

ANNUAL FINANCIAL REPORT
LAUDERDALE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015



DIVISION OF LOCAL GOVERNMENT AUDIT



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

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

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

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Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF HIGHWAY COMMISSIONER

- ◆ Expenditures exceeded appropriations.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Federal Projects Fund had a cash overdraft of \$57,767 at June 30, 2015.
-

OFFICE OF SHERIFF

- ◆ The annual financial report was not accurate.
-

COUNTY AMBULANCE AUTHORITY

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

Lauderdale County Officials

June 30, 2015

Officials

Maurice Gaines, County Mayor
Derek Kissell, Highway Commissioner
Shawn Kimble, Director of Schools
Judy Conrad, Trustee
Renate Jennings, Assessor of Property
Linda Summar, County Clerk
Richard Jennings, Circuit and General Sessions Courts Clerk
Sandra Burnham, Clerk and Master
Greg Summar, Register of Deeds
Steve Sanders, Sheriff

Board of County Commissioners

Maurice Gaines, County Mayor, Chairman	Monty McWilliams
Lawrence Andrews	Eugene Pugh
Guy Bentley	Joe Pursell
Joe Carmack	Todd Rankin
Don Connell	Rob Reviere
Tommy Dunavant	Tommy Sanders
Gene Edwards	Lynnwood Shoemake
Jesse Edwards	Dustin Staggs
Robert Harris	Lowell Tillman, Jr.
Sandra Hughes	Debora Tyus
Phillip Jackson	Dan Ungerecht
Kaye Jordan	Terry Uselton
Dennis King	

Board of Education

Robert Harris, Chairman	Roy Harkness, Sr.
Eva Drain	Melinda Hutcherson
Bob Ennis	Linda Jennings
Cynthia Glenn	Austin Thompson, Jr.

Audit Committee

Phillip Jackson, Chairman
Tim Herndon
Eugene Pugh
Larry Shelby

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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Independent Auditor's Report

Lauderdale County Mayor and
Board of County Commissioners
Lauderdale 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 Lauderdale 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 Lauderdale County Ambulance Authority (a nonmajor special revenue fund), which represent 20 percent, 93 percent, and 98 percent, respectively, of the assets, net position, and revenues of the aggregate remaining information. Also, we did not audit the financial statements of the discretely presented Lauderdale County Water System. 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 Lauderdale County Water System, is based solely on the report of the other auditors. We were unable to determine Lauderdale County Water System's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the

Lauderdale County Emergency Communications District, a component unit requiring discrete presentation, was not available for inclusion 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 reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lauderdale 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., Lauderdale 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 \$178,452, the Business-type Activities net position by \$1,803, and the discretely presented Lauderdale County School Department's net position by \$5,934,822 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.

We draw attention to Note VII.H. to the financial statements, which describes a prior-period adjustment decreasing the beginning net position of the discretely presented Lauderdale County Water System by \$59,658 on the Government-wide Statement of Activities. This prior-period adjustment was necessary to reconcile the general ledger of the water system with the cash on deposit with the county trustee. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension asset, and schedule of funding progress - other postemployment benefits plan on pages 89 - 95 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 Lauderdale 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 Lauderdale 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.

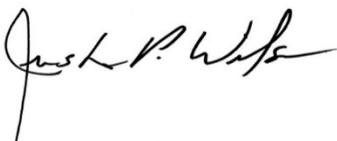
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Lauderdale County School Department (a discretely presented component unit), and 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 Lauderdale County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2016, on our consideration of Lauderdale 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 Lauderdale County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 24, 2016

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Lauderdale County School Department	Lauderdale County Water System
<u>ASSETS</u>					
Cash	\$ 147,021	\$ 0	\$ 147,021	\$ 0	\$ 1,218,618
Equity in Pooled Cash and Investments	7,616,315	1,115,737	8,732,052	4,050,564	1,151,442
Inventories	0	0	0	0	48,624
Accounts Receivable	1,385,834	38,115	1,423,949	21,240	121,637
Allowance for Uncollectibles	(764,676)	0	(764,676)	0	0
Due from Other Governments	3,251,095	19,216	3,270,311	985,943	0
Due from Component Units	257,165	0	257,165	0	0
Property Taxes Receivable	7,299,118	0	7,299,118	3,496,488	0
Allowance for Uncollectible Property Taxes	(151,195)	0	(151,195)	(72,427)	0
Prepaid Items	0	0	0	0	4,600
Accrued Interest Receivable	0	0	0	7,398	0
Net Pension Asset - Agent Plan	935,582	9,450	945,032	1,064,651	0
Net Pension Asset - Cost-sharing Plan	0	0	0	71,224	0
Capital Assets:					
Assets Not Depreciated:					
Land	915,927	160,000	1,075,927	1,378,648	10,000
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	4,754,174	310,655	5,064,829	17,570,964	3,962,349
Infrastructure	2,313,566	0	2,313,566	149,493	0
Other Capital Assets	1,174,588	167,072	1,341,660	2,516,211	94,018
Total Assets	\$ 29,134,514	\$ 1,820,245	\$ 30,954,759	\$ 31,240,397	\$ 6,611,288
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred Charge on Refunding	\$ 153,852	\$ 0	\$ 153,852	\$ 0	\$ 0
Pension Changes in Experience	0	0	0	172,916	0
Pension Contributions After Measurement Date	365,719	5,464	371,183	1,773,412	0
Total Deferred Outflows of Resources	\$ 519,571	\$ 5,464	\$ 525,035	\$ 1,946,328	\$ 0
<u>LIABILITIES</u>					
Accounts Payable	\$ 59,073	\$ 20,978	\$ 80,051	\$ 52,591	\$ 51,715
Accrued Payroll	35,601	0	35,601	0	31,057
Payroll Deductions Payable	39,161	880	40,041	574,639	0

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Lauderdale County School Department	Lauderdale County Water System
<u>LIABILITIES (CONT.)</u>					
Cash Overdraft	\$ 0	\$ 0	\$ 0	\$ 57,767	\$ 0
Contracts Payable	815,409	0	815,409	0	0
Due to Primary Government	0	0	0	257,165	0
Due to State of Tennessee	2,878	0	2,878	0	0
Accrued Interest Payable	46,890	0	46,890	0	0
Customer Deposits Payable	0	0	0	0	204,687
Noncurrent Liabilities:					
Due Within One Year	1,783,398	6,974	1,790,372	0	0
Due in More Than One Year (net of unamortized premium on debt)	8,912,531	144,334	9,056,865	1,117,877	0
Total Liabilities	\$ 11,694,941	\$ 173,166	\$ 11,868,107	\$ 2,060,039	\$ 287,459
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,658,346	\$ 0	\$ 6,658,346	\$ 3,180,739	\$ 0
Pension Changes in Experience	107,658	1,087	108,745	122,510	0
Pension Changes in Investment Earnings	906,030	9,152	915,182	6,899,469	0
Pension Other Deferrals	0	0	0	39,738	0
Total Deferred Inflows of Resources	\$ 7,672,034	\$ 10,239	\$ 7,682,273	\$ 10,242,456	\$ 0
<u>NET POSITION</u>					
Net Investment in Capital Assets	\$ 8,481,793	\$ 637,727	\$ 9,119,520	\$ 21,615,316	\$ 4,066,367
Restricted for:					
Administration of Justice	57,612	0	57,612	0	0
Public Safety	57,847	0	57,847	0	0
Public Health and Welfare	709,020	0	709,020	0	0
Social, Cultural, and Recreational Services	144,747	0	144,747	0	0
Highways/Public Works	973,960	0	973,960	0	0
Education	0	0	0	1,209,860	0
Operation of Non-instructional Services	0	0	0	446,551	0
Debt Service	3,173,472	0	3,173,472	0	0
Other Purposes	935,582	0	935,582	0	0
Unrestricted	(4,246,923)	1,004,577	(3,242,346)	(2,387,497)	2,257,462
Total Net Position	\$ 10,287,110	\$ 1,642,304	\$ 11,929,414	\$ 20,884,230	\$ 6,323,829

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

Exhibit B

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Lauderdale County School Department	Lauderdale County Water System
					Governmental Activities	Business-type Activities	Total		
Primary Government:									
Governmental Activities:									
General Government	\$ 1,378,235	\$ 112,724	\$ 15,164	\$ 0	\$ (1,250,347)	\$ 0	\$ (1,250,347)	\$ 0	\$ 0
Finance	749,268	651,813	0	0	(97,455)	0	(97,455)	0	0
Administration of Justice	1,656,568	530,310	82,040	0	(1,044,218)	0	(1,044,218)	0	0
Public Safety	4,524,016	1,061,096	184,031	0	(3,278,889)	0	(3,278,889)	0	0
Public Health and Welfare	1,771,159	1,136,277	152,342	0	(482,540)	0	(482,540)	0	0
Social, Cultural, and Recreational Services	384,496	6,956	35,139	0	(342,401)	0	(342,401)	0	0
Agriculture and Natural Resources	246,327	0	18,000	0	(228,327)	0	(228,327)	0	0
Highways/Public Works	3,809,978	17,910	1,766,548	1,404,242	(621,278)	0	(621,278)	0	0
Education	59,891	0	9,677	0	(50,214)	0	(50,214)	0	0
Interest on Long-term Debt	454,976	16,687	1,861,702	0	1,423,413	0	1,423,413	0	0
Total Governmental Activities	\$ 15,034,914	\$ 3,533,773	\$ 4,124,643	\$ 1,404,242	\$ (5,972,256)	\$ 0	\$ (5,972,256)	\$ 0	\$ 0
Business-type Activities:									
Solid Waste Disposal	\$ 503,427	\$ 477,734	\$ 19,317	\$ 0	\$ 0	\$ (6,376)	\$ (6,376)	\$ 0	\$ 0
Total Primary Government	\$ 15,538,341	\$ 4,011,507	\$ 4,143,960	\$ 1,404,242	\$ (5,972,256)	\$ (6,376)	\$ (5,978,632)	\$ 0	\$ 0
Component Units:									
Lauderdale County School Department	\$ 38,437,811	\$ 302,744	\$ 6,835,253	\$ 533,557	\$ 0	\$ 0	\$ 0	\$ (30,766,257)	\$ 0
Lauderdale County Water System	1,180,728	1,307,650	0	0	0	0	0	0	126,922
Total Component Units	\$ 39,618,539	\$ 1,610,394	\$ 6,835,253	\$ 533,557	\$ 0	\$ 0	\$ 0	\$ (30,766,257)	\$ 126,922

(Continued)

Exhibit B

Lauderdale 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	Lauderdale County School Department	Lauderdale County Water System	
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes					\$ 6,862,152	\$ 0	\$ 6,862,152	\$ 3,431,336	\$ 0	
Property Taxes Levied for Debt Service					60,997	0	60,997	0	0	
Local Option Sales Taxes					0	0	0	1,873,776	0	
Wheel Tax					963,541	0	963,541	175,127	0	
Litigation Taxes					115,126	0	115,126	0	0	
Business Tax					121,003	0	121,003	0	0	
Wholesale Beer Tax					34,570	0	34,570	0	0	
Other Local Taxes					26,014	0	26,014	2,723	0	
Grants and Contributions Not Restricted to Specific Programs					492,415	0	492,415	26,412,355	0	
Unrestricted Investment Income					2,000	4,353	6,353	53,303	9,861	
Miscellaneous					46,938	7,277	54,215	100,243	0	
Pension Income					100,346	1,014	101,360	181,896	0	
Total General Revenues					\$ 8,825,102	\$ 12,644	\$ 8,837,746	\$ 32,230,759	\$ 9,861	
Change in Net Position					\$ 2,852,846	\$ 6,268	\$ 2,859,114	\$ 1,464,502	\$ 136,783	
Net Position, July 1, 2014					7,612,716	1,637,839	9,250,555	25,354,550	6,246,704	
Restatement - Pension Liability (see Note I.D.8)					(178,452)	(1,803)	(180,255)	(5,934,822)	0	
Prior-period Adjustment (see Note VII.H)					0	0	0	0	(59,658)	
Net Position, June 30, 2015					\$ 10,287,110	\$ 1,642,304	\$ 11,929,414	\$ 20,884,230	\$ 6,323,829	

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 147,021	\$ 147,021
Equity in Pooled Cash and Investments	5,295,832	842,992	1,426,127	51,364	7,616,315
Accounts Receivable	13,123	11,405	37	1,361,269	1,385,834
Allowance for Uncollectibles	0	0	0	(764,676)	(764,676)
Due from Other Governments	360,922	1,207,458	1,682,715	0	3,251,095
Due from Other Funds	1,658	0	0	0	1,658
Property Taxes Receivable	6,300,503	872,629	125,986	0	7,299,118
Allowance for Uncollectible Property Taxes	(130,509)	(18,076)	(2,610)	0	(151,195)
Total Assets	<u>\$ 11,841,529</u>	<u>\$ 2,916,408</u>	<u>\$ 3,232,255</u>	<u>\$ 794,978</u>	<u>\$ 18,785,170</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 42,795	\$ 0	\$ 0	\$ 16,278	\$ 59,073
Accrued Payroll	0	1,435	0	34,166	35,601
Payroll Deductions Payable	39,161	0	0	0	39,161
Contracts Payable	0	815,409	0	0	815,409
Due to Other Funds	0	0	0	1,658	1,658
Due to State of Tennessee	2,878	0	0	0	2,878
Total Liabilities	<u>\$ 84,834</u>	<u>\$ 816,844</u>	<u>\$ 0</u>	<u>\$ 52,102</u>	<u>\$ 953,780</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 5,750,776	\$ 787,126	\$ 120,444	\$ 0	\$ 6,658,346
Deferred Delinquent Property Taxes	378,306	60,847	2,584	0	441,737
Other Deferred/Unavailable Revenue	133,865	167,020	177	0	301,062
Total Deferred Inflows of Resources	<u>\$ 6,262,947</u>	<u>\$ 1,014,993</u>	<u>\$ 123,205</u>	<u>\$ 0</u>	<u>\$ 7,401,145</u>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Administration of Justice	\$ 57,612	\$ 0	\$ 0	\$ 0	\$ 57,612
Restricted for Public Safety	10,025	0	0	47,822	57,847
Restricted for Public Health and Welfare	17,355	0	0	691,665	709,020
Restricted for Social, Cultural, and Recreational Services	141,358	0	0	3,389	144,747
Restricted for Highways/Public Works	0	746,093	0	0	746,093
Restricted for Debt Service	0	0	3,063,926	0	3,063,926
Committed:					
Committed for Highways/Public Works	0	338,478	0	0	338,478
Committed for Debt Service	0	0	45,124	0	45,124
Unassigned	5,267,398	0	0	0	5,267,398
Total Fund Balances	<u>\$ 5,493,748</u>	<u>\$ 1,084,571</u>	<u>\$ 3,109,050</u>	<u>\$ 742,876</u>	<u>\$ 10,430,245</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,841,529</u>	<u>\$ 2,916,408</u>	<u>\$ 3,232,255</u>	<u>\$ 794,978</u>	<u>\$ 18,785,170</u>

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

Exhibit C-2

Lauderdale 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)		\$ 10,430,245	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$ 915,927		
Add: buildings and improvements net of accumulated depreciation	4,754,174		
Add: infrastructure net of accumulated depreciation	2,313,566		
Add: other capital assets net of accumulated depreciation	<u>1,174,588</u>	9,158,255	
(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	\$ (2,595,514)		
Less: bonds payable	(7,735,000)		
Less: capital lease payable	(257,165)		
Add: debt to be contributed by the School Department	257,165		
Less: accrued interest on bonds and capital lease	(46,890)		
Less: unamortized premium on debt	(108,250)		
Add: deferred amount on refunding	<u>153,852</u>	(10,331,802)	
(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 related to pensions	\$ 365,719		
Less: deferred inflows related to pensions	<u>(1,013,688)</u>	(647,969)	
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			935,582
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>742,799</u>
Net position of governmental activities (Exhibit A)			<u>\$ 10,287,110</u>

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

Exhibit C-3

Lauderdale 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	\$ 7,299,334	\$ 1,073,411	\$ 146,473	\$ 1,331	\$ 8,520,549
Licenses and Permits	29,487	848	37	0	30,372
Fines, Forfeitures, and Penalties	139,945	0	0	20,945	160,890
Charges for Current Services	85,456	0	0	1,128,033	1,213,489
Other Local Revenues	122,530	21,820	0	3	144,353
Fees Received from County Officials	1,087,124	0	0	0	1,087,124
State of Tennessee	1,362,679	3,143,409	0	0	4,506,088
Federal Government	97,945	0	0	0	97,945
Other Governments and Citizens Groups	276,918	0	1,995,201	0	2,272,119
Total Revenues	\$ 10,501,418	\$ 4,239,488	\$ 2,141,711	\$ 1,150,312	\$ 18,032,929
<u>Expenditures</u>					
Current:					
General Government	\$ 1,119,208	\$ 0	\$ 0	\$ 0	\$ 1,119,208
Finance	709,296	0	0	0	709,296
Administration of Justice	1,544,626	0	0	0	1,544,626
Public Safety	4,231,497	0	0	3,512	4,235,009
Public Health and Welfare	460,874	0	0	1,166,327	1,627,201
Social, Cultural, and Recreational Services	191,423	0	0	1,581	193,004
Agriculture and Natural Resources	229,813	0	0	0	229,813
Other Operations	766,422	0	0	0	766,422
Highways	0	3,963,827	0	0	3,963,827
Instruction	59,891	0	0	0	59,891
Debt Service:					
Principal on Debt	0	0	1,805,680	0	1,805,680
Interest on Debt	0	0	326,707	0	326,707

(Continued)

Exhibit C-3

Lauderdale 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 (Cont.)					
Other Debt Service	\$ 0	\$ 0	\$ 107,806	\$ 0	\$ 107,806
Capital Projects	110,440	0	0	0	110,440
Total Expenditures	<u>\$ 9,423,490</u>	<u>\$ 3,963,827</u>	<u>\$ 2,240,193</u>	<u>\$ 1,171,420</u>	<u>\$ 16,798,930</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,077,928</u>	<u>\$ 275,661</u>	<u>\$ (98,482)</u>	<u>\$ (21,108)</u>	<u>\$ 1,233,999</u>
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 26,676	\$ 0	\$ 0	\$ 0	\$ 26,676
Transfers In	0	0	0	35,000	35,000
Transfers Out	(35,000)	0	0	0	(35,000)
Total Other Financing Sources (Uses)	<u>\$ (8,324)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 35,000</u>	<u>\$ 26,676</u>
Net Change in Fund Balances	\$ 1,069,604	\$ 275,661	\$ (98,482)	\$ 13,892	\$ 1,260,675
Fund Balance, July 1, 2014	<u>4,424,144</u>	<u>808,910</u>	<u>3,207,532</u>	<u>728,984</u>	<u>9,169,570</u>
Fund Balance, June 30, 2015	<u>\$ 5,493,748</u>	<u>\$ 1,084,571</u>	<u>\$ 3,109,050</u>	<u>\$ 742,876</u>	<u>\$ 10,430,245</u>

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

Exhibit C-4

Lauderdale 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)		\$ 1,260,675
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 668,495	
Less: current-year depreciation expense	<u>(1,071,025)</u>	(402,530)
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$ 742,799	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(881,179)</u>	(138,380)
<p>(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Add: principal payments on note	\$ 71,427	
Add: principal payments on other loans	215,431	
Add: principal payments on bonds	1,395,000	
Add: principal payments on capital lease	123,822	
Less: contributions from the School Department for a capital lease	(123,822)	
Add: change in premium on debt issuances	16,687	
Less: change in deferred amount on refunding debt	<u>(45,029)</u>	1,653,516
<p>(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.</p>		
Change in accrued interest payable	\$ 13,500	
Change in net pension asset	1,114,034	
Change in deferred outflows related to pensions	365,719	
Change in deferred inflows related to pensions	<u>(1,013,688)</u>	<u>479,565</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,852,846</u>

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

Exhibit C-5

Lauderdale 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	\$ 7,299,334	\$ 6,932,424	\$ 6,933,074	\$ 366,260
Licenses and Permits	29,487	19,750	19,750	9,737
Fines, Forfeitures, and Penalties	139,945	129,160	129,160	10,785
Charges for Current Services	85,456	75,200	75,200	10,256
Other Local Revenues	122,530	76,300	76,300	46,230
Fees Received from County Officials	1,087,124	970,000	970,000	117,124
State of Tennessee	1,362,679	2,225,418	2,252,372	(889,693)
Federal Government	97,945	98,358	137,680	(39,735)
Other Governments and Citizens Groups	276,918	273,000	273,000	3,918
Total Revenues	\$ 10,501,418	\$ 10,799,610	\$ 10,866,536	\$ (365,118)
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 53,389	\$ 59,250	\$ 59,250	\$ 5,861
County Mayor/Executive	219,006	243,038	243,389	24,383
County Attorney	3,165	15,000	15,000	11,835
Election Commission	233,657	276,545	276,545	42,888
Register of Deeds	135,080	138,152	142,651	7,571
Development	98,855	115,000	115,000	16,145
Planning	14,318	27,015	27,015	12,697
County Buildings	357,612	388,228	387,153	29,541
Other General Administration	4,126	4,450	4,450	324
<u>Finance</u>				
Property Assessor's Office	204,406	207,035	209,141	4,735
Reappraisal Program	20,964	33,320	31,214	10,250
County Trustee's Office	210,514	215,074	216,000	5,486
County Clerk's Office	273,412	279,656	284,007	10,595
<u>Administration of Justice</u>				
Circuit Court	223,098	244,568	244,919	21,821
General Sessions Judge	100,396	103,271	103,271	2,875
General Sessions Court Clerk	262,597	284,355	291,455	28,858
Chancery Court	157,024	162,248	162,248	5,224
Juvenile Court	718,251	738,615	738,615	20,364
Other Administration of Justice	68,260	68,571	68,571	311
Victims Assistance Programs	15,000	15,000	15,000	0
<u>Public Safety</u>				
Sheriff's Department	2,207,164	2,329,193	2,329,925	122,761
Administration of the Sexual Offender Registry	1,512	3,000	3,000	1,488
Jail	1,869,174	1,866,387	1,978,008	108,834
Fire Prevention and Control	53,106	59,230	59,230	6,124
Civil Defense	19,536	22,545	38,614	19,078
Rescue Squad	4,354	4,355	4,355	1
Other Emergency Management	76,651	85,638	85,638	8,987

(Continued)

Exhibit C-5

Lauderdale 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</u>				
Local Health Center	\$ 53,114	\$ 58,112	\$ 58,112	\$ 4,998
Rabies and Animal Control	72,758	100,235	100,235	27,477
Dental Health Program	104,027	171,900	176,900	72,873
Alcohol and Drug Programs	56,968	61,142	61,142	4,174
Other Local Health Services	103,783	83,975	118,975	15,192
Sanitation Education/Information	49,192	53,482	53,482	4,290
Other Public Health and Welfare	21,032	18,135	39,239	18,207
<u>Social, Cultural, and Recreational Services</u>				
Libraries	153,323	184,043	184,043	30,720
Parks and Fair Boards	38,100	38,100	38,100	0
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	103,190	110,741	111,816	8,626
Soil Conservation	126,623	126,597	128,597	1,974
<u>Other Operations</u>				
Housing and Urban Development	12,459	10,813	34,066	21,607
Veterans' Services	17,186	18,182	18,182	996
Other Charges	211,031	195,673	215,773	4,742
Contributions to Other Agencies	170,612	172,613	172,613	2,001
Employee Benefits	352,074	405,000	384,900	32,826
Miscellaneous	3,060	21,750	15,950	12,890
<u>Instruction</u>				
Student Body Education Program	59,891	69,550	69,550	9,659
<u>Capital Projects</u>				
Highway and Street Capital Projects	110,440	1,042,322	1,042,322	931,882
Total Expenditures	\$ 9,423,490	\$ 10,931,104	\$ 11,157,661	\$ 1,734,171
Excess (Deficiency) of Revenues				
Over Expenditures	\$ 1,077,928	\$ (131,494)	\$ (291,125)	\$ 1,369,053
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 26,676	\$ 0	\$ 0	\$ 26,676
Transfers Out	(35,000)	0	(35,000)	0
Total Other Financing Sources	\$ (8,324)	\$ 0	\$ (35,000)	\$ 26,676
Net Change in Fund Balance	\$ 1,069,604	\$ (131,494)	\$ (326,125)	\$ 1,395,729
Fund Balance, July 1, 2014	4,424,144	4,430,839	4,430,839	(6,695)
Fund Balance, June 30, 2015	\$ 5,493,748	\$ 4,299,345	\$ 4,104,714	\$ 1,389,034

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

Exhibit C-6

Lauderdale 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	
Revenues				
Local Taxes	\$ 1,073,411	\$ 1,035,880	\$ 1,035,880	\$ 37,531
Licenses and Permits	848	750	750	98
Other Local Revenues	21,820	8,000	8,000	13,820
State of Tennessee	3,143,409	2,389,812	2,389,812	753,597
Total Revenues	\$ 4,239,488	\$ 3,434,442	\$ 3,434,442	\$ 805,046
Expenditures				
Highways				
Administration	\$ 206,171	\$ 202,846	\$ 209,383	\$ 3,212
Highway and Bridge Maintenance	1,135,093	1,396,754	1,389,434	254,341
Operation and Maintenance of Equipment	481,064	592,512	593,295	112,231
Other Charges	137,160	141,865	141,865	4,705
Employee Benefits	401,384	431,253	431,253	29,869
Capital Outlay	1,602,955	936,000	1,218,184	(384,771)
Total Expenditures	\$ 3,963,827	\$ 3,701,230	\$ 3,983,414	\$ 19,587
Excess (Deficiency) of Revenues Over Expenditures	\$ 275,661	\$ (266,788)	\$ (548,972)	\$ 824,633
Net Change in Fund Balance	\$ 275,661	\$ (266,788)	\$ (548,972)	\$ 824,633
Fund Balance, July 1, 2014	808,910	702,487	702,487	106,423
Fund Balance, June 30, 2015	\$ 1,084,571	\$ 435,699	\$ 153,515	\$ 931,056

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

Exhibit D-1

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

	Business-type Activities Major Fund Solid Waste Disposal
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 1,115,737
Accounts Receivable	38,115
Due from Other Governments	19,216
Total Current Assets	<u>\$ 1,173,068</u>
Noncurrent Assets:	
Net Pension Asset - Agent Plan	\$ 9,450
Capital Assets:	
Assets Not Depreciated:	
Land	160,000
Assets Net of Accumulated Depreciated:	
Buildings and Improvements	310,655
Machinery and Equipment	167,072
Total Noncurrent Assets	<u>\$ 647,177</u>
Total Assets	<u>\$ 1,820,245</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension Contributions After Measurement Date	\$ 5,464
Total Deferred Outflows of Resources	<u>\$ 5,464</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 20,978
Payroll Deductions Payable	880
Total Current Liabilities	<u>\$ 21,858</u>
Noncurrent Liabilities:	
Due Within One Year	\$ 6,974
Due in More Than One Year	144,334
Total Noncurrent Liabilities	<u>\$ 151,308</u>
Total Liabilities	<u>\$ 189,423</u>

(Continued)

Exhibit D-1

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

	Business-type Activities
	<u>Major Fund</u>
	Solid
	Waste
	<u>Disposal</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension Changes in Experience	\$ 1,087
Pension Changes in Investment Earnings	<u>9,152</u>
Total Deferred Inflows of Resources	<u>\$ 10,239</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 637,727
Unrestricted	<u>1,004,577</u>
Total Net Position	<u>\$ 1,642,304</u>

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

Exhibit D-2

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

	Business-type Activities
	<u>Major Fund</u>
	Solid Waste Disposal
<u>Operating Revenues</u>	
Tipping Fees	\$ 477,065
Sale of Recycled Materials	669
Total Operating Revenues	<u>\$ 477,734</u>
<u>Operating Expenses</u>	
Supervisor/Director	\$ 27,508
Salary Supplements	5,150
Equipment Operators	52,146
Social Security	4,305
Employee and Dependent Insurance	32,350
Employer Medicare	1,007
Communication	1,337
Contracts with Private Agencies	272,978
Maintenance Agreements	5,500
Maintenance and Repair Services - Buildings	2,779
Maintenance and Repair Services - Equipment	6,063
Travel	1,159
Diesel Fuel	7,139
Gasoline	1,358
Office Supplies	1,131
Utilities	3,587
Other Supplies and Materials	2,221
Building and Contents Insurance	612
Medical Claims	14,397
Trustee's Commission	48
Vehicle and Equipment Insurance	415
Worker's Compensation Insurance	3,098
Depreciation	54,830
Landfill Closure/Postclosure Care Costs	2,309
Total Operating Expenses	<u>\$ 503,427</u>
Operating Income (Loss)	<u>\$ (25,693)</u>

(Continued)

Exhibit D-2

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

	Business-type Activities
	<u>Major Fund</u>
	Solid Waste Disposal
<u>Nonoperating Revenues (Expenses)</u>	
Recycling Equipment Grants	\$ 19,317
Investment Income	4,353
Pension Income	1,014
State Tire Tax	<u>7,277</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 31,961</u>
Change in Net Position	\$ 6,268
Net Position, July 1, 2014	1,637,839
Restatement - Pension Liability (see Note I.D.8)	<u>(1,803)</u>
Net Position, June 30, 2015	<u><u>\$ 1,642,304</u></u>

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

Exhibit D-3

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

	Business-type Activities
	<u>Major Fund</u>
	Solid Waste Disposal
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 461,667
Receipts from Others	669
Payments for Waste Collections and Disposal Activity	(457,162)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 5,174</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition of Capital Assets	\$ (147,361)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (147,361)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Receipts from Grants	\$ 19,217
State Tire Tax	7,377
Pension Contributions After Measurement Date	(5,464)
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 21,130</u>
<u>Cash Flows from Investing Activities</u>	
Investment Income	\$ 4,353
Net Cash Provided By (Used In) Investing Activities	<u>\$ 4,353</u>
Increase (Decrease) in Cash	\$ (116,704)
Cash, July 1, 2014	<u>1,232,441</u>
Cash, June 30, 2015	<u>\$ 1,115,737</u>
<u>Reconciliation of Net Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (25,693)
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	54,830
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(4,244)
(Increase) Decrease in Due from Other Governments	(11,154)
Increase (Decrease) in Accounts Payable	(485)
Increase (Decrease) in Payroll Deductions Payable	(3,414)
Increase (Decrease) in Accrued Liability for Landfill Closure/Postclosure Care Costs	<u>(4,666)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 5,174</u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash Per Net Position	<u>\$ 1,115,737</u>
Cash, June 30, 2015	<u>\$ 1,115,737</u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 660,127
Equity in Pooled Cash and Investments	1,846,449
Accounts Receivable	5,498
Due from Other Governments	<u>390,135</u>
Total Assets	<u>\$ 2,902,209</u>
<u>LIABILITIES</u>	
Due to Cities	\$ 172,481
Due to Other Taxing Units	1,682,538
Due to Litigants, Heirs, and Others	818,141
Due to Joint Ventures	<u>229,049</u>
Total Liabilities	<u>\$ 2,902,209</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lauderdale 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 Lauderdale County:

A. Reporting Entity

Lauderdale County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Lauderdale 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 Lauderdale County School Department operates the public school system in the county, and the voters of Lauderdale 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 Lauderdale County Water System provides water to the residents of Lauderdale County in unincorporated areas. The system's governing body is appointed by the Lauderdale County Commission, and its operating budget is subject to the County Commission's approval.

The Lauderdale County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Lauderdale County, and the Lauderdale 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 Lauderdale 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 Lauderdale 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 Lauderdale County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Lauderdale County Water System and the Lauderdale County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Lauderdale County Water System
551 Central Curve Road
P.O. Box 527
Ripley, TN 38063

Lauderdale County Emergency Communications District
671 Highway 51 South
P.O. Box 142
Ripley, TN 38063

Related Organization – The Lauderdale County Industrial Development Board is a related organization of Lauderdale County. The county’s officials are responsible for appointing the members of the board, but the county’s accountability for the organization does not extend beyond making the appointments.

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. The primary government of Lauderdale County has one business-type activity to report (the Solid Waste Disposal Fund). Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Lauderdale 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.

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

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

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

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

Fund financial statements of Lauderdale 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. Lauderdale County only 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. Lauderdale 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.

Lauderdale 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.

Lauderdale County reports the following major proprietary fund:

Solid Waste Disposal Fund – This fund accounts for solid waste disposal operations of the Lauderdale County landfill.

Additionally, Lauderdale County reports the following fund types:

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Lauderdale County, federal funds used to account for the repairs and upgrade of the waste water system for the City of Ripley, and state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

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

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

Additionally, the Lauderdale 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.

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

1. Deposits and Investments

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

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

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

2. Receivables and Payables

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

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.07 percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is

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

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

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

3. Capital Assets

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 40
Other Capital Assets	5 - 20
Infrastructure:	
Roads	20
Bridges	20 - 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 debt, 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, pension changes in proportionate share of contributions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. Compensated Absences

The general policy of Lauderdale County (with the exception of sick leave for employees of the Highway Department) does not allow employees to accumulate sick and vacation days beyond the end of the fiscal year. The Highway Department's policy allows employees to accumulate up to 72 days sick leave; however, the granting of sick leave

has no guaranteed payment attached and therefore is not required to be accrued or recorded.

The School Department's personnel policy does not allow employees to accumulate vacation days beyond the end of the fiscal year. Professional personnel are allowed to accumulate an unlimited amount of sick leave days and full-time non-professional employees can accumulate a limited amount of sick leave days based upon the number of months employed. 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 government.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and are 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 landfill postclosure care costs and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Position and Fund Balance

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

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

As of June 30, 2015, Lauderdale County had \$9,911,679 in outstanding debt for capital purposes for the discretely presented Lauderdale County School Department. This debt is a liability of Lauderdale County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Lauderdale County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

Committed Fund Balance – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the County Commission, the county's

highest level of decision-making authority and the Board of Education, the School Department's highest level of decision-making authority, and shall remain binding unless removed in the same manner.

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has by resolution authorized the county's Budget Committee to make assignments for 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 Lauderdale County's beginning net position by \$178,452 in the primary government's governmental activities and by \$1,803 in the business-type activities has been recognized on the Statement of Activities. In addition, a restatement decreasing the Lauderdale County School Department's beginning net position by \$5,934,822 has been recognized on the Statement of Activities for liabilities of the pension agent plan (\$203,071) and the pension cost-sharing plan (\$5,731,751).

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

Exhibit J-5 includes explanations of the nature of individual elements of items required to reconcile the net changes 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 funds (special revenue fund), which is not budgeted. 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, County Mayor/Executive, County Attorney, Election Commission, 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.

B. Cash Overdraft

The discretely presented School Federal Projects Fund had a cash overdraft of \$57,767 at June 30, 2015. This cash overdraft resulted from the issuance of checks exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2015.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Capital Outlay major appropriation category (the legal level of control) of the Highway/Public Works Fund by \$384,771. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance in the Highway/Public Works Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Lauderdale County (with the exception of the Lauderdale County Ambulance Service, special revenue fund), the Lauderdale County School Department, and the Lauderdale County Water System 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 and nonpooled investments as of June 30, 2015.

B. Capital Assets

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

Primary Government - Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 915,927	\$ 0	\$ 0	\$ 915,927
Total Capital Assets Not Depreciated	<u>\$ 915,927</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 915,927</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,285,308	\$ 0	\$ 0	\$ 11,285,308
Infrastructure	2,635,633	494,790	0	3,130,423
Other Capital Assets	6,621,555	173,705	(106,600)	6,688,660
Total Capital Assets Depreciated	<u>\$ 20,542,496</u>	<u>\$ 668,495</u>	<u>\$ (106,600)</u>	<u>\$ 21,104,391</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,091,907	\$ 439,227	\$ 0	\$ 6,531,134
Infrastructure	718,738	98,119	0	816,857
Other Capital Assets	5,086,993	533,679	(106,600)	5,514,072
Total Accumulated Depreciation	<u>\$ 11,897,638</u>	<u>\$ 1,071,025</u>	<u>\$ (106,600)</u>	<u>\$ 12,862,063</u>
Total Capital Assets Depreciated, Net	<u>\$ 8,644,858</u>	<u>\$ (402,530)</u>	<u>\$ 0</u>	<u>\$ 8,242,328</u>
Governmental Activities Capital Assets, Net	<u>\$ 9,560,785</u>	<u>\$ (402,530)</u>	<u>\$ 0</u>	<u>\$ 9,158,255</u>

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

Governmental Activities:

General Government	\$	48,509
Finance		16,517
Administration of Justice		89,941
Public Safety		298,405
Public Health and Welfare		125,153
Social, Cultural, and Recreational Services		42,421
Highway/Public Works		<u>450,079</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$</u>	 <u>1,071,025</u>

Primary Government - Business-type Activities:

	Balance 7-1-14	Increases	Balance 6-30-15
Capital Assets Not Depreciated:			
Land	\$ 160,000	\$ 0	\$ 160,000
Total Capital Assets Not Depreciated	<u>\$ 160,000</u>	<u>\$ 0</u>	<u>\$ 160,000</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 300,418	\$ 119,009	\$ 419,427
Other Capital Assets	761,564	28,352	789,916
Total Capital Assets Depreciated	<u>\$ 1,061,982</u>	<u>\$ 147,361</u>	<u>\$ 1,209,343</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 100,765	\$ 8,007	\$ 108,772
Other Capital Assets	576,021	46,823	622,844
Total Accumulated Depreciation	<u>\$ 676,786</u>	<u>\$ 54,830</u>	<u>\$ 731,616</u>
Total Capital Assets Depreciated, Net	<u>\$ 385,196</u>	<u>\$ 92,531</u>	<u>\$ 477,727</u>
Business-type Activities Capital Assets, Net	<u>\$ 545,196</u>	<u>\$ 92,531</u>	<u>\$ 637,727</u>

The business-type activities had no decreases in capital assets during the year. Depreciation expense for the business-type activities was \$54,830.

**Discretely Presented Lauderdale County School Department –
Governmental Activities:**

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 1,378,648	\$ 0	\$ 0	\$ 1,378,648
Total Capital Assets Not Depreciated	<u>\$ 1,378,648</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,378,648</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 39,476,610	\$ 0	\$ 0	\$ 39,476,610
Infrastructure	233,000	0	0	233,000
Other Capital Assets	7,178,310	315,370	(221,196)	7,272,484
Total Capital Assets Depreciated	<u>\$ 46,887,920</u>	<u>\$ 315,370</u>	<u>\$ (221,196)</u>	<u>\$ 46,982,094</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 20,883,182	\$ 1,022,464	\$ 0	\$ 21,905,646
Infrastructure	71,857	11,650	0	83,507
Other Capital Assets	4,552,477	424,992	(221,196)	4,756,273
Total Accumulated Depreciation	<u>\$ 25,507,516</u>	<u>\$ 1,459,106</u>	<u>\$ (221,196)</u>	<u>\$ 26,745,426</u>
Total Capital Assets Depreciated, Net	<u>\$ 21,380,404</u>	<u>\$ (1,143,736)</u>	<u>\$ 0</u>	<u>\$ 20,236,668</u>
Governmental Activities Capital Assets, Net	<u>\$ 22,759,052</u>	<u>\$ (1,143,736)</u>	<u>\$ 0</u>	<u>\$ 21,615,316</u>

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

Governmental Activities:

Instruction	\$ 1,104,970
Support Services	303,681
Operation of Non-instructional Services	<u>50,455</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,459,106</u>

C. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 1,658

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

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: Governmental Activities	Component Unit: School Department: Governmental Activities	\$ 257,165

The amount reflected in governmental activities as Due to the Primary Government from the discretely presented School Department is the balance of the capital lease issued by the county for the School Department as discussed in Note IV.E. The School Department has agreed to contribute the funds necessary to retire the debt.

Interfund Transfers:

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

Primary Government

<u>Transfer Out</u>	<u>Transfer In</u> Nonmajor Governmental Fund
General Fund	\$ 35,000

Discretely Presented Lauderdale County School Department

	<u>Transfer In</u>
	General
	Purpose
	School
<u>Transfer Out</u>	<u>Fund</u>
Nonmajor governmental fund	\$ 74,178

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

D. Capital Lease

On August 30, 2013, Lauderdale County entered into a three-year lease-purchase agreement for the School Department for computers. Terms of the agreement require total lease payments of \$514,486 plus interest of 2.54 percent. The School Department is making contributions to the primary government's General Debt Service Fund for these lease payments. In the government-wide financial statements, the computers were expensed in the year of acquisition because those items did not meet criteria of the county's capitalization policy.

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

<u>Year Ending</u> <u>June 30</u>	<u>Governmental</u> <u>Funds</u>
2016	\$ 133,499
2017	133,498
Total Minimum Lease Payments	<u>\$ 266,997</u>
Less: Amount Representing Interest	<u>(9,832)</u>
Present Value of Minimum Lease Payments	<u><u>\$ 257,165</u></u>

E. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

Lauderdale 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 ten years for bonds and up to 17 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, other loans and the capital lease outstanding as of June 30, 2015, for governmental 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>
General Obligation Bonds -				
Refunding	2 to 4 %	4-1-22	\$ 13,835,000	\$ 7,735,000
Other Loans	Variable	9-15-27	3,523,000	2,595,514
Capital Lease	2.54	8-30-16	514,486	257,165

During the 2008-09 year, Lauderdale County entered into a loan agreement with the Montgomery County Public Building Authority. Under this agreement, the authority loaned \$1,000,000 to Lauderdale County for various renovation and improvement projects. This loan is repayable at an 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 (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2015, the variable interest rate was .26 percent and other fees totaled .66 percent of the outstanding loan principal with an annual \$1,020 trustee payment.

During the 2010-11 year, Lauderdale County entered into a loan agreement with the Tennessee State School Board Authority. Under this loan agreement, the authority loaned Lauderdale County \$2,523,000 for rehabilitation and repairs of county school buildings. This loan earns interest monthly based upon

the local government investment pool rate, which is netted against the annual principal payment. The county pays an annual administrative fee of \$2,018 under this agreement. The loan retirement schedule also includes equal monthly payments of interest; however, the county will semi-annually receive a federal interest subsidy, which will offset these payments.

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 June 30	Bonds		
	Principal	Interest	Total
2016	\$ 1,440,000	\$ 168,244	\$ 1,608,244
2017	1,485,000	129,044	1,614,044
2018	1,065,000	99,344	1,164,344
2019	1,000,000	78,044	1,078,044
2020	1,000,000	58,044	1,058,044
2021-2022	1,745,000	55,367	1,800,367
Total	\$ 7,735,000	\$ 588,087	\$ 8,323,087

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2016	\$ 216,431	\$ 124,073	\$ 7,500	\$ 348,004
2017	218,431	123,919	7,111	349,461
2018	220,431	123,760	6,708	350,899
2019	222,431	123,597	6,292	352,320
2020	224,431	123,428	5,863	353,722
2021-2025	1,148,155	614,449	22,485	1,785,089
2026-2028	345,204	256,676	4,541	606,421
Total	\$ 2,595,514	\$ 1,489,902	\$ 60,500	\$ 4,145,916

There is \$3,109,050 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, other loans and the capital lease totaled \$381, based on the 2010 federal census.

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

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-15</u>
<u>Capital Lease Payable</u>	
<u>Contributions from the General Purpose School and School Federal Projects Funds</u>	
Laptop Computers	\$ 257,165

Changes in Long-term Obligations

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

Governmental Activities:

	<u>Bonds</u>	<u>Note</u>
Balance, July 1, 2014	\$ 9,130,000	\$ 71,427
Reductions	<u>(1,395,000)</u>	<u>(71,427)</u>
Balance, June 30, 2015	<u>\$ 7,735,000</u>	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 1,440,000</u>	<u>\$ 0</u>
	<u>Other</u>	<u>Capital</u>
	<u>Loans</u>	<u>Lease</u>
Balance, July 1, 2014	\$ 2,810,945	\$ 380,987
Reductions	<u>(215,431)</u>	<u>(123,822)</u>
Balance, June 30, 2015	<u>\$ 2,595,514</u>	<u>\$ 257,165</u>
Balance Due Within One Year	<u>\$ 216,431</u>	<u>\$ 126,967</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 10,587,679
Less: Balance Due Within One Year	(1,783,398)
Add: Unamortized Premium on Debt	<u>108,250</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 8,912,531</u>

Lauderdale County Solid Waste Disposal Fund (enterprise fund)

Changes in Long-term Obligations

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

Business-type Activities:

	<u>Postclosure Care Costs</u>
Balance, July 1, 2014	\$ 155,974
Additions	2,309
Reductions	<u>(6,975)</u>
Balance, June 30, 2015	<u>\$ 151,308</u>
Balance Due Within One Year	<u>\$ 6,974</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 151,308
Less: Balance Due Within One Year	<u>(6,974)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 144,334</u>

Discretely Presented Lauderdale County School Department

Changes in Long-term Obligations

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

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2014	\$ 1,059,201
Additions	414,091
Reductions	<u>(355,415)</u>
Balance, June 30, 2015	<u>\$ 1,117,877</u>
Balance Due Within One Year	<u>\$ 0</u>

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

F. Pledges of Future Revenues

Local Option Sales Tax Revenues Pledged

In 1995, the citizens of Lauderdale County voted to increase the local option sales tax rate from two percent to 2.75 percent. The county and all local incorporated municipalities pledged their additional sales tax collections generated from the .75 percent increase to repay \$9 million and \$8 million in general obligation school bonds issued December 1, 1995, and March 1, 1996, respectively, to finance school construction/renovations and to provide salary improvements and/or increases for classroom teachers and principals for a period of ten years after the \$17 million school bonds are repaid. The county has pledged 100 percent of its .75 percent increase in sales tax collections for ten years, and the incorporated municipalities have pledged 100 percent for the first applicable year with a decrease of ten percent annually. This 1995 pledge continues for 52 percent of the refunding school bonds issued April 18, 2012, which were used for the second refunding involving the initial December 1, 1995, and March 1, 1996, general obligation school bonds issues, which have now been retired. The Series 2012 refunding bonds are also guaranteed by the county in the event the additional sales tax revenues are insufficient to meet the debt service requirements on the bonds. Total principal and interest requirements for the bonds are \$4,071,184 payable semi-annually through April 1, 2022. For the current year, principal and interest paid and sales tax revenues generated by the increase and other School Department revenues pledged were \$386,594 and \$1,121,704, respectively.

Component Unit Revenues Pledged for Primary Government Debt

The Lauderdale County School Department pledged, as security for bonds issued by Lauderdale County, \$1,200,000 annually with \$600,000 from its collections generated from 1.5 percent of a sales tax levy and \$600,000 from restricted funds received from the state for capital outlay purposes. The \$9,230,000 school refunding bonds issued by Lauderdale County in April 2012 were to provide financing for the refunding of other school bonds used for school construction and renovations and are payable through 2022. In addition, \$1,505,000 of the bonds issued by Lauderdale County in 2006 to provide financing for school refunding is payable through 2016. For the current year, principal and interest paid and revenues generated and appropriated by the School Department were \$1,220,850 and \$1,200,000, respectively.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Lauderdale 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 \$88,791 and \$32,700, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. **OTHER INFORMATION**

A. **Risk Management**

Employee Health Insurance

Primary Government

Lauderdale County purchases commercial insurance for the risks associated with employee health coverage. Pre-65 age retirees are not allowed to remain in the program.

Discretely Presented Lauderdale County School Department

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

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

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. Contingent Liabilities

Lauderdale County is contingently liable for 46.38 percent (\$2,240,000) of the \$4,830,000 general obligation lease rental revenue bonds issued by the Town of Ripley Industrial Development Board for the redevelopment of the county's property located within the Courthouse Square Revitalization Zone. As of June 30, 2015, future principal requirements were \$3,570,000, and future interest requirements were \$782,424.

There are several pending lawsuits in which the county is involved. Any potential claims against the county not covered by insurance resulting from such litigation should not materially affect the county's financial statements.

D. Changes in Administration

On August 31, 2014, Rod Schuh left the Office of County Mayor and was succeeded by Maurice Gaines, and Annie Laura Jennings left the Office of Register of Deeds and was succeeded by Greg Summar. On January 12, 2015, Roland Henderson left the Office of Highway Commissioner and was succeeded by Derek Kissell.

E. Landfill Closure/Postclosure Care Costs

Lauderdale 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. Lauderdale County closed its sanitary landfill in 2001. The \$151,308 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 Twenty-fifth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-fifth Judicial District, Fayette, Lauderdale, and Tipton counties and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Lauderdale County made no contributions to the DTF for the year ended June 30, 2015.

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. Lauderdale County contributed \$50,000 to HTL Advantage during the year.

The Lauderdale County Economic and Community Development Board (LCECD) is a joint venture between Lauderdale County, the City of Ripley, and the towns of Halls, Henning, and Gates. The board is comprised of the county, city and town mayors, and various other individuals for a total of 31 members. The purpose of the organization is to foster communications relative to economic and community development between and among governmental entities, industry, and private citizens. The county and cities provide the funding for the organization with membership dues based on population percentages. Lauderdale County contributed dues of \$35,000 to the LCECD for the year ended June 30, 2015.

Lauderdale County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the DTF, HTL Advantage, and LCECD can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
Twenty-fifth Judicial District Drug Task Force
121 North Main Street
Ripley, TN 38063

HTL Advantage
1469 South Main Street
Covington, TN 38019

Lauderdale County Economic and
Community Development Board
123 S. Jefferson Street
Ripley, TN 38063

G. Retirement Commitments

Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Lauderdale County, employees of the discretely presented Lauderdale County Water System, and non-certified employees of the discretely presented Lauderdale 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 45.98 percent, employees of the discretely presented Lauderdale County Water System comprise 2.22 percent, and the non-certified employees of the discretely presented School Department comprise 51.8 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members

are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available to vested members at age 55. Members vest with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria.

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	243
Inactive Employees Entitled to But Not Yet Receiving Benefits	195
Active Employees	<u>361</u>
Total	<u><u>799</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Lauderdale 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 Lauderdale County were \$649,869 based on a rate of 7.45 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Lauderdale 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)

Lauderdale 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	
Real Estate	0.98		29	
Short-term Securities	4.73		7	
	0.00		1	
Total			100	%

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

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from Lauderdale 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	\$ 28,661,565	\$ 27,436,174	\$ 1,225,391
Changes for the Year:			
Service Cost	\$ 715,057	\$ 0	\$ 715,057
Interest	2,148,509	0	2,148,509
Differences Between Expected and Actual Experience	(295,633)	0	(295,633)
Contributions-Employer	0	833,362	(833,362)
Contributions-Employees	0	489,533	(489,533)
Net Investment Income	0	4,540,036	(4,540,036)
Benefit Payments, Including Refunds of Employee Contributions	(1,459,681)	(1,459,681)	0
Administrative Expense	0	(14,296)	14,296
Net Changes	\$ 1,108,252	\$ 4,388,954	\$ (3,280,702)
Balance, June 30, 2014	\$ 29,769,817	\$ 31,825,128	\$ (2,055,311)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	45.98%	\$ 13,688,162	\$ 14,633,194	\$ (945,032)
Water System	2.22%	660,890	706,518	(45,628)
School Department	51.80%	15,420,765	16,485,416	(1,064,651)
Total		\$ 29,769,817	\$ 31,825,128	\$ (2,055,311)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Lauderdale 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>Lauderdale County</u>	6.5%	7.5%	8.5%
Net Pension Liability	\$ 1,612,602	\$ (2,055,311)	\$ (5,118,791)

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

Pension Income. For the year ended June 30, 2015, Lauderdale County recognized pension income of \$220,443.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, Lauderdale 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	\$ 236,506
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,990,391
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>649,869</u>	<u>N/A</u>
Total	<u>\$ 649,869</u>	<u>\$ 2,226,897</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	\$ 371,183	\$ 1,023,927
Water System	0	49,437
School Department	278,686	1,153,533
Total	\$ 649,869	\$ 2,226,897

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

Year Ending June 30	Amount
2016	\$ (556,724)
2017	(556,724)
2018	(556,724)
2019	(556,725)
2020	0
Thereafter	0

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

Discretely Presented Lauderdale County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Lauderdale County, the discretely presented Lauderdale County Water System, and non-certified employees of the discretely presented Lauderdale 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 45.98 percent, employees of the discretely presented Lauderdale County Water System comprise 2.22 percent, and the non-certified employees

of the discretely presented School Department comprise 51.8 percent of the plan based on census data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

Plan Description. Teachers of the Lauderdale 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.

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 \$40,541, 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 Lauderdale 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 Lauderdale County School Department reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 40,541	N/A

The Lauderdale County School Department’s employer contributions of \$40,541 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 Lauderdale 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.

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 Lauderdale County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$1,454,185, 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 Lauderdale County School Department reported an asset of \$71,224 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 Lauderdale 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 June 30, 2014, the Lauderdale County School Department's proportion was .438317 percent. The proportion measured as of June 30, 2013, was .441134 percent.

Pension Income. For the year ended June 30, 2015, the Lauderdale County School Department recognized a pension income of \$67,707.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the Lauderdale 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	\$ 172,916	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	5,868,446
Changes in Proportion and Differences Between LEAs Contributions and Proportionate Share of Contributions	0	39,738
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	<u>1,454,185</u>	<u>N/A</u>
Total	<u>\$ 1,627,101</u>	<u>\$ 5,908,184</u>

The Lauderdale County School Department's employer contributions of \$1,454,185 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	\$ (1,444,915)
2017	(1,444,915)
2018	(1,444,915)
2019	(1,444,915)
2020	22,196
Thereafter	22,196

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

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

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

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

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

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

Asset Class	Percentage Long-term Expected Real Rate of Return	%	Percentage Target Allocations	%
U.S. Equity Developed Market	6.46	%	33	%
International Equity Emerging Market	6.26		17	
International Equity Private Equity and Strategic Lending	6.40		5	
U.S. Fixed Income Real Estate	4.61		8	
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 the Lauderdale 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 the Lauderdale 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 \$ 12,012,816 (71,224) \$ (10,075,500)

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 healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *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 employer in the plan develops its 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. The School Department pays \$100 per month toward the cost of health insurance premiums for retired certified staff who meet the following criteria:

1. Thirty years of total teaching experience
2. Twenty years of the experience in Lauderdale County
3. Covered under the group insurance plan at the time of retirement

4. Younger than 65

During the year ended June 30, 2015, the Lauderdale School Department contributed \$355,415 for postemployment health insurance premiums.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
	<hr/>
ARC	\$ 413,000
Interest on the NOPEBO	42,368
Adjustment to the ARC	(41,277)
Annual OPEB cost	<hr/> \$ 414,091
Amount of contribution	(355,415)
Increase/decrease in NOPEBO	<hr/> \$ 58,676
Net OPEB obligation, 7-1-14	<hr/> 1,059,201
Net OPEB obligation, 6-30-15	<hr/> <hr/> \$ 1,117,877

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
<hr/>				
6-30-13	Local Education Group	\$ 535,804	66.01 %	\$ 1,075,210
6-30-14	"	400,107	104.00	1,059,201
6-30-15	"	414,091	85.83	1,117,877

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)	\$ 3,355,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 3,355,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 19,380,978
UAAL as a % of covered payroll	17%

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 Highway Commissioner

Purchasing procedures for the Highway Department are governed by Chapter 304, Private Acts of 1929 and provisions of Section 54-7-113, *TCA* (Uniform Road Law), which require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

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

VI. OTHER NOTES – LAUDERDALE COUNTY AMBULANCE AUTHORITY (SPECIAL REVENUE FUND)

A. Summary of Significant Accounting Policies

The Lauderdale County Ambulance Authority is a special revenue fund of Lauderdale County, Tennessee. Financial statements of the authority are consolidated into the financial statements of Lauderdale County, Tennessee. The authority is governed by a committee of the Lauderdale County Commission and provides ambulance services to the citizens of Lauderdale County.

The accounting and reporting policies of the authority relating to the activities included in the accompanying financial statements conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*. GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, along with the subsequent GASB pronouncements (Statements and Interpretations), and constitutes GAAP for governmental units. The more significant accounting policies of the authority are described below:

1. Reporting Entity

The authority, for financial purposes, includes all the funds relevant to the operations of the Lauderdale County Ambulance Authority.

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

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 are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures

generally are recorded when a liability is incurred, as under accrual accounting. Accounts receivable are reduced by an allowance for uncollectible accounts. The authority has one fund, which is a self-balancing account comprised of its assets, liabilities, fund equity, revenues, and expenditures.

B. Cash and Investments

Cash and cash equivalents consist of the following:

	Balance <u>6-30-15</u>
Cash in Bank	\$ 145,369

Cash in bank is insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Under the laws of Tennessee, the authority is authorized to invest with obligations of the United States or its agencies, direct obligations of the State of Tennessee or its agencies, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, and certificates of deposit insured by a Federal Deposit Insurance Corporation or the Tennessee Collateral Pool. During the year ended June 30, 2015, the authority did not own any types of securities other than those permitted by state statute.

C. Capital Assets

Capital assets are comprised of equipment purchased by the authority for the past ten years. All capital assets are capitalized and depreciated in the government-wide statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements. Assets purchased prior to July 1, 2004, are reflected within the financial statements of Lauderdale County in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34 (as amended by Statement No. 37).

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.

Depreciation of capital assets is computed and recorded by the straight-line method over the estimated useful lives of the assets. Estimated useful lives of the vehicles and equipment are five years. Total depreciation expense was \$69,297 for the year ended June 30, 2015.

Capital assets are summarized as follows:

	Balance		Balance	
	7-1-14	Increases	Decreases	6-30-15
Capital Assets Depreciated:				
Vehicles	\$ 527,239	\$ 0	\$ (106,600)	\$ 420,639
Equipment	126,825	2,786	0	129,611
Total Capital Assets Being Depreciated	\$ 654,064	\$ 2,786	\$ (106,600)	\$ 550,250
Less Accumulated Depreciation For:				
Vehicles	\$ 328,046	\$ 56,861	\$ (106,600)	\$ 278,307
Equipment	86,849	12,436	0	99,285
Total Depreciation	\$ 414,895	\$ 69,297	\$ (106,600)	\$ 377,592
Total Capital Assets, Net of Depreciation	\$ 239,169	\$ (66,511)	\$ 0	\$ 172,658

D. Allowance for Uncollectible Accounts

The authority's allowance for estimated uncollectible receivables at June 30, 2015, was \$764,676.

E. Compensated Absences

The authority pays employees the value of all accumulated vacation and personal days prior to the end of the fiscal year. Therefore, no compensated absences are reflected within these statements.

F. Estimates

Management is required to make estimates and assumptions that may affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

G. Fund Equity

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by the creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the authority's board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the authority's board. Unassigned fund balance is the net resources in excess of what can be properly classified in one of the above categories.

When both restricted and unrestricted fund balances are available for use, it is the authority's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

H. Stewardship, Compliance, and Accountability

Budgetary information – An annual budget is adopted by the Ambulance Committee of the Lauderdale County Commission on a basis consistent with generally accepted accounting principles, and the budget is approved by the Lauderdale County Commission. Amendments require the approval of the County Commission. All annual appropriations lapse at fiscal year-end.

I. Pension Plan

The pension fund of the Lauderdale County Ambulance Authority is included in the total retirement program for Lauderdale County, Tennessee, under the Tennessee Consolidated Retirement System. Five percent is deducted from the employees' checks, and the county pays a percentage match of 8.87 percent to fund the employees retirement. Retirement is based on 30 years of service or reaching the age of 60. For details relative to the funding status and progress, actuarial determined contribution requirements and contributions made, and trend information, refer to Note V.G.

J. Risk Management

The authority 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. The authority has purchased commercial insurance for all of the above risks. Settled claims have not exceeded this coverage in any of the past three years.

K. Concentration of Credit Risk

The authority receives its operating funds from governmental agencies, private insurance companies, and citizens served. While the authority has a broad consumer base, the ability to pay is dependent on the economic conditions of the area and the policies of the various governmental agencies and private insurance.

VII. OTHER NOTES – DISCRETELY PRESENTED LAUDERDALE COUNTY WATER SYSTEM

A. Reporting Entity

The Lauderdale County Water System was created in 1974. The Lauderdale County Commission appoints the system's five-member board, approves the

system's operating budget, and is liable for any unpaid debt of the water system. The water system provides water service to unincorporated areas of Lauderdale County. Financial statements of the water system are incorporated into the financial statements of Lauderdale County, Tennessee, as a component unit.

B. Summary of Significant Accounting Policies

Basis of Presentation and Accounting

The financial statements of Lauderdale County Water System have been prepared in conformity with accounting principles applicable to governmental units, which are generally accepted in the United States of America. GASB is the accepted standard setting body for establishing accounting and financial reporting principles.

The Lauderdale County Water System is a proprietary fund; its operating revenues result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives essentially equal values. Nonoperating revenues, such as interest income, result from nonexchange transactions or ancillary activities.

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions on behalf of the Lauderdale County Water System, the reporting entity. Revenues are reported when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Deposits and Investments

The water system'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.

Under the laws of Tennessee, the water system is authorized to invest in obligations of the United States or any of its agencies, direct obligations of the State of Tennessee or its agencies, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, certificates of deposit if insured by the Federal Deposit Insurance Corporation or the Tennessee Collateral Pool. During the year ended June 30, 2015, the water system did not own any types of securities other than those permitted by statute.

Investments for the water system are in the form of certificates of deposit and are reported at fair value.

Capital Assets

Purchased or constructed capital assets are reported at cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Asset</u>	<u>Years</u>
Utility Plant in Service	10 - 50
Equipment	2 - 10

Receivable

Accounts receivable arise from water services rendered to the customers of the water system. The board of directors authorizes write-downs of customer billings due to leaks and write-offs of accounts considered uncollectible. Amounts subsequently collected from a bad-debt write-off are recorded as income.

General Statement

The water system complies with accounting principles generally accepted in the United States of America. Generally accepted accounting principles (GAAP) includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The water system applies to all GASB pronouncements (including all NCGA Statements and Interpretations currently in effect).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Compensated Absences

The water system accrues vacation and compensated time for its employees to use in future periods.

Inventory

Inventory of supplies are recorded at historical cost using the first-in first-out method.

Risk Management

The water system is exposed to various risks or losses related to tort; theft of, damage to assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2015, the water system was covered by insurance for these various risks at a cost it considered to be economically justifiable. There were no significant reductions in coverage the past fiscal year and there were no settlements exceeding commercial insurance coverage in any of the past three years.

Restricted Resources

The water system elects to use restricted assets before unrestricted assets when the situation arises where either can be used.

C. Deposits and Investments

The water system’s deposits and investments at June 30, 2015, consisted of the following:

Deposits:	
Cash on Hand	\$ 245
Cash in Bank	1,218,373
Cash on Deposit with County Trustee	<u>1,442</u>
 Total Cash and Cash Equivalents	 <u><u>\$ 1,220,060</u></u>
 Investments:	
Certificates of Deposit Managed by County Trustee	<u><u>\$ 1,150,000</u></u>

The water system’s deposits and investments at June 30, 2015, were covered either by federal depository insurance, the Tennessee Collateral Pool, or securities held by the custodial bank in the county trustee’s name.

Interest Rate Risk. To minimize exposure to declines in fair value, the certificates of deposit have staggering maturity rates with maturity dates of one year.

Custodial Credit Risk. The certificates of deposit are held in the Lauderdale County Trustee’s Office name for the benefit of the water system and are not subject to custodial credit risk.

Concentrations of Credit Risk. The certificates of deposit are not subject to concentrations of credit risk as the custodial banks are either a member of the Tennessee Collateral Pool or provide securities held by the custodial bank as security for the funds invested.

D. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-14	Increases	Balance 6-30-15
Capital Assets Not Depreciated:			
Land	\$ 10,000	\$ 0	\$ 10,000
Total Capital Assets Not Depreciated	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 10,000</u>
Capital Assets Depreciated:			
Water Plant	\$ 8,285,369	\$ 460,516	\$ 8,745,885
Plant Equipment	94,847	11,500	106,347
Office Equipment	51,097	3,495	54,592
Equipment	294,599	0	294,599
Total Capital Assets Depreciated	<u>\$ 8,725,912</u>	<u>\$ 475,511</u>	<u>\$ 9,201,423</u>
Less Accumulated Depreciation:			
Water Plant	\$ 4,545,397	\$ 238,139	\$ 4,783,536
Plant Equipment	52,630	5,912	58,542
Office Equipment	43,116	3,311	46,427
Equipment	239,589	16,962	256,551
Total Accumulated Depreciation	<u>\$ 4,880,732</u>	<u>\$ 264,324</u>	<u>\$ 5,145,056</u>
Total Capital Assets Depreciated, Net	<u>\$ 3,845,180</u>	<u>\$ 211,187</u>	<u>\$ 4,056,367</u>
Business-type Activities Capital Assets, Net	<u>\$ 3,855,180</u>	<u>\$ 211,187</u>	<u>\$ 4,066,367</u>

E. Stewardship, Compliance, and Accountability

An annual budget is adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end. Some expenditures exceeded appropriations.

F. Concentration of Credit Risk

The water system receives its operating funds from fees charged to water customers in Lauderdale County, Tennessee. While the water system has a broad consumer base, the ability of customers to pay their accounts is dependent on the economic conditions of the area.

G. Retirement Plan

Employees of the water system are members of Lauderdale County's Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The retirement plan for the water system was included in the total retirement program for Lauderdale County. Lauderdale County required employees to contribute five percent of earnable compensation, and the water system is required to contribute at an actuarially determined rate. Retirement is based on 30 years of service or reaching the age of 60. For details relative to the funding status, contributions, retirement requirements, actuarial information, and trend information for the Lauderdale County plan, see Note V.G.

H. Prior-period Adjustment

The books were adjusted \$59,658 for the prior-period to reconcile the ledger of the water system to the cash on deposit with the county trustee.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

	<u>2014</u>
Total Pension Liability (Asset)	
Service Cost	\$ 715,057
Interest	2,148,509
Differences Between Actual and Expected Experience	(295,633)
Benefit Payments, including refunds of employee contributions	<u>(1,459,681)</u>
Net Change in Total Pension Liability (Asset)	\$ 1,108,252
Total Pension Liability (Asset), Beginning	<u>28,661,565</u>
Total Pension Liability (Asset), Ending (a)	<u>\$ 29,769,817</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 833,362
Contributions - Employee	489,533
Net Investment Income	4,540,036
Benefit Payments, including refunds of employee contributions	(1,459,681)
Administrative Expense	<u>(14,296)</u>
Net Change in Plan Fiduciary Net Position	\$ 4,388,954
Plan Fiduciary Net Position, Beginning	<u>27,436,174</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 31,825,128</u>
Net Pension Liability (Asset), Ending (a - b)	<u>\$ (2,055,311)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.90%
Covered Employee Payroll	\$ 9,396,711
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	21.87%

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

Note: data presented includes primary government, the discretely presented non-certified employees of the School Department, and the discretely presented Lauderdale County Water System.

Exhibit F-2

Lauderdale 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	\$ 833,362	\$ 649,869
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(833,362)</u>	<u>(649,869)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 9,396,711	\$ 8,739,815
Contributions as a Percentage of Covered Employee Payroll	8.87%	7.44%

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

Note: data presented includes primary government, the discretely presented non-certified employees of the School Department, and the discretely presented Lauderdale County Water System.

Exhibit F-3

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 25,338
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(40,541)</u>
Contribution Deficiency (Excess)	<u>\$ (15,203)</u>
Covered Employee Payroll	\$ 957,681
Contributions as a Percentage of Covered Employee Payroll	4.00%

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

Exhibit F-4

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 1,527,707	\$ 1,454,185
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(1,527,707)</u>	<u>(1,454,185)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 17,203,881	\$ 16,089,309
Contributions as a Percentage of Covered Employee Payroll	8.88%	9.04%

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

Exhibit F-5

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

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.438317%
School Department's Proportionate Share of the Net Pension Asset	\$ 71,224
Covered Employee Payroll	\$ 17,203,881
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

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

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-10	\$ 0	\$ 4,219	\$ 4,219	0 %	\$ 16,027	26 %
"	7-1-11	0	4,265	4,265	0	16,945	25
"	7-1-13	0	3,355	3,355	0	19,381	17

LAUDERDALE 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	Two Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Law Library Fund – The Law Library Fund is used to account for a special tax levied by private act on litigation. Proceeds of the tax must be expended for the benefit of the county’s law library.

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

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.

Exhibit G-1

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

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Law Library	Ambulance Service	Drug Control	Constitu- tional Officers - Fees	
<u>ASSETS</u>					
Cash	\$ 0	\$ 145,369	\$ 0	\$ 1,652	\$ 147,021
Equity in Pooled Cash and Investments	3,542	0	47,822	0	51,364
Accounts Receivable	0	1,361,263	0	6	1,361,269
Allowance for Uncollectibles	0	(764,676)	0	0	(764,676)
Total Assets	<u>\$ 3,542</u>	<u>\$ 741,956</u>	<u>\$ 47,822</u>	<u>\$ 1,658</u>	<u>\$ 794,978</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 153	\$ 16,125	\$ 0	\$ 0	\$ 16,278
Accrued Payroll	0	34,166	0	0	34,166
Due to Other Funds	0	0	0	1,658	1,658
Total Liabilities	<u>\$ 153</u>	<u>\$ 50,291</u>	<u>\$ 0</u>	<u>\$ 1,658</u>	<u>\$ 52,102</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 0	\$ 47,822	\$ 0	\$ 47,822
Restricted for Public Health and Welfare	0	691,665	0	0	691,665
Restricted for Social, Cultural, and Recreational Services	3,389	0	0	0	3,389
Total Fund Balances	<u>\$ 3,389</u>	<u>\$ 691,665</u>	<u>\$ 47,822</u>	<u>\$ 0</u>	<u>\$ 742,876</u>
Total Liabilities and Fund Balances	<u>\$ 3,542</u>	<u>\$ 741,956</u>	<u>\$ 47,822</u>	<u>\$ 1,658</u>	<u>\$ 794,978</u>

Exhibit G-2

Lauderdale 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				Total Nonmajor Governmental Funds
	Law Library	Ambulance Service	Drug Control	Constitu- tional Officers - Fees	
<u>Revenues</u>					
Local Taxes	\$ 1,331	\$ 0	\$ 0	\$ 0	\$ 1,331
Fines, Forfeitures, and Penalties	0	0	20,945	0	20,945
Charges for Current Services	0	1,127,838	0	195	1,128,033
Other Local Revenues	0	0	3	0	3
Total Revenues	<u>\$ 1,331</u>	<u>\$ 1,127,838</u>	<u>\$ 20,948</u>	<u>\$ 195</u>	<u>\$ 1,150,312</u>
<u>Expenditures</u>					
Current:					
Public Safety	\$ 0	\$ 0	\$ 3,317	\$ 195	\$ 3,512
Public Health and Welfare	0	1,166,327	0	0	1,166,327
Social, Cultural, and Recreational Services	1,581	0	0	0	1,581
Total Expenditures	<u>\$ 1,581</u>	<u>\$ 1,166,327</u>	<u>\$ 3,317</u>	<u>\$ 195</u>	<u>\$ 1,171,420</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (250)</u>	<u>\$ (38,489)</u>	<u>\$ 17,631</u>	<u>\$ 0</u>	<u>\$ (21,108)</u>
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 35,000	\$ 0	\$ 0	\$ 35,000
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 35,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 35,000</u>
Net Change in Fund Balances	\$ (250)	\$ (3,489)	\$ 17,631	\$ 0	\$ 13,892
Fund Balance, July 1, 2014	3,639	695,154	30,191	0	728,984
Fund Balance, June 30, 2015	<u>\$ 3,389</u>	<u>\$ 691,665</u>	<u>\$ 47,822</u>	<u>\$ 0</u>	<u>\$ 742,876</u>

Exhibit G-3

Lauderdale County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Law Library Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,331	\$ 1,000	\$ 1,000	\$ 331
Total Revenues	\$ 1,331	\$ 1,000	\$ 1,000	\$ 331
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 1,581	\$ 2,020	\$ 2,020	\$ 439
Total Expenditures	\$ 1,581	\$ 2,020	\$ 2,020	\$ 439
Excess (Deficiency) of Revenues Over Expenditures	\$ (250)	\$ (1,020)	\$ (1,020)	\$ 770
Net Change in Fund Balance	\$ (250)	\$ (1,020)	\$ (1,020)	\$ 770
Fund Balance, July 1, 2014	3,639	3,513	3,513	126
Fund Balance, June 30, 2015	\$ 3,389	\$ 2,493	\$ 2,493	\$ 896

Exhibit G-4

Lauderdale County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Ambulance Service 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	\$ 1,127,838	\$ 1,100,000	\$ 1,100,000	\$ 27,838
Total Revenues	\$ 1,127,838	\$ 1,100,000	\$ 1,100,000	\$ 27,838
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 1,166,327	\$ 1,218,400	\$ 1,218,400	\$ 52,073
Total Expenditures	\$ 1,166,327	\$ 1,218,400	\$ 1,218,400	\$ 52,073
Excess (Deficiency) of Revenues Over Expenditures	\$ (38,489)	\$ (118,400)	\$ (118,400)	\$ 79,911
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 35,000	\$ 0	\$ 0	\$ 35,000
Total Other Financing Sources	\$ 35,000	\$ 0	\$ 0	\$ 35,000
Net Change in Fund Balance	\$ (3,489)	\$ (118,400)	\$ (118,400)	\$ 114,911
Fund Balance, July 1, 2014	695,154	695,154	695,154	0
Fund Balance, June 30, 2015	\$ 691,665	\$ 576,754	\$ 576,754	\$ 114,911

Exhibit G-5

Lauderdale 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	\$ 20,945	\$ 8,600	\$ 8,600	\$ 12,345
Other Local Revenues	3	0	0	3
Total Revenues	<u>\$ 20,948</u>	<u>\$ 8,600</u>	<u>\$ 8,600</u>	<u>\$ 12,348</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 3,317	\$ 11,500	\$ 11,500	\$ 8,183
Total Expenditures	<u>\$ 3,317</u>	<u>\$ 11,500</u>	<u>\$ 11,500</u>	<u>\$ 8,183</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 17,631</u>	<u>\$ (2,900)</u>	<u>\$ (2,900)</u>	<u>\$ 20,531</u>
Net Change in Fund Balance	\$ 17,631	\$ (2,900)	\$ (2,900)	\$ 20,531
Fund Balance, July 1, 2014	<u>30,191</u>	<u>28,292</u>	<u>28,292</u>	<u>1,899</u>
Fund Balance, June 30, 2015	<u>\$ 47,822</u>	<u>\$ 25,392</u>	<u>\$ 25,392</u>	<u>\$ 22,430</u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Lauderdale 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	\$ 146,473	\$ 63,992	\$ 63,992	\$ 82,481
Licenses and Permits	37	50	50	(13)
Other Governments and Citizens Groups	1,995,201	1,961,637	2,095,136	(99,935)
Total Revenues	<u>\$ 2,141,711</u>	<u>\$ 2,025,679</u>	<u>\$ 2,159,178</u>	<u>\$ (17,467)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 58,000	\$ 58,000	\$ 58,000	\$ 0
Education	1,747,680	1,623,861	1,766,897	19,217
<u>Interest on Debt</u>				
General Government	1,524	36,700	36,700	35,176
Education	325,183	334,759	325,220	37
<u>Other Debt Service</u>				
General Government	105,336	125,040	125,040	19,704
Education	2,470	3,018	3,020	550
Total Expenditures	<u>\$ 2,240,193</u>	<u>\$ 2,181,378</u>	<u>\$ 2,314,877</u>	<u>\$ 74,684</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (98,482)</u>	<u>\$ (155,699)</u>	<u>\$ (155,699)</u>	<u>\$ 57,217</u>
Net Change in Fund Balance	\$ (98,482)	\$ (155,699)	\$ (155,699)	\$ 57,217
Fund Balance, July 1, 2014	3,207,532	3,689,935	3,689,935	(482,403)
Fund Balance, June 30, 2015	<u>\$ 3,109,050</u>	<u>\$ 3,534,236</u>	<u>\$ 3,534,236</u>	<u>\$ (425,186)</u>

Fiduciary Funds

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

Local Sales Tax Fund – The Local Sales Tax Fund is used to account for certain local option sales tax collections that are to be used for the retirement of school debt.

Community Development – Agency Fund – The Community Development - Agency Fund is used to account for the repairs and upgrade of the waste water system for the City of Ripley funded through a Community Development Block Grant.

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 and general sessions courts clerk, clerk and master, register of deeds, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for grants and other restricted revenues for the benefit of the multi-jurisdictional drug task force, which was created by contract (mutual aid agreement) between the participating city and county governments.

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

Exhibit I-1

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

	Agency Funds				Total
	Local Sales Tax	Constitu- tional Officers - Agency	Judicial District Drug	District Attorney General	
<u>ASSETS</u>					
Cash	\$ 0	\$ 660,127	\$ 0	\$ 0	\$ 660,127
Equity in Pooled Cash and Investments	1,480,773	0	215,324	150,352	1,846,449
Accounts Receivable	0	5,498	0	0	5,498
Due from Other Governments	374,246	0	13,725	2,164	390,135
Total Assets	<u>\$ 1,855,019</u>	<u>\$ 665,625</u>	<u>\$ 229,049</u>	<u>\$ 152,516</u>	<u>\$ 2,902,209</u>
<u>LIABILITIES</u>					
Due to Cities	\$ 172,481	\$ 0	\$ 0	\$ 0	\$ 172,481
Due to Other Taxing Units	1,682,538	0	0	0	1,682,538
Due to Litigants, Heirs, and Others	0	665,625	0	152,516	818,141
Due to Joint Ventures	0	0	229,049	0	229,049
Total Liabilities	<u>\$ 1,855,019</u>	<u>\$ 665,625</u>	<u>\$ 229,049</u>	<u>\$ 152,516</u>	<u>\$ 2,902,209</u>

Exhibit I-2

Lauderdale 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>Local Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 1,582,241	\$ 2,247,707	\$ 2,349,175	\$ 1,480,773
Due from Other Governments	368,989	374,246	368,989	374,246
Total Assets	\$ 1,951,230	\$ 2,621,953	\$ 2,718,164	\$ 1,855,019
<u>Liabilities</u>				
Due to Cities	\$ 168,757	\$ 172,481	\$ 168,757	\$ 172,481
Due to Other Taxing Units	1,782,473	2,449,472	2,549,407	1,682,538
Total Liabilities	\$ 1,951,230	\$ 2,621,953	\$ 2,718,164	\$ 1,855,019
<u>Community Development - Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 482,103	\$ 482,103	\$ 0
Total Assets	\$ 0	\$ 482,103	\$ 482,103	\$ 0
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 0	\$ 482,103	\$ 482,103	\$ 0
Total Liabilities	\$ 0	\$ 482,103	\$ 482,103	\$ 0
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 684,719	\$ 4,592,776	\$ 4,617,368	\$ 660,127
Accounts Receivable	3,845	5,498	3,845	5,498
Total Assets	\$ 688,564	\$ 4,598,274	\$ 4,621,213	\$ 665,625
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 688,564	\$ 4,598,274	\$ 4,621,213	\$ 665,625
Total Liabilities	\$ 688,564	\$ 4,598,274	\$ 4,621,213	\$ 665,625
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 239,352	\$ 231,490	\$ 255,518	\$ 215,324
Due from Other Governments	5,959	13,725	5,959	13,725
Total Assets	\$ 245,311	\$ 245,215	\$ 261,477	\$ 229,049
<u>Liabilities</u>				
Due to Joint Ventures	\$ 245,311	\$ 245,215	\$ 261,477	\$ 229,049
Total Liabilities	\$ 245,311	\$ 245,215	\$ 261,477	\$ 229,049

(Continued)

Exhibit I-2

Lauderdale County, Tennessee

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 149,258	\$ 30,492	\$ 29,398	\$ 150,352
Due from Other Governments	1,360	2,164	1,360	2,164
Total Assets	<u>\$ 150,618</u>	<u>\$ 32,656</u>	<u>\$ 30,758</u>	<u>\$ 152,516</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 150,618	\$ 32,656	\$ 30,758	\$ 152,516
Total Liabilities	<u>\$ 150,618</u>	<u>\$ 32,656</u>	<u>\$ 30,758</u>	<u>\$ 152,516</u>
 <u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 684,719	\$ 4,592,776	\$ 4,617,368	\$ 660,127
Equity in Pooled Cash and Investments	1,970,851	2,991,792	3,116,194	1,846,449
Accounts Receivable	3,845	5,498	3,845	5,498
Due from Other Governments	376,308	390,135	376,308	390,135
Total Assets	<u>\$ 3,035,723</u>	<u>\$ 7,980,201</u>	<u>\$ 8,113,715</u>	<u>\$ 2,902,209</u>
<u>Liabilities</u>				
Due to Cities	\$ 168,757	\$ 172,481	\$ 168,757	\$ 172,481
Due to Other Taxing Units	1,782,473	2,931,575	3,031,510	1,682,538
Due to Litigants, Heirs, and Others	839,182	4,630,930	4,651,971	818,141
Due to Joint Ventures	245,311	245,215	261,477	229,049
Total Liabilities	<u>\$ 3,035,723</u>	<u>\$ 7,980,201</u>	<u>\$ 8,113,715</u>	<u>\$ 2,902,209</u>

Lauderdale County School Department

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

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

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

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

Exhibit J-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 23,676,284	\$ 32,257	\$ 2,477,950	\$ 420,110	\$ (20,745,967)
Support Services	10,468,191	51,217	726,699	113,447	(9,576,828)
Operation of Non-instructional Services	4,293,336	219,270	3,630,604	0	(443,462)
Total Governmental Activities	\$ 38,437,811	\$ 302,744	\$ 6,835,253	\$ 533,557	\$ (30,766,257)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,431,336
Local Option Sales Taxes					1,873,776
Wheel Tax					175,127
Other Local Taxes					2,723
Grants and Contributions Not Restricted for Specific Programs					26,412,355
Unrestricted Investment Income					53,303
Miscellaneous					100,243
Pension Income					181,896
Total General Revenues					\$ 32,230,759
Change in Net Position					\$ 1,464,502
Net Position, July 1, 2014					25,354,550
Restatement - Pension Liability (see Note I.D.8)					(5,934,822)
Net Position, June 30, 2015					\$ 20,884,230

Exhibit J-2

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 3,794,808	\$ 255,756	\$ 4,050,564
Accounts Receivable	21,199	41	21,240
Due from Other Governments	457,679	528,264	985,943
Property Taxes Receivable	3,496,488	0	3,496,488
Allowance for Uncollectible Property Taxes	(72,427)	0	(72,427)
Accrued Interest Receivable	7,398	0	7,398
Total Assets	<u>\$ 7,705,145</u>	<u>\$ 784,061</u>	<u>\$ 8,489,206</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 9,206	\$ 43,385	\$ 52,591
Payroll Deductions Payable	491,823	82,816	574,639
Cash Overdraft	0	57,767	57,767
Total Liabilities	<u>\$ 501,029</u>	<u>\$ 183,968</u>	<u>\$ 684,997</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,180,739	\$ 0	\$ 3,180,739
Deferred Delinquent Property Taxes	219,548	0	219,548
Other Deferred/Unavailable Revenue	159,645	10,368	170,013
Total Deferred Inflows of Resources	<u>\$ 3,559,932</u>	<u>\$ 10,368</u>	<u>\$ 3,570,300</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 20,443	\$ 43,174	\$ 63,617
Restricted for Operation of Non-instructional Services	0	446,551	446,551
Committed:			
Committed for Instruction	11,231	0	11,231
Assigned:			
Assigned for Education	47,000	100,000	147,000
Unassigned	3,565,510	0	3,565,510
Total Fund Balances	<u>\$ 3,644,184</u>	<u>\$ 589,725</u>	<u>\$ 4,233,909</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,705,145</u>	<u>\$ 784,061</u>	<u>\$ 8,489,206</u>

Exhibit J-3

Lauderdale County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Lauderdale 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)		\$	4,233,909
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,378,648	
Add: buildings and improvements net of accumulated depreciation		17,570,964	
Add: infrastructure net of accumulated depreciation		149,493	
Add: other capital assets net of accumulated depreciation		<u>2,516,211</u>	21,615,316
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: contributions due on primary government debt for the capital lease	\$	(257,165)	
Less: other postemployment benefits liability		<u>(1,117,877)</u>	(1,375,042)
(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	\$	1,946,328	
Less: deferred inflows of resources related to pensions		<u>(7,061,717)</u>	(5,115,389)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	1,064,651	
Add: net pension asset - cost-sharing plan		<u>71,224</u>	1,135,875
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>389,561</u>
Net position of governmental activities (Exhibit A)			<u>\$ 20,884,230</u>

Exhibit J-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 5,647,529	\$ 0	\$ 5,647,529
Licenses and Permits	4,560	0	4,560
Fines, Forfeitures, and Penalties	251	0	251
Charges for Current Services	80,164	219,270	299,434
Other Local Revenues	147,083	12,234	159,317
State of Tennessee	26,256,431	25,219	26,281,650
Federal Government	575,078	6,239,931	6,815,009
Other Governments and Citizens Groups	585,475	0	585,475
Total Revenues	<u>\$ 33,296,571</u>	<u>\$ 6,496,654</u>	<u>\$ 39,793,225</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 18,967,168	\$ 3,368,456	\$ 22,335,624
Support Services	10,524,856	344,474	10,869,330
Operation of Non-instructional Services	1,187,957	3,205,934	4,393,891
Capital Outlay	292,057	0	292,057
Debt Service:			
Other Debt Service	1,244,295	0	1,244,295
Total Expenditures	<u>\$ 32,216,333</u>	<u>\$ 6,918,864</u>	<u>\$ 39,135,197</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,080,238</u>	<u>\$ (422,210)</u>	<u>\$ 658,028</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 2,564	\$ 0	\$ 2,564
Transfers In	74,178	0	74,178
Transfers Out	0	(74,178)	(74,178)
Total Other Financing Sources (Uses)	<u>\$ 76,742</u>	<u>\$ (74,178)</u>	<u>\$ 2,564</u>
Net Change in Fund Balances	\$ 1,156,980	\$ (496,388)	\$ 660,592
Fund Balance, July 1, 2014	2,487,204	1,086,113	3,573,317
Fund Balance, June 30, 2015	<u>\$ 3,644,184</u>	<u>\$ 589,725</u>	<u>\$ 4,233,909</u>

Exhibit J-5

Lauderdale County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Lauderdale 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)		\$	660,592
(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	\$	315,370	
Less: current-year depreciation expense		<u>(1,459,106)</u>	(1,143,736)
(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	\$	389,561	
Less: deferred delinquent property taxes and other deferred June 30, 2014		<u>(462,369)</u>	(72,808)
(3) The issuance of long-term debt (e.g., leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.			
Add: principal contribution on a capital lease to the primary government			123,822
(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 other postemployment benefits liability	\$	(58,676)	
Change in net pension asset - agent plan		1,267,722	
Change in net pension asset - cost-sharing plan		5,802,975	
Change in deferred outflows related to pensions		1,946,328	
Change in deferred inflows related to pensions		<u>(7,061,717)</u>	<u>1,896,632</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ 1,464,502</u>

Exhibit J-6

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

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 0	\$ 255,756	\$ 255,756
Accounts Receivable	0	41	41
Due from Other Governments	337,510	190,754	528,264
Total Assets	<u>\$ 337,510</u>	<u>\$ 446,551</u>	<u>\$ 784,061</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 43,385	\$ 0	\$ 43,385
Payroll Deductions Payable	82,816	0	82,816
Cash Overdraft	57,767	0	57,767
Total Liabilities	<u>\$ 183,968</u>	<u>\$ 0</u>	<u>\$ 183,968</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Other Deferred/Unavailable Revenue	\$ 10,368	\$ 0	\$ 10,368
Total Deferred Inflows of Resources	<u>\$ 10,368</u>	<u>\$ 0</u>	<u>\$ 10,368</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 43,174	\$ 0	\$ 43,174
Restricted for Operation of Non-instructional Services	0	446,551	446,551
Assigned:			
Assigned for Education	100,000	0	100,000
Total Fund Balances	<u>\$ 143,174</u>	<u>\$ 446,551</u>	<u>\$ 589,725</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 337,510</u>	<u>\$ 446,551</u>	<u>\$ 784,061</u>

Exhibit J-7

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

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 219,270	\$ 219,270
Other Local Revenues	0	12,234	12,234
State of Tennessee	0	25,219	25,219
Federal Government	3,620,909	2,619,022	6,239,931
Total Revenues	<u>\$ 3,620,909</u>	<u>\$ 2,875,745</u>	<u>\$ 6,496,654</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 3,368,456	\$ 0	\$ 3,368,456
Support Services	344,474	0	344,474
Operation of Non-instructional Services	128,633	3,077,301	3,205,934
Total Expenditures	<u>\$ 3,841,563</u>	<u>\$ 3,077,301</u>	<u>\$ 6,918,864</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (220,654)</u>	<u>\$ (201,556)</u>	<u>\$ (422,210)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (74,178)	\$ 0	\$ (74,178)
Total Other Financing Sources (Uses)	<u>\$ (74,178)</u>	<u>\$ 0</u>	<u>\$ (74,178)</u>
Net Change in Fund Balances	\$ (294,832)	\$ (201,556)	\$ (496,388)
Fund Balance, July 1, 2014	438,006	648,107	1,086,113
Fund Balance, June 30, 2015	<u><u>\$ 143,174</u></u>	<u><u>\$ 446,551</u></u>	<u><u>\$ 589,725</u></u>

Exhibit J-8

Lauderdale County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Lauderdale 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	\$ 5,647,529	\$ 0	\$ 0	\$ 5,647,529	\$ 5,421,046	\$ 5,421,046	\$ 226,483
Licenses and Permits	4,560	0	0	4,560	3,800	3,800	760
Fines, Forfeitures, and Penalties	251	0	0	251	1,000	1,000	(749)
Charges for Current Services	80,164	0	0	80,164	0	67,581	12,583
Other Local Revenues	147,083	0	0	147,083	93,000	140,434	6,649
State of Tennessee	26,256,431	0	0	26,256,431	24,843,100	26,290,776	(34,345)
Federal Government	575,078	0	0	575,078	176,500	472,195	102,883
Other Governments and Citizens Groups	585,475	0	0	585,475	800,000	864,601	(279,126)
Total Revenues	\$ 33,296,571	\$ 0	\$ 0	\$ 33,296,571	\$ 31,338,446	\$ 33,261,433	\$ 35,138
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 15,506,760	\$ (364)	\$ 555	\$ 15,506,951	\$ 15,609,368	\$ 15,949,602	\$ 442,651
Special Education Program	2,517,226	0	992	2,518,218	2,671,500	2,622,693	104,475
Vocational Education Program	943,182	(1,600)	0	941,582	1,001,876	1,019,635	78,053
<u>Support Services</u>							
Attendance	36,761	0	0	36,761	33,528	38,928	2,167
Health Services	237,398	0	1,807	239,205	141,044	244,043	4,838
Other Student Support	945,062	0	0	945,062	956,145	989,505	44,443
Regular Instruction Program	798,704	0	0	798,704	737,706	870,763	72,059
Special Education Program	531,358	0	0	531,358	469,541	531,386	28
Vocational Education Program	90,949	0	0	90,949	93,820	93,820	2,871
Other Programs	121,941	0	0	121,941	105,000	226,941	105,000
Board of Education	415,084	0	0	415,084	463,905	469,905	54,821
Director of Schools	366,817	(175)	381	367,023	370,976	376,976	9,953
Office of the Principal	2,196,693	(3,195)	360	2,193,858	2,147,144	2,230,053	36,195
Fiscal Services	134,490	0	0	134,490	167,930	168,130	33,640
Human Services/Personnel	77,701	0	0	77,701	93,731	97,131	19,430
Operation of Plant	2,280,959	0	0	2,280,959	2,284,056	2,284,056	3,097
Maintenance of Plant	739,441	0	2,973	742,414	677,984	782,984	40,570

(Continued)

Exhibit J-8

Lauderdale County, Tennessee
 Schedule of Revenues, Expenditures, and Changes
 in Fund Balance - Actual (Budgetary Basis) and Budget
 Discretely Presented Lauderdale 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>							
Transportation	\$ 1,504,543	\$ 0	\$ 190	\$ 1,504,733	\$ 1,635,669	\$ 1,665,469	\$ 160,736
Central and Other	46,955	0	0	46,955	74,398	74,398	27,443
<u>Operation of Non-instructional Services</u>							
Community Services	247,004	0	0	247,004	37,132	266,939	19,935
Early Childhood Education	940,953	0	15,137	956,090	0	957,313	1,223
<u>Capital Outlay</u>							
Regular Capital Outlay	292,057	(8,819)	24,605	307,843	300,000	530,157	222,314
<u>Principal on Debt</u>							
Education	0	0	0	0	53,000	8,705	8,705
<u>Other Debt Service</u>							
Education	1,244,295	0	0	1,244,295	1,200,000	1,244,295	0
Total Expenditures	\$ 32,216,333	\$ (14,153)	\$ 47,000	\$ 32,249,180	\$ 31,325,453	\$ 33,743,827	\$ 1,494,647
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 1,080,238	\$ 14,153	\$ (47,000)	\$ 1,047,391	\$ 12,993	\$ (482,394)	\$ 1,529,785
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 2,564	\$ 0	\$ 0	\$ 2,564	\$ 0	\$ 0	\$ 2,564
Transfers In	74,178	0	0	74,178	0	0	74,178
Total Other Financing Sources	\$ 76,742	\$ 0	\$ 0	\$ 76,742	\$ 0	\$ 0	\$ 76,742
Net Change in Fund Balance							
Fund Balance, July 1, 2014	\$ 1,156,980	\$ 14,153	\$ (47,000)	\$ 1,124,133	\$ 12,993	\$ (482,394)	\$ 1,606,527
	2,487,204	(14,153)	0	2,473,051	3,058,853	3,058,853	(585,802)
Fund Balance, June 30, 2015							
	\$ 3,644,184	\$ 0	\$ (47,000)	\$ 3,597,184	\$ 3,071,846	\$ 2,576,459	\$ 1,020,725

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 3,620,909	\$ 0	\$ 0	\$ 3,620,909	\$ 3,146,971	\$ 4,096,471	\$ (475,562)
Total Revenues	\$ 3,620,909	\$ 0	\$ 0	\$ 3,620,909	\$ 3,146,971	\$ 4,096,471	\$ (475,562)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 2,252,999	\$ (13,850)	\$ 23,053	\$ 2,262,202	\$ 1,772,925	\$ 2,390,083	\$ 127,881
Special Education Program	1,064,432	0	0	1,064,432	1,093,410	1,110,330	45,898
Vocational Education Program	51,025	(3,352)	16,746	64,419	58,210	65,160	741
<u>Support Services</u>							
Health Services	14,526	0	0	14,526	0	221,157	206,631
Other Student Support	61,330	0	0	61,330	46,668	67,654	6,324
Regular Instruction Program	222,411	0	3,705	226,116	154,083	257,317	31,201
Special Education Program	12,619	0	0	12,619	1,000	12,820	201
Vocational Education Program	2,961	0	0	2,961	2,975	2,975	14
Office of the Principal	27,397	0	0	27,397	0	27,397	0
Transportation	3,230	0	0	3,230	0	9,230	6,000
<u>Operation of Non-instructional Services</u>							
Community Services	128,633	0	0	128,633	0	145,473	16,840
Total Expenditures	\$ 3,841,563	\$ (17,202)	\$ 43,504	\$ 3,867,865	\$ 3,129,271	\$ 4,309,596	\$ 441,731
Excess (Deficiency) of Revenues Over Expenditures	\$ (220,654)	\$ 17,202	\$ (43,504)	\$ (246,956)	\$ 17,700	\$ (213,125)	\$ (33,831)
<u>Other Financing Sources (Uses)</u>							
Transfers Out	\$ (74,178)	\$ 0	\$ 0	\$ (74,178)	\$ (17,700)	\$ (74,457)	\$ 279
Total Other Financing Sources	\$ (74,178)	\$ 0	\$ 0	\$ (74,178)	\$ (17,700)	\$ (74,457)	\$ 279
Net Change in Fund Balance	\$ (294,832)	\$ 17,202	\$ (43,504)	\$ (321,134)	\$ 0	\$ (287,582)	\$ (33,552)
Fund Balance, July 1, 2014	438,006	(17,202)	0	420,804	438,006	438,006	(17,202)
Fund Balance, June 30, 2015	\$ 143,174	\$ 0	\$ (43,504)	\$ 99,670	\$ 438,006	\$ 150,424	\$ (50,754)

Exhibit J-10

Lauderdale County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lauderdale 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	\$ 219,270	\$ 266,150	\$ 266,150	\$ (46,880)
Other Local Revenues	12,234	48,800	48,800	(36,566)
State of Tennessee	25,219	25,500	25,500	(281)
Federal Government	2,619,022	2,532,561	2,781,712	(162,690)
Total Revenues	<u>\$ 2,875,745</u>	<u>\$ 2,873,011</u>	<u>\$ 3,122,162</u>	<u>\$ (246,417)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 3,077,301	\$ 3,097,353	\$ 3,346,504	\$ 269,203
Total Expenditures	<u>\$ 3,077,301</u>	<u>\$ 3,097,353</u>	<u>\$ 3,346,504</u>	<u>\$ 269,203</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (201,556)</u>	<u>\$ (224,342)</u>	<u>\$ (224,342)</u>	<u>\$ 22,786</u>
Net Change in Fund Balance	\$ (201,556)	\$ (224,342)	\$ (224,342)	\$ 22,786
Fund Balance, July 1, 2014	<u>648,107</u>	<u>713,451</u>	<u>713,451</u>	<u>(65,344)</u>
Fund Balance, June 30, 2015	<u>\$ 446,551</u>	<u>\$ 489,109</u>	<u>\$ 489,109</u>	<u>\$ (42,558)</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Paid and/or Matured During Period	Outstanding 6-30-15
<u>NOTE PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
School Energy Efficiency Loan	\$ 500,000	0 %	8-21-07	8-15-14	\$ 71,427	\$ 71,427	\$ 0
Total Note Payable					\$ 71,427	\$ 71,427	\$ 0
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Public Works Projects	1,000,000	Variable	1-28-09	5-25-25	\$ 734,000	\$ 58,000	\$ 676,000
Qualified School Construction Bonds, Series 2010	2,523,000	(1)	10-7-10	9-15-27	2,076,945	157,431	1,919,514
Total Other Loans Payable					\$ 2,810,945	\$ 215,431	\$ 2,595,514
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
G.O. Refunding, Series 2006	4,605,000	3.75 to 4	5-10-06	4-1-16	\$ 1,335,000	\$ 815,000	\$ 520,000
G.O. School Refunding, Series 2012	9,230,000	2 to 2.25	4-18-12	4-1-22	7,795,000	580,000	7,215,000
Total Bonds Payable					\$ 9,130,000	\$ 1,395,000	\$ 7,735,000
<u>CAPITAL LEASE PAYABLE</u>							
<u>Contributions Due by School Department from the General Purpose</u>							
<u>School and School Federal Projects Funds to the General Debt</u>							
<u>Service Fund</u>							
Laptop Computers	514,486	2.54	8-30-13	8-30-16	\$ 380,987	\$ 123,822	\$ 257,165
Total Capital Lease Payable					\$ 380,987	\$ 123,822	\$ 257,165

(1) Interest rate of approximately 4.85 percent is offset by a federal interest subsidy.

Exhibit K-2

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

Year Ending June 30	Other Loans			Total
	Principal	Interest (1)	Other Fees	
2016	\$ 216,431	\$ 124,073	\$ 7,500	\$ 348,004
2017	218,431	123,919	7,111	349,461
2018	220,431	123,760	6,708	350,899
2019	222,431	123,597	6,292	352,320
2020	224,431	123,428	5,863	353,722
2021	225,431	123,254	5,421	354,106
2022	227,431	123,077	4,972	355,480
2023	229,431	122,895	4,510	356,836
2024	231,431	122,708	4,035	358,174
2025	234,431	122,515	3,547	360,493
2026	157,431	122,315	2,018	281,764
2027	172,928	122,315	2,018	297,261
2028	14,845	12,046	505	27,396
Total	\$ 2,595,514	\$ 1,489,902	\$ 60,500	\$ 4,145,916

Year Ending June 30	Bonds		Total
	Principal	Interest	
2016	\$ 1,440,000	\$ 168,244	\$ 1,608,244
2017	1,485,000	129,044	1,614,044
2018	1,065,000	99,344	1,164,344
2019	1,000,000	78,044	1,078,044
2020	1,000,000	58,044	1,058,044
2021	975,000	38,044	1,013,044
2022	770,000	17,323	787,323
Total	\$ 7,735,000	\$ 588,087	\$ 8,323,087

Year Ending June 30	Capital Lease		Total
	Principal	Interest	
2016	\$ 126,967	\$ 6,532	\$ 133,499
2017	130,198	3,300	133,498
Total	\$ 257,165	\$ 9,832	\$ 266,997

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

Exhibit K-3

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Ambulance Service	Operations	<u>\$ 35,000</u>
Total Transfers Primary Government			<u>\$ 35,000</u>
<u>DISCRETELY PRESENTED LAUDERDALE COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 18,663
"	"	Expenditure reimbursement	<u>55,515</u>
Total Transfers Discretely Presented Lauderdale County School Department			<u>\$ 74,178</u>

Exhibit K-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Rod Schuh (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i> , and County Commission	\$ 13,060	\$ 50,000	RLI Insurance Company
Maurice Gaines (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i> , and County Commission	65,298	100,000	"
Highway Commissioner:				
Roland Henderson (7-1-14 through 1-12-15)	Chapter 304, Private Acts of 1929, as amended, and County Commission	39,610	100,000	"
Derek Kissell (1-13-15 through 6-30-15)	Chapter 304, Private Acts of 1929, as amended, and County Commission	35,018	100,000	"
Director of Schools				
	State Board of Education and County Board of Education	110,000 (1)	150,000	Tennessee Risk Management Trust
Trustee	Section 8-24-102, <i>TCA</i>	67,843	1,255,205	RLI Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	67,843	50,000	Western Surety Company
County Clerk	Section 8-24-102, <i>TCA</i>	67,843	100,000	RLI Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	67,843	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	67,843	300,000	"
Register of Deeds:				
Annie Laura Jennings (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i>	11,307	25,000	"
Greg Summar (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i>	56,536	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	74,628 (2)	100,000	"
Employees Blanket Bonds:				
Public Employee Dishonesty - County Departments			150,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Department			150,000	"

(1) Does not include a chief executive officer training supplement of \$1,000, a travel allowance of \$7,800, and a bonus payment of \$775.

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

Exhibit K-5

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 5,359,007	\$ 0	\$ 0	\$ 0	\$ 0	\$ 859,529
Trustee's Collections - Prior Year	444,236	0	0	0	0	70,958
Circuit/Clerk and Master Collections - Prior Years	169,606	0	0	0	0	25,792
Interest and Penalty	48,401	0	0	0	0	7,734
Payments in-Lieu-of Taxes - Local Utilities	60,430	0	0	0	0	9,720
Payments in-Lieu-of Taxes - Other	62,779	0	0	0	0	10,098
<u>County Local Option Taxes</u>						
Hotel/Motel Tax	15,011	0	0	0	0	0
Wheel Tax	875,863	0	0	0	0	87,678
Litigation Tax - General	69,669	0	0	0	0	0
Litigation Tax - Special Purpose	14,411	1,331	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	3,022	0	0	0	0	0
Litigation Tax - Courthouse Security	15	0	0	0	0	0
Business Tax	121,003	0	0	0	0	0
Mixed Drink Tax	788	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	11,826	0	0	0	0	1,902
Wholesale Beer Tax	34,570	0	0	0	0	0
Interstate Telecommunications Tax	8,697	0	0	0	0	0
Total Local Taxes	<u>\$ 7,299,334</u>	<u>\$ 1,331</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,073,411</u>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 8,439	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	5,270	0	0	0	0	848

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 1,188	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	9,240	0	0	0	0	0
Other Permits	5,350	0	0	0	0	0
Total Licenses and Permits	\$ 29,487	\$ 0	\$ 0	\$ 0	\$ 0	\$ 848
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 5,250	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	8,578	0	0	0	0	0
Drug Control Fines	406	0	0	406	0	0
Drug Court Fees	553	0	0	0	0	0
Jail Fees	3,965	0	0	0	0	0
DUI Treatment Fines	665	0	0	0	0	0
Data Entry Fee - Circuit Court	2,322	0	0	0	0	0
Victims Assistance Assessments	3,026	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	902	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	26,942	0	0	0	0	0
Fines for Littering	48	0	0	0	0	0
Officers Costs	19,262	0	0	0	0	0
Game and Fish Fines	331	0	0	0	0	0
Drug Control Fines	1,297	0	0	1,297	0	0
Drug Court Fees	2,325	0	0	0	0	0
Jail Fees	14,588	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>General Sessions Court (Cont.)</u>						
DUI Treatment Fines	\$ 6,750	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - General Sessions Court	10,040	0	0	0	0	0
Victims Assistance Assessments	16,452	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	3,264	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	1,775	0	0	0	0	0
Data Entry Fee - Chancery Court	4,594	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	1,275	0	0	19,242	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Other Fines, Forfeitures, and Penalties	5,335	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 139,945	\$ 0	\$ 0	\$ 20,945	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 0	\$ 0	\$ 1,127,838	\$ 0	\$ 0	\$ 0
<u>Fees</u>						
Subdivision Lot Fees	625	0	0	0	0	0
Recreation Fees	810	0	0	0	0	0
Copy Fees	919	0	0	0	0	0
Library Fees	6,146	0	0	0	0	0
Greenbelt Late Application Fee	150	0	0	0	0	0
Telephone Commissions	64,197	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	195	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - Register	\$ 5,592	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - Sheriff	1,177	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	4,050	0	0	0	0	0
Data Processing Fee - County Clerk	1,411	0	0	0	0	0
<u>Education Charges</u>						
Tuition - Other	379	0	0	0	0	0
Total Charges for Current Services	\$ 85,456	\$ 0	\$ 1,127,838	\$ 0	\$ 195	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	3,300	0	0	0	0	0
Commissary Sales	21,960	0	0	0	0	0
E-Rate Funding	1,282	0	0	0	0	0
Miscellaneous Refunds	70,996	0	0	3	0	3,910
Expenditure Credits	20,625	0	0	0	0	6,875
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	11,035
Sale of Property	1,573	0	0	0	0	0
Damages Recovered from Individuals	794	0	0	0	0	0
Total Other Local Revenues	\$ 122,530	\$ 0	\$ 0	\$ 3	\$ 0	\$ 21,820
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 280,866	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Fees Received from County Officials (Cont.)</u>						
<u>Fees in-Lieu-of Salary (Cont.)</u>						
Circuit Court Clerk	\$ 122,669	\$ 0	\$ 0	\$ 0	\$ 0	0
General Sessions Court Clerk	154,743	0	0	0	0	0
Clerk and Master	96,769	0	0	0	0	0
Register	59,580	0	0	0	0	0
Sheriff	9,155	0	0	0	0	0
Trustee	363,342	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,087,124	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 11,385	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	15,000	0	0	0	0	0
Safe and Drug-free Schools and Communities	56,972	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	109,357	0	0	0	0	0
Other Health and Welfare Grants	21,104	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	44,680	0	0	0	0	882,726
State Aid Program	0	0	0	0	0	433,716
Litter Program	35,275	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	13,277	0	0	0	0	0
Beer Tax	24,452	0	0	0	0	0
Vehicle Certificate of Title Fees	6,194	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Alcoholic Beverage Tax	\$ 58,759	\$ 0	\$ 0	\$ 0	\$ 0	0
State Revenue Sharing - T.V.A.	138,858	0	0	0	0	72,735
Emergency Hospital - Prisoners	24,189	0	0	0	0	0
Contracted Prisoner Boarding	694,897	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,734,162
Petroleum Special Tax	0	0	0	0	0	20,070
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	81,436	0	0	0	0	0
Other State Revenues	11,680	0	0	0	0	0
Total State of Tennessee	\$ 1,362,679	\$ 0	\$ 0	\$ 0	\$ 0	3,143,409
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	32,000	0	0	0	0	0
Homeland Security Grants	19,519	0	0	0	0	0
Law Enforcement Grants	21,107	0	0	0	0	0
<u>Direct Federal Revenue</u>						
FHA Grant	12,459	0	0	0	0	0
Other Direct Federal Revenue	3,860	0	0	0	0	0
Total Federal Government	\$ 97,945	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 219,144	\$ 0	\$ 0	\$ 0	\$ 0	0
Contracted Services	57,321	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Other Governments and Citizens Groups (Cont.)</u>						
<u>Citizens Groups</u>						
Donations	\$ 453	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 276,918	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
 Total	 \$ 10,501,418	 \$ 1,331	 \$ 1,127,838	 \$ 20,948	 \$ 195	 \$ 4,239,488

(Continued)

Exhibit K-5

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

	<u>Debt Service</u> <u>Fund</u>		
	General Debt Service		Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	\$ 37,538	\$	6,256,074
Trustee's Collections - Prior Year	55,508		570,702
Circuit/Clerk and Master Collections - Prior Years	20,513		215,911
Interest and Penalty	5,291		61,426
Payments in-Lieu-of Taxes - Local Utilities	423		70,573
Payments in-Lieu-of Taxes - Other	439		73,316
<u>County Local Option Taxes</u>			
Hotel/Motel Tax	0		15,011
Wheel Tax	0		963,541
Litigation Tax - General	0		69,669
Litigation Tax - Special Purpose	0		15,742
Litigation Tax - Jail, Workhouse, or Courthouse	26,678		29,700
Litigation Tax - Courthouse Security	0		15
Business Tax	0		121,003
Mixed Drink Tax	0		788
<u>Statutory Local Taxes</u>			
Bank Excise Tax	83		13,811
Wholesale Beer Tax	0		34,570
Interstate Telecommunications Tax	0		8,697
Total Local Taxes	<u>\$ 146,473</u>	<u>\$</u>	<u>8,520,549</u>
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Animal Registration	\$ 0	\$	8,439
Cable TV Franchise	37		6,155

(Continued)

Exhibit K-5

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

	<u>Debt Service</u> <u>Fund</u>	
	General Debt Service	Total
<u>Licenses and Permits (Cont.)</u>		
<u>Permits</u>		
Beer Permits	\$ 0	\$ 1,188
Building Permits	0	9,240
Other Permits	0	5,350
Total Licenses and Permits	<u>\$ 37</u>	<u>\$ 30,372</u>
<u>Fines, Forfeitures, and Penalties</u>		
<u>Circuit Court</u>		
Fines	\$ 0	\$ 5,250
Officers Costs	0	8,578
Drug Control Fines	0	812
Drug Court Fees	0	553
Jail Fees	0	3,965
DUI Treatment Fines	0	665
Data Entry Fee - Circuit Court	0	2,322
Victims Assistance Assessments	0	3,026
<u>Criminal Court</u>		
DUI Treatment Fines	0	902
<u>General Sessions Court</u>		
Fines	0	26,942
Fines for Littering	0	48
Officers Costs	0	19,262
Game and Fish Fines	0	331
Drug Control Fines	0	2,594
Drug Court Fees	0	2,325
Jail Fees	0	14,588

(Continued)

Exhibit K-5

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

	<u>Debt Service</u> <u>Fund</u>	
	General Debt Service	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>General Sessions Court (Cont.)</u>		
DUI Treatment Fines	\$ 0	\$ 6,750
Data Entry Fee - General Sessions Court	0	10,040
Victims Assistance Assessments	0	16,452
<u>Juvenile Court</u>		
Fines	0	3,264
<u>Chancery Court</u>		
Officers Costs	0	1,775
Data Entry Fee - Chancery Court	0	4,594
<u>Judicial District Drug Program</u>		
Drug Task Force Forfeitures and Seizures	0	20,517
<u>Other Fines, Forfeitures, and Penalties</u>		
Other Fines, Forfeitures, and Penalties	0	5,335
Total Fines, Forfeitures, and Penalties	<u>\$ 0</u>	<u>\$ 160,890</u>
<u>Charges for Current Services</u>		
<u>General Service Charges</u>		
Patient Charges	\$ 0	\$ 1,127,838
<u>Fees</u>		
Subdivision Lot Fees	0	625
Recreation Fees	0	810
Copy Fees	0	919
Library Fees	0	6,146
Greenbelt Late Application Fee	0	150
Telephone Commissions	0	64,197
Constitutional Officers' Fees and Commissions	0	195

(Continued)

Exhibit K-5

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

	<u>Debt Service</u> <u>Fund</u>	
	General Debt Service	Total
<u>Charges for Current Services (Cont.)</u>		
<u>Fees (Cont.)</u>		
Data Processing Fee - Register	\$ 0	\$ 5,592
Data Processing Fee - Sheriff	0	1,177
Sexual Offender Registration Fee - Sheriff	0	4,050
Data Processing Fee - County Clerk	0	1,411
<u>Education Charges</u>		
Tuition - Other	0	379
Total Charges for Current Services	<u>\$ 0</u>	<u>\$ 1,213,489</u>
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	\$ 0	\$ 2,000
Lease/Rentals	0	3,300
Commissary Sales	0	21,960
E-Rate Funding	0	1,282
Miscellaneous Refunds	0	74,909
Expenditure Credits	0	27,500
<u>Nonrecurring Items</u>		
Sale of Equipment	0	11,035
Sale of Property	0	1,573
Damages Recovered from Individuals	0	794
Total Other Local Revenues	<u>\$ 0</u>	<u>\$ 144,353</u>
<u>Fees Received from County Officials</u>		
<u>Fees in-Lieu-of Salary</u>		
County Clerk	\$ 0	\$ 280,866

(Continued)

Exhibit K-5

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

	<u>Debt Service</u> <u>Fund</u>		
	General Debt Service		Total
<hr/>			
<u>Fees Received from County Officials (Cont.)</u>			
<u>Fees in-Lieu-of Salary (Cont.)</u>			
Circuit Court Clerk	\$	0	\$ 122,669
General Sessions Court Clerk		0	154,743
Clerk and Master		0	96,769
Register		0	59,580
Sheriff		0	9,155
Trustee		0	363,342
Total Fees Received from County Officials	\$	0	\$ 1,087,124
<hr/>			
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	\$	0	\$ 11,385
<u>Public Safety Grants</u>			
Law Enforcement Training Programs		0	15,000
Safe and Drug-free Schools and Communities		0	56,972
<u>Health and Welfare Grants</u>			
Health Department Programs		0	109,357
Other Health and Welfare Grants		0	21,104
<u>Public Works Grants</u>			
Bridge Program		0	927,406
State Aid Program		0	433,716
Litter Program		0	35,275
<u>Other State Revenues</u>			
Income Tax		0	13,277
Beer Tax		0	24,452
Vehicle Certificate of Title Fees		0	6,194

(Continued)

Exhibit K-5

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

	<u>Debt Service</u> <u>Fund</u>		
	General Debt Service		Total
<u>State of Tennessee (Cont.)</u>			
<u>Other State Revenues (Cont.)</u>			
Alcoholic Beverage Tax	\$ 0	\$	58,759
State Revenue Sharing - T.V.A.	0		211,593
Emergency Hospital - Prisoners	0		24,189
Contracted Prisoner Boarding	0		694,897
Gasoline and Motor Fuel Tax	0		1,734,162
Petroleum Special Tax	0		20,070
Registrar's Salary Supplement	0		15,164
Other State Grants	0		81,436
Other State Revenues	0		11,680
Total State of Tennessee	<u>\$ 0</u>	<u>\$</u>	<u>4,506,088</u>
<u>Federal Government</u>			
<u>Federal Through State</u>			
USDA - Other	\$ 0	\$	9,000
Civil Defense Reimbursement	0		32,000
Homeland Security Grants	0		19,519
Law Enforcement Grants	0		21,107
<u>Direct Federal Revenue</u>			
FHA Grant	0		12,459
Other Direct Federal Revenue	0		3,860
Total Federal Government	<u>\$ 0</u>	<u>\$</u>	<u>97,945</u>
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	\$ 1,995,201	\$	2,214,345
Contracted Services	0		57,321

(Continued)

Exhibit K-5

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

	<u>Debt Service Fund</u>	
	General Debt Service	Total
<hr/>		
<u>Other Governments and Citizens Groups (Cont.)</u>		
<u>Citizens Groups</u>		
Donations	\$ 0	\$ 453
Total Other Governments and Citizens Groups	<u>\$ 1,995,201</u>	<u>\$ 2,272,119</u>
 Total	 <u>\$ 2,141,711</u>	 <u>\$ 18,032,929</u>

Exhibit K-6

Lauderdale County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Lauderdale 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	\$ 3,110,506	\$ 0	\$ 0	\$ 3,110,506
Trustee's Collections - Prior Year	281,072	0	0	281,072
Circuit/Clerk and Master Collections - Prior Years	97,026	0	0	97,026
Interest and Penalty	30,184	0	0	30,184
Payments in-Lieu-of Taxes - Local Utilities	35,075	0	0	35,075
Payments in-Lieu-of Taxes - Other	36,438	0	0	36,438
<u>County Local Option Taxes</u>				
Local Option Sales Tax	1,869,710	0	0	1,869,710
Wheel Tax	175,127	0	0	175,127
Mixed Drink Tax	2,770	0	0	2,770
<u>Statutory Local Taxes</u>				
Bank Excise Tax	6,864	0	0	6,864
Interstate Telecommunications Tax	2,757	0	0	2,757
Total Local Taxes	\$ 5,647,529	\$ 0	\$ 0	\$ 5,647,529
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 1,501	\$ 0	\$ 0	\$ 1,501
Cable TV Franchise	3,059	0	0	3,059
Total Licenses and Permits	\$ 4,560	\$ 0	\$ 0	\$ 4,560
<u>Fines, Forfeitures, and Penalties</u>				
<u>Juvenile Court</u>				
Fines	\$ 251	\$ 0	\$ 0	\$ 251
Total Fines, Forfeitures, and Penalties	\$ 251	\$ 0	\$ 0	\$ 251
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Lunch Payments - Children	\$ 0	\$ 0	\$ 53,891	\$ 53,891
Lunch Payments - Adults	0	0	42,611	42,611
Income from Breakfast	0	0	3,287	3,287
Special Milk Sales	0	0	2,325	2,325
A la carte Sales	0	0	76,879	76,879
Contract for Instructional Services with Other LEAs	51,217	0	0	51,217
<u>Other Charges for Services</u>				
Other Charges for Services	28,947	0	40,277	69,224
Total Charges for Current Services	\$ 80,164	\$ 0	\$ 219,270	\$ 299,434
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 53,303	\$ 0	\$ 562	\$ 53,865
E-Rate Funding	47,259	0	0	47,259
Miscellaneous Refunds	40,627	0	11,672	52,299
<u>Nonrecurring Items</u>				
Sale of Equipment	245	0	0	245
Damages Recovered from Individuals	440	0	0	440
Contributions and Gifts	4,051	0	0	4,051
<u>Other Local Revenues</u>				
Other Local Revenues	1,158	0	0	1,158
Total Other Local Revenues	\$ 147,083	\$ 0	\$ 12,234	\$ 159,317

(Continued)

Exhibit K-6

Lauderdale County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Lauderdale 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	\$ 121,941	\$ 0	\$ 0	\$ 121,941
<u>State Education Funds</u>				
Basic Education Program	24,152,840	0	0	24,152,840
Early Childhood Education	956,190	0	0	956,190
School Food Service	0	0	25,219	25,219
Driver Education	6,486	0	0	6,486
Other State Education Funds	284,336	0	0	284,336
Coordinated School Health	99,809	0	0	99,809
Career Ladder Program	121,823	0	0	121,823
Career Ladder - Extended Contract	59,920	0	0	59,920
<u>Other State Revenues</u>				
State Revenue Sharing - T.V.A.	449,636	0	0	449,636
Other State Grants	3,450	0	0	3,450
Total State of Tennessee	\$ 26,256,431	\$ 0	\$ 25,219	\$ 26,281,650
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,605,229	\$ 1,605,229
USDA - Commodities	0	0	135,432	135,432
Breakfast	0	0	776,251	776,251
USDA - Other	0	0	102,110	102,110
Vocational Education - Basic Grants to States	0	93,186	0	93,186
Title I Grants to Local Education Agencies	0	1,721,778	0	1,721,778
Special Education - Grants to States	56,590	1,040,952	0	1,097,542
Special Education Preschool Grants	8,948	35,566	0	44,514
Safe and Drug-free Schools - State Grants	0	129,879	0	129,879
Rural Education	0	89,204	0	89,204
Eisenhower Professional Development State Grants	0	227,354	0	227,354
Disaster Relief	335,110	0	0	335,110
Race to the Top - ARRA	0	278,832	0	278,832
Other Federal through State	0	4,158	0	4,158
<u>Direct Federal Revenue</u>				
ROTC Reimbursement	60,983	0	0	60,983
Tax Credit Bond Rebate	113,447	0	0	113,447
Total Federal Government	\$ 575,078	\$ 3,620,909	\$ 2,619,022	\$ 6,815,009
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 550,000	\$ 0	\$ 0	\$ 550,000
<u>Citizens Groups</u>				
Donations	35,475	0	0	35,475
Total Other Governments and Citizens Groups	\$ 585,475	\$ 0	\$ 0	\$ 585,475
Total	\$ 33,296,571	\$ 3,620,909	\$ 2,875,745	\$ 39,793,225

Exhibit K-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	37,044	
Social Security		2,289	
Pensions		708	
Employer Medicare		535	
Audit Services		8,345	
Dues and Memberships		2,863	
Travel		1,511	
Workers' Compensation Insurance		94	
Total County Commission			\$ 53,389

County Mayor/Executive

County Official/Administrative Officer	\$	78,358	
Accountants/Bookkeepers		63,575	
Salary Supplements		1,500	
Part-time Personnel		9,999	
In-service Training		500	
Social Security		8,920	
Pensions		10,723	
Employee and Dependent Insurance		16,373	
Employer Medicare		2,086	
Communication		883	
Contracts with Private Agencies		7,747	
Dues and Memberships		1,850	
Postal Charges		8,000	
Travel		1,715	
Office Supplies		4,353	
Other Supplies and Materials		960	
Premiums on Corporate Surety Bonds		699	
Workers' Compensation Insurance		273	
Land		332	
Office Equipment		160	
Total County Mayor/Executive			219,006

County Attorney

Legal Services	\$	3,165	
Total County Attorney			3,165

Election Commission

County Official/Administrative Officer	\$	61,059	
Deputy(ies)		39,057	
Clerical Personnel		13,190	
Other Salaries and Wages		1,680	
Election Commission		4,200	
Election Workers		19,168	
Social Security		6,724	
Pensions		7,584	
Employee and Dependent Insurance		21,932	

(Continued)

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Employer Medicare	\$	1,609	
Communication		3,782	
Contracts with Private Agencies		28,273	
Dues and Memberships		175	
Legal Notices, Recording, and Court Costs		4,451	
Printing, Stationery, and Forms		1,266	
Travel		2,459	
Data Processing Supplies		1,834	
Electricity		4,296	
Natural Gas		1,442	
Office Supplies		4,178	
Water and Sewer		841	
Other Supplies and Materials		671	
Workers' Compensation Insurance		214	
In Service/Staff Development		575	
Office Equipment		2,997	
Total Election Commission			\$ 233,657

Register of Deeds

County Official/Administrative Officer	\$	67,843	
Deputy(ies)		28,936	
Social Security		5,656	
Pensions		7,210	
Employee and Dependent Insurance		9,902	
Employer Medicare		1,323	
Communication		855	
Contracts with Other Public Agencies		9,396	
Dues and Memberships		888	
Office Supplies		2,115	
Premiums on Corporate Surety Bonds		699	
Workers' Compensation Insurance		192	
Office Equipment		65	
Total Register of Deeds			135,080

Development

Consultants	\$	50,000	
Contracts with Government Agencies		35,000	
Other Charges		13,855	
Total Development			98,855

Planning

Materials Supervisor	\$	8,543	
Salary Supplements		2,585	
Board and Committee Members Fees		545	
Social Security		724	
Employer Medicare		169	
Communication		1,532	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Workers' Compensation Insurance	\$	198	
Other Charges		22	
Total Planning			\$ 14,318

County Buildings

Custodial Personnel	\$	24,825	
Maintenance Personnel		40,038	
Part-time Personnel		6,219	
Overtime Pay		1,098	
Social Security		4,049	
Pensions		5,292	
Employee and Dependent Insurance		15,195	
Employer Medicare		947	
Maintenance and Repair Services - Buildings		151,958	
Maintenance and Repair Services - Vehicles		49	
Custodial Supplies		8,908	
Electricity		22,766	
Water and Sewer		7,358	
Other Supplies and Materials		784	
Building and Contents Insurance		26,133	
Workers' Compensation Insurance		1,470	
Plant Operation Equipment		40,523	
Total County Buildings			357,612

Other General Administration

Other Salaries and Wages	\$	3,832	
Social Security		238	
Employer Medicare		56	
Total Other General Administration			4,126

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	67,843	
Deputy(ies)		61,496	
Board and Committee Members Fees		1,090	
Social Security		7,165	
Pensions		9,636	
Employee and Dependent Insurance		26,229	
Employer Medicare		1,676	
Communication		855	
Contracts with Government Agencies		5,056	
Contracts with Other Public Agencies		3,000	
Contracts with Private Agencies		13,358	
Dues and Memberships		1,650	
Travel		1,872	
Office Supplies		2,368	
Workers' Compensation Insurance		1,112	
Total Property Assessor's Office			204,406

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program

Part-time Personnel	\$	16,117	
Social Security		999	
Employer Medicare		234	
Contracts with Government Agencies		2,617	
Travel		997	
Total Reappraisal Program			\$ 20,964

County Trustee's Office

County Official/Administrative Officer	\$	67,843	
Deputy(ies)		59,971	
Board and Committee Members Fees		300	
In-service Training		1,000	
Social Security		7,048	
Pensions		9,597	
Employee and Dependent Insurance		26,296	
Employer Medicare		1,650	
Communication		1,903	
Contracts with Government Agencies		7,417	
Contracts with Private Agencies		9,574	
Dues and Memberships		1,003	
Legal Notices, Recording, and Court Costs		218	
Travel		1,946	
Office Supplies		1,488	
Premiums on Corporate Surety Bonds		13,032	
Workers' Compensation Insurance		228	
Total County Trustee's Office			210,514

County Clerk's Office

County Official/Administrative Officer	\$	67,843	
Deputy(ies)		128,767	
Overtime Pay		1,192	
Social Security		11,440	
Pensions		13,544	
Employee and Dependent Insurance		21,148	
Employer Medicare		2,676	
Communication		2,743	
Contracts with Other Public Agencies		17,203	
Dues and Memberships		628	
Office Supplies		3,011	
Premiums on Corporate Surety Bonds		699	
Workers' Compensation Insurance		313	
Office Equipment		2,205	
Total County Clerk's Office			273,412

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	67,843	
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(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Deputy(ies)	\$	58,195	
Attendants		7,723	
Jury and Witness Expense		10,292	
Social Security		7,606	
Pensions		9,390	
Employee and Dependent Insurance		15,311	
Employer Medicare		1,806	
Communication		1,490	
Contracts with Other Public Agencies		14,536	
Contracts with Private Agencies		6,240	
Dues and Memberships		573	
Postal Charges		3,500	
Travel		1,127	
Remittance of Revenue Collected		553	
Office Supplies		10,163	
Premiums on Corporate Surety Bonds		699	
Workers' Compensation Insurance		346	
Other Charges		299	
Office Equipment		5,406	
Total Circuit Court			\$ 223,098

General Sessions Judge

Judge(s)	\$	82,530	
Social Security		4,960	
Pensions		6,148	
Employee and Dependent Insurance		4,188	
Employer Medicare		1,160	
Dues and Memberships		489	
Travel		730	
Workers' Compensation Insurance		191	
Total General Sessions Judge			100,396

General Sessions Court Clerk

Clerical Personnel	\$	142,270	
Attendants		61,473	
Part-time Personnel		4,130	
Social Security		11,899	
Pensions		8,598	
Employee and Dependent Insurance		25,309	
Employer Medicare		2,783	
Communication		1,660	
Evaluation and Testing		600	
Remittance of Revenue Collected		2,325	
Workers' Compensation Insurance		1,550	
Total General Sessions Court Clerk			262,597

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court

County Official/Administrative Officer	\$	67,843	
Deputy(ies)		25,716	
Attendants		13,530	
Part-time Personnel		14,822	
Social Security		6,995	
Pensions		6,970	
Employee and Dependent Insurance		4,256	
Employer Medicare		1,690	
Communication		1,756	
Contracts with Private Agencies		6,675	
Dues and Memberships		573	
Legal Notices, Recording, and Court Costs		60	
Office Supplies		5,682	
Workers' Compensation Insurance		456	
Total Chancery Court	\$		157,024

Juvenile Court

County Official/Administrative Officer	\$	47,699	
Judge(s)		82,530	
Deputy(ies)		128,509	
Investigator(s)		74,537	
Probation Officer(s)		28,114	
Youth Service Officer(s)		35,290	
Salary Supplements		900	
Secretary(ies)		51,930	
Attendants		25,827	
Part-time Personnel		2,281	
In-service Training		3,280	
Other Per Diem and Fees		476	
Social Security		26,884	
Pensions		32,683	
Employee and Dependent Insurance		84,459	
Employer Medicare		6,375	
Communication		6,487	
Contracts with Private Agencies		26,040	
Dues and Memberships		680	
Evaluation and Testing		4,621	
Maintenance and Repair Services - Equipment		3,359	
Maintenance and Repair Services - Vehicles		5,945	
Travel		8,143	
Gasoline		11,716	
Office Supplies		479	
Other Supplies and Materials		9,447	
Vehicle and Equipment Insurance		4,025	
Workers' Compensation Insurance		5,535	
Total Juvenile Court			718,251

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Other Administration of Justice

Secretary(ies)	\$	4,994	
Part-time Personnel		33,294	
Social Security		2,658	
Handling Charges and Administrative Costs		5,480	
Pensions		779	
Employer Medicare		622	
Communication		1,242	
Contracts with Private Agencies		2,625	
Maintenance and Repair Services - Equipment		2,702	
Postal Charges		500	
Data Processing Supplies		2,000	
Office Supplies		3,633	
Testing		1,532	
Other Supplies and Materials		4,649	
Workers' Compensation Insurance		798	
In Service/Staff Development		50	
Other Charges		702	
Total Other Administration of Justice			\$ 68,260

Victim Assistance Programs

Remittance of Revenue Collected	\$	15,000	
Total Victim Assistance Programs			15,000

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	74,628	
Assistant(s)		45,668	
Deputy(ies)		523,540	
Investigator(s)		203,153	
Accountants/Bookkeepers		29,113	
Salary Supplements		15,300	
Dispatchers/Radio Operators		210,711	
Guards		25,992	
Clerical Personnel		28,307	
Part-time Personnel		32,357	
Overtime Pay		45,017	
Other Salaries and Wages		21,665	
In-service Training		7,900	
Social Security		75,043	
Pensions		85,024	
Employee and Dependent Insurance		143,047	
Unemployment Compensation		10,285	
Employer Medicare		17,550	
Other Fringe Benefits		32,046	
Communication		17,366	
Dues and Memberships		2,106	
Maintenance and Repair Services - Equipment		11,479	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Maintenance and Repair Services - Vehicles	\$	64,038	
Postal Charges		3,704	
Towing Services		3,848	
Travel		15,335	
Data Processing Supplies		3,350	
Electricity		93,737	
Gasoline		118,878	
Law Enforcement Supplies		9,026	
Natural Gas		20,392	
Office Supplies		7,735	
Tires and Tubes		9,519	
Uniforms		8,370	
Water and Sewer		39,616	
Other Supplies and Materials		7,521	
Liability Insurance		17,127	
Premiums on Corporate Surety Bonds		998	
Vehicle and Equipment Insurance		13,845	
Workers' Compensation Insurance		16,290	
Other Charges		6,854	
Motor Vehicles		88,574	
Office Equipment		1,110	
Total Sheriff's Department			\$ 2,207,164

Administration of the Sexual Offender Registry

Other Supplies and Materials	\$	1,512	
Total Administration of the Sexual Offender Registry			1,512

Jail

Captain(s)	\$	45,254	
Lieutenant(s)		80,406	
Sergeant(s)		120,584	
Accountants/Bookkeepers		26,529	
Medical Personnel		62,986	
Salary Supplements		6,600	
Guards		525,178	
Cafeteria Personnel		2,421	
Part-time Personnel		46,736	
Overtime Pay		31,456	
Other Salaries and Wages		3,600	
Social Security		55,425	
Pensions		42,245	
Employee and Dependent Insurance		118,640	
Employer Medicare		12,962	
Communication		3,947	
Maintenance Agreements		16,532	
Medical and Dental Services		283,642	
Travel		8,320	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Other Contracted Services	\$	24,643	
Custodial Supplies		17,687	
Drugs and Medical Supplies		45,561	
Food Preparation Supplies		3,649	
Food Supplies		188,797	
Office Supplies		12,030	
Prisoners Clothing		4,133	
Uniforms		4,288	
Other Supplies and Materials		17,653	
Workers' Compensation Insurance		16,048	
In Service/Staff Development		134	
Other Charges		16,323	
Communication Equipment		2,856	
Office Equipment		213	
Plant Operation Equipment		21,696	
Total Jail			\$ 1,869,174

Fire Prevention and Control

Part-time Personnel	\$	15,450	
Social Security		958	
Employer Medicare		224	
Contracts with Government Agencies		2,000	
Gasoline		3,542	
Utilities		6,742	
Other Supplies and Materials		8,241	
Building and Contents Insurance		1,156	
Vehicle and Equipment Insurance		5,540	
Workers' Compensation Insurance		2,150	
In Service/Staff Development		692	
Other Charges		6,411	
Total Fire Prevention and Control			53,106

Civil Defense

Other Equipment	\$	19,536	
Total Civil Defense			19,536

Rescue Squad

Contributions	\$	1,708	
Building and Contents Insurance		1,052	
Vehicle and Equipment Insurance		1,594	
Total Rescue Squad			4,354

Other Emergency Management

Supervisor/Director	\$	47,952	
Social Security		2,663	
Pensions		3,572	
Employee and Dependent Insurance		10,946	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management (Cont.)

Employer Medicare	\$	623	
Communication		2,772	
Maintenance and Repair Services - Vehicles		746	
Travel		176	
Gasoline		3,820	
Office Supplies		76	
Other Supplies and Materials		336	
Vehicle and Equipment Insurance		1,153	
Workers' Compensation Insurance		828	
Other Charges		988	
Total Other Emergency Management			\$ 76,651

Public Health and Welfare

Local Health Center

Communication	\$	2,081	
Janitorial Services		10,395	
Maintenance and Repair Services - Buildings		4,912	
Postal Charges		229	
Other Contracted Services		17,862	
Drugs and Medical Supplies		1,162	
Office Supplies		753	
Utilities		15,720	
Total Local Health Center			53,114

Rabies and Animal Control

Part-time Personnel	\$	37,003	
Social Security		2,281	
Employer Medicare		534	
Communication		1,260	
Maintenance and Repair Services - Vehicles		1,056	
Veterinary Services		3,240	
Animal Food and Supplies		6,172	
Custodial Supplies		2,690	
Gasoline		4,713	
Utilities		8,058	
Other Supplies and Materials		3,115	
Vehicle and Equipment Insurance		305	
Workers' Compensation Insurance		1,129	
Other Equipment		1,202	
Total Rabies and Animal Control			72,758

Dental Health Program

Medical Personnel	\$	27,244	
Clerical Personnel		24,515	
Educational Assistants		26,054	
Social Security		4,591	
Pensions		3,949	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Dental Health Program (Cont.)

Employee and Dependent Insurance	\$	8,128	
Employer Medicare		1,074	
Travel		3,019	
Medical Claims		4,898	
Workers' Compensation Insurance		555	
Total Dental Health Program			\$ 104,027

Alcohol and Drug Programs

Other Salaries and Wages	\$	4,960	
Social Security		308	
Pensions		370	
Employer Medicare		72	
Communication		819	
Contracts with Private Agencies		27,638	
Dues and Memberships		650	
Postal Charges		120	
Printing, Stationery, and Forms		3,611	
Rentals		3,600	
Travel		3,500	
Instructional Supplies and Materials		9,350	
Office Supplies		1,970	
Total Alcohol and Drug Programs			56,968

Other Local Health Services

Contracts with Government Agencies	\$	23,372	
Contracts with Other Public Agencies		30,600	
Contributions		35,771	
Other Contracted Services		14,040	
Total Other Local Health Services			103,783

Sanitation Education/Information

Guards	\$	25,992	
Clerical Personnel		612	
Social Security		1,362	
Pensions		1,936	
Employee and Dependent Insurance		10,964	
Employer Medicare		318	
Contracts with Other Public Agencies		6,975	
Workers' Compensation Insurance		457	
Other Charges		576	
Total Sanitation Education/Information			49,192

Other Public Health and Welfare

Remittance of Revenue Collected	\$	21,032	
Total Other Public Health and Welfare			21,032

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Libraries

Librarians	\$	71,667	
Social Security		3,933	
Pensions		5,115	
Employee and Dependent Insurance		19,292	
Employer Medicare		920	
Communication		4,712	
Contributions		23,308	
Maintenance and Repair Services - Buildings		2,787	
Library Books/Media		4,593	
Office Supplies		2,381	
Utilities		11,068	
Workers' Compensation Insurance		105	
Office Equipment		3,442	
Total Libraries			\$ 153,323

Parks and Fair Boards

Contributions	\$	38,100	
Total Parks and Fair Boards			38,100

Agriculture and Natural Resources

Agricultural Extension Service

Part-time Personnel	\$	3,491	
Social Security		216	
Employer Medicare		51	
Communication		2,357	
Contracts with Government Agencies		17,075	
Dues and Memberships		395	
Maintenance and Repair Services - Buildings		3,574	
Maintenance and Repair Services - Equipment		3,692	
Matching Share		58,595	
Travel		3,869	
Other Contracted Services		1,406	
Electricity		5,555	
Natural Gas		1,425	
Water and Sewer		1,424	
Workers' Compensation Insurance		65	
Total Agricultural Extension Service			103,190

Soil Conservation

Assessment Personnel	\$	64,472	
Secretary(ies)		23,832	
Social Security		4,783	
Pensions		5,591	
Employee and Dependent Insurance		26,095	
Employer Medicare		1,118	
Workers' Compensation Insurance		732	
Total Soil Conservation			126,623

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations

Housing and Urban Development

Remittance of Revenue Collected	\$ 12,459	
Total Housing and Urban Development		\$ 12,459

Veterans' Services

Supervisor/Director	\$ 13,879	
Social Security	860	
Employer Medicare	201	
Communication	831	
Office Supplies	1,393	
Workers' Compensation Insurance	22	
Total Veterans' Services		17,186

Other Charges

Liability Insurance	\$ 48,763	
Trustee's Commission	146,527	
Other Charges	15,741	
Total Other Charges		211,031

Contributions to Other Agencies

Contributions	\$ 170,612	
Total Contributions to Other Agencies		170,612

Employee Benefits

Unemployment Compensation	\$ 264	
Medical Claims	351,810	
Total Employee Benefits		352,074

Miscellaneous

Advertising	\$ 2,030	
Other Contracted Services	980	
Other Charges	50	
Total Miscellaneous		3,060

Instruction

Student Body Education Program

Supervisor/Director	\$ 36,050	
Social Security	2,235	
Employer Medicare	523	
Communication	9,960	
Consultants	1,930	
Contributions	9,150	
Workers' Compensation Insurance	43	
Total Student Body Education Program		59,891

Capital Projects

Highway and Street Capital Projects

Engineering Services	\$ 110,440	
Total Highway and Street Capital Projects		110,440

Total General Fund		\$ 9,423,490
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(Continued)

Exhibit K-7

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

Law Library Fund

Social, Cultural, and Recreational Services

Libraries

Library Books/Media	\$	1,569	
Trustee's Commission		12	
Total Libraries			\$ 1,581

Total Law Library Fund \$ 1,581

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Medical Personnel	\$	713,419	
Social Security		41,397	
Pensions		34,712	
Medical Insurance		117,404	
Communication		4,752	
Debt Collection Services		61,446	
Dues and Memberships		300	
Licenses		1,900	
Maintenance and Repair Services - Buildings		1,429	
Maintenance and Repair Services - Equipment		55,163	
Other Contracted Services		5,450	
Data Processing Supplies		2,218	
Diesel Fuel		52,391	
Drugs and Medical Supplies		33,469	
Office Supplies		2,647	
Utilities		5,974	
Liability Insurance		26,548	
Other Charges		2,924	
Other Equipment		2,784	
Total Ambulance/Emergency Medical Services			\$ 1,166,327

Total Ambulance Service Fund 1,166,327

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	1,317	
Confidential Drug Enforcement Payments		2,000	
Total Drug Enforcement			\$ 3,317

Total Drug Control Fund 3,317

Constitutional Officers - Fees Fund

Public Safety

Sheriff's Department

Printing, Stationery, and Forms	\$	195	
Total Sheriff's Department			\$ 195

Total Constitutional Officers - Fees Fund 195

(Continued)

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	74,628	
Accountants/Bookkeepers		64,118	
Communication		6,033	
Data Processing Services		10,129	
Dues and Memberships		3,952	
Legal Notices, Recording, and Court Costs		911	
Maintenance and Repair Services - Equipment		124	
Medical and Dental Services		1,127	
Postal Charges		568	
Printing, Stationery, and Forms		454	
Travel		1,194	
Other Contracted Services		7,908	
Custodial Supplies		1,283	
Data Processing Supplies		156	
Electricity		14,937	
Natural Gas		9,000	
Office Supplies		1,346	
Water and Sewer		7,495	
Other Charges		808	
Total Administration			\$ 206,171

Highway and Bridge Maintenance

Foremen	\$	119,628	
Equipment Operators		617,658	
Truck Drivers		101,610	
Laborers		37,615	
Other Contracted Services		1,148	
Asphalt - Cold Mix		23,370	
Asphalt - Liquid		56,317	
Crushed Stone		72,945	
General Construction Materials		2,816	
Other Road Materials		2,080	
Pipe - Metal		21,563	
Road Signs		5,899	
Sand		373	
Small Tools		2,050	
Wood Products		40,483	
Chemicals		26,089	
Other Supplies and Materials		3,449	
Total Highway and Bridge Maintenance			1,135,093

Operation and Maintenance of Equipment

Mechanic(s)	\$	74,761	
Laundry Service		15,917	
Maintenance and Repair Services - Equipment		9,714	
Other Contracted Services		1,702	
Diesel Fuel		139,964	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment (Cont.)

Equipment and Machinery Parts	\$	89,931	
Garage Supplies		5,104	
Gasoline		37,447	
Lubricants		9,482	
Small Tools		5,147	
Tires and Tubes		31,288	
Other Supplies and Materials		746	
Other Charges		59,861	
Total Operation and Maintenance of Equipment			\$ 481,064

Other Charges

Building and Contents Insurance	\$	43,562	
Liability Insurance		3,530	
Premiums on Corporate Surety Bonds		345	
Trustee's Commission		37,217	
Workers' Compensation Insurance		52,506	
Total Other Charges			137,160

Employee Benefits

Social Security	\$	75,629	
Pensions		80,891	
Employee and Dependent Insurance		176,050	
Other Fringe Benefits		1,760	
Medical Claims		67,054	
Total Employee Benefits			401,384

Capital Outlay

Engineering Services	\$	38,081	
Bridge Construction		814,831	
Communication Equipment		1,774	
Highway Construction		14,492	
Highway Equipment		145,583	
State Aid Projects		588,194	
Total Capital Outlay			1,602,955

Total Highway/Public Works Fund \$ 3,963,827

General Debt Service Fund

Principal on Debt

General Government

Principal on Other Loans	\$	58,000	
Total General Government			\$ 58,000

Education

Principal on Bonds	\$	1,395,000	
Principal on Notes		71,427	
Principal on Capital Leases		123,822	
Principal on Other Loans		157,431	
Total Education			1,747,680

(Continued)

Exhibit K-7

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

<u>General Debt Service Fund (Cont.)</u>		
<u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Other Loans	\$ 1,524	
Total General Government		\$ 1,524
<u>Education</u>		
Interest on Bonds	\$ 212,444	
Interest on Capital Leases	9,677	
Interest on Other Loans	103,062	
Total Education		325,183
<u>Other Debt Service</u>		
<u>General Government</u>		
Contributions	\$ 96,740	
Trustee's Commission	2,782	
Other Debt Issuance Charges	5,814	
Total General Government		105,336
<u>Education</u>		
Other Debt Issuance Charges	\$ 2,018	
Other Debt Service	452	
Total Education		2,470
Total General Debt Service Fund		\$ 2,240,193
Total Governmental Funds - Primary Government		\$ 16,798,930

Exhibit K-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 9,829,670	
Career Ladder Program	72,800	
Career Ladder Extended Contracts	30,000	
Educational Assistants	557,916	
Other Salaries and Wages	292,271	
Non-certified Substitute Teachers	145,823	
Social Security	645,469	
Pensions	956,692	
Medical Insurance	2,301,014	
Unemployment Compensation	38,088	
Employer Medicare	151,857	
Other Contracted Services	236,986	
Instructional Supplies and Materials	129,773	
Textbooks	43,271	
Other Supplies and Materials	7,145	
Other Charges	1,528	
Regular Instruction Equipment	66,457	
Total Regular Instruction Program		\$ 15,506,760

Special Education Program

Teachers	\$ 1,708,499	
Career Ladder Program	12,000	
Career Ladder Extended Contracts	11,000	
Homebound Teachers	6,538	
Educational Assistants	69,014	
Social Security	106,183	
Pensions	162,308	
Medical Insurance	398,754	
Employer Medicare	24,833	
Instructional Supplies and Materials	13,710	
Other Supplies and Materials	4,387	
Total Special Education Program		2,517,226

Vocational Education Program

Teachers	\$ 681,213	
Career Ladder Program	4,000	
Career Ladder Extended Contracts	2,000	
Social Security	40,514	
Pensions	62,124	
Medical Insurance	130,738	
Employer Medicare	9,475	
Instructional Supplies and Materials	8,496	
Other Supplies and Materials	4,622	
Total Vocational Education Program		943,182

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services

Attendance

Supervisor/Director	\$	12,108	
Social Security		740	
Pensions		1,095	
Medical Insurance		2,128	
Employer Medicare		173	
Travel		1,370	
Other Supplies and Materials		19,147	
Total Attendance			\$ 36,761

Health Services

Medical Personnel	\$	95,953	
Other Salaries and Wages		66,101	
Social Security		9,321	
Pensions		11,416	
Medical Insurance		26,112	
Employer Medicare		2,180	
Travel		1,656	
Other Supplies and Materials		24,659	
Total Health Services			237,398

Other Student Support

Supervisor/Director	\$	18,388	
Career Ladder Program		3,000	
Guidance Personnel		494,925	
Career Ladder Extended Contracts		2,000	
Social Security		30,562	
Pensions		46,675	
Medical Insurance		115,488	
Employer Medicare		7,147	
Evaluation and Testing		20,683	
Other Contracted Services		206,194	
Total Other Student Support			945,062

Regular Instruction Program

Supervisor/Director	\$	136,519
Career Ladder Program		3,000
Career Ladder Extended Contracts		1,000
Librarians		273,948
Materials Supervisor		67,372
Instructional Computer Personnel		4,800
Other Salaries and Wages		63,342
Social Security		32,662
Pensions		47,909
Medical Insurance		99,065
Employer Medicare		7,639
Travel		7,030

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Library Books/Media	\$	5,177	
Other Supplies and Materials		23,392	
In Service/Staff Development		25,849	
Total Regular Instruction Program			\$ 798,704

Special Education Program

Supervisor/Director	\$	73,551	
Psychological Personnel		47,301	
Secretary(ies)		64,740	
Social Security		10,984	
Pensions		15,820	
Medical Insurance		33,707	
Employer Medicare		2,569	
Travel		16,556	
Other Contracted Services		249,326	
Other Supplies and Materials		7,496	
In Service/Staff Development		9,308	
Total Special Education Program			531,358

Vocational Education Program

Supervisor/Director	\$	69,934	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		300	
Social Security		4,442	
Pensions		6,593	
Medical Insurance		5,191	
Employer Medicare		1,039	
Travel		450	
Total Vocational Education Program			90,949

Other Programs

On-behalf Payments to OPEB	\$	121,941	
Total Other Programs			121,941

Board of Education

Board and Committee Members Fees	\$	10,014	
Social Security		621	
Pensions		470	
Employer Medicare		145	
Audit Services		5,000	
Dues and Memberships		14,728	
Legal Services		23,285	
Travel		12,224	
Liability Insurance		58,351	
Premiums on Corporate Surety Bonds		2,269	
Trustee's Commission		154,177	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Workers' Compensation Insurance	\$	124,473	
Other Charges		<u>9,327</u>	
Total Board of Education	\$		415,084

Director of Schools

County Official/Administrative Officer	\$	110,000	
Assistant(s)		83,837	
Career Ladder Program		1,000	
Social Security		11,583	
Pensions		17,613	
Medical Insurance		17,977	
Employer Medicare		2,737	
Other Fringe Benefits		7,996	
Communication		86,000	
Postal Charges		4,969	
Travel		5,453	
Remittance of Revenue Collected		558	
Office Supplies		9,169	
Administration Equipment		<u>7,925</u>	
Total Director of Schools			366,817

Office of the Principal

Principals	\$	572,389	
Career Ladder Program		6,000	
Assistant Principals		529,427	
Secretary(ies)		392,107	
Clerical Personnel		49,709	
Social Security		89,858	
Pensions		132,558	
Medical Insurance		304,207	
Employer Medicare		21,015	
Other Charges		3,450	
Administration Equipment		<u>95,973</u>	
Total Office of the Principal			2,196,693

Fiscal Services

Supervisor/Director	\$	71,750	
Accountants/Bookkeepers		23,835	
Social Security		5,489	
Pensions		7,120	
Medical Insurance		11,659	
Employer Medicare		1,284	
Travel		526	
Other Contracted Services		<u>12,827</u>	
Total Fiscal Services			134,490

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Human Services/Personnel

Supervisor/Director	\$	60,734	
Social Security		3,563	
Pensions		4,525	
Medical Insurance		4,239	
Employer Medicare		833	
Travel		1,616	
Other Supplies and Materials		2,191	
Total Human Services/Personnel			\$ 77,701

Operation of Plant

Supervisor/Director	\$	62,500	
Custodial Personnel		143,365	
Social Security		12,229	
Pensions		14,976	
Medical Insurance		23,418	
Employer Medicare		2,860	
Other Contracted Services		867,960	
Electricity		616,029	
Natural Gas		409,897	
Building and Contents Insurance		127,725	
Total Operation of Plant			2,280,959

Maintenance of Plant

Maintenance Personnel	\$	141,007	
Other Salaries and Wages		127,847	
Social Security		15,431	
Pensions		17,635	
Medical Insurance		47,967	
Employer Medicare		3,609	
Maintenance and Repair Services - Buildings		50,647	
Maintenance and Repair Services - Equipment		90,600	
Travel		1,526	
Other Contracted Services		119,464	
Other Supplies and Materials		99,574	
Maintenance Equipment		24,134	
Total Maintenance of Plant			739,441

Transportation

Supervisor/Director	\$	55,163	
Mechanic(s)		94,071	
Bus Drivers		617,737	
Other Salaries and Wages		47,925	
Social Security		50,064	
Pensions		15,577	
Medical Insurance		23,800	
Employer Medicare		11,708	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Other Fringe Benefits	\$	6,638	
Travel		15,990	
Gasoline		184,828	
Tires and Tubes		18,827	
Vehicle Parts		68,992	
Other Supplies and Materials		9,455	
Vehicle and Equipment Insurance		33,983	
Transportation Equipment		249,785	
Total Transportation			\$ 1,504,543

Central and Other

Clerical Personnel	\$	30,348	
Social Security		1,602	
Pensions		2,261	
Medical Insurance		12,369	
Employer Medicare		375	
Total Central and Other			46,955

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$	42,903	
Teachers		101,767	
Other Salaries and Wages		36,695	
Social Security		11,042	
Pensions		15,635	
Medical Insurance		7,334	
Employer Medicare		2,582	
Travel		2,592	
Other Supplies and Materials		16,454	
Refunds		10,000	
Total Community Services			247,004

Early Childhood Education

Supervisor/Director	\$	60,538	
Teachers		361,268	
Clerical Personnel		13,633	
Educational Assistants		165,045	
Non-certified Substitute Teachers		5,500	
Social Security		35,127	
Pensions		51,044	
Medical Insurance		121,870	
Employer Medicare		8,215	
Communication		1,097	
Contracts with Private Agencies		33,597	
Maintenance and Repair Services - Equipment		3,300	
Travel		9,142	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Early Childhood Education (Cont.)

Other Contracted Services	\$	9,932	
Food Supplies		850	
Gasoline		2,641	
Instructional Supplies and Materials		24,023	
Other Supplies and Materials		9,788	
In Service/Staff Development		8,476	
Other Charges		1,605	
Other Equipment		14,262	
Total Early Childhood Education			\$ 940,953

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	292,057	
Total Regular Capital Outlay			292,057

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	1,244,295	
Total Education			1,244,295

Total General Purpose School Fund \$ 32,216,333

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	965,509	
Educational Assistants		167,258	
Certified Substitute Teachers		45,000	
Non-certified Substitute Teachers		50,000	
Social Security		64,982	
Pensions		97,623	
Medical Insurance		243,459	
Employer Medicare		15,449	
Other Contracted Services		123,864	
Instructional Supplies and Materials		344,137	
Other Supplies and Materials		11,303	
Debt Service Contribution to Primary Government		89,204	
Regular Instruction Equipment		35,211	
Total Regular Instruction Program			\$ 2,252,999

Special Education Program

Teachers	\$	140,568	
Educational Assistants		605,798	
Social Security		41,951	
Pensions		55,104	
Medical Insurance		176,745	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	9,811	
Instructional Supplies and Materials		24,489	
Other Supplies and Materials		6,341	
Special Education Equipment		3,625	
Total Special Education Program			\$ 1,064,432

Vocational Education Program

Other Contracted Services	\$	2,235	
Instructional Supplies and Materials		7,670	
Vocational Instruction Equipment		41,120	
Total Vocational Education Program			51,025

Support Services

Health Services

Other Salaries and Wages	\$	4,125	
Social Security		253	
Employer Medicare		59	
Travel		4,705	
Other Supplies and Materials		5,384	
Total Health Services			14,526

Other Student Support

Other Salaries and Wages	\$	25,600	
Social Security		25	
Pensions		36	
Employer Medicare		334	
Travel		25,020	
Other Charges		10,315	
Total Other Student Support			61,330

Regular Instruction Program

Supervisor/Director	\$	69,934	
Teachers		6,900	
Secretary(ies)		10,065	
Social Security		5,079	
Pensions		7,696	
Medical Insurance		17,013	
Employer Medicare		1,188	
Instructional Supplies and Materials		4,120	
In Service/Staff Development		100,416	
Total Regular Instruction Program			222,411

Special Education Program

In Service/Staff Development	\$	799	
Other Equipment		11,820	
Total Special Education Program			12,619

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

Travel	\$ 2,961	
Total Vocational Education Program		\$ 2,961

Office of the Principal

In Service/Staff Development	\$ 27,397	
Total Office of the Principal		27,397

Transportation

Bus Drivers	\$ 3,000	
Social Security	186	
Employer Medicare	44	
Total Transportation		3,230

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$ 30,646	
Teachers	65,042	
Other Salaries and Wages	4,088	
Social Security	6,177	
Pensions	8,650	
Medical Insurance	2,433	
Employer Medicare	1,444	
Travel	1,755	
Other Supplies and Materials	8,398	
Total Community Services		<u>128,633</u>

Total School Federal Projects Fund		\$ 3,841,563
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Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$ 64,449	
Accountants/Bookkeepers	31,188	
Cafeteria Personnel	884,664	
Other Salaries and Wages	6,425	
Social Security	56,430	
Pensions	62,446	
Medical Insurance	186,368	
Employer Medicare	13,197	
Maintenance and Repair Services - Equipment	10,812	
Payments to Schools - Other	1,300	
Transportation - Other than Students	8,386	
Travel	6,512	
Other Contracted Services	41,715	
Food Supplies	1,352,767	
Uniforms	9,594	

(Continued)

Exhibit K-8

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

<u>Central Cafeteria Fund (Cont.)</u>		
<u>Operation of Non-instructional Services (Cont.)</u>		
<u>Food Service (Cont.)</u>		
Utilities	\$	56,687
USDA - Commodities		135,432
Other Supplies and Materials		25,882
Trustee's Commission		5
Workers' Compensation Insurance		45,000
In Service/Staff Development		3,694
Food Service Equipment		74,348
Total Food Service		<u>\$ 3,077,301</u>
Total Central Cafeteria Fund		<u>\$ 3,077,301</u>
Total Governmental Funds - Lauderdale County School Department		<u><u>\$ 39,135,197</u></u>

Exhibit K-9

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

	<u>Local Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,247,707
Total Cash Receipts	<u>\$ 2,247,707</u>
<u>Cash Disbursements</u>	
Contributions:	
General Debt Service Fund	\$ 761,637
General Purpose School Fund	550,000
Remittance of Revenues Collected	1,015,065
Trustee's Commission	22,473
Total Cash Disbursements	<u>\$ 2,349,175</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ (101,468)
Cash Balance, July 1, 2014	<u>1,582,241</u>
Cash Balance, June 30, 2015	<u>\$ 1,480,773</u>

SINGLE AUDIT SECTION



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

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

Independent Auditor's Report

Lauderdale County Mayor and
Board of County Commissioners
Lauderdale 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 Lauderdale County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Lauderdale County's basic financial statements, and have issued our report thereon dated February 24, 2016. Our report includes a reference to other auditors who audited the financial statements of the Lauderdale County Ambulance Authority (a nonmajor special revenue fund) and the discretely presented Lauderdale County Water System, as described in our report on Lauderdale 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 Lauderdale 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 Lauderdale County's internal control. Accordingly, we do not express an opinion on the effectiveness of Lauderdale 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: 2015-002, 2015-003, and 2015-004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lauderdale 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 item 2015-001.

Lauderdale County's Responses to Findings

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

Purpose of this Report

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

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 24, 2016

JPW/sb



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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Lauderdale 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 Lauderdale 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 Lauderdale 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 Lauderdale 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.

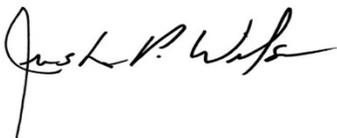
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 Lauderdale County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Lauderdale County's basic financial statements. We issued our report thereon dated February 24, 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

February 24, 2016

JPW/sb

Lauderdale 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	\$ 776,251
National School Lunch Program	10.555	N/A	1,651,194 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	56,145
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	135,432 (3)
Direct Program:			
Soil and Water Conservation	10.902	N/A	9,000
Total U.S. Department of Agriculture			<u>\$ 2,628,022</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Supportive Housing Program	14.235	TN37C707009	\$ 12,459
Total U.S. Department of Housing and Urban Development			<u>\$ 12,459</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 10,098
Total U.S. Department of the Interior			<u>\$ 10,098</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	31601-23619	\$ 2,385
Total U.S. Department of Justice			<u>\$ 2,385</u>
U.S. Department of Labor:			
Passed-through Dyersburg State Community College:			
WIA/WIOA Youth Activities	17.259	(2)	\$ 40,789
Total U.S. Department of Labor			<u>\$ 40,789</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	BRZE-4900(60)	\$ 44,680
Alcohol Open Container Requirements	20.607	154AL-12-64	21,107
Total U.S. Department of Transportation			<u>\$ 65,787</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,718,870
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,097,331
Special Education - Preschool Grants	84.173	N/A	44,907
Career and Technical Education - Basic Grants to States	84.048	N/A	80,144
Twenty-First Century Community Learning Centers	84.287	N/A	129,879
Rural Education	84.358	N/A	89,204
Improving Teacher Quality State Grants	84.367	N/A	227,354
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	579,064
Total U.S. Department of Education			<u>\$ 3,966,753</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	(2)	\$ 14,526
Passed-through State Department of Education:			
Promoting Safe and Stable Families	93.556	(2)	29,611
Passed-through State Department of Mental Health and Substance Abuse Services:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	GG-13339802	56,972
Total U.S. Department of Health and Human Services			<u>\$ 101,109</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Hazard Mitigation Grant	97.039	FEMA-DR-1909-TN	\$ 293,221
Emergency Management Performance Grants	97.042	(2)	32,000
Homeland Security Grant Program	97.067	10UASI-LAUD	19,519
Total U.S. Department of Homeland Security			<u>\$ 344,740</u>
Total Expenditures of Federal Awards			<u>\$ 7,172,142</u>
		<u>Contract Number</u>	
<u>State Grants</u>			
Juvenile Court Improvement Funds - State Commission on Children and Youth	N/A	(2)	\$ 9,000
Local Health Services - State Department of Health	N/A	(2)	109,357
Litter Grant - State Department of Transportation	N/A	(2)	35,275
Animal Friendly Spay/Neuter Grant Program - State Department of Health	N/A	(2)	430
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	(2)	81,006
Agriculture Resources Conservation Fund Program - State			
Soil Conservation District	N/A	(2)	9,000
Library Technology Grant - Tennessee State Library and Archives	N/A	(2)	2,680
Early Childhood Education - State Department of Education	N/A	(2)	956,190
ACT/EXP Internet Connectivity - State Department of Education	N/A	(2)	6,638
Safe Schools - State Department of Education	N/A	(2)	28,360
Lottery for Education After School Programs - State Department of Education	N/A	(2)	183,007
Coordinated School Health - State Department of Education	N/A	(2)	99,809
State Ticket Subsidy - Tennessee Arts Commission	N/A	(2)	3,450
Hazard Mitigation Grant - State Department of Military	N/A	(2)	41,889
Recycling Equipment Grant - State Department of Environment and Conservation	N/A	(2)	19,217
Total State Grants			<u>\$ 1,585,308</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$1,786,626.

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

OFFICE OF HIGHWAY COMMISSIONER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-004(B)	173	Expenditures exceeded appropriations

OFFICE OF SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-006	174	The office had accounting deficiencies

COUNTY AMBULANCE AUTHORITY

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-007	174	Duties were not segregated adequately

LAUDERDALE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2015

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Lauderdale County is unmodified.
2. The audit of the financial statements of Lauderdale 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 were material to the financial statements of Lauderdale County.
4. The audit reported no significant deficiencies in internal controls over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Title I Grants to Local Educational Agencies (CFDA No. 84.010), and State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Lauderdale County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The highway commissioner and director of schools provided written responses, which are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF HIGHWAY COMMISSIONER

FINDING 2015-001

EXPENDITURES EXCEEDED APPROPRIATIONS

(Noncompliance Under *Government Auditing Standards*)

Expenditures exceeded appropriations approved by the County Commission in the Capital Outlay major appropriation category (the legal level of control) of the Highway/Public Works Fund by \$384,771. 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 of 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.

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – HIGHWAY COMMISSIONER

The Highway Department will take all necessary measures to prevent expenditures from exceeding appropriations in future years. This finding was partially due to a change in the state bridge program funding and measures are being implemented to correct this issue.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2015-002

THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT OF \$57,767 AT JUNE 30, 2015

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

The School Federal Projects Fund had a cash overdraft of \$57,767 at June 30, 2015. This overdraft resulted from the issuance of checks exceeding cash on deposit with the county trustee. Sound business practices dictate that expenditures be held within available funds. The cash overdraft was liquidated subsequent to June 30, 2015.

RECOMMENDATION

The School Department should not issue checks in excess of cash on deposit with the county trustee.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

Management concurs with the finding. The overdraft was a result of timing regarding a pending reimbursement for payroll. The funds were requested for drawdown prior to June 30, 2015, but had not been received and posted to the account prior to the end of the budget cycle. The issue was quickly resolved upon receipt of the requested funds. Management will work to time the reimbursement in the future so that the account has a positive balance at June 30.

OFFICE OF SHERIFF

FINDING 2015-003

THE ANNUAL FINANCIAL REPORT WAS NOT ACCURATE

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

The annual financial report did not properly reflect the operations of the office. Receipts (\$127,430) and disbursements (\$121,595) for operations were not posted to the annual financial report. These operations were determined by substantive testing and alternative auditing procedures and have been included in the financial statements of this report. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

The annual financial report should accurately reflect all operations of the Sheriff's Department.

COUNTY AMBULANCE AUTHORITY

FINDING 2015-004

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among the official and employees in the County Ambulance Authority. 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 Lauderdale County.

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

Lauderdale 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.

**LAUDERDALE 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.