

ANNUAL FINANCIAL REPORT
HARTSVILLE/TROUSDALE COUNTY
GOVERNMENT, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2015



DIVISION OF LOCAL GOVERNMENT AUDIT



ANNUAL FINANCIAL REPORT
HARTSVILLE/TROUSDALE
COUNTY GOVERNMENT, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2015

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

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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
Hartsville/Trousdale County Government, Tennessee
For the Year Ended June 30, 2015

Scope

We have audited the basic financial statements of Hartsville/Trousdale County Government as of and for the year ended June 30, 2015.

Results

Our report on Hartsville/Trousdale County Government is unmodified.

Our audit resulted in two findings and recommendations, which we have reviewed with Hartsville/Trousdale County Government management. Detailed findings and recommendations are included in the Single Audit section of this report.

Findings

The following are summaries of the audit findings:

OFFICES OF COUNTY CLERK AND CLERK AND MASTER

- ◆ Multiple employees operated from the same cash drawer.

OFFICES OF COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

Hartsville/Trousdale County Officials
June 30, 2015

Officials

Carroll Carman, County Mayor
Billy Scruggs, Superintendent of Roads
Clint Satterfield, Director of Schools
Cindy Carman, Trustee
Dewayne Byrd, Assessor of Property
Rita Crowder, County Clerk
Kim Taylor, Circuit and General Sessions Courts Clerk
Shelly Jones, Clerk and Master
Mary Holder, Register of Deeds
Ray Russell, Sheriff

Hartsville/Trousdale County Government Commissioners

Mark Beeler, Chairman	Linda Sue Johnson
James Falco	Richard Harsh
Wayne Brown	James McDonald
Shane Burton	David Nollner
Jerry Ford	John Oliver
Don Coker	Johnny Kerr
William Fergusson	Gary Claridy
Terry Gregory	Steve Whittaker
Andy Jellison	Michael Satterfield
Richard Johnson	Kendra Belcher

Highway Commission

Carroll Carman, County Mayor, Chairman
Billy Scruggs, Superintendent of Roads
Bobby Joe Lewis

Board of Education

Regina Waller, Chairman
Anthony Crook
Denice Jackson
David Crabtree
Mary Helen McGowan

Audit Committee

William Fergusson, Chairman	James McDonald
Jim Falco	John Oliver
Jerry Ford	Andy Jellison

FINANCIAL SECTION



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

Hartsville/Trousdale County Government Mayor and
Board of County Commissioners
Trousdale County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the metropolitan government of Hartsville/Trousdale County, Tennessee, (metropolitan government) 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 Trousdale County Government Emergency Communications District, which represent 6.7 percent, 7.8 percent, and 2.7 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Trousdale County Government Emergency Communications District, is based solely on the report of the other

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

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the metropolitan government as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparison for the General, Urban Services, Ambulance Service, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

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

Emphasis of Matters

We draw attention to Note I.D.8. to the financial statements, which describes a prior-period adjustment increasing the metropolitan government's beginning Governmental Activities net position. This adjustment of \$1,171,258 was necessary to recognize several capital assets, which had not been previously recognized. We also draw attention to Note I.D.9. to the financial statements, which describes a restatement decreasing the beginning Governmental Activities net position of the metropolitan government by \$285,642 and the discretely

presented Hartsville/Trousdale County School Department's net position by \$1,779,119 on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedules of county and schools contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefits plan on pages 86 - 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 the metropolitan government's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the School Department (a discretely presented component unit), and miscellaneous 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 Education Debt Service Fund, combining and individual fund financial statements of the 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

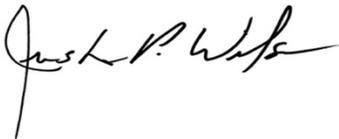
prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records 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, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the Education Debt Service Fund, combining and individual fund financial statements of the 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 December 16, 2015, on our consideration of the metropolitan government'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 the metropolitan government's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 16, 2015

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

Hartsville/Trousdale County Government, Tennessee
Statement of Net Position
June 30, 2015

	Primary Governmental Activities	Component Units	
		Hartsville/ Trousdale County School Department	Trousdale County Emergency Communications District
<u>ASSETS</u>			
Cash	\$ 407	\$ 0	\$ 1,308,738
Equity in Pooled Cash and Investments	6,219,723	3,815,779	0
Accounts Receivable	340,881	1,277	0
Allowance for Uncollectibles	(50,967)	0	0
Due from Other Governments	709,944	301,429	0
Due from Other Funds	3,686	0	0
Property Taxes Receivable	3,692,955	1,366,608	0
Allowance for Uncollectible Property Taxes	(149,271)	(55,707)	0
Net Pension Asset - Agent Plan	452,986	308,353	0
Net Pension Asset - Cost-sharing Plan	0	20,261	0
Notes Receivable - Long-term	51,000	0	0
Capital Assets:			
Assets Not Depreciated:			
Land	1,165,951	689,883	0
Construction in Progress	1,134,954	0	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	1,906,001	14,425,505	0
Infrastructure	3,769,168	0	0
Other Capital Assets	2,384,070	582,732	246,649
Intangibles	0	77,449	0
Total Assets	<u>\$ 21,631,488</u>	<u>\$ 21,533,569</u>	<u>\$ 1,555,387</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Changes in Experience	\$ 0	\$ 49,190	\$ 0
Pension Contributions After Measurement Date	281,426	488,979	0
Total Deferred Outflows of Resources	<u>\$ 281,426</u>	<u>\$ 538,169</u>	<u>\$ 0</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 482,646	\$ 48,189	\$ 2,767
Accrued Payroll	96,659	4,959	0
Payroll Deductions Payable	10	176,531	0
Accrued Interest Payable	4,142	0	0
Due to State of Tennessee	1,665	0	0
Due to Litigants, Heirs, and Others	207	0	0
Noncurrent Liabilities:			
Due Within One Year	1,042,962	0	0
Due in More Than One Year	6,878,363	169,543	0
Total Liabilities	<u>\$ 8,506,654</u>	<u>\$ 399,222</u>	<u>\$ 2,767</u>

(Continued)

Exhibit A

Hartsville/Trousdale County Government, Tennessee
Statement of Net Position (Cont.)

	Primary Governmental Activities	Component Units	
		Hartsville/ Trousdale County School Department	Trousdale County Emergency Communications District
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,305,471	\$ 1,226,513	\$ 0
Pension Changes in Experience	174,731	111,239	0
Pension Other Deferrals	0	16,852	0
Pension Changes in Investment Earnings	515,075	1,976,341	0
Total Deferred Inflows of Resources	<u>\$ 3,995,277</u>	<u>\$ 3,330,945</u>	<u>\$ 0</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 9,127,144	\$ 15,775,569	\$ 246,649
Restricted for:			
General Government	636,419	0	0
Finance	4,836	0	0
Administration of Justice	112,209	0	0
Public Safety	118,974	0	0
Public Health and Welfare	78,998	0	0
Social, Cultural, and Recreational Services	20,519	0	0
Highway/Public Works	584,427	0	0
Capital Outlay	18,918	0	0
Debt Service	1,033,462	0	0
Capital Projects	68,664	0	0
Other Purposes	452,986	0	0
Education	0	696,643	0
School Federal Projects	0	0	0
Central Cafeteria	0	257,640	0
Unrestricted	<u>(2,846,573)</u>	<u>1,611,719</u>	<u>1,305,971</u>
Total Net Position	<u>\$ 9,410,983</u>	<u>\$ 18,341,571</u>	<u>\$ 1,552,620</u>

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

Exhibit B

Hartsville/Trousdale County Government, Tennessee
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues				Total Governmental Activities	Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Units			
					Hartsville/ Trousdale County School Department		Trousdale County Emergency Communications District	
Primary Government:								
Governmental Activities:								
General Government	\$ 1,249,513	\$ 225,003	\$ 53,794	\$ 1,903,798	\$ 933,082	\$ 0	\$ 0	
Finance	339,663	252,198	4,885	0	(82,580)	0	0	
Administration of Justice	351,411	225,879	13,980	0	(111,552)	0	0	
Public Safety	2,663,836	324,745	55,692	0	(2,283,399)	0	0	
Public Health and Welfare	1,888,218	820,584	85,393	1,500	(980,741)	0	0	
Social, Cultural, and Recreational Services	244,797	24,745	20,533	0	(199,519)	0	0	
Agriculture and Natural Resources	51,120	0	0	0	(51,120)	0	0	
Highways/Public Works	1,306,395	0	1,252,377	0	(54,018)	0	0	
Education	38,402	0	0	577,826	539,424	0	0	
Interest on Long-term Debt	152,507	0	0	0	(152,507)	0	0	
Total Primary Government	\$ 8,285,862	\$ 1,873,154	\$ 1,486,654	\$ 2,483,124	\$ (2,442,930)	\$ 0	\$ 0	
Component Units:								
School Department	\$ 10,109,387	\$ 30,057	\$ 1,982,059	\$ 0	\$ 0	\$ (8,097,271)	\$ 0	
Emergency Communications District	113,284	122,597	71,091	116,015	0	0	196,419	
Total Component Units	\$ 10,222,671	\$ 152,654	\$ 2,053,150	\$ 116,015	\$ 0	\$ (8,097,271)	\$ 196,419	

(Continued)

Exhibit B

Hartsville/Trousdale County Government, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Total Governmental Activities	Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Component Units	
						Hartsville/ Trousdale County School Department	Trousdale County Emergency Communications District
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 3,349,367	\$ 1,281,361	\$ 0
Property Taxes Levied for Debt Service					210,039	0	0
Local Option Sales Tax					479,756	546,700	0
Wheel Tax					323,218	0	0
Wholesale Beer Tax					160,447	0	0
Litigation Tax					86,320	0	0
Business Tax					26,802	11,031	0
Interstate Telecommunications Tax					780	753	0
Adequate Facilities/Development Tax					50,000	0	0
Grants and Contributions Not Restricted for Specific Programs					473,993	7,334,491	0
Unrestricted Investment Income					66,458	0	5,942
Pension Income					48,822	52,491	0
Miscellaneous					14,688	15,875	0
Total General Revenues					\$ 5,290,690	\$ 9,242,702	\$ 5,942
Change in Net Position					\$ 2,847,760	\$ 1,145,431	\$ 202,361
Net Position, July 1, 2014					5,677,607	18,975,259	1,350,259
Prior-period Adjustment (See Note I.D.8.)					1,171,258	0	0
Restatement (See Note I.D.9.)					(285,642)	(1,779,119)	0
Net Position, June 30, 2015					\$ 9,410,983	\$ 18,341,571	\$ 1,552,620

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

Exhibit C-1

Hartsville/Trousdale County Government, Tennessee
Balance Sheet
Governmental Funds
June 30, 2015

	Major Funds					
	General	Urban Services	Ambulance Service	Highway / Public Works	Education Debt Service	General Capital Projects
<u>ASSETS</u>						
Cash	\$ 200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Equity in Pooled Cash and Investments	2,337,767	1,000,622	493,570	422,590	1,189,124	72,795
Accounts Receivable	27,948	17,255	229,454	21,948	0	0
Allowance for Uncollectibles	0	0	(50,967)	0	0	0
Due from Other Governments	182,461	0	0	222,283	0	303,654
Due from Other Funds	8,889	0	0	0	0	0
Property Taxes Receivable	2,274,420	501,800	482,275	0	0	0
Allowance for Uncollectible Property Taxes	(88,813)	(18,678)	(22,251)	0	0	0
Notes Receivable - Long-term	0	0	0	0	0	0
Total Assets	\$ 4,742,872	\$ 1,500,999	\$ 1,132,081	\$ 666,821	\$ 1,189,124	\$ 376,449
<u>LIABILITIES</u>						
Accounts Payable	\$ 121,562	\$ 19,833	\$ 3,350	\$ 16,681	\$ 0	\$ 307,785
Accrued Payroll	50,140	14,026	0	32,493	0	0
Payroll Deductions Payable	10	0	0	0	0	0
Due to Other Funds	2,252	2,080	1,237	0	0	0
Due to State of Tennessee	0	0	0	1,665	0	0
Due to Litigants, Heirs, and Others	0	0	0	0	0	0
Total Liabilities	\$ 173,964	\$ 35,939	\$ 4,587	\$ 50,839	\$ 0	\$ 307,785
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 2,057,680	\$ 443,607	\$ 421,920	\$ 0	\$ 0	\$ 0
Deferred Delinquent Property Taxes	121,148	37,015	36,085	0	0	0

(Continued)

Exhibit C-1

Hartsville/Trousdale County Government, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	Major Funds					
	General	Urban Services	Ambulance Service	Highway / Public Works	Education Debt Service	General Capital Projects
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>						
Other Deferred/Unavailable Revenue	\$ 56,000	\$ 0	\$ 164,449	\$ 110,386	\$ 0	\$ 0
Total Deferred Inflows of Resources	\$ 2,234,828	\$ 480,622	\$ 622,454	\$ 110,386	\$ 0	\$ 0
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 17,847	\$ 702,508	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Finance	4,836	0	0	0	0	0
Restricted for Administration of Justice	112,209	0	0	0	0	0
Restricted for Public Safety	74,127	0	0	0	0	0
Restricted for Public Health and Welfare	43,667	35,331	0	0	0	0
Restricted for Social, Cultural, and Recreational Services	20,519	0	0	0	0	0
Restricted for Highways/Public Works	0	0	0	486,678	0	0
Restricted for Capital Outlay	0	0	0	18,918	0	0
Restricted for Debt Service	0	0	0	0	827,588	0
Restricted for Capital Projects	0	0	0	0	0	68,664
Committed:						
Committed for General Government	0	240,579	0	0	0	0
Committed for Public Safety	2,019	0	0	0	0	0
Committed for Public Health and Welfare	0	6,020	505,040	0	0	0
Committed for Social, Cultural, and Recreational Services	47,097	0	0	0	0	0
Committed for Debt Service	0	0	0	0	361,536	0
Unassigned	2,011,759	0	0	0	0	0
Total Fund Balances	\$ 2,334,080	\$ 984,438	\$ 505,040	\$ 505,596	\$ 1,189,124	\$ 68,664
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,742,872	\$ 1,500,999	\$ 1,132,081	\$ 666,821	\$ 1,189,124	\$ 376,449

(Continued)

Exhibit C-1

Hartsville/Trousdale County Government, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	<u>Nonmajor Funds</u>		<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$	207	\$	407
Equity in Pooled Cash and Investments		703,255		6,219,723
Accounts Receivable		44,276		340,881
Allowance for Uncollectibles		0		(50,967)
Due from Other Governments		1,546		709,944
Due from Other Funds		2,252		11,141
Property Taxes Receivable		434,460		3,692,955
Allowance for Uncollectible Property Taxes		(19,529)		(149,271)
Notes Receivable - Long-term		51,000		51,000
		<u>51,000</u>		<u>51,000</u>
Total Assets	\$	<u>1,217,467</u>	\$	<u>10,825,813</u>
<u>LIABILITIES</u>				
Accounts Payable	\$	13,435	\$	482,646
Accrued Payroll		0		96,659
Payroll Deductions Payable		0		10
Due to Other Funds		1,886		7,455
Due to State of Tennessee		0		1,665
Due to Litigants, Heirs, and Others		207		207
Total Liabilities	\$	<u>15,528</u>	\$	<u>588,642</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$	382,264	\$	3,305,471
Deferred Delinquent Property Taxes		30,935		225,183

(Continued)

Exhibit C-1

Hartsville/Trousdale County Government, Tennessee
Balance Sheet
Governmental Funds (Cont.)

	<u>Nonmajor Funds</u>		<u>Total Governmental Funds</u>
	Other Govern- mental Funds		Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>			
Other Deferred/Unavailable Revenue	\$ 0	\$	330,835
Total Deferred Inflows of Resources	<u>\$ 413,199</u>	<u>\$</u>	<u>3,861,489</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for General Government	\$ 0	\$	720,355
Restricted for Finance	0		4,836
Restricted for Administration of Justice	0		112,209
Restricted for Public Safety	44,847		118,974
Restricted for Public Health and Welfare	0		78,998
Restricted for Social, Cultural, and Recreational Services	0		20,519
Restricted for Highways/Public Works	0		486,678
Restricted for Capital Outlay	0		18,918
Restricted for Debt Service	197,122		1,024,710
Restricted for Capital Projects	0		68,664
Committed:			
Committed for General Government	0		240,579
Committed for Public Safety	0		2,019
Committed for Public Health and Welfare	376,066		887,126
Committed for Social, Cultural, and Recreational Services	0		47,097
Committed for Debt Service	170,705		532,241
Unassigned	0		2,011,759
Total Fund Balances	<u>\$ 788,740</u>	<u>\$</u>	<u>6,375,682</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,217,467</u>	<u>\$</u>	<u>10,825,813</u>

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

Hartsville/Trousdale County Government, 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)		\$ 6,375,682
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,165,951	
Add: construction in progress	1,134,954	
Add: buildings and improvements net of accumulated depreciation	1,906,001	
Add: infrastructure net of accumulated depreciation	3,769,168	
Add: other capital assets net of accumulated depreciation	<u>2,384,070</u>	10,360,144
(2) Long-term liabilities are not due and payable in the current-period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (133,000)	
Less: notes payable	(1,049,000)	
Less: other loans payable	(5,976,168)	
Less: landfill postclosure care costs	(380,853)	
Less: other postemployment benefits liability	(299,075)	
Less: compensated absences payable	(83,229)	
Less: accrued interest on bonds	(859)	
Less: accrued interest on notes	<u>(3,283)</u>	(7,925,467)
(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	\$ 281,426	
Less: deferred inflows of resources related to pensions	<u>(689,806)</u>	(408,380)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds		452,986
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>556,018</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ 9,410,983</u></u>

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

Exhibit C-3

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

	Major Funds					
	General	Urban Services	Ambulance Service	Highway / Public Works	Education Debt Service	General Capital Projects
<u>Revenues</u>						
Local Taxes	\$ 2,801,250	\$ 567,769	\$ 599,764	\$ 0	\$ 373,218	\$ 0
Licenses and Permits	114,126	16,676	0	0	0	0
Fines, Forfeitures, and Penalties	83,455	0	0	0	0	0
Charges for Current Services	49,028	173,743	399,535	0	0	0
Other Local Revenues	139,225	150	819	402	7,312	446
Fees Received From County Officials	415,474	0	0	0	0	0
State of Tennessee	673,967	2,996	0	1,256,675	0	212,442
Federal Government	164,776	0	0	0	0	1,691,356
Other Governments and Citizens Groups	26,047	0	0	0	75,000	59,296
Total Revenues	\$ 4,467,348	\$ 761,334	\$ 1,000,118	\$ 1,257,077	\$ 455,530	\$ 1,963,540
<u>Expenditures</u>						
Current:						
General Government	\$ 1,297,829	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	357,301	0	0	0	0	0
Administration of Justice	372,030	0	0	0	0	0
Public Safety	2,158,573	284,338	0	0	0	0
Public Health and Welfare	86,019	180,525	856,390	0	0	0
Social, Cultural, and Recreational Services	224,982	13,600	0	0	0	0
Agriculture and Natural Resources	54,992	0	0	0	0	0
Other Operations	298,702	119,197	0	0	0	0
Highways	0	24,683	0	1,154,108	0	0
Debt Service:						
Principal on Debt	0	26,000	0	0	472,000	0
Interest on Debt	0	8,086	0	0	8,825	0
Other Debt Service	0	0	0	0	32,605	0

(Continued)

Exhibit C-3

Hartsville/Trousdale County Government, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Major Funds					
	General	Urban Services	Ambulance Service	Highway / Public Works	Education Debt Service	General Capital Projects
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,014,385
Total Expenditures	\$ 4,850,428	\$ 656,429	\$ 856,390	\$ 1,154,108	\$ 513,430	\$ 2,014,385
Excess (Deficiency) of Revenues Over Expenditures	\$ (383,080)	\$ 104,905	\$ 143,728	\$ 102,969	\$ (57,900)	\$ (50,845)
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 650,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Other Loans Issued	0	0	0	0	0	51,000
Insurance Recovery	0	0	300	0	0	0
Transfers In	0	0	0	0	0	0
Transfers Out	(123,962)	(9,117)	0	0	0	0
Total Other Financing Sources (Uses)	\$ 526,038	\$ (9,117)	\$ 300	\$ 0	\$ 0	\$ 51,000
Net Change in Fund Balances	\$ 142,958	\$ 95,788	\$ 144,028	\$ 102,969	\$ (57,900)	\$ 155
Fund Balance, July 1, 2014	2,191,122	888,650	361,012	402,627	1,247,024	68,509
Fund Balance, June 30, 2015	\$ 2,334,080	\$ 984,438	\$ 505,040	\$ 505,596	\$ 1,189,124	\$ 68,664

(Continued)

Exhibit C-3

Hartsville/Trousdale County Government, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Nonmajor Funds		Total Governmental Funds
	Other	Govern- mental Funds	
<u>Revenues</u>			
Local Taxes	\$ 531,914	\$	4,873,915
Licenses and Permits	0	\$	130,802
Fines, Forfeitures, and Penalties	18,133		101,588
Charges for Current Services	173,970		796,276
Other Local Revenues	41,885		190,239
Fees Received From County Officials	0		415,474
State of Tennessee	6,017		2,152,097
Federal Government	0		1,856,132
Other Governments and Citizens Groups	389,379		549,722
Total Revenues	<u>\$ 1,161,298</u>	<u>\$</u>	<u>11,066,245</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$	1,297,829
Finance	0		357,301
Administration of Justice	0		372,030
Public Safety	1,598		2,444,509
Public Health and Welfare	565,950		1,688,884
Social, Cultural, and Recreational Services	0		238,582
Agriculture and Natural Resources	0		54,992
Other Operations	25,732		443,631
Highways	0		1,178,791
Debt Service:			
Principal on Debt	538,931		1,036,931
Interest on Debt	136,125		153,036
Other Debt Service	10,643		43,248

(Continued)

Exhibit C-3

Hartsville/Trousdale County Government, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds (Cont.)

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds		
<hr/>			
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 0	\$	2,014,385
Total Expenditures	<u>\$ 1,278,979</u>	<u>\$</u>	<u>11,324,149</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (117,681)</u>	<u>\$</u>	<u>(257,904)</u>
<u>Other Financing Sources (Uses)</u>			
Notes Issued	\$ 0	\$	650,000
Other Loans Issued	0		51,000
Insurance Recovery	118,848		119,148
Transfers In	133,079		133,079
Transfers Out	0		(133,079)
Total Other Financing Sources (Uses)	<u>\$ 251,927</u>	<u>\$</u>	<u>820,148</u>
Net Change in Fund Balances	\$ 134,246	\$	562,244
Fund Balance, July 1, 2014	<u>654,494</u>		<u>5,813,438</u>
Fund Balance, June 30, 2015	<u>\$ 788,740</u>	<u>\$</u>	<u>6,375,682</u>

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

Exhibit C-4

Hartsville/Trousdale County Government, 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)	\$	562,244
(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 outlays purchased in the current period	\$ 2,139,647	
Less: current-year depreciation expense	<u>(516,450)</u>	1,623,197
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(15,495)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Less: deferred delinquent property taxes and other deferred June 30, 2014	\$ (533,822)	
Add: deferred delinquent property taxes and other deferred June 30, 2015	<u>556,018</u>	22,196
(4) The issuance of long-term debt (e.g., 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.		
Less: note proceeds	\$ (650,000)	
Less: other loan proceeds	(51,000)	
Add: principal payments on bonds	24,000	
Add: principal payments on notes	170,000	
Add: principal payments on other loans	<u>842,931</u>	335,931
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 529	
Change in landfill postclosure care costs	9,940	
Change in other postemployment benefits liability	(20,220)	
Change in compensated absences payable	(810)	
Change in net pension liability/asset	738,628	
Change in deferred outflows of resources related to pensions	281,426	
Change in deferred inflows of resources related to pensions	<u>(689,806)</u>	319,687
Change in net position of governmental activities (Exhibit B)	\$	<u><u>2,847,760</u></u>

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

Exhibit C-5

Hartsville/Trousdale County Government, 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	\$ 2,801,250	\$ 2,531,478	\$ 2,561,807	\$ 239,443
Licenses and Permits	114,126	35,600	78,695	35,431
Fines, Forfeitures, and Penalties	83,455	73,980	73,980	9,475
Charges for Current Services	49,028	26,625	26,625	22,403
Other Local Revenues	139,225	118,875	126,604	12,621
Fees Received From County Officials	415,474	376,000	376,000	39,474
State of Tennessee	673,967	494,183	560,624	113,343
Federal Government	164,776	122,509	166,710	(1,934)
Other Governments and Citizens Groups	26,047	15,500	75,500	(49,453)
Total Revenues	\$ 4,467,348	\$ 3,794,750	\$ 4,046,545	\$ 420,803
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 25,715	\$ 36,257	\$ 36,257	\$ 10,542
Beer Board	118	265	265	147
County Mayor/Executive	194,612	209,872	212,143	17,531
County Attorney	26,960	22,400	37,400	10,440
Election Commission	103,074	107,106	107,106	4,032
Register of Deeds	84,659	92,157	92,468	7,809
Planning	72,371	72,808	74,612	2,241
Codes Compliance	0	5,500	5,500	5,500
County Buildings	783,293	155,838	836,601	53,308
Preservation of Records	7,027	500	7,500	473
<u>Finance</u>				
Property Assessor's Office	130,451	119,823	139,542	9,091
County Trustee's Office	113,730	116,344	117,295	3,565
County Clerk's Office	113,120	113,905	114,856	1,736
<u>Administration of Justice</u>				
Circuit Court	163,757	164,540	172,272	8,515
General Sessions Court	90,887	91,362	94,621	3,734
Chancery Court	80,759	81,880	82,070	1,311
Judicial Commissioners	20,298	23,839	24,482	4,184
Courtroom Security	16,329	26,302	27,501	11,172
<u>Public Safety</u>				
Sheriff's Department	1,001,295	1,037,848	1,057,597	56,302
Drug Enforcement	49,639	49,977	51,424	1,785
Administration of the Sexual Offender Registry	5,450	5,000	6,000	550
Jail	834,142	825,073	913,716	79,574
Workhouse	68,571	63,426	72,639	4,068
Juvenile Services	28,175	26,371	31,307	3,132
Fire Prevention and Control	81,027	72,050	122,399	41,372
Civil Defense	23,292	31,900	31,900	8,608
Other Emergency Management	39,369	42,448	44,959	5,590
Inspection and Regulation	6,603	5,671	7,544	941
County Coroner/Medical Examiner	21,010	15,000	25,000	3,990
<u>Public Health and Welfare</u>				
Local Health Center	27,234	32,549	32,549	5,315
Alcohol and Drug Programs	1,419	6,628	6,628	5,209

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Other Local Health Services	\$ 18,103	\$ 34,442	\$ 71,662	\$ 53,559
Sanitation Education/Information	33,597	33,700	33,700	103
Other Public Health and Welfare	5,666	5,666	5,666	0
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	40,089	44,243	60,035	19,946
Libraries	87,861	87,282	96,455	8,594
Parks and Fair Boards	97,032	83,886	136,612	39,580
Other Social, Cultural, and Recreational	0	0	60,000	60,000
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	42,150	42,530	42,530	380
Soil Conservation	12,842	12,842	12,842	0
<u>Other Operations</u>				
Other Charges	288,472	339,100	345,604	57,132
Employee Benefits	675	15,720	15,720	15,045
Miscellaneous	9,555	12,500	12,500	2,945
Total Expenditures	\$ 4,850,428	\$ 4,366,550	\$ 5,479,479	\$ 629,051
Excess (Deficiency) of Revenues Over Expenditures	\$ (383,080)	\$ (571,800)	\$ (1,432,934)	\$ 1,049,854
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 650,000	\$ 0	\$ 650,000	\$ 0
Transfers Out	(123,962)	(124,025)	(124,025)	63
Total Other Financing Sources	\$ 526,038	\$ (124,025)	\$ 525,975	\$ 63
Net Change in Fund Balance	\$ 142,958	\$ (695,825)	\$ (906,959)	\$ 1,049,917
Fund Balance, July 1, 2014	2,191,122	1,778,877	1,778,877	412,245
Fund Balance, June 30, 2015	\$ 2,334,080	\$ 1,083,052	\$ 871,918	\$ 1,462,162

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

Exhibit C-6

Hartsville/Trousdale County Government, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Urban Services Fund
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 567,769	\$ 534,880	\$ 534,880	\$ 32,889
Licenses and Permits	16,676	15,000	15,000	1,676
Charges for Current Services	173,743	153,000	153,000	20,743
Other Local Revenues	150	0	0	150
State of Tennessee	2,996	2,400	3,596	(600)
Total Revenues	\$ 761,334	\$ 705,280	\$ 706,476	\$ 54,858
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 281,907	\$ 331,977	\$ 340,022	\$ 58,115
Fire Prevention and Control	2,431	3,500	3,500	1,069
<u>Public Health and Welfare</u>				
Rabies and Animal Control	9,532	16,457	16,665	7,133
Waste Pickup	170,993	184,514	188,513	17,520
<u>Social, Cultural, and Recreational Services</u>				
Parks and Fair Boards	9,600	10,000	10,000	400
Other Social, Cultural, and Recreational	4,000	4,000	4,000	0
<u>Other Operations</u>				
Other Charges	116,201	130,350	130,350	14,149
Employee Benefits	2,996	1,800	2,996	0
<u>Highways</u>				
Highway and Bridge Maintenance	24,683	100,000	100,000	75,317
<u>Principal on Debt</u>				
General Government	26,000	26,000	26,000	0
<u>Interest on Debt</u>				
General Government	8,086	8,087	8,087	1
Total Expenditures	\$ 656,429	\$ 816,685	\$ 830,133	\$ 173,704
Excess (Deficiency) of Revenues Over Expenditures	\$ 104,905	\$ (111,405)	\$ (123,657)	\$ 228,562
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (9,117)	\$ 0	\$ (9,117)	\$ 0
Total Other Financing Sources	\$ (9,117)	\$ 0	\$ (9,117)	\$ 0
Net Change in Fund Balance	\$ 95,788	\$ (111,405)	\$ (132,774)	\$ 228,562
Fund Balance, July 1, 2014	888,650	820,329	820,329	68,321
Fund Balance, June 30, 2015	\$ 984,438	\$ 708,924	\$ 687,555	\$ 296,883

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

Exhibit C-7

Hartsville/Trousdale County Government, Tennessee
Statement 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>				
Local Taxes	\$ 599,764	\$ 541,426	\$ 541,426	\$ 58,338
Charges for Current Services	399,535	280,000	280,000	119,535
Other Local Revenues	819	0	0	819
Total Revenues	<u>\$ 1,000,118</u>	<u>\$ 821,426</u>	<u>\$ 821,426</u>	<u>\$ 178,692</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 856,390	\$ 955,874	\$ 973,732	\$ 117,342
Total Expenditures	<u>\$ 856,390</u>	<u>\$ 955,874</u>	<u>\$ 973,732</u>	<u>\$ 117,342</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 143,728</u>	<u>\$ (134,448)</u>	<u>\$ (152,306)</u>	<u>\$ 296,034</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 300	\$ 0	\$ 0	\$ 300
Total Other Financing Sources	<u>\$ 300</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 300</u>
Net Change in Fund Balance	\$ 144,028	\$ (134,448)	\$ (152,306)	\$ 296,334
Fund Balance, July 1, 2014	<u>361,012</u>	<u>319,196</u>	<u>319,196</u>	<u>41,816</u>
Fund Balance, June 30, 2015	<u>\$ 505,040</u>	<u>\$ 184,748</u>	<u>\$ 166,890</u>	<u>\$ 338,150</u>

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

Exhibit C-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Other Local Revenues	\$ 402	\$ 1,500	\$ 1,500	\$ (1,098)
State of Tennessee	1,256,675	1,291,000	1,291,000	(34,325)
Total Revenues	<u>\$ 1,257,077</u>	<u>\$ 1,292,500</u>	<u>\$ 1,292,500</u>	<u>\$ (35,423)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 148,755	\$ 160,127	\$ 162,927	\$ 14,172
Highway and Bridge Maintenance	679,047	830,396	828,696	149,649
Operation and Maintenance of Equipment	148,071	209,076	210,576	62,505
Other Charges	80,654	85,200	83,600	2,946
Employee Benefits	53,548	57,160	57,160	3,612
Capital Outlay	44,033	182,928	181,928	137,895
Total Expenditures	<u>\$ 1,154,108</u>	<u>\$ 1,524,887</u>	<u>\$ 1,524,887</u>	<u>\$ 370,779</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 102,969</u>	<u>\$ (232,387)</u>	<u>\$ (232,387)</u>	<u>\$ 335,356</u>
Net Change in Fund Balance	\$ 102,969	\$ (232,387)	\$ (232,387)	\$ 335,356
Fund Balance, July 1, 2014	402,627	295,248	295,248	107,379
Fund Balance, June 30, 2015	<u>\$ 505,596</u>	<u>\$ 62,861</u>	<u>\$ 62,861</u>	<u>\$ 442,735</u>

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

Exhibit D

Hartsville/Trousdale County Government, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 977,885
Equity in Pooled Cash and Investments	591,006
Accounts Receivable	7,000
Due from Other Governments	<u>13,000</u>
Total Assets	<u>\$ 1,588,891</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 23,780
Due to Other Funds	3,686
Due to Litigants, Heirs, and Others	979,486
Due to Joint Ventures	<u>581,939</u>
Total Liabilities	<u>\$ 1,588,891</u>

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

**HARTSVILLE/TROUSDALE COUNTY
GOVERNMENT, TENNESSEE
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HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Hartsville/Trousdale County Government's (the metropolitan government) 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 the metropolitan government:

A. Reporting Entity

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

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

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

The Trousdale County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Trousdale County, and the Metropolitan 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 Metropolitan Commission's approval.

The School Department does not issue separate financial statements from those of the metropolitan government. Therefore, basic financial statements

of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Trousdale County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Trousdale County Emergency
Communications District
210 Broadway
Hartsville, TN 37074

B. Government-wide and Fund Financial Statements

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

The metropolitan government issues all debt for the discretely presented School Department. There were no debt issues contributed by the metropolitan government to the School Department during the year ended June 30, 2015.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide

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

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

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

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

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

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

Fiduciary fund financial statements are reported using the economic resources measurement focus, except for agency funds, which have no measurement focus, and the accrual basis of accounting. Revenues are recognized when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The metropolitan government reports the following major governmental funds:

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

Urban Services Fund – This special revenue fund accounts for the financial activity for the Urban Services District. Property taxes are the foundational revenues of this fund.

Ambulance Service Fund – This special revenue fund is used to account for transactions of the Ambulance Service. Property taxes and patient charges are the foundational revenues of this fund.

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

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

General Capital Projects Fund – This fund accounts for the financial resources to be used for the acquisition or construction of major capital resources.

Additionally, the metropolitan government reports the following fund type:

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, state grants and other restricted revenues held for the benefit of the Fifteenth 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 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 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 specific 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.

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

1. Deposits and Investments

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

The metropolitan trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Fund. The metropolitan government and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at

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

2. Receivables and Payables

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.15 percent of total taxes levied.

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

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

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the

following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

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

3. Capital Assets

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

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, and similar items), and intangibles (e.g., computer software and similar items) are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 (School Department \$10,000) 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, infrastructure, and intangibles of the metropolitan 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	7 - 40
Other Capital Assets	5 - 30
Infrastructure:	
Roads	20 - 40
Bridges	75
Intangibles	12

4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This

separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The metropolitan government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for pension changes in experience 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. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The metropolitan 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 revenues are from the following sources: current and delinquent property taxes, pension changes in investment earnings, pension changes in experience, 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

Primary Government

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

Discretely Presented School Department

The School Department does not allow for the accumulation of unused vacation and sick days beyond year-end, except for professional personnel of the School Department. The School Department allows professional personnel (teachers) to accumulate an unlimited amount of unused sick leave. The granting of sick leave has no guaranteed

payment attached and therefore is not required to be accrued or recorded.

6. Long-term Obligations

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

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

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

7. Net Position and Fund Balance

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors,

grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2015, the metropolitan government had \$5,925,168 in outstanding debt for capital purposes for the discretely presented School Department. This debt is a liability of the metropolitan government, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, the metropolitan government has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the metropolitan government'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 Metropolitan Commission, the metropolitan government'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 metropolitan government’s intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The Metropolitan Commission has authorized by resolution the metropolitan government’s Finance/Budget Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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

8. Prior-period Adjustment

Capital assets were restated \$1,171,258 from the prior year because several capital assets had been omitted.

9. 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 Hartsville/Trousdale County Government’s and the Hartsville/Trousdale County School Department beginning net position has been recognized on the Statement of Activities by \$285,642 and \$1,779,119, respectively.

E. Pension Plans

Primary Government

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

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

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

Primary Government

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

Discretely Presented School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the General Capital Projects Fund, which adopts project length budgets. All annual appropriations lapse at fiscal year-end.

The metropolitan government 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 Metropolitan Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

B. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the Metropolitan Commission in the Food Service major appropriations category (the legal level of control) of the General Purpose School Fund by \$2,717 and in the Support Services – Vocational Education Program of the Schools Federal Projects Fund by \$25. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by greater than anticipated revenues.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The metropolitan government and the discretely presented School Department participate in an internal cash and investment pool through the Office of Trustee. The metropolitan trustee is the treasurer of the metropolitan government 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 metropolitan government.

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 metropolitan government's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The metropolitan government 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 metropolitan government had no pooled and nonpooled investments as of June 30, 2015.

B. Notes Receivable

The General Debt Service Fund had a long-term note receivable of \$51,000 on June 30, 2015, from financing water and sewer projects for the Hartsville-Trousdale Water/Sewer Utility District and is included in the restricted fund balance account.

C. Capital Assets

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

Primary Government – Governmental Activities:

	*Restated Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 1,050,159	\$ 125,514	\$ (9,722)	\$ 1,165,951
Construction in Progress	0	1,134,954	0	1,134,954
Total Capital Assets Not Depreciated	\$ 1,050,159	\$ 1,260,468	\$ (9,722)	\$ 2,300,905
Capital Assets Depreciated:				
Buildings and Improvements	\$ 2,011,215	\$ 699,013	\$ 0	\$ 2,710,228
Roads and Bridges	14,132,744	0	0	14,132,744
Other Capital Assets	5,390,199	180,166	(107,639)	5,462,726
Total Capital Assets Depreciated	\$ 21,534,158	\$ 879,179	\$ (107,639)	\$ 22,305,698
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 765,709	\$ 38,518	\$ 0	\$ 804,227
Roads and Bridges	10,106,373	257,203	0	10,363,576
Other Capital Assets	2,959,793	220,729	(101,866)	3,078,656
Total Accumulated Depreciation	\$ 13,831,875	\$ 516,450	\$ (101,866)	\$ 14,246,459

	*Restated			
	Balance			Balance
	7-1-14	Increases	Decreases	6-30-15
Total Capital Assets				
Depreciated, Net	\$ 7,702,283	\$ 362,729	\$ (5,773)	\$ 8,059,239
Governmental Activities				
Capital Assets, Net	\$ 8,752,442	\$ 1,623,197	\$ (15,495)	\$ 10,360,144

*See footnote I.D.8. for prior-period adjustment.

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

Governmental Activities:

General Government	\$ 13,694
Public Safety	77,725
Public Health and Welfare	102,920
Social, Cultural, and Recreational Services	11,703
Highways/Public Works	<u>310,408</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 516,450</u>

Discretely Presented School Department- Governmental Activities:

	Balance			Balance
	7-1-14	Increases	Decreases	6-30-15
Capital Assets Not Depreciated:				
Land	\$ 629,383	\$ 60,500	\$ 0	\$ 689,883
Total Capital Assets Not Depreciated	<u>\$ 629,383</u>	<u>\$ 60,500</u>	<u>\$ 0</u>	<u>\$ 689,883</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 22,123,316	\$ 920,957	\$ 0	\$ 23,044,273
Other Capital Assets	1,171,565	222,017	(108,381)	1,285,201
Intangibles	118,756	0	0	118,756
Total Capital Assets Depreciated	<u>\$ 23,413,637</u>	<u>\$ 1,142,974</u>	<u>\$ (108,381)</u>	<u>\$ 24,448,230</u>

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 8,130,272	\$ 488,496	\$ 0	\$ 8,618,768
Other Capital Assets	721,303	71,852	(90,686)	702,469
Intangibles	31,411	9,896	0	41,307
Total Accumulated Depreciation	<u>\$ 8,882,986</u>	<u>\$ 570,244</u>	<u>\$ (90,686)</u>	<u>\$ 9,362,544</u>
Total Capital Assets Depreciated, Net	<u>\$ 14,530,651</u>	<u>\$ 572,730</u>	<u>\$ (17,695)</u>	<u>\$ 15,085,686</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,160,034</u>	<u>\$ 633,230</u>	<u>\$ (17,695)</u>	<u>\$ 15,775,569</u>

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

Governmental Activities:

Instruction	\$ 498,392
Support Services	<u>71,852</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 570,244</u></u>

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Urban Services	\$ 2,080
"	Nonmajor governmental	1,886
"	Ambulance Service	1,237
"	Judicial District Drug (agency fund)	3,686
General Debt Service	General	2,252

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

Interfund Transfers:

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

Primary Government

Transfers Out	Transfers In Nonmajor Governmental Fund
General Fund	\$ 123,962
Urban Services Fund	9,117
Total	\$ 133,079

Discretely Presented Hartsville/Trousdale County School Department

Transfers Out	Transfers In Nonmajor Governmental Fund
General Purpose School Fund	\$ 50,000

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

E. Long-term Obligations

Primary Government

General Obligation Bonds, Notes and Other Loans

The metropolitan government issues 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 capital outlay notes. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were

issued for original terms of up to seven years for bonds, up to ten years for notes, and up to 20 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. As of June 30, 2015, all bonds outstanding will be retired from the General Debt Service Fund, all capital outlay notes outstanding will be retired from the Urban Services and General Debt Service funds, and other loans outstanding will be retired from the General Debt Service and Education Debt Service funds.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-15
General Obligation Bonds - Refunding	2.85 %	10-1-19	\$ 180,000	\$ 133,000
Capital Outlay Notes	2.42 to 3.04	6-1-25	1,160,738	1,049,000
Other Loans	Variable	9-15-26	14,074,000	5,976,168

In prior years, the metropolitan government entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned the metropolitan government \$3,000,000 for the construction of a new middle school. This loan is repayable at a variable interest rate based on the daily London Interbank Offer Rate (LIBOR). In addition, the government pays various other fees (trustee, debt remarketing, etc.) in connection with this loan. At June 30, 2015, the variable interest rate was .40 percent, and other fees totaled approximately .57 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal. Fees on this loan also include a trustee fee of \$85 per month.

Also, in prior years, the metropolitan government entered into another loan agreement with the Montgomery County Public Building Authority. Under this agreement, the authority loaned the metropolitan government \$8,500,000 for the construction of a new high school. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the government pays various other fees (trustee, debt remarketing, etc.) in connection with this loan. At June 30, 2015, the variable interest rate was .26 percent, and other fees totaled approximately .57 percent (letter of credit) and .08 percent (remarketing) of the outstanding loan principal. A trustee fee of \$85 per month is also included on this loan.

Also, in prior years, the metropolitan government entered into a loan agreement with the Tennessee State School Board Authority. Under this loan agreement, the authority loaned the metropolitan government \$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 metropolitan government

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.

During the year, the metropolitan government entered into another loan agreement with the City of Clarksville Public Building Authority. This loan agreement provides for the authority to make \$7,000,000 available for loan to the metropolitan government on an as-needed basis for public utility projects. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the government pays various other fees (trustee, debt remarketing, etc.) in connection with this loan. At June 30, 2015, the variable interest rate was .23 percent, and other fees totaled approximately .25 percent (letter of credit) of the outstanding loan principal. A trustee fee of \$125 per month is also included on this loan.

The annual requirements to amortize all general obligation bonds, notes, 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	\$ 25,000	\$ 3,434	\$ 28,434
2017	26,000	2,708	28,708
2018	27,000	1,952	28,952
2019	27,000	1,183	28,183
2020	28,000	399	28,399
Total	\$ 133,000	\$ 9,676	\$ 142,676

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 128,000	\$ 30,762	\$ 158,762
2017	135,000	26,964	161,964
2018	110,000	23,109	133,109
2019	113,000	19,857	132,857
2020	116,000	16,502	132,502
2021-2025	447,000	37,932	484,932
Total	\$ 1,049,000	\$ 155,126	\$ 1,204,126

Year Ending June 30	Other Loans			
	Principal	Interest	(1) Other Fees	Total
2016	\$ 870,845	\$ 133,013	\$ 31,274	\$ 1,035,132
2017	716,431	130,907	25,721	873,059
2018	684,431	129,474	20,919	834,824
2019	704,431	128,099	17,486	850,016
2020	725,431	126,673	13,923	866,027
2021-2025	1,942,516	615,801	22,688	2,581,005
2026-2027	332,083	245,558	4,376	582,017
Total	<u>\$ 5,976,168</u>	<u>\$ 1,509,525</u>	<u>\$ 136,387</u>	<u>\$ 7,622,080</u>

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

There is \$367,827 available in the General Debt Service Fund and \$1,189,124 available in the Education Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and other loans totaled \$910, based on the 2010 federal census.

Changes in Long-term Obligations

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

	Bonds	Notes	Other Loans
Balance, July 1, 2014	\$ 157,000	\$ 569,000	\$ 6,768,099
Additions	0	650,000	51,000
Reductions	(24,000)	(170,000)	(842,931)
Balance, June 30, 2015	<u>\$ 133,000</u>	<u>\$ 1,049,000</u>	<u>\$ 5,976,168</u>
Balance Due Within One Year	<u>\$ 25,000</u>	<u>\$ 128,000</u>	<u>\$ 870,845</u>

	Compensated Absences	Landfill Postclosure Care Cost	Other Postemployment Benefits
Balance, July 1, 2014	\$ 82,419	\$ 390,793	\$ 278,855
Additions	117,586	5,813	27,287
Reductions	(116,776)	(15,753)	(7,067)
Balance, June 30, 2015	<u>\$ 83,229</u>	<u>\$ 380,853</u>	<u>\$ 299,075</u>
Balance Due Within One Year	<u>\$ 13,117</u>	<u>\$ 6,000</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 7,921,325
Less: Balance Due Within One Year	<u>(1,042,962)</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 6,878,363</u>
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Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Urban Services funds. Landfill postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Discretely Presented School Department

Changes in Long-term Obligations

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

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2014	\$ 167,119
Additions	58,172
Reductions	<u>(55,748)</u>
Balance, June 30, 2015	<u>\$ 169,543</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	<u>\$ 169,543</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 169,543</u>

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

F. On-Behalf Payments

Primary Government

The State of Tennessee pays health insurance premiums for retired employees on-behalf of the metropolitan government. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2015, were \$1,196. The metropolitan government has recognized these on-behalf payments as revenues and expenditures in the Urban Services Fund.

Discretely Presented School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the 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 \$32,885 and \$4,725, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

The metropolitan government is exposed to various risks related to general liability, property, and casualty losses. The metropolitan government decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for general liability, property, and casualty coverage. The metropolitan government participates in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. The metropolitan government pays an annual premium to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of the TN-RMT provides for it to be self-sustaining through member premiums.

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

governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by the fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented School Department

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

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

B. Accounting Changes

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

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

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

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

C. Subsequent Events

On September 9, 2015, the metropolitan government issued a capital outlay note totaling \$222,000 for the purchase of patrol cars.

On September 28, 2015, the metropolitan government approved a capital outlay note totaling \$165,000 for the purchase of a new roll-off truck.

D. Contingent Liabilities

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

E. Changes in Administration

On August 31, 2014, Jakie West left the Office of County Mayor and was succeeded by Carroll Carman, and Kay Celsor left the Office of Trustee and was succeeded by Cindy Carman.

F. Landfill Postclosure Care Costs

The metropolitan government has an active permit on file with the state Department of Environment and Conservation for a sanitary 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 metropolitan government 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 metropolitan government 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. The metropolitan government closed its sanitary landfill in 1996. The \$380,853 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.

G. Joint Venture

The Fifteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fifteenth Judicial District, Jackson, Smith, Trousdale, and Wilson 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. The metropolitan government made no contributions to the DTF for the year ended June 30, 2015.

The metropolitan government does not have any equity interest in this joint venture. Complete financial statements for the DTF can be obtained from its administrative office at the following address:

Administrative Office:

Office of District Attorney General
Fifteenth Judicial District
210 Broadway
Hartsville, TN 37074

H. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plans

Plan Description – Metropolitan Government. Most employees of the Metropolitan Government and non-certified employees of the discretely presented Hartsville-Trousdale 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 58.87 percent and the non-certified employees of the discretely present School Department comprise 41.13 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.

Plan Description – Former City of Hartsville. Former City of Hartsville employees and employees of the Hartsville-Trousdale Water/Sewer Utility District are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The former City of Hartsville employees comprise 22.22 percent and the employees of the Hartsville-Trousdale Water/Sewer Utility District comprise 77.78 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 CPA is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

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

Metropolitan Government Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	57
Inactive Employees Entitled to But Not Yet Receiving Benefits	135
Active Employees	141
Total	<u><u>333</u></u>

Former City of Hartsville Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	29
Inactive Employees Entitled to But Not Yet Receiving Benefits	27
Active Employees	18
Total	<u><u>74</u></u>

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Metropolitan government employees contribute five percent of salary, while the former City of Hartsville employees are non-contributory. The metropolitan government makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2014, employer contributions for the metropolitan government and the former City of Hartsville were \$318,016 based on a rate of 7.92 percent of pensionable payroll and \$30,836 based on a rate of 19.85 percent of pensionable payroll, respectively. By law, employer contributions are required to be paid. The TCRS may intercept the metropolitan government's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

The metropolitan government'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	6.4	5
U.S. Fixed Income Real Estate	4.61 0.98 4.73	8 29 7
Short-term Securities	0.00	1
Total		100 %

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

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current rate and that contributions from the metropolitan government 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)

Metropolitan Government:	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 10,877,518	\$ 10,192,933	\$ 684,585
Changes for the year:			
Service Cost	\$ 324,033	\$ 0	\$ 324,033
Interest	823,533	0	823,533
Differences Between Expected and Actual Experience	(324,548)	0	(324,548)
Contributions-Employer	0	339,027	(339,027)
Contributions-Employees	0	222,366	(222,366)
Net Investment Income	0	1,701,552	(1,701,552)
Benefit Payments, Including Refunds of Employee Contributions	(442,202)	(442,202)	0
Administrative Expense	0	(5,638)	5,638
Other Changes	0	0	0
Net Changes	\$ 380,816	\$ 1,815,105	\$ (1,434,289)
Balance, June 30, 2014	\$ 11,258,334	\$ 12,008,038	\$ (749,704)
Former City of Hartsville Plan:	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 5,246,314	\$ 4,722,591	\$ 523,723
Changes for the year:			
Service Cost	\$ 68,313	\$ 0	\$ 68,313
Interest	389,623	0	389,623
Differences Between Expected and Actual Experience	(93,087)	0	(93,087)
Contributions-Employer	0	153,731	(153,731)
Contributions-Employees	0	10,663	(10,663)
Net Investment Income	0	777,497	(777,497)
Benefit Payments, Including Refunds of Employee Contributions	(239,305)	(239,305)	0
Administrative Expense	0	(958)	958
Other Changes	0	0	0
Net Changes	\$ 125,544	\$ 701,628	\$ (576,084)
Balance, June 30, 2014	\$ 5,371,858	\$ 5,424,219	\$ (52,361)

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

Metropolitan Government Plan

			Total Pension Liability		Plan Fiduciary Net Position		Net Pension Liability (Asset)
Primary Government	58.87%	\$	6,627,781	\$	7,069,132	\$	(441,351)
School Department	41.13%		4,630,553		4,938,906		(308,353)
Total		\$	11,258,334	\$	12,008,038	\$	(749,704)

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

Metropolitan Government and
former City of Hartsville

			Total Pension Liability		Plan Fiduciary Net Position		Net Pension Liability (Asset)
Primary Government	22.22%	\$	1,193,627	\$	1,205,261	\$	(11,635)
Hartsville-Trousdale Water/Sewer Utility District	77.78%		4,178,231		4,218,958		(40,726)
Total		\$	5,371,858	\$	5,424,219	\$	(52,361)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of the metropolitan government 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 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Metropolitan Government			
Net Pension Liability	\$ 765,836	\$ (749,704)	\$ (2,002,520)

	1%	Current Discount Rate	1%
Former City of Hartsville Plan	Decrease 6.5%	7.5%	Increase 8.5%
Net Pension Liability	\$ 554,324	\$ (52,361)	\$ (569,848)

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

Pension Income. For the year ended June 30, 2015, the metropolitan government recognized pension income of \$78,546.

Pension Income. For the year ended June 30, 2015, the former City of Hartsville plan recognized pension income of \$11,620.

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

Metropolitan Government	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 270,457
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	746,259
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	318,016	N/A
Total	<u>\$ 318,016</u>	<u>\$ 1,016,716</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.

Former City of Hartsville Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 69,815
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	340,918
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>30,836</u>	<u>N/A</u>
Total	<u>\$ 30,836</u>	<u>\$ 410,733</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

Metropolitan Government and former City of Hartsville	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 281,426	\$ 689,806
Hartsville-Trousdale Water/Sewer Utility District	0	319,468
School Department	<u>67,426</u>	<u>418,175</u>
Total	<u>\$ 348,852</u>	<u>\$ 1,427,449</u>

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

Metropolitan Government

Year Ending June 30	Amount
2016	\$ (240,656)
2017	(240,656)
2018	(240,656)
2019	(240,656)
2020	(54,091)
Thereafter	0

Former City of Hartsville Plan

Year Ending June 30	Amount
2016	\$ (108,502)
2017	(108,502)
2018	(108,502)
2019	(85,230)
2020	0
Thereafter	0

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

Discretely Presented Metropolitan Government School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, most employees of Hartsville-Trousdale County and non-certified employees of the discretely presented Hartsville-Trousdale 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 58.87 percent and the non-certified employees of the discretely present School Department comprise 41.13 percent of the plan based on census data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Members of the Teachers Retirement Plan are entitled to receive unreduced service retirement benefits, which are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are

defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEA) 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 \$15,509, 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 metropolitan government 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 metropolitan government School Department reported deferred outflows of resources related to pensions from the following sources:

Deferred Outflows of Resources	Deferred Inflows of Resources
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LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	\$	15,509	N/A
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The metropolitan government School Department’s employer contributions of \$15,509 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 ended June 30, 2016.

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

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

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

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEA) 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 metropolitan government School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$406,044, 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 metropolitan government School Department reported an asset of \$20,261 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 metropolitan government School Department's proportion of the net pension asset was based on the metropolitan government School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, the metropolitan government School Department's proportion was .124689 percent. The proportion measured as of June 30, 2013, was .125883 percent.

Pension Income. For the year ended June 30, 2015, the metropolitan government School Department recognized a pension income of \$20,185.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2015, the metropolitan government 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	\$ 49,190	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	1,669,405
Changes in Proportion and Differences Between LEAs Contributions and Proportionate Share of Contributions	0	16,852
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	<u>406,044</u>	<u>N/A</u>
Total	<u>\$ 455,234</u>	<u>\$ 1,686,257</u>

The metropolitan government School Department's employer contributions of \$406,044 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	\$ (411,962)
2017	(411,962)
2018	(411,962)
2019	(411,962)
2020	5,390
Thereafter	5,390

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 adjustments 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:

<u>Asset Class</u>	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 4.61	5 8
U.S. Fixed Income Real Estate	0.98 4.73	29 7
Short-term Securities	0.00	<u>1</u>
Total		<u>100</u> %

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

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

Sensitivity of the Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents metropolitan government School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.5 percent, as well as what metropolitan government 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 \$ 3,417,302 \$ (20,261) \$ (2,866,191)

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

2. Deferred Compensation

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

I. Other Postemployment Benefits (OPEB)

Plan Description

The metropolitan government and the School Department participate in the state-administered Local Education Group Insurance Plan, Local Government Group Insurance Plan, and Medicare Supplement Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees, Section 8-27-207, *TCA*, for local governments, and Section 8-27-701, *TCA*, for Medicare Supplement. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization plan for healthcare benefits. Subsequent to age 65, members who are also in the state’s retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state’s website at <http://tennessee.gov/finance/act/cafr.shtml>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the

participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2015, the metropolitan government and discretely presented School Department made contributions totaling \$7,067 and \$55,748, respectively, for other postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan	Medicare Supplement Plan
ARC	\$ 58,000	\$ 19,000	\$ 8,000
Interest on the NOPEBO	6,685	6,845	4,309
Adjustment to the ARC	(6,513)	(6,669)	(4,198)
Annual OPEB cost	\$ 58,172	\$ 19,176	\$ 8,111
Amount of contribution	(55,748)	(5,267)	(1,800)
Increase/decrease in NOPEBO	\$ 2,424	\$ 13,909	\$ 6,311
Net OPEB obligation, 7-1-14	167,119	171,136	107,719
Net OPEB obligation, 6-30-15	\$ 169,543	\$ 185,045	\$ 114,030

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-13	Local Education Group	\$ 112,662	59.12	% \$ 183,351
6-30-14	"	56,189	128.89	167,119
6-30-15	"	58,172	95.83	169,543
6-30-13	Local Government Group	35,700	9.92	154,347
6-30-14	"	18,159	7.54	171,136
6-30-15	"	19,176	27.47	185,045
6-30-13	Medicare Supplement	14,782	8.12	101,963
6-30-14	"	7,106	19.00	107,719
6-30-15	"	8,111	22.19	114,030

Funded Status and Funding Progress

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

	Local Education Group Plan	Local Government Group Plan	Medicare Supplement Plan
Actuarial valuation date	7-1-13	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 538,000	\$ 138,000	\$ 137,000
Actuarial value of plan assets	\$ 0	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 538,000	\$ 138,000	\$ 137,000
Actuarial value of assets as a % of the AAL	0%	0%	0%
Covered payroll (active plan members)	\$ 5,925,427	\$ 2,808,938	\$ N/A
UAAL as a % of covered payroll	9%	5%	N/A

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

Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual 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 annual healthcare premium cost trend rate for the Medicare Supplement Plan was two percent for fiscal year 2014. The trend will increase to six percent in fiscal year 2015 and then will be reduced by decrements to an ultimate rate of 4.2 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The

unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

J. Termination Benefits

In August 2005, the Board of Education initiated a voluntary retirement incentive program for certified employees who retire from the system with at least 15 years of service with the School Department. This incentive consists of a cash payment of \$10 per day for each sick and professional day held by the employee at their retirement date. During the year, three employees retired who were eligible for the program and received payments totaling \$5,230. The director of schools stated that this program is intended to be an on-going incentive, and there is no limit to the number of accumulated days that employees can be paid under the program. The employees are entitled to this benefit when they formally notify the School Department of their retirement date.

K. Purchasing Laws

Office of County Mayor

Purchasing procedures for the Office of County Mayor are governed by the County Purchasing Law of 1983, Section 5-14-201, *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 Superintendent of Roads

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

Office of Director of Schools

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

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

A. **Summary of Significant Accounting Policies**

1. **Reporting Entity**

The Trousdale County Emergency Communications District was created as a public corporation on November 8, 1998, under authority of the provisions of Chapter 867 of the Tennessee Public Acts of 1984, as approved by the voters of Trousdale County, Tennessee. The powers of the district are vested in and exercised by a majority of the members of the board of directors, who are appointed by the Trousdale Metropolitan Commission. The district is considered a political subdivision and is exempt from federal and state income taxes. The district is considered a component unit of Trousdale County. The Metropolitan Commission appoints the board of directors, adjusts service fees, and approves bonded debt. As a result, the Metropolitan Commission indirectly imposes its will on the district.

2. **Basis of Accounting**

The accompanying financial statements of the district have been prepared on the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred. Expenditures are recognized in the accounting period in which the liability is incurred and is measurable. The district uses the economic resources measurement focus.

3. **Net Position Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the district's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

4. **Cash and Cash Equivalents**

The district considers all highly liquid debt instruments purchased with maturities of 60 days or less to be cash equivalents.

5. **Supply Inventory**

Supply inventory is valued at the lower of cost (first-in, first-out) or market. Inventory items are considered expenditures when used (consumption method).

6. Capital Assets

Capital assets of the district are recorded at cost. Depreciation is computed over the estimated life of the assets using the straight-line method. The estimated life for capital assets in service is from five to ten years. The district capitalizes interest incurred on construction projects.

7. Estimates

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

8. Budgets and Budgetary Accounting

The district follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. Formal budgets are adopted and approved by board vote on an annual basis. These budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The board has the ability to change line-item amounts without a formal vote if the change does not increase the amounts budgeted.
- b. The budget amounts shown are the final authorized amounts as amended during the year.

The Accounting and Financial Reporting Manual for Tennessee Emergency Communications Districts establishes the legal budget level of control to be at the line-item level.

9. Operating Revenues and Operating Expenses

The district recognizes operating revenues and operating expenses resulting from providing services and producing goods to its customers. All other revenues and services are deemed nonoperating.

B. Cash and Certificates of Deposit

The district is authorized to invest funds in financial institutions and direct obligations of the federal government. During the year, the district invested funds that were not immediately needed in certificates of deposit and savings accounts. The district has deposit policies to minimize custodial credit risks. Deposits in financial institutions are required by state statute to be secured

and collateralized by the institutions. The collateral must meet certain requirements and be deposited in an escrow account in a second bank for the benefit of the district and must total a minimum of 105 percent of the value of the deposits placed in the institutions less the amount protected by federal depository insurance. The district's deposits with financial institutions are fully insured or collateralized by securities held in the district's name.

C. Capital Assets

A summary of changes in capital assets in service follows:

	Balance 7-1-14	Additions	Disposals	Balance 6-30-15
Equipment	\$ 434,770	\$ 88,036	\$ 64,142	\$ 458,664
Less Accumulated Depreciation	<u>(233,012)</u>			<u>(212,015)</u>
Utility Plant - Net	<u>\$ 201,758</u>			<u>\$ 246,649</u>

D. Risk Management

The district is exposed to various risks of loss related to torts (theft of, damage to, and destruction of assets), errors and omissions, and natural disasters. The district purchases commercial financial bonded insurance for its officials. For all other risks, the district purchases commercial insurance. There have been no claims during the last three years.

E. Service Arrangement Contract and Economic Dependence

The district negotiated a service application with Bell South for the installation and service of an Enhanced 911 Emergency Service System. Bell South furnishes equipment and service sufficient to operate the system for an initial installation fee and a monthly fee based upon the number of telephone stations and access lines served by the system.

F. Related-party Transactions

The district contracted with the Trousdale County Building Inspector to do the current addressing. The contract is with the inspector personally; however, he received the contract based on his employment with the metropolitan government. The contract was for \$5,100 a year. The payments are made to the inspector directly and are not transactions with the metropolitan government.

G. Donated Services

The Hartsville/Trousdale County Sheriff's Department provides dispatch services for the district. Amounts have not been assigned for these services because it is impractical to allocate the hours of each employee.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Hartsville/Trousdale County Government, 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 - Metropolitan Government
For the Fiscal Year Ended June 30

	<u>2014</u>
Total Pension Liability (Asset)	
Service Cost	\$ 324,033
Interest	823,533
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(324,548)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	<u>(442,202)</u>
Net Change in Total Pension Liability (Asset)	\$ 380,816
Total Pension Liability (Asset), Beginning	<u>10,877,518</u>
 Total Pension Liability (Asset), Ending (a)	 <u>\$ 11,258,334</u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 339,027
Contributions - Employee	222,366
Net Investment Income	1,701,552
Benefit Payments, Including Refunds of Employee Contributions	(442,202)
Administrative Expense	<u>(5,638)</u>
Net Change in Plan Fiduciary Net Position	\$ 1,815,105
Plan Fiduciary Net Position, Beginning	<u>10,192,933</u>
 Plan Fiduciary Net Position, Ending (b)	 <u>\$ 12,008,038</u>
 Net Pension Liability (Asset), Ending (a - b)	 <u>\$ (749,704)</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	106.66%
Covered Employee Payroll	\$ 4,201,073
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	17.85%

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

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

Exhibit E-2

Hartsville/Trousdale County Government, 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 - Former City of Hartsville
For the Fiscal Year Ended June 30

	<u>2014</u>
Total Pension Liability (Asset)	
Service Cost	\$ 68,313
Interest	389,623
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(93,087)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	<u>(239,305)</u>
Net Change in Total Pension Liability (Asset)	\$ 125,544
Total Pension Liability (Asset), Beginning	<u>5,246,314</u>
 Total Pension Liability (Asset), Ending (a)	 <u>\$ 5,371,858</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 153,731
Contributions - Employee	10,663
Net Investment Income	777,497
Benefit Payments, Including Refunds of Employee Contributions	(239,305)
Administrative Expense	<u>(958)</u>
Net Change in Plan Fiduciary Net Position	\$ 701,628
Plan Fiduciary Net Position, Beginning	<u>4,722,591</u>
 Plan Fiduciary Net Position, Ending (b)	 <u>\$ 5,424,219</u>
 Net Pension Liability (Asset), Ending (a - b)	 <u>\$ (52,361)</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 100.97%
Covered Employee Payroll	\$ 764,071
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	6.85%

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

Exhibit E-3

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

	2014	2015
Actuarially Determined Contribution	\$ 339,027	\$ 318,016
Less Contributions in Relation to the Actuarially Determined Contribution	(339,027)	(318,016)
Contribution Deficiency (Excess)	\$ 0	\$ 0
 Covered Employee Payroll	 \$ 4,201,073	 \$ 4,804,267
 Contributions as a Percentage of Covered Employee Payroll	 8.07%	 6.62%

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

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

Exhibit E-4

Hartsville/Trousdale County Government, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government - Former City of Hartsville
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 153,731	\$ 30,836
Less Contributions in Relation to the Actuarially Determined Contribution	(153,731)	(30,836)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Employee Payroll	\$ 764,071	\$ 155,945
Contributions as a Percentage of Covered Employee Payroll	20.12%	19.77%

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

Exhibit E-5

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 9,693
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(15,509)</u>
Contribution Deficiency (Excess)	<u><u>\$ (5,816)</u></u>
Covered Employee Payroll	\$ 387,714
Contributions as a Percentage of Covered Employee Payroll	4.00%

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

Exhibit E-6

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 434,589	\$ 406,044
Less Contributions in Relation to the Actuarially Determined Contribution	(434,589)	(406,044)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Employee Payroll	 \$ 4,894,023	 \$ 4,491,647
 Contributions as a Percentage of Covered Employee Payroll	 8.88%	 9.04%

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

Exhibit E-7

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

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.124689%
School Department's Proportionate Share of the Net Pension Asset	\$ 20,261
Covered Employee Payroll	\$ 4,894,023
School Department's Proportionate Share of the Net Pension Asset as a Percentage of its Covered Employee Payroll	0.41%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%

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

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

Exhibit E-8

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

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Projected Unit Credit (b)	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>								
Local Government Group	7-1-10	\$ 0	\$ 406	\$ 406	\$ 406	0 %	\$ 3,596	11 %
"	7-1-11	0	270	270	270	0	2,529	11
"	7-1-13	0	138	138	138	0	2,809	5
Medicare Supplement	7-1-10	0	156	156	156	0	N/A	N/A
"	7-1-11	0	160	160	160	0	N/A	N/A
"	7-1-13	0	137	137	137	0	N/A	N/A
<u>DISCRETELY PRESENTED HARTSVILLE/TROUSDALE COUNTY SCHOOL DEPARTMENT</u>								
Local Education Group	7-1-10	0	939	939	939	0	5,993	16
"	7-1-11	0	987	987	987	0	5,834	17
"	7-1-13	0	538	538	538	0	5,925	9

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, 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:

Primary Government - Metropolitan Government Plan:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	2 Years
Asset Valuation	10-Year Smoothed Within a 20% Corridor to Market Value
Inflation	3%
Salary Increases	Graded Salary Ranges from 8.97% to 3.71% Based on Age, Including Inflation, Averaging 4.25%
Investment Rate of Return	7.5%, Net of Investment Expense, Including Inflation
Retirement Age	Pattern of Retirement Determined by Experience Study
Mortality	Customized Table Based on Actual Experience Including an Adjustment for Some Anticipated Improvement
Cost of Living Adjustment	2.5%

(Continued)

Primary Government - Former City of Hartsville Plan:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	5 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 Adjustments	2.5%

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions relating to the disposal of solid waste.

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.

Debt Service Fund

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

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

Exhibit F-1

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

	<u>Special Revenue Funds</u>				<u>Debt Service</u>	<u>Total</u>	
	<u>Solid</u>	<u>Drug</u>	<u>Constitu -</u>	<u>Total</u>	<u>Fund</u>		
	<u>Waste /</u>	<u>Control</u>	<u>tional</u>		<u>General</u>	<u>Nonmajor</u>	
	<u>Sanitation</u>		<u>Officers -</u>		<u>Debt</u>	<u>Governmental</u>	
			<u>Fees</u>		<u>Service</u>	<u>Funds</u>	
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 207	\$ 207	\$ 0	\$ 207	
Equity in Pooled Cash and Investments	344,555	44,847	0	389,402	313,853	703,255	
Accounts Receivable	44,276	0	0	44,276	0	44,276	
Due from Other Governments	1,546	0	0	1,546	0	1,546	
Due from Other Funds	0	0	0	0	2,252	2,252	
Property Taxes Receivable	295,038	0	0	295,038	139,422	434,460	
Allowance for Uncollectible Property Taxes	(12,286)	0	0	(12,286)	(7,243)	(19,529)	
Notes Receivable - Long-term	0	0	0	0	51,000	51,000	
Total Assets	\$ 673,129	\$ 44,847	\$ 207	\$ 718,183	\$ 499,284	\$ 1,217,467	
<u>LIABILITIES</u>							
Accounts Payable	\$ 13,435	\$ 0	\$ 0	\$ 13,435	\$ 0	\$ 13,435	
Due to Other Funds	1,886	0	0	1,886	0	1,886	
Due to Litigants, Heirs, and Others	0	0	207	207	0	207	
Total Liabilities	\$ 15,321	\$ 0	\$ 207	\$ 15,528	\$ 0	\$ 15,528	
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Deferred Current Property Taxes	\$ 263,701	\$ 0	\$ 0	\$ 263,701	\$ 118,563	\$ 382,264	
Deferred Delinquent Property Taxes	18,041	0	0	18,041	12,894	30,935	
Total Deferred Inflows of Resources	\$ 281,742	\$ 0	\$ 0	\$ 281,742	\$ 131,457	\$ 413,199	

(Continued)

Exhibit F-1

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds (Cont.)

	Special Revenue Funds				Debt Service	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Debt Service Fund	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 44,847	\$ 0	\$ 44,847	\$ 0	\$ 44,847
Restricted for Debt Service	0	0	0	0	197,122	197,122
Committed:						
Committed for Public Health and Welfare	376,066	0	0	376,066	0	376,066
Committed for Debt Service	0	0	0	0	170,705	170,705
Total Fund Balances	<u>\$ 376,066</u>	<u>\$ 44,847</u>	<u>\$ 0</u>	<u>\$ 420,913</u>	<u>\$ 367,827</u>	<u>\$ 788,740</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 673,129</u>	<u>\$ 44,847</u>	<u>\$ 207</u>	<u>\$ 718,183</u>	<u>\$ 499,284</u>	<u>\$ 1,217,467</u>

Exhibit F-2

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

	Special Revenue Funds			Debt Service	Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Total	Fund General Debt Service	
<u>Revenues</u>					
Local Taxes	\$ 299,172	\$ 0	\$ 299,172	\$ 232,742	\$ 531,914
Fines, Forfeitures, and Penalties	0	18,133	18,133	0	18,133
Charges for Current Services	173,970	0	173,970	0	173,970
Other Local Revenues	22,459	0	22,459	19,426	41,885
State of Tennessee	6,017	0	6,017	0	6,017
Other Governments and Citizens Groups	0	0	0	389,379	389,379
Total Revenues	<u>\$ 501,618</u>	<u>\$ 18,133</u>	<u>\$ 519,751</u>	<u>\$ 641,547</u>	<u>\$ 1,161,298</u>
<u>Expenditures</u>					
Current:					
Public Safety	\$ 0	\$ 1,598	\$ 1,598	\$ 0	\$ 1,598
Public Health and Welfare	565,950	0	565,950	0	565,950
Other Operations	25,732	0	25,732	0	25,732
Debt Service:					
Principal on Debt	0	0	0	538,931	538,931
Interest on Debt	0	0	0	136,125	136,125
Other Debt Service	0	0	0	10,643	10,643
Total Expenditures	<u>\$ 591,682</u>	<u>\$ 1,598</u>	<u>\$ 593,280</u>	<u>\$ 685,699</u>	<u>\$ 1,278,979</u>
Excess (Deficiency) of Revenues Over Expenditures					
	<u>\$ (90,064)</u>	<u>\$ 16,535</u>	<u>\$ (73,529)</u>	<u>\$ (44,152)</u>	<u>\$ (117,681)</u>
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 118,848	\$ 0	\$ 118,848	\$ 0	\$ 118,848
Transfers In	0	0	0	133,079	133,079
Total Other Financing Sources (Uses)	<u>\$ 118,848</u>	<u>\$ 0</u>	<u>\$ 118,848</u>	<u>\$ 133,079</u>	<u>\$ 251,927</u>
Net Change in Fund Balances					
Fund Balance, July 1, 2014	\$ 347,282	\$ 28,312	\$ 375,594	\$ 278,900	\$ 654,494
Fund Balance, June 30, 2015	<u>\$ 376,066</u>	<u>\$ 44,847</u>	<u>\$ 420,913</u>	<u>\$ 367,827</u>	<u>\$ 788,740</u>

Exhibit F-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 299,172	\$ 279,613	\$ 279,613	\$ 19,559
Charges for Current Services	173,970	137,000	147,000	26,970
Other Local Revenues	22,459	14,000	14,000	8,459
State of Tennessee	6,017	3,000	3,000	3,017
Total Revenues	<u>\$ 501,618</u>	<u>\$ 433,613</u>	<u>\$ 443,613</u>	<u>\$ 58,005</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 407,542	\$ 329,973	\$ 461,225	\$ 53,683
Other Waste Disposal	142,655	142,000	152,000	9,345
Postclosure Care Costs	15,753	14,925	17,925	2,172
<u>Other Operations</u>				
Other Charges	25,732	27,800	27,800	2,068
Total Expenditures	<u>\$ 591,682</u>	<u>\$ 514,698</u>	<u>\$ 658,950</u>	<u>\$ 67,268</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (90,064)</u>	<u>\$ (81,085)</u>	<u>\$ (215,337)</u>	<u>\$ 125,273</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 118,848	\$ 0	\$ 125,877	\$ (7,029)
Total Other Financing Sources	<u>\$ 118,848</u>	<u>\$ 0</u>	<u>\$ 125,877</u>	<u>\$ (7,029)</u>
Net Change in Fund Balance	\$ 28,784	\$ (81,085)	\$ (89,460)	\$ 118,244
Fund Balance, July 1, 2014	<u>347,282</u>	<u>313,797</u>	<u>313,797</u>	<u>33,485</u>
Fund Balance, June 30, 2015	<u>\$ 376,066</u>	<u>\$ 232,712</u>	<u>\$ 224,337</u>	<u>\$ 151,729</u>

Exhibit F-4

Hartsville/Trousdale County Government, 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	\$ 18,133	\$ 3,600	\$ 3,600	\$ 14,533
Total Revenues	\$ 18,133	\$ 3,600	\$ 3,600	\$ 14,533
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 1,598	\$ 20,000	\$ 20,000	\$ 18,402
Total Expenditures	\$ 1,598	\$ 20,000	\$ 20,000	\$ 18,402
Excess (Deficiency) of Revenues Over Expenditures	\$ 16,535	\$ (16,400)	\$ (16,400)	\$ 32,935
Net Change in Fund Balance	\$ 16,535	\$ (16,400)	\$ (16,400)	\$ 32,935
Fund Balance, July 1, 2014	28,312	18,615	18,615	9,697
Fund Balance, June 30, 2015	\$ 44,847	\$ 2,215	\$ 2,215	\$ 42,632

Exhibit F-5

Hartsville/Trousdale County Government, 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	\$ 232,742	\$ 219,595	\$ 219,595	\$ 13,147
Other Local Revenues	19,426	7,000	7,000	12,426
Federal Government	0	124,025	0	0
Other Governments and Citizens Groups	389,379	340,093	391,093	(1,714)
Total Revenues	<u>\$ 641,547</u>	<u>\$ 690,713</u>	<u>\$ 617,688</u>	<u>\$ 23,859</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 168,000	\$ 183,840	\$ 170,700	\$ 2,700
Education	370,931	515,627	370,932	1
<u>Interest on Debt</u>				
General Government	12,427	0	13,140	713
Education	123,698	0	138,898	15,200
<u>Other Debt Service</u>				
General Government	4,846	5,000	5,000	154
Education	5,797	0	5,797	0
Total Expenditures	<u>\$ 685,699</u>	<u>\$ 704,467</u>	<u>\$ 704,467</u>	<u>\$ 18,768</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (44,152)</u>	<u>\$ (13,754)</u>	<u>\$ (86,779)</u>	<u>\$ 42,627</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 133,079	\$ 9,117	\$ 133,142	\$ (63)
Total Other Financing Sources	<u>\$ 133,079</u>	<u>\$ 9,117</u>	<u>\$ 133,142</u>	<u>\$ (63)</u>
Net Change in Fund Balance	\$ 88,927	\$ (4,637)	\$ 46,363	\$ 42,564
Fund Balance, July 1, 2014	<u>278,900</u>	<u>280,319</u>	<u>280,319</u>	<u>(1,419)</u>
Fund Balance, June 30, 2015	<u><u>\$ 367,827</u></u>	<u><u>\$ 275,682</u></u>	<u><u>\$ 326,682</u></u>	<u><u>\$ 41,145</u></u>

Major Governmental Fund

Education Debt Service Fund

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

Exhibit G

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Education 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	\$ 373,218	\$ 325,000	\$ 325,000	\$ 48,218
Other Local Revenues	7,312	12,000	12,000	(4,688)
Other Governments and Citizens Groups	75,000	75,000	75,000	0
Total Revenues	<u>\$ 455,530</u>	<u>\$ 412,000</u>	<u>\$ 412,000</u>	<u>\$ 43,530</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 472,000	\$ 472,000	\$ 472,000	\$ 0
<u>Interest on Debt</u>				
Education	8,825	215,600	186,763	177,938
<u>Other Debt Service</u>				
Education	32,605	7,000	35,837	3,232
Total Expenditures	<u>\$ 513,430</u>	<u>\$ 694,600</u>	<u>\$ 694,600</u>	<u>\$ 181,170</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (57,900)</u>	<u>\$ (282,600)</u>	<u>\$ (282,600)</u>	<u>\$ 224,700</u>
Net Change in Fund Balance	\$ (57,900)	\$ (282,600)	\$ (282,600)	\$ 224,700
Fund Balance, July 1, 2014	<u>1,247,024</u>	<u>1,210,543</u>	<u>1,210,543</u>	<u>36,481</u>
Fund Balance, June 30, 2015	<u>\$ 1,189,124</u>	<u>\$ 927,943</u>	<u>\$ 927,943</u>	<u>\$ 261,181</u>

Fiduciary Funds

Agency Funds are used to account for assets held by the government 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.

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 revenue held for the benefit of the Office of the District Attorney General.

Exhibit H-1

Hartsville/Trousdale County Government, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2015

	Agency Funds			
	Constitu- tional Officers - Agency	Judicial District Drug	District Attorney General	Total
<u>ASSETS</u>				
Cash	\$ 638,218	\$ 339,667	\$ 0	\$ 977,885
Equity in Pooled Cash and Investments	0	574,255	16,751	591,006
Accounts Receivable	0	7,000	0	7,000
Due from Other Governments	0	13,000	0	13,000
Total Assets	\$ 638,218	\$ 933,922	\$ 16,751	\$ 1,588,891
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 23,780	\$ 0	\$ 23,780
Due to Other Funds	0	3,686	0	3,686
Due to Litigants, Heirs, and Others	638,218	324,517	16,751	979,486
Due to Joint Ventures	0	581,939	0	581,939
Total Liabilities	\$ 638,218	\$ 933,922	\$ 16,751	\$ 1,588,891

Exhibit H-2

Hartsville/Trousdale County Government, 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>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 406,611	\$ 2,217,216	\$ 1,985,609	\$ 638,218
Total Assets	\$ 406,611	\$ 2,217,216	\$ 1,985,609	\$ 638,218
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 406,611	\$ 2,217,216	\$ 1,985,609	\$ 638,218
Total Liabilities	\$ 406,611	\$ 2,217,216	\$ 1,985,609	\$ 638,218
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Cash	\$ 0	\$ 339,667	\$ 0	\$ 339,667
Equity in Pooled Cash and Investments	621,268	187,446	234,459	574,255
Accounts Receivable	0	7,000	0	7,000
Due from Other Governments	13,000	0	0	13,000
Total Assets	\$ 634,268	\$ 534,113	\$ 234,459	\$ 933,922
<u>Liabilities</u>				
Accounts Payable	\$ 42,012	\$ 23,780	\$ 42,012	\$ 23,780
Due to Other Funds	3,934	3,686	3,934	3,686
Due to Litigants, Heirs, and Others	0	324,517	0	324,517
Due to Joint Ventures	588,322	182,130	188,513	581,939
Total Liabilities	\$ 634,268	\$ 534,113	\$ 234,459	\$ 933,922
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 14,228	\$ 30,477	\$ 27,954	\$ 16,751
Total Assets	\$ 14,228	\$ 30,477	\$ 27,954	\$ 16,751
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 14,228	\$ 30,477	\$ 27,954	\$ 16,751
Total Liabilities	\$ 14,228	\$ 30,477	\$ 27,954	\$ 16,751

(Continued)

Exhibit H-2

Hartsville/Trousdale County Government, Tennessee
Combining Statement of Changes in Assets and
Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 406,611	\$ 2,556,883	\$ 1,985,609	\$ 977,885
Equity in Pooled Cash and Investments	635,496	217,923	262,413	591,006
Accounts Receivable	0	7,000	0	7,000
Due from Other Governments	13,000	0	0	13,000
Total Assets	<u>\$ 1,055,107</u>	<u>\$ 2,781,806</u>	<u>\$ 2,248,022</u>	<u>\$ 1,588,891</u>
<u>Liabilities</u>				
Accounts Payable	\$ 42,012	\$ 23,780	\$ 42,012	\$ 23,780
Due to Other Funds	3,934	3,686	3,934	3,686
Due to Litigants, Heirs, and Others	420,839	2,572,210	2,013,563	979,486
Due to Joint Ventures	588,322	182,130	188,513	581,939
Total Liabilities	<u>\$ 1,055,107</u>	<u>\$ 2,781,806</u>	<u>\$ 2,248,022</u>	<u>\$ 1,588,891</u>

Hartsville/Trousdale County School Department

This section presents fund financial statements for the Hartsville/Trousdale 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 I-1

Hartsville/Trousdale County Government, Tennessee
Statement of Activities
Discretely Presented Hartsville/Trousdale County School Department
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:				
Instruction	\$ 5,643,466	\$ 18,559	\$ 1,209,695	\$ (4,415,212)
Support Services	3,733,506	11,498	78,371	(3,643,637)
Operation of Non-instructional Services	732,415	0	693,993	(38,422)
Total Governmental Activities	<u>\$ 10,109,387</u>	<u>\$ 30,057</u>	<u>\$ 1,982,059</u>	<u>\$ (8,097,271)</u>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 1,281,361
Local Option Sales Tax				546,700
Business Tax				11,031
Interstate Telecommunications Tax				753
Grants and Contributions Not Restricted to Specific Programs				7,334,491
Pension Income				52,491
Miscellaneous				15,875
Total General Revenues				<u>\$ 9,242,702</u>
Change in Net Position				\$ 1,145,431
Net Position, July 1, 2014				18,975,259
Restatement (See Note I.D.9.)				<u>(1,779,119)</u>
Net Position, June 30, 2015				<u>\$ 18,341,571</u>

Exhibit I-2

Hartsville/Trousdale County Government, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Hartsville/Trousdale County School Department
June 30, 2015

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 3,517,867	\$ 297,912	\$ 3,815,779
Accounts Receivable	1,277	0	1,277
Due from Other Governments	219,744	81,685	301,429
Property Taxes Receivable	1,366,608	0	1,366,608
Allowance for Uncollectible Property Taxes	(55,707)	0	(55,707)
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 5,049,789	\$ 379,597	\$ 5,429,386
<u>LIABILITIES</u>			
Accounts Payable	\$ 48,189	\$ 0	\$ 48,189
Accrued Payroll	4,959	0	4,959
Payroll Deductions Payable	154,575	21,956	176,531
Total Liabilities	<hr/> \$ 207,723	<hr/> \$ 21,956	<hr/> \$ 229,679
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 1,226,513	\$ 0	\$ 1,226,513
Deferred Delinquent Property Taxes	79,916	0	79,916
Other Deferred/Unavailable Revenue	45,000	0	45,000
Total Deferred Inflows of Resources	<hr/> \$ 1,351,429	<hr/> \$ 0	<hr/> \$ 1,351,429
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 368,029	\$ 257,640	\$ 625,669
Committed:			
Committed for Education	1,973,128	100,001	2,073,129
Unassigned	1,149,480	0	1,149,480
Total Fund Balances	<hr/> \$ 3,490,637	<hr/> \$ 357,641	<hr/> \$ 3,848,278
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<hr/> \$ 5,049,789	<hr/> \$ 379,597	<hr/> \$ 5,429,386

Exhibit I-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	3,848,278
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	689,883	
Add: buildings and improvements net of accumulated depreciation		14,425,505	
Add: other capital assets net of accumulated depreciation		582,732	
Add: intangibles net of accumulated depreciation		<u>77,449</u>	15,775,569
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds			
Less: other postemployment benefits liability			(169,543)
(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	\$	538,169	
Less: deferred inflows of resources related to pensions		<u>(2,104,432)</u>	(1,566,263)
(4) Net pension assets of the pension plans are not current financial resources and therefore are not reported in the governmental funds			328,614
(5) Other long term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>124,916</u>
Net position of governmental activities (Exhibit A)		\$	<u>18,341,571</u>

Exhibit I-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	<u>Total</u>
	General Purpose School	Other Govern- mental Funds	Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 2,056,994	\$ 0	\$ 2,056,994
Licenses and Permits	912	0	912
Charges for Current Services	27,669	0	27,669
Other Local Revenues	97,533	12	97,545
State of Tennessee	7,355,762	0	7,355,762
Federal Government	459,895	967,620	1,427,515
Other Governments and Citizens Groups	0	257,842	257,842
Total Revenues	<u>\$ 9,998,765</u>	<u>\$ 1,225,474</u>	<u>\$ 11,224,239</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 4,608,924	\$ 829,782	\$ 5,438,706
Support Services	3,522,124	147,450	3,669,574
Operation of Non-Instructional Services	745,703	214	745,917
Capital Outlay	1,020,785	0	1,020,785
Debt Service:			
Other Debt Service	413,379	0	413,379
Total Expenditures	<u>\$ 10,310,915</u>	<u>\$ 977,446</u>	<u>\$ 11,288,361</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (312,150)</u>	<u>\$ 248,028</u>	<u>\$ (64,122)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 58,505	\$ 0	\$ 58,505
Transfers In	0	50,000	50,000
Transfers Out	(50,000)	0	(50,000)
Total Other Financing Sources (Uses)	<u>\$ 8,505</u>	<u>\$ 50,000</u>	<u>\$ 58,505</u>
Net Change in Fund Balances	\$ (303,645)	\$ 298,028	\$ (5,617)
Fund Balance, July 1, 2014	<u>3,794,282</u>	<u>59,613</u>	<u>3,853,895</u>
Fund Balance, June 30, 2015	<u>\$ 3,490,637</u>	<u>\$ 357,641</u>	<u>\$ 3,848,278</u>

Exhibit I-5

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

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ (5,617)
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 1,203,474	
Less: current-year depreciation expense	<u>(570,244)</u>	633,230
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.</p>		
Less: book value of capital assets disposed		(17,695)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Less: deferred delinquent property taxes and other deferred June 30, 2014	\$ (128,449)	
Add: deferred delinquent property taxes and other deferred June 30, 2015	<u>124,916</u>	(3,533)
<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 other postemployment benefits liability	\$ (2,424)	
Change in net pension liability/asset	2,107,733	
Change in deferred outflows of resources related to pensions	538,169	
Change in deferred inflows of resources related to pensions	<u>(2,104,432)</u>	<u>539,046</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,145,431</u>

Exhibit I-6

Hartsville/Trousdale County Government, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Hartsville/Trousdale County School Department
June 30, 2015

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 40,284	\$ 257,628	\$ 297,912
Due from Other Governments	81,673	12	81,685
Total Assets	<u>\$ 121,957</u>	<u>\$ 257,640</u>	<u>\$ 379,597</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 21,956	\$ 0	\$ 21,956
Total Liabilities	<u>\$ 21,956</u>	<u>\$ 0</u>	<u>\$ 21,956</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 257,640	\$ 257,640
Committed:			
Committed for Education	100,001	0	100,001
Total Fund Balances	<u>\$ 100,001</u>	<u>\$ 257,640</u>	<u>\$ 357,641</u>
Total Liabilities and Fund Balances	<u>\$ 121,957</u>	<u>\$ 257,640</u>	<u>\$ 379,597</u>

Exhibit I-7

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

	<u>Special Revenue Funds</u>		Total
	School	Central	Nonmajor
	Federal	Cafeteria	Governmental
	Projects		Funds
<u>Revenues</u>			
Other Local Revenues	\$ 0	\$ 12	\$ 12
Federal Government	967,620	0	967,620
Other Governments and Citizens Groups	0	257,842	257,842
Total Revenues	<u>\$ 967,620</u>	<u>\$ 257,854</u>	<u>\$ 1,225,474</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 829,782	\$ 0	\$ 829,782
Support Services	147,450	0	147,450
Operation of Non-Instructional Services	0	214	214
Total Expenditures	<u>\$ 977,232</u>	<u>\$ 214</u>	<u>\$ 977,446</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (9,612)</u>	<u>\$ 257,640</u>	<u>\$ 248,028</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 50,000	\$ 0	\$ 50,000
Total Other Financing Sources (Uses)	<u>\$ 50,000</u>	<u>\$ 0</u>	<u>\$ 50,000</u>
Net Change in Fund Balances	\$ 40,388	\$ 257,640	\$ 298,028
Fund Balance, July 1, 2014	<u>59,613</u>	<u>0</u>	<u>59,613</u>
Fund Balance, June 30, 2015	<u><u>\$ 100,001</u></u>	<u><u>\$ 257,640</u></u>	<u><u>\$ 357,641</u></u>

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,056,994	\$ 1,868,629	\$ 1,868,629	\$ 188,365
Licenses and Permits	912	600	600	312
Charges for Current Services	27,669	14,000	14,000	13,669
Other Local Revenues	97,533	3,000	57,337	40,196
State of Tennessee	7,355,762	7,388,335	7,360,725	(4,963)
Federal Government	459,895	425,000	426,533	33,362
Total Revenues	\$ 9,998,765	\$ 9,699,564	\$ 9,727,824	\$ 270,941
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,633,752	\$ 4,151,701	\$ 4,165,717	\$ 531,965
Alternative Instruction Program	65,827	82,550	82,550	16,723
Special Education Program	715,101	706,650	724,587	9,486
Vocational Education Program	194,244	208,200	204,200	9,956
<u>Support Services</u>				
Attendance	36,646	36,960	36,960	314
Health Services	154,082	157,620	157,620	3,538
Other Student Support	185,969	212,675	212,675	26,706
Regular Instruction Program	449,620	457,450	460,449	10,829
Special Education Program	85,851	93,900	93,900	8,049
Vocational Education Program	30,545	31,450	31,450	905
Other Programs	37,610	0	37,610	0
Board of Education	139,988	139,010	143,010	3,022
Director of Schools	192,595	179,465	195,464	2,869
Office of the Principal	607,577	611,750	615,330	7,753
Fiscal Services	121,985	112,900	122,450	465
Operation of Plant	771,610	797,000	797,000	25,390
Maintenance of Plant	151,067	152,150	152,150	1,083
Transportation	556,979	522,055	617,084	60,105
<u>Operation of Non-Instructional Services</u>				
Food Service	498,086	489,750	495,369	(2,717)
Community Services	144,867	193,800	154,904	10,037
Early Childhood Education	102,750	103,535	103,535	785
<u>Capital Outlay</u>				
Regular Capital Outlay	1,020,785	1,200,000	1,236,421	215,636
<u>Principal on Debt</u>				
Education	0	404,500	0	0
<u>Other Debt Service</u>				
Education	413,379	10,642	415,142	1,763
Total Expenditures	\$ 10,310,915	\$ 11,055,713	\$ 11,255,577	\$ 944,662
Excess (Deficiency) of Revenues Over Expenditures	\$ (312,150)	\$ (1,356,149)	\$ (1,527,753)	\$ 1,215,603
<u>Other Financing Sources (Uses)</u>				
Other Loans Issued	\$ 0	\$ 92,129	\$ 92,129	\$ (92,129)
Insurance Recovery	58,505	0	56,586	1,919

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses) (Cont.)</u>				
Transfers Out	\$ (50,000)	\$ 0	\$ (50,000)	\$ 0
Total Other Financing Sources	\$ 8,505	\$ 92,129	\$ 98,715	\$ (90,210)
Net Change in Fund Balance	\$ (303,645)	\$ (1,264,020)	\$ (1,429,038)	\$ 1,125,393
Fund Balance, July 1, 2014	3,794,282	2,869,472	2,869,472	924,810
Fund Balance, June 30, 2015	\$ 3,490,637	\$ 1,605,452	\$ 1,440,434	\$ 2,050,203

Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 967,620	\$ 1,076,954	\$ 1,214,510	\$ (246,890)
Total Revenues	\$ 967,620	\$ 1,076,954	\$ 1,214,510	\$ (246,890)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 613,421	\$ 702,716	\$ 727,077	\$ 113,656
Special Education Program	200,819	201,542	240,734	39,915
Vocational Education Program	15,542	15,271	15,582	40
<u>Support Services</u>				
Other Student Support	3,736	4,138	4,236	500
Regular Instruction Program	87,153	71,932	155,556	68,403
Special Education Program	39,888	57,881	57,881	17,993
Vocational Education Program	416	800	391	(25)
Office of the Principal	16,257	18,000	18,000	1,743
Transportation	0	4,674	4,674	4,674
Total Expenditures	\$ 977,232	\$ 1,076,954	\$ 1,224,131	\$ 246,899
Excess (Deficiency) of Revenues Over Expenditures	\$ (9,612)	\$ 0	\$ (9,621)	\$ 9
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 50,000	\$ 0	\$ 50,000	\$ 0
Total Other Financing Sources	\$ 50,000	\$ 0	\$ 50,000	\$ 0
Net Change in Fund Balance	\$ 40,388	\$ 0	\$ 40,379	\$ 9
Fund Balance, July 1, 2014	59,613	59,613	59,613	0
Fund Balance, June 30, 2015	\$ 100,001	\$ 59,613	\$ 99,992	\$ 9

Exhibit I-10

Hartsville/Trousdale County Government, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Hartsville/Trousdale 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>				
Other Local Revenues	\$ 12	\$ 12	\$ 12	\$ 0
Other Governments and Citizens Groups	257,842	0	257,842	0
Total Revenues	<u>\$ 257,854</u>	<u>\$ 12</u>	<u>\$ 257,854</u>	<u>\$ 0</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 214	\$ 214	\$ 214	\$ 0
Total Expenditures	<u>\$ 214</u>	<u>\$ 214</u>	<u>\$ 214</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 257,640</u>	<u>\$ (202)</u>	<u>\$ 257,640</u>	<u>\$ 0</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 257,842	\$ 0	\$ 0
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 257,842</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 257,640	\$ 257,640	\$ 257,640	\$ 0
Fund Balance, July 1, 2014	0	0	0	0
Fund Balance, June 30, 2015	<u>\$ 257,640</u>	<u>\$ 257,640</u>	<u>\$ 257,640</u>	<u>\$ 0</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

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

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Matured During Period	Outstanding 6-30-15
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Highway Equipment/Solid Waste Truck	\$ 525,000	4.68 %	3-1-05	3-2-15	\$ 64,000	\$ 0	\$ 64,000	\$ 0
Sheriff Department Vehicles	71,807	2.59	11-14-12	10-17-14	36,000	0	36,000	0
Solid Waste Garbage Truck	140,193	2.77	12-3-13	12-1-19	123,000	0	19,000	104,000
Ambulance	80,000	2.42	6-7-14	5-1-17	80,000	0	25,000	55,000
Public Works Building Acquisition	650,000	2.98	5-28-15	6-1-25	0	650,000	0	650,000
Total Payable through General Debt Service Fund					<u>\$ 303,000</u>	<u>\$ 650,000</u>	<u>\$ 144,000</u>	<u>\$ 809,000</u>
<u>Payable through Urban Services Fund</u>								
Garbage Truck Acquisition	290,545	3.04	5-30-13	5-1-23	\$ 266,000	\$ 0	\$ 26,000	\$ 240,000
Total Payable through Urban Services Fund					<u>\$ 266,000</u>	<u>\$ 0</u>	<u>\$ 26,000</u>	<u>\$ 240,000</u>
Total Notes Payable					<u>\$ 569,000</u>	<u>\$ 650,000</u>	<u>\$ 170,000</u>	<u>\$ 1,049,000</u>
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Construction	3,000,000	Variable	10-11-95	5-25-16	\$ 436,914	\$ 0	\$ 213,500	\$ 223,414
Qualified School Construction Bonds, Series 2010	2,523,000	(1)	10-1-10	9-15-26	2,063,826	0	157,431	1,906,395
Public Utility Projects	(2)	Variable	6-11-15	5-25-17	0	51,000	0	51,000
Total Payable through General Debt Service Fund					<u>\$ 2,500,740</u>	<u>\$ 51,000</u>	<u>\$ 370,931</u>	<u>\$ 2,180,809</u>
<u>Payable through Education Debt Service Fund</u>								
School Construction	8,500,000	Variable	8-30-02	5-25-22	\$ 4,267,359	\$ 0	\$ 472,000	\$ 3,795,359
Total Payable through Education Debt Service Fund					<u>\$ 4,267,359</u>	<u>\$ 0</u>	<u>\$ 472,000</u>	<u>\$ 3,795,359</u>
Total Other Loans Payable					<u>\$ 6,768,099</u>	<u>\$ 51,000</u>	<u>\$ 842,931</u>	<u>\$ 5,976,168</u>
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
General Obligation Refunding Bonds, Series 2012	180,000	2.85	10-12-12	10-1-19	\$ 157,000	\$ 0	\$ 24,000	\$ 133,000
Total Payable through General Debt Service Fund					<u>\$ 157,000</u>	<u>\$ 0</u>	<u>\$ 24,000</u>	<u>\$ 133,000</u>
Total Bonds Payable					<u>\$ 157,000</u>	<u>\$ 0</u>	<u>\$ 24,000</u>	<u>\$ 133,000</u>

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

(2) Total amount available for draws is \$6,949,000 of an authorized \$7,000,000.

Exhibit J-2

Hartsville/Trousdale County Government, Tennessee
Schedule of Long-term Debt Requirements by Year

Year Ending June 30	Notes		Total
	Principal	Interest	
2016	\$ 128,000	\$ 30,762	\$ 158,762
2017	135,000	26,964	161,964
2018	110,000	23,109	133,109
2019	113,000	19,857	132,857
2020	116,000	16,502	132,502
2021	97,000	13,378	110,378
2022	100,000	10,469	110,469
2023	103,000	7,470	110,470
2024	72,000	4,380	76,380
2025	75,000	2,235	77,235
Total	<u>\$ 1,049,000</u>	<u>\$ 155,126</u>	<u>\$ 1,204,126</u>

Year Ending June 30	Other Loans			Total
	Principal	Interest (1)	Other Fees	
2016	\$ 870,845	\$ 133,013	\$ 31,274	\$ 1,035,132
2017	716,431	130,907	25,721	873,059
2018	684,431	129,474	20,919	834,824
2019	704,431	128,099	17,486	850,016
2020	725,431	126,673	13,923	866,027
2021	746,431	125,191	10,222	881,844
2022	723,790	123,665	6,409	853,864
2023	157,431	122,315	2,019	281,765
2024	157,432	122,315	2,019	281,766
2025	157,432	122,315	2,019	281,766
2026	157,432	122,315	2,019	281,766
2027	174,651	123,243	2,357	300,251
Total	<u>\$ 5,976,168</u>	<u>\$ 1,509,525</u>	<u>\$ 136,387</u>	<u>\$ 7,622,080</u>

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

(Continued)

Exhibit J-2

Hartsville/Trousdale County Government, Tennessee
Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 25,000	\$ 3,434	\$ 28,434
2017	26,000	2,708	28,708
2018	27,000	1,952	28,952
2019	27,000	1,183	28,183
2020	28,000	399	28,399
Total	\$ 133,000	\$ 9,676	\$ 142,676

Exhibit J-3

Hartsville/Trousdale County Government, Tennessee
Schedule of Notes Receivable
June 30, 2015

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance
<u>General Debt Service Fund</u>						
Water and Sewer Projects	Hartsville-Trousdale Water/Sewer Utility District	\$ (1)	5-26-15	5-25-17	0 %	\$ 51,000
Total Notes Receivable						<u>\$ 51,000</u>

The county is borrowing funds through a loan agreement and using those funds for water and sewer projects that will be reimbursed by the Hartsville-Trousdale Water/Sewer Utility District.

(1) Total amount approved was \$7,000,000, of which \$6,949,000 remains available for draws as of June 30, 2015.

Exhibit J-4

Hartsville/Trousdale County Government, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Hartsville/Trousdale 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	General Debt Service	QSCB subsidy payment	\$ 123,962
Urban Services	"	Debt contribution	<u>9,117</u>
Total Transfers Primary Government			<u>\$ 133,079</u>
<u>DISCRETELY PRESENTED HARTSVILLE/TROUSDALE</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School	School Federal Projects	Operations	<u>\$ 50,000</u>
Total Transfers Discretely Presented Hartsville/ Trousdale County School Department			<u>\$ 50,000</u>

Exhibit J-5

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor:				
Jakie West (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i>	\$ 12,432 (1)	\$ 25,000	State Automobile Mutual Insurance Company
Carroll Carman (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i>	55,554 (2)	100,000	The Cincinnati Insurance Company
Superintendent of Roads	Section 8-24-102, <i>TCA</i>	64,178	100,000	State Automobile Mutual Insurance Company
Director of Schools	State Board of Education and Hartsville/Trousdale County Government Board of Education	93,423 (3)	(5)	
Trustee:				
Kay Celsor (7-1-14 through 8-31-14)	Section 8-24-102, <i>TCA</i>	10,547	497,000	State Automobile Mutual Insurance Company
Cindy Carman (9-1-14 through 6-30-15)	Section 8-24-102, <i>TCA</i>	47,796	559,193	The Cincinnati Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	58,343	50,000	State Automobile Mutual Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	58,343	50,000	The Cincinnati Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, <i>TCA</i>	58,343	60,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i> , and Chancery Court Judge	58,343	35,000	State Automobile Mutual Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i>	58,343	50,000	The Cincinnati Insurance Company
Sheriff	Section 8-24-102, <i>TCA</i>	64,178 (4)	100,000	"
Employee Blanket Bond Coverage:				
General County, Water Department, and Highway Employees			150,000	Tennessee Risk Management Trust
School Employees			150,000	"

- (1) Includes \$250 for serving as chairman of the Highway Commission.
(2) Includes \$350 for serving as chairman of the Highway Commission.
(3) Includes \$1,000 as a chief executive officer training supplement, \$1,740 as secretary of the Board of Education, \$2,571 for a Leading Innovation for Tennessee (LIFT) supplement, and \$4,800 for a performance bonus.
(4) Does not include a law enforcement training supplement of \$600.
(5) The director of schools is covered under the School Department blanket bond.

Exhibit J-6

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2015

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,749,717	\$ 403,527	\$ 260,597	\$ 521,191	\$ 0	0
Trustee's Collections - Prior Year	132,337	33,591	19,299	39,518	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	89,316	47,087	13,129	26,646	0	0
Interest and Penalty	23,760	6,858	3,581	7,306	0	0
Payments in-Lieu-of Taxes - T.V.A.	27,457	0	0	0	0	0
Payments in-Lieu-of Taxes - Other	0	6,117	0	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	469,756	0	0	0	0	0
Wheel Tax	0	0	0	0	0	0
Litigation Tax - General	19,010	0	0	0	0	0
Litigation Tax - Special Purpose	48,242	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Business Tax	17,319	0	2,566	5,103	0	0
Adequate Facilities/Development Tax	0	0	0	0	0	0
Other County Local Option Taxes	0	32,408	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	63,109	0	0	0	0	0
Wholesale Beer Tax	160,447	0	0	0	0	0
Interstate Telecommunications Tax	780	0	0	0	0	0
Other Statutory Local Taxes	0	38,181	0	0	0	0
Total Local Taxes	\$ 2,801,250	\$ 567,769	\$ 299,172	\$ 599,764	\$ 0	0
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 1,073	\$ 16,676	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit J-6

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Building Permits	\$ 112,738	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Permits	315	0	0	0	0	0
Total Licenses and Permits	\$ 114,126	\$ 16,676	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 3,243	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	923	0	0	0	0	0
Drug Control Fines	0	0	0	0	475	0
Data Entry Fee - Circuit Court	525	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	13,927	0	0	0	0	0
Fines for Littering	48	0	0	0	0	0
Officers Costs	23,415	0	0	0	0	0
Game and Fish Fines	68	0	0	0	0	0
Drug Control Fines	0	0	0	0	5,797	0
Jail Fees	3,837	0	0	0	0	0
DUI Treatment Fines	3,402	0	0	0	0	0
Data Entry Fee - General Sessions Court	4,546	0	0	0	0	0
Courtroom Security Fee	19,562	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	348	0	0	0	0	0
Officers Costs	949	0	0	0	0	0
DUI Treatment Fines	3,135	0	0	0	0	0
Data Entry Fee - Juvenile Court	103	0	0	0	0	0

(Continued)

Exhibit J-6

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Chancery Court</u>						
Officers Costs	\$ 1,204	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Chancery Court	864	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	3,600	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	500	0	0	0	8,261	0
Other Fines, Forfeitures, and Penalties	2,856	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 83,455	\$ 0	\$ 0	\$ 0	\$ 18,133	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 173,970	\$ 0	\$ 0	\$ 0
Residential Waste Collection Charge	0	173,743	0	0	0	0
Patient Charges	0	0	0	399,535	0	0
Zoning Studies	200	0	0	0	0	0
Other General Service Charges	24,745	0	0	0	0	0
<u>Fees</u>						
Copy Fees	5,324	0	0	0	0	0
Telephone Commissions	13,023	0	0	0	0	0
Data Processing Fee - Register	2,967	0	0	0	0	0
Data Processing Fee - Sheriff	240	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,950	0	0	0	0	0
Data Processing Fee - County Clerk	579	0	0	0	0	0
Total Charges for Current Services	\$ 49,028	\$ 173,743	\$ 173,970	\$ 399,535	\$ 0	\$ 0

(Continued)

Exhibit J-6

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 39,327	\$ 0	\$ 0	\$ 0	\$ 0	393
Lease/Rentals	22,451	0	0	0	0	0
Sale of Materials and Supplies	0	150	0	0	0	0
Commissary Sales	7,255	0	0	0	0	0
Sale of Gasoline	57,579	0	0	0	0	0
Sale of Recycled Materials	4,319	0	22,459	0	0	0
Miscellaneous Refunds	2,254	0	0	819	0	9
<u>Nonrecurring Items</u>						
Sale of Equipment	3,910	0	0	0	0	0
Damages Recovered from Individuals	614	0	0	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	1,516	0	0	0	0	0
Total Other Local Revenues	\$ 139,225	\$ 150	\$ 22,459	\$ 819	\$ 0	402
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 93,399	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	29,301	0	0	0	0	0
General Sessions Court Clerk	62,100	0	0	0	0	0
Clerk and Master	39,701	0	0	0	0	0
Register	28,446	0	0	0	0	0
Sheriff	4,307	0	0	0	0	0
Trustee	158,220	0	0	0	0	0
Total Fees Received From County Officials	\$ 415,474	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit J-6

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Aging Programs	12,600	0	0	0	0	0
On-behalf Contributions for OPEB	0	1,196	0	0	0	0
Other General Government Grants	7,000	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	8,400	1,800	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	5,660	0	0	0	0	0
<u>Public Works Grants</u>						
Litter Program	33,564	0	0	0	0	0
<u>Other State Revenues</u>						
Flood Control	720	0	0	0	0	0
Income Tax	26,104	0	0	0	0	0
Beer Tax	19,188	0	0	0	0	0
Vehicle Certificate of Title Fees	4,885	0	0	0	0	0
Alcoholic Beverage Tax	15,508	0	0	0	0	0
Emergency Hospital - Prisoners	40,492	0	0	0	0	0
Contracted Prisoner Boarding	270,026	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,246,162
Petroleum Special Tax	0	0	0	0	0	10,513
Registrar's Salary Supplement	15,164	0	0	0	0	0
State Shared Sales Tax - Cities	178,371	0	0	0	0	0
Other State Grants	0	0	0	0	0	0
Other State Revenues	27,285	0	6,017	0	0	0
Total State of Tennessee	\$ 673,967	\$ 2,996	\$ 6,017	\$ 0	\$ 0	\$ 1,256,675

(Continued)

Exhibit J-6

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	Special Revenue Funds					
	General	Urban Services	Solid Waste / Sanitation	Ambulance Service	Drug Control	Highway / Public Works
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	1,500	0	0	0	0	0
Other Federal through State	35,552	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	7,128	0	0	0	0	0
Tax Credit Bond Rebate	113,447	0	0	0	0	0
Other Direct Federal Revenue	7,149	0	0	0	0	0
Total Federal Government	\$ 164,776	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 7,534	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	4,980	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	13,341	0	0	0	0	0
<u>Other</u>						
Other	192	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 26,047	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 4,467,348	\$ 761,334	\$ 501,618	\$ 1,000,118	\$ 18,133	\$ 1,257,077

(Continued)

Exhibit J-6

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Debt Service Funds</u>		<u>Capital</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Projects Fund</u>	
	<u>Debt</u>	<u>Debt</u>	<u>General</u>	
	<u>Service</u>	<u>Service</u>	<u>Capital</u>	
			<u>Projects</u>	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 186,140	\$ 0	\$ 0	\$ 3,121,172
Trustee's Collections - Prior Year	13,784	0	0	238,529
Circuit Clerk/Clerk and Master Collections - Prior Years	9,378	0	0	185,556
Interest and Penalty	2,558	0	0	44,063
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	27,457
Payments in-Lieu-of Taxes - Other	0	0	0	6,117
<u>County Local Option Taxes</u>				
Local Option Sales Tax	0	0	0	469,756
Wheel Tax	0	323,218	0	323,218
Litigation Tax - General	0	0	0	19,010
Litigation Tax - Special Purpose	0	0	0	48,242
Litigation Tax - Jail, Workhouse, or Courthouse	19,068	0	0	19,068
Business Tax	1,814	0	0	26,802
Adequate Facilities/Development Tax	0	50,000	0	50,000
Other County Local Option Taxes	0	0	0	32,408
<u>Statutory Local Taxes</u>				
Bank Excise Tax	0	0	0	63,109
Wholesale Beer Tax	0	0	0	160,447
Interstate Telecommunications Tax	0	0	0	780
Other Statutory Local Taxes	0	0	0	38,181
Total Local Taxes	\$ 232,742	\$ 373,218	\$ 0	\$ 4,873,915
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 17,749

(Continued)

Exhibit J-6

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Debt Service Funds</u>		<u>Capital</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Projects Fund</u>	
	<u>Debt</u>	<u>Debt</u>	<u>General</u>	
	<u>Service</u>	<u>Service</u>	<u>Capital</u>	
			<u>Projects</u>	
<u>Licenses and Permits (Cont.)</u>				
<u>Permits</u>				
Building Permits	\$ 0	\$ 0	\$ 0	\$ 112,738
Other Permits	0	0	0	315
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 130,802
<u>Fines, Forfeitures, and Penalties</u>				
<u>Circuit Court</u>				
Fines	\$ 0	\$ 0	\$ 0	\$ 3,243
Officers Costs	0	0	0	923
Drug Control Fines	0	0	0	475
Data Entry Fee - Circuit Court	0	0	0	525
<u>General Sessions Court</u>				
Fines	0	0	0	13,927
Fines for Littering	0	0	0	48
Officers Costs	0	0	0	23,415
Game and Fish Fines	0	0	0	68
Drug Control Fines	0	0	0	5,797
Jail Fees	0	0	0	3,837
DUI Treatment Fines	0	0	0	3,402
Data Entry Fee - General Sessions Court	0	0	0	4,546
Courtroom Security Fee	0	0	0	19,562
<u>Juvenile Court</u>				
Fines	0	0	0	348
Officers Costs	0	0	0	949
DUI Treatment Fines	0	0	0	3,135
Data Entry Fee - Juvenile Court	0	0	0	103

(Continued)

Exhibit J-6

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Debt Service Funds</u>		<u>Capital</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Projects Fund</u>	
	<u>Debt</u>	<u>Debt</u>	<u>General</u>	
	<u>Service</u>	<u>Service</u>	<u>Capital</u>	
			<u>Projects</u>	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>				
<u>Chancery Court</u>				
Officers Costs	\$ 0	\$ 0	\$ 0	1,204
Data Entry Fee - Chancery Court	0	0	0	864
<u>Judicial District Drug Program</u>				
Drug Task Force Forfeitures and Seizures	0	0	0	3,600
<u>Other Fines, Forfeitures, and Penalties</u>				
Proceeds from Confiscated Property	0	0	0	8,761
Other Fines, Forfeitures, and Penalties	0	0	0	2,856
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 101,588
<u>Charges for Current Services</u>				
<u>General Service Charges</u>				
Commercial and Industrial Waste Collection Charge	\$ 0	\$ 0	\$ 0	173,970
Residential Waste Collection Charge	0	0	0	173,743
Patient Charges	0	0	0	399,535
Zoning Studies	0	0	0	200
Other General Service Charges	0	0	0	24,745
<u>Fees</u>				
Copy Fees	0	0	0	5,324
Telephone Commissions	0	0	0	13,023
Data Processing Fee - Register	0	0	0	2,967
Data Processing Fee - Sheriff	0	0	0	240
Sexual Offender Registration Fee - Sheriff	0	0	0	1,950
Data Processing Fee - County Clerk	0	0	0	579
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 796,276

(Continued)

Exhibit J-6

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Debt Service Funds</u>		<u>Capital</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Projects Fund</u>	
	<u>Debt</u>	<u>Debt</u>	<u>General</u>	
	<u>Service</u>	<u>Service</u>	<u>Capital</u>	
			<u>Projects</u>	
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 19,426	\$ 7,312	\$ 0	\$ 66,458
Lease/Rentals	0	0	0	22,451
Sale of Materials and Supplies	0	0	0	150
Commissary Sales	0	0	0	7,255
Sale of Gasoline	0	0	0	57,579
Sale of Recycled Materials	0	0	0	26,778
Miscellaneous Refunds	0	0	446	3,528
<u>Nonrecurring Items</u>				
Sale of Equipment	0	0	0	3,910
Damages Recovered from Individuals	0	0	0	614
<u>Other Local Revenues</u>				
Other Local Revenues	0	0	0	1,516
Total Other Local Revenues	\$ 19,426	\$ 7,312	\$ 446	\$ 190,239
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$ 0	\$ 0	\$ 0	\$ 93,399
Circuit Court Clerk	0	0	0	29,301
General Sessions Court Clerk	0	0	0	62,100
Clerk and Master	0	0	0	39,701
Register	0	0	0	28,446
Sheriff	0	0	0	4,307
Trustee	0	0	0	158,220
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 415,474

(Continued)

Exhibit J-6

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Debt Service Funds</u>		<u>Capital</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Projects Fund</u>	
	<u>Debt</u>	<u>Debt</u>	<u>General</u>	
	<u>Service</u>	<u>Service</u>	<u>Capital</u>	
			<u>Projects</u>	
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 9,000
Aging Programs	0	0	0	12,600
On-behalf Contributions for OPEB	0	0	0	1,196
Other General Government Grants	0	0	0	7,000
<u>Public Safety Grants</u>				
Law Enforcement Training Programs	0	0	0	10,200
<u>Health and Welfare Grants</u>				
Health Department Programs	0	0	0	5,660
<u>Public Works Grants</u>				
Litter Program	0	0	0	33,564
<u>Other State Revenues</u>				
Flood Control	0	0	0	720
Income Tax	0	0	0	26,104
Beer Tax	0	0	0	19,188
Vehicle Certificate of Title Fees	0	0	0	4,885
Alcoholic Beverage Tax	0	0	0	15,508
Emergency Hospital - Prisoners	0	0	0	40,492
Contracted Prisoner Boarding	0	0	0	270,026
Gasoline and Motor Fuel Tax	0	0	0	1,246,162
Petroleum Special Tax	0	0	0	10,513
Registrar's Salary Supplement	0	0	0	15,164
State Shared Sales Tax - Cities	0	0	0	178,371
Other State Grants	0	0	212,442	212,442
Other State Revenues	0	0	0	33,302
Total State of Tennessee	\$ 0	\$ 0	\$ 212,442	\$ 2,152,097

(Continued)

Exhibit J-6

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types (Cont.)

	<u>Debt Service Funds</u>		<u>Capital</u>	<u>Total</u>
	<u>General</u>	<u>Education</u>	<u>Projects Fund</u>	
	<u>Debt</u>	<u>Debt</u>	<u>General</u>	
	<u>Service</u>	<u>Service</u>	<u>Capital</u>	
			<u>Projects</u>	
<u>Federal Government</u>				
<u>Federal Through State</u>				
Community Development	\$ 0	\$ 0	\$ 1,691,356	\$ 1,691,356
Homeland Security Grants	0	0	0	1,500
Other Federal through State	0	0	0	35,552
<u>Direct Federal Revenue</u>				
Police Service (Lake Area)	0	0	0	7,128
Tax Credit Bond Rebate	0	0	0	113,447
Other Direct Federal Revenue	0	0	0	7,149
Total Federal Government	\$ 0	\$ 0	\$ 1,691,356	\$ 1,856,132
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 389,379	\$ 75,000	\$ 59,296	\$ 531,209
Contracted Services	0	0	0	4,980
<u>Citizens Groups</u>				
Donations	0	0	0	13,341
<u>Other</u>				
Other	0	0	0	192
Total Other Governments and Citizens Groups	\$ 389,379	\$ 75,000	\$ 59,296	\$ 549,722
Total	\$ 641,547	\$ 455,530	\$ 1,963,540	\$ 11,066,245

Exhibit J-7

Hartsville/Trousdale County Government, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Hartsville/Trousdale 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	\$ 1,149,777	\$ 0	\$ 0	\$ 1,149,777
Trustee's Collections - Prior Year	86,070	0	0	86,070
Circuit Clerk/Clerk and Master Collections - Prior Years	38,069	0	0	38,069
Interest and Penalty	14,812	0	0	14,812
Payments in-Lieu-of Taxes - T.V.A.	213,616	0	0	213,616
<u>County Local Option Taxes</u>				
Local Option Sales Tax	542,866	0	0	542,866
Business Tax	11,031	0	0	11,031
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	753	0	0	753
Total Local Taxes	<u>\$ 2,056,994</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,056,994</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 912	\$ 0	\$ 0	\$ 912
Total Licenses and Permits	<u>\$ 912</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 912</u>
<u>Charges for Current Services</u>				
<u>Education Charges</u>				
Tuition - Other	\$ 18,559	\$ 0	\$ 0	\$ 18,559
Contract for Instructional Staff Support with Other LEA's	280	0	0	280
Receipts from Individual Schools	8,830	0	0	8,830
Total Charges for Current Services	<u>\$ 27,669</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 27,669</u>

(Continued)

Exhibit J-7

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Lease/Rentals	\$ 2,388	\$ 0	\$ 0	\$ 2,388
E-Rate Funding	24,503	0	0	24,503
Miscellaneous Refunds	32,742	0	12	32,754
<u>Nonrecurring Items</u>				
Sale of Equipment	1,500	0	0	1,500
Contributions and Gifts	36,400	0	0	36,400
Total Other Local Revenues	\$ 97,533	\$ 0	\$ 12	\$ 97,545
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-behalf Contributions for OPEB	\$ 37,610	\$ 0	\$ 0	\$ 37,610
<u>State Education Funds</u>				
Basic Education Program	6,832,000	0	0	6,832,000
Early Childhood Education	102,750	0	0	102,750
School Food Service	6,865	0	0	6,865
Other State Education Funds	305,190	0	0	305,190
Career Ladder Program	38,205	0	0	38,205
Career Ladder - Extended Contract	14,920	0	0	14,920
<u>Other State Revenues</u>				
Other State Grants	18,222	0	0	18,222
Total State of Tennessee	\$ 7,355,762	\$ 0	\$ 0	\$ 7,355,762

(Continued)

Exhibit J-7

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 301,111	\$ 0	\$ 0	\$ 301,111
USDA - Commodities	44,265	0	0	44,265
Breakfast	65,652	0	0	65,652
USDA - Other	18,258	0	0	18,258
Vocational Education - Basic Grants to States	0	19,693	0	19,693
Title I Grants to Local Education Agencies	0	251,563	0	251,563
Special Education - Grants to States	22,589	233,846	0	256,435
Special Education Preschool Grants	0	6,868	0	6,868
Safe and Drug-free Schools - State Grants	8,020	0	0	8,020
Rural Education	0	15,369	0	15,369
Eisenhower Professional Development State Grants	0	57,124	0	57,124
Race to the Top - ARRA	0	383,157	0	383,157
Total Federal Government	\$ 459,895	\$ 967,620	\$ 0	\$ 1,427,515
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 0	\$ 0	\$ 257,842	\$ 257,842
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 257,842	\$ 257,842
Total	\$ 9,998,765	\$ 967,620	\$ 257,854	\$ 11,224,239

Exhibit J-8

Trousdale 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	\$ 10,100	
Other Per Diem and Fees	7,660	
Social Security	1,084	
Employer Medicare	253	
Audit Services	2,361	
Dues and Memberships	1,000	
Legal Notices, Recording, and Court Costs	446	
Travel	1,070	
Other Contracted Services	1,491	
In Service/Staff Development	25	
Other Charges	225	
Total County Commission		\$ 25,715

Beer Board

Board and Committee Members Fees	\$ 90	
Social Security	2	
Legal Notices, Recording, and Court Costs	26	
Total Beer Board		118

County Mayor/Executive

County Official/Administrative Officer	\$ 67,386	
Assistant(s)	33,262	
Clerical Personnel	44,912	
Overtime Pay	623	
Bonus Payments	985	
Social Security	8,160	
State Retirement	7,012	
Medical Insurance	12,160	
Employer Medicare	1,908	
Data Processing Services	8,136	
Dues and Memberships	1,079	
Evaluation and Testing	46	
Maintenance and Repair Services - Office Equipment	56	
Printing, Stationery, and Forms	1,764	
Travel	1,243	
Office Supplies	3,045	
Premiums on Corporate Surety Bonds	242	
In Service/Staff Development	540	
Office Equipment	2,053	
Total County Mayor/Executive		194,612

County Attorney

County Official/Administrative Officer	\$ 26,960	
Total County Attorney		26,960

Election Commission

County Official/Administrative Officer	\$ 52,509	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Deputy(ies)	\$ 3,939	
Election Commission	3,465	
Election Workers	9,310	
Social Security	3,706	
State Retirement	4,159	
Employer Medicare	867	
Data Processing Services	2,900	
Dues and Memberships	175	
Evaluation and Testing	184	
Legal Notices, Recording, and Court Costs	3,427	
Maintenance and Repair Services - Equipment	14,220	
Postal Charges	721	
Printing, Stationery, and Forms	289	
Travel	564	
Office Supplies	797	
In Service/Staff Development	1,025	
Other Charges	817	
Total Election Commission		\$ 103,074

Register of Deeds

County Official/Administrative Officer	\$ 58,343	
Deputy(ies)	7,509	
Bonus Payments	134	
Social Security	3,881	
State Retirement	4,621	
Medical Insurance	4,560	
Employer Medicare	908	
Data Processing Services	2,612	
Dues and Memberships	432	
Printing, Stationery, and Forms	624	
Office Supplies	852	
Premiums on Corporate Surety Bonds	90	
Office Equipment	93	
Total Register of Deeds		84,659

Planning

County Official/Administrative Officer	\$ 45,375	
Bonus Payments	780	
Social Security	2,638	
State Retirement	3,656	
Medical Insurance	4,560	
Employer Medicare	617	
Dues and Memberships	215	
Legal Notices, Recording, and Court Costs	156	
Travel	3,681	
Other Contracted Services	8,000	
Office Supplies	478	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Other Supplies and Materials	\$ 85	
In Service/Staff Development	1,353	
Other Charges	<u>777</u>	
Total Planning		\$ 72,371

County Buildings

Attendants	\$ 11,565	
Custodial Personnel	7,955	
Bonus Payments	790	
Social Security	1,191	
State Retirement	1,085	
Medical Insurance	4,560	
Employer Medicare	279	
Communication	4,699	
Legal Notices, Recording, and Court Costs	51	
Maintenance and Repair Services - Buildings	22,636	
Pest Control	840	
Custodial Supplies	6,373	
Electricity	32,672	
Natural Gas	15,399	
Water and Sewer	2,494	
Other Supplies and Materials	109	
Other Charges	2,298	
Land	25,000	
Site Development	21	
Building Purchases	<u>643,276</u>	
Total County Buildings		783,293

Preservation of Records

Office Supplies	\$ 5,790	
Office Equipment	<u>1,237</u>	
Total Preservation of Records		7,027

Finance

Property Assessor's Office

County Official/Administrative Officer	\$ 58,343	
Deputy(ies)	22,954	
Secretary(ies)	400	
Overtime Pay	136	
Board and Committee Members Fees	800	
Social Security	4,835	
State Retirement	5,500	
Medical Insurance	6,840	
Employer Medicare	1,131	
Dues and Memberships	1,000	
Evaluation and Testing	46	
Legal Notices, Recording, and Court Costs	138	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Maintenance and Repair Services - Vehicles	\$ 894	
Printing, Stationery, and Forms	2,532	
Travel	1,197	
Other Contracted Services	3,825	
Gasoline	333	
Office Supplies	329	
In Service/Staff Development	375	
Motor Vehicles	18,768	
Office Equipment	75	
Total Property Assessor's Office		\$ 130,451

County Trustee's Office

County Official/Administrative Officer	\$ 58,343	
Deputy(ies)	23,941	
Bonus Payments	364	
Social Security	4,978	
State Retirement	6,094	
Medical Insurance	7,980	
Employer Medicare	1,164	
Data Processing Services	6,042	
Dues and Memberships	437	
Legal Notices, Recording, and Court Costs	95	
Printing, Stationery, and Forms	2,004	
Office Supplies	1,116	
Premiums on Corporate Surety Bonds	1,073	
Office Equipment	99	
Total County Trustee's Office		113,730

County Clerk's Office

County Official/Administrative Officer	\$ 58,343	
Deputy(ies)	23,941	
Bonus Payments	411	
Social Security	4,898	
State Retirement	6,549	
Medical Insurance	9,120	
Employer Medicare	1,145	
Bank Charges	34	
Communication	1,137	
Data Processing Services	5,070	
Dues and Memberships	437	
Printing, Stationery, and Forms	453	
Office Supplies	908	
Premiums on Corporate Surety Bonds	152	
Data Processing Equipment	252	
Office Equipment	270	
Total County Clerk's Office		113,120

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$ 58,343	
Deputy(ies)	55,913	
Overtime Pay	22	
Bonus Payments	948	
Jury and Witness Expense	5,355	
Social Security	6,817	
State Retirement	9,116	
Medical Insurance	13,680	
Employer Medicare	1,594	
Data Processing Services	8,347	
Dues and Memberships	60	
Legal Notices, Recording, and Court Costs	118	
Printing, Stationery, and Forms	2,084	
Office Supplies	941	
Periodicals	254	
Premiums on Corporate Surety Bonds	165	
Total Circuit Court		\$ 163,757

General Sessions Court

Judge(s)	\$ 67,577	
Social Security	3,435	
State Retirement	5,352	
Medical Insurance	4,560	
Employer Medicare	803	
Legal Services	8,320	
Other Contracted Services	840	
Total General Sessions Court		90,887

Chancery Court

County Official/Administrative Officer	\$ 58,343	
Deputy(ies)	5,726	
Bonus Payments	95	
Social Security	3,774	
State Retirement	4,621	
Medical Insurance	4,560	
Employer Medicare	883	
Data Processing Services	1,200	
Dues and Memberships	397	
Legal Notices, Recording, and Court Costs	85	
Printing, Stationery, and Forms	350	
Office Supplies	198	
Periodicals	327	
Premiums on Corporate Surety Bonds	200	
Total Chancery Court		80,759

Judicial Commissioners

Bonus Payments	\$ 277	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Judicial Commissioners (Cont.)

Social Security	\$ 1,019	
Employer Medicare	238	
Dues and Memberships	150	
Travel	2,463	
Other Contracted Services	16,151	
Total Judicial Commissioners		\$ 20,298

Courtroom Security

Deputy(ies)	\$ 11,371	
Bonus Payments	173	
Social Security	716	
Employer Medicare	167	
Evaluation and Testing	420	
Uniforms	1,364	
Law Enforcement Equipment	2,118	
Total Courtroom Security		16,329

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$ 64,178	
Deputy(ies)	481,337	
Salary Supplements	8,400	
Dispatchers/Radio Operators	76,044	
Overtime Pay	42,521	
Bonus Payments	8,550	
Social Security	39,998	
State Retirement	49,118	
Medical Insurance	66,880	
Employer Medicare	9,354	
Communication	1,426	
Data Processing Services	2,592	
Dues and Memberships	2,056	
Evaluation and Testing	3,452	
Legal Notices, Recording, and Court Costs	96	
Licenses	49	
Maintenance Agreements	800	
Maintenance and Repair Services - Buildings	1,299	
Maintenance and Repair Services - Equipment	10,530	
Maintenance and Repair Services - Office Equipment	726	
Maintenance and Repair Services - Vehicles	19,746	
Medical and Dental Services	2,150	
Printing, Stationery, and Forms	972	
Rentals	9,127	
Towing Services	875	
Travel	621	
Electricity	1,262	
Gasoline	37,199	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Law Enforcement Supplies	\$ 9,832	
Office Supplies	1,639	
Periodicals	284	
Uniforms	10,161	
Other Supplies and Materials	524	
Premiums on Corporate Surety Bonds	180	
In Service/Staff Development	17,351	
Other Charges	335	
Law Enforcement Equipment	9,466	
Office Equipment	3,283	
Other Equipment	6,882	
Total Sheriff's Department		\$ 1,001,295

Drug Enforcement

Deputy(ies)	\$ 36,400	
Bonus Payments	626	
Social Security	2,273	
State Retirement	2,915	
Medical Insurance	4,560	
Employer Medicare	532	
Gasoline	2,333	
Total Drug Enforcement		49,639

Administration of the Sexual Offender Registry

Other Supplies and Materials	\$ 550	
Other Equipment	4,900	
Total Administration of the Sexual Offender Registry		5,450

Jail

Guards	\$ 405,735	
Cafeteria Personnel	25,630	
Overtime Pay	434	
Bonus Payments	5,980	
Social Security	26,636	
State Retirement	30,833	
Medical Insurance	69,160	
Employer Medicare	6,229	
Communication	786	
Data Processing Services	1,920	
Evaluation and Testing	18	
Legal Notices, Recording, and Court Costs	178	
Maintenance and Repair Services - Buildings	6,722	
Maintenance and Repair Services - Equipment	2,822	
Medical and Dental Services	141,428	
Pest Control	240	
Printing, Stationery, and Forms	1,700	
Travel	913	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Other Contracted Services	\$ 125	
Custodial Supplies	10,527	
Electricity	12,702	
Food Supplies	39,679	
Law Enforcement Supplies	15	
Natural Gas	4,079	
Office Supplies	556	
Prisoners Clothing	1,294	
Uniforms	1,554	
Water and Sewer	7,994	
Other Supplies and Materials	1,392	
In Service/Staff Development	2,207	
Building Improvements	10,500	
Office Equipment	43	
Other Equipment	14,111	
Total Jail		\$ 834,142

Workhouse

Guards	\$ 36,788	
Bonus Payments	922	
Social Security	2,311	
State Retirement	2,274	
Medical Insurance	8,265	
Employer Medicare	541	
Maintenance and Repair Services - Equipment	1,403	
Maintenance and Repair Services - Vehicles	969	
Gasoline	3,874	
Uniforms	135	
Other Supplies and Materials	994	
Other Equipment	10,095	
Total Workhouse		68,571

Juvenile Services

Bonus Payments	\$ 332	
Other Salaries and Wages	20,080	
Social Security	1,266	
Employer Medicare	296	
Travel	573	
Office Supplies	85	
Other Supplies and Materials	258	
Other Charges	4,763	
Office Equipment	522	
Total Juvenile Services		28,175

Fire Prevention and Control

Contributions	\$ 19,825	
Dues and Memberships	50	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Evaluation and Testing	\$ 516	
Legal Notices, Recording, and Court Costs	330	
Maintenance and Repair Services - Equipment	1,024	
Maintenance and Repair Services - Vehicles	1,010	
Gasoline	442	
Other Supplies and Materials	44	
In Service/Staff Development	3,967	
Communication Equipment	71	
Other Equipment	<u>53,748</u>	
Total Fire Prevention and Control		\$ 81,027

Civil Defense

Contributions	\$ 15	
Licenses	18	
Maintenance and Repair Services - Buildings	76	
Maintenance and Repair Services - Equipment	70	
Maintenance and Repair Services - Vehicles	2,985	
Electricity	1,277	
Gasoline	861	
Natural Gas	2,052	
Office Supplies	90	
Water and Sewer	399	
Communication Equipment	449	
Motor Vehicles	6,500	
Other Equipment	<u>8,500</u>	
Total Civil Defense		23,292

Other Emergency Management

Supervisor/Director	\$ 25,437	
Bonus Payments	437	
Social Security	1,604	
State Retirement	1,973	
Employer Medicare	375	
Dues and Memberships	150	
Evaluation and Testing	93	
Maintenance and Repair Services - Buildings	1,283	
Maintenance and Repair Services - Vehicles	180	
Travel	2,906	
Office Supplies	633	
Uniforms	556	
In Service/Staff Development	50	
Communication Equipment	1,689	
Other Equipment	<u>2,003</u>	
Total Other Emergency Management		39,369

Inspection and Regulation

Supervisor/Director	\$ 4,531	
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(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Safety (Cont.)

Inspection and Regulation (Cont.)

Bonus Payments	\$ 75	
Social Security	231	
State Retirement	359	
Employer Medicare	54	
Drugs and Medical Supplies	1,353	
Total Inspection and Regulation		\$ 6,603

County Coroner/Medical Examiner

Other Contracted Services	\$ 21,010	
Total County Coroner/Medical Examiner		21,010

Public Health and Welfare

Local Health Center

Communication	\$ 1,442	
Contributions	10,125	
Dues and Memberships	200	
Maintenance and Repair Services - Buildings	3,634	
Maintenance and Repair Services - Equipment	642	
Pest Control	180	
Postal Charges	318	
Custodial Supplies	64	
Electricity	3,679	
Natural Gas	2,724	
Office Supplies	56	
Water and Sewer	399	
Other Supplies and Materials	297	
Premiums on Corporate Surety Bonds	40	
Other Charges	345	
Furniture and Fixtures	3,089	
Total Local Health Center		27,234

Alcohol and Drug Programs

Social Security	\$ 72	
State Retirement	95	
Employer Medicare	17	
Other Contracted Services	1,200	
Instructional Supplies and Materials	35	
Total Alcohol and Drug Programs		1,419

Other Local Health Services

Part-time Personnel	\$ 4,499	
Social Security	279	
Employer Medicare	65	
Contracts with Government Agencies	5,356	
Travel	817	
Other Contracted Services	7,087	
Total Other Local Health Services		18,103

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information

Education Media Personnel	\$ 11,251	
Guards	11,218	
Social Security	1,358	
State Retirement	1,511	
Employer Medicare	318	
Advertising	160	
Travel	202	
Custodial Supplies	1,322	
Gasoline	1,096	
Other Supplies and Materials	5,161	
Total Sanitation Education/Information		\$ 33,597

Other Public Health and Welfare

Contributions	\$ 5,666	
Total Other Public Health and Welfare		5,666

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$ 17,959	
Part-time Personnel	9,079	
Social Security	1,561	
State Retirement	1,604	
Employer Medicare	365	
Communication	1,915	
Contributions	371	
Maintenance and Repair Services - Vehicles	324	
Travel	101	
Custodial Supplies	112	
Food Supplies	222	
Gasoline	507	
Office Supplies	1,473	
Other Supplies and Materials	4,262	
Office Equipment	234	
Total Senior Citizens Assistance		40,089

Libraries

Assistant(s)	\$ 18,147	
Librarians	24,721	
Bonus Payments	723	
Social Security	2,689	
State Retirement	3,336	
Medical Insurance	1,520	
Employer Medicare	629	
Communication	3,188	
Contributions	9,709	
Data Processing Services	1,100	
Licenses	310	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Maintenance and Repair Services - Buildings	\$	28	
Pest Control		120	
Travel		253	
Other Contracted Services		3,080	
Custodial Supplies		232	
Electricity		5,925	
Library Books/Media		5,982	
Natural Gas		3,000	
Office Supplies		1,336	
Water and Sewer		417	
Other Supplies and Materials		1,416	
Total Libraries			\$ 87,861

Parks and Fair Boards

Supervisor/Director	\$	8,170	
Laborers		3,463	
Temporary Personnel		21,354	
Social Security		2,045	
State Retirement		647	
Employer Medicare		478	
Advertising		246	
Dues and Memberships		90	
Evaluation and Testing		580	
Maintenance and Repair Services - Buildings		609	
Maintenance and Repair Services - Equipment		1,612	
Maintenance and Repair Services - Vehicles		6	
Rentals		700	
Permits		210	
Custodial Supplies		623	
Electricity		9,629	
Fertilizer, Lime, and Seed		466	
Food Supplies		2,531	
Gasoline		1,551	
Uniforms		394	
Water and Sewer		860	
Chemicals		1,915	
Other Supplies and Materials		658	
In Service/Staff Development		1,800	
Other Charges		589	
Site Development		35,792	
Other Equipment		14	
Total Parks and Fair Boards			97,032

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	16,650	
Secretary(ies)		8,537	

(Continued)

Exhibit J-8

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Social Security	\$ 1,805	
State Retirement	3,786	
Communication	3,376	
Contributions	3,875	
Dues and Memberships	370	
Travel	385	
Office Supplies	1,892	
Other Supplies and Materials	390	
In Service/Staff Development	110	
Office Equipment	974	
Total Agricultural Extension Service		\$ 42,150

Soil Conservation

Contributions	\$ 12,842	
Total Soil Conservation		12,842

Other Operations

Other Charges

Communication	\$ 23,339	
Data Processing Services	8,734	
Dues and Memberships	597	
Evaluation and Testing	442	
Legal Notices, Recording, and Court Costs	116	
Maintenance Agreements	5,420	
Postal Charges	12,230	
Rentals	14,739	
Fuel Oil	61,492	
Liability Insurance	66,353	
Trustee's Commission	52,375	
Workers' Compensation Insurance	41,007	
Other Charges	1,628	
Total Other Charges		288,472

Employee Benefits

Handling Charges and Administrative Costs	\$ 675	
Total Employee Benefits		675

Miscellaneous

Contributions	\$ 7,000	
Dues and Memberships	2,555	
Total Miscellaneous		9,555

Total General Fund \$ 4,850,428

(Continued)

Exhibit J-8

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

Urban Services Fund

Public Safety

Sheriff's Department

Deputy(ies)	\$ 155,584	
Salary Supplements	1,800	
Dispatchers/Radio Operators	27,344	
Overtime Pay	11,162	
Bonus Payments	2,577	
Social Security	12,305	
State Retirement	21,112	
Medical Insurance	18,240	
Employer Medicare	2,878	
Maintenance Agreements	14,848	
Maintenance and Repair Services - Vehicles	4,562	
Gasoline	9,495	
Total Sheriff's Department		\$ 281,907

Fire Prevention and Control

Gasoline	\$ 509	
Other Charges	1,922	
Total Fire Prevention and Control		2,431

Public Health and Welfare

Rabies and Animal Control

Other Salaries and Wages	\$ 5,231	
Social Security	323	
State Retirement	414	
Medical Insurance	855	
Employer Medicare	75	
Dues and Memberships	40	
Maintenance and Repair Services - Buildings	160	
Animal Food and Supplies	19	
Custodial Supplies	198	
Electricity	1,052	
Gasoline	609	
Water and Sewer	471	
Other Supplies and Materials	85	
Total Rabies and Animal Control		9,532

Waste Pickup

Supervisor/Director	\$ 16,341	
Truck Drivers	22,696	
Laborers	50,416	
Overtime Pay	2,598	
Bonus Payments	1,020	
Social Security	5,716	
State Retirement	6,733	
Medical Insurance	9,500	
Employer Medicare	1,337	
Evaluation and Testing	566	

(Continued)

Exhibit J-8

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

Urban Services Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Maintenance and Repair Services - Equipment	\$ 144	
Maintenance and Repair Services - Vehicles	10,792	
Printing, Stationery, and Forms	55	
Travel	97	
Disposal Fees	24,268	
Gasoline	11,065	
Office Supplies	72	
Other Supplies and Materials	116	
Other Charges	283	
Other Capital Outlay	7,178	
Total Waste Pickup		\$ 170,993

Social, Cultural, and Recreational Services

Parks and Fair Boards

Land	\$ 5,000	
Site Development	4,600	
Total Parks and Fair Boards		9,600

Other Social, Cultural, and Recreational

Other Charges	\$ 4,000	
Total Other Social, Cultural, and Recreational		4,000

Other Operations

Other Charges

Maintenance and Repair Services - Equipment	\$ 439	
Maintenance and Repair Services - Vehicles	1,987	
Electricity	66,943	
Liability Insurance	11,891	
Trustee's Commission	11,972	
Workers' Compensation Insurance	12,979	
Site Development	9,990	
Total Other Charges		116,201

Employee Benefits

State Retirement	\$ 1,800	
On-behalf Payments to OPEB	1,196	
Total Employee Benefits		2,996

Highways

Highway and Bridge Maintenance

Asphalt - Hot Mix	\$ 19,288	
Road Signs	908	
Other Supplies and Materials	4,487	
Total Highway and Bridge Maintenance		24,683

(Continued)

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

Urban Services Fund (Cont.)

Principal on Debt

General Government

Principal on Notes	<u>\$ 26,000</u>	
Total General Government		\$ 26,000

Interest on Debt

General Government

Interest on Notes	<u>\$ 8,086</u>	
Total General Government		<u>8,086</u>

Total Urban Services Fund		\$ 656,429
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Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Supervisor/Director	\$ 16,341	
Truck Drivers	38,869	
Laborers	19,844	
Attendants	41,593	
Part-time Personnel	12,013	
Overtime Pay	3,029	
Bonus Payments	2,753	
Social Security	8,356	
State Retirement	11,468	
Medical Insurance	12,160	
Employer Medicare	1,954	
Evaluation and Testing	671	
Legal Notices, Recording, and Court Costs	227	
Maintenance and Repair Services - Buildings	81	
Maintenance and Repair Services - Equipment	5,052	
Maintenance and Repair Services - Vehicles	20,053	
Electricity	2,106	
Gasoline	29,324	
Office Supplies	52	
Water and Sewer	1,119	
Other Supplies and Materials	712	
Building Construction	122,703	
Site Development	48,445	
Solid Waste Equipment	<u>8,617</u>	
Total Convenience Centers		\$ 407,542

Other Waste Disposal

Disposal Fees	<u>\$ 142,655</u>	
Total Other Waste Disposal		142,655

Postclosure Care Costs

Engineering Services	\$ 13,832	
Contracts for Postclosure Care Costs	1,350	
Landfill Closure/Postclosure Care Costs	<u>571</u>	
Total Postclosure Care Costs		15,753

(Continued)

Exhibit J-8

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

Solid Waste/Sanitation Fund (Cont.)

Other Operations

Other Charges

Liability Insurance	\$ 8,663	
Trustee's Commission	7,753	
Workers' Compensation Insurance	9,316	
Total Other Charges		\$ 25,732

Total Solid Waste/Sanitation Fund \$ 591,682

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$ 48,835
Medical Personnel	333,298
Clerical Personnel	26,031
Overtime Pay	156,700
Bonus Payments	6,385
Social Security	35,015
State Retirement	41,475
Medical Insurance	39,520
Employer Medicare	8,189
Bank Charges	586
Communication	7,775
Contracts with Private Agencies	3,150
Debt Collection Services	126
Dues and Memberships	410
Evaluation and Testing	1,482
Laundry Service	145
Licenses	1,127
Maintenance and Repair Services - Buildings	2,223
Maintenance and Repair Services - Equipment	635
Maintenance and Repair Services - Vehicles	7,332
Pest Control	480
Postal Charges	1,017
Printing, Stationery, and Forms	320
Rentals	3,032
Travel	549
Custodial Supplies	979
Drugs and Medical Supplies	10,959
Electricity	4,108
Gasoline	12,998
Natural Gas	3,766
Office Supplies	698
Periodicals	349
Uniforms	3,875
Water and Sewer	826
Other Supplies and Materials	59
Liability Insurance	13,917
Refunds	3,154

(Continued)

Exhibit J-8

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Trustee's Commission	\$ 15,674	
Workers' Compensation Insurance	51,999	
In Service/Staff Development	1,600	
Office Equipment	5,592	
Total Ambulance/Emergency Medical Services		<u>\$ 856,390</u>

Total Ambulance Service Fund \$ 856,390

Drug Control Fund

Public Safety

Drug Enforcement

Instructional Supplies and Materials	\$ 80	
Other Supplies and Materials	260	
Trustee's Commission	174	
Law Enforcement Equipment	1,084	
Total Drug Enforcement		<u>\$ 1,598</u>

Total Drug Control Fund 1,598

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$ 64,178
Assistant(s)	35,900
Other Salaries and Wages	2,201
Board and Committee Members Fees	1,200
In-service Training	745
Social Security	5,682
State Retirement	7,907
Employer Medicare	1,329
Communication	4,508
Data Processing Services	6,926
Dues and Memberships	1,951
Legal Services	500
Legal Notices, Recording, and Court Costs	209
Maintenance and Repair Services - Buildings	788
Pest Control	395
Postal Charges	514
Printing, Stationery, and Forms	421
Travel	1,137
Custodial Supplies	558
Data Processing Supplies	436
Drugs and Medical Supplies	416
Electricity	3,688
Natural Gas	2,757
Office Supplies	344
Propane Gas	649

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Water and Sewer	\$ 1,876	
Other Charges	217	
Office Equipment	1,323	
Total Administration		\$ 148,755

Highway and Bridge Maintenance

Foremen	\$ 115,710	
Equipment Operators	88,224	
Truck Drivers	137,931	
Laborers	50,849	
Social Security	24,255	
State Retirement	26,091	
Employer Medicare	5,672	
Asphalt - Cold Mix	1,303	
Asphalt - Hot Mix	192,716	
Asphalt - Liquid	4,026	
Concrete	266	
Crushed Stone	21,884	
Electricity	423	
General Construction Materials	56	
Other Road Materials	145	
Pipe	3,717	
Propane Gas	54	
Road Signs	3,177	
Small Tools	103	
Wood Products	36	
Chemicals	1,316	
Other Supplies and Materials	676	
Other Charges	417	
Total Highway and Bridge Maintenance		679,047

Operation and Maintenance of Equipment

Mechanic(s)	\$ 25,921	
Social Security	1,504	
State Retirement	1,979	
Employer Medicare	352	
Maintenance and Repair Services - Equipment	1,495	
Maintenance and Repair Services - Vehicles	572	
Diesel Fuel	29,622	
Equipment and Machinery Parts	30,360	
Garage Supplies	1,634	
Gasoline	40,829	
Lubricants	5,257	
Small Tools	110	
Tires and Tubes	7,827	
Other Supplies and Materials	609	
Total Operation and Maintenance of Equipment		148,071

(Continued)

Exhibit J-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges

Evaluation and Testing	\$ 513	
Other Contracted Services	2,804	
Trustee's Commission	12,530	
Vehicle and Equipment Insurance	22,202	
Workers' Compensation Insurance	40,344	
Liability Claims	1,443	
Other Charges	818	
Total Other Charges		\$ 80,654

Employee Benefits

Medical Insurance	\$ 47,919	
Unemployment Compensation	5,629	
Total Employee Benefits		53,548

Capital Outlay

Engineering Services	\$ 10,196	
Communication Equipment	470	
Data Processing Equipment	858	
Other Construction	4,498	
Other Capital Outlay	28,011	
Total Capital Outlay		44,033

Total Highway/Public Works Fund \$ 1,154,108

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 24,000	
Principal on Notes	144,000	
Total General Government		\$ 168,000

Education

Principal on Other Loans	\$ 370,931	
Total Education		370,931

Interest on Debt

General Government

Interest on Bonds	\$ 4,133	
Interest on Notes	8,294	
Total General Government		12,427

Education

Interest on Other Loans	\$ 123,698	
Total Education		123,698

(Continued)

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

General Debt Service Fund (Cont.)

Other Debt Service

General Government

Trustee's Commission	\$ 4,346	
Other Debt Service	500	
Total General Government		\$ 4,846

Education

Other Debt Service	\$ 5,797	
Total Education		5,797

Total General Debt Service Fund \$ 685,699

Education Debt Service Fund

Principal on Debt

Education

Principal on Other Loans	\$ 472,000	
Total Education		\$ 472,000

Interest on Debt

Education

Interest on Other Loans	\$ 8,825	
Total Education		8,825

Other Debt Service

Education

Trustee's Commission	\$ 3,768	
Other Debt Service	28,837	
Total Education		32,605

Total Education Debt Service Fund 513,430

General Capital Projects Fund

Capital Projects

Public Safety Projects

Communication	\$ 1,000	
Engineering Services	127,108	
Evaluation and Testing	427	
Legal Notices, Recording, and Court Costs	1,313	
Building Construction	448,132	
Communication Equipment	182,528	
Site Development	12,231	
Other Capital Outlay	72,220	
Total Public Safety Projects		\$ 844,959

Public Health and Welfare Projects

Consultants	\$ 18,500	
Engineering Services	60,109	
Legal Notices, Recording, and Court Costs	79	
Site Development	501,519	
Total Public Health and Welfare Projects		580,207

(Continued)

Exhibit J-8

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

General Capital Projects Fund (Cont.)

Capital Projects (Cont.)

Public Utility Projects

Engineering Services	\$ 41,698	
Legal Notices, Recording, and Court Costs	70	
Permits	227	
Other Construction	<u>262,298</u>	
Total Public Utility Projects		\$ 304,293

Other General Government Projects

Consultants	\$ 4,000	
Engineering Services	40,000	
Other Debt Service	42,000	
Site Development	<u>198,926</u>	
Total Other General Government Projects		<u>284,926</u>

Total General Capital Projects Fund \$ 2,014,385

Total Governmental Funds - Primary Government \$ 11,324,149

Exhibit J-9

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 2,530,408	
Career Ladder Program	11,500	
Career Ladder Extended Contracts	8,294	
Homebound Teachers	4,631	
Educational Assistants	11,927	
Educational Incentive - Other County Employees	14,749	
Bonus Payments	2,136	
Other Salaries and Wages	500	
Certified Substitute Teachers	39,687	
Non-certified Substitute Teachers	33,750	
Social Security	151,858	
State Retirement	233,481	
Medical Insurance	264,625	
Unemployment Compensation	9,349	
Employer Medicare	35,825	
Travel	2,815	
Tuition	1,460	
Other Contracted Services	2,434	
Instructional Supplies and Materials	111,005	
Textbooks	43,779	
Regular Instruction Equipment	119,539	
Total Regular Instruction Program		\$ 3,633,752

Alternative Instruction Program

Teachers	\$ 37,498	
Educational Assistants	17,911	
Bonus Payments	1,063	
Social Security	3,463	
State Retirement	4,893	
Unemployment Compensation	189	
Employer Medicare	810	
Total Alternative Instruction Program		65,827

Special Education Program

Teachers	\$ 438,893	
Career Ladder Program	4,500	
Career Ladder Extended Contracts	1,400	
Homebound Teachers	153	
Educational Assistants	27,934	
Speech Pathologist	22,901	
Bonus Payments	7,997	
Certified Substitute Teachers	700	
Non-certified Substitute Teachers	2,100	
Social Security	29,167	
State Retirement	44,712	
Medical Insurance	44,569	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Unemployment Compensation	\$ 2,451	
Employer Medicare	6,821	
Contracts with Private Agencies	80,803	
Total Special Education Program		\$ 715,101

Vocational Education Program

Teachers	\$ 132,535	
Career Ladder Program	1,000	
Social Security	7,890	
State Retirement	12,071	
Medical Insurance	9,528	
Unemployment Compensation	283	
Employer Medicare	1,845	
Other Contracted Services	22,700	
Instructional Supplies and Materials	6,392	
Total Vocational Education Program		194,244

Support Services

Attendance

Supervisor/Director	\$ 20,000	
Social Security	1,119	
State Retirement	1,808	
Unemployment Compensation	94	
Employer Medicare	262	
Other Contracted Services	13,048	
Other Charges	315	
Total Attendance		36,646

Health Services

Supervisor/Director	\$ 45,879	
Medical Personnel	48,573	
Clerical Personnel	14,420	
Bonus Payments	6,519	
Non-certified Substitute Teachers	660	
Social Security	6,723	
State Retirement	9,680	
Medical Insurance	4,938	
Unemployment Compensation	377	
Employer Medicare	1,572	
Communication	1,031	
Travel	1,379	
Other Contracted Services	2,500	
Instructional Supplies and Materials	4,413	
Other Supplies and Materials	3,019	
In Service/Staff Development	300	
Other Charges	1,593	
Health Equipment	506	
Total Health Services		154,082

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		92,462	
Career Ladder Extended Contracts		4,000	
Other Salaries and Wages		5,203	
Social Security		5,789	
State Retirement		9,403	
Medical Insurance		14,298	
Unemployment Compensation		189	
Employer Medicare		1,354	
Contracts with Government Agencies		47,522	
Other Contracted Services		2,220	
In Service/Staff Development		255	
Other Charges		274	
Total Other Student Support			\$ 185,969

Regular Instruction Program

Supervisor/Director	\$	134,545	
Career Ladder Program		8,000	
Career Ladder Extended Contracts		4,000	
Librarians		152,469	
Instructional Computer Personnel		51,513	
Salary Supplements		2,571	
Bonus Payments		3,061	
Social Security		18,042	
State Retirement		26,190	
Medical Insurance		18,175	
Unemployment Compensation		660	
Employer Medicare		5,019	
Library Books/Media		21,081	
In Service/Staff Development		4,294	
Total Regular Instruction Program			449,620

Special Education Program

Supervisor/Director	\$	35,202	
Career Ladder Program		1,000	
Psychological Personnel		35,202	
Social Security		4,387	
State Retirement		6,455	
Unemployment Compensation		94	
Employer Medicare		1,026	
Travel		78	
Other Supplies and Materials		1,907	
In Service/Staff Development		500	
Total Special Education Program			85,851

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

Supervisor/Director	\$ 26,300	
Social Security	1,514	
State Retirement	2,377	
Employer Medicare	354	
Total Vocational Education Program		\$ 30,545

Other Programs

On-behalf Payments to OPEB	\$ 37,610	
Total Other Programs		37,610

Board of Education

Secretary to Board	\$ 1,740	
Board and Committee Members Fees	5,650	
Social Security	449	
State Retirement	157	
Unemployment Compensation	69	
Employer Medicare	105	
Advertising	1,316	
Dues and Memberships	8,633	
Legal Services	7,072	
Travel	132	
Other Contracted Services	5,400	
Office Supplies	570	
Trustee's Commission	47,441	
Workers' Compensation Insurance	48,447	
Refund to Applicant for Criminal Investigation	2,988	
Other Charges	9,819	
Total Board of Education		139,988

Director of Schools

County Official/Administrative Officer	\$ 83,312	
Career Ladder Program	1,000	
Salary Supplements	7,371	
Secretary(ies)	18,070	
Bonus Payments	1,080	
Social Security	6,422	
State Retirement	9,114	
Medical Insurance	9,083	
Unemployment Compensation	189	
Employer Medicare	1,502	
Communication	44,368	
Travel	715	
Other Contracted Services	6,898	
Office Supplies	627	
Other Charges	2,495	
Administration Equipment	349	
Total Director of Schools		192,595

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$ 191,140	
Career Ladder Program	3,000	
Accountants/Bookkeepers	92,042	
Assistant Principals	175,415	
Secretary(ies)	18,628	
Bonus Payments	6,596	
Social Security	27,390	
State Retirement	42,696	
Medical Insurance	34,883	
Unemployment Compensation	1,225	
Employer Medicare	6,406	
Other Supplies and Materials	4,128	
Other Charges	3,580	
Administration Equipment	448	
Total Office of the Principal		\$ 607,577

Fiscal Services

Accountants/Bookkeepers	\$ 76,422	
Salary Supplements	1,298	
Bonus Payments	4,564	
Social Security	4,978	
State Retirement	6,517	
Unemployment Compensation	189	
Employer Medicare	1,164	
Postal Charges	3,326	
Travel	461	
Other Contracted Services	11,200	
Office Supplies	2,859	
Other Charges	8,742	
Administration Equipment	265	
Total Fiscal Services		121,985

Operation of Plant

Custodial Personnel	\$ 131,702	
Bonus Payments	6,553	
Social Security	8,299	
State Retirement	7,527	
Unemployment Compensation	1,037	
Employer Medicare	1,941	
Disposal Fees	34,685	
Other Contracted Services	3,250	
Custodial Supplies	30,764	
Electricity	326,973	
Natural Gas	96,976	
Water and Sewer	33,017	
Building and Contents Insurance	88,031	
Other Charges	855	
Total Operation of Plant		771,610

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

Supervisor/Director	\$	40,345	
Bonus Payments		2,402	
Social Security		2,620	
State Retirement		3,386	
Unemployment Compensation		189	
Employer Medicare		613	
Maintenance and Repair Services - Buildings		76,062	
Other Contracted Services		21,644	
Other Supplies and Materials		3,376	
Maintenance Equipment		430	
Total Maintenance of Plant			\$ 151,067

Transportation

Supervisor/Director	\$	3,100	
Mechanic(s)		30,230	
Bus Drivers		158,586	
Bonus Payments		10,207	
Other Salaries and Wages		13,466	
Social Security		12,452	
State Retirement		14,099	
Unemployment Compensation		1,414	
Employer Medicare		3,071	
Maintenance and Repair Services - Vehicles		8,860	
Other Contracted Services		2,185	
Diesel Fuel		49,073	
Gasoline		11,573	
Lubricants		695	
Tires and Tubes		11,227	
Vehicle Parts		3,898	
In Service/Staff Development		650	
Other Charges		2,476	
Transportation Equipment		219,717	
Total Transportation			556,979

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	18,900	
Clerical Personnel		12,600	
Bonus Payments		12,906	
Social Security		1,581	
State Retirement		2,009	
Unemployment Compensation		94	
Employer Medicare		644	
Payments to Schools - Lunch		390,353	
Payments to Schools - Other USDA		1,533	
Travel		1,063	

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Other Contracted Services	\$ 8,000	
USDA - Commodities	44,265	
Other Supplies and Materials	52	
Other Charges	4,086	
Total Food Service		\$ 498,086

Community Services

Supervisor/Director	\$ 12,025	
Teachers	38,362	
Clerical Personnel	9,100	
Educational Assistants	27,146	
Part-time Personnel	3,420	
Other Salaries and Wages	8,910	
Social Security	6,132	
State Retirement	6,494	
Unemployment Compensation	524	
Employer Medicare	1,434	
Travel	664	
Other Contracted Services	8,500	
Instructional Supplies and Materials	17,481	
Other Supplies and Materials	4,675	
Total Community Services		144,867

Early Childhood Education

Supervisor/Director	\$ 8,000	
Teachers	42,324	
Educational Assistants	11,958	
Bonus Payments	712	
Non-certified Substitute Teachers	600	
Social Security	3,876	
State Retirement	5,553	
Unemployment Compensation	150	
Employer Medicare	906	
Travel	482	
Instructional Supplies and Materials	28,025	
In Service/Staff Development	164	
Total Early Childhood Education		102,750

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$ 50,563	
Building Construction	656,586	
Building Improvements	308,082	
Furniture and Fixtures	5,554	
Total Regular Capital Outlay		1,020,785

(Continued)

Exhibit J-9

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 413,379	
Total Education		<u>\$ 413,379</u>

Total General Purpose School Fund \$ 10,310,915

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 426,371	
Educational Assistants	39,409	
Social Security	28,472	
State Retirement	41,335	
Medical Insurance	9,024	
Employer Medicare	6,692	
Instructional Supplies and Materials	46,614	
Regular Instruction Equipment	<u>15,504</u>	
Total Regular Instruction Program		\$ 613,421

Special Education Program

Teachers	\$ 55,069	
Homebound Teachers	2,133	
Educational Assistants	105,006	
Other Salaries and Wages	225	
Social Security	9,401	
State Retirement	12,647	
Medical Insurance	2,915	
Employer Medicare	2,199	
Instructional Supplies and Materials	5,017	
Textbooks	146	
Other Supplies and Materials	998	
Special Education Equipment	<u>5,063</u>	
Total Special Education Program		200,819

Vocational Education Program

Maintenance and Repair Services - Equipment	\$ 211	
Instructional Supplies and Materials	6,993	
Vocational Instruction Equipment	<u>8,338</u>	
Total Vocational Education Program		15,542

Support Services

Other Student Support

Other Salaries and Wages	\$ 450	
Social Security	28	
State Retirement	41	
Employer Medicare	7	
Travel	<u>2,150</u>	

(Continued)

Exhibit J-9

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

In Service/Staff Development	\$	560	
Other Charges		<u>500</u>	
Total Other Student Support			\$ 3,736

Regular Instruction Program

Supervisor/Director	\$	43,330	
Social Security		2,648	
State Retirement		3,917	
Employer Medicare		619	
Other Supplies and Materials		86	
In Service/Staff Development		20,403	
Other Charges		<u>16,150</u>	
Total Regular Instruction Program			87,153

Special Education Program

Assessment Personnel	\$	13,417	
Social Security		832	
State Retirement		1,213	
Employer Medicare		195	
Other Contracted Services		23,731	
In Service/Staff Development		<u>500</u>	
Total Special Education Program			39,888

Vocational Education Program

Travel	\$	291	
In Service/Staff Development		<u>125</u>	
Total Vocational Education Program			416

Office of the Principal

Principals	\$	4,090	
Assistant Principals		9,842	
Social Security		864	
State Retirement		1,259	
Employer Medicare		<u>202</u>	
Total Office of the Principal			<u>16,257</u>

Total School Federal Projects Fund \$ 977,232

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Office Supplies	\$	214	
Total Food Service			<u>\$ 214</u>

Total Central Cafeteria Fund 214

Total Governmental Funds - Hartsville/Trousdale County School Department \$ 11,288,361

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

Hartsville/Trousdale County Government Mayor and
Board of County Commissioners
Trousdale County, Tennessee

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the metropolitan government of Hartsville/Trousdale County, Tennessee, (metropolitan government) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the metropolitan government's basic financial statements, and have issued our report thereon dated December 16, 2015. Our report includes a reference to other auditors who audited the financial statements of the Trousdale County Government Emergency Communications District, as described in our report on the metropolitan government'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 the metropolitan government'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 the metropolitan government's internal control. Accordingly, we do not express an opinion on the effectiveness of the metropolitan government'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2015-001 and 2015-002.

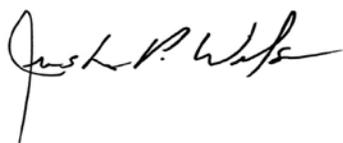
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the metropolitan government'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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 results 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 the metropolitan government's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 16, 2015

JPW/yu



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

Independent Auditor's Report

Hartsville/Trousdale County Government Mayor and
Board of County Commissioners
Trousdale County, Tennessee

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Hartsville/Trousdale County Government's (metropolitan government'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 the metropolitan government's major federal programs for the year ended June 30, 2015. The metropolitan government'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 the metropolitan government'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 the metropolitan government'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 the metropolitan government's compliance.

Opinion on Each Major Federal Program

In our opinion, the metropolitan government 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 the metropolitan government 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 the metropolitan government'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 the metropolitan government's internal control over compliance.

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

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

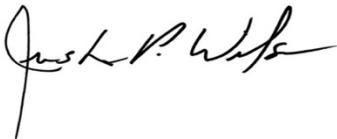
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the metropolitan government of Hartsville/Trousdale County Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the metropolitan government's basic financial statements. We issued our report thereon dated December 16, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

December 16, 2015

JPW/yu

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	(2)	\$ 44,265 (3)
Cooperative Forestry Assistance	10.664	(2)	3,000
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	(2)	65,652
National School Lunch Program	10.555	(2)	301,111 (3)
After-school Snack	10.555	(2)	16,725 (3)
Total U.S. Department of Agriculture			\$ 430,753
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	(2)	\$ 1,691,356
Total U.S. Department of Housing and Urban Development			\$ 1,691,356
U.S. Department of the Interior:			
Direct Program:			
Payments in-lieu-of Taxes	15.226	N/A	\$ 7,149
Total U.S. Department of the Interior			\$ 7,149
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z-14-GHS397	\$ 5,000
Total U.S. Department of Transportation			\$ 5,000
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	(2)	\$ 251,563
Special Education Cluster:			
Special Education - Grants to States	84.027	(2)	256,435
Special Education - Preschool Grants	84.173	(2)	6,868
Career and Technical Education - Basic Grants to States	84.048	(2)	20,425
Rural Education	84.358	(2)	15,369
Improving Teacher Quality State Grants	84.367	(2)	57,125
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	(2)	392,036
Total U.S. Department of Education			\$ 999,821

(Continued)

Hartsville/Trousdale County Government, 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 Greater Nashville Regional Council:			
Special Programs for the Aging Title III, Part D Disease Prevention and Health Promotion Services	93.043	(2)	\$ 4,000
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers	93.044	(2)	16,600
Passed-through State Department of Health:			
Maternal and Child Health Services Block Grant to the States	93.994	GG-14-40532	6,952
Total U.S. Department of Health and Human Services			\$ 27,552
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Homeland Security Grant Program	97.067	34101-21315	\$ 1,500
Total U.S. Department of Homeland Security			\$ 1,500
Total Expenditures of Federal Awards			\$ 3,163,131

<u>State Grants</u>		Contract Number	
Archives Development Grant - State Department Library & Archives	N/A	(2)	\$ 7,000
Juvenile Services Program - State Commission on Children and Youth	N/A	(2)	9,000
Aging Programs - State Commission on Aging	N/A	(2)	12,600
Health Department Programs - State Department of Health	N/A	GG-15-42422-00	5,660
Lottery for Education: Afterschool Programs - State Department of Education	N/A	119-11-01-143	100,000
Early Childhood Education - State Department of Education	N/A	(2)	102,750
Tennessee Arts Commission (STS) Grant - State Department of Education	N/A	(2)	3,580
Coordinated School Health - State Department of Education	N/A	(2)	90,000
Law Enforcement Training - State Department of Safety	N/A	(2)	10,200
ARC Fast Track Grant - State Department of Economic and Community Development	N/A	(2)	212,442
Project Diabetes Initiative Services Grant - State Department of Health	N/A	GG-14-38704-00	14,641
Three Star Grant Program - State Department of Economic and Community Development	N/A	(2)	9,997
ACT-EXP - Internet Connectivity - State Department of Education	N/A	(2)	1,949
Safe Schools - State Department of Education	N/A	(2)	8,020
Litter Program - State Department of Transportation	N/A	(2)	33,564
Total State Grants			\$ 621,403

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 \$362,101.

Hartsville/Trousdale County Government, 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 of Hartsville/Trousdale County Government, Tennessee, for the year ended June 30, 2014, which have not been corrected.

OFFICES OF COUNTY CLERK AND CLERK AND MASTER

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-002	154	Multiple employees operated from the same cash drawer

**OFFICES OF COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS
CLERK, CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2014-003	155	Duties were not segregated adequately

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, 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 Hartsville/Trousdale County Government is unmodified.
2. The audit of the financial statements of the metropolitan government disclosed significant deficiencies in internal control. None of these deficiencies was considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of the metropolitan government.
4. The audit reported no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Community Development Block Grants/State's program and Non-entitlement Grants in Hawaii (CFDA No. 14.228); and the 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. The metropolitan government did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICES OF COUNTY CLERK AND CLERK AND MASTER

FINDING 2015-001 **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

RECOMMENDATION

County officials should assign each employee their own cash drawer.

OFFICES OF COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF

FINDING 2015-002 **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the officials and employees in the Offices of County Clerk, Circuit and General Sessions Courts Clerk, Clerk and Master, Register of Deeds, and Sheriff. Employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

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

There were no findings and questioned costs for federal awards.

BEST PRACTICE

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

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

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING

Hartsville/Trousdale County Government 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. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of the Hartsville/Trousdale County Government. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

HARTSVILLE/TROUSDALE COUNTY GOVERNMENT, 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.