture	63
H. Retirement Commitments	64
I. Other Postemployment Benefits (OPEB)	78
J. Purchasing Laws	80
VI. Other Notes - Discretely Presented DeKalb County Emergency Communications District	81

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DeKalb 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 DeKalb County:

A. Reporting Entity

DeKalb County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present DeKalb County (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 DeKalb County School Department operates the public school system in the county, and the voters of DeKalb 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 DeKalb County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of DeKalb County, and the County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval.

The Industrial Development Board of DeKalb County provides assistance in industrial recruitment in DeKalb County, and the DeKalb County Commission appoints its eight-member board. The authority acted as a decision-making board and did not have any financial activity during the year.

The DeKalb 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. The Industrial Development Board did not have any financial activity during the year; therefore, there were no financial statements to report. Complete financial statements of the DeKalb County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

DeKalb County Emergency Communications District
P.O. Box 346
Smithville, TN 37166

B. Government-wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. The fiduciary funds are excluded from

the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

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

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

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

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

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

amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

DeKalb 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.

Local Purpose Tax Fund – This special revenue fund accounts for local sales tax collections, which are disbursed to other county funds and component units. Local option sales tax is the foundational revenue of this fund.

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

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

DeKalb County reports the following major enterprise fund:

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

Additionally, DeKalb County reports the following fund types:

Capital Projects Fund – The General Capital Projects Fund is used to account for resources that are restricted, committed, or assigned to expenditure for general capital outlays of the county.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers and local sales taxes received by the state to be forwarded to the various cities in DeKalb County. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented DeKalb 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.

Education Capital Projects Fund – This fund is used to account for the receipt of debt issued by DeKalb County and contributed to the School Department for building repairs and renovations.

Additionally, the DeKalb County School Department reports the following fund type:

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund used to account for transactions at the county's landfill. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's enterprise fund are charges for services. Operating expenses for the enterprise fund include waste collection, landfill operation, administrative expenses, and employee benefits.

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

1. **Deposits and Investments**

For purposes of the Statement of Cash Flows, cash includes cash on deposit with the county trustee and cash with the clerks, register of deeds, and sheriff.

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

2. **Receivables and Payables**

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

All ambulance service and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.25 percent of total taxes levied.

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

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

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

Most payables are disaggregated on the face of the financial statements.

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than one year (five years for the School Department). 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 DeKalb County and the discretely presented DeKalb County School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 40
Other Capital Assets	5 - 15
Infrastructure:	
Roads	8 - 20
Bridges	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. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for pension changes in experience 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) 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 investment earnings, changes in proportionate share of contributions, 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**

Primary Government

It is the county's policy, except for the Highway Department, not to allow for the accumulation of unused vacation and sick days beyond year end. The Highway Department's policy permits employees to accumulate earned but unused vacation/sick leave benefits up to 20 days. All vacation/sick leave pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation/sick leave pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Vested or accumulated vacation leave is accrued when incurred in proprietary funds using the accrual basis of accounting. However, DeKalb County's proprietary fund did not have accrued leave because the county's policy does not allow for the accumulation of unused vacation and sick days beyond year end.

Discretely Presented DeKalb County School Department

It is the policy of the discretely presented DeKalb County School Department to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the government. Vacation leave does not accumulate beyond year end.

6. **Long-term Obligations**

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt 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, landfill closure/postclosure care costs, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Position and Fund Balance

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

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

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

As of June 30, 2015, DeKalb County had \$7,559,172 in outstanding debt for capital purposes for the discretely presented DeKalb County School Department. This debt is a liability of DeKalb County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, DeKalb County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

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 net pension liability in their Statement of Net Position. Therefore, a restatement decreasing DeKalb County's and the DeKalb County School Department's beginning net position has been recognized on the Statement of Activities totaling \$4,715 and \$3,731,969, respectively.

E. Pension Plans

Primary Government

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of DeKalb County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from DeKalb 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 DeKalb 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 DeKalb County School Department

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

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

Primary Government

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

Discretely Presented DeKalb County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances

may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

B. Unrestricted Net Position Deficit

The Solid Waste Disposal Fund had a deficit in unrestricted net position of \$3,738,123 at June 30, 2015. This deficit primarily resulted from the recognition of a liability of \$6,796,622 in the financial statements for costs associated with closing the county's landfills and monitoring the landfills for 30 years after closure. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Other Charges major appropriation category (the legal level of control) in the Highway/Public Works Fund by \$535. Expenditures that exceed appropriations are a violation of state statute. These expenditures in excess of appropriations were funded by available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

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

The county had no pooled and nonpooled investments as of June 30, 2015.

B. Notes Receivable

In a prior year, the county sold its hospital to a private corporation. On May 10, 1971, the chancellor ordered that a portion of the proceeds of this sale be used to provide loans to "...deserving young men and women, who are preparing themselves for the practice of medicine or the practice of nursing..." These proceeds were deposited in the Office of Clerk and Master and were earmarked for loans to students in medical-related fields. Notes receivable of \$98,000 in the Constitutional Officers - Agency Fund represent the total of these student loans outstanding at June 30, 2015. These loans are repayable to the county over a ten-year period after the student leaves school with an interest rate two percent below the prime interest rate as published in the *Wall Street Journal*.

C. 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	\$ 836,116	\$ 5,722	\$ 0	\$ 841,838
Total Capital Assets Not Depreciated	\$ 836,116	\$ 5,722	\$ 0	\$ 841,838
Capital Assets Depreciated:				
Buildings and Improvements	\$ 7,279,809	\$ 0	\$ 0	\$ 7,279,809
Roads and Bridges	17,343,509	0	0	17,343,509
Other Capital Assets	3,791,642	502,359	(74,569)	4,219,432
Total Capital Assets Depreciated	\$ 28,414,960	\$ 502,359	\$ (74,569)	\$ 28,842,750
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,126,291	\$ 301,568	\$ 0	\$ 3,427,859
Roads and Bridges	14,006,557	382,580	0	14,389,137
Other Capital Assets	2,179,254	261,275	(39,149)	2,401,380
Total Accumulated Depreciation	\$ 19,312,102	\$ 945,423	\$ (39,149)	\$ 20,218,376

Governmental Activities (Cont.):

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Total Capital Assets Depreciated, Net	\$ 9,102,858	\$ (443,064)	\$ (35,420)	\$ 8,624,374
Governmental Activities Capital Assets, Net	<u>\$ 9,938,974</u>	<u>\$ (437,342)</u>	<u>\$ (35,420)</u>	<u>\$ 9,466,212</u>

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

Governmental Activities:

General Government	\$ 206,870
Public Safety	197,001
Public Health and Welfare	66,216
Social, Cultural, and Recreational Services	16,679
Highways/Public Works	<u>458,657</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 945,423</u>

Business-type Activities:

	Balance 7-1-14	Increases	Balance 6-30-15
Capital Assets Not Depreciated:			
Land	\$ 1,341,050	\$ 0	\$ 1,341,050
Construction In Progress	0	1,025,179	1,025,179
Total Capital Assets Not Depreciated	<u>\$ 1,341,050</u>	<u>\$ 1,025,179</u>	<u>\$ 2,366,229</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 30,000	\$ 0	\$ 30,000
Machinery and Equipment	1,053,215	134,144	1,187,359
Landfill Facilities and Development	<u>2,683,638</u>	<u>0</u>	<u>2,683,638</u>
Total Capital Assets Depreciated	<u>\$ 3,766,853</u>	<u>\$ 134,144</u>	<u>\$ 3,900,997</u>

Business-type Activities (Cont.):

	Balance 7-1-14	Increases	Balance 6-30-15
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 30,000	\$ 0	\$ 30,000
Machinery and Equipment	637,367	71,222	708,589
Landfill Facilities and Development	2,549,319	134,319	2,683,638
Total Accumulated Depreciation	<u>\$ 3,216,686</u>	<u>\$ 205,541</u>	<u>\$ 3,422,227</u>
Total Capital Assets Depreciated, Net	<u>\$ 550,167</u>	<u>\$ (71,397)</u>	<u>\$ 478,770</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,891,217</u>	<u>\$ 953,782</u>	<u>\$ 2,844,999</u>

There were no decreases in capital assets to report during the year ended June 30, 2015.

Depreciation expense of \$205,541 was recorded by the Solid Waste Disposal Fund.

Discretely Presented DeKalb County School Department**Governmental Activities:**

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 736,256	\$ 0	\$ 0	\$ 736,256
Construction in Progress	3,533,401	839,347	(4,372,748)	0
Total Capital Assets Not Depreciated	<u>\$ 4,269,657</u>	<u>\$ 839,347</u>	<u>\$ (4,372,748)</u>	<u>\$ 736,256</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 15,249,792	\$ 4,372,748	\$ 0	\$ 19,622,540
Other Capital Assets	3,321,941	0	(263,371)	3,058,570
Total Capital Assets Depreciated	<u>\$ 18,571,733</u>	<u>\$ 4,372,748</u>	<u>\$ (263,371)</u>	<u>\$ 22,681,110</u>

Governmental Activities (Cont.):

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 7,375,929	\$ 393,003	\$ 0	\$ 7,768,932
Other Capital Assets	1,545,650	198,252	(228,883)	1,515,019
Total Accumulated Depreciation	\$ 8,921,579	\$ 591,255	\$ (228,883)	\$ 9,283,951
Total Capital Assets Depreciated, Net	\$ 9,650,154	\$ 3,781,493	\$ (34,488)	\$ 13,397,159
Governmental Activities Capital Assets, Net	\$ 13,919,811	\$ 4,620,840	\$ (4,407,236)	\$ 14,133,415

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

Governmental Activities:

Instruction	\$ 291,124
Support Services	<u>300,131</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 591,255</u>

D. Construction Commitments

At June 30, 2015, the discretely presented DeKalb County School Department had uncompleted construction contracts of approximately \$201,738 for energy management projects. Funding for these future expenditures has been received.

E. Interfund Receivables, Payables, and Transfers

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

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 9,180

This balance 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</u>	<u>Payable</u>	<u>Amount</u>
Primary Government: Governmental Activities	Component Unit: School Department	\$ 2,184,172
Primary Government: General Fund	Component Unit: School Department General Purpose School	39,037
General Debt Service Fund	"	26,338

The Due to Primary Government of \$2,184,172 is the balance of bonds and other loans issued by the county for the School Department. The School Department has agreed to contribute the funds annually to retire these bonds and other loans. These long-term obligations are reflected in governmental activities on the Statement of Net Position.

Amounts reflected as Due from Primary Government in the General Fund (\$39,037) and the General Debt Service Fund (\$26,338) were in transit from the General Purpose School Fund at June 30, 2015.

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>
	General Debt Service Fund
Local Purpose Tax Fund	\$ 823,541

Discretely Presented DeKalb County School Department

	<u>Transfer In</u>
Transfer Out	General Purpose School Fund
Nonmajor governmental funds	\$ 2,630

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.

F. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

DeKalb 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 loans. 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 16 years for bonds, up to 12 years for notes, and seven years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2015, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2015, are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
General Obligation Bonds	2 to 3.5 %	10-1-28	\$ 8,000,000	\$ 6,400,000
General Obligation Bonds - Refunding	.1 to 5.5	3-1-19	7,930,000	1,790,000
Capital Outlay Notes	1 to 2	3-1-25	3,400,000	2,880,000
Other Loans	0	3-15-16	414,198	59,172

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 920,000	\$ 191,453	\$ 1,111,453
2017	940,000	166,454	1,106,454
2018	955,000	154,971	1,109,971
2019	970,000	142,341	1,112,341
2020	530,000	129,210	659,210
2021-2025	2,950,000	410,275	3,360,275
2026-2029	925,000	60,222	985,222
Total	\$ 8,190,000	\$ 1,254,926	\$ 9,444,926

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 265,000	\$ 51,231	\$ 316,231
2017	270,000	47,550	317,550
2018	275,000	43,463	318,463
2019	275,000	38,650	313,650
2020	285,000	33,050	318,050
2021-2025	1,510,000	76,800	1,586,800
Total	\$ 2,880,000	\$ 290,744	\$ 3,170,744

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2016	\$ 59,172	\$ 0	\$ 59,172

There is \$1,450,716 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and other loans totaled \$594, based on the 2010 federal census.

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

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-15</u>
<u>Other Loans</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficiency Loan	\$ 59,172
<u>Bonds</u>	
<u>Contributions from the General Purpose School Fund</u>	
General Obligation School Bonds, Series 2013	<u>2,125,000</u>
Total	<u>\$ 2,184,172</u>

Changes in Long-term Obligations

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

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>	<u>Other Loans</u>
Balance, July 1, 2014	\$ 9,280,000	\$ 3,140,000	\$ 118,343
Reductions	<u>(1,090,000)</u>	<u>(260,000)</u>	<u>(59,171)</u>
Balance, June 30, 2015	<u>\$ 8,190,000</u>	<u>\$ 2,880,000</u>	<u>\$ 59,172</u>
Balance Due Within One Year	<u>\$ 920,000</u>	<u>\$ 265,000</u>	<u>\$ 59,172</u>

	Other Postemployment Benefits	Compensated Absences
Balance, July 1, 2014	\$ 108,714	\$ 5,859
Additions	12,112	10,679
Reductions	(1,287)	(11,175)
	<hr/>	<hr/>
Balance, June 30, 2015	\$ 119,539	\$ 5,363
	<hr/> <hr/>	<hr/> <hr/>
Balance Due Within One Year	\$ 0	\$ 5,363
	<hr/> <hr/>	<hr/> <hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 11,254,074
Less: Balance Due Within One Year	(1,249,535)
Add: Unamortized Premium on Debt	79,510
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 10,084,049</u>

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

DeKalb County Solid Waste Disposal Fund (enterprise fund)

Changes in Long-term Obligations

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2015, was as follows:

Business-type Activities:

	<u>Closure/ Postclosure Care Costs</u>
Balance, July 1, 2014	\$ 6,668,733
Additions	162,449
Reductions	<u>(34,560)</u>
Balance, June 30, 2015	<u>\$ 6,796,622</u>
Balance Due Within One Year	<u>\$ 106,260</u>
Analysis of Noncurrent Liabilities Presented on Exhibit A:	
Total Noncurrent Liabilities, June 30, 2015	\$ 6,796,622
Less: Balance Due Within One Year	<u>(106,260)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 6,690,362</u>

Discretely Presented DeKalb County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2014	\$ 580,466
Additions	196,840
Reductions	<u>(145,379)</u>
Balance, June 30, 2015	<u>\$ 631,927</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 631,927
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 631,927</u>

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

G. On-Behalf Payments

Primary Government

The State of Tennessee pays health insurance premiums for retired employees on-behalf of DeKalb County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2015, were \$1,650. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

Discretely Presented DeKalb County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the DeKalb 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 \$65,771 and \$24,413, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county is exposed to various risks related to general liability, property, casualty, and workers' compensation. The county participates in the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund (LGWCF) as opposed to purchasing commercial insurance for these risks. The LGPCF and LGWCF are public entity risk pools established by the Tennessee County Services

Association, an association of member counties. The county pays annual premiums to these pools for their insurance coverage. These pools are to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

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

Discretely Presented DeKalb County School Department

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

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

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 August 6, 2015, Dr. Danielle Collins left the Office of Director of Schools and was succeeded by Patrick Cripps.

D. Contingent Liabilities

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

E. Changes in Administration

On August 31, 2014, Mike Foster left the Office of County Mayor and was succeeded by Tim Stribling, Kenny Edge left the Office of Road Supervisor and was succeeded by Wallace Agee, and Mike Clayborn left the Office of County Clerk and was succeeded by James Poss.

On April 8, 2015, Mark Willoughby left the Office of Director of Schools and was succeeded by Dr. Danielle Collins.

F. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to

perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. DeKalb County closed the Midway landfill in 1994 and the Felts Tract in 2002. The \$6,796,622 reported as postclosure care liability at June 30, 2015, represents \$696,104 for the Midway landfill and \$441,404 for the Felts Tract based on what it would cost to perform all postclosure care in 2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The amount reported as landfill closure postclosure care liability at June 30, 2015, also represents the cumulative amount reported to date based on the use of 100 percent of the estimated capacity of the extension landfill (\$1,289,956) and 90 percent estimated capacity of the lateral expansion (\$4,369,156). The county will recognize the remaining estimated costs of the closure and postclosure care of \$485,462 for the lateral expansion if or as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

G. Joint Venture

The Thirteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Thirteenth Judicial District, Clay, Cumberland, DeKalb, Overton, Pickett, Putnam, and Overton counties, and participating municipalities within the district. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. DeKalb County did not make appropriations to the DTF for the year ended June 30, 2015.

DeKalb 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 address:

Administrative Office:

Office of District Attorney General
Thirteenth Judicial District Drug Task Force
1519A East Spring Street
Cookeville, TN 38506

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of DeKalb County and non-certified employees of the discretely presented DeKalb 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 47.69 percent and the non-certified employees of the discretely presented School Department comprise 52.31 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. A reduced early retirement benefit is available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	125
Inactive Employees Entitled to But Not Yet Receiving Benefits	275
Active Employees	281
Total	681

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. DeKalb 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 DeKalb County were \$347,892 based on a rate of 5.41 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept DeKalb 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)

DeKalb 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

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 DeKalb 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	\$ 10,859,496	\$ 10,428,633	\$ 430,863
Changes for the year:			
Service Cost	\$ 450,903	\$ 0	\$ 450,903
Interest	832,772	0	832,772
Differences Between Expected and Actual Experience	18,397	0	18,397
Contributions-Employer	0	420,976	(420,976)
Contributions-Employees	0	357,846	(357,846)
Net Investment Income	0	1,764,331	(1,764,331)
Benefit Payments, Including Refunds of Employee Contributions	(413,560)	(413,560)	0
Administrative Expense	0	(10,531)	10,531
Other Changes	0	0	0
Net Changes	\$ 888,512	\$ 2,119,062	\$ (1,230,550)
Balance, June 30, 2014	\$ 11,748,008	\$ 12,547,695	\$ (799,687)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	47.69%	\$ 5,602,625	\$ 5,983,996	\$ (381,371)
School Department	52.31%	6,145,383	6,563,699	(418,316)
Total		<u>\$ 11,748,008</u>	<u>\$ 12,547,695</u>	<u>\$ (799,687)</u>

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

	1% Decrease	Current Discount Rate	1% Increase
DeKalb County	6.5%	7.5%	8.5%
Net Pension Liability	\$ 606,711	\$ (799,687)	\$ (1,971,692)

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

Pension Income. For the year ended June 30, 2015, DeKalb County recognized pension income of \$49,800.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, DeKalb 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	\$ 15,331	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	775,105
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>347,892</u>	<u>N/A</u>
Total	<u>\$ 363,223</u>	<u>\$ 775,105</u>

(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	\$ 228,967	\$ 369,648
School Department	<u>134,256</u>	<u>405,457</u>
Total	<u>\$ 363,223</u>	<u>\$ 775,105</u>

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	\$ (190,710)
2017	(190,710)
2018	(190,710)
2019	(190,710)
2020	3,066
Thereafter	0

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

Discretely Presented DeKalb County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of DeKalb County and non-certified employees of the discretely presented DeKalb 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 47.69 percent and the non-certified employees of the discretely presented School Department comprise 52.31 percent of the plan based on census data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the DeKalb 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 \$27,421, 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 DeKalb 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 DeKalb County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 27,421	N/A

The DeKalb County School Department’s employer contributions of \$27,421 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 DeKalb 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 LEA 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 LEAs if the required employer contributions are not remitted. Employer contributions by the DeKalb County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$968,868, 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 DeKalb County School Department reported an asset of \$46,396 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 DeKalb County School Department's proportion of the net

pension asset was based on a projection of the DeKalb County School Department's long-term share of contributions to the pension plan relative to the actuarially determined projected contributions of all participating LEAs. At the June 30, 2014, measurement date, the DeKalb County School Department's proportion was .285524 percent. The proportion measured as of June 30, 2013, was .286939 percent.

Pension Income. For the year ended June 30, 2015, the DeKalb County School Department recognized a pension income of \$43,116.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the DeKalb 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	\$ 112,639	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	3,822,764
Changes in Proportion and Differences Between LEAs Contributions and Proportionate Share of Contributions	0	19,952
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	968,868	N/A
Total	<u>\$ 1,081,507</u>	<u>\$ 3,842,716</u>

The DeKalb County School Department's employer contributions of \$968,868 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (940,243)
2017	(940,243)
2018	(940,243)
2019	(940,243)
2020	15,448
Thereafter	15,448

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	6.46	%	33	%
Developed Market				
International Equity	6.26		17	
Emerging Market				
International Equity	6.40		5	
Private Equity and				
Strategic Lending	4.61		8	
U.S. Fixed Income	0.98		29	
Real Estate	4.73		7	
Short-term Securities	0.00		1	
			100	%
Total				

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 LEA 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 DeKalb

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 DeKalb County School Department's proportionate share of the net pension liability (asset) would be if it was calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 7,825,269	\$ (46,396)	\$ (6,563,282)

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

2. Deferred Compensation

The School Department offers its employees a deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding the program are the responsibility of plan participants. The 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 403(b) establishes participation, contribution, and withdrawal provisions for the plan.

Teachers hired after July 1, 2014, by the discretely presented DeKalb County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the DeKalb County School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the DeKalb County School Department contributed \$7,395 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

I. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops 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. During the year ended June 30, 2015, the county and the discretely presented School Department contributed \$1,287 and \$145,379, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 12,000	\$ 151,000
Interest on the NOPEBO	4,349	23,219
Adjustment to the ARC	(4,237)	22,621
Annual OPEB cost	\$ 12,112	\$ 196,840
Amount of contribution	(1,287)	(145,379)
Increase/decrease in NOPEBO	\$ 10,825	\$ 51,461
Net OPEB obligation, 7-1-14	108,714	580,466
Net OPEB obligation, 6-30-15	\$ 119,539	\$ 631,927

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Government Group	\$ 18,797	13 %	\$ 98,823
6-30-14	"	11,102	11	108,714
6-30-15	"	12,112	11	119,539
6-30-13	Local Education Group	273,871	49	598,701
6-30-14	"	145,617	113	580,466
6-30-15	"	196,840	74	631,927

Funded Status and Funding Progress

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

	Local Government Group Plan	Local Education Group Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 64,000	\$ 1,421,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 64,000	\$ 1,421,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 4,229,123	\$ 14,225,378
UAAL as a % of covered payroll	2%	10%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of seven percent for fiscal year 2015. The trend rate will decrease to 6.5 percent in fiscal year 2016 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

J. Purchasing Laws

Offices of County Mayor and Road Supervisor

Purchasing procedures for the funds administered by the county mayor and road supervisor are governed by provisions of Chapter 63, Private Acts of 1979, as amended. Purchasing procedures for the Highway Department are also governed by Section 54-7-113, *Tennessee Code Annotated (TCA)*, (Uniform Road Law). Chapter 63, Private Acts of 1979, as amended, provides for the establishment of a Purchasing Committee and designates the county mayor as purchasing agent for purchases approved by the committee. All purchases of materials, supplies, equipment, or services estimated to exceed \$10,000 are required to be made by the Purchasing Committee on the basis of competitive bids solicited through newspaper advertisement. Other purchases may be made by the department heads. Requisitions and purchase orders are required for all purchases.

Office of Director of Schools

Purchasing procedures for the discretely presented DeKalb County School Department are governed by provisions of Chapter 63, Private Acts of 1979, as amended, and by Section 49-2-203, TCA. Chapter 63, Private Acts of 1979, as amended, provides for the establishment of a Purchasing Committee and designates the county mayor as purchasing agent for purchases approved by the committee. All purchases of materials, supplies, equipment, or services estimated to exceed \$10,000 are required to be made by the Purchasing Committee on the basis of competitive bids solicited through newspaper advertisement. Other purchases may be made by the department heads. Requisitions and purchase orders are required for all purchases.

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

A. Summary of Significant Accounting Policies

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

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

1. Depreciation

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

	Method	Estimated Useful Life Years	2015 Depreciation
Buildings and Improvements	S/L	10 - 40	\$ 2,280
Furniture and Fixtures	S/L	5 - 10	516
Office Equipment	S/L	5 - 10	301
Communications Equipment	S/L	5 - 10	45,107
Vehicles	S/L	5	5,642
Total			<u>\$ 53,846</u>

2. Major Source of Revenue

The major source of operating revenue is emergency telephone and wireless surcharges. Non-operating revenue consists of a grant given by the state Emergency Communications Board to help the district employ dispatchers, and help with interest, other refunds, and reimbursements.

3. Pension

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 DeKalb County Emergency Communications District's participation in the Public Employee Retirement Plan of the Tennessee Consolidate Retirement System (TCRS), and additions to/deductions from DeKalb County Emergency Communications District'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 contribution) 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.

B. Cash and Investments

Tennessee Code Annotated (TCA), requires Tennessee banks and savings and loan associations to secure a governmental entity's deposits by pledging government securities as collateral. The market value of pledged securities must equal 105 percent of the entity's deposits. The entity may waive collateral requirements for deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation or Savings Association Insurance Fund.

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

Checking - Regions Bank	\$ 17,220
Checking - Wilson Bank and Trust	111,348
CD - DeKalb Community Bank	327,063
CD - Liberty State Bank	205,237
CD - State Farm Bank	<u>228,478</u>
 Total Deposits	 <u><u>\$ 889,346</u></u>

At June 30, 2015, the carrying amount of the district's cash deposits was \$889,346. The district's deposit accounts are covered up to \$250,000 by the Federal Deposit Insurance Corporation. Any amounts over \$250,000 are still covered since Liberty State Bank, and DeKalb Community Bank (a branch of Wilson Bank & Trust) are members of the Government Collateralization Pool. The district is authorized to deposit and invest funds according to the provisions of Section 5-8-301, *TCA*.

C. Bonding

The district has a workers' compensation policy, which covered employees of the district at June 30, 2015. Other risk areas include theft, property damage, and public liability, which are covered by the policy of the county. There have been no losses or settlements that exceeded coverage during the past three years.

D. Capital Assets

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

Assets	Balance 7-1-14	Additions	Retirements	Balance 6-30-15
Communication Equipment	\$ 373,162	\$ 90,372	\$ 0	\$ 463,534
Furniture and Fixtures	10,330	0	0	10,330
Buildings and Improvements	31,644	0	0	31,644
Vehicles	19,500	15,500	(5,500)	29,500
Office Equipment	5,050	0	0	5,050
 Total	 <u>\$ 439,686</u>	 <u>\$ 105,872</u>	 <u>\$ (5,500)</u>	 <u>\$ 540,058</u>

Assets	Accumulated Depreciation 7-1-14	Current-year Depreciation	Current-year Retirements	Accumulated Depreciation 6-30-15
Communication				
Equipment	\$ 112,075	\$ 45,107	\$ 0	\$ 157,182
Furniture and Fixtures	9,814	516	0	10,330
Buildings and				
Improvements	22,290	2,280	0	24,570
Vehicles	10,400	5,642	(5,500)	10,542
Office Equipment	4,748	301	0	5,049
Total	\$ 159,327	\$ 53,846	\$ (5,500)	\$ 207,673

E. Cash and Cash Equivalents

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

F. Compensated Absences

There were no compensated absences for June 30, 2015.

G. Subsequent Events

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

H. Calculation of Invested in Capital Assets

Net Book Value	\$ 332,385
Current and Non-current Debt	<u>0</u>
Net Invested in Capital Assets	<u><u>\$ 332,385</u></u>

I. Budgetary Information

As stated in Note VI.A., the district must file a budget with DeKalb County each year and be approved by the Board of Directors. The budget is prepared on the accrual basis of accounting. Compliance with the legally adopted budget is required at the line-item level.

J. Pension Plan

Plan Description

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

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

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

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 CPA 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	0
Inactive Employees Entitled to But Not Yet Receiving Benefits	3
Active Employees	<u>9</u>
Total	<u><u>12</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. DeKalb County Emergency Communications District 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 the district were \$16,355 based on a rate of 4.77 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept DeKalb 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)

DeKalb County Emergency Communications District's net pension liability (asset) was measured as of June 30, 2015, 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, 2015, 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, 2015, 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 DeKalb 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)

	Pension Liability (a)	Fiduciary Net Position (b)	Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 263,426	\$ 242,720	\$ 20,706
Changes for the year:			
Service Cost	\$ 16,685	\$ 0	16,685
Interest	21,008	0	21,008
Differences Between Expected and Actual Experience	(6,847)	0	(6,847)
Contributions-Employer	0	15,106	(15,106)
Contributions-Employees	0	15,768	(15,768)
Net Investment Income	0	42,772	(42,772)
Benefit Payments, Including Refunds of Employee Contributions	0	0	0
Administrative Expense	0	(316)	316
Net Changes	\$ 30,846	\$ 73,330	\$ (42,484)
Balance, June 30, 2014	\$ 294,272	\$ 316,050	\$ (21,778)

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

<u>Year Ending June 30</u>	<u>Amount</u>
2015	\$ (16,355)
2016	(5,313)
2017	(5,306)
2018	(5,306)
2019	(5,306)
2020	(622)
Thereafter	(3,110)

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

DeKalb 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	\$ 450,903
Interest	832,772
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	18,397
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	<u>(413,560)</u>
Net Change in Total Pension Liability (Asset)	\$ 888,512
Total Pension Liability (Asset), Beginning	<u>10,859,496</u>
 Total Pension Liability (Asset), Ending (a)	 <u>\$ 11,748,008</u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 420,976
Contributions - Employee	357,846
Net Investment Income	1,764,331
Benefit Payments, Including Refunds of Employee Contributions	(413,560)
Administrative Expense	<u>(10,531)</u>
Net Change in Plan Fiduciary Net Position	\$ 2,119,062
Plan Fiduciary Net Position, Beginning	<u>10,428,633</u>
 Plan Fiduciary Net Position, Ending (b)	 <u>\$ 12,547,695</u>
 Net Pension Liability (Asset), Ending (a - b)	 <u>\$ (799,687)</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 106.81%
Covered Employee Payroll	\$ 6,724,834
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	11.89%

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.

DeKalb 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	\$ 420,976	\$ 347,892
Less Contributions in Relation to the Actuarially Determined Contribution	(420,976)	(347,892)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Employee Payroll	 \$ 6,724,834	 \$ 6,873,051
 Contributions as a Percentage of Covered Employee Payroll	 6.26%	 5.06%

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.

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 34,817
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(27,421)</u>
Contribution Deficiency (Excess)	<u>\$ 7,396</u>
Covered Employee Payroll	\$ 685,532
Contributions as a Percentage of Covered Employee Payroll	4.00%

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

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 995,164	\$ 968,868
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(995,164)</u>	<u>(968,868)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 11,206,780	\$ 10,717,347
Contributions as a Percentage of Covered Employee Payroll	8.88%	9.04%

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

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

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.285524%
School Department's Proportionate Share of the Net Pension Asset	\$ 46,396
Covered Employee Payroll	\$ 11,206,780
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.

DeKalb County, Tennessee
 Schedule of Funding Progress – Other Postemployment Benefits Plans
 Primary Government and Discretely Presented DeKalb 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)
Local Government Group	7-1-10	\$ 0	\$ 285	\$ 285	0 %	\$ 1,532	19 %
"	7-1-11	0	108	108	0	2,932	4
"	7-1-13	0	64	64	0	4,229	2
Local Education Group	7-1-10	0	1,741	1,741	0	9,674	18
"	7-1-11	0	2,465	2,465	0	13,491	18
"	7-1-13	0	1,421	1,421	0	14,225	10

DEKALB 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	2 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

**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 legally restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation.

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 Fund

The General Capital Projects Fund is 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.

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

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	
<u>ASSETS</u>						
Cash	\$ 0	\$ 0	\$ 23,575	\$ 23,575	\$ 0	23,575
Equity in Pooled Cash and Investments	29,719	46,493	0	76,212	688,676	764,888
Accounts Receivable	0	0	8,897	8,897	0	8,897
Property Taxes Receivable	0	0	0	0	543,631	543,631
Allowance for Uncollectible Property Taxes	0	0	0	0	(12,562)	(12,562)
Total Assets	\$ 29,719	\$ 46,493	\$ 32,472	\$ 108,684	\$ 1,219,745	\$ 1,328,429
<u>LIABILITIES</u>						
Accounts Payable	\$ 0	\$ 3,795	\$ 0	\$ 3,795	\$ 0	3,795
Due to Other Funds	0	0	9,180	9,180	0	9,180
Total Liabilities	\$ 0	\$ 3,795	\$ 9,180	\$ 12,975	\$ 0	12,975
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 517,739	517,739
Deferred Delinquent Property Taxes	0	0	0	0	11,817	11,817
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 529,556	\$ 529,556
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 42,698	\$ 0	\$ 42,698	\$ 0	42,698

(Continued)

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

	Special Revenue Funds				Capital Projects Fund	Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	
<u>FUND BALANCES (Cont.)</u>						
Restricted (Cont.):						
Restricted for Capital Outlay	\$ 0	\$ 0	\$ 0	\$ 0	\$ 690,189	\$ 690,189
Committed:						
Committed for General Government	29,719	0	0	29,719	0	29,719
Committed for Finance	0	0	23,292	23,292	0	23,292
Total Fund Balances	\$ 29,719	\$ 42,698	\$ 23,292	\$ 95,709	\$ 690,189	\$ 785,898
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 29,719	\$ 46,493	\$ 32,472	\$ 108,684	\$ 1,219,745	\$ 1,328,429

DeKalb 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	Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	
<u>Revenues</u>						
Local Taxes	\$ 53,832	\$ 0	\$ 0	\$ 53,832	\$ 482,377	\$ 536,209
Fines, Forfeitures, and Penalties	0	6,379	0	6,379	0	6,379
Charges for Current Services	0	0	112,666	112,666	0	112,666
Other Local Revenues	0	1,500	0	1,500	0	1,500
State of Tennessee	0	0	0	0	10,000	10,000
Total Revenues	<u>\$ 53,832</u>	<u>\$ 7,879</u>	<u>\$ 112,666</u>	<u>\$ 174,377</u>	<u>\$ 492,377</u>	<u>\$ 666,754</u>
<u>Expenditures</u>						
Current:						
General Government	\$ 42,267	\$ 0	\$ 50	\$ 42,317	\$ 0	\$ 42,317
Finance	0	0	116,184	116,184	0	116,184
Administration of Justice	0	0	408	408	0	408
Public Safety	0	6,280	0	6,280	0	6,280
Other Operations	0	189	0	189	0	189
Support Services	0	5,059	0	5,059	0	5,059
Capital Projects	0	0	0	0	589,738	589,738
Total Expenditures	<u>\$ 42,267</u>	<u>\$ 11,528</u>	<u>\$ 116,642</u>	<u>\$ 170,437</u>	<u>\$ 589,738</u>	<u>\$ 760,175</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 11,565</u>	<u>\$ (3,649)</u>	<u>\$ (3,976)</u>	<u>\$ 3,940</u>	<u>\$ (97,361)</u>	<u>\$ (93,421)</u>
Net Change in Fund Balances	\$ 11,565	\$ (3,649)	\$ (3,976)	\$ 3,940	\$ (97,361)	\$ (93,421)
Fund Balance, July 1, 2014	18,154	46,347	27,268	91,769	787,550	879,319
Fund Balance, June 30, 2015	<u>\$ 29,719</u>	<u>\$ 42,698</u>	<u>\$ 23,292</u>	<u>\$ 95,709</u>	<u>\$ 690,189</u>	<u>\$ 785,898</u>

DeKalb County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Courthouse and Jail Maintenance Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 53,832	\$ 55,400	\$ 55,400	\$ (1,568)
Total Revenues	\$ 53,832	\$ 55,400	\$ 55,400	\$ (1,568)
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 42,267	\$ 38,359	\$ 42,859	\$ 592
Total Expenditures	\$ 42,267	\$ 38,359	\$ 42,859	\$ 592
Excess (Deficiency) of Revenues Over Expenditures	\$ 11,565	\$ 17,041	\$ 12,541	\$ (976)
Net Change in Fund Balance	\$ 11,565	\$ 17,041	\$ 12,541	\$ (976)
Fund Balance, July 1, 2014	18,154	21,293	21,293	(3,139)
Fund Balance, June 30, 2015	\$ 29,719	\$ 38,334	\$ 33,834	\$ (4,115)

DeKalb 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	\$ 6,379	\$ 13,400	\$ 13,400	\$ (7,021)
Other Local Revenues	1,500	50	50	1,450
Total Revenues	<u>\$ 7,879</u>	<u>\$ 13,450</u>	<u>\$ 13,450</u>	<u>\$ (5,571)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 6,280	\$ 18,385	\$ 18,325	\$ 12,045
Drug Enforcement	0	15,000	15,000	15,000
<u>Other Operations</u>				
Other Charges	189	155	215	26
<u>Support Services</u>				
Other Student Support	5,059	6,000	6,000	941
Total Expenditures	<u>\$ 11,528</u>	<u>\$ 39,540</u>	<u>\$ 39,540</u>	<u>\$ 28,012</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (3,649)</u>	<u>\$ (26,090)</u>	<u>\$ (26,090)</u>	<u>\$ 22,441</u>
Net Change in Fund Balance	\$ (3,649)	\$ (26,090)	\$ (26,090)	\$ 22,441
Fund Balance, July 1, 2014	<u>46,347</u>	<u>43,878</u>	<u>43,878</u>	<u>2,469</u>
Fund Balance, June 30, 2015	<u>\$ 42,698</u>	<u>\$ 17,788</u>	<u>\$ 17,788</u>	<u>\$ 24,910</u>

DeKalb County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Capital Projects Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 482,377	\$ 453,760	\$ 453,760	\$ 28,617
State of Tennessee	10,000	0	10,000	0
Total Revenues	<u>\$ 492,377</u>	<u>\$ 453,760</u>	<u>\$ 463,760</u>	<u>\$ 28,617</u>
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 25,166	\$ 9,068	\$ 25,931	\$ 765
Public Safety Projects	422,928	440,000	438,859	15,931
Public Health and Welfare Projects	141,644	201,000	201,000	59,356
Total Expenditures	<u>\$ 589,738</u>	<u>\$ 650,068</u>	<u>\$ 665,790</u>	<u>\$ 76,052</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (97,361)</u>	<u>\$ (196,308)</u>	<u>\$ (202,030)</u>	<u>\$ 104,669</u>
Net Change in Fund Balance	\$ (97,361)	(196,308)	(202,030)	104,669
Fund Balance, July 1, 2014	<u>787,550</u>	<u>740,096</u>	<u>740,096</u>	<u>47,454</u>
Fund Balance, June 30, 2015	<u>\$ 690,189</u>	<u>\$ 543,788</u>	<u>\$ 538,066</u>	<u>\$ 152,123</u>

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.

DeKalb 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	\$ 578,694	\$ 544,512	\$ 544,512	\$ 34,182
Other Governments and Citizens Groups	238,096	238,097	297,268	(59,172)
Total Revenues	<u>\$ 816,790</u>	<u>\$ 782,609</u>	<u>\$ 841,780</u>	<u>\$ (24,990)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 505,000	\$ 505,000	\$ 505,000	\$ 0
Education	904,171	904,172	963,343	59,172
<u>Interest on Debt</u>				
General Government	119,421	119,650	119,650	229
Education	157,692	157,466	157,695	3
<u>Other Debt Service</u>				
General Government	13,228	34,373	34,144	20,916
Education	0	1,500	1,500	1,500
Total Expenditures	<u>\$ 1,699,512</u>	<u>\$ 1,722,161</u>	<u>\$ 1,781,332</u>	<u>\$ 81,820</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (882,722)</u>	<u>\$ (939,552)</u>	<u>\$ (939,552)</u>	<u>\$ 56,830</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 823,541	\$ 823,541	\$ 823,541	\$ 0
Total Other Financing Sources	<u>\$ 823,541</u>	<u>\$ 823,541</u>	<u>\$ 823,541</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (59,181)	\$ (116,011)	\$ (116,011)	\$ 56,830
Fund Balance, July 1, 2014	<u>1,509,897</u>	<u>1,513,215</u>	<u>1,513,215</u>	<u>(3,318)</u>
Fund Balance, June 30, 2015	<u>\$ 1,450,716</u>	<u>\$ 1,397,204</u>	<u>\$ 1,397,204</u>	<u>\$ 53,512</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.

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.

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,574,112	\$ 1,574,112
Due from Other Governments	179,636	0	179,636
Notes Receivable - Long-term	0	98,000	98,000
Total Assets	<u>\$ 179,636</u>	<u>\$ 1,672,112</u>	<u>\$ 1,851,748</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 179,636	\$ 0	\$ 179,636
Due to Litigants, Heirs, and Others	0	1,672,112	1,672,112
Total Liabilities	<u>\$ 179,636</u>	<u>\$ 1,672,112</u>	<u>\$ 1,851,748</u>

DeKalb 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	\$ 995,805	\$ 995,805	\$ 0
Due from Other Governments	175,642	179,636	175,642	179,636
Total Assets	\$ 175,642	\$ 1,175,441	\$ 1,171,447	\$ 179,636
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 175,642	\$ 1,175,441	\$ 1,171,447	\$ 179,636
Total Liabilities	\$ 175,642	\$ 1,175,441	\$ 1,171,447	\$ 179,636
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,440,669	\$ 12,557,457	\$ 12,424,014	\$ 1,574,112
Notes Receivable - Long-term	106,900	0	8,900	98,000
Total Assets	\$ 1,547,569	\$ 12,557,457	\$ 12,432,914	\$ 1,672,112
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,547,569	\$ 12,557,457	\$ 12,432,914	\$ 1,672,112
Total Liabilities	\$ 1,547,569	\$ 12,557,457	\$ 12,432,914	\$ 1,672,112
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,440,669	\$ 12,557,457	\$ 12,424,014	\$ 1,574,112
Equity in Pooled Cash and Investments	0	995,805	995,805	0
Due from Other Governments	175,642	179,636	175,642	179,636
Notes Receivable - Long-term	106,900	0	8,900	98,000
Total Assets	\$ 1,723,211	\$ 13,732,898	\$ 13,604,361	\$ 1,851,748
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 175,642	\$ 1,175,441	\$ 1,171,447	\$ 179,636
Due to Litigants, Heirs, and Others	1,547,569	12,557,457	12,432,914	1,672,112
Total Liabilities	\$ 1,723,211	\$ 13,732,898	\$ 13,604,361	\$ 1,851,748

DeKalb County School Department

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

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

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

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

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 18,340,378	\$ 484	\$ 1,678,434	\$ 133,607	\$ (16,527,853)
Support Services	1,769,117	26,176	342,844	0	(1,400,097)
Operation of Non-instructional Services	2,286,645	241,192	1,180,325	0	(865,128)
Interest on Long-term Debt	53,926	0	0	0	(53,926)
Total Governmental Activities	\$ 22,450,066	\$ 267,852	\$ 3,201,603	\$ 133,607	\$ (18,847,004)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 2,645,953
Other Local Taxes					10,861
Grants and Contributions Not Restricted to Specific Programs					16,991,749
Unrestricted Investment Earnings					1,695
Miscellaneous					89,802
Sale of Equipment					57
Pension Income					69,167
Total General Revenues					\$ 19,809,284
Insurance Recovery					\$ 6,650
Change in Net Position					\$ 968,930
Net Position, July 1, 2014					17,550,334
Restatement - Pension Liability (see Note I.D.8)					(3,731,969)
Net Position, June 30, 2015					\$ 14,787,295

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

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Total</u>
	<u>General Purpose School</u>	<u>Education Capital Projects</u>	<u>Funds</u>	
			<u>Other Governmental Funds</u>	
				<u>Governmental Funds</u>
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 4,683,988	\$ 334,905	\$ 574,493	\$ 5,593,386
Accounts Receivable	5,112	0	0	5,112
Due from Other Governments	236,722	0	109,771	346,493
Property Taxes Receivable	2,823,145	0	0	2,823,145
Allowance for Uncollectible Property Taxes	(67,002)	0	0	(67,002)
Total Assets	<u>\$ 7,681,965</u>	<u>\$ 334,905</u>	<u>\$ 684,264</u>	<u>\$ 8,701,134</u>
<u>LIABILITIES</u>				
Due to State of Tennessee	\$ 8,050	\$ 0	\$ 0	\$ 8,050
Total Liabilities	<u>\$ 8,050</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,050</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 2,682,828	\$ 0	\$ 0	\$ 2,682,828
Deferred Delinquent Property Taxes	64,995	0	0	64,995
Total Deferred Inflows of Resources	<u>\$ 2,747,823</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,747,823</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 5,312	\$ 0	\$ 604,264	\$ 609,576
Restricted for Capital Outlay	0	334,905	0	334,905
Committed:				
Committed for Education	3,802,797	0	80,000	3,882,797
Assigned:				
Assigned for Education	\$ 12,740	\$ 0	\$ 0	\$ 12,740
Unassigned	1,105,243	0	0	1,105,243
Total Fund Balances	<u>\$ 4,926,092</u>	<u>\$ 334,905</u>	<u>\$ 684,264</u>	<u>\$ 5,945,261</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,681,965</u>	<u>\$ 334,905</u>	<u>\$ 684,264</u>	<u>\$ 8,701,134</u>

DeKalb County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented DeKalb 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)		\$	5,945,261
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	736,256	
Add: buildings and improvements net of accumulated depreciation		11,853,608	
Add: other capital assets net of accumulated depreciation		<u>1,543,551</u>	14,133,415
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: contributions due on the primary government debt for bonds	\$	(2,125,000)	
Less: contributions due on the primary government debt for other loans		(59,172)	
Less: other postemployment benefits liability		<u>(631,927)</u>	(2,816,099)
(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	\$	1,243,184	
Less: deferred inflows of resources related to pensions		<u>(4,248,173)</u>	(3,004,989)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension assets - agent plan	\$	418,316	
Add: net pension assets - cost-sharing plan		<u>46,396</u>	464,712
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>64,995</u>
Net position of governmental activities (Exhibit A)			<u>\$ 14,787,295</u>

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>Revenues</u>				
Local Taxes	\$ 2,661,009	\$ 0	\$ 0	\$ 2,661,009
Licenses and Permits	1,494	0	0	1,494
Charges for Current Services	26,176	0	241,192	267,368
Other Local Revenues	117,413	442	5,811	123,666
State of Tennessee	14,862,612	19,087	0	14,881,699
Federal Government	455,409	114,520	3,324,909	3,894,838
Other Governments and Citizens Groups	1,540,000	0	0	1,540,000
Total Revenues	<u>\$ 19,664,113</u>	<u>\$ 134,049</u>	<u>\$ 3,571,912</u>	<u>\$ 23,370,074</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 11,897,297	\$ 0	\$ 1,425,135	\$ 13,322,432
Support Services	6,652,215	0	510,775	7,162,990
Operation of Non-instructional Services	599,675	0	1,686,970	2,286,645
Capital Outlay	140,611	0	0	140,611
Debt Service:				
Principal on Debt	184,171	0	0	184,171
Interest on Debt	53,926	0	0	53,926
Capital Projects	0	790,830	0	790,830
Total Expenditures	<u>\$ 19,527,895</u>	<u>\$ 790,830</u>	<u>\$ 3,622,880</u>	<u>\$ 23,941,605</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 136,218</u>	<u>\$ (656,781)</u>	<u>\$ (50,968)</u>	<u>\$ (571,531)</u>

(Continued)

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

	Major Funds		Nonmajor Funds	Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Govern- mental Funds	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 5,311	\$ 0	\$ 1,339	\$ 6,650
Transfers In	2,630	0	0	2,630
Transfers Out	0	0	(2,630)	(2,630)
Total Other Financing Sources (Uses)	\$ 7,941	\$ 0	\$ (1,291)	\$ 6,650
Net Change in Fund Balances	\$ 144,159	\$ (656,781)	\$ (52,259)	\$ (564,881)
Fund Balance, July 1, 2014	4,781,933	991,686	736,523	6,510,142
Fund Balance, June 30, 2015	\$ 4,926,092	\$ 334,905	\$ 684,264	\$ 5,945,261

DeKalb County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented DeKalb 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)		\$	(564,881)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	839,347	
Less: current-year depreciation expense		<u>(591,255)</u>	248,092
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.			
Less: book value of capital assets disposed			(34,488)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$	64,995	
Less: deferred delinquent property taxes and other deferred June 30, 2014		<u>(69,190)</u>	(4,195)
(4) The contribution of long-term debt (e.g., bonds, notes, other loans, leases) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Add: principal contributed on bonds to the primary government	\$	125,000	
Add: principal contributed on other loans to the primary government		<u>59,171</u>	184,171
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in other postemployment benefits liability	\$	(51,461)	
Change in net pension liability/asset		4,196,681	
Change in deferred outflows related to pensions		1,243,184	
Change in deferred inflows related to pensions		<u>(4,248,173)</u>	<u>1,140,231</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 968,930</u>

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

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 73,457	\$ 501,036	\$ 574,493
Due from Other Governments	6,543	103,228	109,771
Total Assets	<u>\$ 80,000</u>	<u>\$ 604,264</u>	<u>\$ 684,264</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 604,264	\$ 604,264
Committed:			
Committed for Education	80,000	0	80,000
Total Fund Balances	<u>\$ 80,000</u>	<u>\$ 604,264</u>	<u>\$ 684,264</u>

DeKalb County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented DeKalb 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	\$ 241,192	\$ 241,192
Other Local Revenues	0	5,811	5,811
Federal Government	2,161,410	1,163,499	3,324,909
Total Revenues	<u>\$ 2,161,410</u>	<u>\$ 1,410,502</u>	<u>\$ 3,571,912</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,425,135	\$ 0	\$ 1,425,135
Support Services	510,775	0	510,775
Operation of Non-instructional Services	222,870	1,464,100	1,686,970
Total Expenditures	<u>\$ 2,158,780</u>	<u>\$ 1,464,100</u>	<u>\$ 3,622,880</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 2,630</u>	<u>\$ (53,598)</u>	<u>\$ (50,968)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 0	\$ 1,339	\$ 1,339
Transfers Out	(2,630)	0	(2,630)
Total Other Financing Sources (Uses)	<u>\$ (2,630)</u>	<u>\$ 1,339</u>	<u>\$ (1,291)</u>
Net Change in Fund Balances	\$ 0	\$ (52,259)	\$ (52,259)
Fund Balance, July 1, 2014	80,000	656,523	736,523
Fund Balance, June 30, 2015	<u>\$ 80,000</u>	<u>\$ 604,264</u>	<u>\$ 684,264</u>

DeKalb County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented DeKalb 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	\$ 2,661,009	\$ 2,496,739	\$ 2,496,739	\$ 164,270
Licenses and Permits	1,494	1,000	1,000	494
Charges for Current Services	26,176	42,000	42,000	(15,824)
Other Local Revenues	117,413	59,500	76,000	41,413
State of Tennessee	14,862,612	14,798,736	15,074,674	(212,062)
Federal Government	455,409	250,000	286,114	169,295
Other Governments and Citizens Groups	1,540,000	1,540,000	1,540,000	0
Total Revenues	\$ 19,664,113	\$ 19,187,975	\$ 19,516,527	\$ 147,586
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 9,135,129	\$ 9,652,551	\$ 9,640,309	\$ 505,180
Alternative Instruction Program	97,478	100,538	100,538	3,060
Special Education Program	2,037,676	1,899,266	2,054,195	16,519
Vocational Education Program	627,014	649,730	649,730	22,716
<u>Support Services</u>				
Attendance	113,523	129,779	129,779	16,256
Health Services	335,202	337,020	374,263	39,061
Other Student Support	506,805	499,960	524,960	18,155
Regular Instruction Program	734,187	766,655	776,655	42,468
Special Education Program	306,183	460,300	341,485	35,302
Other Programs	65,771	0	65,771	0
Board of Education	331,364	343,633	343,633	12,269
Director of Schools	173,003	176,165	182,665	9,662
Office of the Principal	1,250,396	1,311,895	1,311,895	61,499
Fiscal Services	143,322	165,690	165,690	22,368
Operation of Plant	1,135,938	1,306,575	1,281,575	145,637
Maintenance of Plant	290,166	312,680	312,680	22,514
Transportation	1,266,355	1,428,813	1,414,653	148,298
<u>Operation of Non-instructional Services</u>				
Food Service	23,954	21,000	29,800	5,846
Community Services	139,412	0	180,360	40,948
Early Childhood Education	436,309	476,000	486,167	49,858
<u>Capital Outlay</u>				
Regular Capital Outlay	140,611	300,000	300,000	159,389
<u>Education Debt Service</u>				
Education Debt Service	0	238,097	0	0
<u>Principal on Debt</u>				
Education	184,171	0	184,171	0
<u>Interest on Debt</u>				
Education	53,926	0	53,926	0
Total Expenditures	\$ 19,527,895	\$ 20,576,347	\$ 20,904,900	\$ 1,377,005
Excess (Deficiency) of Revenues Over Expenditures	\$ 136,218	\$ (1,388,372)	\$ (1,388,373)	\$ 1,524,591

(Continued)

DeKalb County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual and Budget
 Discretely Presented DeKalb 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	\$ 5,311	\$ 10,000	\$ 10,000	\$ (4,689)
Transfers In	2,630	6,000	6,000	(3,370)
Total Other Financing Sources	\$ 7,941	\$ 16,000	\$ 16,000	\$ (8,059)
Net Change in Fund Balance	\$ 144,159	\$ (1,372,372)	\$ (1,372,373)	\$ 1,516,532
Fund Balance, July 1, 2014	4,781,933	4,425,769	4,425,769	356,164
Fund Balance, June 30, 2015	\$ 4,926,092	\$ 3,053,397	\$ 3,053,396	\$ 1,872,696

DeKalb County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented DeKalb 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	\$ 2,161,410	\$ 2,213,282	\$ 2,531,160	\$ (369,750)
Total Revenues	\$ 2,161,410	\$ 2,213,282	\$ 2,531,160	\$ (369,750)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 875,703	\$ 1,011,953	\$ 1,019,291	\$ 143,588
Special Education Program	504,957	534,932	600,400	95,443
Vocational Education Program	44,475	42,000	44,475	0
<u>Support Services</u>				
Other Student Support	16,831	18,984	20,077	3,246
Regular Instruction Program	218,860	281,196	321,537	102,677
Special Education Program	274,297	290,852	299,093	24,796
Vocational Education Program	787	1,500	787	0
Transportation	0	29,235	0	0
<u>Operation of Non-instructional Services</u>				
Community Services	222,870	0	222,870	0
Total Expenditures	\$ 2,158,780	\$ 2,210,652	\$ 2,528,530	\$ 369,750
Excess (Deficiency) of Revenues Over Expenditures	\$ 2,630	\$ 2,630	\$ 2,630	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (2,630)	\$ (2,630)	\$ (2,630)	\$ 0
Total Other Financing Sources	\$ (2,630)	\$ (2,630)	\$ (2,630)	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2014	80,000	0	0	80,000
Fund Balance, June 30, 2015	\$ 80,000	\$ 0	\$ 0	\$ 80,000

DeKalb County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented DeKalb 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	\$ 241,192	\$ 525,000	\$ 525,000	\$ (283,808)
Other Local Revenues	5,811	17,000	17,000	(11,189)
Federal Government	1,163,499	1,404,000	1,404,000	(240,501)
Total Revenues	<u>\$ 1,410,502</u>	<u>\$ 1,946,000</u>	<u>\$ 1,946,000</u>	<u>\$ (535,498)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 1,464,100	\$ 2,114,409	\$ 2,114,409	\$ 650,309
Total Expenditures	<u>\$ 1,464,100</u>	<u>\$ 2,114,409</u>	<u>\$ 2,114,409</u>	<u>\$ 650,309</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (53,598)</u>	<u>\$ (168,409)</u>	<u>\$ (168,409)</u>	<u>\$ 114,811</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 1,339	\$ 0	\$ 0	\$ 1,339
Total Other Financing Sources	<u>\$ 1,339</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,339</u>
Net Change in Fund Balance	\$ (52,259)	\$ (168,409)	\$ (168,409)	\$ 116,150
Fund Balance, July 1, 2014	<u>656,523</u>	<u>541,996</u>	<u>541,996</u>	<u>114,527</u>
Fund Balance, June 30, 2015	<u>\$ 604,264</u>	<u>\$ 373,587</u>	<u>\$ 373,587</u>	<u>\$ 230,677</u>

MISCELLANEOUS SCHEDULES

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Paid and/or Matured During Period	Outstanding 6-30-15
<u>NOTES PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
School Capital Outlay Notes, Series 2012	\$ 3,400,000	1 to 2 %	9-21-12	3-1-25	\$ 3,140,000	\$ 260,000	\$ 2,880,000
Total Notes Payable					<u>\$ 3,140,000</u>	<u>\$ 260,000</u>	<u>\$ 2,880,000</u>
<u>OTHER LOANS PAYABLE</u>							
<u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u>							
Energy Efficiency Loan	414,198	0	2-11-09	3-15-16	\$ 118,343	\$ 59,171	\$ 59,172
Total Other Loans Payable					<u>\$ 118,343</u>	<u>\$ 59,171</u>	<u>\$ 59,172</u>
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Refunding Bonds, Series 2003	7,930,000	.1 to 5.5	4-24-03	3-1-19	\$ 2,410,000	\$ 620,000	\$ 1,790,000
General Obligation Bonds, Series 2010	5,000,000	2 to 3.5	6-10-10	6-1-25	3,870,000	300,000	3,570,000
General Obligation School Bonds, Series 2013	750,000	2 to 3.25	10-28-13	10-1-28	750,000	45,000	705,000
Total Payable through General Debt Service Fund					<u>\$ 7,030,000</u>	<u>\$ 965,000</u>	<u>\$ 6,065,000</u>
<u>Contributions Due by the School Department from the General Purpose School Fund to the General Debt Service Fund</u>							
General Obligation School Bonds, Series 2013	2,250,000	2 to 3.25	10-28-13	10-1-28	\$ 2,250,000	\$ 125,000	\$ 2,125,000
Total Bonds Payable					<u>\$ 9,280,000</u>	<u>\$ 1,090,000</u>	<u>\$ 8,190,000</u>

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 265,000	\$ 51,231	\$ 316,231
2017	270,000	47,550	317,550
2018	275,000	43,463	318,463
2019	275,000	38,650	313,650
2020	285,000	33,050	318,050
2021	290,000	27,300	317,300
2022	295,000	21,450	316,450
2023	300,000	15,500	315,500
2024	310,000	9,400	319,400
2025	315,000	3,150	318,150
Total	<u>\$ 2,880,000</u>	<u>\$ 290,744</u>	<u>\$ 3,170,744</u>

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2016	\$ 59,172	\$ 0	\$ 59,172
Total	<u>\$ 59,172</u>	<u>\$ 0</u>	<u>\$ 59,172</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 920,000	\$ 191,453	\$ 1,111,453
2017	940,000	166,454	1,106,454
2018	955,000	154,971	1,109,971
2019	970,000	142,341	1,112,341
2020	530,000	129,210	659,210
2021	550,000	115,339	665,339
2022	570,000	100,045	670,045
2023	585,000	83,313	668,313
2024	610,000	65,356	675,356
2025	635,000	46,222	681,222
2026	220,000	25,485	245,485
2027	225,000	18,975	243,975
2028	235,000	11,780	246,780
2029	245,000	3,982	248,982
Total	<u>\$ 8,190,000</u>	<u>\$ 1,254,926</u>	<u>\$ 9,444,926</u>

DeKalb County, Tennessee
Schedule of Notes Receivable
For the Year Ended June 30, 2015

Description	Original Amount of Loan	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-14	Retired During Period	Balance 6-30-15
<u>Constitutional Officers - Agency Fund</u>							
Snow	\$ 18,000	7-13-04	(1)	(2)	\$ 16,400	\$ 0	\$ 16,400
Johnson	12,500	12-19-07	(1)	(2)	12,500	0	12,500
Sutherly	8,000	2-21-07	(1)	(2)	8,000	8,000	0
Snipes	10,000	1-3-08	(1)	(2)	10,000	900	9,100
Scott	60,000	5-4-12	(1)	(2)	60,000	0	60,000
Total					<u>\$ 106,900</u>	<u>\$ 8,900</u>	<u>\$ 98,000</u>

(1) Ten years after borrower graduates school.

(2) Two percent below prime interest rate as published in the *Wall Street Journal*.

DeKalb County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented DeKalb 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>			
Local Purpose Tax	General Debt Service	School debt	<u>\$ 823,541</u>
<u>DISCRETELY PRESENTED DEKALB COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 2,630</u>

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Mike Foster (7-1-14 through 8-31-14)	Section 8-24-102, TCA, and Chairman of Roads, Chapter 156, Private Acts of 1943, as amended	\$ 12,862 (1)	\$ 50,000	State Farm Fire and Casualty Company
Tim Stribling (9-1-14 through 6-30-15)	Section 8-24-102, TCA, and Chairman of Roads, Chapter 156, Private Acts of 1943, as amended	61,476 (2)	100,000	RLI Insurance Company
Road Supervisor:				
Kenny Edge (7-1-14 through 8-31-14)	Section 8-24-102, TCA, and DeKalb County Commission	11,955 (3)	100,000	"
Wallace Agee (9-1-14 through 6-30-15)	Section 8-24-102, TCA, and DeKalb County Commission	59,773 (4)	100,000	"
Director of Schools:				
Mark Willoughby (7-1-14 through 4-8-15)	State Board of Education and DeKalb County Board of Education	105,076 (5)	(6)	
Dr. Danielle Collins (4-9-15 through 6-30-15)	State Board of Education and DeKalb County Board of Education	5,000	(6)	
Trustee	Section 8-24-102, TCA	63,843	775,000	RLI Insurance Company
Assessor of Property	Section 8-24-102, TCA	63,843	50,000	"
County Clerk:				
Mike Clayborn (7-1-14 through 8-31-14)	Section 8-24-102, TCA	11,050	50,000	
James Poss (9-1-14 through 6-30-15)	Section 8-24-102, TCA	52,793	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	63,843	100,000	"
Clerk and Master	Section 8-24-102, TCA	63,843	75,000	"
Register of Deeds	Section 8-24-102, TCA	63,843	100,000	"
Sheriff	Section 8-24-102, TCA	70,828 (7)	25,000	"
Employee Blanket Bond Coverage:				
Public Employee Dishonesty - County Departments			150,000	Local Government Insurance Pool
Public Employee Dishonesty - School Department			150,000	Tennessee Risk Management Trust

- (1) Includes a \$100 payment for serving as chairman of roads paid from the Highway/Public Works Fund.
(2) Includes a \$500 payment for serving as chairman of roads paid from the Highway/Public Works Fund.
(3) Includes additional compensation of \$250 for maintaining E-911 road signs.
(4) Includes additional compensation of \$1,250 for maintaining E-911 road signs.
(5) Includes a chief executive officer training supplement of \$1,000.
(6) The director of schools and interim director of schools are covered by the \$150,000 employee blanket bond.
(7) Includes a \$600 law enforcement training supplement.

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 3,875,186	\$ 0	\$ 0	\$ 0	\$ 0	\$ 141,779
Trustee's Collections - Prior Year	12,605	0	0	0	0	462
Circuit/Clerk and Master Collections - Prior Years	45,178	0	0	0	0	1,724
Interest and Penalty	22,915	0	0	0	0	840
Pickup Taxes	1,284	0	0	0	0	46
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	2,391,347	0	0	0
Litigation Tax - General	431	49,735	0	0	0	0
Litigation Tax - Special Purpose	10,800	4,097	0	0	0	0
Business Tax	144,551	0	0	0	0	0
Mixed Drink Tax	11,184	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	24,004
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	1,245	0	0	0	0	0
Total Local Taxes	\$ 4,125,379	\$ 53,832	\$ 2,391,347	\$ 0	\$ 0	\$ 168,855
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 43,221	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	5,249	0	0	0	0	0
Total Licenses and Permits	\$ 48,470	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 7,039	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	5,086	0	0	0	0	0
Drug Control Fines	3,116	0	0	3,116	0	0
Drug Court Fees	1,873	0	0	0	0	0
Jail Fees	1,718	0	0	0	0	0
DUI Treatment Fines	1,045	0	0	0	0	0
Data Entry Fee - Circuit Court	921	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	20,174	0	0	0	0	0
Officers Costs	19,926	0	0	0	0	0
Game and Fish Fines	938	0	0	0	0	0
Drug Control Fines	1,626	0	0	1,626	0	0
Drug Court Fees	4,170	0	0	0	0	0
Jail Fees	5,075	0	0	0	0	0
DUI Treatment Fines	4,825	0	0	0	0	0
Data Entry Fee - General Sessions Court	7,074	0	0	0	0	0
Courtroom Security Fee	120	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	2,159	0	0	0	0	0
Officers Costs	2,026	0	0	0	0	0
Data Entry Fee - Juvenile Court	427	0	0	0	0	0
Courtroom Security Fee	4	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	2,004	0	0	0	0	0
Courtroom Security Fee	38	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Courts - In-county</u>						
Fines	\$ 7,578	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	920	0	0	1,637	0	0
Other Fines, Forfeitures, and Penalties	696	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 100,578	\$ 0	\$ 0	\$ 6,379	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Residential Waste Collection Charge	\$ 100	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	945,172	0	0	0	0	0
Other General Service Charges	1,845	0	0	0	0	0
<u>Fees</u>						
Recreation Fees	48,935	0	0	0	0	0
Library Fees	12,709	0	0	0	0	0
Telephone Commissions	8,149	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	112,666	0
Data Processing Fee - Register	6,558	0	0	0	0	0
Data Processing Fee - Sheriff	46	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	2,900	0	0	0	0	0
Data Processing Fee - County Clerk	1,783	0	0	0	0	0
<u>Education Charges</u>						
TBI Criminal Background Fee	450	0	0	0	0	0
Total Charges for Current Services	\$ 1,028,647	\$ 0	\$ 0	\$ 0	\$ 112,666	\$ 0

(Continued)

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 104,709	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	60,070	0	0	0	0	0
Commissary Sales	3,098	0	0	0	0	0
Sale of Recycled Materials	89	0	0	0	0	0
Cobra Insurance Payments	0	0	0	0	0	450
Miscellaneous Refunds	46,026	0	0	0	0	4,961
<u>Nonrecurring Items</u>						
Sale of Equipment	47	0	0	0	0	0
Sale of Property	1,900	0	0	0	0	0
Contributions and Gifts	9,251	0	0	1,500	0	0
Performance Bond Forfeitures	712	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	500	0	0	0	0	0
Total Other Local Revenues	\$ 226,402	\$ 0	\$ 0	\$ 1,500	\$ 0	\$ 5,411
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
Trustee	\$ 156,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees in-Lieu-of Salary</u>						
County Clerk	162,004	0	0	0	0	0
Circuit Court Clerk	50,059	0	0	0	0	0
General Sessions Court Clerk	113,935	0	0	0	0	0
Clerk and Master	54,923	0	0	0	0	0
Juvenile Court Clerk	6,381	0	0	0	0	0
Register	77,530	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>Fees Received from County Officials (Cont.)</u>						
<u>Fees in-Lieu-of Salary (Cont.)</u>						
Sheriff	\$ 14,578	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Fees Received from County Officials	\$ 635,410	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	11,647	0	0	0	0	0
On-behalf Contributions for OPEB	1,650	0	0	0	0	0
Other General Government Grants	1,000	0	0	0	0	0
<u>Public Safety Grants</u>						
Drug Control Grants	110,492	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	18,304	0	0	0	0	0
Other Health and Welfare Grants	82,685	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	125,123
Litter Program	33,683	0	0	0	0	0
<u>Other State Revenues</u>						
Flood Control	385,472	0	0	0	0	0
Income Tax	35,671	0	0	0	0	0
Vehicle Certificate of Title Fees	3,472	0	0	0	0	0
Contracted Prisoner Boarding	73,434	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,351,038
Petroleum Special Tax	0	0	0	0	0	13,509
Registrar's Salary Supplement	15,164	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Other State Grants	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other State Revenues	73,916	0	0	0	0	0
Total State of Tennessee	\$ 855,590	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,489,670
<u>Federal Government</u>						
<u>Federal Through State</u>						
Other Federal through State	\$ 2,507	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	36,640	0	0	0	0	0
Other Direct Federal Revenue	65,494	0	0	0	0	0
Total Federal Government	\$ 104,641	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 73,182	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 73,182	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 7,198,299	\$ 53,832	\$ 2,391,347	\$ 7,879	\$ 112,666	\$ 1,663,936

(Continued)

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

	Debt Service Fund	Capital Projects Fund	Total
	General Debt Service	General Capital Projects	
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 567,106	\$ 472,578	\$ 5,056,649
Trustee's Collections - Prior Year	1,847	1,534	16,448
Circuit/Clerk and Master Collections - Prior Years	6,201	5,315	58,418
Interest and Penalty	3,352	2,793	29,900
Pickup Taxes	188	157	1,675
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0	0	2,391,347
Litigation Tax - General	0	0	50,166
Litigation Tax - Special Purpose	0	0	14,897
Business Tax	0	0	144,551
Mixed Drink Tax	0	0	11,184
Mineral Severance Tax	0	0	24,004
<u>Statutory Local Taxes</u>			
Interstate Telecommunications Tax	0	0	1,245
Total Local Taxes	\$ 578,694	\$ 482,377	\$ 7,800,484
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Cable TV Franchise	\$ 0	\$ 0	\$ 43,221
<u>Permits</u>			
Beer Permits	0	0	5,249
Total Licenses and Permits	\$ 0	\$ 0	\$ 48,470

(Continued)

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

	Debt Service Fund	Capital Projects Fund	Total
	General Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$ 0	\$ 0	\$ 7,039
Officers Costs	0	0	5,086
Drug Control Fines	0	0	6,232
Drug Court Fees	0	0	1,873
Jail Fees	0	0	1,718
DUI Treatment Fines	0	0	1,045
Data Entry Fee - Circuit Court	0	0	921
<u>General Sessions Court</u>			
Fines	0	0	20,174
Officers Costs	0	0	19,926
Game and Fish Fines	0	0	938
Drug Control Fines	0	0	3,252
Drug Court Fees	0	0	4,170
Jail Fees	0	0	5,075
DUI Treatment Fines	0	0	4,825
Data Entry Fee - General Sessions Court	0	0	7,074
Courtroom Security Fee	0	0	120
<u>Juvenile Court</u>			
Fines	0	0	2,159
Officers Costs	0	0	2,026
Data Entry Fee - Juvenile Court	0	0	427
Courtroom Security Fee	0	0	4
<u>Chancery Court</u>			
Data Entry Fee - Chancery Court	0	0	2,004
Courtroom Security Fee	0	0	38

(Continued)

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

	Debt Service Fund	Capital Projects Fund	Total
	General Debt Service	General Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>Other Courts - In-county</u>			
Fines	\$ 0	\$ 0	\$ 7,578
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0	0	2,557
Other Fines, Forfeitures, and Penalties	0	0	696
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 106,957</u>
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Residential Waste Collection Charge	\$ 0	\$ 0	\$ 100
Patient Charges	0	0	945,172
Other General Service Charges	0	0	1,845
<u>Fees</u>			
Recreation Fees	0	0	48,935
Library Fees	0	0	12,709
Telephone Commissions	0	0	8,149
Constitutional Officers' Fees and Commissions	0	0	112,666
Data Processing Fee - Register	0	0	6,558
Data Processing Fee - Sheriff	0	0	46
Sexual Offender Registration Fee - Sheriff	0	0	2,900
Data Processing Fee - County Clerk	0	0	1,783
<u>Education Charges</u>			
TBI Criminal Background Fee	0	0	450
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,141,313</u>

(Continued)

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

	Debt Service Fund	Capital Projects Fund	Total
	General Debt Service	General Capital Projects	
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$ 0	\$ 0	\$ 104,709
Lease/Rentals	0	0	60,070
Commissary Sales	0	0	3,098
Sale of Recycled Materials	0	0	89
Cobra Insurance Payments	0	0	450
Miscellaneous Refunds	0	0	50,987
<u>Nonrecurring Items</u>			
Sale of Equipment	0	0	47
Sale of Property	0	0	1,900
Contributions and Gifts	0	0	10,751
Performance Bond Forfeitures	0	0	712
<u>Other Local Revenues</u>			
Other Local Revenues	0	0	500
Total Other Local Revenues	\$ 0	\$ 0	\$ 233,313
<u>Fees Received from County Officials</u>			
<u>Excess Fees</u>			
Trustee	\$ 0	\$ 0	\$ 156,000
<u>Fees in-Lieu-of Salary</u>			
County Clerk	0	0	162,004
Circuit Court Clerk	0	0	50,059
General Sessions Court Clerk	0	0	113,935
Clerk and Master	0	0	54,923
Juvenile Court Clerk	0	0	6,381
Register	0	0	77,530

(Continued)

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

	Debt Service Fund	Capital Projects Fund	Total
	General Debt Service	General Capital Projects	
<u>Fees Received from County Officials (Cont.)</u>			
<u>Fees in-Lieu-of Salary (Cont.)</u>			
Sheriff	\$ 0	\$ 0	\$ 14,578
Total Fees Received from County Officials	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 635,410</u>
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$ 0	\$ 0	\$ 9,000
Aging Programs	0	0	11,647
On-behalf Contributions for OPEB	0	0	1,650
Other General Government Grants	0	0	1,000
<u>Public Safety Grants</u>			
Drug Control Grants	0	0	110,492
<u>Health and Welfare Grants</u>			
Health Department Programs	0	0	18,304
Other Health and Welfare Grants	0	0	82,685
<u>Public Works Grants</u>			
State Aid Program	0	0	125,123
Litter Program	0	0	33,683
<u>Other State Revenues</u>			
Flood Control	0	0	385,472
Income Tax	0	0	35,671
Vehicle Certificate of Title Fees	0	0	3,472
Contracted Prisoner Boarding	0	0	73,434
Gasoline and Motor Fuel Tax	0	0	1,351,038
Petroleum Special Tax	0	0	13,509
Registrar's Salary Supplement	0	0	15,164

(Continued)

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

	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	
	General Debt Service	General Capital Projects	Total
<hr/>			
<u>State of Tennessee (Cont.)</u>			
<u>Other State Revenues (Cont.)</u>			
Other State Grants	\$ 0	\$ 10,000	\$ 10,000
Other State Revenues	0	0	73,916
Total State of Tennessee	<u>\$ 0</u>	<u>\$ 10,000</u>	<u>\$ 2,355,260</u>
<hr/>			
<u>Federal Government</u>			
<u>Federal Through State</u>			
Other Federal through State	\$ 0	\$ 0	\$ 2,507
<u>Direct Federal Revenue</u>			
Police Service (Lake Area)	0	0	36,640
Other Direct Federal Revenue	0	0	65,494
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 104,641</u>
<hr/>			
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$ 238,096	\$ 0	\$ 311,278
Total Other Governments and Citizens Groups	<u>\$ 238,096</u>	<u>\$ 0</u>	<u>\$ 311,278</u>
<hr/>			
Total	<u>\$ 816,790</u>	<u>\$ 492,377</u>	<u>\$ 12,737,126</u>

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

	General Purpose School	Special Revenue Funds			Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 2,599,246	\$ 0	\$ 0	\$ 0	\$ 2,599,246	
Trustee's Collections - Prior Year	4,498	0	0	0	4,498	
Circuit/Clerk and Master Collections - Prior Years	30,119	0	0	0	30,119	
Interest and Penalty	15,424	0	0	0	15,424	
Pickup Taxes	861	0	0	0	861	
<u>County Local Option Taxes</u>						
Mixed Drink Tax	9,069	0	0	0	9,069	
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	1,792	0	0	0	1,792	
Total Local Taxes	\$ 2,661,009	\$ 0	\$ 0	\$ 0	\$ 2,661,009	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,494	\$ 0	\$ 0	\$ 0	\$ 1,494	
Total Licenses and Permits	\$ 1,494	\$ 0	\$ 0	\$ 0	\$ 1,494	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Lunch Payments - Children	\$ 0	\$ 0	\$ 143,323	\$ 0	\$ 143,323	
Lunch Payments - Adults	0	0	35,605	0	35,605	
Income from Breakfast	0	0	881	0	881	
A la carte Sales	0	0	61,383	0	61,383	
Receipts from Individual Schools	24,850	0	0	0	24,850	

(Continued)

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

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Charges for Current Services (Cont.)</u>					
<u>Other Charges for Services</u>					
Other Charges for Services	\$ 1,326	\$ 0	\$ 0	\$ 0	\$ 1,326
Total Charges for Current Services	\$ 26,176	\$ 0	\$ 241,192	\$ 0	\$ 267,368
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 1,695	\$ 0	\$ 1,695
Sale of Recycled Materials	304	0	180	0	484
E-Rate Funding	26,882	0	0	0	26,882
Miscellaneous Refunds	58,542	0	3,936	442	62,920
<u>Nonrecurring Items</u>					
Sale of Equipment	22,757	0	0	0	22,757
Sale of Property	99	0	0	0	99
Damages Recovered from Individuals	197	0	0	0	197
Contributions and Gifts	8,632	0	0	0	8,632
Total Other Local Revenues	\$ 117,413	\$ 0	\$ 5,811	\$ 442	\$ 123,666
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 65,771	\$ 0	\$ 0	\$ 0	\$ 65,771
<u>Public Safety Grants</u>					
Other Public Safety Grants	0	0	0	19,087	19,087
<u>State Education Funds</u>					
Basic Education Program	14,041,174	0	0	0	14,041,174
Early Childhood Education	288,235	0	0	0	288,235

(Continued)

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

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
School Food Service	\$ 16,826	\$ 0	\$ 0	\$ 0	\$ 16,826
Other State Education Funds	340,284	0	0	0	340,284
Family Resource Centers	13,084	0	0	0	13,084
Career Ladder Program	62,058	0	0	0	62,058
Career Ladder - Extended Contract	32,620	0	0	0	32,620
<u>Other State Revenues</u>					
Other State Grants	2,560	0	0	0	2,560
Total State of Tennessee	\$ 14,862,612	\$ 0	\$ 0	\$ 19,087	\$ 14,881,699

Federal Government

Federal Through State

USDA School Lunch Program	\$ 0	\$ 0	\$ 772,652	\$ 0	\$ 772,652
USDA - Commodities	0	0	99,468	0	99,468
Breakfast	0	0	268,865	0	268,865
USDA - Other	0	0	22,514	0	22,514
Vocational Education - Basic Grants to States	0	54,434	0	0	54,434
Title I Grants to Local Education Agencies	0	870,700	0	0	870,700
Special Education - Grants to States	120,851	762,851	0	0	883,702
Special Education Preschool Grants	15,262	16,403	0	0	31,665
English Language Acquisition Grants	0	12,772	0	0	12,772
Safe and Drug-free Schools - State Grants	0	225,500	0	0	225,500
Rural Education	0	72,988	0	0	72,988
Eisenhower Professional Development State Grants	0	126,926	0	0	126,926
Homeland Security Grants	0	0	0	114,520	114,520

(Continued)

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

	General Purpose School	Special Revenue Funds School Federal Projects	Central Cafeteria	Capital Projects Fund Education Capital Projects	Total
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Race to the Top - ARRA	\$ 0	\$ 18,836	\$ 0	\$ 0	\$ 18,836
Other Federal through State	143,849	0	0	0	143,849
<u>Direct Federal Revenue</u>					
Public Law 874 - Maintenance and Operation	175,447	0	0	0	175,447
Total Federal Government	\$ 455,409	\$ 2,161,410	\$ 1,163,499	\$ 114,520	\$ 3,894,838
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 1,540,000	\$ 0	\$ 0	\$ 0	\$ 1,540,000
Total Other Governments and Citizens Groups	\$ 1,540,000	\$ 0	\$ 0	\$ 0	\$ 1,540,000
Total	\$ 19,664,113	\$ 2,161,410	\$ 1,410,502	\$ 134,049	\$ 23,370,074

DeKalb 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	\$	40,725	
Social Security		2,525	
Pensions		1,230	
Unemployment Compensation		249	
Employer Medicare		591	
Audit Services		5,617	
Fiscal Agent Charges		15,000	
Legal Notices, Recording, and Court Costs		4,640	
Travel		1,373	
Tax Relief Program		16,118	
Other Charges		818	
Total County Commission	\$		88,886

Board of Equalization

Board and Committee Members Fees	\$	1,768	
Total Board of Equalization			1,768

Beer Board

Board and Committee Members Fees	\$	3,575	
Social Security		31	
Pensions		27	
Unemployment Compensation		2	
Employer Medicare		7	
Total Beer Board			3,642

County Mayor/Executive

County Official/Administrative Officer	\$	73,738	
Assistant(s)		52,114	
Part-time Personnel		2,628	
Social Security		7,905	
Pensions		6,145	
Employee and Dependent Insurance		6,725	
Unemployment Compensation		523	
Employer Medicare		1,849	
Data Processing Services		8,278	
Travel		25	
Office Supplies		5,489	
Other Charges		389	
Total County Mayor/Executive			165,808

County Attorney

County Official/Administrative Officer	\$	18,000	
Travel		805	
Total County Attorney			18,805

Election Commission

County Official/Administrative Officer	\$	57,459	
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(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Part-time Personnel	\$	810	
Other Salaries and Wages		25,841	
Election Commission		2,850	
Election Workers		32,236	
In-service Training		30	
Social Security		4,501	
Pensions		4,507	
Employee and Dependent Insurance		5,992	
Unemployment Compensation		233	
Employer Medicare		1,053	
Advertising		3,226	
Communication		546	
Printing, Stationery, and Forms		4,156	
Other Contracted Services		12,873	
Office Supplies		2,194	
Other Charges		21,181	
Total Election Commission			\$ 179,688

Register of Deeds

County Official/Administrative Officer	\$	63,843	
Assistant(s)		52,864	
Social Security		6,971	
Pensions		6,314	
Employee and Dependent Insurance		3,442	
Unemployment Compensation		216	
Employer Medicare		1,630	
Other Contracted Services		550	
Office Supplies		2,294	
Other Supplies and Materials		1,317	
Data Processing Equipment		11,687	
Total Register of Deeds			151,128

Planning

Board and Committee Members Fees	\$	3,400	
Social Security		71	
Pensions		22	
Unemployment Compensation		5	
Employer Medicare		17	
Other Contracted Services		10,750	
Total Planning			14,265

County Buildings

Custodial Personnel	\$	43,650	
Social Security		2,466	
Pensions		2,362	
Employee and Dependent Insurance		6,120	
Unemployment Compensation		216	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Employer Medicare	\$	577	
Maintenance and Repair Services - Buildings		53,410	
Utilities		107,679	
Other Charges		1,000	
Total County Buildings			\$ 217,480

Other Facilities

Part-time Personnel	\$	44,947	
Other Salaries and Wages		8,996	
Social Security		2,314	
Unemployment Compensation		413	
Employer Medicare		541	
Office Supplies		437	
Other Supplies and Materials		3,172	
Other Charges		12,016	
Total Other Facilities			72,836

Other General Administration

Other Salaries and Wages	\$	4,200	
Social Security		234	
Pensions		227	
Employee and Dependent Insurance		420	
Unemployment Compensation		15	
Employer Medicare		55	
On-behalf Payments to OPEB		1,650	
Communication		46,280	
Dues and Memberships		7,946	
Operating Lease Payments		13,296	
Postal Charges		28,518	
Office Supplies		2,288	
Periodicals		155	
Liability Insurance		128,271	
Premiums on Corporate Surety Bonds		15,314	
Workers' Compensation Insurance		110,708	
Other Charges		1,543	
Total Other General Administration			361,120

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	63,843	
Assistant(s)		21,576	
Secretary(ies)		26,432	
Other Salaries and Wages		33,027	
Social Security		8,271	
Pensions		7,838	
Employee and Dependent Insurance		9,945	
Unemployment Compensation		543	

(Continued)

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Employer Medicare	\$	1,934	
Data Processing Services		412	
Travel		37	
Other Contracted Services		27,857	
Gasoline		2,227	
Office Supplies		2,023	
Total Property Assessor's Office			\$ 205,965

County Trustee's Office

Social Security	\$	6,964	
Pensions		6,273	
Employee and Dependent Insurance		4,845	
Unemployment Compensation		216	
Employer Medicare		1,629	
Data Processing Services		13,641	
Legal Notices, Recording, and Court Costs		128	
Office Supplies		2,171	
Total County Trustee's Office			35,867

County Clerk's Office

County Official/Administrative Officer	\$	63,843	
Deputy(ies)		77,287	
Social Security		8,487	
Pensions		7,635	
Employee and Dependent Insurance		5,992	
Unemployment Compensation		427	
Employer Medicare		1,985	
Contracts with Private Agencies		16,844	
Office Supplies		2,495	
Other Charges		1,342	
Office Equipment		4,440	
Total County Clerk's Office			190,777

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,843	
Deputy(ies)		75,291	
Other Salaries and Wages		420	
Jury and Witness Expense		4,503	
Social Security		8,314	
Pensions		7,527	
Employee and Dependent Insurance		3,060	
Unemployment Compensation		351	
Employer Medicare		1,944	
Data Processing Services		12,750	
Other Contracted Services		1,050	
Office Supplies		4,230	
Other Charges		105	
Total Circuit Court			183,388

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

County Official/Administrative Officer	\$	89,453	
Secretary(ies)		9,222	
Social Security		5,651	
Pensions		4,839	
Employee and Dependent Insurance		3,060	
Unemployment Compensation		113	
Employer Medicare		1,322	
Travel		1,314	
Office Supplies		2,016	
Other Charges		2,866	
Total General Sessions Court			\$ 119,856

Drug Court

Other Salaries and Wages	\$	70,991	
Social Security		4,103	
Pensions		3,192	
Employee and Dependent Insurance		3,060	
Unemployment Compensation		364	
Employer Medicare		960	
Communication		3,540	
Contributions		300	
Travel		7,181	
Other Contracted Services		14,509	
Drugs and Medical Supplies		9,054	
Office Supplies		1,825	
Other Charges		5,333	
Total Drug Court			124,412

Chancery Court

County Official/Administrative Officer	\$	63,843	
Secretary(ies)		24,377	
Social Security		4,967	
Pensions		4,773	
Employee and Dependent Insurance		3,315	
Unemployment Compensation		292	
Employer Medicare		1,162	
Data Processing Services		7,725	
Office Supplies		2,254	
Other Charges		1,059	
Data Processing Equipment		1,542	
Office Equipment		4,919	
Total Chancery Court			120,228

Juvenile Court

Youth Service Officer(s)	\$	30,857	
Social Security		1,629	
Pensions		1,669	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Employee and Dependent Insurance	\$	3,060	
Unemployment Compensation		108	
Employer Medicare		381	
Contracts with Other Public Agencies		5,600	
Data Processing Services		660	
Other Charges		373	
Total Juvenile Court			\$ 44,337

Judicial Commissioners

County Official/Administrative Officer	\$	34,485	
Social Security		2,138	
Unemployment Compensation		335	
Employer Medicare		500	
Office Supplies		95	
Total Judicial Commissioners			37,553

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	70,828	
Deputy(ies)		795,187	
Overtime Pay		34,798	
In-service Training		8,297	
Social Security		54,373	
Pensions		48,897	
Employee and Dependent Insurance		32,852	
Unemployment Compensation		2,616	
Employer Medicare		12,716	
Communication		19,291	
Contracts with Private Agencies		2,438	
Contributions		1,500	
Maintenance and Repair Services - Vehicles		58,132	
Travel		4,847	
Gasoline		84,836	
Law Enforcement Supplies		7,283	
Office Supplies		11,584	
Tires and Tubes		9,505	
Uniforms		17,389	
Utilities		63,711	
Other Supplies and Materials		8,146	
Other Charges		900	
Data Processing Equipment		1,295	
Motor Vehicles		638	
Total Sheriff's Department			1,352,059

Special Patrols

Guards	\$	28,846	
Other Salaries and Wages		4,200	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols (Cont.)

Social Security	\$	2,032	
Pensions		1,788	
Employee and Dependent Insurance		251	
Unemployment Compensation		123	
Employer Medicare		475	
Gasoline		3,017	
Instructional Supplies and Materials		4,983	
Other Charges		671	
Total Special Patrols			\$ 46,386

Traffic Control

Part-time Personnel	\$	15,860	
Social Security		871	
Unemployment Compensation		170	
Employer Medicare		204	
Total Traffic Control			17,105

Correctional Incentive Program Improvements

Cafeteria Personnel	\$	20,864	
Other Salaries and Wages		531,718	
Social Security		32,111	
Pensions		29,894	
Employee and Dependent Insurance		35,615	
Unemployment Compensation		2,794	
Employer Medicare		7,510	
Contracts with Private Agencies		99,358	
Medical and Dental Services		75,823	
Food Supplies		143,460	
Other Supplies and Materials		20,718	
Other Charges		78,581	
Total Correctional Incentive Program Improvements			1,078,446

Fire Prevention and Control

In-service Training	\$	15,331	
Forest Resource Services		1,500	
Maintenance and Repair Services - Buildings		4,863	
Maintenance and Repair Services - Equipment		7,229	
Equipment and Machinery Parts		15,319	
Gasoline		35,294	
Instructional Supplies and Materials		1,620	
Utilities		24,428	
Other Supplies and Materials		4,233	
Liability Insurance		2,758	
Other Charges		9,376	
Communication Equipment		5,497	
Law Enforcement Equipment		13,174	
Other Equipment		68,675	
Total Fire Prevention and Control			209,297

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense

Other Charges	\$ 3,451	
Total Civil Defense		\$ 3,451

Other Emergency Management

Contributions	\$ 113,595	
Liability Insurance	3,795	
Other Charges	1,887	
Communication Equipment	8,423	
Total Other Emergency Management		127,700

County Coroner/Medical Examiner

Evaluation and Testing	\$ 16,000	
Medical and Dental Services	9,700	
Other Contracted Services	6,220	
Total County Coroner/Medical Examiner		31,920

Other Public Safety

Contributions	\$ 16,821	
Total Other Public Safety		16,821

Public Health and Welfare

Local Health Center

Social Workers	\$ 35,324	
Medical Personnel	27,435	
Custodial Personnel	6,000	
Social Security	3,726	
Pensions	1,342	
Unemployment Compensation	327	
Employer Medicare	872	
Communication	2,342	
Contracts with Government Agencies	11,208	
Maintenance and Repair Services - Equipment	1,101	
Travel	1,417	
Custodial Supplies	777	
Drugs and Medical Supplies	1,385	
Instructional Supplies and Materials	13,713	
Office Supplies	1,430	
Utilities	13,394	
Other Supplies and Materials	6,410	
Other Charges	8,514	
Total Local Health Center		136,717

Rabies and Animal Control

Contracts with Other Public Agencies	\$ 1,090	
Total Rabies and Animal Control		1,090

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services

Medical Personnel	\$	465,217	
Secretary(ies)		25,682	
Part-time Personnel		222,747	
In-service Training		2,550	
Social Security		42,119	
Pensions		29,694	
Employee and Dependent Insurance		34,835	
Unemployment Compensation		2,678	
Employer Medicare		9,850	
Communication		9,577	
Licenses		2,050	
Maintenance and Repair Services - Buildings		3,344	
Maintenance and Repair Services - Equipment		3,932	
Maintenance and Repair Services - Vehicles		24,858	
Printing, Stationery, and Forms		892	
Travel		253	
Disposal Fees		509	
Other Contracted Services		40,620	
Custodial Supplies		2,687	
Diesel Fuel		33,805	
Drugs and Medical Supplies		41,220	
Instructional Supplies and Materials		977	
Office Supplies		3,493	
Uniforms		3,788	
Utilities		7,341	
Other Supplies and Materials		2,300	
Liability Insurance		85,620	
Refunds		2,575	
Workers' Compensation Insurance		77,143	
Other Charges		2,960	
Other Equipment		10,209	
Total Ambulance/Emergency Medical Services			\$ 1,195,525

Regional Mental Health Center

Contributions	\$	7,180	
Total Regional Mental Health Center			7,180

General Welfare Assistance

Contributions	\$	50	
Total General Welfare Assistance			50

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Clerical Personnel	\$	16,580	
Social Security		902	
Pensions		897	
Employee and Dependent Insurance		2,805	

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Unemployment Compensation	\$	160	
Employer Medicare		211	
Travel		173	
Other Supplies and Materials		762	
Other Charges		100	
Total Senior Citizens Assistance			\$ 22,590

Libraries

Librarians	\$	26,432	
Clerical Personnel		41,547	
Part-time Personnel		32,411	
Social Security		6,113	
Pensions		3,678	
Employee and Dependent Insurance		3,315	
Unemployment Compensation		800	
Employer Medicare		1,430	
Communication		5,294	
Library Books/Media		10,869	
Periodicals		1,468	
Utilities		11,374	
Other Supplies and Materials		10,754	
Other Equipment		1,490	
Total Libraries			156,975

Other Social, Cultural, and Recreational

Other Charges	\$	13,462	
Total Other Social, Cultural, and Recreational			13,462

Agriculture and Natural Resources

Agricultural Extension Service

Assistant(s)	\$	13,227	
Supervisor/Director		9,257	
Clerical Personnel		9,083	
Other Fringe Benefits		7,170	
Other Supplies and Materials		675	
Total Agricultural Extension Service			39,412

Soil Conservation

Secretary(ies)	\$	26,432	
Social Security		1,212	
Pensions		1,430	
Employee and Dependent Insurance		3,060	
Unemployment Compensation		108	
Employer Medicare		283	
Total Soil Conservation			32,525

(Continued)

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

General Fund (Cont.)

Other Operations

Industrial Development

Secretary(ies)	\$	707	
Social Security		40	
Pensions		38	
Employer Medicare		9	
Other Charges		176	
Total Industrial Development			\$ 970

Other Economic and Community Development

Contributions	\$	15,000	
Travel		500	
Other Charges		3,662	
Total Other Economic and Community Development			19,162

Veterans' Services

Supervisor/Director	\$	10,000	
Social Security		620	
Unemployment Compensation		111	
Employer Medicare		145	
Communication		112	
Total Veterans' Services			10,988

Other Charges

Contributions	\$	7,200	
Trustee's Commission		98,902	
Total Other Charges			106,102

Contributions to Other Agencies

Contributions	\$	15,745	
Total Contributions to Other Agencies			15,745

Employee Benefits

Employee and Dependent Insurance	\$	5,862	
Total Employee Benefits			5,862

Miscellaneous

Laborers	\$	4,794	
Other Salaries and Wages		170	
Pauper Burials		1,900	
Road Signs		9,191	
Other Charges		3,952	
Total Miscellaneous			20,007

Total General Fund \$ 7,005,356

(Continued)

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

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$ 17,182	
Custodial Supplies	24,562	
Trustee's Commission	523	
Total County Buildings		\$ 42,267

Total Courthouse and Jail Maintenance Fund \$ 42,267

Local Purpose Tax Fund

Capital Projects

Other General Government Projects

Contributions	\$ 1,540,000	
Trustee's Commission	23,897	
Total Other General Government Projects		\$ 1,563,897

Total Local Purpose Tax Fund 1,563,897

Drug Control Fund

Public Safety

Sheriff's Department

Other Charges	\$ 6,280	
Total Sheriff's Department		\$ 6,280

Other Operations

Other Charges

Trustee's Commission	\$ 189	
Total Other Charges		189

Support Services

Other Student Support

Other Supplies and Materials	\$ 5,059	
Total Other Student Support		5,059

Total Drug Control Fund 11,528

Constitutional Officers - Fees Fund

General Government

Register of Deeds

Constitutional Officers' Operating Expenses	\$ 50	
Total Register of Deeds		\$ 50

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 116,111	
Total County Trustee's Office		116,111

County Clerk's Office

Constitutional Officers' Operating Expenses	\$ 73	
Total County Clerk's Office		73

(Continued)

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

Constitutional Officers - Fees Fund (Cont.)

Administration of Justice

Circuit Court Clerk

Constitutional Officers' Operating Expenses	\$ 46	
Total Circuit Court Clerk		\$ 46

General Sessions Court Clerk

Constitutional Officers' Operating Expenses	\$ 46	
Total General Sessions Court Clerk		46

Chancery Court

Constitutional Officers' Operating Expenses	\$ 270	
Total Chancery Court		270

Juvenile Court Clerk

Constitutional Officers' Operating Expenses	\$ 46	
Total Juvenile Court Clerk		<u>46</u>

Total Constitutional Officers - Fees Fund		\$ 116,642
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Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 71,728	
Accountants/Bookkeepers	25,744	
Secretary(ies)	24,278	
Board and Committee Members Fees	600	
Communication	4,519	
Data Processing Services	5,495	
Dues and Memberships	3,000	
Postal Charges	308	
Rentals	1,261	
Travel	720	
Electricity	4,331	
Natural Gas	8,763	
Office Supplies	1,628	
Water and Sewer	159	
Data Processing Equipment	<u>846</u>	
Total Administration		\$ 153,380

Highway and Bridge Maintenance

Foremen	\$ 31,894
Equipment Operators	70,238
Truck Drivers	68,502
Laborers	59,659
Rentals	412
Other Contracted Services	14,159
Asphalt - Liquid	548,587
Concrete	964
Crushed Stone	15,527

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Pipe - Metal	\$	18,431	
Road Signs		512	
Salt		3,250	
Structural Steel		180	
Uniforms		392	
Other Supplies and Materials		4,427	
Total Highway and Bridge Maintenance			\$ 837,134

Operation and Maintenance of Equipment

Mechanic(s)	\$	48,238	
Maintenance and Repair Services - Equipment		3,748	
Diesel Fuel		72,231	
Equipment and Machinery Parts		27,543	
Garage Supplies		5,808	
Gasoline		20,057	
Lubricants		4,425	
Small Tools		250	
Tires and Tubes		23,017	
Total Operation and Maintenance of Equipment			205,317

Quarry Operations

Foremen	\$	27,040	
Equipment Operators		46,322	
Explosive and Drilling Services		31,486	
Maintenance and Repair Services - Equipment		10,787	
Electricity		17,810	
Equipment and Machinery Parts		12,424	
Total Quarry Operations			145,869

Other Charges

Liability Insurance	\$	40,787	
Trustee's Commission		18,039	
Workers' Compensation Insurance		42,509	
Other Charges		700	
Total Other Charges			102,035

Employee Benefits

Social Security	\$	36,280	
Pensions		26,109	
Employee and Dependent Insurance		140,719	
Unemployment Compensation		5,220	
Total Employee Benefits			208,328

Capital Outlay

Highway Equipment	\$	141,019	
Motor Vehicles		7,035	
State Aid Projects		18,565	
Total Capital Outlay			166,619

Total Highway/Public Works Fund \$ 1,818,682

(Continued)

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

<u>General Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Bonds	\$ 505,000	
Total General Government		\$ 505,000
<u>Education</u>		
Principal on Bonds	\$ 585,000	
Principal on Notes	260,000	
Principal on Other Loans	59,171	
Total Education		904,171
<u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Bonds	\$ 119,421	
Total General Government		119,421
<u>Education</u>		
Interest on Bonds	\$ 103,180	
Interest on Notes	54,512	
Total Education		157,692
<u>Other Debt Service</u>		
<u>General Government</u>		
Trustee's Commission	\$ 11,478	
Other Debt Service	1,750	
Total General Government		13,228
Total General Debt Service Fund		\$ 1,699,512
<u>General Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>General Administration Projects</u>		
Trustee's Commission	\$ 9,566	
Other Equipment	15,600	
Total General Administration Projects		\$ 25,166
<u>Public Safety Projects</u>		
Building Construction	\$ 90,410	
Land	5,722	
Motor Vehicles	205,975	
Other Equipment	111,021	
Other Construction	9,800	
Total Public Safety Projects		422,928
<u>Public Health and Welfare Projects</u>		
Solid Waste Equipment	\$ 141,644	
Total Public Health and Welfare Projects		141,644
Total General Capital Projects Fund		589,738
Total Governmental Funds - Primary Government		<u>\$ 12,847,622</u>

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	6,383,701	
Career Ladder Program		30,483	
Career Ladder Extended Contracts		4,534	
Educational Assistants		129,085	
Other Salaries and Wages		49,296	
Certified Substitute Teachers		37,080	
Non-certified Substitute Teachers		56,492	
Social Security		375,593	
Pensions		588,740	
Medical Insurance		941,978	
Dental Insurance		65,813	
Unemployment Compensation		10,639	
Employer Medicare		88,264	
Tuition		5,302	
Other Contracted Services		18,000	
Instructional Supplies and Materials		73,014	
Textbooks		173,051	
Fee Waivers		11,554	
Other Charges		11,935	
Regular Instruction Equipment		80,575	
Total Regular Instruction Program			\$ 9,135,129

Alternative Instruction Program

Teachers	\$	58,415	
Career Ladder Program		3,000	
Educational Assistants		13,702	
Social Security		4,255	
Pensions		6,293	
Medical Insurance		10,247	
Dental Insurance		461	
Unemployment Compensation		110	
Employer Medicare		995	
Total Alternative Instruction Program			97,478

Special Education Program

Teachers	\$	1,233,226	
Career Ladder Program		4,000	
Homebound Teachers		46,943	
Educational Assistants		175,377	
Speech Pathologist		72,577	
Other Salaries and Wages		9,777	
Certified Substitute Teachers		10,019	
Non-certified Substitute Teachers		8,212	
Social Security		85,940	
Pensions		129,843	
Medical Insurance		172,106	

(Continued)

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Dental Insurance	\$	14,037	
Unemployment Compensation		2,958	
Employer Medicare		20,928	
Contracts with Other School Systems		30,000	
Other Contracted Services		9,824	
Instructional Supplies and Materials		2,748	
Other Supplies and Materials		4,084	
Special Education Equipment		5,077	
Total Special Education Program			\$ 2,037,676

Vocational Education Program

Teachers	\$	435,192	
Career Ladder Program		1,000	
Other Salaries and Wages		36,100	
Non-certified Substitute Teachers		4,582	
Social Security		27,468	
Pensions		41,229	
Medical Insurance		57,713	
Dental Insurance		4,613	
Unemployment Compensation		693	
Employer Medicare		6,424	
Instructional Supplies and Materials		12,000	
Total Vocational Education Program			627,014

Support Services

Attendance

Supervisor/Director	\$	55,802	
Career Ladder Program		1,000	
Clerical Personnel		27,320	
Social Security		4,829	
Pensions		6,489	
Medical Insurance		7,706	
Dental Insurance		458	
Unemployment Compensation		104	
Employer Medicare		1,129	
Travel		1,091	
Other Contracted Services		7,533	
Other Supplies and Materials		62	
Total Attendance			113,523

Health Services

Supervisor/Director	\$	64,708	
Medical Personnel		166,730	
Clerical Personnel		11,980	
Social Security		13,213	
Pensions		21,231	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Medical Insurance	\$	46,370	
Dental Insurance		2,418	
Unemployment Compensation		359	
Employer Medicare		3,090	
Travel		1,396	
Other Contracted Services		1,014	
Drugs and Medical Supplies		1,564	
Other Supplies and Materials		1,129	
Total Health Services			\$ 335,202

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		280,996	
Other Salaries and Wages		25,000	
Social Security		17,343	
Pensions		27,752	
Medical Insurance		45,880	
Dental Insurance		2,893	
Unemployment Compensation		356	
Employer Medicare		4,056	
Contracts with Government Agencies		73,182	
Evaluation and Testing		28,347	
Total Other Student Support			506,805

Regular Instruction Program

Supervisor/Director	\$	127,825	
Career Ladder Program		4,000	
Career Ladder Extended Contracts		4,101	
Librarians		226,732	
Instructional Computer Personnel		98,486	
Educational Assistants		28,353	
Social Security		28,179	
Pensions		37,799	
Medical Insurance		53,279	
Dental Insurance		3,221	
Unemployment Compensation		800	
Employer Medicare		6,590	
Maintenance and Repair Services - Equipment		83,440	
Travel		753	
Other Contracted Services		2,000	
Food Supplies		11,695	
Library Books/Media		15,355	
Other Supplies and Materials		1,108	
In Service/Staff Development		471	
Total Regular Instruction Program			734,187

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program

Supervisor/Director	\$	66,500	
Career Ladder Program		1,000	
Psychological Personnel		72,312	
Social Security		8,432	
Pensions		12,639	
Medical Insurance		16,767	
Dental Insurance		919	
Unemployment Compensation		181	
Employer Medicare		1,972	
Travel		2,532	
Other Contracted Services		122,929	
Total Special Education Program			\$ 306,183

Other Programs

On-behalf Payments to OPEB	\$	65,771	
Total Other Programs			65,771

Board of Education

Board and Committee Members Fees	\$	5,955	
Social Security		369	
Unemployment Compensation		1	
Employer Medicare		86	
Audit Services		6,500	
Legal Services		5,336	
Travel		927	
Other Contracted Services		2,405	
Liability Insurance		36,288	
Trustee's Commission		82,462	
Workers' Compensation Insurance		177,734	
Refund to Applicant for Criminal Investigation		2,930	
Other Charges		10,371	
Total Board of Education			331,364

Director of Schools

County Official/Administrative Officer	\$	109,076	
Career Ladder Program		1,000	
Social Security		6,355	
Pensions		9,951	
Medical Insurance		9,479	
Dental Insurance		419	
Unemployment Compensation		60	
Employer Medicare		1,486	
Communication		31,614	
Dues and Memberships		160	
Postal Charges		1,668	
Travel		958	
Other Charges		777	
Total Director of Schools			173,003

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	328,613	
Career Ladder Program		4,200	
Career Ladder Extended Contracts		28,918	
Assistant Principals		321,019	
Secretary(ies)		288,411	
Social Security		55,980	
Pensions		76,939	
Medical Insurance		104,289	
Dental Insurance		4,594	
Unemployment Compensation		1,442	
Employer Medicare		13,179	
Communication		13,700	
Dues and Memberships		3,750	
Travel		1,315	
Other Contracted Services		2,270	
Other Charges		1,777	
Total Office of the Principal			\$ 1,250,396

Fiscal Services

Accountants/Bookkeepers	\$	62,551	
Secretary(ies)		35,280	
Social Security		5,379	
Pensions		5,293	
Medical Insurance		16,098	
Unemployment Compensation		239	
Employer Medicare		1,258	
Data Processing Services		388	
Travel		1,592	
Other Contracted Services		12,242	
Data Processing Supplies		1,283	
Office Supplies		1,491	
Other Charges		228	
Total Fiscal Services			143,322

Operation of Plant

Custodial Personnel	\$	300,802	
Other Salaries and Wages		6,503	
Social Security		17,734	
Pensions		14,665	
Medical Insurance		31,544	
Unemployment Compensation		1,163	
Employer Medicare		4,154	
Permits		950	
Other Contracted Services		2,372	
Custodial Supplies		39,768	
Electricity		451,277	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Natural Gas	\$	116,301	
Uniforms		3,416	
Water and Sewer		29,581	
Other Supplies and Materials		18,630	
Boiler Insurance		7,000	
Building and Contents Insurance		90,078	
Total Operation of Plant			\$ 1,135,938

Maintenance of Plant

Supervisor/Director	\$	47,618	
Maintenance Personnel		70,031	
Other Salaries and Wages		10,259	
Social Security		7,205	
Pensions		6,618	
Medical Insurance		20,392	
Unemployment Compensation		304	
Employer Medicare		1,685	
Maintenance and Repair Services - Buildings		705	
Pest Control		4,100	
Travel		1,015	
Other Contracted Services		19,399	
Equipment and Machinery Parts		369	
Other Supplies and Materials		100,466	
Total Maintenance of Plant			290,166

Transportation

Supervisor/Director	\$	36,710	
Mechanic(s)		61,302	
Bus Drivers		430,076	
Other Salaries and Wages		82,273	
Social Security		35,224	
Pensions		32,861	
Medical Insurance		34,514	
Unemployment Compensation		2,270	
Employer Medicare		8,358	
Contracts with Other School Systems		3,000	
Travel		191	
Other Contracted Services		33,667	
Diesel Fuel		123,616	
Equipment and Machinery Parts		495	
Food Supplies		86	
Garage Supplies		843	
Gasoline		16,101	
Lubricants		2,726	
Tires and Tubes		14,645	
Uniforms		5,869	

(Continued)

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Vehicle Parts	\$	61,177	
Other Supplies and Materials		9,675	
Vehicle and Equipment Insurance		60,000	
Other Charges		176	
Transportation Equipment		210,500	
Total Transportation			\$ 1,266,355

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	20,781	
Social Security		1,288	
Pensions		1,124	
Unemployment Compensation		60	
Employer Medicare		301	
Travel		400	
Total Food Service			23,954

Community Services

Teachers	\$	106,831	
Social Security		6,624	
Pensions		9,438	
Unemployment Compensation		88	
Employer Medicare		1,549	
Instructional Supplies and Materials		810	
Other Supplies and Materials		14,072	
Total Community Services			139,412

Early Childhood Education

Supervisor/Director	\$	4,416	
Teachers		212,326	
Clerical Personnel		2,477	
Educational Assistants		95,916	
Certified Substitute Teachers		2,613	
Non-certified Substitute Teachers		3,843	
Social Security		18,123	
Pensions		25,040	
Medical Insurance		37,935	
Dental Insurance		2,296	
Unemployment Compensation		720	
Employer Medicare		4,272	
Communication		1,294	
Other Contracted Services		2,751	
Food Supplies		2,190	
Instructional Supplies and Materials		13,234	
Other Supplies and Materials		6,793	
In Service/Staff Development		70	
Total Early Childhood Education			436,309

(Continued)

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	10,192	
Furniture and Fixtures		10,760	
Heating and Air Conditioning Equipment		21,761	
Other Capital Outlay		97,898	
Total Regular Capital Outlay			\$ 140,611

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	184,171	
Total Education			184,171

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	53,926	
Total Education			53,926

Total General Purpose School Fund \$ 19,527,895

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	493,065	
Educational Assistants		59,814	
Other Salaries and Wages		34,554	
Certified Substitute Teachers		4,307	
Non-certified Substitute Teachers		5,916	
Social Security		32,617	
Pensions		50,684	
Medical Insurance		107,135	
Dental Insurance		5,147	
Unemployment Compensation		1,077	
Employer Medicare		7,653	
Instructional Supplies and Materials		73,734	
Total Regular Instruction Program			\$ 875,703

Special Education Program

Teachers	\$	77,264	
Educational Assistants		255,286	
Other Salaries and Wages		9,782	
Certified Substitute Teachers		4,190	
Non-certified Substitute Teachers		16,356	
Social Security		19,773	
Pensions		20,317	
Medical Insurance		50,063	
Dental Insurance		923	
Unemployment Compensation		1,382	

(Continued)

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	4,840	
Instructional Supplies and Materials		28,391	
Other Supplies and Materials		11,562	
Special Education Equipment		4,828	
Total Special Education Program			\$ 504,957

Vocational Education Program

Instructional Supplies and Materials	\$	14,887	
Vocational Instruction Equipment		29,588	
Total Vocational Education Program			44,475

Support Services

Other Student Support

Travel	\$	8,407	
In Service/Staff Development		498	
Other Charges		7,926	
Total Other Student Support			16,831

Regular Instruction Program

Supervisor/Director	\$	70,123	
Other Salaries and Wages		50,651	
In-service Training		94	
Social Security		6,937	
Pensions		10,918	
Medical Insurance		16,794	
Dental Insurance		842	
Unemployment Compensation		60	
Employer Medicare		1,622	
Travel		159	
Other Supplies and Materials		5,006	
In Service/Staff Development		55,654	
Total Regular Instruction Program			218,860

Special Education Program

Psychological Personnel	\$	41,397	
Secretary(ies)		35,280	
Other Salaries and Wages		13,681	
Social Security		5,247	
Pensions		6,761	
Medical Insurance		10,526	
Unemployment Compensation		198	
Employer Medicare		1,227	
Travel		157	
Other Supplies and Materials		16,831	
In Service/Staff Development		142,992	
Total Special Education Program			274,297

(Continued)

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

Travel	\$ 787	
Total Vocational Education Program		\$ 787

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$ 18,000	
Teachers	124,616	
Other Salaries and Wages	25,275	
Certified Substitute Teachers	63	
Non-certified Substitute Teachers	290	
Social Security	9,311	
Pensions	12,108	
Unemployment Compensation	269	
Employer Medicare	2,440	
Travel	853	
Food Supplies	1,999	
Instructional Supplies and Materials	11,214	
Other Supplies and Materials	5,000	
In Service/Staff Development	3,727	
Other Charges	7,705	
Total Community Services		<u>222,870</u>

Total School Federal Projects Fund \$ 2,158,780

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 22,040	
Accountants/Bookkeepers	35,280	
Cafeteria Personnel	438,372	
Social Security	26,578	
Pensions	24,017	
Medical Insurance	80,716	
Unemployment Compensation	2,056	
Employer Medicare	6,358	
Communication	2,460	
Maintenance and Repair Services - Buildings	2,194	
Maintenance and Repair Services - Equipment	11,422	
Travel	2,330	
Other Contracted Services	4,866	
Food Supplies	661,161	
USDA - Commodities	99,468	
Other Supplies and Materials	19,513	
In Service/Staff Development	4,199	
Other Charges	7,163	
Food Service Equipment	13,907	
Total Food Service		<u>\$ 1,464,100</u>

Total Central Cafeteria Fund 1,464,100

(Continued)

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

<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Architects	\$	14,100	
Building Construction		<u>776,730</u>	
Total Education Capital Projects			<u>\$ 790,830</u>
Total Education Capital Projects Fund			<u>\$ 790,830</u>
Total Governmental Funds - DeKalb County School Department			<u>\$ 23,941,605</u>

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

	Business-type Activities - <u>Enterprise Fund</u> Solid Waste Disposal Fund
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Residential Waste Collection Charge	\$ 6,800
Tipping Fees	154,084
Waste Tire Disposal	6,383
<u>Fees</u>	
Telephone Commission	10
Total Charges for Current Services	<u>\$ 167,277</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Recycled Materials	\$ 1,565
Total Other Local Revenues	<u>\$ 1,565</u>
Total Operating Revenue	<u>\$ 168,842</u>
<u>Nonoperating Revenues</u>	
<u>Local Taxes</u>	
Trustee's Collections - Prior Year	\$ 45,234
Payments in-Lieu-of Taxes - T.V.A.	107
Payments in-Lieu-of Taxes - Other	85,427
Local Option Sales Tax	351,304
Hotel/Motel Tax	70,288
Bank Excise Tax	78,381
Wholesale Beer Tax	60,547
Total Local Taxes	<u>\$ 691,288</u>
<u>Other Local Revenues</u>	
<u>Nonrecurring Items</u>	
Pension Income	\$ 1,596
Total Other Local Revenues	<u>\$ 1,596</u>
<u>State of Tennessee</u>	
<u>Other State of Tennessee Revenues</u>	
Beer Tax	\$ 18,055
Alcoholic Beverage Tax	38,796
State Revenue Sharing - T.V.A.	417,529
Total State of Tennessee	<u>\$ 474,380</u>
<u>Other Governments and Citizens Groups</u>	
<u>Other Governments</u>	
Contributions	<u>\$ 134,144</u>
Total Nonoperating Revenues	<u>\$ 1,301,408</u>
Total Revenues	<u><u>\$ 1,470,250</u></u>

(Continued)

DeKalb County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund (Cont.)

	Business-type Activities - Enterprise Fund Solid Waste Disposal Fund
<hr/>	
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Waste Pickup</u>	
Laborers	\$ 41,084
Social Security	2,547
Employee and Dependent Insurance	128
Unemployment Compensation	104
Employer Medicare	596
Maintenance and Repair Services - Vehicles	22,820
Total Waste Pickup	<u>\$ 67,279</u>
<u>Convenience Centers</u>	
Laborers	\$ 194,402
Social Security	12,053
Unemployment Compensation	2,252
Employer Medicare	2,819
Communication	3,566
Other Supplies and Materials	8,521
Other Construction	972
Total Convenience Centers	<u>\$ 224,585</u>
<u>Landfill Operation and Maintenance</u>	
Laborers	\$ 221,306
Overtime Pay	20,115
Social Security	14,128
State Retirement	0
Employee and Dependent Insurance	15,289
Unemployment Compensation	1,277
Employer Medicare	3,304
Communication	598
Engineering Services	13,581
Operating Lease Payments	18,462
Maintenance and Repair Services - Vehicles	117,044
Rentals	16,888
Travel	0
Other Contracted Services	34,419
Crushed Stone	2,697
Diesel Fuel	104,480
Utilities	13,440
Other Supplies and Materials	27,920
Depreciation	205,541
Landfill Closure/Postclosure Care Costs	162,449
Other Charges	24,685
Other Construction	16,920
Total Landfill Operation and Maintenance	<u>\$ 1,034,543</u>
<u>Other Waste Disposal</u>	
Trustee's Commission	<u>\$ 13,122</u>
Total Other Waste Disposal	<u>\$ 13,122</u>
Total Operating Expenses	<u><u>\$ 1,339,529</u></u>

DeKalb County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2015

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 995,805
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 985,847
Trustee's Commission	9,958
Total Cash Disbursements	<u>\$ 995,805</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2014	<u>0</u>
Cash Balance, June 30, 2015	<u><u>\$ 0</u></u>

SINGLE AUDIT SECTION



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DeKalb County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise DeKalb County's basic financial statements, and have issued our report thereon dated February 10, 2016. Our report includes a reference to other auditors who audited the financial statements of the discretely presented DeKalb County Emergency Communications District, as described in our report on DeKalb County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered DeKalb 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 DeKalb County's internal control. Accordingly, we do not express an opinion on the effectiveness of DeKalb 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, 2015-003 and 2015-004.

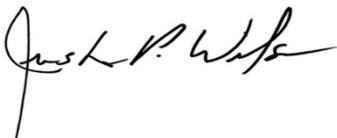
Compliance and Other Matters

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

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 10, 2016

JPW/yu



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

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

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

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

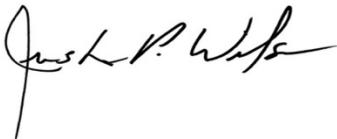
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DeKalb County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise DeKalb County's basic financial statements. We issued our report thereon dated February 10, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 Expenditure of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 10, 2016

JPW/yu

DeKalb 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 Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 99,468 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	268,865
National School Lunch Program	10.555	N/A	795,166 (3)
Total U.S. Department of Agriculture			\$ 1,163,499
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(2)	\$ 2,507
U.S. Department of Education:			
Direct Program:			
Impact Aid	84.041	N/A	\$ 175,447
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	870,700
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	746,017
Special Education - Preschool Grants	84.173	N/A	169,351
Career and Technical Education - Basic Grants to States	84.048	N/A	54,434
Twenty-first Century Community Learning Centers	84.287	N/A	225,500
Rural Education	84.358	N/A	72,988
English Language Acquisition Grants	84.365	N/A	12,772
Improving Teacher Quality State Grants	84.367	N/A	126,926
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	18,836
Total U.S. Department of Education			\$ 2,472,971
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Hazard Mitigation Grant	97.039	(2)	\$ 114,520
Direct Program:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.044	N/A	65,494
Total U.S. Department of Homeland Security			\$ 180,014
Total Expenditures of Federal Awards			\$ 3,818,991

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Litter Program - State Department of Transportation	N/A	(2)	\$ 33,683
ThreeStar Grant Program - State Department of Economic and Community Development	N/A	(2)	10,000
Youth Services Program - State Commission on Children and Youth	N/A	(2)	9,000
Adult Drug Court Grant - State Office of Criminal Justice Programs	N/A	(2)	65,570
Juvenile Drug Court Grant - State Office of Criminal Justice Programs	N/A	(2)	44,992
Rural Local Health Services - State Department of Health	N/A	(2)	82,685
Early Childhood Education (Pre-K) - State Department of Education	N/A	(2)	288,235
Coordinated School Health - State Department of Education	N/A	(2)	141,515
ConnectTenn - State Department of Education	N/A	(2)	8,156
Star Student Management System - State Department of Education	N/A	(2)	33,580
Lottery Education Afterschool Programs - State Department of Education	N/A	(2)	93,980
Student Ticket Subsidy Grant - Tennessee Arts Commission	N/A	(2)	2,560
Safe Space - Tennessee Emergency Management Agency	N/A	(2)	114,520
Total State Grants			\$ 928,476

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 \$894,634

DeKalb 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 DeKalb 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	169	The Solid Waste Disposal Fund had a deficit in unrestricted net position

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-007	172	Execution docket trial balances for Circuit and General Sessions Courts did not reconcile with general ledger accounts

OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK AND REGISTER OF DEEDS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-008	172	Multiple employees operated from the same cash drawer

OFFICES OF ROAD SUPERVISOR, TRUSTEE, REGISTER OF DEEDS, AND SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-009	173	Duties were not segregated adequately

DEKALB 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 DeKalb County is unmodified.
2. The audit of the financial statements of DeKalb County reported 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 were material to the financial statements of DeKalb 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 Title I Grants to Local Educational Agencies (CFDA No 84.010), and Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. DeKalb County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 2015-001

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

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

The Solid Waste Disposal Fund had a deficit of \$3,738,123 in unrestricted net position at June 30, 2015. This deficit resulted from the recognition of a liability totaling \$6,796,622 in the financial statements for costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure. The county intends to fund this liability on a pay-as-you-go basis. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency exists due to the failure of management to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 2015-002

EXECUTION DOCKET TRIAL BALANCES FOR CIRCUIT AND GENERAL SESSIONS COURTS DID NOT RECONCILE WITH GENERAL LEDGER ACCOUNTS

(Noncompliance Under *Government Auditing Standards*)

As of June 30, 2015, the circuit and general sessions courts clerk had prepared trial balances of execution docket cause balances for Circuit Court and General Sessions Court as required by Section 18-2-103, *Tennessee Code Annotated (TCA)*. However, these trial balances failed to reconcile with general ledger accounts by \$6,729 and \$2,937, respectively. Therefore, we were unable to determine if the clerk had complied with provisions of the Unclaimed Property Act, Section 6-29-113, *TCA*. This statute provides that any funds held by the courts for more than one year and unclaimed by the owner are considered abandoned. Section 66-29-113, *TCA*, further requires these funds to be reported and paid to the state Treasurer's Office. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Execution docket trial balances should be reconciled with general ledger accounts. Any funds held by the court for one year and unclaimed by the owner are considered abandoned and should be reported and paid to the state Treasurer's Office in compliance with state statutes.

OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK AND REGISTER OF DEEDS

FINDING 2015-003

MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER

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

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

RECOMMENDATION

Officials should assign each employee their own cash drawer.

OFFICES OF ROAD SUPERVISOR, TRUSTEE, REGISTER OF DEEDS, AND SHERIFF

FINDING 2015-004

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among officials and employees in the Offices of Road Supervisor, Trustee, Register of Deeds, and Sheriff. Officials and employees responsible for maintaining the accounting records in these offices were also involved in receipting, depositing, and/or disbursing funds. Sound business practices dictate that management is responsible for designing internal controls to give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of

segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this 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.

**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 DeKalb County.

DEKALB COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING AND BUDGETING

DeKalb County does not have a central system of accounting and budgeting. Sound business practices dictate that establishing a central system of accounting and budgeting would significantly improve internal controls over the accounting and budgeting processes. The absence of a central system of accounting and budgeting has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting and budgeting is a best practice and would significantly improve accountability and the quality of services provided to the citizens of DeKalb County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting and budgeting covering all county departments.

DEKALB 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.