

**ANNUAL FINANCIAL REPORT**  
**HAYWOOD COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2015**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



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

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

***DIVISION OF LOCAL GOVERNMENT AUDIT  
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State Auditors***

This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)

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## HAYWOOD COUNTY, TENNESSEE

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# *Summary of Audit Findings*

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

## *Scope*

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

## *Results*

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

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

## *Findings*

The following are summaries of the audit findings:

### **OFFICE OF COUNTY MAYOR**

- ◆ The Solid Waste Disposal Fund had a deficit in unrestricted net position.
- ◆ A lease-purchase agreement and a capital outlay note were not issued in compliance with state statutes.
- ◆ Expenditures exceeded appropriations.
- ◆ The office had deficiencies in purchasing procedures.
- ◆ County officials did not adequately control access to the courthouse offices.
- ◆ The County Mayor's Office had deficiencies in computer system backup procedures.
- ◆ The Ambulance Service had deficiencies in computer system backup procedures.
- ◆ Some Ambulance Service funds were not deposited within three days of collection.

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### **OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER**

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

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### **OFFICES OF CLERK AND MASTER AND REGISTER OF DEEDS**

- ◆ Multiple employees operated from the same cash drawer.
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## **OFFICE OF REGISTER OF DEEDS**

- ◆ The register of deeds allowed individuals unsupervised access to the office after business hours.

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

- ◆ Duties were not segregated adequately.

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# INTRODUCTORY SECTION

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Haywood County Officials  
June 30, 2015

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**Officials**

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

**Board of County Commissioners**

Franklin Smith, County Mayor, Chairman	Chris Lea
Joe Barden	James Morgan
Becky Booth	Alan O'Guin
Kathy Chapman	Jeffrey Richmond
Wally Eubanks	Janice Rogers
John Gorman, Jr.	Freddy Smith
Robert Green	Jerry Smith
Sheronda Green	Larry Stanley
Richard Jameson	Joe Stephens
Leonard Jones, Jr.	Marjorie Vaulx
Allen King	

**Highway Commission**

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

**Board of Education**

Harold Garrett, Chairman  
Allen Currie  
Olivia Farrington  
Harrison Jones  
Greg Vanstory

**Audit Committee**

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

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## FINANCIAL SECTION

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

Independent Auditor's Report

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

To the County Mayor and County Commissioners:

**Report on the Financial Statements**

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

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented Haywood County Utility District. 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 Haywood County Utility District, is based solely on the report of the other auditors. We were unable to determine Haywood County Utility District's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Haywood County Emergency Communications District, a component unit requiring discrete presentation, was not included in the county's financial statements. We conducted our audit

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

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

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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principles***

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

### ***Emphasis of Matter***

We draw attention to Note I.D.8. to the financial statements, which describes restatements decreasing the beginning Governmental Activities net position by \$247,421, the Business-type Activities net position by \$5,359, and the discretely presented Haywood County School Department's net position by \$4,682,458 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of

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

### ***Other Matters***

#### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension asset, and schedule of funding progress - other postemployment benefits plan on pages 91-97 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary and Other Information*

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

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

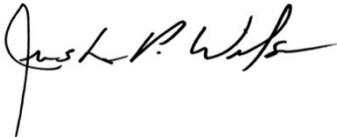
and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2016, on our consideration of Haywood County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Haywood County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

March 2, 2016

JWP/kp

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Haywood	Haywood
				School Department	County Utility District
<b>ASSETS</b>					
Cash	\$ 19,778	\$ 0	\$ 19,778	\$ 0	\$ 402,848
Equity in Pooled Cash and Investments	9,041,953	19,663	9,061,616	4,281,185	0
Accounts Receivable	1,082,805	604,210	1,687,015	44,516	26,014
Allowance for Uncollectibles	(304,428)	(195,200)	(499,628)	0	0
Due from Other Governments	860,280	10,348	870,628	704,779	0
Due from Primary Government	0	0	0	67,135	0
Property Taxes Receivable	6,296,564	0	6,296,564	3,920,905	0
Allowance for Uncollectible Property Taxes	(113,879)	0	(113,879)	(70,913)	0
Notes Receivable	36,927	0	36,927	0	0
Net Pension Asset - Agent Plan	646,661	14,006	660,667	956,236	0
Net Pension Asset - Cost-sharing Plan	0	0	0	53,713	0
Capital Assets:					
Assets Not Depreciated:					
Land	4,374,111	235,000	4,609,111	143,868	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	10,611,666	84,625	10,696,291	13,243,513	3,356,325
Infrastructure	5,937,118	0	5,937,118	0	0
Other Capital Assets	2,695,207	207,508	2,902,715	1,578,219	0
<b>Total Assets</b>	<b>\$ 41,184,763</b>	<b>\$ 980,160</b>	<b>\$ 42,164,923</b>	<b>\$ 24,923,156</b>	<b>\$ 3,785,187</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred Charge on Refunding	\$ 317,822	\$ 0	\$ 317,822	\$ 0	\$ 0
Pension Changes in Experience	0	0	0	130,401	0
Pension Contributions After Measurement Date	646,802	13,997	660,799	1,630,710	0
<b>Total Deferred Outflows of Resources</b>	<b>\$ 964,624</b>	<b>\$ 13,997</b>	<b>\$ 978,621</b>	<b>\$ 1,761,111</b>	<b>\$ 0</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 177,429	\$ 1,504	\$ 178,933	\$ 131,183	\$ 150,479
Payroll Deductions Payable	53,983	1,049	55,032	696,624	0
Due to State of Tennessee	4,971	164	5,135	0	0
Accrued Interest Payable	51,310	0	51,310	0	9,785
Other Current Liabilities	17,857	0	17,857	0	0
Customer Deposits Payable	0	0	0	0	20,355
Noncurrent Liabilities:					
Due Within One Year	1,177,727	55,441	1,233,168	0	11,501
Due in More Than One Year (net of unamortized premium on debt)	17,118,041	1,843,352	18,961,393	621,132	421,998
<b>Total Liabilities</b>	<b>\$ 18,601,318</b>	<b>\$ 1,901,510</b>	<b>\$ 20,502,828</b>	<b>\$ 1,448,939</b>	<b>\$ 614,118</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred Current Property Taxes	\$ 5,819,806	\$ 0	\$ 5,819,806	\$ 3,624,025	\$ 0
Pension Changes in Experience	133,418	2,890	136,308	197,289	0
Pension Changes in Investment Earnings	873,541	18,920	892,461	5,717,337	0
Pension Other Deferrals	0	0	0	24,885	0
<b>Total Deferred Inflows of Resources</b>	<b>\$ 6,826,765</b>	<b>\$ 21,810</b>	<b>\$ 6,848,575</b>	<b>\$ 9,563,536</b>	<b>\$ 0</b>

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Haywood County School Department	Haywood County Utility District
<u>NET POSITION</u>					
Net Investment in Capital Assets	\$ 9,560,734	\$ 408,928	\$ 9,969,662	\$ 14,965,600	\$ 2,922,826
Restricted for:					
General Government	117,145	0	117,145	0	0
Finance	12,523	0	12,523	0	0
Administration of Justice	377,956	0	377,956	0	0
Public Safety	59,397	0	59,397	0	0
Social, Cultural, and Recreational Services	12,737	0	12,737	0	0
Highway/Public Works	2,062,228	0	2,062,228	0	0
Education	66,000	0	66,000	1,319,909	0
Operation of Non-instructional Services	0	0	0	523,257	0
Debt Service	354,807	0	354,807	0	0
Capital Projects	327,218	0	327,218	0	0
Other Purposes	646,661	14,006	660,667	0	0
Unrestricted	3,123,898	#####	1,771,801	(1,136,974)	248,243
Total Net Position	<u>\$ 16,721,304</u>	<u>\$ (929,163)</u>	<u>\$ 15,792,141</u>	<u>\$ 15,671,792</u>	<u>\$ 3,171,069</u>

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

Exhibit B

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Haywood County School Department	Haywood County Utility District
					Governmental Activities	Business- type Activities	Total		
Primary Government:									
Governmental Activities:									
General Government	\$ 1,666,535	\$ 194,868	\$ 25,538	\$ 0	\$ (1,446,129)	\$ 0	\$ (1,446,129)	\$ 0	\$ 0
Finance	875,146	566,967	0	0	(308,179)	0	(308,179)	0	0
Administration of Justice	1,100,453	616,740	600	0	(483,113)	0	(483,113)	0	0
Public Safety	4,905,250	1,135,537	65,058	0	(3,704,655)	0	(3,704,655)	0	0
Public Health and Welfare	2,416,199	1,658,051	257,656	97,474	(403,018)	0	(403,018)	0	0
Social, Cultural, and Recreational Services	1,572,688	49,353	310,295	1,959	(1,211,081)	0	(1,211,081)	0	0
Agriculture and Natural Resources	244,357	0	0	0	(244,357)	0	(244,357)	0	0
Highways/Public Works	2,861,136	265,740	1,786,928	376,294	(432,174)	0	(432,174)	0	0
Education	0	0	0	0	0	0	0	0	0
Interest on Long-term Debt	864,403	0	49,645	0	(814,758)	0	(814,758)	0	0
<b>Total Governmental Activities</b>	<b>\$ 16,506,167</b>	<b>\$ 4,487,256</b>	<b>\$ 2,495,720</b>	<b>\$ 475,727</b>	<b>\$ (9,047,464)</b>	<b>\$ 0</b>	<b>\$ (9,047,464)</b>	<b>\$ 0</b>	<b>\$ 0</b>
Business-type Activities:									
Solid Waste Disposal	\$ 773,259	\$ 591,474	\$ 61,174	\$ 0	\$ 0	\$ (120,611)	\$ (120,611)	\$ 0	\$ 0
<b>Total Primary Government</b>	<b>\$ 17,279,426</b>	<b>\$ 5,078,730</b>	<b>\$ 2,556,894</b>	<b>\$ 475,727</b>	<b>\$ (9,047,464)</b>	<b>\$ (120,611)</b>	<b>\$ (9,168,075)</b>	<b>\$ 0</b>	<b>\$ 0</b>
Component Units:									
Haywood County School Department	\$ 28,233,125	\$ 268,814	\$ 4,850,161	\$ 703,198	\$ 0	\$ 0	\$ 0	\$ (22,410,952)	\$ 0
Haywood County Utility District	328,969	296,582	0	0	0	0	0	0	(32,387)
<b>Total Component Units</b>	<b>\$ 28,562,094</b>	<b>\$ 565,396</b>	<b>\$ 4,850,161</b>	<b>\$ 703,198</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (22,410,952)</b>	<b>\$ (32,387)</b>

(Continued)

Exhibit B

Haywood County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business- type Activities	Total	Haywood County School Department	Haywood County Utility District
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					\$ 5,001,547	\$ 0	\$ 5,001,547	\$ 3,683,208	\$ 0
Property Taxes Levied for Debt Service					913,092	0	913,092	0	0
Local Option Sales Taxes					122,568	0	122,568	1,716,294	0
Hotel/Motel Tax					52,354	0	52,354	0	0
Wheel Tax					950,302	0	950,302	273,462	0
Litigation Taxes					360,330	0	360,330	0	0
Business Tax					139,190	0	139,190	0	0
Wholesale Beer Tax					31,714	50,000	81,714	0	0
Other Local Taxes					24,689	0	24,689	33,144	0
Grants and Contributions Not Restricted to Specific Programs					1,344,501	0	1,344,501	18,056,971	0
Unrestricted Investment Income					163,907	0	163,907	0	1,228
Miscellaneous					66,396	0	66,396	17,782	0
Pension Income					0	0	0	50,213	0
Total General Revenues					\$ 9,170,590	\$ 50,000	\$ 9,220,590	\$ 23,831,074	\$ 1,228
Transfers					\$ (210,000)	\$ 210,000	\$ 0	\$ 0	\$ 0
Change in Net Position					\$ (86,874)	\$ 139,389	\$ 52,515	\$ 1,420,122	\$ (31,159)
Net Position, July 1, 2014					17,055,599	(1,063,193)	15,992,406	18,934,128	3,202,228
Restatement - Pension Liability (see Note I.D.8)					(247,421)	(5,359)	(252,780)	(4,682,458)	0
Net Position, June 30, 2015					\$ 16,721,304	\$ (929,163)	\$ 15,792,141	\$ 15,671,792	\$ 3,171,069

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 19,778	\$ 19,778
Equity in Pooled Cash and Investments	2,214,785	3,705,260	2,512,894	581,370	9,014,309
Accounts Receivable	1,067,446	0	3,342	12,017	1,082,805
Allowance for Uncollectibles	(304,428)	0	0	0	(304,428)
Due from Other Governments	534,586	325,694	0	0	860,280
Due from Other Funds	7,156	27,644	0	0	34,800
Property Taxes Receivable	4,820,841	503,708	972,015	0	6,296,564
Allowance for Uncollectible Property Taxes	(87,189)	(9,110)	(17,580)	0	(113,879)
Notes Receivable - Long-term	0	0	36,927	0	36,927
<b>Total Assets</b>	<b>\$ 8,253,197</b>	<b>\$ 4,553,196</b>	<b>\$ 3,507,598</b>	<b>\$ 613,165</b>	<b>\$ 16,927,156</b>
<u>LIABILITIES</u>					
Accounts Payable	\$ 171,759	\$ 1,305	\$ 282	\$ 4,083	\$ 177,429
Payroll Deductions Payable	50,790	0	0	3,193	53,983
Due to Other Funds	0	0	0	7,156	7,156
Due to State of Tennessee	4,780	0	0	191	4,971
Accrued Interest Payable	0	0	712	0	712
Other Current Liabilities	17,857	0	0	0	17,857
<b>Total Liabilities</b>	<b>\$ 245,186</b>	<b>\$ 1,305</b>	<b>\$ 994</b>	<b>\$ 14,623</b>	<b>\$ 262,108</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 4,455,820	\$ 465,569	\$ 898,417	\$ 0	\$ 5,819,806
Deferred Delinquent Property Taxes	251,231	26,250	50,656	0	328,137
Other Deferred/Unavailable Revenue	744,857	166,843	0	0	911,700
<b>Total Deferred Inflows of Resources</b>	<b>\$ 5,451,908</b>	<b>\$ 658,662</b>	<b>\$ 949,073</b>	<b>\$ 0</b>	<b>\$ 7,059,643</b>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway /	General	Other	
		Public Works	Debt Service	Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 93,002	\$ 0	\$ 0	\$ 0	\$ 93,002
Restricted for Finance	12,523	0	0	0	12,523
Restricted for Administration of Justice	377,956	0	0	0	377,956
Restricted for Public Safety	24,311	0	0	35,086	59,397
Restricted for Social, Cultural, and Recreational Services	12,737	0	0	0	12,737
Restricted for Highways/Public Works	0	1,892,575	0	0	1,892,575
Restricted for Education	0	0	0	66,000	66,000
Restricted for Debt Service	0	0	36,927	0	36,927
Restricted for Capital Projects	0	0	0	327,218	327,218
Restricted for Other Purposes	21,140	0	0	3,003	24,143
Committed:					
Committed for Finance	0	0	0	11,622	11,622
Committed for Public Safety	9,823	0	0	0	9,823
Committed for Public Health and Welfare	23,541	0	0	80,195	103,736
Committed for Highways/Public Works	0	2,000,654	0	0	2,000,654
Committed for Capital Outlay	0	0	0	51,454	51,454
Committed for Debt Service	0	0	2,520,604	0	2,520,604
Committed for Capital Projects	0	0	0	23,964	23,964
Unassigned	1,981,070	0	0	0	1,981,070
Total Fund Balances	<u>\$ 2,556,103</u>	<u>\$ 3,893,229</u>	<u>\$ 2,557,531</u>	<u>\$ 598,542</u>	<u>\$ 9,605,405</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,253,197</u>	<u>\$ 4,553,196</u>	<u>\$ 3,507,598</u>	<u>\$ 613,165</u>	<u>\$ 16,927,156</u>

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

Exhibit C-2

Haywood County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
June 30, 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)		\$ 9,605,405
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 4,374,111	
Add: buildings and improvements net of accumulated depreciation	10,611,666	
Add: infrastructure net of accumulated depreciation	5,937,118	
Add: other capital assets net of accumulated depreciation	<u>2,695,207</u>	23,618,102
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other loans payable	\$ (2,814,991)	
Less: bonds payable	(15,309,366)	
Less: compensated absences payable	(23,441)	
Less: accrued interest on bonds and other loans	(51,310)	
Add: accrued interest on other loans paid late at fund level	712	
Add: deferred amount on refunding bond	317,822	
Less: other deferred revenues - premium on debt	<u>(147,970)</u>	(18,028,544)
(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	\$ 646,802	
Less: deferred inflows of resources related to pensions	<u>(1,006,959)</u>	(360,157)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds		646,661
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		1,239,837
Net position of governmental activities (Exhibit A)		<u><u>\$ 16,721,304</u></u>

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 6,016,168	\$ 630,634	\$ 1,426,497	\$ 0	\$ 8,073,299
Licenses and Permits	23,514	0	0	0	23,514
Fines, Forfeitures, and Penalties	188,002	0	0	28,455	216,457
Charges for Current Services	1,103,317	0	0	779,795	1,883,112
Other Local Revenues	170,572	266,579	101,109	28,705	566,965
Fees Received from County Officials	878,397	0	0	0	878,397
State of Tennessee	1,427,524	2,161,083	64,134	231,341	3,884,082
Federal Government	197,939	23,030	95,323	147,474	463,766
Other Governments and Citizens Groups	653,386	0	0	106,358	759,744
<b>Total Revenues</b>	<b>\$ 10,658,819</b>	<b>\$ 3,081,326</b>	<b>\$ 1,687,063</b>	<b>\$ 1,322,128</b>	<b>\$ 16,749,336</b>
<u>Expenditures</u>					
Current:					
General Government	\$ 1,658,569	\$ 0	\$ 0	\$ 0	\$ 1,658,569
Finance	688,226	0	0	170,125	858,351
Administration of Justice	988,396	0	0	0	988,396
Public Safety	4,108,298	0	0	7,075	4,115,373
Public Health and Welfare	1,971,771	0	0	405,060	2,376,831
Social, Cultural, and Recreational Services	1,036,460	0	0	0	1,036,460
Agriculture and Natural Resources	244,228	0	0	0	244,228
Other Operations	888,106	0	0	76,308	964,414
Highways	0	2,973,937	0	0	2,973,937

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Debt Service:					
Principal on Debt	\$ 33,324	\$ 0	\$ 1,131,918	\$ 0	\$ 1,165,242
Interest on Debt	1,999	0	710,963	0	712,962
Other Debt Service	0	0	188,277	0	188,277
Capital Projects	0	0	0	269,524	269,524
Total Expenditures	<u>\$ 11,619,377</u>	<u>\$ 2,973,937</u>	<u>\$ 2,031,158</u>	<u>\$ 928,092</u>	<u>\$ 17,552,564</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (960,558)</u>	<u>\$ 107,389</u>	<u>\$ (344,095)</u>	<u>\$ 394,036</u>	<u>\$ (803,228)</u>
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 66,000	\$ 66,000
Refunding Debt Issued	0	0	7,225,000	0	7,225,000
Premiums on Debt Issued	0	0	100,293	0	100,293
Insurance Recovery	11,150	2,070	0	0	13,220
Transfers Out	0	0	0	(210,000)	(210,000)
Payments to Refunded Debt Escrow Agent	0	0	(7,167,822)	0	(7,167,822)
Total Other Financing Sources (Uses)	<u>\$ 11,150</u>	<u>\$ 2,070</u>	<u>\$ 157,471</u>	<u>\$ (144,000)</u>	<u>\$ 26,691</u>
Net Change in Fund Balances	\$ (949,408)	\$ 109,459	\$ (186,624)	\$ 250,036	\$ (776,537)
Fund Balance, July 1, 2014	<u>3,505,511</u>	<u>3,783,770</u>	<u>2,744,155</u>	<u>348,506</u>	<u>10,381,942</u>
Fund Balance, June 30, 2015	<u>\$ 2,556,103</u>	<u>\$ 3,893,229</u>	<u>\$ 2,557,531</u>	<u>\$ 598,542</u>	<u>\$ 9,605,405</u>

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

Exhibit C-4

Haywood County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 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)		\$ (776,537)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,125,375	
Less: current-year depreciation expense	<u>(1,803,373)</u>	(677,998)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$ 1,239,837	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(1,377,000)</u>	(137,163)
(3) The issuance of long-term debt (e.g., bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.		
Less: note proceeds	\$ (66,000)	
Less: refunding bond proceeds	(7,225,000)	
Add: bonds refunded	6,850,000	
Add: change in deferred amount on refunding debt	317,822	
Add: principal payments on note	66,000	
Add: principal payments on capital lease	33,324	
Add: principal payments on other loans	282,004	
Add: principal payments on bonds	783,914	
Less: change in premium on bond issuance	<u>(83,173)</u>	958,891
(4) 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	\$ 12,775	
Change in compensated absences payable	(767)	
Change in net pension liability/asset	894,082	
Change in deferred outflows related to pensions	646,802	
Change in deferred inflows related to pensions	<u>(1,006,959)</u>	<u>545,933</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (86,874)</u>

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

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,016,168	\$ 6,046,562	\$ 6,046,562	\$ (30,394)
Licenses and Permits	23,514	17,825	17,825	5,689
Fines, Forfeitures, and Penalties	188,002	276,300	276,300	(88,298)
Charges for Current Services	1,103,317	1,177,000	1,177,000	(73,683)
Other Local Revenues	170,572	104,000	139,274	31,298
Fees Received from County Officials	878,397	1,286,700	1,286,700	(408,303)
State of Tennessee	1,427,524	1,269,009	1,369,009	58,515
Federal Government	197,939	213,685	213,685	(15,746)
Other Governments and Citizens Groups	653,386	519,000	519,000	134,386
<b>Total Revenues</b>	<b>\$ 10,658,819</b>	<b>\$ 10,910,081</b>	<b>\$ 11,045,355</b>	<b>\$ (386,536)</b>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 197,420	\$ 138,596	\$ 201,902	\$ 4,482
Beer Board	504	2,000	2,000	1,496
County Mayor/Executive	283,893	275,789	296,189	12,296
County Attorney	41,584	43,494	43,494	1,910
Election Commission	138,008	145,688	145,488	7,480
Register of Deeds	141,657	135,305	150,090	8,433
Development	71,398	71,375	73,190	1,792
County Buildings	784,105	629,768	799,037	14,932
<u>Finance</u>				
Accounting and Budgeting	11,800	9,000	12,500	700
Property Assessor's Office	319,359	350,951	348,551	29,192
Reappraisal Program	2,433	31,967	31,967	29,534
County Trustee's Office	82,510	278,280	276,480	193,970
County Clerk's Office	272,124	294,088	291,142	19,018
<u>Administration of Justice</u>				
Circuit Court	457,982	457,719	483,294	25,312
General Sessions Judge	244,752	245,392	244,892	140
General Sessions Court Clerk	3,484	4,500	4,500	1,016
Chancery Court	174,443	181,693	180,493	6,050
Juvenile Court	107,735	82,872	108,372	637
<u>Public Safety</u>				
Sheriff's Department	1,356,707	1,484,663	1,436,741	80,034
Jail	1,960,595	1,818,526	1,972,727	12,132
Workhouse	190,375	209,530	208,400	18,025
Fire Prevention and Control	394,041	356,746	421,896	27,855
Civil Defense	29,601	19,601	29,601	0
Rescue Squad	14,186	13,410	14,510	324
County Coroner/Medical Examiner	4,400	4,800	4,800	400
Other Public Safety	158,393	185,000	185,000	26,607
<u>Public Health and Welfare</u>				
Local Health Center	50,619	55,914	55,914	5,295
Rabies and Animal Control	59,993	85,000	85,000	25,007
Ambulance/Emergency Medical Services	1,706,051	1,694,369	1,745,268	39,217
Alcohol and Drug Programs	8,717	15,930	15,930	7,213
Other Local Health Services	12,019	10,000	13,100	1,081
Appropriation to State	104,575	123,984	123,012	18,437

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Other Public Health and Welfare	\$ 29,797	\$ 10,000	\$ 30,000	\$ 203
<u>Social, Cultural, and Recreational Services</u>				
Libraries	145,985	150,759	149,559	3,574
Parks and Fair Boards	738,391	742,836	747,188	8,797
Other Social, Cultural, and Recreational	152,084	185,000	185,000	32,916
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	150,719	153,661	153,661	2,942
Soil Conservation	93,509	96,899	95,699	2,190
<u>Other Operations</u>				
Industrial Development	217,542	132,000	232,000	14,458
Veterans' Services	23,751	24,221	24,221	470
Other Charges	70,962	75,404	74,204	3,242
Contributions to Other Agencies	293,143	296,912	296,912	3,769
Miscellaneous	282,708	272,177	277,177	(5,531)
<u>Principal on Debt</u>				
General Government	33,324	0	33,324	0
<u>Interest on Debt</u>				
General Government	1,999	0	1,999	0
Total Expenditures	\$ 11,619,377	\$ 11,595,819	\$ 12,306,424	\$ 687,047
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (960,558)	\$ (685,738)	\$ (1,261,069)	\$ 300,511
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 11,150	\$ 5,000	\$ 74,652	\$ (63,502)
Total Other Financing Sources	\$ 11,150	\$ 5,000	\$ 74,652	\$ (63,502)
Net Change in Fund Balance	\$ (949,408)	\$ (680,738)	\$ (1,186,417)	\$ 237,009
Fund Balance, July 1, 2014	3,505,511	3,642,208	3,642,208	(136,697)
Fund Balance, June 30, 2015	\$ 2,556,103	\$ 2,961,470	\$ 2,455,791	\$ 100,312

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

Exhibit C-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 630,634	\$ 635,332	\$ 625,168	\$ 5,466
Other Local Revenues	266,579	272,380	276,380	(9,801)
State of Tennessee	2,161,083	2,114,607	2,114,607	46,476
Federal Government	23,030	0	20,793	2,237
<b>Total Revenues</b>	<b>\$ 3,081,326</b>	<b>\$ 3,022,319</b>	<b>\$ 3,036,948</b>	<b>\$ 44,378</b>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 161,852	\$ 164,699	\$ 164,699	\$ 2,847
Highway and Bridge Maintenance	1,259,126	1,201,470	1,280,358	21,232
Operation and Maintenance of Equipment	593,793	677,170	606,387	12,594
Other Charges	118,597	123,750	123,750	5,153
Employee Benefits	222,107	238,500	238,501	16,394
Capital Outlay	618,462	602,500	619,187	725
<b>Total Expenditures</b>	<b>\$ 2,973,937</b>	<b>\$ 3,008,089</b>	<b>\$ 3,032,882</b>	<b>\$ 58,945</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 107,389	\$ 14,230	\$ 4,066	\$ 103,323
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 2,070	\$ 0	\$ 0	\$ 2,070
<b>Total Other Financing Sources</b>	<b>\$ 2,070</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,070</b>
Net Change in Fund Balance	\$ 109,459	\$ 14,230	\$ 4,066	\$ 105,393
Fund Balance, July 1, 2014	3,783,770	3,707,255	3,707,255	76,515
<b>Fund Balance, June 30, 2015</b>	<b>\$ 3,893,229</b>	<b>\$ 3,721,485</b>	<b>\$ 3,711,321</b>	<b>\$ 181,908</b>

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

Exhibit D-1

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

	<u>Major Fund</u>
	<u>Business-type Activities - Enterprise Fund</u>
	<u>Solid Waste Disposal Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 19,663
Accounts Receivable	604,210
Allowance for Uncollectibles	(195,200)
Due from Other Governments	10,348
Total Current Assets	<u>\$ 439,021</u>
Noncurrent Assets:	
Net Pension Asset - Agent Plan	\$ 14,006
Capital Assets:	
Assets Not Depreciated:	
Land	235,000
Assets Net of Accumulated Depreciated:	
Buildings and Improvements	84,625
Other Capital Assets	207,508
Total Noncurrent Assets	<u>\$ 541,139</u>
Total Assets	<u>\$ 980,160</u>

DEFERRED OUTFLOWS OF RESOURCES

Pension Contributions After Measurement Date	<u>\$ 13,997</u>
Total Deferred Outflows of Resources	<u>\$ 13,997</u>

LIABILITIES

Current Liabilities:	
Accounts Payable	\$ 1,504
Payroll Deductions Payable	1,049
Due to State of Tennessee	164
Capital Leases Payable - Current	27,309
Accrued Liability for Landfill Closure/Postclosure Care Costs - Current	28,132
Total Current Liabilities	<u>\$ 58,158</u>

(Continued)

Exhibit D-1

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

Major Fund  
 Business-type  
 Activities -  
 Enterprise Fund  


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 Solid Waste  
 Disposal Fund  


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LIABILITIES (CONT.)

Noncurrent Liabilities:		
Capital Leases Payable - Long-term	\$	90,896
Accrued Liability for Landfill Closure/Postclosure Care Costs		1,752,456
Total Noncurrent Liabilities	\$	<u>1,843,352</u>
Total Liabilities	\$	<u>1,901,510</u>

DEFERRED INFLOWS OF RESOURCES

Pension Changes in Experience	\$	2,890
Pension Changes in Investment Earnings		18,920
Total Deferred Inflows of Resources	\$	<u>21,810</u>

NET POSITION

Net Investment in Capital Assets	\$	408,928
Restricted for Other Purposes		14,006
Unrestricted		<u>(1,352,097)</u>
Total Net Position	\$	<u><u>(929,163)</u></u>

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

Exhibit D-2

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

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>Operating Revenues</u>	
Tipping Fees	\$ 569,996
Sale of Materials and Supplies	15,687
Miscellaneous Refunds	791
Total Operating Revenues	<u>\$ 586,474</u>
<u>Operating Expenses</u>	
Supervisor/Director	\$ 19,241
Equipment Operators	92,610
Overtime Pay	7,269
Social Security	9,866
Pensions	1,674
Employee and Dependent Insurance	11,706
Life Insurance	1,031
Unemployment Compensation	517
Other Fringe Benefits	10,442
Communication	2,274
Contracts with Government Agencies	3,739
Contracts with Private Agencies	411,397
Engineering Services	890
Licenses	9,185
Maintenance and Repair Services - Equipment	219
Maintenance and Repair Services - Office Equipment	479
Printing, Stationery, and Forms	799
Rentals	42,000
Travel	812
Crushed Stone	2,032
Diesel Fuel	9,788
Drugs and Medical Supplies	37
Electricity	5,690
Equipment and Machinery Parts	21,794
Gasoline	5,204
Lubricants	1,425

(Continued)

Exhibit D-2

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

	Major Fund
	Business-type Activities - Enterprise Fund
	Solid Waste Disposal Fund
<u>Operating Expenses (Cont.)</u>	
Office Supplies	\$ 1,113
Tires and Tubes	2,960
Other Supplies and Materials	2,335
Premiums on Corporate Surety Bonds	150
Trustee's Commission	5,267
Vehicle and Equipment Insurance	4,040
Workers' Compensation Insurance	12,632
Depreciation	37,526
Landfill Postclosure Care Costs	27,178
Other Charges	1,718
Motor Vehicles	2,160
Other Construction	876
Total Operating Expenses	<u>\$ 770,075</u>
Operating Income (Loss)	<u>\$ (183,601)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Wholesale Beer Tax	\$ 50,000
State Tire Tax	11,641
Lease/Rentals	5,000
Contributions	21,000
Solid Waste Grants	28,533
Interest on Capital Leases	(3,184)
Total Nonoperating Revenues (Expenses)	<u>\$ 112,990</u>
Income(Loss) Before Transfers	\$ (70,611)
Transfers In	<u>210,000</u>
Change in Net Position	\$ 139,389
Net Position, July 1, 2014	(1,063,193)
Restatement - Pension Liability (See Note I.D.8)	<u>(5,359)</u>
Net Position, June 30, 2015	<u><u>\$ (929,163)</u></u>

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

## Exhibit D-3

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

	<u>Major Fund</u>
	<u>Business-type</u>
	<u>Activities -</u>
	<u>Enterprise Fund</u>
	<u>Solid Waste</u>
	<u>Disposal Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 462,331
Receipts from Others	16,478
Payments for Waste Collections and Disposal Activity	(719,061)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (240,252)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	\$ (87,976)
Interest on Capital Leases	(3,184)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (91,160)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Receipts from Wholesale Beer Tax	\$ 50,000
Receipts from State Tire Tax	11,641
Receipts from Farmland Rental	5,000
Receipts from Grants	28,533
Contributions	21,000
Transfers from Other Funds	210,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 326,174</u>
Net Increase (Decrease) in Cash	\$ (5,238)
Cash, July 1, 2014	<u>24,901</u>
Cash, June 30, 2015	<u><u>\$ 19,663</u></u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (183,601)
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	37,526
Change in Deferred Outflows Related to Pensions	(13,997)
Change in Deferred Inflows Related to Pensions	21,810
Change in Assets and Liabilities:	
(Increase) Decrease in Net Pension Asset	(19,365)
(Increase) Decrease in Accounts Receivable	(166,861)
Increase (Decrease) in Allowance for Uncollectibles	63,995
(Increase) Decrease in Due from Other Governments	(4,840)
Increase (Decrease) in Accounts Payable	(34,789)
Increase (Decrease) in Payroll Deductions Payable	(4)
Increase (Decrease) in Due to State of Tennessee	(33)
Increase (Decrease) in Accrued Liability for Landfill Postclosure Care Costs	(954)
Increase (Decrease) in Capital Leases Payable	60,861
Net Cash Provided By (Used In) Operating Activities	<u>\$ (240,252)</u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Equity in Pooled Cash and Investments	<u>\$ 19,663</u>
Cash, June 30, 2015	<u><u>\$ 19,663</u></u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 405,264
Equity in Pooled Cash and Investments	12,812
Accounts Receivable	5,248
Due from Other Governments	<u>270,265</u>
Total Assets	<u><u>\$ 693,589</u></u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 600
Payroll Deductions Payable	295
Due to Other Taxing Units	265,693
Due to Litigants, Heirs, and Others	410,512
Due to Joint Venture	<u>16,489</u>
Total Liabilities	<u><u>\$ 693,589</u></u>

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

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## HAYWOOD COUNTY, TENNESSEE

### Index of Notes to the Financial Statements

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

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

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

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

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

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

The Haywood County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Haywood County, and the Haywood County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Haywood County Emergency Communications District were not available from other auditors in time for

inclusion in this report; however, in our opinion this omission is not material to the component units' opinion unit.

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

Administrative Offices:

Haywood County Utility District  
1 North Washington  
Brownsville, TN 38012

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

**B. Government-wide and Fund Financial Statements**

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

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

Haywood County issues all debt for the discretely presented Haywood County School Department. Net debt issues totaling \$66,000 were issued by the county for the School Department during the year ended June 30, 2015.

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

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

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

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

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

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

available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

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

Haywood County reports the following major governmental funds:

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

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

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

Haywood County reports the following major enterprise fund:

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

Additionally, Haywood County reports the following fund types:

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

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

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

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

Additionally, the Haywood County School Department reports the following fund 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, to account for the operations of the county's landfill. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's enterprise fund are tipping fees.

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

**1. Deposits and Investments**

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

State statutes authorize the government to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposit accounts at state and federal chartered banks and savings and loan

associations; repurchase agreements; the State Treasurer's Investment Pool; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes.

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

## **2. Receivables and Payables**

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

All ambulance, solid waste disposal, and property taxes receivable are shown with an allowance for uncollectibles. Ambulance and solid waste disposal receivables allowances for uncollectibles are based on historical collection data. The allowance for uncollectible property taxes is equal to 1.81 percent of total taxes levied.

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

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

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

### **3. Capital Assets**

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

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

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

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

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

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

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

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

#### 4. **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. 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 the deferred charge on refunding, 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, etc.) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience and 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**

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

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

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

**6. Long-term Obligations**

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a

liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

## **7. Net Position and Fund Balance**

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

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

As of June 30, 2015, Haywood County had \$4,196,861 in outstanding debt issued for capital purposes of the discretely presented Haywood County School Department. This debt is a liability of Haywood County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Haywood County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

## **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 Haywood County's beginning net position by \$247,421 in the primary government's governmental activities and by \$5,359 in the business-type activities has been recognized on the Statement of Activities. In addition, a restatement decreasing the Haywood County School Department's beginning net position by \$4,682,458 has been recognized on the Statement of Activities for liabilities of the pension agent plan (\$365,870) and the pension cost-sharing plan (\$4,316,588).

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

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

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

**Primary Government**

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

**Discretely Presented Haywood County School Department**

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

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

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

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

At June 30, 2015, the Haywood County School Department reported the following significant encumbrances:

<u>Fund</u>	<u>Description</u>	<u>Amount</u>
School Department:		
Major Fund:		
General Purpose School	Computers	\$ 58,709
"	Bus	74,898

**B. Net Position Deficit**

The Solid Waste Disposal Fund had a deficit of \$1,352,097 in unrestricted net position and a total net position deficit of \$929,163 at June 30, 2015. This deficit primarily resulted from the recognition of a liability totaling \$1,780,588 for costs associated with closing the county's landfill and monitoring the landfill for 30 years after closure.

**C. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the County Commission in the Other Operations - Miscellaneous major appropriations category (the legal level of control) of the General Fund by \$5,531. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

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

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

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

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

## Deposits

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

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

## Investments

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

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

**B. Note Receivable**

During the fiscal year, the Haywood County Commission authorized the county to issue a \$38,427 non-interest bearing capital outlay note to assist the local YMCA with debt repayment. YMCA has agreed to repay \$38,427 to the county over a period of ten years with no interest. This note receivable has a balance of \$36,927 at June 30, 2015, and is included in the restricted fund balance of the General Debt Service Fund.

**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	Balance 6-30-15
<b>Capital Assets Not Depreciated:</b>			
Land	\$ 4,274,111	\$ 100,000	\$ 4,374,111
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 4,274,111</b>	<b>\$ 100,000</b>	<b>\$ 4,374,111</b>
<b>Capital Assets Depreciated:</b>			
Buildings and Improvements	\$ 18,402,256	\$ 181,221	\$ 18,583,477
Infrastructure	51,026,819	496,581	51,523,400
Other Capital Assets	10,191,547	347,573	10,539,120
<b>Total Capital Assets Depreciated</b>	<b>\$ 79,620,622</b>	<b>\$ 1,025,375</b>	<b>\$ 80,645,997</b>
<b>Less Accumulated Depreciation For:</b>			
Buildings and Improvements	\$ 7,373,409	\$ 598,402	\$ 7,971,811
Infrastructure	45,093,691	492,591	45,586,282
Other Capital Assets	7,131,533	712,380	7,843,913
<b>Total Accumulated Depreciation</b>	<b>\$ 59,598,633</b>	<b>\$ 1,803,373</b>	<b>\$ 61,402,006</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 20,021,989</b>	<b>\$ (777,998)</b>	<b>\$ 19,243,991</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 24,296,100</b>	<b>\$ (677,998)</b>	<b>\$ 23,618,102</b>

There were no decreases in capital assets to report during the year ended June 30, 2015. Depreciation expense was charged to functions of the primary government as follows:

**Governmental Activities:**

General Government	\$ 116,136
Finance	51,660
Administration of Justice	102,416
Public Safety	766,071
Public Health and Welfare	82,257
Social, Cultural, and Recreational Services	51,067
Highway Department	<u>633,766</u>

Total Depreciation Expense - Governmental Activities \$ 1,803,373

**Primary Government - Business-type Activities:**

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets				
Not Depreciated:				
Land	\$ 235,000	\$ 0	\$ 0	\$ 235,000
Total Capital Assets				
Not Depreciated	<u>\$ 235,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 235,000</u>
Capital Assets				
Depreciated:				
Buildings and				
Improvements	\$ 215,300	\$ 0	\$ 0	\$ 215,300
Other Capital Assets	651,643	119,539	(90,172)	681,010
Total Capital Assets				
Depreciated	<u>\$ 866,943</u>	<u>\$ 119,539</u>	<u>\$ (90,172)</u>	<u>\$ 896,310</u>
Less Accumulated				
Depreciation For:				
Buildings and				
Improvements	\$ 123,489	\$ 7,186	\$ 0	\$ 130,675
Other Capital Assets	501,771	30,340	(58,609)	473,502
Total Accumulated				
Depreciation	<u>\$ 625,260</u>	<u>\$ 37,526</u>	<u>\$ (58,609)</u>	<u>\$ 604,177</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 241,683</u>	<u>\$ 82,013</u>	<u>\$ (31,563)</u>	<u>\$ 292,133</u>
Business-type Activities				
Capital Assets, Net	<u>\$ 476,683</u>	<u>\$ 82,013</u>	<u>\$ (31,563)</u>	<u>\$ 527,133</u>

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

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 143,868	\$ 0	\$ 0	\$ 143,868
Construction in Progress	1,001,161	0	(1,001,161)	0
Total Capital Assets Not Depreciated	<u>\$ 1,145,029</u>	<u>\$ 0</u>	<u>\$ (1,001,161)</u>	<u>\$ 143,868</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 25,877,457	\$ 1,638,511	\$ 0	\$ 27,515,968
Other Capital Assets	6,489,874	91,336	(215,576)	6,365,634
Total Capital Assets Depreciated	<u>\$ 32,367,331</u>	<u>\$ 1,729,847</u>	<u>\$ (215,576)</u>	<u>\$ 33,881,602</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 13,472,197	\$ 800,258	\$ 0	\$ 14,272,455
Other Capital Assets	4,586,288	416,703	(215,576)	4,787,415
Total Accumulated Depreciation	<u>\$ 18,058,485</u>	<u>\$ 1,216,961</u>	<u>\$ (215,576)</u>	<u>\$ 19,059,870</u>
Total Capital Assets Depreciated, Net	<u>\$ 14,308,846</u>	<u>\$ 512,886</u>	<u>\$ 0</u>	<u>\$ 14,821,732</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,453,875</u>	<u>\$ 512,886</u>	<u>\$ (1,001,161)</u>	<u>\$ 14,965,600</u>

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

**Governmental Activities:**

Instruction	\$ 439,350
Support Services	726,679
Operation of Non-instructional Services	<u>50,932</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,216,961</u></u>

**D. Interfund Receivables, Payables, and Transfers**

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

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 7,156
Highway/Public Works	General	19,069
"	Nonmajor governmental	6,681
"	Solid Waste Disposal	1,894

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

The receivable in the Highway/Public Works Fund totaling \$27,644 was in transit from the General, nonmajor governmental, and Solid Waste Disposal funds at June 30, 2015.

**Due to/from Primary Government and Component Units:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Component Unit:		
School Department:	Primary Government:	
Nonmajor governmental	General	\$ 67,135

The receivable in the School Department's nonmajor governmental funds totaling \$67,135 was in transit from the General Fund at June 30, 2015.

**Interfund Transfers:**

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

**Primary Government**

Transfer Out	Transfer In Solid Waste Disposal Fund
Nonmajor governmental fund	\$ 210,000

**Discretely Presented Haywood County School Department**

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental fund	\$ 8,837

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

**E. Operating Lease**

On August 28, 2012, the county mayor obtained document scanning services under an operating lease. The rental expenditures for the year ended June 30, 2015, were \$69,000. The future lease minimum lease payments are as follows:

Year Ending June 30	Amount
2016	\$ 69,000
2017	<u>69,000</u>
Total	<u>\$ 138,000</u>

**F. Capital Leases - Business-type Activities**

On September 6, 2013, Haywood County entered into a five-year lease-purchase agreement for a tractor and dirt pan. The terms of the agreement require total lease payments of \$57,344 plus interest of three percent. Also, on September 2, 2014, Haywood County entered into a five-year lease-purchase agreement for a loader. The terms of the agreement require total lease payments of \$83,539 plus interest of 2.49 percent. Title to the

equipment transfers to Haywood County at the end of the lease period. The Solid Waste Disposal Fund is making the lease payments. These lease-purchase agreements were not entered into in compliance with state statutes.

The assets acquired through the capital leases are as follows:

Asset	Business- type Activities
Other Capital Assets	\$ 192,539
Less: Accumulated Depreciation	<u>(23,345)</u>
Total Book Value	<u>\$ 169,194</u>

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

Year Ending June 30	Business- type Activities
2016	\$ 30,308
2017	30,308
2018	30,308
2019	30,308
2020	<u>4,453</u>
Total Minimum Lease Payments	\$ 125,685
Less: Amount Representing Interest	<u>(7,480)</u>
Present Value of Minimum Lease Payments	<u>\$ 118,205</u>

**G. Long-term Obligations**

**Primary Government**

**General Obligation Bonds, Note and Other Loans**

Haywood County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 39 years for bonds and 16 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and other loans included in long-term debt as of June 30, 2015, will be retired from the General Debt Service Fund.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
General Obligation Bonds	3.625 to 5.55%	8-5-37	\$ 10,860,000	\$ 7,614,366
General Obligation Bonds - Refunding	2 to 3.5	6-30-28	10,625,000	7,695,000
Other Loans Payable	0 to variable	6-1-27	3,509,000	2,814,991

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

During the 2011-12 year, Haywood County entered into a loan agreement with the City of Clarksville Public Building Authority. Under the loan agreement, the authority made \$1,509,000 available for loan to Haywood County for school renovation projects. This loan is repayable at a variable interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees in connection with this loan. At June 30, 2015, the variable interest rate was .68 percent and other fees totaled .15 percent of the outstanding loan principal. The loan is also assessed an annual trustee fee of \$1,500.

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

Year Ending	Bonds		
	Principal	Interest	Total
2016	\$ 875,142	\$ 550,706	\$ 1,425,848
2017	956,546	519,094	1,475,640
2018	1,008,019	488,885	1,496,904
2019	1,054,558	456,346	1,510,904
2020	1,061,171	434,334	1,495,505
2021-2025	4,804,821	1,776,485	6,581,306
2026-2030	5,356,315	859,497	6,215,812
2031-2035	128,903	33,523	162,426
2036-2038	63,891	4,138	68,029
Total	<u>\$ 15,309,366</u>	<u>\$ 5,123,008</u>	<u>\$ 20,432,374</u>

Year Ending	Other Loans			
	Principal	Interest	Other Fees	Total
2016	\$ 285,004	\$ 8,602	\$ 3,361	\$ 296,967
2017	288,004	8,024	3,235	299,263
2018	292,004	7,426	3,104	302,534
2019	295,004	6,800	2,968	304,772
2020	299,004	6,154	2,827	307,985
2021-2025	1,108,971	20,107	11,806	1,140,884
2026-2027	247,000	2,510	3,715	253,225
Total	<u>\$ 2,814,991</u>	<u>\$ 59,623</u>	<u>\$ 31,016</u>	<u>\$ 2,905,630</u>

There is \$2,557,531 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and other loans, totaled \$965 based on the 2010 federal census.

#### Changes in Long-term Obligations

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

##### Governmental Activities:

	Bonds	Note	Other Loans
Balance, July 1, 2014	\$ 15,718,280	\$ 0	\$ 3,096,995
Additions	7,225,000	66,000	0
Reductions	<u>(7,633,914)</u>	<u>(66,000)</u>	<u>(282,004)</u>
Balance, June 30, 2015	<u>\$ 15,309,366</u>	<u>\$ 0</u>	<u>\$ 2,814,991</u>
Balance Due Within One Year	<u>\$ 875,142</u>	<u>\$ 0</u>	<u>\$ 285,004</u>

	Capital Lease	Compensated Absences
Balance, July 1, 2014	\$ 33,324	\$ 22,674
Additions	0	23,441
Reductions	(33,324)	(22,674)
	<hr/>	<hr/>
Balance, June 30, 2015	\$ 0	\$ 23,441
	<hr/>	<hr/>
Balance Due Within One Year	\$ 0	\$ 17,581
	<hr/>	<hr/>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 18,147,798
Less: Balance Due Within One Year	(1,177,727)
Add: Unamortized Premium on Debt	<u>147,970</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 17,118,041</u>

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

Advance Refunding

On May 29, 2015, Haywood County issued \$7,225,000 in general obligation refunding bonds for an advance refund of \$5,000,000 of Series 2007 general obligation bonds. Also, the refunding bonds were used to advance refund a portion of Series 2008 general obligation bonds totaling \$1,850,000. The refunding bonds provided resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments on the \$5,000,000 and \$1,850,000 refunded bonds until they are called on June 1, 2016, and June 1, 2017, respectively. As a result, the refunded bonds are considered defeased, and the liability has been removed from the county's long-term debt. As a result of the advance refunding, total debt service payments over the next 13 years will be reduced by \$509,053, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$453,844 was obtained.

**Haywood County Solid Waste Disposal Fund (enterprise fund)**

Capital Lease

The capital leases outstanding as of June 30, 2015, for business-type activities are as follows:

<u>Type</u>	<u>Interest Rate</u>	<u>Final Maturity</u>	<u>Original Amount of Issue</u>	<u>Balance 6-30-15</u>
Capital Leases	2.49 to 3 %	9-29-19	\$ 140,883	\$ 118,205

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>Capital Lease</u>	<u>Postclosure Care Costs</u>
Balance, July 1, 2014	\$ 57,344	\$ 1,781,542
Additions	83,539	27,178
Reductions	(22,678)	(28,132)
Balance, June 30, 2015	<u>\$ 118,205</u>	<u>\$ 1,780,588</u>
Balance Due Within One Year	<u>\$ 27,309</u>	<u>\$ 28,132</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 1,898,793
Less: Balance Due Within One Year	<u>(55,441)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,843,352</u>

**Discretely Presented Haywood County School Department**

Changes in Long-term Obligations

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

Governmental Activities:

	Other Postemployment Benefits
Balance, July 1, 2014	\$ 635,706
Additions	142,655
Reductions	(157,229)
	<hr/>
Balance, June 30, 2015	\$ 621,132
	<hr/> <hr/>
Balance Due Within One Year	\$ 0
	<hr/> <hr/>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Haywood County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2015, were \$85,502 and \$41,113, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**V. OTHER INFORMATION**

**A. Risk Management**

**Primary Government**

**Employee Health Insurance**

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

**Workers' Compensation Insurance**

Haywood County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under the provisions of Section 29-20-401, *Tennessee Code Annotated (TCA)*, by the

Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

#### Liability, Property, and Casualty

Haywood County is exposed to various risks related to general liability, property, and casualty losses. The county participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

### **Discretely Presented Haywood County School Department**

#### Employee Health Insurance

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

#### Liability, Property, Casualty, and Workers' Compensation Insurance

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

## **B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 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 December 9, 2015, Haywood County entered into a \$241,726 lease-purchase agreement for an ambulance and four defibrillators.

**D. Contingent Liabilities**

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

**E. Landfill Closure/Postclosure Care Costs**

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Haywood County closed its sanitary landfill in 1998. The \$1,780,588, reported as postclosure care liability at June 30, 2015, represents amounts 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.

**F. Joint Ventures**

The Brownsville - Haywood County Emergency Management Agency is a joint venture between Haywood County and the City of Brownsville. The agency's three-member board includes the county mayor, the mayor of the City of Brownsville, and one member who is jointly selected by the county mayor and the city mayor. The agency is jointly funded by the county and the City of Brownsville with additional revenues received from the State of Tennessee, the federal government, and private contributions. During the year ended June 30, 2015, the county provided financial assistance of \$29,601 to the agency.

The Brownsville - Haywood County Rescue Squad is a joint venture between Haywood County and the City of Brownsville. The agency's six-member board includes the county mayor, the mayor of the City of Brownsville, and four other members. The purpose of the rescue squad is to provide assistance in search and rescue, drowning, flooding, evacuations, and road clearing from storms. The agency is jointly funded by the county and the City of Brownsville with additional revenues received from the private contributions. During the year ended June 30, 2015, the county contributed \$10,000 to the rescue squad.

The HTL Advantage is a joint venture between Haywood, Tipton, and Lauderdale counties and the cities of Brownsville, Ripley, and Covington. The board comprises ten members and consists of the mayors from each of the counties and cities, and one member from the Southwest Tennessee Electric Cooperative, the Covington Electric System, Ripley Power and Light, and the Brownsville Electric System. The purpose of the board is to establish and operate an office that markets the entire defined region for economic development and to bring the region attention of prospective industrial and commercial interests, which would be beneficial for the common good of all entities involved herein. The counties, cities, and electric systems provide the funding for the board. Haywood County contributed \$50,000 to HTL Advantage during the year.

The Elma Ross Public Library is a joint venture between Haywood County and the City of Brownsville. It is operated by an appointed board. The board comprises seven members, four of whom are appointed by the Haywood County Commission. The remaining three members are appointed by the City of Brownsville. Haywood County has control over budgeting and financing the joint venture only to the extent of representation by the four board members appointed. Haywood County contributed \$75,272 to the operations of the library during the year ended June 30, 2015.

Haywood County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Brownsville - Haywood County Emergency Management Agency, Brownsville - Haywood County

Rescue Squad, HTL Advantage, and the Elma Ross Public Library can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

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

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

HTL Advantage  
1469 South Main Street  
Covington, TN 38019

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

**G. Retirement Commitments**

**Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Haywood County and non-certified employees of the discretely presented Haywood 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 40.86 percent and the non-certified employees of the discretely presented School Department comprise 59.14 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](http://www.treasury.tn.gov/tcrs).

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

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

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

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	184
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	279
Active Employees	<u>372</u>
 Total	 <u><u>835</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 are non-contributory. Haywood 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 Haywood County were \$1,152,196 based on a rate of 8.69 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Haywood 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)

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

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

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

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

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

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

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity Developed Market	6.46 %	33 %
International Equity Emerging Market	6.26	17
International Equity Private Equity and Strategic Lending	6.40	5
U.S. Fixed Income Real Estate	4.61	8
	0.98	29
	4.73	7
Short-term Securities	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 Haywood 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	\$ 31,864,176	\$ 30,139,000	\$ 1,725,176
Changes for the Year:			
Service Cost	\$ 737,120	\$ 0	\$ 737,120
Interest	2,403,909	0	2,403,909
Differences Between Expected and Actual Experience	(400,316)	0	(400,316)
Contributions-Employer	0	1,106,526	(1,106,526)
Contributions-Employees	0	365	(365)
Net Investment Income	0	4,990,442	(4,990,442)
Benefit Payments, Including Refunds of Employee Contributions	(1,098,340)	(1,098,340)	0
Administrative Expense	0	(14,541)	14,541
Net Changes	\$ 1,642,373	\$ 4,984,452	\$ (3,342,079)
Balance, June 30, 2014	\$ 33,506,549	\$ 35,123,452	\$ (1,616,903)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	40.86%	\$ 13,690,776	\$ 14,351,442	\$ (660,667)
School Department	59.14%	19,815,773	20,772,010	(956,236)
Total		\$ 33,506,549	\$ 35,123,452	\$ (1,616,903)

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.*  
The following presents the net pension liability (asset) of Haywood 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
<u>Haywood County</u>	6.5%	7.5%	8.5%

Net Pension Liability    \$ 2,716,228    \$ (1,616,903)    \$ (5,244,244)

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

*Pension Expense.* For the year ended June 30, 2015, Haywood County recognized pension expense of \$282,238.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 333,597
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,184,194
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>1,152,196</u>	<u>N/A</u>
Total	<u>\$ 1,152,196</u>	<u>\$ 2,517,791</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	\$ 660,799	\$ 1,028,769
School Department	491,397	1,489,022
Total	<u>\$ 1,152,196</u>	<u>\$ 2,517,791</u>

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

Year Ending <u>June 30</u>	<u>Amount</u>
2016	\$ (612,767)
2017	(612,767)
2018	(612,767)
2019	(612,767)
2020	(66,723)
Thereafter	0

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

**Discretely Presented Haywood County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Haywood County and non-certified employees of the discretely presented Haywood 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 40.86 percent and the non-certified employees of the discretely presented School Department comprise 59.14 percent of the plan based on census data.

## **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

*Plan Description.* Teachers of the Haywood 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 publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://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 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 \$41,917, 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 Haywood 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 Haywood County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 41,917	N/A

The Haywood County School Department’s employer contributions of \$41,917 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 Haywood County School Department with membership in the TCRS before July 1, 2014, are provided with pensions through the Teacher Legacy Pension Plan, a cost-sharing multiple-employer pension plan administered by the TCRS. The Teacher Legacy Pension Plan closed to new membership on June 30, 2014, but will continue providing benefits to existing members and retirees. Beginning July 1, 2014, the Teacher Retirement Plan became effective for teachers employed by LEAs after June 30, 2014. The Teacher Retirement Plan is a separate cost-sharing, multiple-employer defined benefit plan. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of all employer pension plans in the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The

TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Haywood County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$1,097,396, 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 Haywood County School Department reported an asset of \$53,713 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 Haywood County School Department's proportion of the net pension asset was based on Lauderdale County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, the Haywood County School Department's proportion was .330551 percent. The proportion measured as of June 30, 2013, was .332315 percent.

*Pension Income.* For the year ended June 30, 2015, the Haywood County School Department recognized a pension income of \$50,213.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2015, the Haywood 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	\$ 130,401	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	4,425,604
Changes in Proportion of Net Pension Liability (Asset)	0	24,885
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	<u>1,097,396</u>	<u>N/A</u>
Total	<u>\$ 1,227,797</u>	<u>\$ 4,450,489</u>

The Haywood County School Department's employer contributions of \$1,097,396 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (1,088,815)
2017	(1,088,815)
2018	(1,088,815)
2019	(1,088,815)
2020	17,586
Thereafter	17,586

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

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

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

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

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

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

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

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

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

*Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents Haywood 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 Haywood 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%
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Net Pension Liability    \$ 9,059,293    \$ (53,713)    \$ (7,598,294)

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

**H. Other Postemployment Benefits (OPEB)**

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in the plan develop their own contribution policy in terms of subsidizing active employees or retired employees’ premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2015, the School Department contributed \$157,229 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 142,000
Interest on the NOPEBO	25,428
Adjustment to the ARC	(24,773)
Annual OPEB cost	<hr/> \$ 142,655
Less: Amount of contribution	(157,229)
Increase/decrease in NOPEBO	<hr/> \$ (14,574)
Net OPEB obligation, 7-1-14	<hr/> 635,706
	<hr/>
Net OPEB obligation, 6-30-15	<hr/> <hr/> \$ 621,132

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Education Group	\$ 271,683	53%	\$ 664,611
6-30-14	"	137,684	121	635,706
6-30-15	"	142,655	110	621,132

Funded Status and Funding Progress

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

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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

### Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Education Group Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual 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. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

## **I. Purchasing Laws**

### Office of County Mayor

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

### Office of Chief Administrative Highway Officer

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

### Office of Director of Schools

Purchasing procedures for the discretely presented School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board

of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

**VI. OTHER NOTES – DISCRETELY PRESENTED HAYWOOD COUNTY UTILITY DISTRICT**

**A. Summary of Significant Accounting Policies**

**1. Reporting Entity**

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund’s principal ongoing operations. The principal operating revenues of the district are charges for sales to customers for sales and service. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

3. **Assets, Liabilities, and Equity**

a. **Deposits and Investments**

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

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

b. **Accounts Receivable**

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

c. **Capital Assets**

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

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

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

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

**d. Compensated Absences**

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

**e. Long-term Obligations**

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. The district will continue to report bond cost as an asset and amortize those over the life of the bonds instead of expensing those costs in the current year in accordance with certain provisions included in GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This regulatory option as part of GASB Statement No. 65 is available due to the above mentioned cost being used for rate setting by the district.

**f. Net Position**

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

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

**g. Net Position Flow Assumption**

Sometimes the district will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to

calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the district's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**B. Stewardship, Compliance, and Accountability**

**Budgetary Information**

The district does not adopt a formal budget.

**C. Detailed Notes**

**1. Deposits and Investments**

Custodial Credit Risk – The district's policies limit deposits and investments to those instruments allowed by applicable state laws and are described below. State statute requires that all deposits with financial institutions be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the district's agent in the district's name, or by the Federal Reserve Banks acting as third-party agents. State statutes also authorize the district to invest in bonds, notes, or treasury bills of the United States or any of its agencies, certificates of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the United States or its agencies as the underlying securities, and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2015, the district had no risk exposure.

**2. Receivables**

Receivables as of June 30, 2015, consisted of the following:

	<u>Balance 6-30-15</u>
Billed Services for Utility Customers	\$ 26,014

**3. Capital Assets**

Capital assets activity during the year was as follows:

Description	Balance 7-1-14	Additions	Balance 6-30-15
Capital Assets, Not Depreciated	\$ 18,401	\$ 0	\$ 18,401
Capital Assets, Depreciated	\$ 5,014,664	\$ 205,551	\$ 5,220,215
Less Accumulated Depreciation	\$ 1,742,326	\$ 139,965	\$ 1,882,291
Total Capital Assets, Depreciated, Net	\$ 3,272,338	\$ 65,586	\$ 3,337,924
Total Capital Assets, Net	<u>\$ 3,290,739</u>	<u>\$ 65,586</u>	<u>\$ 3,356,325</u>

**4. Long-term Debt**

Long-term debt is comprised of the following:

	Balance 6-30-15
General Obligation Bonds:	
General Obligation Bonds, Series 1998 interest at 4.875% due serially through 2037	\$ 433,499
Total General Obligation Bonds	\$ 433,499
Total Current Portion of General Obligation Bonds	\$ 11,501
Total Long-term Portion of General Obligation Bonds	\$ 421,998

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

The following is a summary of long-term debt transactions for the year ended June 30, 2015.

	<u>Bonds</u>
Balance, July 1, 2014	\$ 445,530
Reductions	<u>(12,031)</u>
Balance, June 30, 2015	<u>\$ 433,499</u>
Balance Due Within One Year	<u>\$ 11,501</u>

The scheduled annual requirements for long-term debt at June 30, 2015, are as follows:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 11,501	\$ 21,024	\$ 32,525
2017	12,010	20,514	32,524
2018	12,661	19,864	32,525
2019	13,286	19,239	32,525
2020	13,941	18,584	32,525
2021-2025	80,625	81,997	162,622
2026-2030	102,649	59,973	162,622
2031-2035	130,614	32,009	162,623
2036-2037	56,212	3,332	59,544
Total	<u>\$ 433,499</u>	<u>\$ 276,536</u>	<u>\$ 710,035</u>

## 5. Net Position

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

	<u>Balance 6-30-15</u>
Net Investment in Capital Assets:	
Net Property, Plant and Equipment in Services	\$ 3,356,325
Less: Debt Disclosed in Note VI.C.4.	<u>(433,499)</u>
	\$ 2,922,826
Unrestricted	<u>248,243</u>
Total Net Position	<u>\$ 3,171,069</u>

**D. Other Information**

**Risk Management**

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2015, the district did not purchase any insurance. The district contracts with Brownsville Energy Authority for services necessary to operate and maintain the district. No settled claims have been incurred in any of the above mentioned risk categories during the past three years, and there has been no significant reduction in the coverage provided.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F-1

Haywood 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>
<b>Total Pension Liability (Asset)</b>	
Service Cost	\$ 737,120
Interest	2,403,909
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(400,316)
Change of Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,098,340)</u>
Net Change in Total Pension Liability (Asset)	\$ 1,642,373
Total Pension Liability (Asset), Beginning	<u>31,864,176</u>
Total Pension Liability (Asset), Ending (a)	<u>\$ 33,506,549</u>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 1,106,526
Contributions - Employee	365
Net Investment Income	4,990,442
Benefit Payments, Including Refunds of Employee Contributions	(1,098,340)
Administrative Expense	<u>(14,541)</u>
Net Change in Plan Fiduciary Net Position	\$ 4,984,452
Plan Fiduciary Net Position, Beginning	<u>30,139,000</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 35,123,452</u>
Net Pension Liability (Asset), Ending (a - b)	<u>\$ (1,616,903)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.83%
Covered Employee Payroll	\$ 9,228,853
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	17.52%

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

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

Exhibit F-2

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 1,106,526	\$ 1,152,196
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(1,106,526)</u>	<u>(1,152,196)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 9,228,853	\$ 10,583,983
Contributions as a Percentage of Covered Employee Payroll	11.99%	10.89%

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.

Exhibit F-3

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 26,198
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(41,917)</u>
Contribution Deficiency (Excess)	<u>\$ (15,719)</u>
Covered Employee Payroll	\$ 1,047,925
Contributions as a Percentage of Covered Employee Payroll	4.00%

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

Exhibit F-4

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 1,152,098	\$ 1,097,396
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(1,152,098)</u>	<u>(1,097,396)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 12,974,094	\$ 12,022,452
Contributions as a Percentage of Covered Employee Payroll	8.88%	9.13%

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

Exhibit F-5

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

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.330551%
School Department's Proportionate Share of the Net Pension Asset	\$ 53,713
Covered Employee Payroll	\$ 12,974,094
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

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

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

Exhibit F-6

Haywood County, Tennessee  
Schedule of Funding Progress – Other Postemployment Benefits Plan  
Discretely Presented Haywood County School Department  
June 30, 2015

(Dollar amounts in thousands)

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

**HAYWOOD COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 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	Three Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

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

# Capital Projects Funds

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

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

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

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

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

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

Exhibit G-1

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

	Special Revenue Funds				Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
<u>ASSETS</u>						
Cash	\$ 1,000	\$ 0	\$ 18,778	\$ 19,778	\$ 0	\$ 0
Equity in Pooled Cash and Investments	77,207	32,524	0	109,731	327,218	23,964
Accounts Receivable	9,455	2,562	0	12,017	0	0
Total Assets	<u>\$ 87,662</u>	<u>\$ 35,086</u>	<u>\$ 18,778</u>	<u>\$ 141,526</u>	<u>\$ 327,218</u>	<u>\$ 23,964</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 4,083	\$ 0	\$ 0	\$ 4,083	\$ 0	\$ 0
Payroll Deductions Payable	3,193	0	0	3,193	0	0
Due to Other Funds	0	0	7,156	7,156	0	0
Due to State of Tennessee	191	0	0	191	0	0
Total Liabilities	<u>\$ 7,467</u>	<u>\$ 0</u>	<u>\$ 7,156</u>	<u>\$ 14,623</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 35,086	\$ 0	\$ 35,086	\$ 0	\$ 0
Restricted for Education	0	0	0	0	0	0
Restricted for Capital Projects	0	0	0	0	327,218	0
Restricted for Other Purposes	0	0	0	0	0	0
Committed:						
Committed for Finance	0	0	11,622	11,622	0	0
Committed for Public Health and Welfare	80,195	0	0	80,195	0	0

(Continued)

Exhibit G-1

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

Special Revenue Funds				Capital Projects Funds	
Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park

FUND BALANCES (CONT.)

Committed (Cont.):

Committed for Capital Outlay	\$	0	\$	0	\$	0	\$	0	\$	0
Committed for Capital Projects		0		0		0		0		23,964
<b>Total Fund Balances</b>	<b>\$</b>	<b>80,195</b>	<b>\$</b>	<b>35,086</b>	<b>\$</b>	<b>11,622</b>	<b>\$</b>	<b>126,903</b>	<b>\$</b>	<b>327,218</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$</b>	<b>87,662</b>	<b>\$</b>	<b>35,086</b>	<b>\$</b>	<b>18,778</b>	<b>\$</b>	<b>141,526</b>	<b>\$</b>	<b>327,218</b>

(Continued)

Exhibit G-1

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

	<u>Capital Projects Funds (Cont.)</u>				Total
	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Total	Nonmajor Governmental Funds
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	19,778
Equity in Pooled Cash and Investments	3,003	66,000	51,454	471,639	581,370
Accounts Receivable	0	0	0	0	12,017
<b>Total Assets</b>	<b>\$ 3,003</b>	<b>\$ 66,000</b>	<b>\$ 51,454</b>	<b>\$ 471,639</b>	<b>\$ 613,165</b>
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	4,083
Payroll Deductions Payable	0	0	0	0	3,193
Due to Other Funds	0	0	0	0	7,156
Due to State of Tennessee	0	0	0	0	191
<b>Total Liabilities</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>14,623</b>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 0	35,086
Restricted for Education	0	66,000	0	66,000	66,000
Restricted for Capital Projects	0	0	0	327,218	327,218
Restricted for Other Purposes	3,003	0	0	3,003	3,003
Committed:					
Committed for Finance	0	0	0	0	11,622
Committed for Public Health and Welfare	0	0	0	0	80,195

(Continued)

Exhibit G-1

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

<u>Capital Projects Funds (Cont.)</u>					Total Nonmajor Governmental Funds
HUD Grant Projects	Education Capital Projects	Other Capital Projects	Total		
\$ 0	\$ 0	\$ 51,454	\$ 51,454	\$ 51,454	
0	0	0	23,964	23,964	
<u>\$ 3,003</u>	<u>\$ 66,000</u>	<u>\$ 51,454</u>	<u>\$ 471,639</u>	<u>\$ 598,542</u>	
Total Liabilities and Fund Balances					
<u>\$ 3,003</u>	<u>\$ 66,000</u>	<u>\$ 51,454</u>	<u>\$ 471,639</u>	<u>\$ 613,165</u>	

FUND BALANCES (CONT.)

Committed (Cont.):

Committed for Capital Outlay

Committed for Capital Projects

Total Fund Balances

Total Liabilities and Fund Balances

Exhibit G-2

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

	Special Revenue Funds				Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 0	\$ 28,455	\$ 0	\$ 28,455	\$ 0	\$ 0
Charges for Current Services	611,091	0	168,704	779,795	0	0
Other Local Revenues	0	0	0	0	0	0
State of Tennessee	33,341	0	0	33,341	198,000	0
Federal Government	0	0	0	0	50,000	97,474
Other Governments and Citizens Groups	0	0	0	0	106,358	0
<b>Total Revenues</b>	<b>\$ 644,432</b>	<b>\$ 28,455</b>	<b>\$ 168,704</b>	<b>\$ 841,591</b>	<b>\$ 354,358</b>	<b>\$ 97,474</b>
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 170,125	\$ 170,125	\$ 0	\$ 0
Public Safety	0	7,075	0	7,075	0	0
Public Health and Welfare	405,060	0	0	405,060	0	0
Other Operations	76,308	0	0	76,308	0	0
Capital Projects	0	0	0	0	158,969	97,474
<b>Total Expenditures</b>	<b>\$ 481,368</b>	<b>\$ 7,075</b>	<b>\$ 170,125</b>	<b>\$ 658,568</b>	<b>\$ 158,969</b>	<b>\$ 97,474</b>
Excess (Deficiency) of Revenues						
Over Expenditures	\$ 163,064	\$ 21,380	\$ (1,421)	\$ 183,023	\$ 195,389	\$ 0
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Transfers Out	(210,000)	0	0	(210,000)	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (210,000)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (210,000)</b>	<b>\$ 0</b>	<b>\$ 0</b>

(Continued)

Exhibit G-2

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

	Special Revenue Funds				Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
Net Change in Fund Balances	\$ (46,936)	\$ 21,380	\$ (1,421)	\$ (26,977)	\$ 195,389	\$ 0
Fund Balance, July 1, 2014	127,131	13,706	13,043	153,880	131,829	23,964
Fund Balance, June 30, 2015	\$ 80,195	\$ 35,086	\$ 11,622	\$ 126,903	\$ 327,218	\$ 23,964

(Continued)

Exhibit G-2

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

	Capital Projects Funds				Total Nonmajor Governmental Funds
	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Total	
<u>Revenues</u>					
Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,455
Charges for Current Services	0	0	0	0	779,795
Other Local Revenues	0	0	28,705	28,705	28,705
State of Tennessee	0	0	0	198,000	231,341
Federal Government	0	0	0	147,474	147,474
Other Governments and Citizens Groups	0	0	0	106,358	106,358
<b>Total Revenues</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 28,705</b>	<b>\$ 480,537</b>	<b>\$ 1,322,128</b>
<u>Expenditures</u>					
Current:					
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 170,125
Public Safety	0	0	0	0	7,075
Public Health and Welfare	0	0	0	0	405,060
Other Operations	0	0	0	0	76,308
Capital Projects	0	0	13,081	269,524	269,524
<b>Total Expenditures</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 13,081</b>	<b>\$ 269,524</b>	<b>\$ 928,092</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 15,624	\$ 211,013	\$ 394,036
<u>Other Financing Sources (Uses)</u>					
Notes Issued	\$ 0	\$ 66,000	\$ 0	\$ 66,000	\$ 66,000
Transfers Out	0	0	0	0	(210,000)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 0</b>	<b>\$ 66,000</b>	<b>\$ 0</b>	<b>\$ 66,000</b>	<b>\$ (144,000)</b>

(Continued)

Exhibit G-2

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

	<u>Capital Projects Funds (Cont.)</u>				Total Nonmajor Governmental Funds
	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Total	
Net Change in Fund Balances	\$ 0	\$ 66,000	\$ 15,624	\$ 277,013	\$ 250,036
Fund Balance, July 1, 2014	3,003	0	35,830	194,626	348,506
Fund Balance, June 30, 2015	\$ 3,003	\$ 66,000	\$ 51,454	\$ 471,639	\$ 598,542

Exhibit G-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 611,091	\$ 590,000	\$ 590,000	\$ 21,091
State of Tennessee	33,341	35,200	35,200	(1,859)
Total Revenues	<u>\$ 644,432</u>	<u>\$ 625,200</u>	<u>\$ 625,200</u>	<u>\$ 19,232</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 405,060	\$ 371,299	\$ 432,154	\$ 27,094
<u>Other Operations</u>				
Other Charges	29,652	30,443	30,443	791
Employee Benefits	46,656	50,379	50,379	3,723
Total Expenditures	<u>\$ 481,368</u>	<u>\$ 452,121</u>	<u>\$ 512,976</u>	<u>\$ 31,608</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 163,064</u>	<u>\$ 173,079</u>	<u>\$ 112,224</u>	<u>\$ 50,840</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (210,000)	\$ (210,000)	\$ (210,000)	\$ 0
Total Other Financing Sources	<u>\$ (210,000)</u>	<u>\$ (210,000)</u>	<u>\$ (210,000)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (46,936)	\$ (36,921)	\$ (97,776)	\$ 50,840
Fund Balance, July 1, 2014	<u>127,131</u>	<u>144,962</u>	<u>144,962</u>	<u>(17,831)</u>
Fund Balance, June 30, 2015	<u><u>\$ 80,195</u></u>	<u><u>\$ 108,041</u></u>	<u><u>\$ 47,186</u></u>	<u><u>\$ 33,009</u></u>

Exhibit G-4

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 28,455	\$ 16,806	\$ 16,806	\$ 11,649
Total Revenues	\$ 28,455	\$ 16,806	\$ 16,806	\$ 11,649
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 7,075	\$ 16,806	\$ 16,806	\$ 9,731
Total Expenditures	\$ 7,075	\$ 16,806	\$ 16,806	\$ 9,731
Excess (Deficiency) of Revenues Over Expenditures	\$ 21,380	\$ 0	\$ 0	\$ 21,380
Net Change in Fund Balance	\$ 21,380	\$ 0	\$ 0	\$ 21,380
Fund Balance, July 1, 2014	13,706	16,345	16,345	(2,639)
Fund Balance, June 30, 2015	\$ 35,086	\$ 16,345	\$ 16,345	\$ 18,741

# **Major Governmental Fund**

## **General Debt Service Fund**

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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.

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## Exhibit H

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,426,497	\$ 1,512,487	\$ 1,512,487	\$ (85,990)
Fines, Forfeitures, and Penalties	0	1,200	1,200	(1,200)
Other Local Revenues	101,109	100,525	100,525	584
State of Tennessee	64,134	60,000	60,000	4,134
Federal Government	95,323	95,426	95,426	(103)
Other Governments and Citizens Groups	0	100,000	100,000	(100,000)
Total Revenues	<u>\$ 1,687,063</u>	<u>\$ 1,869,638</u>	<u>\$ 1,869,638</u>	<u>\$ (182,575)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 783,914	\$ 1,231,881	\$ 883,877	\$ 99,963
Education	348,004	0	348,004	0
<u>Interest on Debt</u>				
General Government	701,921	756,450	747,725	45,804
Education	9,042	0	9,042	0
<u>Other Debt Service</u>				
General Government	184,970	32,200	186,047	1,077
Education	3,307	0	3,307	0
Total Expenditures	<u>\$ 2,031,158</u>	<u>\$ 2,020,531</u>	<u>\$ 2,178,002</u>	<u>\$ 146,844</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (344,095)</u>	<u>\$ (150,893)</u>	<u>\$ (308,364)</u>	<u>\$ (35,731)</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 7,225,000	\$ 0	\$ 7,225,000	\$ 0
Premiums on Debt Issued	100,293	0	100,293	0
Payments to Refunded Debt Escrow Agent	(7,167,822)	0	(7,167,822)	0
Total Other Financing Sources	<u>\$ 157,471</u>	<u>\$ 0</u>	<u>\$ 157,471</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (186,624)	\$ (150,893)	\$ (150,893)	\$ (35,731)
Fund Balance, July 1, 2014	<u>2,744,155</u>	<u>2,658,732</u>	<u>2,658,732</u>	<u>85,423</u>
Fund Balance, June 30, 2015	<u>\$ 2,557,531</u>	<u>\$ 2,507,839</u>	<u>\$ 2,507,839</u>	<u>\$ 49,692</u>

# Fiduciary Funds

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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.

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

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

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

Exhibit I-1

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

	Agency Funds			Total
	Cities - Sales Tax	Joint Venture	Constitu- tional Officers - Agency	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 405,264	\$ 405,264
Equity in Pooled Cash and Investments	0	12,812	0	12,812
Accounts Receivable	0	0	5,248	5,248
Due from Other Governments	265,693	4,572	0	270,265
Total Assets	<u>\$ 265,693</u>	<u>\$ 17,384</u>	<u>\$ 410,512</u>	<u>\$ 693,589</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 600	\$ 0	\$ 600
Payroll Deductions Payable	0	295	0	295
Due to Other Taxing Units	265,693	0	0	265,693
Due to Litigants, Heirs, and Others	0	0	410,512	410,512
Due to Joint Venture	0	16,489	0	16,489
Total Liabilities	<u>\$ 265,693</u>	<u>\$ 17,384</u>	<u>\$ 410,512</u>	<u>\$ 693,589</u>

Exhibit I-2

Haywood 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	\$ 1,578,852	\$ 1,578,852	\$ 0
Due from Other Governments	250,820	265,693	250,820	265,693
Total Assets	<u>\$ 250,820</u>	<u>\$ 1,844,545</u>	<u>\$ 1,829,672</u>	<u>\$ 265,693</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 250,820	\$ 1,844,545	\$ 1,829,672	\$ 265,693
Total Liabilities	<u>\$ 250,820</u>	<u>\$ 1,844,545</u>	<u>\$ 1,829,672</u>	<u>\$ 265,693</u>
<u>Joint Venture Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 95,272	\$ 82,460	\$ 12,812
Due from Other Governments	0	4,572	0	4,572
Total Assets	<u>\$ 0</u>	<u>\$ 99,844</u>	<u>\$ 82,460</u>	<u>\$ 17,384</u>
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 600	\$ 0	\$ 600
Payroll Deductions Payable	0	295	0	295
Due to Joint Venture	0	98,949	82,460	16,489
Total Liabilities	<u>\$ 0</u>	<u>\$ 99,844</u>	<u>\$ 82,460</u>	<u>\$ 17,384</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 574,258	\$ 4,949,220	\$ 5,118,214	\$ 405,264
Accounts Receivable	2,738	5,248	2,738	5,248
Total Assets	<u>\$ 576,996</u>	<u>\$ 4,954,468</u>	<u>\$ 5,120,952</u>	<u>\$ 410,512</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 576,996	\$ 4,954,468	\$ 5,120,952	\$ 410,512
Total Liabilities	<u>\$ 576,996</u>	<u>\$ 4,954,468</u>	<u>\$ 5,120,952</u>	<u>\$ 410,512</u>

(Continued)

## Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 574,258	\$ 4,949,220	\$ 5,118,214	\$ 405,264
Equity in Pooled Cash and Investments	0	1,674,124	1,661,312	12,812
Accounts Receivable	2,738	5,248	2,738	5,248
Due from Other Governments	250,820	270,265	250,820	270,265
	<hr/>			
Total Assets	\$ 827,816	\$ 6,898,857	\$ 7,033,084	\$ 693,589
	<hr/>			
<u>Liabilities</u>				
Accounts Payable	\$ 0	\$ 600	\$ 0	\$ 600
Payroll Deductions Payable	0	295	0	295
Due to Other Taxing Units	250,820	1,844,545	1,829,672	265,693
Due to Litigants, Heirs, and Others	576,996	4,954,468	5,120,952	410,512
Due to Joint Ventures	0	98,949	82,460	16,489
	<hr/>			
Total Liabilities	\$ 827,816	\$ 6,898,857	\$ 7,033,084	\$ 693,589
	<hr/>			

# Haywood County School Department

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

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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.

Exhibit J-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 15,899,444	\$ 35,295	\$ 1,457,773	\$ 0	\$ (14,406,376)
Support Services	9,276,096	0	614,605	703,198	(7,958,293)
Operation of Non-instructional Services	3,057,585	233,519	2,777,783	0	(46,283)
<b>Total Governmental Activities</b>	<b>\$ 28,233,125</b>	<b>\$ 268,814</b>	<b>\$ 4,850,161</b>	<b>\$ 703,198</b>	<b>\$ (22,410,952)</b>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,683,208
Local Option Sales Taxes					1,716,294
Wheel Tax					273,462
Other Local Taxes					33,144
Grants and Contributions Not Restricted to Specific Programs					18,056,971
Miscellaneous					17,782
Pension Income					50,213
<b>Total General Revenues</b>					<b>\$ 23,831,074</b>
Change in Net Position					\$ 1,420,122
Net Position, July 1, 2014					18,934,128
Restatement - Pension Liability (see Note I.D.8)					(4,682,458)
<b>Net Position, June 30, 2015</b>					<b>\$ 15,671,792</b>

Exhibit J-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>			
Equity in Pooled Cash and Investments	\$ 3,722,181	\$ 559,004	\$ 4,281,185
Accounts Receivable	44,516	0	44,516
Due from Other Governments	525,119	179,660	704,779
Due from Primary Government	0	67,135	67,135
Property Taxes Receivable	3,920,905	0	3,920,905
Allowance for Uncollectible Property Taxes	(70,913)	0	(70,913)
Total Assets	<u>\$ 8,141,808</u>	<u>\$ 805,799</u>	<u>\$ 8,947,607</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	\$ 130,070	\$ 1,113	\$ 131,183
Payroll Deductions Payable	618,023	78,601	696,624
Total Liabilities	<u>\$ 748,093</u>	<u>\$ 79,714</u>	<u>\$ 827,807</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred Current Property Taxes	\$ 3,624,025	\$ 0	\$ 3,624,025
Deferred Delinquent Property Taxes	204,332	0	204,332
Other Deferred/Unavailable Revenue	143,530	0	143,530
Total Deferred Inflows of Resources	<u>\$ 3,971,887</u>	<u>\$ 0</u>	<u>\$ 3,971,887</u>
<b><u>FUND BALANCES</u></b>			
Restricted:			
Restricted for Education	\$ 297,600	\$ 12,360	\$ 309,960
Restricted for Operation of Non-instructional Services	0	523,257	523,257
Assigned:			
Assigned for Education	306,308	190,468	496,776
Assigned for Support Services	3,448	0	3,448
Unassigned	2,814,472	0	2,814,472
Total Fund Balances	<u>\$ 3,421,828</u>	<u>\$ 726,085</u>	<u>\$ 4,147,913</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,141,808</u>	<u>\$ 805,799</u>	<u>\$ 8,947,607</u>

Exhibit J-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$ 4,147,913
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 143,868	
Add: buildings and improvements net of accumulated depreciation	13,243,513	
Add: other capital assets net of accumulated depreciation	<u>1,578,219</u>	14,965,600
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability		(621,132)
(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	\$ 1,761,111	
Less: deferred inflows of resources related to pensions	<u>(5,939,511)</u>	(4,178,400)
(4) Net pension assets are not current financial resources and therefore are not reported in governmental funds.		
Add: net pension asset - agent plan	\$ 956,236	
Add: net pension asset - cost-sharing plan	<u>53,713</u>	1,009,949
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>347,862</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 15,671,792</u></u>

Exhibit J-4

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 5,874,409	\$ 0	\$ 5,874,409
Licenses and Permits	959	0	959
Charges for Current Services	35,295	233,519	268,814
Other Local Revenues	174,072	822	174,894
State of Tennessee	17,962,589	20,385	17,982,974
Federal Government	785,272	4,525,294	5,310,566
Total Revenues	<u>\$ 24,832,596</u>	<u>\$ 4,780,020</u>	<u>\$ 29,612,616</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 13,672,326	\$ 2,041,499	\$ 15,713,825
Support Services	9,608,493	374,158	9,982,651
Operation of Non-instructional Services	627,123	2,437,337	3,064,460
Capital Outlay	471,353	0	471,353
Total Expenditures	<u>\$ 24,379,295</u>	<u>\$ 4,852,994</u>	<u>\$ 29,232,289</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 453,301</u>	<u>\$ (72,974)</u>	<u>\$ 380,327</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 9,071	\$ 0	\$ 9,071
Transfers In	8,837	0	8,837
Transfers Out	0	(8,837)	(8,837)
Total Other Financing Sources (Uses)	<u>\$ 17,908</u>	<u>\$ (8,837)</u>	<u>\$ 9,071</u>
Net Change in Fund Balances	\$ 471,209	\$ (81,811)	\$ 389,398
Fund Balance, July 1, 2014	<u>2,950,619</u>	<u>807,896</u>	<u>3,758,515</u>
Fund Balance, June 30, 2015	<u>\$ 3,421,828</u>	<u>\$ 726,085</u>	<u>\$ 4,147,913</u>

Exhibit J-5

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

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$	389,398
(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	\$	728,686	
Less: current-year depreciation expense		<u>(1,216,961)</u>	(488,275)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$	347,862	
Less: deferred delinquent property taxes and other deferred June 30, 2014		<u>(357,444)</u>	(9,582)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in other postemployment benefits liability	\$	14,574	
Change in net pension liability/asset - cost-sharing plan		1,322,106	
Change in net pension liability/asset - agent plan		4,370,301	
Change in deferred outflows related to pensions		1,761,111	
Change in deferred inflows related to pensions		<u>(5,939,511)</u>	<u>1,528,581</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 1,420,122</u>

Exhibit J-6

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

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>		<u>Nonmajor</u>
	<u>Federal</u>	<u>Central</u>	<u>Governmental</u>
	<u>Projects</u>	<u>Cafeteria</u>	<u>Funds</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 78,655	\$ 480,349	\$ 559,004
Due from Other Governments	179,660	0	179,660
Due from Primary Government	0	67,135	67,135
Total Assets	<u>\$ 258,315</u>	<u>\$ 547,484</u>	<u>\$ 805,799</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,113	\$ 0	\$ 1,113
Payroll Deductions Payable	54,374	24,227	78,601
Total Liabilities	<u>\$ 55,487</u>	<u>\$ 24,227</u>	<u>\$ 79,714</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 12,360	\$ 0	\$ 12,360
Restricted for Operation of Non-instructional Services	0	523,257	523,257
Assigned:			
Assigned for Education	190,468	0	190,468
Total Fund Balances	<u>\$ 202,828</u>	<u>\$ 523,257</u>	<u>\$ 726,085</u>
Total Liabilities and Fund Balances	<u>\$ 258,315</u>	<u>\$ 547,484</u>	<u>\$ 805,799</u>

Exhibit J-7

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

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 233,519	\$ 233,519
Other Local Revenues	0	822	822
State of Tennessee	0	20,385	20,385
Federal Government	2,787,786	1,737,508	4,525,294
Total Revenues	<u>\$ 2,787,786</u>	<u>\$ 1,992,234</u>	<u>\$ 4,780,020</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 2,041,499	\$ 0	\$ 2,041,499
Support Services	374,158	0	374,158
Operation of Non-instructional Services	387,443	2,049,894	2,437,337
Total Expenditures	<u>\$ 2,803,100</u>	<u>\$ 2,049,894</u>	<u>\$ 4,852,994</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ (15,314)</u>	<u>\$ (57,660)</u>	<u>\$ (72,974)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (8,837)	0	\$ (8,837)
Total Other Financing Sources (Uses)	<u>\$ (8,837)</u>	<u>\$ 0</u>	<u>\$ (8,837)</u>
Net Change in Fund Balances	\$ (24,151)	\$ (57,660)	\$ (81,811)
Fund Balance, July 1, 2014	<u>226,979</u>	<u>580,917</u>	<u>807,896</u>
Fund Balance, June 30, 2015	<u><u>\$ 202,828</u></u>	<u><u>\$ 523,257</u></u>	<u><u>\$ 726,085</u></u>

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 5,874,409	\$ 0	\$ 0	\$ 5,874,409	\$ 5,704,124	\$ 5,709,124	\$ 165,285
Licenses and Permits	959	0	0	959	2,000	2,000	(1,041)
Charges for Current Services	35,295	0	0	35,295	34,268	34,268	1,027
Other Local Revenues	174,072	0	0	174,072	131,010	121,767	52,305
State of Tennessee	17,962,589	0	0	17,962,589	17,575,889	17,784,180	178,409
Federal Government	785,272	0	0	785,272	751,063	808,783	(23,511)
<b>Total Revenues</b>	<b>\$ 24,832,596</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 24,832,596</b>	<b>\$ 24,198,354</b>	<b>\$ 24,460,122</b>	<b>\$ 372,474</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 10,760,851	\$ (171,580)	\$ 86,146	\$ 10,675,417	\$ 10,651,768	\$ 10,676,552	\$ 1,135
Alternative Instruction Program	554,649	0	0	554,649	568,371	554,739	90
Special Education Program	1,715,294	(28,709)	18,324	1,704,909	1,667,357	1,704,979	70
Vocational Education Program	641,532	0	0	641,532	625,839	641,532	0
<u>Support Services</u>							
Attendance	147,535	(6,621)	0	140,914	132,639	140,914	0
Health Services	194,722	(754)	0	193,968	196,429	194,121	153
Other Student Support	757,975	0	14,817	772,792	712,004	807,088	34,296
Regular Instruction Program	1,010,172	(2,498)	13,602	1,021,276	1,070,003	1,029,270	7,994
Alternative Instruction Program	29,689	0	0	29,689	34,100	29,689	0
Special Education Program	353,829	0	0	353,829	349,528	354,734	905
Vocational Education Program	135,119	0	0	135,119	140,659	135,119	0
Other Programs	126,615	0	0	126,615	0	126,615	0
Board of Education	521,487	0	0	521,487	520,169	527,180	5,693
Director of Schools	333,750	0	0	333,750	345,445	344,745	10,995
Office of the Principal	1,397,477	0	0	1,397,477	1,413,327	1,401,457	3,980
Fiscal Services	333,009	(506)	0	332,503	335,788	339,502	6,999
Operation of Plant	1,510,658	0	0	1,510,658	1,513,994	1,513,995	3,337
Maintenance of Plant	672,834	(34,907)	61,388	699,315	784,621	763,855	64,540
Transportation	1,810,948	0	99,477	1,910,425	2,005,586	2,021,773	111,348

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Central and Other	\$ 272,674	\$ 0	\$ 12,554	\$ 285,228	\$ 319,327	\$ 285,310	\$ 82
<u>Operation of Non-instructional Services</u>							
Food Service	250	0	0	250	2,118	2,118	1,868
Early Childhood Education	626,873	(22,119)	0	604,754	607,711	605,098	344
<u>Capital Outlay</u>							
Regular Capital Outlay	471,353	(7,099)	0	464,254	703,750	1,475,599	1,011,345
<u>Principal on Debt</u>							
Education	0	0	0	0	100,000	0	0
Total Expenditures	\$ 24,379,295	\$ (274,793)	\$ 306,308	\$ 24,410,810	\$ 24,800,533	\$ 25,675,984	\$ 1,265,174
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 453,301	\$ 274,793	\$ (306,308)	\$ 421,786	\$ (602,179)	\$ (1,215,862)	\$ 1,637,648
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 166,000	\$ 66,000	\$ (66,000)
Insurance Recovery	9,071	0	0	9,071	0	0	9,071
Transfers In	8,837	0	0	8,837	0	0	8,837
Total Other Financing Sources	\$ 17,908	\$ 0	\$ 0	\$ 17,908	\$ 166,000	\$ 66,000	\$ (48,092)
Net Change in Fund Balance							
	\$ 471,209	\$ 274,793	\$ (306,308)	\$ 439,694	\$ (436,179)	\$ (1,149,862)	\$ 1,589,556
Fund Balance, July 1, 2014	2,950,619	(274,793)	0	2,675,826	3,053,973	3,053,973	(378,147)
Fund Balance, June 30, 2015	\$ 3,421,828	\$ 0	\$ (306,308)	\$ 3,115,520	\$ 2,617,794	\$ 1,904,111	\$ 1,211,409

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Other Local Revenues	\$ 0	\$ 0	\$ 0	\$ 0	\$ 99,750	\$ 0	\$ 0
Federal Government	2,787,786	0	0	2,787,786	2,862,915	3,161,824	(374,038)
<b>Total Revenues</b>	<b>\$ 2,787,786</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,787,786</b>	<b>\$ 2,962,665</b>	<b>\$ 3,161,824</b>	<b>\$ (374,038)</b>
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,343,379	\$ (27,343)	\$ 0	\$ 1,316,036	\$ 1,482,288	\$ 1,543,929	\$ 227,893
Special Education Program	661,411	0	0	661,411	630,348	683,380	21,969
Vocational Education Program	36,709	0	0	36,709	36,030	36,709	0
<u>Support Services</u>							
Other Student Support	156,056	0	4,185	160,241	150,529	161,839	1,598
Regular Instruction Program	140,157	0	0	140,157	168,551	225,348	85,191
Special Education Program	72,800	0	0	72,800	87,854	103,896	31,096
Vocational Education Program	1,022	0	0	1,022	1,359	1,022	0
Transportation	4,123	0	0	4,123	5,706	5,700	1,577
<u>Operation of Non-instructional Services</u>							
Community Services	387,443	0	3,713	391,156	395,163	391,164	8
<b>Total Expenditures</b>	<b>\$ 2,803,100</b>	<b>\$ (27,343)</b>	<b>\$ 7,898</b>	<b>\$ 2,783,655</b>	<b>\$ 2,957,828</b>	<b>\$ 3,152,987</b>	<b>\$ 369,332</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (15,314)</b>	<b>\$ 27,343</b>	<b>\$ (7,898)</b>	<b>\$ 4,131</b>	<b>\$ 4,837</b>	<b>\$ 8,837</b>	<b>\$ (4,706)</b>
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (8,837)	\$ 0	\$ 0	\$ (8,837)	\$ (4,837)	\$ (8,837)	\$ 0
<b>Total Other Financing Sources</b>	<b>\$ (8,837)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (8,837)</b>	<b>\$ (4,837)</b>	<b>\$ (8,837)</b>	<b>\$ 0</b>
<b>Net Change in Fund Balance</b>	<b>\$ (24,151)</b>	<b>\$ 27,343</b>	<b>\$ (7,898)</b>	<b>\$ (4,706)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (4,706)</b>
Fund Balance, July 1, 2014	226,979	(27,343)	0	199,636	226,979	226,979	(27,343)
<b>Fund Balance, June 30, 2015</b>	<b>\$ 202,828</b>	<b>\$ 0</b>	<b>\$ (7,898)</b>	<b>\$ 194,930</b>	<b>\$ 226,979</b>	<b>\$ 226,979</b>	<b>\$ (32,049)</b>

Exhibit J-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 233,519	\$ 251,000	\$ 251,000	\$ (17,481)
Other Local Revenues	822	900	900	(78)
State of Tennessee	20,385	24,500	24,500	(4,115)
Federal Government	1,737,508	1,951,252	1,951,252	(213,744)
Total Revenues	<u>\$ 1,992,234</u>	<u>\$ 2,227,652</u>	<u>\$ 2,227,652</u>	<u>\$ (235,418)</u>
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 0	\$ 150	\$ 0	\$ 0
<u>Operation of Non-instructional Services</u>				
Food Service	2,049,894	2,227,502	2,227,652	177,758
Total Expenditures	<u>\$ 2,049,894</u>	<u>\$ 2,227,652</u>	<u>\$ 2,227,652</u>	<u>\$ 177,758</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (57,660)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (57,660)</u>
Net Change in Fund Balance	\$ (57,660)	\$ 0	\$ 0	\$ (57,660)
Fund Balance, July 1, 2014	<u>580,917</u>	<u>581,441</u>	<u>581,441</u>	<u>(524)</u>
Fund Balance, June 30, 2015	<u>\$ 523,257</u>	<u>\$ 581,441</u>	<u>\$ 581,441</u>	<u>\$ (58,184)</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit K-1

Haywood County, Tennessee  
 Schedule of Changes in Long-term Note, Capital Leases, Other Loans, and Bonds  
 For the Year Ended June 30, 2015

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6-30-15
<b>GOVERNMENTAL ACTIVITIES</b>									
<b>NOTE PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
School Improvement (HVAC)	\$ 66,000	6	% 6-30-15	6-30-15	\$ 0	\$ 66,000	\$ 66,000	\$ 0	\$ 0
Total Note Payable					\$ 0	\$ 66,000	\$ 66,000	\$ 0	\$ 0
<b>CAPITAL LEASE PAYABLE</b>									
<u>Payable through General Fund</u>									
Sheriff's Vehicles	100,085	6	9-21-12	9-21-14	\$ 33,324	\$ 0	\$ 33,324	\$ 0	\$ 0
Total Capital Lease Payable					\$ 33,324	\$ 0	\$ 33,324	\$ 0	\$ 0
<b>OTHER LOANS PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
Energy Efficient School Initiative	2,000,000	0	9-8-11	4-1-23	\$ 1,749,995	\$ 0	\$ 200,004	\$ 0	\$ 1,549,991
Haywood High School Renovations	1,509,000	Variable	12-15-11	6-1-27	1,347,000	0	82,000	0	1,265,000
Total Other Loans Payable					\$ 3,096,995	\$ 0	\$ 282,004	\$ 0	\$ 2,814,991
<b>BONDS PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
Waterline (USDA Rural Development)	560,000	4.875	2-5-1998	8-5-37	\$ 447,252	\$ 0	\$ 10,922	\$ 0	\$ 436,330
General Obligation 2007	5,000,000	4 to 4.05	12-20-07	5-29-15	5,000,000	0	0	5,000,000	0
General Obligation 2008	4,425,000	3.625 to 4.3	12-23-08	6-30-21	3,450,000	0	200,000	1,850,000	1,400,000
General Obligation Refunding, Series 2009	3,400,000	3 to 3.5	4-15-09	6-30-16	1,025,000	0	555,000	0	470,000
General Obligation 2009	300,000	4.5	6-30-09	6-28-24	221,028	0	17,992	0	203,036
General Obligation 2010	5,575,000	4.75 to 5.55	3-10-10	6-1-30	5,575,000	0	0	0	5,575,000
General Obligation Refunding, Series 2015	7,225,000	2 to 2.65	5-29-15	6-30-28	0	7,225,000	0	0	7,225,000
Total Bonds Payable					\$ 15,718,280	\$ 7,225,000	\$ 783,914	\$ 6,850,000	\$ 15,309,366
<b>BUSINESS-TYPE ACTIVITIES</b>									
<b>CAPITAL LEASES PAYABLE</b>									
<u>Payable through Solid Waste Disposal Fund</u>									
Tractor and Dirt Pan	57,344	3	9-6-13	9-5-18	\$ 57,344	\$ 0	\$ 10,802	\$ 0	\$ 46,542
Caterpillar Loader	83,539	2.49	9-2-14	9-29-19	0	83,539	11,876	0	71,663
Total Capital Leases Payable					\$ 57,344	\$ 83,539	\$ 22,678	\$ 0	\$ 118,205

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Other Loans Payable			Total
	Principal	Interest	Other Fees	
2016	\$ 285,004	\$ 8,602	\$ 3,361	\$ 296,967
2017	288,004	8,024	3,235	299,263
2018	292,004	7,426	3,104	302,534
2019	295,004	6,800	2,968	304,772
2020	299,004	6,154	2,827	307,985
2021	303,004	5,481	2,680	311,165
2022	307,004	4,780	2,527	314,311
2023	261,963	4,053	2,368	268,384
2024	116,000	3,291	2,202	121,493
2025	121,000	2,502	2,029	125,531
2026	125,000	1,680	1,850	128,530
2027	122,000	830	1,865	124,695
Total	\$ 2,814,991	\$ 59,623	\$ 31,016	\$ 2,905,630

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 875,142	\$ 550,706	\$ 1,425,848
2017	956,546	519,094	1,475,640
2018	1,008,019	488,885	1,496,904
2019	1,054,558	456,346	1,510,904
2020	1,061,171	434,334	1,495,505
2021	1,092,858	412,145	1,505,003
2022	889,624	389,279	1,278,903
2023	921,472	358,606	1,280,078
2024	948,371	325,909	1,274,280
2025	952,496	290,546	1,243,042
2026	988,359	254,845	1,243,204
2027	1,014,266	217,644	1,231,910
2028	1,060,216	177,913	1,238,129
2029	1,121,214	135,046	1,256,260
2030	1,172,260	74,049	1,246,309
2031	23,359	9,126	32,485
2032	24,511	7,973	32,484

(Continued)

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES (CONT.)

Year Ending June 30	Bonds (Cont.)		
	Principal	Interest	Total
2033	\$ 25,721	\$ 6,764	\$ 32,485
2034	26,991	5,495	32,486
2035	28,321	4,165	32,486
2036	29,720	2,766	32,486
2037	31,186	1,299	32,485
2038	2,985	73	3,058
Total	<u>\$ 15,309,366</u>	<u>\$ 5,123,008</u>	<u>\$ 20,432,374</u>

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2016	\$ 27,309	\$ 2,999	\$ 30,308
2017	28,051	2,257	30,308
2018	28,814	1,494	30,308
2019	29,596	712	30,308
2020	4,435	18	4,453
Total	<u>\$ 118,205</u>	<u>\$ 7,480</u>	<u>\$ 125,685</u>

Exhibit K-3

Haywood County, Tennessee  
Schedule of Note Receivable  
June 30, 2015

<u>Description</u>	<u>Debtor</u>	<u>Original Amount of Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance 6-30-15</u>
<u>General Debt Service Fund</u>						
YMCA Debt Repayments	Haywood County YMCA	\$ 38,427	7-11-14	10-1-25	0 %	<u>\$ 36,927</u>
Total Note Receivable						<u><u>\$ 36,927</u></u>

Exhibit K-4

Haywood County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Haywood 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>			
Solid Waste/Sanitation	Solid Waste Disposal	Operations	<u>\$ 210,000</u>
Total Transfers Primary Government			<u>\$ 210,000</u>
<u>DISCRETELY PRESENTED HAYWOOD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	<u>\$ 8,837</u>
Total Transfers Discretely Presented Haywood County School Department			<u>\$ 8,837</u>

Exhibit K-5

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i> , and County Commission	\$ 95,354 (1,2)	\$ 50,000	State Automobile Mutual Insurance Company
Chief Administrative Highway Officer	Section 8-24-102, <i>TCA</i> , and County Commission	76,907 (1)	100,000	"
Director of Schools	State Board of Education and County Board of Education	101,000 (3)	150,000	Tennessee Risk Management Trust
Trustee	Section 8-24-102, <i>TCA</i> , and County Commission	66,363 (1)	938,755	State Automobile Mutual Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i> , and County Commission	66,363 (1)	50,000	Auto-Owners Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i> , and County Commission	66,363 (1)	50,000	State Automobile Mutual Insurance Company
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i> , and County Commission	66,363 (1)	50,000	Western Surety Company
Clerk and Master	Section 8-24-102, <i>TCA</i> , County Commission, and Chancery Court Judge	66,363 (1)	70,000	RLI Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i> , and County Commission	66,363 (1)	25,000	State Automobile Mutual Insurance Company
Sheriff	Section 8-24-102, <i>TCA</i> , and County Commission	72,748 (1,4)	25,000	"
Employee Blanket Bonds:				
Office of County Mayor and Highway Department:				
All Employees			150,000	Local Government Property and Casualty Fund
Office of Director of Schools:				
All Employees			150,000	Tennessee Risk Management Trust

- (1) Includes a certified public administrator supplement of \$2,520.
- (2) Includes county commission chairman compensation of \$19,096.
- (3) Includes a career ladder supplement of \$1,000 and \$1,587 paid from the School Federal Projects Fund.
- (4) Does not include a law enforcement training supplement of \$600.

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 4,209,631	\$ 0	\$ 0	\$ 0	\$ 442,613	\$ 848,787
Discount on Property Taxes	(49,183)	0	0	0	(5,139)	(9,916)
Trustee's Collections - Prior Year	213,193	0	0	0	19,525	42,982
Trustee's Collections - Bankruptcy	1,655	0	0	0	173	332
Circuit/Clerk and Master Collections - Prior Years	140,146	0	0	0	14,643	28,257
Interest and Penalty	32,962	0	0	0	3,280	6,646
Payments in-Lieu-of Taxes - T.V.A.	180,002	0	0	0	18,808	39,318
Payments in-Lieu-of Taxes - Local Utilities	64,250	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	138,513	0	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	123,024	0	0	0	0	0
Hotel/Motel Tax	52,354	0	0	0	0	0
Wheel Tax	540,084	0	0	0	136,731	273,487
Litigation Tax - General	160,453	0	0	0	0	0
Litigation Tax - Special Purpose	3,273	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	196,604
Business Tax	138,376	0	0	0	0	0
Mixed Drink Tax	1,994	0	0	0	0	0
Other County Local Option Taxes	22,341	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	11,149	0	0	0	0	0
Wholesale Beer Tax	31,714	0	0	0	0	0
Beer Privilege Tax	237	0	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 6,016,168</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 630,634</b>	<b>\$ 1,426,497</b>

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service
	General	Solid Waste / Sanitation	Drug Control	tion Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 857	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	548	0	0	0	0	0
<u>Permits</u>						
Beer Permits	1,275	0	0	0	0	0
Building Permits	20,834	0	0	0	0	0
Total Licenses and Permits	<u>\$ 23,514</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 1,662	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	9,303	0	0	0	0	0
Drug Control Fines	0	0	3,612	0	0	0
DUI Treatment Fines	95	0	0	0	0	0
Data Entry Fee - Circuit Court	473	0	0	0	0	0
Courtroom Security Fee	859	0	0	0	0	0
<u>Criminal Court</u>						
Victims Assistance Assessments	1,650	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	13,916	0	0	0	0	0
Officers Costs	27,550	0	0	0	0	0
Game and Fish Fines	139	0	0	0	0	0
Drug Control Fines	0	0	475	0	0	0
Jail Fees	26,553	0	0	0	0	0
DUI Treatment Fines	5,049	0	0	0	0	0
Data Entry Fee - General Sessions Court	19,861	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
Courtroom Security Fee	\$ 49,530	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Victims Assistance Assessments	23,596	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	814	0	0	0	0	0
Officers Costs	1,219	0	0	0	0	0
Data Entry Fee - Juvenile Court	1,070	0	0	0	0	0
Courtroom Security Fee	2	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	815	0	0	0	0	0
Data Entry Fee - Chancery Court	2,468	0	0	0	0	0
Courtroom Security Fee	1,378	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	24,368	0	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 188,002</b>	<b>\$ 0</b>	<b>\$ 28,455</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Residential Waste Collection Charge	\$ 0	\$ 611,091	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	898,763	0	0	0	0	0
Health Department Collections	103,593	0	0	0	0	0
<u>Fees</u>						
Recreation Fees	38,758	0	0	0	0	0
Copy Fees	768	0	0	0	0	0
Greenbelt Late Application Fee	100	0	0	0	0	0
Telephone Commissions	39,977	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Vending Machine Collections	\$ 10,595	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Constitutional Officers' Fees and Commissions	0	0	0	168,704	0	0
Data Processing Fee - Register	5,386	0	0	0	0	0
Data Processing Fee - Sheriff	2,259	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,650	0	0	0	0	0
Data Processing Fee - County Clerk	1,468	0	0	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 1,103,317</b>	<b>\$ 611,091</b>	<b>\$ 0</b>	<b>\$ 168,704</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 68,584
Lease/Rentals	20,106	0	0	0	570	0
Sale of Materials and Supplies	59,670	0	0	0	21,012	0
Commissary Sales	24,669	0	0	0	0	0
Sale of Gasoline	0	0	0	0	244,728	0
Miscellaneous Refunds	65,777	0	0	0	269	0
<u>Nonrecurring Items</u>						
Sale of Equipment	350	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	32,525
<b>Total Other Local Revenues</b>	<b>\$ 170,572</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 266,579</b>	<b>\$ 101,109</b>
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
Trustee	\$ 177,280	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fees Received from County Officials (Cont.)</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 212,743	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	30,427	0	0	0	0	0
General Sessions Court Clerk	296,278	0	0	0	0	0
Clerk and Master	80,752	0	0	0	0	0
Juvenile Court Clerk	17,194	0	0	0	0	0
Register	57,406	0	0	0	0	0
Sheriff	6,317	0	0	0	0	0
Total Fees Received from County Officials	\$ 878,397	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	22,200	0	0	0	0	0
Drug Control Grants	281	0	0	0	0	0
Other Public Safety Grants	3,593	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	29,908	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	376,294	0
Litter Program	0	33,341	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	9,975	0	0	0	0	0
Vehicle Certificate of Title Fees	6,322	0	0	0	0	0
Alcoholic Beverage Tax	70,207	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
State Revenue Sharing - T.V.A.	\$ 318,080	\$ 0	\$ 0	\$ 0	\$ 33,235	\$ 64,134
Contracted Prisoner Boarding	946,275	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	1,737,998	0
Petroleum Special Tax	0	0	0	0	13,556	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	1,959	0	0	0	0	0
Other State Revenues	2,960	0	0	0	0	0
Total State of Tennessee	<u>\$ 1,427,524</u>	<u>\$ 33,341</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,161,083</u>	<u>\$ 64,134</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 156,945	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Community Development	0	0	0	0	0	0
Disaster Relief	2,010	0	0	0	23,030	0
<u>Direct Federal Revenue</u>						
Forest Service	38,984	0	0	0	0	0
Tax Credit Bond Rebate	0	0	0	0	0	95,323
Total Federal Government	<u>\$ 197,939</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 23,030</u>	<u>\$ 95,323</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 550,523	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	94,499	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	8,364	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 653,386</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 10,658,819</u>	<u>\$ 644,432</u>	<u>\$ 28,455</u>	<u>\$ 168,704</u>	<u>\$ 3,081,326</u>	<u>\$ 1,687,063</u>

(Continued)

Exhibit K-6

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

	Capital Projects Funds			Total
	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 5,501,031
Discount on Property Taxes	0	0	0	(64,238)
Trustee's Collections - Prior Year	0	0	0	275,700
Trustee's Collections - Bankruptcy	0	0	0	2,160
Circuit/Clerk and Master Collections - Prior Years	0	0	0	183,046
Interest and Penalty	0	0	0	42,888
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	238,128
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	64,250
Payments in-Lieu-of Taxes - Other	0	0	0	138,513
<u>County Local Option Taxes</u>				
Local Option Sales Tax	0	0	0	123,024
Hotel/Motel Tax	0	0	0	52,354
Wheel Tax	0	0	0	950,302
Litigation Tax - General	0	0	0	160,453
Litigation Tax - Special Purpose	0	0	0	3,273
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	196,604
Business Tax	0	0	0	138,376
Mixed Drink Tax	0	0	0	1,994
Other County Local Option Taxes	0	0	0	22,341
<u>Statutory Local Taxes</u>				
Bank Excise Tax	0	0	0	11,149
Wholesale Beer Tax	0	0	0	31,714
Beer Privilege Tax	0	0	0	237
Total Local Taxes	\$ 0	\$ 0	\$ 0	\$ 8,073,299

(Continued)

Exhibit K-6

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

	Capital Projects Funds			Total
	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 857
Cable TV Franchise	0	0	0	548
<u>Permits</u>				
Beer Permits	0	0	0	1,275
Building Permits	0	0	0	20,834
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 23,514
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$ 0	\$ 0	\$ 0	\$ 1,662
Officers Costs	0	0	0	9,303
Drug Control Fines	0	0	0	3,612
DUI Treatment Fines	0	0	0	95
Data Entry Fee - Circuit Court	0	0	0	473
Courtroom Security Fee	0	0	0	859
<u>Criminal Court</u>				
Victims Assistance Assessments	0	0	0	1,650
<u>General Sessions Court</u>				
Fines	0	0	0	13,916
Officers Costs	0	0	0	27,550
Game and Fish Fines	0	0	0	139
Drug Control Fines	0	0	0	475
Jail Fees	0	0	0	26,553
DUI Treatment Fines	0	0	0	5,049
Data Entry Fee - General Sessions Court	0	0	0	19,861

(Continued)

Exhibit K-6

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

	Capital Projects Funds			Total
	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>General Sessions Court (Cont.)</u>				
Courtroom Security Fee	\$ 0	\$ 0	\$ 0	\$ 49,530
Victims Assistance Assessments	0	0	0	23,596
<u>Juvenile Court</u>				
Fines	0	0	0	814
Officers Costs	0	0	0	1,219
Data Entry Fee - Juvenile Court	0	0	0	1,070
Courtroom Security Fee	0	0	0	2
<u>Chancery Court</u>				
Officers Costs	0	0	0	815
Data Entry Fee - Chancery Court	0	0	0	2,468
Courtroom Security Fee	0	0	0	1,378
<u>Judicial District Drug Program</u>				
Drug Task Force Forfeitures and Seizures	0	0	0	24,368
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 216,457</b>
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Residential Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 611,091
Patient Charges	0	0	0	898,763
Health Department Collections	0	0	0	103,593
<u>Fees</u>				
Recreation Fees	0	0	0	38,758
Copy Fees	0	0	0	768
Greenbelt Late Application Fee	0	0	0	100
Telephone Commissions	0	0	0	39,977

(Continued)

Exhibit K-6

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

	Capital Projects Funds			Total
	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	
<u>Charges for Current Services (Cont.)</u>				
<u>Fees (Cont.)</u>				
Vending Machine Collections	\$ 0	\$ 0	\$ 0	\$ 10,595
Constitutional Officers' Fees and Commissions	0	0	0	168,704
Data Processing Fee - Register	0	0	0	5,386
Data Processing Fee - Sheriff	0	0	0	2,259
Sexual Offender Registration Fee - Sheriff	0	0	0	1,650
Data Processing Fee - County Clerk	0	0	0	1,468
<b>Total Charges for Current Services</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 1,883,112</b>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 0	\$ 68,584
Lease/Rentals	0	0	28,705	49,381
Sale of Materials and Supplies	0	0	0	80,682
Commissary Sales	0	0	0	24,669
Sale of Gasoline	0	0	0	244,728
Miscellaneous Refunds	0	0	0	66,046
<u>Nonrecurring Items</u>				
Sale of Equipment	0	0	0	350
<u>Other Local Revenues</u>				
Other Local Revenues	0	0	0	32,525
<b>Total Other Local Revenues</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 28,705</b>	<b>\$ 566,965</b>
<u>Fees Received from County Officials</u>				
<u>Excess Fees</u>				
Trustee	\$ 0	\$ 0	\$ 0	\$ 177,280

(Continued)

Exhibit K-6

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

	Capital Projects Funds			Total
	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	
<u>Fees Received from County Officials (Cont.)</u>				
<u>Fees in-Lieu-of Salary</u>				
County Clerk	\$ 0	\$ 0	\$ 0	\$ 212,743
Circuit Court Clerk	0	0	0	30,427
General Sessions Court Clerk	0	0	0	296,278
Clerk and Master	0	0	0	80,752
Juvenile Court Clerk	0	0	0	17,194
Register	0	0	0	57,406
Sheriff	0	0	0	6,317
Total Fees Received from County Officials	\$ 0	\$ 0	\$ 0	\$ 878,397
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 600
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	0	0	0	22,200
Drug Control Grants	0	0	0	281
Other Public Safety Grants	0	0	0	3,593
<u>Health and Welfare Grants</u>				
Other Health and Welfare Grants	198,000	0	0	227,908
<u>Public Works Grants</u>				
Bridge Program	0	0	0	376,294
Litter Program	0	0	0	33,341
<u>Other State Revenues</u>				
Income Tax	0	0	0	9,975
Vehicle Certificate of Title Fees	0	0	0	6,322
Alcoholic Beverage Tax	0	0	0	70,207

(Continued)

Exhibit K-6

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

	Capital Projects Funds			Total
	General Capital Projects	Community Development/ Industrial Park	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>				
<u>Other State Revenues (Cont.)</u>				
State Revenue Sharing - T.V.A.	\$ 0	\$ 0	\$ 0	\$ 415,449
Contracted Prisoner Boarding	0	0	0	946,275
Gasoline and Motor Fuel Tax	0	0	0	1,737,998
Petroleum Special Tax	0	0	0	13,556
Registrar's Salary Supplement	0	0	0	15,164
Other State Grants	0	0	0	1,959
Other State Revenues	0	0	0	2,960
Total State of Tennessee	\$ 198,000	\$ 0	\$ 0	\$ 3,884,082
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA - Other	\$ 50,000	\$ 0	\$ 0	\$ 206,945
Community Development	0	97,474	0	97,474
Disaster Relief	0	0	0	25,040
<u>Direct Federal Revenue</u>				
Forest Service	0	0	0	38,984
Tax Credit Bond Rebate	0	0	0	95,323
Total Federal Government	\$ 50,000	\$ 97,474	\$ 0	\$ 463,766
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 106,358	\$ 0	\$ 0	\$ 656,881
Contracted Services	0	0	0	94,499
<u>Citizens Groups</u>				
Donations	0	0	0	8,364
Total Other Governments and Citizens Groups	\$ 106,358	\$ 0	\$ 0	\$ 759,744
Total	\$ 354,358	\$ 97,474	\$ 28,705	\$ 16,749,336

Exhibit K-7

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,445,265	\$ 0	\$ 0	\$ 3,445,265
Discount on Property Taxes	(40,002)	0	0	(40,002)
Trustee's Collections - Prior Year	151,981	0	0	151,981
Trustee's Collections - Bankruptcy	1,345	0	0	1,345
Circuit/Clerk and Master Collections - Prior Years	113,984	0	0	113,984
Interest and Penalty	26,809	0	0	26,809
Payments in-Lieu-of Taxes - T.V.A.	158,600	0	0	158,600
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,709,788	0	0	1,709,788
Wheel Tax	273,462	0	0	273,462
Mixed Drink Tax	2,301	0	0	2,301
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	2,660	0	0	2,660
Other Statutory Local Taxes	28,216	0	0	28,216
<b>Total Local Taxes</b>	<b>\$ 5,874,409</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,874,409</b>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 959	\$ 0	\$ 0	\$ 959
<b>Total Licenses and Permits</b>	<b>\$ 959</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 959</b>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Adults	\$ 0	\$ 0	\$ 20,104	\$ 20,104
A la carte Sales	0	0	60,517	60,517
Receipts from Individual Schools	35,295	0	0	35,295
<u>Other Charges for Services</u>				
Other Charges for Services	0	0	152,898	152,898
<b>Total Charges for Current Services</b>	<b>\$ 35,295</b>	<b>\$ 0</b>	<b>\$ 233,519</b>	<b>\$ 268,814</b>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 822	\$ 822
Lease/Rentals	1,039	0	0	1,039
E-Rate Funding	2,820	0	0	2,820
Miscellaneous Refunds	5,085	0	0	5,085
<u>Nonrecurring Items</u>				
Sale of Equipment	11,658	0	0	11,658
Contributions and Gifts	75	0	0	75
<u>Other Local Revenues</u>				
Other Local Revenues	153,395	0	0	153,395
<b>Total Other Local Revenues</b>	<b>\$ 174,072</b>	<b>\$ 0</b>	<b>\$ 822</b>	<b>\$ 174,894</b>

(Continued)

Exhibit K-7

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

	General Purpose School	Special Revenue Funds			Total
		School Federal Projects	Central Cafeteria		
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 126,615	\$ 0	\$ 0	\$ 0	\$ 126,615
<u>State Education Funds</u>					
Basic Education Program	16,683,773	0	0	0	16,683,773
Early Childhood Education	610,008	0	0	0	610,008
School Food Service	0	0	20,385	0	20,385
Driver Education	7,332	0	0	0	7,332
Other State Education Funds	158,835	0	0	0	158,835
Career Ladder Program	68,880	0	0	0	68,880
Career Ladder - Extended Contract	22,270	0	0	0	22,270
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	258,702	0	0	0	258,702
Other State Grants	26,174	0	0	0	26,174
Total State of Tennessee	\$ 17,962,589	\$ 0	\$ 20,385	\$ 0	\$ 17,982,974
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,095,494	\$ 0	\$ 1,095,494
USDA - Commodities	0	0	127,102	0	127,102
Breakfast	0	0	493,175	0	493,175
USDA - Other	0	0	21,737	0	21,737
Vocational Education - Basic Grants to States	0	55,585	0	0	55,585
Title I Grants to Local Education Agencies	0	928,569	0	0	928,569
Special Education - Grants to States	0	690,440	0	0	690,440
Special Education Preschool Grants	0	47,894	0	0	47,894
English Language Acquisition Grants	0	6,402	0	0	6,402
Safe and Drug-free Schools - State Grants	0	399,993	0	0	399,993
Rural Education	0	15,975	0	0	15,975
Eisenhower Professional Development State Grants	0	185,692	0	0	185,692
Homeland Security Grants	703,198	0	0	0	703,198
Other Federal through State	0	457,236	0	0	457,236
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	82,074	0	0	0	82,074
Total Federal Government	\$ 785,272	\$ 2,787,786	\$ 1,737,508	\$ 0	\$ 5,310,566
Total	\$ 24,832,596	\$ 2,787,786	\$ 1,992,234	\$ 0	\$ 29,612,616

Exhibit K-8

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

General Fund

General Government

County Commission

Other Salaries and Wages	\$	19,096	
Board and Committee Members Fees		23,700	
Social Security		2,651	
Pensions		2,537	
Employee and Dependent Insurance		3,038	
Life Insurance		1,355	
Other Fringe Benefits		61,822	
Audit Services		5,636	
Dues and Memberships		4,331	
Other Contracted Services		65,000	
Food Supplies		7,704	
Other Charges		550	
Total County Commission			\$ 197,420

Beer Board

Secretary to Board	\$	100	
Board and Committee Members Fees		250	
Legal Notices, Recording, and Court Costs		94	
Library Books/Media		60	
Total Beer Board			504

County Mayor/Executive

County Official/Administrative Officer	\$	73,738	
Accountants/Bookkeepers		70,405	
Secretary(ies)		18,496	
Part-time Personnel		2,947	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		14,109	
Pensions		8,881	
Employee and Dependent Insurance		10,129	
Life Insurance		794	
Unemployment Compensation		358	
Other Fringe Benefits		2,940	
Communication		6,664	
Data Processing Services		6,976	
Dues and Memberships		2,192	
Maintenance and Repair Services - Vehicles		3,132	
Postal Charges		2,136	
Travel		2,787	
Gasoline		1,306	
Library Books/Media		325	
Office Supplies		1,654	
Premiums on Corporate Surety Bonds		137	
Workers' Compensation Insurance		420	
Other Charges		50,767	
Office Equipment		80	
Total County Mayor/Executive			283,893

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Attorney

County Official/Administrative Officer	\$	5,400	
Social Security		413	
Pensions		662	
Operating Lease Payments		1,670	
Legal Services		29,150	
Duplicating Supplies		50	
Library Books/Media		4,226	
Workers' Compensation Insurance		13	
Total County Attorney			\$ 41,584

Election Commission

County Official/Administrative Officer	\$	57,459	
Part-time Personnel		4,555	
Election Commission		4,228	
Election Workers		17,244	
Social Security		5,826	
Pensions		7,045	
Employee and Dependent Insurance		1,209	
Life Insurance		458	
Unemployment Compensation		190	
Communication		5,125	
Data Processing Services		16,685	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		3,906	
Maintenance Agreements		4,450	
Postal Charges		1,633	
Printing, Stationery, and Forms		3,339	
Travel		3,001	
Office Supplies		371	
Workers' Compensation Insurance		145	
Other Charges		187	
Data Processing Equipment		802	
Total Election Commission			138,008

Register of Deeds

County Official/Administrative Officer	\$	63,843
Deputy(ies)		27,600
Educational Incentive - Official/Admin Officer		2,520
Social Security		6,957
Pensions		11,671
Employee and Dependent Insurance		7,183
Life Insurance		470
Unemployment Compensation		126
Other Fringe Benefits		630
Communication		1,748
Dues and Memberships		642
Postal Charges		207

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Printing, Stationery, and Forms	\$	1,030	
Rentals		1,205	
Duplicating Supplies		135	
Office Supplies		53	
Premiums on Corporate Surety Bonds		44	
Workers' Compensation Insurance		209	
Data Processing Equipment		15,384	
Total Register of Deeds			\$ 141,657

Development

Supervisor/Director	\$	32,913	
Secretary(ies)		1,200	
Social Security		2,679	
Pensions		4,384	
Employee and Dependent Insurance		4,600	
Life Insurance		192	
Unemployment Compensation		131	
Other Fringe Benefits		1,050	
Communication		1,633	
Contracts with Government Agencies		12,885	
Data Processing Services		1,050	
Dues and Memberships		100	
Legal Notices, Recording, and Court Costs		170	
Maintenance and Repair Services - Vehicles		1,095	
Postal Charges		41	
Travel		1,217	
Gasoline		2,577	
Office Supplies		2,229	
Vehicle and Equipment Insurance		549	
Workers' Compensation Insurance		703	
Total Development			71,398

County Buildings

Supervisor/Director	\$	68,623
Guards		51,639
Custodial Personnel		99,320
Overtime Pay		316
Other Salaries and Wages		19,982
Social Security		19,158
Pensions		22,315
Employee and Dependent Insurance		9,755
Life Insurance		1,295
Unemployment Compensation		1,735
Other Fringe Benefits		9,030
Communication		17,528
Maintenance Agreements		56,850
Maintenance and Repair Services - Vehicles		1,631

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Rentals	\$	2,400	
Travel		365	
Custodial Supplies		3,584	
Duplicating Supplies		1,978	
Gasoline		6,515	
Utilities		226,287	
Other Supplies and Materials		59,821	
Vehicle and Equipment Insurance		1,521	
Workers' Compensation Insurance		8,742	
Other Charges		337	
Building Improvements		93,378	
Total County Buildings			\$ 784,105

Finance

Accounting and Budgeting

Board and Committee Members Fees	\$	11,800	
Total Accounting and Budgeting			11,800

Property Assessor's Office

County Official/Administrative Officer	\$	63,843	
Deputy(ies)		108,787	
Educational Incentive - Official/Admin Officer		2,520	
Board and Committee Members Fees		695	
Social Security		13,522	
Pensions		22,205	
Employee and Dependent Insurance		14,533	
Life Insurance		1,071	
Unemployment Compensation		504	
Other Fringe Benefits		3,570	
Communication		3,142	
Contracts with Private Agencies		16,847	
Data Processing Services		18,885	
Dues and Memberships		1,600	
Maintenance and Repair Services - Vehicles		1,049	
Postal Charges		1,704	
Rentals		7,200	
Travel		1,208	
Other Contracted Services		21,027	
Duplicating Supplies		256	
Gasoline		291	
Office Supplies		2,130	
Utilities		4,509	
Vehicle and Equipment Insurance		1,033	
Workers' Compensation Insurance		2,477	
Data Processing Equipment		1,018	
Office Equipment		3,733	
Total Property Assessor's Office			319,359

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program

Data Processing Services	\$	1,934	
Office Supplies		499	
Total Reappraisal Program			\$ 2,433

County Trustee's Office

Social Security	\$	12,401	
Pensions		19,739	
Employee and Dependent Insurance		13,363	
Life Insurance		839	
Unemployment Compensation		479	
Communication		5,198	
Data Processing Services		13,036	
Dues and Memberships		977	
Maintenance Agreements		4,335	
Maintenance and Repair Services - Office Equipment		235	
Postal Charges		3,324	
Printing, Stationery, and Forms		1,564	
Office Supplies		3,503	
Premiums on Corporate Surety Bonds		2,781	
Workers' Compensation Insurance		376	
Other Charges		360	
Total County Trustee's Office			82,510

County Clerk's Office

County Official/Administrative Officer	\$	63,843	
Deputy(ies)		113,480	
Part-time Personnel		1,327	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		12,948	
Pensions		22,418	
Employee and Dependent Insurance		12,567	
Life Insurance		938	
Unemployment Compensation		604	
Other Fringe Benefits		4,200	
Communication		2,498	
Dues and Memberships		829	
Operating Lease Payments		1,340	
Maintenance Agreements		16,734	
Postal Charges		2,244	
Printing, Stationery, and Forms		356	
Travel		1,192	
Office Supplies		1,954	
Premiums on Corporate Surety Bonds		150	
Workers' Compensation Insurance		447	
Data Processing Equipment		7,505	
Office Equipment		2,030	
Total County Clerk's Office			272,124

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,843	
Deputy(ies)		233,863	
Educational Incentive - Official/Admin Officer		2,520	
Jury and Witness Expense		9,271	
Social Security		22,735	
Pensions		36,630	
Employee and Dependent Insurance		29,661	
Life Insurance		2,138	
Unemployment Compensation		1,237	
Other Fringe Benefits		10,710	
Communication		1,915	
Data Processing Services		13,500	
Dues and Memberships		854	
Postal Charges		1,891	
Printing, Stationery, and Forms		1,034	
Rentals		4,059	
Travel		1,000	
Office Supplies		2,112	
Premiums on Corporate Surety Bonds		250	
Workers' Compensation Insurance		706	
Other Charges		8,303	
Office Equipment		9,750	
Total Circuit Court			\$ 457,982

General Sessions Judge

Judge(s)	\$	167,686	
Secretary(ies)		28,813	
In-service Training		563	
Social Security		12,173	
Pensions		24,448	
Employee and Dependent Insurance		2,360	
Life Insurance		737	
Unemployment Compensation		126	
Other Fringe Benefits		2,310	
Communication		1,765	
Dues and Memberships		1,305	
Travel		737	
Library Books/Media		481	
Office Supplies		423	
Workers' Compensation Insurance		445	
Office Equipment		380	
Total General Sessions Judge			244,752

General Sessions Court Clerk

Postal Charges	\$	712	
Printing, Stationery, and Forms		903	
Office Supplies		1,869	
Total General Sessions Court Clerk			3,484

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	63,843	
Deputy(ies)		60,455	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		9,249	
Pensions		15,875	
Employee and Dependent Insurance		8,299	
Life Insurance		754	
Unemployment Compensation		378	
Other Fringe Benefits		1,470	
Communication		1,736	
Dues and Memberships		777	
Legal Notices, Recording, and Court Costs		407	
Postal Charges		591	
Printing, Stationery, and Forms		528	
Travel		34	
Other Contracted Services		325	
Office Supplies		753	
Premiums on Corporate Surety Bonds		62	
Workers' Compensation Insurance		285	
Data Processing Equipment		5,948	
Office Equipment		154	
Total Chancery Court			\$ 174,443

Juvenile Court

Youth Service Officer(s)	\$	57,105	
Social Security		4,685	
Pensions		7,509	
Employee and Dependent Insurance		3,459	
Life Insurance		415	
Unemployment Compensation		252	
Other Fringe Benefits		2,940	
Communication		2,254	
Dues and Memberships		300	
Legal Services		25,778	
Postal Charges		203	
Travel		999	
Office Supplies		1,392	
Workers' Compensation Insurance		135	
Other Charges		309	
Total Juvenile Court			107,735

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	70,228	
Supervisor/Director		40,537	
Deputy(ies)		289,355	
Lieutenant(s)		197,266	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Sergeant(s)	\$	105,307	
Secretary(ies)		50,642	
Educational Incentive - Official/Admin Officer		2,520	
Overtime Pay		41,624	
In-service Training		22,200	
Social Security		62,254	
Pensions		98,172	
Employee and Dependent Insurance		86,792	
Life Insurance		5,074	
Unemployment Compensation		2,850	
Other Fringe Benefits		24,790	
Communication		22,479	
Dues and Memberships		1,706	
Legal Notices, Recording, and Court Costs		327	
Maintenance Agreements		4,647	
Maintenance and Repair Services - Equipment		4,740	
Maintenance and Repair Services - Office Equipment		969	
Maintenance and Repair Services - Vehicles		40,835	
Postal Charges		1,102	
Travel		9,690	
Gasoline		76,326	
Law Enforcement Supplies		13,747	
Library Books/Media		394	
Office Supplies		3,449	
Tires and Tubes		8,430	
Uniforms		7,832	
Other Supplies and Materials		2,489	
Premiums on Corporate Surety Bonds		507	
Vehicle and Equipment Insurance		14,620	
Workers' Compensation Insurance		25,870	
Other Charges		1,266	
Data Processing Equipment		960	
Law Enforcement Equipment		14,711	
Total Sheriff's Department			\$ 1,356,707

Jail

Assistant(s)	\$	34,565
Supervisor/Director		37,600
Deputy(ies)		489,641
Secretary(ies)		29,040
Cafeteria Personnel		70,077
Overtime Pay		74,206
Social Security		56,621
Pensions		80,175
Employee and Dependent Insurance		65,276
Life Insurance		5,011
Unemployment Compensation		3,764

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Other Fringe Benefits	\$	23,310	
Communication		4,770	
Maintenance Agreements		25,789	
Maintenance and Repair Services - Equipment		17,357	
Maintenance and Repair Services - Office Equipment		1,037	
Maintenance and Repair Services - Vehicles		1,347	
Medical and Dental Services		595,445	
Postal Charges		715	
Printing, Stationery, and Forms		1,495	
Travel		4,670	
Remittance of Revenue Collected		350	
Custodial Supplies		20,638	
Drugs and Medical Supplies		49,456	
Food Supplies		217,260	
Gasoline		1,982	
Library Books/Media		246	
Office Supplies		2,359	
Prisoners Clothing		9,793	
Uniforms		7,159	
Other Supplies and Materials		2,399	
Vehicle and Equipment Insurance		1,521	
Workers' Compensation Insurance		22,966	
Food Service Equipment		1,855	
Office Equipment		700	
Total Jail			\$ 1,960,595

Workhouse

County Official/Administrative Officer	\$	12,000
Assistant(s)		23,170
Laborers		20,379
Overtime Pay		1,196
Social Security		3,912
Pensions		4,686
Employee and Dependent Insurance		8,111
Life Insurance		320
Unemployment Compensation		315
Other Fringe Benefits		1,260
Communication		2,827
Maintenance and Repair Services - Buildings		3,461
Maintenance and Repair Services - Equipment		13,862
Pauper Burials		100
Veterinary Services		250
Other Contracted Services		1,739
Diesel Fuel		10,549
Fertilizer, Lime, and Seed		13,527
Gasoline		5,215
Utilities		5,154

(Continued)

## Exhibit K-8

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

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

Vehicle and Equipment Insurance	\$	1,901	
Workers' Compensation Insurance		1,188	
Other Charges		2,504	
Building Improvements		41,449	
Motor Vehicles		6,500	
Other Equipment		4,800	
Total Workhouse			\$ 190,375

Fire Prevention and Control

Other Per Diem and Fees	\$	23,833	
Social Security		1,142	
Pensions		1,831	
Life Insurance		153	
Unemployment Compensation		126	
Contracts with Government Agencies		229,312	
Maintenance and Repair Services - Equipment		17,805	
Maintenance and Repair Services - Vehicles		5,057	
Diesel Fuel		7,428	
Gasoline		2,219	
Vehicle and Equipment Insurance		33,567	
Workers' Compensation Insurance		5,818	
Motor Vehicles		65,750	
Total Fire Prevention and Control			394,041

Civil Defense

Contributions	\$	29,601	
Total Civil Defense			29,601

Rescue Squad

Communication	\$	45	
Contributions		11,099	
Vehicle and Equipment Insurance		3,042	
Total Rescue Squad			14,186

County Coroner/Medical Examiner

Medical Personnel	\$	4,400	
Total County Coroner/Medical Examiner			4,400

Other Public Safety

Contracts with Government Agencies	\$	158,393	
Total Other Public Safety			158,393

Public Health and WelfareLocal Health Center

Custodial Personnel	\$	16,800	
Communication		2,831	
Contracts with Government Agencies		15,528	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Maintenance and Repair Services - Buildings	\$	3,936	
Postal Charges		136	
Custodial Supplies		340	
Drugs and Medical Supplies		2,027	
Office Supplies		1,604	
Utilities		7,417	
Total Local Health Center			\$ 50,619

Rabies and Animal Control

Contracts with Government Agencies	\$	59,993	
Total Rabies and Animal Control			59,993

Ambulance/Emergency Medical Services

Assistant(s)	\$	47,889	
Supervisor/Director		48,492	
Medical Personnel		2,000	
Materials Supervisor		8,300	
Paraprofessionals		380,446	
Secretary(ies)		49,266	
Attendants		355,572	
Part-time Personnel		65,196	
Overtime Pay		63,690	
Other Salaries and Wages		24,524	
In-service Training		2,955	
Social Security		79,597	
Pensions		88,707	
Employee and Dependent Insurance		51,630	
Life Insurance		4,769	
Unemployment Compensation		5,460	
Other Fringe Benefits		21,000	
Communication		9,747	
Data Processing Services		5,718	
Dues and Memberships		425	
Laundry Service		2,836	
Licenses		2,480	
Maintenance Agreements		7,347	
Maintenance and Repair Services - Buildings		9,552	
Maintenance and Repair Services - Vehicles		63,007	
Postal Charges		2,509	
Travel		2,650	
Tuition		2,330	
Custodial Supplies		3,579	
Diesel Fuel		44,973	
Drugs and Medical Supplies		56,344	
Gasoline		2,734	
Instructional Supplies and Materials		1,311	
Office Supplies		10,215	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Uniforms	\$	11,806	
Utilities		9,573	
Other Supplies and Materials		2,298	
Liability Insurance		18,561	
Refunds		1,310	
Vehicle and Equipment Insurance		12,707	
Workers' Compensation Insurance		75,718	
Building Improvements		26,000	
Other Equipment		20,828	
Total Ambulance/Emergency Medical Services	\$		1,706,051

Alcohol and Drug Programs

Other Supplies and Materials	\$	8,717	
Total Alcohol and Drug Programs			8,717

Other Local Health Services

Travel	\$	193	
Other Supplies and Materials		11,826	
Total Other Local Health Services			12,019

Appropriation to State

Paraprofessionals	\$	32,268	
Clerical Personnel		46,670	
Social Security		5,924	
Pensions		6,835	
Employee and Dependent Insurance		6,398	
Life Insurance		288	
Unemployment Compensation		538	
Other Fringe Benefits		1,680	
Travel		2,399	
Workers' Compensation Insurance		1,575	
Total Appropriation to State			104,575

Other Public Health and Welfare

Other Charges	\$	29,797	
Total Other Public Health and Welfare			29,797

Social, Cultural, and Recreational Services

Libraries

Librarians	\$	49,193	
Social Security		3,600	
Pensions		6,599	
Employee and Dependent Insurance		7,117	
Life Insurance		405	
Unemployment Compensation		252	
Other Fringe Benefits		3,430	
Contributions		75,272	
Workers' Compensation Insurance		117	
Total Libraries			145,985

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards

County Official/Administrative Officer	\$	44,414	
Supervisor/Director		20,059	
Foremen		33,726	
Laborers		113,107	
Secretary(ies)		31,350	
Temporary Personnel		55,296	
Overtime Pay		227	
Social Security		23,398	
Pensions		30,520	
Employee and Dependent Insurance		31,361	
Life Insurance		1,716	
Unemployment Compensation		1,924	
Other Fringe Benefits		10,080	
Communication		8,021	
Contributions		7,713	
Dues and Memberships		1,006	
Maintenance and Repair Services - Buildings		36,645	
Maintenance and Repair Services - Equipment		6,986	
Maintenance and Repair Services - Office Equipment		1,199	
Maintenance and Repair Services - Vehicles		3,946	
Pest Control		1,301	
Postal Charges		396	
Travel		852	
Custodial Supplies		8,267	
Fertilizer, Lime, and Seed		39,024	
Gasoline		12,562	
Office Supplies		5,855	
Utilities		78,490	
Other Supplies and Materials		33,160	
Refunds		16,013	
Vehicle and Equipment Insurance		3,565	
Workers' Compensation Insurance		8,602	
Other Charges		13,409	
Building Improvements		29,245	
Heating and Air Conditioning Equipment		7,033	
Maintenance Equipment		8,123	
Motor Vehicles		9,800	
Total Parks and Fair Boards			\$ 738,391

Other Social, Cultural, and Recreational

Temporary Personnel	\$	8,912	
Unemployment Compensation		125	
Contracts with Government Agencies		142,117	
Travel		110	
Gasoline		441	
Office Supplies		292	
Other Supplies and Materials		87	
Total Other Social, Cultural, and Recreational			152,084

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	125,143	
Part-time Personnel		1,140	
Social Security		131	
Unemployment Compensation		16	
Communication		4,084	
Licenses		811	
Travel		12,347	
Custodial Supplies		385	
Other Supplies and Materials		5,305	
Workers' Compensation Insurance		941	
Data Processing Equipment		416	
Total Agricultural Extension Service			\$ 150,719

Soil Conservation

Secretary(ies)	\$	24,683	
Other Salaries and Wages		42,986	
Social Security		5,157	
Pensions		8,830	
Employee and Dependent Insurance		7,924	
Life Insurance		466	
Unemployment Compensation		252	
Other Fringe Benefits		3,150	
Workers' Compensation Insurance		61	
Total Soil Conservation			93,509

Other Operations

Industrial Development

Other Contracted Services	\$	89,552	
Other Charges		27,740	
Land		100,000	
Site Development		250	
Total Industrial Development			217,542

Veterans' Services

Other Salaries and Wages	\$	15,255	
Social Security		1,211	
Unemployment Compensation		214	
Communication		1,947	
Data Processing Services		399	
Postal Charges		26	
Rentals		600	
Travel		1,694	
Office Supplies		722	
Workers' Compensation Insurance		1,683	
Total Veterans' Services			23,751

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Assistant(s)	\$	19,828	
Supervisor/Director		26,789	
Social Security		3,781	
Pensions		6,429	
Employee and Dependent Insurance		6,096	
Life Insurance		333	
Unemployment Compensation		252	
Other Fringe Benefits		4,620	
Communication		1,041	
Maintenance Agreements		1,601	
Office Supplies		192	
Total Other Charges			\$ 70,962

Contributions to Other Agencies

Contributions	\$	269,302	
Remittance of Revenue Collected		23,841	
Total Contributions to Other Agencies			293,143

Miscellaneous

Building and Contents Insurance	\$	63,441	
Liability Insurance		67,781	
Trustee's Commission		122,806	
Other Charges		28,680	
Total Miscellaneous			282,708

Principal on Debt

General Government

Principal on Capital Leases	\$	33,324	
Total General Government			33,324

Interest on Debt

General Government

Interest on Capital Leases	\$	1,999	
Total General Government			1,999

Total General Fund \$ 11,619,377

Solid Waste/Sanitation Fund

Public Health and Welfare

Waste Pickup

Supervisor/Director	\$	20,469	
Equipment Operators		101,810	
Secretary(ies)		29,865	
Educational Assistants		360	
Overtime Pay		2,392	
Life Insurance		994	
Unemployment Compensation		684	

(Continued)

Exhibit K-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Other Fringe Benefits	\$	14,085	
Communication		2,248	
Data Processing Services		31,765	
Legal Notices, Recording, and Court Costs		1,129	
Maintenance and Repair Services - Equipment		294	
Maintenance and Repair Services - Office Equipment		13,419	
Postal Charges		16,755	
Printing, Stationery, and Forms		621	
Crushed Stone		227	
Diesel Fuel		40,212	
Electricity		4,566	
Equipment and Machinery Parts		69,975	
Gasoline		11,814	
Instructional Supplies and Materials		7,315	
Lubricants		1,143	
Office Supplies		213	
Tires and Tubes		14,921	
Other Supplies and Materials		2,330	
Other Charges		1,542	
Maintenance Equipment		7,912	
Motor Vehicles		6,000	
Total Waste Pickup			\$ 405,060

Other Operations

Other Charges

Trustee's Commission	\$	6,079	
Vehicle and Equipment Insurance		15,484	
Workers' Compensation Insurance		8,089	
Total Other Charges			29,652

Employee Benefits

Social Security	\$	12,384	
Pensions		20,673	
Employee and Dependent Insurance		13,599	
Total Employee Benefits			46,656

Total Solid Waste/Sanitation Fund \$ 481,368

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	1,000	
Instructional Supplies and Materials		475	
Law Enforcement Supplies		1,215	
Trustee's Commission		259	
Law Enforcement Equipment		4,126	
Total Drug Enforcement			\$ 7,075

Total Drug Control Fund 7,075

(Continued)

Exhibit K-8

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

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$ 170,125	
Total County Trustee's Office		\$ 170,125

Total Constitutional Officers - Fees Fund \$ 170,125

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 76,907	
Accountants/Bookkeepers	32,632	
Educational Incentive - Official/Admin Officer	2,520	
Longevity Pay	1,890	
Board and Committee Members Fees	13,200	
Communication	5,611	
Data Processing Services	7,320	
Dues and Memberships	3,338	
Legal Notices, Recording, and Court Costs	1,554	
Maintenance and Repair Services - Office Equipment	100	
Postal Charges	398	
Travel	1,727	
Drugs and Medical Supplies	599	
Electricity	10,618	
Office Supplies	956	
Other Charges	2,482	
Total Administration		\$ 161,852

Highway and Bridge Maintenance

Laborers	\$ 431,284	
Asphalt - Hot Mix	90,634	
Asphalt - Liquid	355,641	
Crushed Stone	175,179	
Fertilizer, Lime, and Seed	81,967	
Other Road Materials	26,165	
Pipe	78,830	
Road Signs	3,882	
Salt	14,679	
Wood Products	865	
Total Highway and Bridge Maintenance		1,259,126

Operation and Maintenance of Equipment

Laborers	\$ 110,544	
Diesel Fuel	217,590	
Equipment and Machinery Parts	99,593	
Gasoline	134,769	
Lubricants	3,580	
Tires and Tubes	27,717	
Total Operation and Maintenance of Equipment		593,793

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Liability Insurance	\$	3,911	
Premiums on Corporate Surety Bonds		650	
Trustee's Commission		28,789	
Vehicle and Equipment Insurance		48,405	
Workers' Compensation Insurance		36,842	
Total Other Charges			\$ 118,597

Employee Benefits

Social Security	\$	48,280	
Pensions		76,550	
Employee and Dependent Insurance		94,281	
Unemployment Compensation		501	
Other Fringe Benefits		2,495	
Total Employee Benefits			222,107

Capital Outlay

Engineering Services	\$	49,631	
Bridge Construction		379,830	
Highway Equipment		186,817	
Other Capital Outlay		2,184	
Total Capital Outlay			618,462

Total Highway/Public Works Fund \$ 2,973,937

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	783,914	
Total General Government			\$ 783,914

Education

Principal on Notes	\$	66,000	
Principal on Other Loans		282,004	
Total Education			348,004

Interest on Debt

General Government

Interest on Bonds	\$	701,921	
Total General Government			701,921

Education

Interest on Notes	\$	317	
Interest on Other Loans		8,725	
Total Education			9,042

(Continued)

Exhibit K-8

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

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Trustee's Commission	\$	24,061	
Underwriter's Discount		59,038	
Other Debt Issuance Charges		101,871	
Total General Government			\$ 184,970

Education

Other Debt Service	\$	3,307	
Total Education			3,307

Total General Debt Service Fund \$ 2,031,158

General Capital Projects Fund

Capital Projects

Social, Cultural, and Recreation Projects

Engineering Services	\$	3,750	
Building Improvements		155,219	
Total Social, Cultural, and Recreation Projects			\$ 158,969

Total General Capital Projects Fund 158,969

Community Development/Industrial Park Fund

Capital Projects

Other General Government Projects

Consultants	\$	5,500	
Engineering Services		73,298	
Legal Services		6,548	
Land		12,128	
Total Other General Government Projects			\$ 97,474

Total Community Development/Industrial Park Fund 97,474

Other Capital Projects Fund

Capital Projects

Social, Cultural, and Recreation Projects

Consultants	\$	3,500	
Engineering Services		9,581	
Total Social, Cultural, and Recreation Projects			\$ 13,081

Total Other Capital Projects Fund 13,081

Total Governmental Funds - Primary Government \$ 17,552,564

Exhibit K-9

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 7,089,604	
Career Ladder Program	38,403	
Career Ladder Extended Contracts	11,174	
Educational Assistants	594,105	
Other Salaries and Wages	60,170	
Certified Substitute Teachers	29,010	
Non-certified Substitute Teachers	54,183	
Social Security	453,045	
Pensions	719,420	
Medical Insurance	974,457	
Dental Insurance	42,776	
Employer Medicare	106,805	
Maintenance and Repair Services - Equipment	140	
Other Contracted Services	18,853	
Instructional Supplies and Materials	174,200	
Textbooks	192,185	
Other Supplies and Materials	9,124	
Other Charges	4,388	
Regular Instruction Equipment	188,809	
Total Regular Instruction Program		\$ 10,760,851

Alternative Instruction Program

Teachers	\$ 354,073	
Career Ladder Program	1,000	
Other Salaries and Wages	62,691	
Certified Substitute Teachers	65	
Non-certified Substitute Teachers	3,382	
Social Security	21,787	
Pensions	36,862	
Medical Insurance	66,474	
Dental Insurance	1,640	
Employer Medicare	5,565	
Instructional Supplies and Materials	1,110	
Total Alternative Instruction Program		554,649

Special Education Program

Teachers	\$ 1,123,237
Career Ladder Program	2,000
Homebound Teachers	30,344
Educational Assistants	119,883
Other Salaries and Wages	17,264
Certified Substitute Teachers	4,276
Non-certified Substitute Teachers	9,879
Social Security	75,831
Pensions	117,315
Medical Insurance	148,741

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Dental Insurance	\$	6,352	
Employer Medicare		17,885	
Maintenance and Repair Services - Equipment		396	
Other Contracted Services		831	
Instructional Supplies and Materials		6,125	
Other Supplies and Materials		4,486	
Special Education Equipment		30,449	
Total Special Education Program			\$ 1,715,294

Vocational Education Program

Teachers	\$	468,776	
Certified Substitute Teachers		3,922	
Non-certified Substitute Teachers		6,944	
Social Security		27,510	
Pensions		42,508	
Medical Insurance		53,493	
Dental Insurance		2,338	
Employer Medicare		6,488	
Maintenance and Repair Services - Equipment		30	
Other Contracted Services		1,774	
Instructional Supplies and Materials		9,381	
T&I Construction Materials		4,948	
Textbooks		12,650	
Other Supplies and Materials		770	
Total Vocational Education Program			641,532

Support Services

Attendance

Supervisor/Director	\$	68,435	
Career Ladder Program		1,000	
Other Salaries and Wages		15,886	
Social Security		4,142	
Pensions		6,499	
Medical Insurance		12,550	
Dental Insurance		607	
Employer Medicare		1,168	
Travel		223	
Other Contracted Services		23,386	
In Service/Staff Development		2,948	
Other Charges		2,070	
Attendance Equipment		8,621	
Total Attendance			147,535

Health Services

Career Ladder Program	\$	2,000	
Medical Personnel		69,581	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Other Salaries and Wages	\$	56,012	
Social Security		7,258	
Pensions		12,389	
Medical Insurance		16,241	
Dental Insurance		612	
Employer Medicare		1,697	
Travel		4,322	
Other Contracted Services		9,014	
Drugs and Medical Supplies		1,412	
Other Supplies and Materials		8,968	
In Service/Staff Development		2,882	
Other Charges		2,334	
Total Health Services	\$		194,722

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		328,911	
Other Salaries and Wages		63,759	
Social Security		22,719	
Pensions		35,762	
Medical Insurance		56,832	
Dental Insurance		2,440	
Employer Medicare		5,313	
Contracts with Government Agencies		95,038	
Contracts with Other School Systems		20,017	
Evaluation and Testing		75,024	
Travel		875	
Other Contracted Services		14,849	
Other Supplies and Materials		5,879	
In Service/Staff Development		976	
Other Charges		19,602	
Other Equipment		6,979	
Total Other Student Support			757,975

Regular Instruction Program

Supervisor/Director	\$	373,950	
Career Ladder Program		9,001	
Librarians		242,334	
Instructional Computer Personnel		105,983	
Social Security		42,131	
Pensions		65,631	
Medical Insurance		89,610	
Dental Insurance		3,968	
Employer Medicare		9,853	
Travel		3,297	
Other Contracted Services		6,595	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Library Books/Media	\$	29,949	
Periodicals		3,817	
Other Supplies and Materials		4,742	
In Service/Staff Development		17,831	
Other Charges		1,182	
Other Equipment		298	
Total Regular Instruction Program			\$ 1,010,172

Alternative Instruction Program

Travel	\$	265	
Other Contracted Services		28,688	
Other Supplies and Materials		736	
Total Alternative Instruction Program			29,689

Special Education Program

Supervisor/Director	\$	130,493	
Career Ladder Program		2,000	
Psychological Personnel		121,509	
Social Security		15,241	
Pensions		22,962	
Medical Insurance		14,115	
Dental Insurance		879	
Employer Medicare		3,564	
Travel		8,743	
Other Contracted Services		20,135	
Other Supplies and Materials		9,709	
In Service/Staff Development		4,308	
Other Charges		171	
Total Special Education Program			353,829

Vocational Education Program

Supervisor/Director	\$	61,827	
Secretary(ies)		41,931	
Social Security		6,326	
Pensions		10,730	
Medical Insurance		176	
Dental Insurance		306	
Employer Medicare		1,479	
Travel		4,385	
Other Contracted Services		1,131	
Other Supplies and Materials		4,467	
In Service/Staff Development		2,361	
Total Vocational Education Program			135,119

Other Programs

On-behalf Payments to OPEB	\$	126,615	
Total Other Programs			126,615

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Secretary to Board	\$	3,039	
Board and Committee Members Fees		4,840	
Social Security		463	
Pensions		373	
Medical Insurance		788	
Unemployment Compensation		30,151	
Employer Medicare		108	
Audit Services		8,500	
Dues and Memberships		9,602	
Legal Services		18,574	
Travel		15,514	
Other Contracted Services		43,052	
Other Supplies and Materials		1,062	
Liability Insurance		34,614	
Trustee's Commission		143,655	
Workers' Compensation Insurance		197,533	
In Service/Staff Development		342	
Refund to Applicant for Criminal Investigation		1,302	
Other Charges		7,975	
Total Board of Education			\$ 521,487

Director of Schools

County Official/Administrative Officer	\$	98,413	
Career Ladder Program		1,000	
Clerical Personnel		119,205	
Social Security		12,596	
Pensions		23,604	
Medical Insurance		30,324	
Dental Insurance		306	
Employer Medicare		2,946	
Communication		12,991	
Dues and Memberships		2,918	
Postal Charges		5,964	
Travel		1,678	
Other Contracted Services		4,048	
Office Supplies		11,412	
Other Supplies and Materials		741	
In Service/Staff Development		2,732	
Other Charges		2,204	
Administration Equipment		668	
Total Director of Schools			333,750

Office of the Principal

Principals	\$	350,607
Career Ladder Program		3,250
Accountants/Bookkeepers		66,969

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Assistant Principals	\$	384,005	
Secretary(ies)		193,309	
Social Security		58,623	
Pensions		97,614	
Medical Insurance		104,617	
Dental Insurance		3,474	
Employer Medicare		13,710	
Communication		62,395	
Dues and Memberships		4,500	
Travel		1,760	
Other Contracted Services		38,279	
Other Supplies and Materials		414	
In Service/Staff Development		6,491	
Other Charges		2,355	
Administration Equipment		5,105	
Total Office of the Principal			\$ 1,397,477

Fiscal Services

Supervisor/Director	\$	86,668	
Accountants/Bookkeepers		82,125	
Clerical Personnel		67,090	
Social Security		13,385	
Pensions		29,032	
Medical Insurance		31,513	
Dental Insurance		306	
Employer Medicare		3,130	
Data Processing Services		818	
Dues and Memberships		467	
Travel		121	
Other Contracted Services		10,462	
Data Processing Supplies		4,504	
Other Supplies and Materials		552	
In Service/Staff Development		997	
Other Charges		193	
Administration Equipment		1,646	
Total Fiscal Services			333,009

Operation of Plant

Other Salaries and Wages	\$	1,500	
Social Security		93	
Employer Medicare		22	
Other Contracted Services		636,087	
Electricity		542,955	
Natural Gas		120,417	
Water and Sewer		57,228	
Other Supplies and Materials		29	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Boiler Insurance	\$	7,912	
Building and Contents Insurance		144,140	
Other Charges		275	
Total Operation of Plant			\$ 1,510,658

Maintenance of Plant

Supervisor/Director	\$	41,569	
Maintenance Personnel		166,894	
Social Security		12,134	
Pensions		22,577	
Medical Insurance		34,667	
Employer Medicare		2,838	
Laundry Service		3,073	
Maintenance and Repair Services - Buildings		130,053	
Maintenance and Repair Services - Equipment		3,504	
Other Contracted Services		87,087	
Other Supplies and Materials		164,131	
In Service/Staff Development		200	
Other Charges		32	
Maintenance Equipment		4,075	
Total Maintenance of Plant			672,834

Transportation

Supervisor/Director	\$	40,787	
Mechanic(s)		152,573	
Bus Drivers		594,995	
Other Salaries and Wages		137,942	
Social Security		56,729	
Pensions		103,238	
Medical Insurance		18,434	
Dental Insurance		237	
Employer Medicare		13,267	
Communication		10,937	
Contracts with Parents		1,792	
Laundry Service		2,503	
Maintenance and Repair Services - Vehicles		116,510	
Medical and Dental Services		12,223	
Travel		583	
Other Contracted Services		36,817	
Diesel Fuel		169,306	
Gasoline		38,828	
Lubricants		5,484	
Tires and Tubes		22,930	
Vehicle Parts		95,024	
Other Supplies and Materials		21,558	
Vehicle and Equipment Insurance		44,503	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

In Service/Staff Development	\$	2,961	
Other Charges		8,731	
Administration Equipment		9,791	
Transportation Equipment		92,265	
Total Transportation			\$ 1,810,948

Central and Other

Data Processing Personnel	\$	64,183	
Other Salaries and Wages		61,305	
Social Security		7,277	
Pensions		12,429	
Medical Insurance		12,715	
Dental Insurance		306	
Employer Medicare		1,702	
Data Processing Services		20,970	
Travel		2,637	
Other Contracted Services		35,063	
Data Processing Supplies		13,633	
Other Supplies and Materials		13,498	
Data Processing Equipment		26,956	
Total Central and Other			272,674

Operation of Non-instructional Services

Food Service

Food Supplies	\$	250	
Total Food Service			250

Early Childhood Education

Teachers	\$	286,239	
Educational Assistants		114,630	
Other Salaries and Wages		21,862	
Certified Substitute Teachers		3,835	
Non-certified Substitute Teachers		2,194	
Social Security		24,249	
Pensions		40,700	
Medical Insurance		52,208	
Dental Insurance		1,810	
Employer Medicare		5,799	
Other Contracted Services		12,269	
Instructional Supplies and Materials		28,995	
Other Supplies and Materials		4,481	
In Service/Staff Development		5,456	
Other Charges		2,512	
Other Equipment		19,634	
Total Early Childhood Education			626,873

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Foremen	\$	67,711	
Social Security		5,500	
Unemployment Compensation		183	
Architects		9,958	
Consultants		5,096	
Workers' Compensation Insurance		15,231	
Building Construction		367,674	
Total Regular Capital Outlay			\$ 471,353

Total General Purpose School Fund \$ 24,379,295

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	802,343	
Educational Assistants		172,766	
Other Salaries and Wages		17,128	
Certified Substitute Teachers		1,300	
Non-certified Substitute Teachers		2,662	
Social Security		58,078	
Pensions		93,207	
Medical Insurance		99,565	
Dental Insurance		3,821	
Employer Medicare		13,691	
Other Contracted Services		39,083	
Instructional Supplies and Materials		12,392	
Regular Instruction Equipment		27,343	
Total Regular Instruction Program			\$ 1,343,379

Special Education Program

Teachers	\$	45,765	
Educational Assistants		456,869	
Social Security		29,575	
Pensions		56,777	
Medical Insurance		51,832	
Dental Insurance		305	
Employer Medicare		6,917	
Instructional Supplies and Materials		10,163	
Other Supplies and Materials		3,208	
Total Special Education Program			661,411

Vocational Education Program

Maintenance and Repair Services - Equipment	\$	551	
Vocational Instruction Equipment		36,158	
Total Vocational Education Program			36,709

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services

Other Student Support

Teachers	\$	4,270	
Other Salaries and Wages		68,725	
Social Security		4,194	
Pensions		6,652	
Medical Insurance		7,056	
Dental Insurance		306	
Employer Medicare		981	
Travel		16,116	
Other Contracted Services		1,000	
Other Supplies and Materials		32,596	
In Service/Staff Development		11,436	
Other Charges		1,574	
Other Equipment		1,150	
Total Other Student Support			\$ 156,056

Regular Instruction Program

Supervisor/Director	\$	65,357	
Other Salaries and Wages		4,918	
In-service Training		25,236	
Social Security		5,922	
Pensions		9,529	
Employer Medicare		1,385	
Communication		260	
Travel		1,652	
Other Contracted Services		5,544	
Other Supplies and Materials		2,205	
In Service/Staff Development		2,423	
Other Equipment		15,726	
Total Regular Instruction Program			140,157

Special Education Program

Assessment Personnel	\$	36,728	
In-service Training		495	
Social Security		2,207	
Pensions		3,365	
Medical Insurance		2,997	
Dental Insurance		217	
Employer Medicare		516	
Other Contracted Services		21,850	
Other Supplies and Materials		1,348	
In Service/Staff Development		3,077	
Total Special Education Program			72,800

Vocational Education Program

Other Equipment	\$	1,022	
Total Vocational Education Program			1,022

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Transportation

Bus Drivers	\$	1,786	
Social Security		111	
Pensions		219	
Employer Medicare		26	
Contracts with Parents		1,981	
Total Transportation			\$ 4,123

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$	37,341	
Teachers		215,492	
Clerical Personnel		1,956	
Educational Assistants		12,999	
Other Salaries and Wages		26,269	
Social Security		18,149	
Pensions		27,672	
Medical Insurance		2,887	
Employer Medicare		4,245	
Travel		1,592	
Instructional Supplies and Materials		17,096	
Other Supplies and Materials		978	
In Service/Staff Development		1,335	
Other Charges		19,432	
Total Community Services			<u>387,443</u>

Total School Federal Projects Fund \$ 2,803,100

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	61,001
Accountants/Bookkeepers		39,171
Clerical Personnel		28,618
Cafeteria Personnel		572,707
Other Salaries and Wages		23,779
Social Security		42,038
Pensions		84,040
Medical Insurance		68,242
Unemployment Compensation		1,256
Employer Medicare		9,832
Other Fringe Benefits		24,388
Maintenance and Repair Services - Equipment		17,891
Transportation - Other than Students		7,176
Travel		6,095
Other Contracted Services		13,878
Food Preparation Supplies		64,772

(Continued)

Exhibit K-9

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

Central Cafeteria Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Food Service (Cont.)

Food Supplies	\$	815,489	
Office Supplies		6,733	
Uniforms		1,683	
USDA - Commodities		122,550	
Other Supplies and Materials		25,380	
In Service/Staff Development		1,666	
Refund to Applicant for Criminal Investigation		96	
Other Charges		2,000	
Food Service Equipment		9,413	
Total Food Service			<u>\$ 2,049,894</u>

Total Central Cafeteria Fund \$ 2,049,894

Total Governmental Funds - Haywood County School Department \$ 29,232,289

Exhibit K-10

Haywood 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	\$ 1,578,852
Total Cash Receipts	<u>\$ 1,578,852</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,563,063
Trustee's Commission	15,789
Total Cash Disbursements	<u>\$ 1,578,852</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>

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## SINGLE AUDIT SECTION

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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Haywood County's basic financial statements, and have issued our report thereon dated March 2, 2016. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Haywood County Utility District, as described in our report on Haywood County's financial statements. This report does not include the results of the other auditors testing of internal 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 Haywood County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Haywood County's internal control. Accordingly, we do not express an opinion on the effectiveness of Haywood County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2015-001, 2015-004(A-C), 2015-005, 2015-009, 2015-010, 2015-011, and 2015-012.

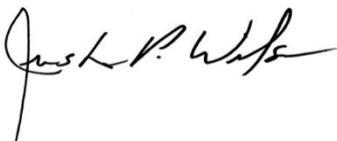
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Haywood County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2015-002, 2015-003, 2015-004(D), 2015-006, 2015-007, and 2015-008.

### **Purpose of this Report**

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

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

March 2, 2016

JPW/kp



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

**Report on Compliance for Each Major Federal Program**

We have audited Haywood County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Haywood County's major federal programs for the year ended June 30, 2015. Haywood County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

### ***Opinion on Each Major Federal Program***

In our opinion, Haywood County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

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

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

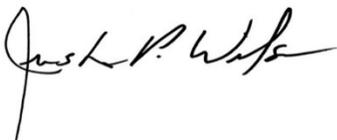
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Haywood County's basic financial statements. We issued our report thereon dated March 2, 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 Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

March 2, 2016

JPW/kp

Haywood County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2015

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 493,175
National School Lunch Program	10.555	N/A	1,095,494 (4)
Summer Food Service Program for Children	10.559	N/A	21,737
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	122,550 (4)
Community Facilities Loans and Grants	10.766	N/A	50,000
Passed-through State Department of Human Services:			
Child and Adult Care Food Program	10.558	(2)	156,945
Total U.S. Department of Agriculture			<u>\$ 1,939,901</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	34817	\$ 97,474
Total U.S. Department of Housing and Urban Development			<u>\$ 97,474</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	\$ 600
Total U.S. Department of Justice			<u>\$ 600</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 939,083
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	690,440
Special Education - Preschool Grants	84.173	N/A	47,894
Career and Technical Education - Basic Grants to States	84.048	N/A	55,585
Twenty-first Century Community Learning Centers	84.287	N/A	396,279
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	108,560
Rural Education	84.358	N/A	15,975
English Language Acquisition State Grants	84.365	N/A	6,482
Improving Teacher Quality State Grants	84.367	N/A	185,692
Teacher Incentive Fund	84.374	N/A	365,946
Total U.S. Department of Education			<u>\$ 2,811,936</u>
Delta Regional Authority:			
Direct Program:			
Delta Area Economic Development	90.201	N/A	\$ 1,959
Total Delta Regional Authority			<u>\$ 1,959</u>
Executive Office of the President:			
Passed-through Thirtieth Judicial District Drug Task Force:			
High Intensity Drug Trafficking Areas Program	95.001	(2)	\$ 281
Total Executive Office of the President			<u>\$ 281</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(3)	\$ 52,857
Hazard Mitigation Grant	97.039	34101-12273	703,198
Total U.S. Department of Homeland Security			<u>\$ 756,055</u>
Total Expenditures of Federal Awards			<u>\$ 5,608,206</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
High Visibility Law Enforcement Grant - State Department of Transportation	N/A	Z14GH153A	\$ 3,593
Innovative Healthful Behavioral Services - State Department of Health	N/A	GG1440749-01	14,523
Litter Grant - State Department of Transportation	N/A	(2)	33,341
Health Department Renovation Grant - State Department of Health	N/A	(2)	198,000
Optional Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	716
Early Childhood Education - State Department of Education	N/A	(2)	610,008
Art Student Subsidy - State Department of Education	N/A	(2)	469
ACT/Explore/Plan - State Department of Education	N/A	(2)	4,730
ConnecTenn - State Department of Education	N/A	(2)	9,067
Family Resource Center - State Department of Education	N/A	(2)	29,612
Coordinated School Health - State Department of Education	N/A	(2)	90,000
School Climate - State Department of Education	N/A	(2)	6,584
Safe Schools - State Department of Education	N/A	(2)	<u>19,590</u>
 Total State Grants			 <u>\$ 1,020,233</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) FEMA-4189-DR-TN: \$2,010; 075-99075-00: \$23,030; N/A: \$27,816.
- (4) Total for CFDA No. 10.555 is \$1,218,044.

Haywood 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 Haywood 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	179	The Solid Waste Disposal Fund had a deficit in unrestricted net position
2014-002	179	A lease-purchase agreement and a capital outlay note were not issued in compliance with state statutes
2014-003	180	Expenditures exceeded appropriations
2014-004	180	Some Ambulance Service funds were not deposited within three days of collection

**OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-008	183	The Highway Department did not maintain a system to account for materials used on some types of road projects

**OFFICES OF CLERK AND MASTER AND REGISTER OF DEEDS**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-009	183	Multiple employees operated from the same cash drawer

**OFFICE OF REGISTER OF DEEDS**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-010	184	The register of deeds allowed individuals unsupervised access to the office after business hours

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

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-012	185	Duties were not segregated adequately

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**HAYWOOD COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2015**

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**PART I, SUMMARY OF AUDITOR'S RESULTS**

1. Our report on the financial statements of Haywood County is unmodified.
2. The audit of the financial statements of Haywood County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Haywood County.
4. The audit reported no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); Teacher Incentive Fund (CFDA No. 84.374), and Hazard Mitigation Grant (CFDA No. 97.039) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Haywood County qualified 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 in unrestricted net position of \$1,352,097 at June 30, 2015. This deficit resulted from the recognition of a liability totaling \$1,780,588 in the financial statements for costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency exists because management failed to correct the finding noted in prior-year audit reports and failed to provide adequate financing to fund the liability.

#### RECOMMENDATION

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

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#### FINDING 2015-002

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

(Noncompliance Under *Government Auditing Standards*)

On September 2, 2014, the county entered into an \$83,539 lease-purchase agreement for a loader. The office did not file a Report on Debt Obligation with the state Comptroller's Office for this lease-purchase agreement. On June 30, 2015, the county mayor signed a \$66,000 capital outlay note for School Department heating and cooling equipment without the approval of the state Comptroller's Office. Also, the office did not file a Report on Debt Obligation with the state Comptroller's Office for the capital outlay note. Section 9-21-601, *Tennessee Code Annotated (TCA)*, requires the approval of the state Comptroller's Office prior to the issuance of capital outlay notes. Section 9-21-151, *TCA*, requires that within 45 days following the issuance of debt, a county must provide to the state Comptroller's Office certain information, such as a description of the purchase for which the debt was issued, a description of the debt obligation, and an itemized description of the costs of issuance. These deficiencies were the result of management's failure to correct the finding noted in the prior-year audit report.

## RECOMMENDATION

The office should obtain prior approval from the State Comptroller's Office for the issuance of capital outlay notes and should file a Report on Debt Obligation with the state Comptroller's Office for each debt issuance as required by state statutes.

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### FINDING 2015-003

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

Expenditures exceeded appropriations approved by the County Commission in one of 45 major appropriation categories (the legal level of control) of the General Fund: Other Operations - Miscellaneous by \$5,531. Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies." This deficiency exists because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures, and management failed to correct the finding noted in the prior-year audit report.

## RECOMMENDATION

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

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### FINDING 2015-004

#### **THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES** (A., B., and C. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; D. – Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 58 disbursements totaling \$90,099 from a population of 4,564 vendor checks totaling \$9,670,242. Our sample revealed the following deficiencies:

- A. In eight of 16 applicable instances, purchase orders were not issued. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. The failure to issue purchase orders increases the risks of unauthorized purchases.
- B. In two of 58 applicable instances, disbursements were made without proper documentation. The failure to maintain adequate documentation increases the risks of unauthorized purchases.

- C. In two of 38 applicable instances, invoices were paid without documentation that goods had been received and/or services rendered. This practice weakens controls over the purchasing process and increases the risk of paying for something that was never received.
- D. Competitive bids were not solicited for the purchase of food for the jail totaling \$206,955. Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated*, requires public advertisement and solicitation of competitive bids on purchases exceeding \$10,000. The failure to solicit competitive bids could result in the county paying more than the most competitive price.

These deficiencies can be attributed to a lack of management oversight and their lack of understanding of internal controls and state statutes.

**RECOMMENDATION**

The County Mayor’s Office should issue purchase orders for all applicable purchases to strengthen internal controls over purchasing procedures and to document purchasing commitments. Supporting documentation should be maintained for all disbursements. The office should maintain documentation that goods have been received and/or services have been rendered before invoices are paid. Competitive bids should be solicited for purchases exceeding \$10,000 as required by state statute.

**FINDING 2015-005**

**COUNTY OFFICIALS DID NOT ADEQUATELY CONTROL ACCESS TO THE COURTHOUSE OFFICES**  
 (Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Our examination disclosed that county officials did not adequately control access to the courthouse offices. One key will open multiple doors in the courthouse: at least one exterior door to the courthouse, a conference room, and the Offices of the Trustee, County Mayor, and Budget Director. Individuals who are not office employees could enter one of the offices unsupervised. Sound business practices dictate that unsupervised access to offices weakens internal controls over assets. This deficiency is the result of management’s decision.

**RECOMMENDATION**

County officials should control access to the courthouse offices.

**FINDING 2015-006**

**THE COUNTY MAYOR’S OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**  
 (Noncompliance Under *Government Auditing Standards*)

System backups were not stored off-site. Section 10-7-121, *Tennessee Code Annotated*, provides that records required to be retained by any government official may be maintained

on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system be copied to storage media daily, and media more than one week old be stored at an off-site location. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process.

#### RECOMMENDATION

Management should ensure backups are rotated to a secure off-site location on a weekly basis.

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#### FINDING 2015-007

#### **THE AMBULANCE SERVICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES** (Noncompliance Under *Government Auditing Standards*)

System backups were not stored off-site on a weekly basis. Section 10-7-121, *Tennessee Code Annotated*, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system be copied to storage media daily, and media more than one week old be stored at an off-site location. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process. The Ambulance Service outsourced its billing operations to a third-party in June 2015. Therefore, this deficiency no longer exists.

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#### FINDING 2015-008

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

The Ambulance Service did not deposit some collections to the office bank account within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*. Throughout the year, deposits were usually made one day per week resulting in collections that were consistently held over three days before being deposited. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

#### RECOMMENDATION

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

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## OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER

FINDING 2015-009

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

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

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

### RECOMMENDATION

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

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## OFFICES OF CLERK AND MASTER AND REGISTER OF DEEDS

FINDING 2015-010

### **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**

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

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

### RECOMMENDATION

Officials should assign each employee their own cash drawer.

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**OFFICE OF REGISTER OF DEEDS**

**FINDING 2015-011**

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

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

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

**RECOMMENDATION**

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

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

**FINDING 2015-012**

**DUTIES WERE NOT SEGREGATED ADEQUATELY**

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

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

**RECOMMENDATION**

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

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

There were no findings and questioned costs for federal awards.

## **BEST PRACTICE**

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

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

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

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

**HAYWOOD COUNTY, TENNESSEE**  
**AUDITEE REPORTING RESPONSIBILITIES**  
**For the Year Ended June 30, 2015**

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