

**ANNUAL FINANCIAL REPORT**  
**UNION COUNTY, TENNESSEE**

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



**DIVISION OF LOCAL GOVERNMENT AUDIT**



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

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

*DIVISION OF LOCAL GOVERNMENT AUDIT*  
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*State Auditors*

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

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## ***Summary of Audit Findings***

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

### ***Scope***

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

### ***Results***

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

Our audit resulted in one finding and recommendation, which we have reviewed with Union County management. The detailed finding and recommendation are included in the Single Audit section of this report.

### ***Finding***

The following is a summary of the audit finding:

#### **OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER OF DEEDS, SHERIFF, AND THE AMBULANCE SERVICE**

- ◆ Duties were not segregated adequately.

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# INTRODUCTORY SECTION

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Union County Officials  
June 30, 2015

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**Officials**

Micheal Williams, County Mayor  
David Cox, Highway Superintendent  
James Carter, Director of Schools  
Gina Buckner, Trustee  
Donna Jones, Assessor of Property  
Pam Ailor, County Clerk  
Barbara Williams, Circuit and General Sessions Courts Clerk  
Sandra Edmondson, Clerk and Master  
Mary Kitts, Register of Deeds  
Billy Breeding, Sheriff  
Ann Dyer, Finance Director

**Board of County Commissioners**

Micheal Williams, County Mayor, Chairman	Jonathan Goforth
Stanley Dail	Kenny Hill
James Greene	R.L. Jones
J.M. Bailey	Janet Holloway
Bill Cox	Lynn Beeler
Tony Strevel	Mike Sexton
Dawn Flatford	Wayne Roach
Dennis Nicely	Gary England
Chris Upton	

**Highway Commission**

Chester Sturgeon, Chairman	Harold Brantley
Darrell Dyer	Paul Hill
Allen Collins	Jimmy DeVault
James Breeding	

**Board of Education**

David Coppock, Chairman	Marty Gibbs
Brian Oaks	Gerald Smith
Johnny Collins	Danny Collins
Brad Griffey	

(Continued)

Union County Officials (Continued)

**Financial Management Committee**

Micheal Williams, County Mayor, Chairman  
David Cox, Highway Superintendent  
James Carter, Director of Schools  
J.M. Bailey

Janet Holloway  
Wayne Roach  
Dawn Flatford

**Audit Committee**

Gail Corum  
Brenda Sweet  
Janet Holloway

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## FINANCIAL SECTION

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

Independent Auditor's Report

Union County Mayor and  
Board of County Commissioners  
Union 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 Union County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Union County, Tennessee, as of June 30, 2015, and the respective changes in financial position thereof and the respective budgetary comparison for the General, 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., Union County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions; GASB Statement No. 69, Government Combinations and Disposals of Government Operations; and GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. Our opinion is not modified with respect to this matter.

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

We draw attention to Note I.D.8 to the financial statements, which describes a restatement to the beginning Governmental Activities net position totaling (\$298,468) and the discretely presented School Department net position totaling (\$4,303,942) on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedule of county contributions, schedule of school's proportionate share of the net pension liability, and schedules of funding progress – pension plan and other postemployment benefits plan on pages 79-88 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 Union County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Union County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

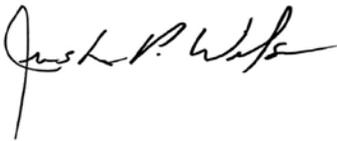
and individual fund financial statements of the Union County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2015, on our consideration of Union County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

September 18, 2015

JPW/yu

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

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

	<u>Primary Governmental Activities</u>	<u>Component Unit Union County School Department</u>
<u>ASSETS</u>		
Cash	\$ 3,150	\$ 0
Equity in Pooled Cash and Investments	3,972,736	6,644,266
Accounts Receivable	651,401	1,358
Allowance for Uncollectibles	(182,464)	0
Due from Other Governments	439,387	830,213
Due from Primary Government	0	257
Property Taxes Receivable	4,946,834	2,652,046
Allowance for Uncollectible Property Taxes	(201,762)	(120,458)
Net Pension Asset	76,278	148,259
Capital Assets:		
Assets Not Depreciated:		
Land	566,080	1,598,528
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	1,945,913	16,001,567
Infrastructure	2,812,845	4,200
Other Capital Assets	802,778	562,990
Total Assets	<u>\$ 15,833,176</u>	<u>\$ 28,323,226</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 5,389	\$ 0
Pension Changes in Experience	33,062	161,788
Pension Contributions After Measurement Date	267,906	1,216,061
Total Deferred Outflows of Resources	<u>\$ 306,357</u>	<u>\$ 1,377,849</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 82,416	\$ 25,541
Accrued Payroll	45,139	0
Payroll Deductions Payable	0	82,410
Due to State	0	643
Accrued Interest Payable	52,964	0
Contracts Payable	0	1,705,777
Due to Component Units	257	0
Other Current Liabilities	0	589,959
Noncurrent Liabilities:		
Due Within One Year	1,632,510	0
Due in More Than One Year	12,833,506	1,992,121
Total Liabilities	<u>\$ 14,646,792</u>	<u>\$ 4,396,451</u>

(Continued)

Exhibit A

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

	Primary Government Governmental Activities	Component Unit Union County School Department
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Deferred Current Property Taxes	\$ 4,586,901	\$ 2,422,659
Pension Changes in Experience	33,833	44,069
Pension Changes in Investment Earnings	384,940	4,530,623
Other Deferrals	0	9,975
Total Deferred Inflows of Resources	<u>\$ 5,005,674</u>	<u>\$ 7,007,326</u>
<b><u>NET POSITION</u></b>		
Net Investment in Capital Assets	\$ 5,439,788	\$ 18,167,285
Restricted for:		
Highways	936,053	0
Debt Service	1,038,864	0
Capital Projects	205,085	1,777,225
General Government	10,678	0
Finance	62,926	0
Administration of Justice	8,314	0
Public Safety	68,571	0
Public Health and Welfare	131,700	0
Education	0	319,520
Unrestricted	<u>(11,414,912)</u>	<u>(1,966,732)</u>
Total Net Position	<u>\$ (3,512,933)</u>	<u>\$ 18,297,298</u>

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Position						Component Unit
	Expenses	Program Revenues		Primary		County School Department	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Governmental Activities		
<u>Primary Government:</u>							
<u>Governmental Activities:</u>							
General Government	\$ 1,151,725	\$ 267,349	\$ 15,164	\$ 0	\$ (869,212)	\$ 0	0
Finance	1,033,745	703,120	0	0	(330,625)	0	0
Administration of Justice	574,018	342,151	0	0	(231,867)	0	0
Public Safety	2,856,205	210,659	0	26,488	(2,619,058)	0	0
Public Health and Welfare	1,786,427	881,683	154,567	28,204	(721,973)	0	0
Social, Cultural, and Recreational Services	286,287	1,193	16,000	0	(269,094)	0	0
Agriculture and Natural Resources	97,827	0	0	0	(97,827)	0	0
Highways	1,939,924	17,875	1,399,183	92,651	(430,215)	0	0
Interest on Long-term Debt	274,242	0	0	0	(274,242)	0	0
Education	3,609,810	0	0	0	(3,609,810)	0	0
Total Primary Government	\$ 13,610,210	\$ 2,424,030	\$ 1,584,914	\$ 147,343	\$ (9,453,923)	\$ 0	0
<u>Component Unit:</u>							
Union County School Department	\$ 37,185,771	\$ 140,845	\$ 3,773,000	\$ 3,530,402	\$ 0	\$ (29,741,524)	0
Total Component Unit	\$ 37,185,771	\$ 140,845	\$ 3,773,000	\$ 3,530,402	\$ 0	\$ (29,741,524)	0

(Continued)

Exhibit B

Union County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component	
					Primary Governmental Activities	Union County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 2,262,941	\$	2,456,376
Property Taxes Levied for Ambulance Service				419,083		0
Property Taxes Levied for Highways				269,192		0
Property Taxes Levied for Debt Service				542,259		0
Property Taxes Levied for Capital Projects				64,962		0
Local Option Sales Taxes				338,156		942,203
Wheel Tax				452,610		0
Business Tax				65,096		0
Hotel/Motel Tax				40,800		0
Wholesale Beer Tax				109,764		0
Mixed Drink Tax				7,206		0
Mineral Severance Tax				85,596		0
Litigation Tax - General				29,415		0
Litigation Tax - Special Purpose				27,365		0
Litigation Tax - Jail, Workhouse, or Courthouse				10,963		0
Other Local Taxes				9,218		15,478
Grants and Contributions Not Restricted to Specific Programs				1,779,430		29,985,639
Unrestricted Investment Income				130,066		0
Pension Income				0		43,602
Miscellaneous				42,810		0
<b>Total General Revenues</b>				<b>\$ 6,686,932</b>	<b>\$</b>	<b>33,443,298</b>
Change in Net Position				\$ (2,766,991)	\$	3,701,774
Net Position, July 1, 2014				(447,474)		18,899,466
Restatement See - Note I.D.8.				(298,468)		(4,303,942)
<b>Net Position, June 30, 2015</b>				<b>\$ (3,512,933)</b>	<b>\$</b>	<b>18,297,298</b>

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

Exhibit C-1

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other Governmental Funds		
<b>ASSETS</b>							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,150	\$ 3,150
Equity in Pooled Cash and Investments	1,743,322	116,195	655,215	1,210,720	247,284	3,972,736	3,972,736
Accounts Receivable	350,143	301,258	0	0	0	651,401	651,401
Allowance for Uncollectibles	0	(182,464)	0	0	0	(182,464)	(182,464)
Due from Other Governments	166,667	0	272,720	0	0	439,387	439,387
Due from Other Funds	3,150	1,001	0	33,333	0	37,484	37,484
Property Taxes Receivable	3,203,430	475,891	316,491	731,167	219,855	4,946,834	4,946,834
Allowance for Uncollectible Property Taxes	(130,167)	(21,160)	(13,835)	(29,694)	(6,906)	(201,762)	(201,762)
<b>Total Assets</b>	<b>\$ 5,336,545</b>	<b>\$ 690,721</b>	<b>\$ 1,230,591</b>	<b>\$ 1,945,526</b>	<b>\$ 463,383</b>	<b>\$ 9,666,766</b>	<b>\$ 9,666,766</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 82,416	\$ 0	\$ 0	\$ 0	\$ 0	\$ 82,416	\$ 82,416
Accrued Payroll	20,215	21,105	3,819	0	0	45,139	45,139
Due to Other Funds	0	33,333	0	1,001	3,150	37,484	37,484
Due to Component Units	0	0	0	257	0	257	257
<b>Total Liabilities</b>	<b>\$ 102,631</b>	<b>\$ 54,438</b>	<b>\$ 3,819</b>	<b>\$ 1,258</b>	<b>\$ 3,150</b>	<b>\$ 165,296</b>	<b>\$ 165,296</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Current Property Taxes	\$ 2,971,795	\$ 436,079	\$ 290,719	\$ 678,344	\$ 209,964	\$ 4,586,901	\$ 4,586,901
Deferred Delinquent Property Taxes	82,604	15,184	9,718	18,829	2,430	128,765	128,765
Other Deferred/Unavailable Revenue	58,461	47,855	125,297	0	0	231,613	231,613
<b>Total Deferred Inflows of Resources</b>	<b>\$ 3,112,860</b>	<b>\$ 499,118</b>	<b>\$ 425,734</b>	<b>\$ 697,173</b>	<b>\$ 212,394</b>	<b>\$ 4,947,279</b>	<b>\$ 4,947,279</b>

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Ambulance Service	Highway / Public Works	General Debt Service	Other	Governmental Funds	
Restricted:							
Restricted for General Government	\$ 10,678	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	10,678
Restricted for Finance	62,926	0	0	0	0	0	62,926
Restricted for Administration of Justice	8,314	0	0	0	0	0	8,314
Restricted for Public Safety	23,387	0	0	0	45,184	0	68,571
Restricted for Public Health and Welfare	68,661	0	0	0	0	0	68,661
Restricted for Highways/Public Works	0	0	801,038	0	0	0	801,038
Restricted for Debt Service	0	0	0	1,072,999	0	0	1,072,999
Restricted for Capital Projects	0	0	0	0	202,655	0	202,655
Committed:							
Committed for Public Health and Welfare	0	137,165	0	0	0	0	137,165
Committed for Debt Service	0	0	0	174,096	0	0	174,096
Unassigned	1,947,088	0	0	0	0	0	1,947,088
Total Fund Balances	\$ 2,121,054	\$ 137,165	\$ 801,038	\$ 1,247,095	\$ 247,839	\$ 4,554,191	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,336,545	\$ 690,721	\$ 1,230,591	\$ 1,945,526	\$ 463,383	\$ 9,666,766	

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

Exhibit C-2

Union County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Position  
June 30, 2015

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$	4,554,191
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	566,080	
Add: buildings and improvements net of accumulated depreciation		1,945,913	
Add: other capital assets net of accumulated depreciation		802,778	
Add: infrastructure net of accumulated depreciation		<u>2,812,845</u>	6,127,616
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(292,217)	
Less: bonds payable		(13,513,366)	
Add: deferred charge on refunding		5,389	
Less: deferred premium on refunding on debt issues		(519,696)	
Less: compensated absences		(140,737)	
Less: accrued interest on bonds, notes, and other loans		<u>(52,964)</u>	(14,513,591)
(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	\$	300,968	
Less: deferred inflows of resources related to pensions		<u>(418,773)</u>	(117,805)
(4) Net pension assets of the agent plan are not current financial resources and are therefore not reported in the governmental funds.			76,278
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>360,378</u>
Net position of governmental activities (Exhibit A)		\$	<u>(3,512,933)</u>

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

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

	Major Funds					Other Capital Projects
	General	Ambulance Service	Highway/ Public Works	General Debt Service		
<u>Revenues</u>						
Local Taxes	\$ 3,212,736	\$ 419,065	\$ 354,778	\$ 1,013,047	\$	0
Licenses and Permits	58,585	0	0	0	0	0
Fines, Forfeitures, and Penalties	83,744	0	0	0	0	0
Charges for Current Services	377,934	905,917	59,244	0	0	0
Other Local Revenues	69,738	50	19,508	115,733	0	0
Fees Received from County Officials	696,713	0	0	0	0	0
State of Tennessee	1,282,051	0	1,494,156	0	0	0
Federal Government	67,645	0	0	0	0	0
Other Governments and Citizens Groups	1,300	0	0	501,070	0	0
Total Revenues	\$ 5,850,446	\$ 1,325,032	\$ 1,927,686	\$ 1,629,850	\$	0
<u>Expenditures</u>						
Current:						
General Government	\$ 1,009,812	\$ 0	\$ 0	\$ 0	\$	0
Finance	1,081,232	0	0	0	0	0
Administration of Justice	592,234	0	0	0	0	0
Public Safety	2,810,261	0	0	0	0	0
Public Health and Welfare	268,441	1,409,808	0	0	0	0
Social, Cultural, and Recreational Services	296,075	0	0	0	0	0
Agriculture and Natural Resources	100,107	0	0	0	0	0
Other Operations	183,462	0	0	0	0	0
Highways	48,425	0	1,834,863	0	0	0
Debt Service:						
Principal on Debt	0	0	0	1,708,855	0	0
Interest on Debt	0	0	0	320,665	0	0
Other Debt Service	0	0	0	24,528	94,051	0

(Continued)

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

	Major Funds					Other Capital Projects
	General	Ambulance Service	Highway/ Public Works	General Debt Service		
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,483,002
Total Expenditures	\$ 6,390,049	\$ 1,409,808	\$ 1,834,863	\$ 2,054,048	\$ 3,577,053	
Excess (Deficiency) of Revenues Over Expenditures	\$ (539,603)	\$ (84,776)	\$ 92,823	\$ (424,198)	\$ (3,577,053)	
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,500,000
Notes Issued	0	0	0	0	0	0
Premiums on Debt Issued	0	0	0	0	0	77,053
Insurance Recovery	34,449	11,673	0	0	0	0
Transfers In	0	0	0	30,202	0	0
Transfers Out	(20,000)	0	(30,202)	0	0	0
Total Other Financing Sources (Uses)	\$ 14,449	\$ 11,673	\$ (30,202)	\$ 30,202	\$ 3,577,053	
Net Change in Fund Balances	\$ (525,154)	\$ (73,103)	\$ 62,621	\$ (393,996)	\$ 0	0
Fund Balance, July 1, 2014	2,646,208	210,268	738,417	1,641,091	0	0
Fund Balance, June 30, 2015	\$ 2,121,054	\$ 137,165	\$ 801,038	\$ 1,247,095	\$ 0	0

(Continued)

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 64,958	\$	5,064,584
Licenses and Permits	0		58,585
Fines, Forfeitures, and Penalties	46,217		129,961
Charges for Current Services	0		1,343,095
Other Local Revenues	1,520		206,549
Fees Received from County Officials	0		696,713
State of Tennessee	10,000		2,786,207
Federal Government	0		67,645
Other Governments and Citizens Groups	0		502,370
Total Revenues	\$ 122,695	\$	10,855,709
<u>Expenditures</u>			
Current:			
General Government	0	\$	1,009,812
Finance	0		1,081,232
Administration of Justice	0		592,234
Public Safety	20,548		2,830,809
Public Health and Welfare	0		1,678,249
Social, Cultural, and Recreational Services	0		296,075
Agriculture and Natural Resources	0		100,107
Other Operations	0		183,462
Highways	0		1,883,288
Debt Service:			
Principal on Debt	0		1,708,855
Interest on Debt	0		320,665
Other Debt Service	0		118,579

(Continued)

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmen- tal Funds
<u>Expenditures (Cont.)</u>			
Capital Projects	\$ 452,060	\$	\$ 3,935,062
Total Expenditures	<u>\$ 472,608</u>	<u>\$</u>	<u>\$ 15,738,429</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (349,913)</u>	<u>\$</u>	<u>(4,882,720)</u>
<u>Other Financing Sources (Uses)</u>			
Bonds Issued	\$	0	\$ 3,500,000
Notes Issued	400,000	0	400,000
Premiums on Debt Issued	0	0	77,053
Insurance Recovery	0	0	46,122
Transfers In	20,000	0	50,202
Transfers Out	0	0	(50,202)
Total Other Financing Sources (Uses)	<u>\$ 420,000</u>	<u>\$</u>	<u>4,023,175</u>
Net Change in Fund Balances	\$	70,087	\$ (859,545)
Fund Balance, July 1, 2014	177,752	0	5,413,736
Fund Balance, June 30, 2015	<u>\$ 247,839</u>	<u>\$</u>	<u>4,554,191</u>

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

Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)	\$	(859,545)
<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	\$	569,789
Less: current-year depreciation expense		<u>(385,051)</u>
		184,738
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.</p>		
Less: net book value of assets disposed		(28,618)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$	360,378
Less: deferred delinquent property taxes and other deferred June 30, 2014		<u>(388,895)</u>
		(28,517)
<p>(4) The issuance of long-term debt (e.g., bonds, notes, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items:</p>		
Less: note proceeds	\$	(400,000)
Less: bond proceeds		(3,500,000)
Add: principal payments on notes		164,851
Add: principal payments on bonds		1,544,004
Less: change in deferred amount on refunding		(1,351)
Less: change in premium on debt issuances		<u>(35,127)</u>
		(2,227,623)
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in accrued interest payable	\$	5,848
Change in compensated absences payable		(70,215)
Change in net pension liability/asset		374,746
Change in deferred outflows related to pensions		300,968
Change in deferred inflows related to pensions		<u>(418,773)</u>
		192,574
Change in net position of governmental activities (Exhibit B)	\$	<u><u>(2,766,991)</u></u>

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

Exhibit C-5

Union County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Fund  
For the Year Ended June 30, 2015

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 3,212,736	\$ 0	\$ 3,212,736	\$ 3,092,424	\$ 3,109,924	\$ 102,812
Licenses and Permits	58,585	0	58,585	62,065	62,065	(3,480)
Fines, Forfeitures, and Penalties	83,744	0	83,744	81,173	81,173	2,571
Charges for Current Services	377,934	0	377,934	441,829	454,662	(76,728)
Other Local Revenues	69,738	0	69,738	40,600	52,336	17,402
Fees Received from County Officials	696,713	0	696,713	704,920	704,920	(8,207)
State of Tennessee	1,282,051	0	1,282,051	1,480,343	1,511,337	(229,286)
Federal Government	67,645	0	67,645	25,000	582,063	(514,418)
Other Governments and Citizens Groups	1,300	0	1,300	0	2,800	(1,500)
Total Revenues	\$ 5,850,446	\$ 0	\$ 5,850,446	\$ 5,928,354	\$ 6,561,280	\$ (710,834)
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 60,849	\$ 0	\$ 60,849	\$ 62,948	\$ 62,989	\$ 2,140
Board of Equalization	780	0	780	800	800	20
Beer Board	810	0	810	1,523	1,523	713
County Mayor/Executive	140,697	0	140,697	156,108	157,675	16,978
County Attorney	56,632	0	56,632	13,528	58,948	2,316
Election Commission	196,862	0	196,862	208,354	208,354	11,492
Register of Deeds	152,362	0	152,362	167,283	172,283	19,921
Development	7,999	0	7,999	10,035	10,035	2,036
County Buildings	359,180	0	359,180	386,353	382,353	23,173
Other General Administration	33,641	0	33,641	43,788	43,288	9,647
<u>Finance</u>						
Accounting and Budgeting	250,327	0	250,327	264,587	266,377	16,050
Property Assessor's Office	118,659	0	118,659	121,237	122,253	3,594
Reappraisal Program	73,803	0	73,803	76,891	75,891	2,088

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance (Cont.)</u>						
County Trustee's Office	\$ 217,220	0	\$ 217,220	\$ 226,237	\$ 226,466	\$ 9,246
County Clerk's Office	347,211	0	347,211	354,506	369,506	22,295
Other Finance	74,012	0	74,012	63,000	76,000	1,988
<u>Administration of Justice</u>						
Circuit Court	239,335	0	239,335	255,328	255,328	15,993
General Sessions Court	152,731	0	152,731	154,141	154,141	1,410
Chancery Court	180,680	(1,894)	178,786	162,249	185,991	7,205
Victims Assistance Programs	19,488	0	19,488	23,621	23,621	4,133
<u>Public Safety</u>						
Sheriff's Department	1,199,838	0	1,199,838	1,149,009	1,262,399	62,561
Special Patrols	146,781	0	146,781	152,507	152,507	5,726
Jail	1,100,150	0	1,100,150	1,027,958	1,132,758	32,608
Juvenile Services	85,478	0	85,478	102,054	102,180	16,702
Fire Prevention and Control	75,000	0	75,000	95,000	75,000	0
Rescue Squad	20,000	0	20,000	20,000	20,000	0
Other Emergency Management	151,060	0	151,060	151,000	152,476	1,416
County Coroner/Medical Examiner	31,954	0	31,954	30,000	32,100	146
<u>Public Health and Welfare</u>						
Local Health Center	65,743	0	65,743	58,500	138,316	72,573
Other Local Health Services	72,588	0	72,588	146,300	146,300	73,712
Appropriation to State	23,500	0	23,500	23,500	23,500	0
Sanitation Management	9,090	0	9,090	8,400	9,800	710
Convenience Centers	97,520	0	97,520	97,305	97,305	(215)
<u>Social, Cultural, and Recreational Services</u>						
Senior Citizens Assistance	102,610	0	102,610	109,248	112,470	9,860
Libraries	170,985	0	170,985	205,601	202,123	31,138

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Social, Cultural, and Recreational Services (Cont.)</u>						
Parks and Fair Boards	\$ 22,480	\$ 0	\$ 22,480	\$ 24,000	\$ 24,500	\$ 2,020
<u>Agriculture and Natural Resources</u>						
Agricultural Extension Service	49,095	0	49,095	50,200	50,200	1,105
Forest Service	500	0	500	500	500	0
Soil Conservation	50,512	0	50,512	50,539	51,039	527
<u>Other Operations</u>						
Other Economic and Community Development	28,452	0	28,452	0	525,000	496,548
Veterans' Services	17,560	0	17,560	17,875	17,875	315
Other Charges	78,530	0	78,530	57,500	78,630	100
Employee Benefits	41,116	0	41,116	40,700	41,200	84
Payments to Cities	11,000	0	11,000	11,000	11,000	0
Miscellaneous	6,804	0	6,804	0	6,810	6
<u>Highways</u>						
Litter and Trash Collection	48,425	0	48,425	50,389	50,905	2,480
Total Expenditures	\$ 6,390,049	\$ (1,894)	\$ 6,388,155	\$ 6,431,602	\$ 7,370,715	\$ 982,560
<u>Excess (Deficiency) of Revenues</u>						
Over Expenditures	\$ (539,603)	\$ 1,894	\$ (537,709)	\$ (503,248)	\$ (809,435)	\$ 271,726
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 34,449	\$ 0	\$ 34,449	\$ 0	\$ 29,354	\$ 5,095
Transfers Out	(20,000)	0	(20,000)	0	(20,000)	0
Total Other Financing Sources	\$ 14,449	\$ 0	\$ 14,449	\$ 0	\$ 9,354	\$ 5,095
Net Change in Fund Balance	\$ (525,154)	\$ 1,894	\$ (523,260)	\$ (503,248)	\$ (800,081)	\$ 276,821
Fund Balance, July 1, 2014	2,646,208	(1,894)	2,644,314	2,748,170	2,748,170	(103,856)
Fund Balance, June 30, 2015	\$ 2,121,054	\$ 0	\$ 2,121,054	\$ 2,244,922	\$ 1,948,089	\$ 172,965

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

Exhibit C-6

Union County, 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	\$ 419,065	\$ 415,000	\$ 415,000	\$ 4,065
Charges for Current Services	905,917	1,050,000	1,050,000	(144,083)
Other Local Revenues	50	0	0	50
Total Revenues	<u>\$ 1,325,032</u>	<u>\$ 1,465,000</u>	<u>\$ 1,465,000</u>	<u>\$ (139,968)</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 1,409,808	\$ 1,393,594	\$ 1,449,143	\$ 39,335
Total Expenditures	<u>\$ 1,409,808</u>	<u>\$ 1,393,594</u>	<u>\$ 1,449,143</u>	<u>\$ 39,335</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (84,776)	\$ 71,406	\$ 15,857	\$ (100,633)
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 11,673	\$ 0	\$ 11,173	\$ 500
Transfers Out	0	(68,668)	(68,668)	68,668
Total Other Financing Sources	<u>\$ 11,673</u>	<u>\$ (68,668)</u>	<u>\$ (57,495)</u>	<u>\$ 69,168</u>
Net Change in Fund Balance	\$ (73,103)	\$ 2,738	\$ (41,638)	\$ (31,465)
Fund Balance, July 1, 2014	<u>210,268</u>	<u>223,495</u>	<u>223,495</u>	<u>(13,227)</u>
Fund Balance, June 30, 2015	<u>\$ 137,165</u>	<u>\$ 226,233</u>	<u>\$ 181,857</u>	<u>\$ (44,692)</u>

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

Exhibit C-7

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 354,778	\$ 341,787	\$ 350,387	\$ 4,391
Charges for Current Services	59,244	0	21,594	37,650
Other Local Revenues	19,508	40,000	40,000	(20,492)
State of Tennessee	1,494,156	1,846,695	1,846,695	(352,539)
Other Governments and Citizens Groups	0	25,000	25,000	(25,000)
<b>Total Revenues</b>	<b>\$ 1,927,686</b>	<b>\$ 2,253,482</b>	<b>\$ 2,283,676</b>	<b>\$ (355,990)</b>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 223,660	\$ 231,612	\$ 226,712	\$ 3,052
Highway and Bridge Maintenance	1,197,691	1,157,810	1,415,372	217,681
Operation and Maintenance of Equipment	181,707	248,900	252,900	71,193
Ferry Operations	75,197	75,200	75,212	15
Other Charges	79,669	104,060	90,580	10,911
Capital Outlay	76,939	404,450	391,450	314,511
<b>Total Expenditures</b>	<b>\$ 1,834,863</b>	<b>\$ 2,222,032</b>	<b>\$ 2,452,226</b>	<b>\$ 617,363</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 92,823	\$ 31,450	\$ (168,550)	\$ 261,373
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (30,202)	\$ (31,450)	\$ (31,450)	\$ 1,248
<b>Total Other Financing Sources</b>	<b>\$ (30,202)</b>	<b>\$ (31,450)</b>	<b>\$ (31,450)</b>	<b>\$ 1,248</b>
Net Change in Fund Balance	\$ 62,621	\$ 0	\$ (200,000)	\$ 262,621
Fund Balance, July 1, 2014	738,417	547,167	547,167	191,250
<b>Fund Balance, June 30, 2015</b>	<b>\$ 801,038</b>	<b>\$ 547,167</b>	<b>\$ 347,167</b>	<b>\$ 453,871</b>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 238,830
Due from Other Governments	<u>110,820</u>
Total Assets	<u><u>\$ 349,650</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 110,820
Due to Litigants, Heirs, and Others	<u>238,830</u>
Total Liabilities	<u><u>\$ 349,650</u></u>

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

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## UNION COUNTY, TENNESSEE

### Index of Notes to the Financial Statements

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**A. Reporting Entity**

Union County is a public municipal corporation governed by an elected 16-member board. As required by GAAP, these financial statements present Union County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The Union County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Union County, and the County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Union County Emergency Communications District were not available from other auditors in time for inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

The Union County Solid Waste Authority oversees the area's solid waste disposal operations, including services provided through a private contractor. The County Commission appoints a majority of members of the authority's

governing body and must approve any debt issued by the authority. The financial statements of the Union County Solid Waste Authority were not available from other auditors in time for inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

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

Administrative Offices:

Union County Emergency Communications District  
130 Veteran Street  
Suite A  
Maynardville, TN 37807

Union County Solid Waste Authority  
P.O. Box 727  
Maynardville, TN 37807

**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 Union County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Union County School Department component unit only reports governmental activities in the government-wide financial statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program

revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Union County issues all debt for the discretely presented Union County School Department. Net debt issues totaling \$3,483,002 were contributed by the county to the School Department during the year ended June 30, 2015.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund 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 Union County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Union County 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 county considers

revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Union County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

Fiduciary 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 as a liability when incurred, regardless of the timing of related cash flows.

Union County reports the following major governmental funds:

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

**Ambulance Service Fund** – This special revenue fund is used to account for transactions related to the Ambulance Service provided by the county. Patient charges are the foundational revenues of this fund.

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

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

**Other Capital Projects Fund** – This fund accounts for debt issued by Union County that is subsequently contributed to the discretely presented Union County School Department.

Additionally, Union County reports the following fund type:

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

The discretely presented Union County School Department reports the following major governmental funds:

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

**Other Education Special Revenue Fund** – This fund accounts for state revenues, which are committed for use in the virtual education program.

**Other Capital Projects Fund** – The Other Capital Projects Fund is used to account for the receipt of debt issued by Union County and contributed to the School Department for energy efficiency upgrades in various schools.

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

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

**1. Deposits and Investments**

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Union County

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

## **2. Receivables and Payables**

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles are comprised of estimated amounts for write-offs involving Medicare and Medicaid and estimated amounts of other collections based on the history of the source of receipt (i.e., insurance companies and private citizens). The allowance for uncollectible property taxes is equal to 2.45 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. Other Current Liabilities in the discretely presented General Purpose School Fund (\$589,959) represent balances in the health insurance clearing account that will be drawn for premiums subsequent to June 30.

### **3. Capital Assets**

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Building and Improvements	10 - 50
Other Capital Assets	3 - 40
Infrastructure	10 - 40

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

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 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 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 county'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 Union County 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 county. A liability for vacation pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

## **Discretely Presented Union County School Department**

Vacation for employees of the School Department does not vest or accumulate and must be used within the fiscal year. The granting of sick leave has no guaranteed payment attached and therefore requires no accrual.

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

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

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

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2015, Union County had \$13,144,716 in outstanding debt for capital purposes for the discretely presented Union County School Department. The debt is a liability of Union County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Union County has incurred a liability, significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

decision-making authority, and shall remain binding unless removed in the same manner.

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

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

**8. Restatement**

In prior years, the government was not required to recognize a liability for its defined benefit pension plans. However, with the implementation of GASB Statement No. 68, government employers are required to recognize a net pension liability in their Statement of Net Position. Therefore, a restatement to Union County’s and the Union County School Department’s beginning net position has been recognized totaling (\$298,468) and (\$4,303,942), respectively.

**E. Pension Plans**

**Primary Government**

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

For purposes of measuring the net pension liability/asset, 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 Union County School Department**

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

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

#### **Primary Government**

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

#### **Discretely Presented Union County School Department**

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

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

### **Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the

Community Development/Industrial Park Fund (capital projects fund), which adopts project length budgets. All annual appropriations lapse at fiscal year-end.

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

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

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

#### **IV. DETAILED NOTES ON ALL FUNDS**

##### **A. Deposits and Investments**

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

##### **Deposits**

**Legal Provisions.** All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The amount of collateral required to secure these public deposits must equal at least 105 percent of the average daily balance of public deposits held. Collateral securities required to be pledged by the participating banks to protect their public fund accounts are pledged to the state treasurer on behalf of the bank collateral pool. The securities pledged to protect these accounts are pledged in the aggregate rather than against each account. The members

of the pool may be required by agreement to pay an assessment to cover any deficiency. Under this additional assessment agreement, public fund accounts covered by the pool are considered to be insured for purposes of credit risk disclosure.

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

### **Investments**

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

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

### **B. Capital Assets**

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

## Primary Government

### Governmental Activities:

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 566,080	\$ 0	\$ 0	\$ 566,080
Construction in Progress	64,000	2,571	(66,571)	0
Total Capital Assets Not Depreciated	<u>\$ 630,080</u>	<u>\$ 2,571</u>	<u>\$ (66,571)</u>	<u>\$ 566,080</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 3,510,654	\$ 91,260	\$ 0	\$ 3,601,914
Infrastructure	3,587,168	0	0	3,587,168
Other Capital Assets	2,071,956	542,529	(61,895)	2,552,590
Total Capital Assets Depreciated	<u>\$ 9,169,778</u>	<u>\$ 633,789</u>	<u>\$ (61,895)</u>	<u>\$ 9,741,672</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 1,563,125	\$ 92,876	\$ 0	\$ 1,656,001
Infrastructure	684,644	89,679	0	774,323
Other Capital Assets	1,580,593	202,496	(33,277)	1,749,812
Total Accumulated Depreciation	<u>\$ 3,828,362</u>	<u>\$ 385,051</u>	<u>\$ (33,277)</u>	<u>\$ 4,180,136</u>
Total Capital Assets Depreciated, Net	<u>\$ 5,341,416</u>	<u>\$ 248,738</u>	<u>\$ (28,618)</u>	<u>\$ 5,561,536</u>
Governmental Activities Capital Assets, Net	<u>\$ 5,971,496</u>	<u>\$ 251,309</u>	<u>\$ (95,189)</u>	<u>\$ 6,127,616</u>

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

**Governmental Activities:**

General Government	\$ 27,835
Finance	1,817
Public Safety	145,113
Public Health and Welfare	59,341
Social, Cultural, and Recreational Services	650
Highways	<u>150,295</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 385,051</u></u>

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

	Balance 7-1-14	Increases	Decreases	Balance 6-30-15
Capital Assets Not Depreciated:				
Land	\$ 1,598,528	\$ 0	\$ 0	\$ 1,598,528
Total Capital Assets Not Depreciated	<u>\$ 1,598,528</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,598,528</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 27,875,747	\$ 31,996	\$ 0	\$ 27,907,743
Infrastructure	31,500	0	0	31,500
Other Capital Assets	1,499,975	84,699	(25,900)	1,558,774
Total Capital Assets Depreciated	<u>\$ 29,407,222</u>	<u>\$ 116,695</u>	<u>\$ (25,900)</u>	<u>\$ 29,498,017</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 11,222,408	\$ 683,768	\$ 0	\$ 11,906,176
Infrastructure	24,150	3,150	0	27,300
Other Capital Assets	882,099	139,285	(25,600)	995,784
Total Accumulated Depreciation	<u>\$ 12,128,657</u>	<u>\$ 826,203</u>	<u>\$ (25,600)</u>	<u>\$ 12,929,260</u>
Total Capital Assets Depreciated, Net	<u>\$ 17,278,565</u>	<u>\$ (709,508)</u>	<u>\$ (300)</u>	<u>\$ 16,568,757</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 18,877,093</u></u>	<u><u>\$ (709,508)</u></u>	<u><u>\$ (300)</u></u>	<u><u>\$ 18,167,285</u></u>

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

**Governmental Activities:**

Instruction	\$ 27,762
Support Services	795,900
Operation of Non-instructional Services	<u>2,541</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 826,203</u></u>

**C. Construction Commitments**

**Discretely Presented Union County School Department**

At June 30, 2015, the School Department had an uncompleted construction contract of \$1,705,778 for energy efficient upgrades at various schools. Funding for these future expenditures has been provided by bonds issued by the primary government and contributed to the School Department.

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

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

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General Debt Service	Ambulance Service	\$ 33,333
General	Nonmajor governmental	3,150
Ambulance Service	General Debt Service	1,001
Discretely Presented School Department:		
General Purpose School	Other Education Special Revenue	921

In a prior year, the General Debt Service Fund loaned the Ambulance Service Fund \$200,000 to partially fund the purchase of ambulances and other equipment. The balance of the loan at June 30, 2015, (\$33,333) is due within one year and is reflected as due to/from other funds.

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

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

Receivable Fund	Payable Fund	Amount
Component Unit:	Primary Government:	
School Department:		
General Purpose School	General Debt Service	\$ 257

**Interfund Transfers:**

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

**Primary Government**

Transfers Out	Transfers In	
	Nonmajor Governmental Funds	General Debt Service Fund
Highway/Public Works Fund	\$ 0	\$ 30,202
General Fund	20,000	0
<b>Total</b>	<b>\$ 20,000</b>	<b>\$ 30,202</b>

**Discretely Presented Union County School Department**

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
Other Education Special Revenue Fund	\$ 416,727	\$ 0
General Purpose School Fund	0	239,564
Nonmajor governmental funds	5,073	0
<b>Total</b>	<b>\$ 421,800</b>	<b>\$ 239,564</b>

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 and Notes**

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

General obligation bonds and capital outlay notes are direct obligations and pledge the full faith and credit of the government. General obligation bonds were issued for original terms of up to 17 years. Outstanding capital outlay notes were issued with original terms of up to three years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and notes outstanding as of June 30, 2015, will be retired from the General Debt Service Fund.

General obligation bonds and capital outlay notes 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
Qualified School Construction Bonds	1.515	% 9-1-26	\$ 7,160,000	\$ 4,963,366
Refunding Bond Series 2013	2.25 to 5	4-1-26	7,110,000	5,050,000
General Obligation Bonds	2.5	6-30-30	3,500,000	3,500,000
Capital Outlay Note	1.99 to 2.75	4-30-18	485,840	292,217

In prior years, Qualified School Construction Bonds were issued through the Tennessee State School Bond Authority and the proceeds loaned to Union County and various other local governments across Tennessee. The county pays interest of 1.515 percent on its share of the bonds and also pays a monthly administrative fee to the Tennessee School Bond Authority. The administrative fee totals \$597 per month. The county and the other borrowers of the bond proceeds are required to comply with federal regulations established for the Qualified School Construction Bond program. Failure to comply with those requirements may result in the loss of the tax credit status on the bonds. This would result in further charges to the borrowers including the requirement to pay the tax-credit rate (5.86 percent) in addition to the 1.515 percent for a total rate of 7.375 percent.

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2016	\$ 0	\$ 6,031	\$ 6,031
2017	161,753	5,605	167,358
2018	130,464	422	130,886
Total	\$ 292,217	\$ 12,058	\$ 304,275

Year Ending June 30	Bonds		
	Principal	Interest	Total
2016	\$ 1,491,773	\$ 329,812	\$ 1,821,585
2017	1,531,773	305,062	1,836,835
2018	1,561,773	272,512	1,834,285
2019	1,606,773	239,062	1,845,835
2020	1,646,773	204,261	1,851,034
2021-2025	3,818,865	815,606	4,634,471
2026-2030	1,855,636	214,987	2,070,623
Total	\$ 13,513,366	\$ 2,381,302	\$ 15,894,668

There is \$1,247,095 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and notes, totaled \$722, based on the 2010 federal census.

#### Changes in Long-term Obligations

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

Governmental Activities:

	Bonds		Notes		Compensated Absences	
Balance, July 1, 2014	\$ 11,557,370	\$	57,068	\$	70,522	
Additions	3,500,000		400,000		213,180	
Reductions	(1,544,004)		(164,851)		(142,965)	
Balance, June 30, 2015	\$ 13,513,366	\$	292,217	\$	140,737	
Balance Due Within One Year	\$ 1,491,773	\$	0	\$	140,737	

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2015	\$ 13,946,320
Add: Unamortized Premium on Debt	519,696
Less: Balance Due Within One Year	<u>(1,632,510)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 12,833,506</u>

Compensated absences will be paid from the employing funds, primarily from the General, Ambulance Service, and Highway/Public Works funds.

**Discretely Presented Union County School Department**

**Changes in Long-term Obligations**

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

**Governmental Activities:**

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2014	\$ 1,829,674
Additions	289,885
Reductions	<u>(127,438)</u>
Balance, June 30, 2015	<u>\$ 1,992,121</u>
Balance Due Within One Year	<u>\$ 0</u>

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

**F. Pledge of Future Revenues**

**Wheel Tax Approved by the County Commission**

The County Commission approved a wheel tax for vehicle title registrations and renewals effective January 1, 2010, and pledged the collections generated from this wheel tax to pay the debt service requirements of the \$7,160,000 Qualified School Construction Bonds. The bonds are also guaranteed by the general obligation pledge of the county in the event the wheel tax revenue is insufficient to meet the debt service requirements on the bonds. The County Commission's resolution notes that the wheel tax levy and collections will stop once adequate funding is provided to retire the bonds. As of

June 30, 2015, future requirements for principal, interest, and administrative fees on the bonds total \$6,236,533 payable on a monthly basis through September 1, 2026. For the current year, the sum of principal, interest, and fees for the bonds totaled \$609,274. Investment earnings credited to the county's account by the State School Bond Authority during the year amounted to \$78,656. These earnings reduced the amount of required payments due from the county. Wheel tax collections totaled \$452,610. Since January 2010, cumulative debt service requirements on the bonds have exceeded wheel tax revenues and investment earnings by \$120,182.

#### Component Unit Revenues Pledged for Primary Government Debt

The School Department has pledged to reimburse the county from future revenues principal, interest, fees, and other costs associated with the General Obligation Bond issued on June 1, 2015, which was used for energy efficient projects at various schools. Those requirements vary from \$275,250 in fiscal year 2015-16 to \$282,563 in 2029-30. In addition, the School Department has pledged to pay a minimum of \$500,000 annually from its future revenues to the primary government's General Debt Service Fund to be applied toward the retirement of other school debt until the year 2020. During the current fiscal year, the total contribution was \$500,000.

#### **G. On-Behalf Payments – Discretely Presented Union County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Union County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2015, were \$62,482 and \$11,938, 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**

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

The primary government provides health insurance coverage through a commercial insurance provider. The county does not allow retirees to participate in the commercial insurance plan. Settled claims have not exceeded commercial insurance coverage for the past three fiscal years.

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

**B. Accounting Changes**

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

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

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

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

**C. Contingent Liabilities**

The county is involved in several pending lawsuits. Based on letters from attorneys, management does not expect potential claims against the county not covered by insurance resulting from such litigation to materially affect the county's financial statements.

**D. Change in Administration**

On August 31, 2014, Earl Loy, Jr. left the Office of Sheriff and was succeeded by Billy Breeding.

**E. Virtual Education Program**

In July 2011, pursuant to Title 49, Chapter 16, *Tennessee Code Annotated*, the Union County Board of Education entered into a contract with K12 Virtual Schools, L.L.C. (K12). The contract provided for the creation and operation of a virtual education program called the Tennessee Virtual Academy, which enrolls students from Union County and other districts from across the state. This virtual education program was available for kindergarten through eighth grade students during the year.

The initial term of the agreement, which began July 1, 2011, terminated on June 30, 2014. However, the agreement is renewable and prior to the termination date, the school board approved a one-year extension to the contract. K12 is responsible for providing educational products, as well as, administrative and technology services according to the agreement. The Board of Education is responsible for setting program policies, budget adoption, and having final responsibility for regulatory compliance and financial reporting.

Revenues of the virtual education program totaled \$10,418,185 consisting of state Basic Education Program funds attributable to students enrolled in the program. The Board of Education retained an annual oversight fee of four percent from the program revenues. The oversight fee retained during the year totaled \$416,727. K12's compensation under the agreement as amended on August 8, 2013, is equal to ninety-six percent of the program revenues. Total compensation payable to K12 for the year ended June 30, 2015, was \$10,001,458, which included \$97,493 used per agreement by the School Department for local program expenditures. The program has been accounted for in a major special revenue fund of the School Department titled Other Education Special Revenue Fund. The oversight fee (\$416,727) was transferred to the General Purpose School Fund and applied toward operations of the School Department's traditional education program.

On July 30, 2014, the School Department received a letter from the state commissioner of education directing the department to close the Tennessee Virtual Academy effective upon the completion of the 2014-2015 school year and no later than June 30, 2015. This action was a result of the Tennessee Virtual Academy demonstrating student achievement growth at a level of significantly below expectations (Level 1) for three consecutive years.

Parents of two students who attend the virtual academy filed suit against the commissioner of education to invalidate the commissioner's order to close the academy. That suit was successful with the court ruling that the commissioner had exceeded his statutory authority because the closure was

based upon data that was generated prior to the passage of legislation authorizing such actions by the commissioner.

On July 16, 2015, the School Board signed a one-year extension to their agreement with K12, Inc., for the period July 1, 2015, through June 30, 2016. Enrollment in the virtual academy has declined from approximately 1,600 students as of July 2014 to approximately 658 students as of July 2015.

**F. Joint Venture**

The Eighth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Eighth Judicial District; Scott, Campbell, Fentress, Claiborne, and Union 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 forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by the Board of Directors, including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Union County made no contributions to the DTF for the year ended June 30, 2015, and 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  
Eighth Judicial District  
P.O. Box 10  
Huntsville, TN 37756

**G. Retirement Commitments**

**Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Union County and non-certified employees of the discretely presented Union 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 43.43 percent and the non-certified employees of the discretely present School Department comprise 56.57 percent of the plan based on census data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an

agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

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

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

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

General Fund and EMS

Inactive Employees or Beneficiaries Currently Receiving Benefits	22
Inactive Employees Entitled to But Not Yet Receiving Benefits	102
Active Employees	100
Total	224

Highway Fund and Non-certified School Employees

Inactive Employees or Beneficiaries Currently Receiving Benefits	71
Inactive Employees Entitled to But Not Yet Receiving Benefits	136
Active Employees	174
Total	381

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Union County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2014, employer contributions for Union County were \$436,348 based on a rate of 6.63 percent of pensionable payroll. By law, employer contributions are required to be paid. The TCRS may intercept Union County’s state shared taxes if required employer contributions are not remitted. The employer’s actuarially determined contribution and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Net Pension Liability (Asset)**

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

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

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

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

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

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

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

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

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount

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

**Changes in the Net Pension Liability (Asset)**

General Fund and EMS	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2013	\$ 5,491,668	\$ 5,104,409	\$ 387,259
Changes for the year:			
Service Cost	\$ 250,764	\$ 0	\$ 250,764
Interest	423,613	0	423,613
Differences Between Expected and Actual Experience	88,816	0	88,816
Contributions-Employer	0	233,174	(233,174)
Contributions-Employees	0	197,147	(197,147)
Net Investment Income	0	866,565	(866,565)
Benefit Payments, Including Refunds of Employee Contributions	(188,506)	(188,506)	0
Administrative Expense	0	(4,087)	4,087
Other Changes	0	0	0
Net Changes	\$ 574,687	\$ 1,104,293	\$ (529,606)
Balance, June 30, 2014	\$ 6,066,355	\$ 6,208,702	\$ (142,347)

Highway Fund and Non-certified School Employees	Increase (Decrease)		
	Total	Plan	Net
	Pension	Fiduciary	Pension
	Liability	Net Position	Liability
	(a)	(b)	(a)-(b)
Balance, July 1, 2013	\$ 7,792,380	\$ 7,053,462	\$ 738,918
Changes for the year:			
Service Cost	\$ 268,929	\$ 0	\$ 268,929
Interest	590,914	0	590,914
Differences Between Expected and Actual Experience	(97,377)	0	(97,377)
Contributions-Employer	0	205,763	(205,763)
Contributions-Employees	0	173,012	(173,012)
Net Investment Income	0	1,162,398	(1,162,398)
Benefit Payments, Including Refunds of Employee Contributions	(364,917)	(364,917)	0
Administrative Expense	0	(6,501)	6,501
Other Changes	0	0	0
Net Changes	\$ 397,549	\$ 1,169,755	\$ (772,206)
Balance, June 30, 2014	\$ 8,189,929	\$ 8,223,217	\$ (33,288)

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

General Fund, EMS, Highway Fund, and Non-certified School Employees		Increase (Decrease)		
		Total	Plan	Net
		Pension	Fiduciary	Pension
		Liability	Net Position	Liability (Asset)
Primary Government	43.43%	\$ 6,191,504	\$ 6,267,782	\$ (76,278)
School Department	56.57%	8,064,780	8,164,137	(99,357)
Total		\$ 14,256,284	\$ 14,431,919	\$ (175,635)

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

General Fund and EMS			Current	
		1%	Discount	1%
		Decrease	Rate	Increase
<u>Union County</u>		<u>6.5%</u>	<u>7.5%</u>	<u>8.5%</u>
Net Pension Liability	\$ 728,622	\$ (142,347)	\$ (850,855)	
Highway Fund and Non-certified School Employees			Current	
		1%	Discount	1%
		Decrease	Rate	Increase
		<u>6.5%</u>	<u>7.5%</u>	<u>8.5%</u>
Net Pension Liability	\$ 1,071,783	\$ (33,288)	\$ (952,140)	

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

*Pension Expense.* For the year ended June 30, 2015, Union County recognized pension expense of \$7,296 for the General Fund and EMS plan and \$17,949 for the Highway Fund and Non-certified School Employees plan.

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

General Fund and EMS		Deferred	Deferred
		Outflows	Inflows
		of	of
		<u>Resources</u>	<u>Resources</u>
Differences Between Expected and Actual Experience	\$ 76,128	\$	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		0	379,856
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)		<u>234,294</u>	<u>N/A</u>
Total		<u>\$ 310,422</u>	<u>\$ 379,856</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.

Highway Fund and Non-certified School Employees	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 0	\$ 77,902
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	506,490
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>202,054</u>	N/A
Total	<u>\$ 202,054</u>	<u>\$ 584,392</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 (Other than contributions subsequent to the  
Measurement Date)

General Fund, EMS, Highway Fund, and Non-certified School Employees	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 300,968	\$ 418,773
School Department	<u>211,508</u>	<u>545,475</u>
Total	<u>\$ 512,476</u>	<u>\$ 964,248</u>

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

General Fund and EMS

Year Ending June 30	Amount
2016	\$ (82,276)
2017	(82,276)
2018	(82,276)
2019	(82,276)
2020	12,688
Thereafter	12,688

Highway Fund and Non-certified  
School Employees

Year Ending June 30	Amount
2016	\$ (146,097)
2017	(146,097)
2018	(146,097)
2019	(146,097)
2020	0
Thereafter	0

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

**Discretely Presented Union County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Union County and EMS and Highway Department employees and non-certified employees of the discretely presented Union 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 43.43 percent and the non-certified employees of the discretely present School Department comprise 56.57 percent of the plan based on census data.

## Certified Employees

### Teacher Retirement Plan

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

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

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (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 \$17,349, 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 Union County School Department did not recognize any pension expense at June 30, 2015.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>Resources</u>	<u>Resources</u>
LEA Contributions Subsequent to the Measurement Date of June 30, 2014	\$ 17,349	N/A

The Union County School Department’s employer contributions of \$17,349 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ending June 30, 2016.

## **Teacher Legacy Pension Plan**

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

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

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of

Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Union County School Department for the year ended June 30, 2015, to the Teacher Legacy Pension Plan were \$1,030,270, 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 Union County School Department reported an asset of \$48,902 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 Union County School Department's proportion of the net pension asset was based on the Union County School Department's employer contributions to the pension plan during the year ended June 30, 2014, relative to the contributions of all LEAs for the year ended June 30, 2014. At the June 30, 2014, measurement date, the Union County School Department's proportion was .300944 percent. The proportion measured as of June 30, 2013, was .301651 percent.

*Pension Income.* For the year ended June 30, 2015, the Union County School Department recognized a pension income of \$43,602.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 118,722	\$ 0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	4,029,217
Changes in Proportion of Net Pension Liability (Asset)	0	9,975
LEAs Contributions Subsequent to the Measurement Date of June 30, 2014	<u>1,030,270</u>	<u>N/A</u>
Total	<u>\$ 1,148,992</u>	<u>\$ 4,039,192</u>

The Union County School Department's employer contributions of \$1,030,270 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2016	\$ (989,180)
2017	(989,180)
2018	(989,180)
2019	(989,180)
2020	18,125
Thereafter	18,125

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

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

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

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

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability    \$ 8,247,881    \$ (48,902)    \$ (6,917,739)

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

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

Plan Description

The Union County School Department participated in the state-administered Local Education Group Insurance Plan, and the 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, and Section 8-27-701, *TCA*, for the Medicare Supplement Plan. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state’s retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state’s website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The 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 plans are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees’ premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. Retirees in the Local Education Group Insurance plan contribute \$175 to \$200 per month depending on the type of coverage. During the year ended June 30, 2015, the discretely presented School Department contributed \$127,438 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Medicare Supplement Plan
ARC	\$ 227,000	\$ 61,000
Interest on the NOPEBO	59,412	13,775
Adjustment to the ARC	(57,882)	(13,420)
Annual OPEB cost	\$ 228,530	\$ 61,355
Amount of contribution	(126,988)	(450)
Increase/decrease in NOPEBO	\$ 101,542	\$ 60,905
Net OPEB obligation, 7-1-14	1,485,306	344,368
Net OPEB obligation, 6-30-15	\$ 1,586,848	\$ 405,273

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	\$ 403,218	29	% \$ 1,406,346
6-30-14	"	221,449	64	1,485,306
6-30-15	"	228,530	56	1,586,848
6-30-13	Education Medicare Supplement	78,489	1	285,523
6-30-14	"	59,294	1	344,368
6-30-15	"	61,355	1	405,273

Funded Status and Funding Progress

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

	Local Education Group Plan	Medicare Supplement Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 1,988,000	\$ 723,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,988,000	\$ 723,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 12,486,878	\$ N/A
UAAL as a % of covered payroll	0%	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 Education Group Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of seven percent for fiscal year 2015. The trend will decrease to 6.5 percent in fiscal year 2016 and then will be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. The annual healthcare premium trend rate for the Medicare Supplement Plan was six percent for fiscal year 2015 and 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.

#### **I. Office of Central Accounting, Budgeting, and Purchasing**

Union County operates under the provisions of the County Financial Management System of 1981. This act provides for a central system of accounting, budgeting, and purchasing for all county departments. The act also provides for the creation of a Finance Department operated under the direction of the finance director.

#### **J. Purchasing Law**

The County Financial Management System of 1981 provides for the finance director or a deputy appointed by the director to serve as the county purchasing agent. The finance director serves as the purchasing agent for Union County. Purchases of \$9,999 and greater are required to be competitively bid for all departments.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

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

	<u>2014</u>
<b>Total Pension Liability (Asset)</b>	
Service Cost	\$ 250,764
Interest	423,613
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	88,816
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	<u>(188,506)</u>
Net Change in Total Pension Liability (Asset)	\$ 574,687
Total Pension Liability (Asset), Beginning	<u>5,491,668</u>
 Total Pension Liability (Asset), Ending (a)	 <u>\$ 6,066,355</u>
 <b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 233,174
Contributions - Employee	197,147
Net Investment Income	866,565
Benefit Payments, Including Refunds of Employee Contributions	(188,506)
Administrative Expense	<u>(4,087)</u>
Net Change in Plan Fiduciary Net Position	\$ 1,104,293
Plan Fiduciary Net Position, Beginning	<u>5,104,409</u>
 Plan Fiduciary Net Position, Ending (b)	 <u>\$ 6,208,702</u>
 Net Pension Liability (Asset), Ending (a - b)	 <u>\$ (142,347)</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 102.35%
Covered Employee Payroll	\$ 3,554,585
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	4.00%

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

Note: data presented includes the General Fund and EMS of the primary government.

Exhibit E-2

Union County, Tennessee  
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Based on  
Participation in the Public Employee Pension Plan of TCRS  
Primary Government - Highway Department and  
Discretely Presented Union County School Department - Non-Certified Employees  
For the Fiscal Year Ended June 30

	<u>2014</u>
<b>Total Pension Liability (Asset)</b>	
Service Cost	\$ 268,929
Interest	590,914
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	(97,377)
Changes in Assumptions	0
Benefit Payments, Including Refunds of Employee Contributions	(364,917)
Net Change in Total Pension Liability (Asset)	\$ 397,549
Total Pension Liability (Asset), Beginning	<u>7,792,380</u>
 Total Pension Liability (Asset), Ending (a)	 <u>\$ 8,189,929</u>
 <b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ 205,763
Contributions - Employee	173,012
Net Investment Income	1,162,398
Benefit Payments, Including Refunds of Employee Contributions	(364,917)
Administrative Expense	(6,501)
Net Change in Plan Fiduciary Net Position	\$ 1,169,755
Plan Fiduciary Net Position, Beginning	<u>7,053,462</u>
 Plan Fiduciary Net Position, Ending (b)	 <u>\$ 8,223,217</u>
 Net Pension Liability (Asset), Ending (a - b)	 <u>\$ (33,288)</u>
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 100.41%
Covered Employee Payroll	\$ 3,464,027
Net Pension Liability (Asset) as a Percentage of Covered Employee Payroll	0.96%

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

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

Exhibit E-3

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

	2014	2015
Actuarially Determined Contribution	\$ 233,174	\$ 267,906
Less Contributions in Relation to the Actuarially Determined Contribution	(233,174)	(267,906)
Contribution Deficiency (Excess)	\$ 0	\$ 0
 Covered Employee Payroll	\$ 3,554,585	\$ 4,752,990
 Contributions as a Percentage of Covered Employee Payroll	6.56%	5.64%

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

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

Exhibit E-4

Union County, Tennessee  
Schedule of Contributions Based on Participation in the Public  
Employee Pension Plan of TCRS  
Discretely Presented Union County School Department - Non-Certified Employees  
For the Fiscal Year Ended June 30

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 205,763	\$ 168,442
Less Contributions in Relation to the Actuarially Determined Contribution	(205,763)	(168,442)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Employee Payroll	 \$ 3,464,027	 \$ 3,423,121
Contributions as a Percentage of Covered Employee Payroll	5.94%	4.92%

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

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

Exhibit E-5

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

	<u>2015</u>
Actuarially Determined Contribution	\$ 10,843
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(17,349)</u>
Contribution Deficiency (Excess)	<u><u>\$ (6,506)</u></u>
 Covered Employee Payroll	 \$ 451,798
 Contributions as a Percentage of Covered Employee Payroll	 3.84%

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

Exhibit E-6

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

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 1,048,909	\$ 1,030,270
Less Contributions in Relation to the Actuarially Determined Contribution	(1,048,909)	(1,030,270)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Employee Payroll	 \$ 11,812,016	 \$ 11,688,331
 Contributions as a Percentage of Covered Employee Payroll	 8.88%	 8.81%

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

Exhibit E-7

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

	<u>2014</u>
School Department's Proportion of the Net Pension Asset	0.300944%
School Department's Proportionate Share of the Net Pension Asset	\$ 48,902
Covered Employee Payroll	11,812,016
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

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

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-10	\$ 0	\$ 2,326	\$ 2,326	0 %	\$ 11,645	20 %
"	7-1-11	0	3,133	3,133	0	12,248	26
"	7-1-13	0	1,988	1,988	0	12,487	16
Medicare Supplement	7-1-10	0	668	668	0	N/A	N/A
"	7-1-11	0	800	800	0	N/A	N/A
"	7-1-13	0	723	723	0	N/A	N/A

**UNION COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2015**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for 2015 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Primary Government - General Fund and EMS:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	4 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%

Primary Government - Highway Department and  
School Department - Non-Certified Employees:

Actuarial Cost Method	Frozen Initial Liability
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	9 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%

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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

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

## Capital Projects Funds

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

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

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for capital projects related to industrial development.

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

	Special Revenue Funds			Capital Projects Funds
	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects
Cash	\$ 0	\$ 3,150	\$ 3,150	\$ 0
Equity in Pooled Cash and Investments	45,184	0	45,184	127,599
Property Taxes Receivable	0	0	0	219,855
Allowance for Uncollectible Property Taxes	0	0	0	(6,906)
Total Assets	\$ 45,184	\$ 3,150	\$ 48,334	\$ 340,548
<u>LIABILITIES</u>				
Due to Other Funds	\$ 0	\$ 3,150	\$ 3,150	\$ 0
Total Liabilities	\$ 0	\$ 3,150	\$ 3,150	\$ 0
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 209,964
Deferred Delinquent Property Taxes	0	0	0	2,430
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 212,394
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 45,184	\$ 0	\$ 45,184	\$ 0
Restricted for Capital Projects	0	0	0	128,154
Total Fund Balances	\$ 45,184	\$ 0	\$ 45,184	\$ 128,154
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 45,184	\$ 3,150	\$ 48,334	\$ 340,548

(Continued)



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

	Special Revenue Fund	Capital Projects Funds				Total Nonmajor Governmental Funds
		Drug Control	General Capital Projects	Community Development/ Industrial Park	Total	
<u>Revenues</u>						
Local Taxes	\$ 0	\$ 64,958	\$ 0	\$ 0	\$ 64,958	\$ 64,958
Fines, Forfeitures, and Penalties	46,217	0	0	0	0	46,217
Other Local Revenues	1,520	0	0	0	0	1,520
State of Tennessee	0	10,000	0	0	10,000	10,000
Total Revenues	\$ 47,737	\$ 74,958	\$ 0	\$ 0	\$ 74,958	\$ 122,695
<u>Expenditures</u>						
Current:						
Public Safety	\$ 20,548	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,548
Capital Projects	0	452,060	0	0	452,060	452,060
Total Expenditures	\$ 20,548	\$ 452,060	\$ 0	\$ 0	\$ 452,060	\$ 472,608
Excess (Deficiency) of Revenues Over Expenditures	\$ 27,189	\$ (377,102)	\$ 0	\$ 0	\$ (377,102)	\$ (349,913)
<u>Other Financing Sources (Uses)</u>						
Notes Issued	\$ 0	\$ 400,000	\$ 0	\$ 0	\$ 400,000	\$ 400,000
Transfers In	0	20,000	0	0	20,000	20,000
Total Other Financing Sources (Uses)	\$ 0	\$ 420,000	\$ 0	\$ 0	\$ 420,000	\$ 420,000
Net Change in Fund Balances Fund Balance, July 1, 2014	\$ 27,189	\$ 42,898	\$ 0	\$ 0	\$ 42,898	\$ 70,087
	17,995	85,256	74,501	159,757	177,752	177,752
Fund Balance, June 30, 2015	\$ 45,184	\$ 128,154	\$ 74,501	\$ 202,655	\$ 247,839	\$ 247,839

Exhibit F-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 46,217	\$ 6,000	\$ 6,000	\$ 40,217
Other Local Revenues	1,520	1,300	1,300	220
Total Revenues	<u>\$ 47,737</u>	<u>\$ 7,300</u>	<u>\$ 7,300</u>	<u>\$ 40,437</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 20,548	\$ 7,300	\$ 25,600	\$ 5,052
Total Expenditures	<u>\$ 20,548</u>	<u>\$ 7,300</u>	<u>\$ 25,600</u>	<u>\$ 5,052</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 27,189</u>	<u>\$ 0</u>	<u>\$ (18,300)</u>	<u>\$ 45,489</u>
Net Change in Fund Balance	\$ 27,189	\$ 0	\$ (18,300)	\$ 45,489
Fund Balance, July 1, 2014	<u>17,995</u>	<u>17,995</u>	<u>17,995</u>	<u>0</u>
Fund Balance, June 30, 2015	<u><u>\$ 45,184</u></u>	<u><u>\$ 17,995</u></u>	<u><u>\$ (305)</u></u>	<u><u>\$ 45,489</u></u>

Exhibit F-4

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<b>Revenues</b>						
Local Taxes	\$ 64,958	\$ 0	\$ 64,958	\$ 60,650	\$ 60,650	\$ 4,308
State of Tennessee	10,000	0	10,000	0	10,000	0
<b>Total Revenues</b>	<b>\$ 74,958</b>	<b>\$ 0</b>	<b>\$ 74,958</b>	<b>\$ 60,650</b>	<b>\$ 70,650</b>	<b>\$ 4,308</b>
<b>Expenditures</b>						
<b>Capital Projects</b>						
General Administration Projects	\$ 1,298	\$ 0	\$ 1,298	\$ 1,200	\$ 1,400	\$ 102
Public Safety Projects	139,697	(137,454)	2,243	0	2,243	0
Public Health and Welfare Projects	260,000	0	260,000	280,000	280,000	20,000
Other General Government Projects	10,797	0	10,797	0	12,300	1,503
Highway and Street Capital Projects	15,268	0	15,268	0	20,000	4,732
Education Capital Projects	25,000	0	25,000	25,000	25,000	0
<b>Total Expenditures</b>	<b>\$ 452,060</b>	<b>\$ (137,454)</b>	<b>\$ 314,606</b>	<b>\$ 306,200</b>	<b>\$ 340,943</b>	<b>\$ 26,337</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (377,102)</b>	<b>\$ 137,454</b>	<b>\$ (239,648)</b>	<b>\$ (245,550)</b>	<b>\$ (270,293)</b>	<b>\$ 30,645</b>
<b>Other Financing Sources (Uses)</b>						
Notes Issued	\$ 400,000	\$ 0	\$ 400,000	\$ 260,000	\$ 260,000	\$ 140,000
Transfers In	20,000	0	20,000	0	0	20,000
<b>Total Other Financing Sources</b>	<b>\$ 420,000</b>	<b>\$ 0</b>	<b>\$ 420,000</b>	<b>\$ 260,000</b>	<b>\$ 260,000</b>	<b>\$ 160,000</b>
<b>Net Change in Fund Balance Fund Balance, July 1, 2014</b>	<b>\$ 42,898</b>	<b>\$ 137,454</b>	<b>\$ 180,352</b>	<b>\$ 14,450</b>	<b>\$ (10,293)</b>	<b>\$ 190,645</b>
	<b>85,256</b>	<b>(137,454)</b>	<b>(52,198)</b>	<b>16,285</b>	<b>16,285</b>	<b>(68,483)</b>
<b>Fund Balance, June 30, 2015</b>	<b>\$ 128,154</b>	<b>\$ 0</b>	<b>\$ 128,154</b>	<b>\$ 30,735</b>	<b>\$ 5,992</b>	<b>\$ 122,162</b>

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit G

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,013,047	\$ 965,018	\$ 965,018	\$ 48,029
Other Local Revenues	115,733	38,000	116,656	(923)
Other Governments and Citizens Groups	501,070	526,000	526,000	(24,930)
Total Revenues	<u>\$ 1,629,850</u>	<u>\$ 1,529,018</u>	<u>\$ 1,607,674</u>	<u>\$ 22,176</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 242,231	\$ 239,400	\$ 243,083	\$ 852
Education	1,466,624	1,429,475	1,545,351	78,727
<u>Interest on Debt</u>				
General Government	18,598	38,550	34,867	16,269
Education	302,067	293,028	302,098	31
<u>Other Debt Service</u>				
General Government	16,771	28,000	28,000	11,229
Education	7,757	7,200	7,800	43
Total Expenditures	<u>\$ 2,054,048</u>	<u>\$ 2,035,653</u>	<u>\$ 2,161,199</u>	<u>\$ 107,151</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (424,198)</u>	<u>\$ (506,635)</u>	<u>\$ (553,525)</u>	<u>\$ 129,327</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 30,202	\$ 93,571	\$ 93,571	\$ (63,369)
Total Other Financing Sources	<u>\$ 30,202</u>	<u>\$ 93,571</u>	<u>\$ 93,571</u>	<u>\$ (63,369)</u>
Net Change in Fund Balance	\$ (393,996)	\$ (413,064)	\$ (459,954)	\$ 65,958
Fund Balance, July 1, 2014	<u>1,641,091</u>	<u>1,555,668</u>	<u>1,555,668</u>	<u>85,423</u>
Fund Balance, June 30, 2015	<u>\$ 1,247,095</u>	<u>\$ 1,142,604</u>	<u>\$ 1,095,714</u>	<u>\$ 151,381</u>

# Fiduciary Funds

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

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

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.

Exhibit H-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 238,830	\$ 238,830
Due from Other Governments	110,820	0	110,820
Total Assets	<u>\$ 110,820</u>	<u>\$ 238,830</u>	<u>\$ 349,650</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 110,820	\$ 0	\$ 110,820
Due to Litigants, Heirs, and Others	0	238,830	238,830
Total Liabilities	<u>\$ 110,820</u>	<u>\$ 238,830</u>	<u>\$ 349,650</u>

## Exhibit H-2

Union County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2015

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 603,662	\$ 603,662	\$ 0
Due from Other Governments	98,002	110,820	98,002	110,820
Total Assets	<u>\$ 98,002</u>	<u>\$ 714,482</u>	<u>\$ 701,664</u>	<u>\$ 110,820</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 98,002	\$ 714,482	\$ 701,664	\$ 110,820
Total Liabilities	<u>\$ 98,002</u>	<u>\$ 714,482</u>	<u>\$ 701,664</u>	<u>\$ 110,820</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 309,140	\$ 2,882,843	\$ 2,953,153	\$ 238,830
Total Assets	<u>\$ 309,140</u>	<u>\$ 2,882,843</u>	<u>\$ 2,953,153</u>	<u>\$ 238,830</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 309,140	\$ 2,871,804	\$ 2,942,114	\$ 238,830
Total Liabilities	<u>\$ 309,140</u>	<u>\$ 2,871,804</u>	<u>\$ 2,942,114</u>	<u>\$ 238,830</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 309,140	\$ 2,882,843	\$ 2,953,153	\$ 238,830
Equity in Pooled Cash and Investments	0	603,662	603,662	0
Due from Other Governments	98,002	110,820	98,002	110,820
Total Assets	<u>\$ 407,142</u>	<u>\$ 3,597,325</u>	<u>\$ 3,654,817</u>	<u>\$ 349,650</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 98,002	\$ 714,482	\$ 701,664	\$ 110,820
Due to Litigants, Heirs, and Others	309,140	2,871,804	2,942,114	238,830
Total Liabilities	<u>\$ 407,142</u>	<u>\$ 3,586,286</u>	<u>\$ 3,643,778</u>	<u>\$ 349,650</u>

# Union County School Department

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

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

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

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

Other Education Special Revenue Fund – The Other Education Special Revenue Fund accounts for revenues and expenditures of the virtual education program.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for funding for energy efficient upgrades of the School Department.

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

Exhibit I-1

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

Functions/Programs	Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental Activities:</b>					
Instruction	\$ 23,210,872	\$ 0	\$ 1,388,372	\$ 0	\$ (21,822,500)
Support Services	12,013,647	2,758	575,067	3,530,402	(7,905,420)
Operation of Non-instructional Services	1,960,182	138,087	1,809,561	0	(12,534)
Interest	1,070	0	0	0	(1,070)
Total Governmental Activities	\$ 37,185,771	\$ 140,845	\$ 3,773,000	\$ 3,530,402	\$ (29,741,524)
<b>General Revenues:</b>					
Taxes:					
Property Taxes Levied for General Purposes					\$ 2,456,376
Local Option Sales Taxes					942,203
Other Local Taxes					15,478
Grants and Contributions Not Restricted to Specific Programs					29,985,639
Pension Income					43,602
Total General Revenues					\$ 33,443,298
<b>Change in Net Position</b>					
Restatement - See Note I.D.8.					\$ 3,701,774
Net Position, July 1, 2014					(4,303,942)
					18,899,466
Net Position, June 30, 2015					\$ 18,297,298

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Purpose School	Other Education Special Revenue	Other Capital Projects	Other Governmental Funds		
<b>ASSETS</b>						
Equity in Pooled Cash and Investments	\$ 2,780,764	\$ 0	\$ 3,483,002	\$ 380,500	\$ 6,644,266	
Accounts Receivable	437	921	0	0	1,358	
Due from Other Governments	380,208	0	0	450,005	830,213	
Due from Other Funds	921	0	0	0	921	
Due from Primary Government	0	0	0	257	257	
Property Taxes Receivable	2,652,046	0	0	0	2,652,046	
Allowance for Uncollectible Property Taxes	(120,458)	0	0	0	(120,458)	
<b>Total Assets</b>	\$ 5,693,918	\$ 921	\$ 3,483,002	\$ 830,762	\$ 10,008,603	

<b>LIABILITIES</b>						
Accounts Payable	\$ 11,906	\$ 0	\$ 0	\$ 13,635	\$ 25,541	
Payroll Deductions Payable	0	0	0	82,410	82,410	
Contracts Payable	0	0	1,705,777	0	1,705,777	
Due to Other Funds	0	921	0	0	921	
Due to State of Tennessee	0	0	0	643	643	
Other Current Liabilities	589,959	0	0	0	589,959	
<b>Total Liabilities</b>	\$ 601,865	\$ 921	\$ 1,705,777	\$ 96,688	\$ 2,405,251	

<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Current Property Taxes	\$ 2,422,659	\$ 0	\$ 0	\$ 0	\$ 2,422,659	
Deferred Delinquent Property Taxes	88,678	0	0	0	88,678	
Other Deferred/Unavailable Revenue	91,408	0	0	0	91,408	
<b>Total Deferred Inflows of Resources</b>	\$ 2,602,745	\$ 0	\$ 0	\$ 0	\$ 2,602,745	

(Continued)

Union County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Union County School Department (Cont.)

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Purpose School	Other Education Special Revenue	Other Capital Projects	Other Governmental Funds		
\$	0	0	0	0	319,520	\$ 319,520
	0	0	1,777,225	0	0	1,777,225
	0	0	0	0	300,000	300,000
	0	0	0	0	114,554	114,554
	64,244	0	0	0	0	64,244
	2,425,064	0	0	0	0	2,425,064
<b>\$</b>	<b>2,489,308</b>	<b>0</b>	<b>1,777,225</b>	<b>0</b>	<b>734,074</b>	<b>\$ 5,000,607</b>
<b>\$</b>	<b>5,693,918</b>	<b>921</b>	<b>3,483,002</b>	<b>830,762</b>	<b>0</b>	<b>\$ 10,008,603</b>

FUND BALANCES

Restricted:	
Restricted for Education	
Restricted for Capital Outlay	
Committed:	
Committed for Education	
Committed for Capital Projects	
Assigned:	
Assigned for Education	
Unassigned	
Total Fund Balances	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	

Exhibit I-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 5,000,607
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 1,598,528	
Add: building and improvements net of accumulated depreciation	16,001,567	
Add: infrastructure net of accumulated depreciation	4,200	
Add: other capital assets net of accumulated depreciation	<u>562,990</u>	18,167,285
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		180,086
(3) 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		(1,992,121)
(4) Amounts reflected as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized components of pension expense in future years:		
Add: deferred outflows of resources related to pensions	\$ 1,377,849	
Less: deferred inflows of resources related to pensions	<u>(4,584,667)</u>	(3,206,818)
(5) Net pension assets of the cost-sharing plan are not current financial resources and are therefore not reported in the governmental funds.		<u>148,259</u>
Net position of governmental activities (Exhibit A)		<u>\$ 18,297,298</u>

Exhibit I-4

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Purpose School	Other Education Special Revenue	Other Capital Projects	Other Governmental Funds	Governmental Funds	
<u>Revenues</u>						
Local Taxes	\$ 3,404,558	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,404,558
Licenses and Permits	1,409	0	0	0	0	1,409
Charges for Current Services	2,758	0	0	138,087	0	140,845
Other Local Revenues	77,073	0	0	257	0	77,330
State of Tennessee	18,917,548	10,418,185	0	14,814	0	29,350,547
Federal Government	244,416	0	0	4,009,087	0	4,253,503
Other Governments and Citizens Groups	69,899	0	3,483,002	0	0	3,552,901
Total Revenues	\$ 22,717,661	\$ 10,418,185	\$ 3,483,002	\$ 4,162,245	\$ 0	\$ 40,781,093
<u>Expenditures</u>						
Current:						
Instruction	\$ 12,464,225	\$ 9,903,965	\$ 0	\$ 1,513,021	\$ 0	\$ 23,881,211
Support Services	8,108,613	97,493	0	1,092,972	0	9,299,078
Operation of Non-instructional Services	469,402	0	0	1,535,049	0	2,004,451
Capital Outlay	0	0	0	124,010	0	124,010
Debt Service:						
Principal on Debt	24,930	0	0	0	0	24,930
Interest on Debt	1,070	0	0	0	0	1,070
Other Debt Service	500,000	0	0	0	0	500,000
Capital Projects	0	0	1,705,777	0	0	1,705,777
Total Expenditures	\$ 21,568,240	\$ 10,001,458	\$ 1,705,777	\$ 4,265,052	\$ 0	\$ 37,540,527
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,149,421	\$ 416,727	\$ 1,777,225	\$ (102,807)	\$ 0	\$ 3,240,566

(Continued)

Exhibit I-4

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Purpose School	Other Education Special Revenue	Other Capital Projects	Other Governmental Funds		
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 53,651	\$ 0	\$ 0	\$ 0	\$ 0	\$ 53,651
Transfers In	421,800	0	0	239,564		661,364
Transfers Out	(239,564)	(416,727)	0	(5,073)		(661,364)
Total Other Financing Sources (Uses)	\$ 235,887	\$ (416,727)	\$ 0	\$ 234,491	\$	53,651
Net Change in Fund Balances	\$ 1,385,308	\$ 0	\$ 1,777,225	\$ 131,684	\$	3,294,217
Fund Balance, July 1, 2014	1,104,000	0	0	602,390		1,706,390
Fund Balance, June 30, 2015	\$ 2,489,308	\$ 0	\$ 1,777,225	\$ 734,074	\$	5,000,607

Exhibit I-5

Union County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities  
Discretely Presented Union 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)		\$ 3,294,217
<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	\$ 116,695	
Less: current-year depreciation expense	<u>(826,203)</u>	(709,508)
<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		(300)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2015	\$ 180,086	
Less: deferred delinquent property taxes and other deferred June 30, 2014	<u>(170,587)</u>	9,499
<p>(4) The issuance of long-term debt (e.g., notes) 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.</p>		
Add: principal payment on loan from primary government		24,930
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in other postemployment benefits liabilities	\$ (162,447)	
Change in net pension liability/asset	4,452,201	
Change in deferred outflows related to pensions	1,377,849	
Change in deferred inflows related to pensions	<u>(4,584,667)</u>	<u>1,082,936</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,701,774</u>

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

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects		
\$	12,142	253,804	265,946	114,554	\$	380,500
	394,517	55,488	450,005	0		450,005
	0	257	257	0		257
\$	406,659	309,549	716,208	114,554	\$	830,762
<u>ASSETS</u>						
Equity in Pooled Cash and Investments						
Due from Other Governments						
Due from Primary Government						
Total Assets						
<u>LIABILITIES</u>						
Accounts Payable	13,635	0	13,635	0	\$	13,635
Payroll Deductions Payable	82,410	0	82,410	0		82,410
Due to State of Tennessee	643	0	643	0		643
Total Liabilities	96,688	0	96,688	0	\$	96,688
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Education	9,971	309,549	319,520	0	\$	319,520
Committed:						
Committed for Education	300,000	0	300,000	0		300,000
Committed for Capital Projects	0	0	0	114,554		114,554
Total Fund Balances	309,971	309,549	619,520	114,554	\$	734,074
Total Liabilities and Fund Balances	406,659	309,549	716,208	114,554	\$	830,762

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

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects		
<u>Revenues</u>						
Charges for Current Services	\$ 0	\$ 138,087	\$ 138,087	\$ 0	\$ 0	\$ 138,087
Other Local Revenues	0	257	257	0	0	257
State of Tennessee	0	14,814	14,814	0	0	14,814
Federal Government	2,611,066	1,398,021	4,009,087	0	0	4,009,087
Total Revenues	\$ 2,611,066	\$ 1,551,179	\$ 4,162,245	\$ 0	\$ 0	\$ 4,162,245
<u>Expenditures</u>						
Current:						
Instruction	\$ 1,513,021	0	1,513,021	0	0	1,513,021
Support Services	1,092,972	0	1,092,972	0	0	1,092,972
Operation of Non-instructional Services	0	1,535,049	1,535,049	0	0	1,535,049
Capital Outlay	0	0	0	124,010	124,010	124,010
Total Expenditures	\$ 2,605,993	\$ 1,535,049	\$ 4,141,042	\$ 124,010	\$ 124,010	\$ 4,265,052
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,073	\$ 16,130	\$ 21,203	\$ (124,010)	\$ (102,807)	
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 0	\$ 1,000	\$ 1,000	\$ 238,564	\$ 238,564	\$ 239,564
Transfers Out	(5,073)	0	(5,073)	0	0	(5,073)
Total Other Financing Sources (Uses)	\$ (5,073)	\$ 1,000	\$ (4,073)	\$ 238,564	\$ 238,564	\$ 234,491
Net Change in Fund Balances	\$ 0	\$ 17,130	\$ 17,130	\$ 114,554	\$ 114,554	\$ 131,684
Fund Balance, July 1, 2014	309,971	292,419	602,390	0	0	602,390
Fund Balance, June 30, 2015	\$ 309,971	\$ 309,549	\$ 619,520	\$ 114,554	\$ 114,554	\$ 734,074

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 3,404,558	\$ 0	\$ 0	\$ 3,404,558	\$ 3,494,711	\$ 3,495,711	\$ (91,153)
Licenses and Permits	1,409	0	0	1,409	1,570	1,570	(161)
Charges for Current Services	2,758	0	0	2,758	505,797	1,600	1,158
Other Local Revenues	77,073	0	0	77,073	39,000	58,750	18,323
State of Tennessee	18,917,548	0	0	18,917,548	17,965,571	18,791,012	126,536
Federal Government	244,416	0	0	244,416	0	272,995	(28,579)
Other Governments and Citizens Groups	69,899	0	0	69,899	0	77,307	(7,408)
<b>Total Revenues</b>	<b>\$ 22,717,661</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 22,717,661</b>	<b>\$ 22,006,649</b>	<b>\$ 22,698,945</b>	<b>\$ 18,716</b>
<b>Expenditures</b>							
<b>Instruction</b>							
Regular Instruction Program	\$ 9,800,349	\$ 0	\$ 0	\$ 9,800,349	\$ 10,022,833	\$ 10,012,097	\$ 211,748
Special Education Program	1,720,601	0	0	1,720,601	1,807,706	1,754,032	33,431
Vocational Education Program	943,275	0	0	943,275	973,439	973,576	30,301
<b>Support Services</b>							
Health Services	202,625	0	0	202,625	116,939	207,787	5,162
Other Student Support	497,696	0	0	497,696	431,736	532,185	34,489
Regular Instruction Program	535,802	0	0	535,802	396,328	622,373	86,571
Special Education Program	564,512	(39,822)	64,244	588,934	552,489	609,019	20,085
Vocational Education Program	135,692	0	0	135,692	135,645	137,213	1,521
Other Programs	74,420	0	0	74,420	0	74,420	0
Board of Education	478,073	0	0	478,073	491,912	514,563	36,490
Director of Schools	133,112	0	0	133,112	161,366	141,369	8,257
Office of the Principal	1,426,494	0	0	1,426,494	1,662,348	1,469,363	42,869
Fiscal Services	163,769	0	0	163,769	163,769	163,769	0
Operation of Plant	1,661,936	0	0	1,661,936	1,823,835	1,789,441	127,505
Maintenance of Plant	465,329	0	0	465,329	399,115	499,434	34,105
Transportation	1,163,582	0	0	1,163,582	1,194,019	1,231,599	68,017
Central and Other	605,571	0	0	605,571	639,396	656,212	50,641

(Continued)

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2014	Add: Encumbrances 6/30/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Operation of Non-Instructional Services</u>							
Community Services	\$ 143,014	\$ 0	\$ 0	\$ 143,014	\$ 47,369	\$ 198,614	\$ 55,600
Early Childhood Education	326,388	0	0	326,388	0	326,723	335
<u>Principal on Debt</u>							
Education	24,930	0	0	24,930	24,930	24,930	0
Interest on Debt	1,070	0	0	1,070	1,070	1,070	0
Education	500,000	0	0	500,000	500,000	500,000	0
<u>Other Debt Service</u>							
Education	21,568,240	(39,822)	64,244	21,592,662	21,546,244	22,439,789	847,127
Total Expenditures	\$ 1,149,421	\$ 39,822	\$ (64,244)	\$ 1,124,999	\$ 460,405	\$ 259,156	\$ 865,843
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 53,651	\$ 0	\$ 0	\$ 53,651	\$ 0	\$ 53,651	\$ 0
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	421,800	0	0	421,800	4,700	421,427	373
Transfers In	(239,564)	0	0	(239,564)	0	(239,564)	0
Transfers Out	235,887	0	0	235,887	4,700	235,514	373
Total Other Financing Sources	\$ 1,385,308	\$ 39,822	\$ (64,244)	\$ 1,360,886	\$ 465,105	\$ 494,670	\$ 866,216
Net Change in Fund Balance	1,104,000	(39,822)	0	1,064,178	1,472,949	1,472,949	(408,771)
Fund Balance, July 1, 2014	\$ 2,489,308	\$ 0	\$ (64,244)	\$ 2,425,064	\$ 1,938,054	\$ 1,967,619	\$ 457,445
Fund Balance, June 30, 2015							

Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,611,066	\$ 2,543,030	\$ 3,446,650	\$ (835,584)
Total Revenues	<u>\$ 2,611,066</u>	<u>\$ 2,543,030</u>	<u>\$ 3,446,650</u>	<u>\$ (835,584)</u>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 793,117	\$ 744,202	\$ 1,134,824	\$ 341,707
Special Education Program	693,930	727,417	919,813	225,883
Vocational Education Program	25,974	0	45,064	19,090
<u>Support Services</u>				
Other Student Support	287,186	293,453	301,162	13,976
Regular Instruction Program	465,219	440,907	570,471	105,252
Special Education Program	211,183	211,008	324,136	112,953
Transportation	129,384	121,107	146,107	16,723
Total Expenditures	<u>\$ 2,605,993</u>	<u>\$ 2,538,094</u>	<u>\$ 3,441,577</u>	<u>\$ 835,584</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 5,073</u>	<u>\$ 4,936</u>	<u>\$ 5,073</u>	<u>\$ 0</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (5,073)	\$ (4,936)	\$ (5,073)	\$ 0
Total Other Financing Sources	<u>\$ (5,073)</u>	<u>\$ (4,936)</u>	<u>\$ (5,073)</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2014	<u>309,971</u>	<u>98,661</u>	<u>98,661</u>	<u>211,310</u>
Fund Balance, June 30, 2015	<u>\$ 309,971</u>	<u>\$ 98,661</u>	<u>\$ 98,661</u>	<u>\$ 211,310</u>

Exhibit I-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 138,087	\$ 281,000	\$ 281,000	\$ (142,913)
Other Local Revenues	257	0	0	257
State of Tennessee	14,814	14,627	14,627	187
Federal Government	1,398,021	1,321,171	1,396,456	1,565
Total Revenues	<u>\$ 1,551,179</u>	<u>\$ 1,616,798</u>	<u>\$ 1,692,083</u>	<u>\$ (140,904)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,535,049	\$ 1,623,798	\$ 1,700,083	\$ 165,034
Total Expenditures	<u>\$ 1,535,049</u>	<u>\$ 1,623,798</u>	<u>\$ 1,700,083</u>	<u>\$ 165,034</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 16,130</u>	<u>\$ (7,000)</u>	<u>\$ (8,000)</u>	<u>\$ 24,130</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 1,000	\$ 7,000	\$ 8,000	\$ (7,000)
Total Other Financing Sources	<u>\$ 1,000</u>	<u>\$ 7,000</u>	<u>\$ 8,000</u>	<u>\$ (7,000)</u>
Net Change in Fund Balance	\$ 17,130	\$ 0	\$ 0	\$ 17,130
Fund Balance, July 1, 2014	<u>292,419</u>	<u>292,242</u>	<u>292,242</u>	<u>177</u>
Fund Balance, June 30, 2015	<u>\$ 309,549</u>	<u>\$ 292,242</u>	<u>\$ 292,242</u>	<u>\$ 17,307</u>

Exhibit I-11

Union County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Union County School Department  
Other Education Special Revenue Fund  
For the Year Ended June 30, 2015

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
State of Tennessee	\$ 10,418,185	\$ 10,418,185	\$ 10,418,185	\$ 0
Total Revenues	\$ 10,418,185	\$ 10,418,185	\$ 10,418,185	\$ 0
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 9,903,965	\$ 9,913,847	\$ 9,903,964	\$ (1)
<u>Support Services</u>				
Office of the Principal	97,493	87,611	97,494	1
Total Expenditures	\$ 10,001,458	\$ 10,001,458	\$ 10,001,458	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 416,727	\$ 416,727	\$ 416,727	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (416,727)	\$ (416,727)	\$ (416,727)	\$ 0
Total Other Financing Sources	\$ (416,727)	\$ (416,727)	\$ (416,727)	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2014	0	0	0	0
Fund Balance, June 30, 2015	\$ 0	\$ 0	\$ 0	\$ 0

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-14	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-15
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Highway Department Tractor Note	\$ 85,840	2.75 %	9-24-13	9-24-16	\$ 57,068	0 \$	28,672 \$	28,396
Sheriff Vehicles	140,000	1.99	7-18-14	7-15-17	0	140,000	46,626	93,374
Ambulances	260,000	1.99	3-4-15	4-30-18	0	260,000	89,553	170,447
Total Notes Payable					\$ 57,068	400,000 \$	164,851 \$	292,217
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Qualified School Construction Bond	7,160,000	1.515	12-17-09	9-1-26	\$ 5,447,370	0 \$	484,004 \$	4,963,366
Refunding Series 2013	7,110,000	2.25 to 5	3-15-13	4-1-26	6,110,000	0	1,060,000	5,050,000
General Obligation Bonds Series 2015	3,500,000	2.5	6-1-15	6-30-30	0	3,500,000	0	3,500,000
Total Bonds Payable					\$ 11,557,370	3,500,000 \$	1,544,004 \$	13,513,366

Exhibit J-2

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

Year Ending June 30	Notes		Total
	Principal	Interest	
2016	\$ 0	\$ 6,031	\$ 6,031
2017	161,753	5,605	167,358
2018	130,464	422	130,886
Total	\$ 292,217	\$ 12,058	\$ 304,275

Year Ending June 30	Bonds		Total
	Principal	Interest	
2016	\$ 1,491,773	\$ 329,812	\$ 1,821,585
2017	1,531,773	305,062	1,836,835
2018	1,561,773	272,512	1,834,285
2019	1,606,773	239,062	1,845,835
2020	1,646,773	204,261	1,851,034
2021	771,773	178,111	949,884
2022	781,773	169,411	951,184
2023	786,773	162,711	949,484
2024	736,773	155,649	892,422
2025	741,773	149,724	891,497
2026	795,636	143,087	938,723
2027	255,000	27,863	282,863
2028	260,000	21,488	281,488
2029	270,000	14,988	284,988
2030	275,000	7,561	282,561
Total	\$ 13,513,366	\$ 2,381,302	\$ 15,894,668

Exhibit J-3

Union County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Union 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>			
Highway/Public Works General Fund	General Debt Service General Capital Projects	Service highway equipment note Funding of capital expenditures	\$ 30,202 20,000
Total Transfers Primary Government			\$ <u>50,202</u>
<u>DISCRETELY PRESENTED UNION</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects Other Education Special Revenue General Purpose School "	General Purpose School " Central Cafeteria Educational Capital Projects	Indirect costs Virtual academy revenue (4% per contract) Career ladder for food service director HVAC replacements in schools	\$ 5,073 416,727 1,000 238,564
Total Transfers Discretely Presented Union County School Department			\$ <u>661,364</u>

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 73,738	\$ 100,000	State Farm Fire and Casualty Company
Highway Superintendent	Section 8-24-102, TCA	70,228	100,000	"
Director of Schools	State Board of Education and County Board of Education	96,052 (1)	(2)	Next Generation Underwriters
Trustee	Section 8-24-102, TCA	63,843	1,067,682	Auto-Owners Mutual Insurance Company
Assessor of Property	Section 8-24-102, TCA	63,843	50,000	State Farm Fire and Casualty Company
Finance Director	Financial Management Committee	57,459	50,000	"
County Clerk	Section 8-24-102, TCA	63,843	100,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	63,843	100,000	"
Clerk and Master	Section 8-24-102, TCA	63,843	100,000	State Farm Fire and Casualty Company
Register of Deeds	Section 8-24-102, TCA	63,843	100,000	"
Sheriff.				
Earl Loy, Jr. (7-1-14 to 8-31-14)	Section 8-24-102, TCA	12,155 (3)	25,000	"
Billy Breeding (9-1-14 to 6-30-15)	Section 8-24-102, TCA	58,073	100,000	"
Employee Blanket Bond - County and School Employees:				
Public Officials Liability Errors and Omissions			1,000,000	Tennessee Risk Management Trust
Employee Fidelity			150,000	"

(1) Includes a career ladder supplement of \$2,152.  
(2) Coverage is provided through the Employee Blanket Bond - County and School Employees.  
(3) Does not include a law enforcement training supplement of \$600.

Exhibit J-5

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

	Special Revenue Funds					Debt Service	
	General	Ambulance Service	Drug Control	Highway/ Public Works	General Debt	Service	
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 2,067,103	\$ 381,460	\$ 0	\$ 244,137	\$ 473,010		
Trustee's Collections - Prior Year	67,998	16,016	0	10,264	39,180		
Circuit/Clerk and Master Collections - Prior Years	46,494	9,750	0	7,018	29,592		
Interest and Penalty	12,596	2,559	0	1,823	7,115		
Pickup Taxes	50,454	9,280	0	5,940	11,540		
Payments in-Lieu-of Taxes - T.V.A.	4,595	0	0	0	0		
Payments in-Lieu-of Taxes - Local Utilities	334,648	0	0	0	0		
<u>County Local Option Taxes</u>							
Local Option Sales Tax	329,067	0	0	0	0		
Hotel/Motel Tax	40,800	0	0	0	0		
Wheel Tax	0	0	0	0	452,610		
Litigation Tax - General	29,415	0	0	0	0		
Litigation Tax - Special Purpose	27,365	0	0	0	0		
Litigation Tax - Jail, Workhouse, or Courthouse	10,963	0	0	0	0		
Business Tax	65,096	0	0	0	0		
Mixed Drink Tax	7,206	0	0	0	0		
Mineral Severance Tax	0	0	0	85,596	0		
Other County Local Option Taxes	765	0	0	0	0		
<u>Statutory Local Taxes</u>							
Wholesale Beer Tax	109,764	0	0	0	0		
Beer Privilege Tax	1,939	0	0	0	0		
Interstate Telecommunications Tax	6,468	0	0	0	0		
<b>Total Local Taxes</b>	<b>\$ 3,212,736</b>	<b>\$ 419,065</b>	<b>\$ 0</b>	<b>\$ 354,778</b>	<b>\$ 1,013,047</b>		

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	General	Ambulance Service	Drug Control	Highway / Public Works	General	Debt Service
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 37,527	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	1,188	0	0	0	0	0
Building Permits	19,870	0	0	0	0	0
<b>Total Licenses and Permits</b>	<b>\$ 58,585</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	2,492	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines for Littering	95	0	0	0	0	0
Officers Costs	3,134	0	0	0	0	0
Data Entry Fee - Circuit Court	738	0	0	0	0	0
Victims Assistance Assessments	1,676	0	0	0	0	0
<u>Criminal Court</u>						
Fines	438	0	0	0	0	0
DUI Treatment Fines	570	0	0	0	0	0
Courtroom Security Fee	102	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	22,795	0	0	0	0	0
Officers Costs	18,742	0	0	0	0	0
Game and Fish Fines	1,190	0	0	0	0	0
Drug Control Fines	0	0	4,250	0	0	0
Data Entry Fee - General Sessions Court	8,940	0	0	0	0	0
Courtroom Security Fee	64	0	0	0	0	0
Victims Assistance Assessments	13,852	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					Debt Service Fund	
	General	Ambulance Service	Drug Control	Highway / Public Works	General	Debt Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Juvenile Court</u>							
Fines	\$ 960	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	3,290	0	0	0	0	0	0
Jail Fees	810	0	0	0	0	0	0
Data Entry Fee - Juvenile Court	653	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	1,768	0	0	0	0	0	0
Data Entry Fee - Chancery Court	1,433	0	0	0	0	0	0
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	2,555	0	0	0	0
Courtroom Security Fee	2	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	39,412	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 83,744	\$ 0	\$ 46,217	\$ 0	\$ 0	\$ 0	0
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Patient Charges	\$ 0	\$ 905,917	\$ 0	\$ 0	\$ 0	\$ 0	0
Other General Service Charges	92	0	0	0	0	0	0
<u>Fees</u>							
Engineer Review Fees	1,425	0	0	0	0	0	0
Copy Fees	954	0	0	0	0	0	0
Library Fees	1,193	0	0	0	0	0	0
Archives and Records Management Fee - County Clerk	27,305	0	0	0	0	0	0
Telephone Commissions	28,975	0	0	0	0	0	0
Vending Machine Collections	4,110	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	General	Ambulance Service	Drug Control	Highway / Public Works	General	Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - Register	7,804 \$	0 \$	0 \$	0 \$	0 \$	0
Data Processing Fee - Sheriff	3,595	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	2,250	0	0	0	0	0
Data Processing Fee - County Clerk	1,554	0	0	0	0	0
<u>Other Charges for Services</u>						
Other Charges for Services	298,677	0	0	59,244	0	0
Total Charges for Current Services	\$ 377,934 \$	\$ 905,917 \$	\$ 0 \$	\$ 59,244 \$	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	0 \$	0 \$	0 \$	0 \$	0 \$	114,733
Lease/Rentals	31,825	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	314	0	0
Sale of Gasoline	0	0	0	17,875	0	0
Sale of Recycled Materials	74	0	0	189	0	0
Miscellaneous Refunds	14,128	50	1,520	1,030	1,000	0
<u>Nonrecurring Items</u>						
Sale of Equipment	7,933	0	0	0	0	0
Damages Recovered from Individuals	200	0	0	0	0	0
Contributions and Gifts	15,233	0	0	100	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	345	0	0	0	0	0
Total Other Local Revenues	\$ 69,738 \$	\$ 50 \$	\$ 1,520 \$	\$ 19,508 \$	\$ 115,733	\$ 0

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	General	Ambulance Service	Drug Control	Highway / Public Works	General	Debt Service
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 174,075	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	46,444	0	0	0	0	0
General Sessions Court Clerk	98,047	0	0	0	0	0
Clerk and Master	67,699	0	0	0	0	0
Register	74,533	0	0	0	0	0
Sheriff	5,537	0	0	0	0	0
Trustee	230,378	0	0	0	0	0
<b>Total Fees Received from County Officials</b>	<b>\$ 696,713</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Aging Programs	\$ 6,600	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other General Government Grants	6,000	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	13,200	0	0	0	0	0
Health and Welfare Grants	71,998	0	0	0	0	0
<u>Public Health Nurses</u>						
Public Works Grants	0	0	0	92,651	0	0
State Aid Program	33,885	0	0	0	0	0
Litter Program	25,093	0	0	0	0	0
Other State Revenues	18,055	0	0	0	0	0
Income Tax	8,473	0	0	0	0	0
Beer Tax	34,592	0	0	0	0	0
Vehicle Certificate of Title Fees						
Alcoholic Beverage Tax						

(Continued)

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

	Special Revenue Funds				Debt Service Fund	
	General	Ambulance Service	Drug Control	Highway / Public Works	General	Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
State Revenue Sharing - T.V.A.	\$ 862,758	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Prisoner Boarding	157,102	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	1,387,717	0	0
Petroleum Special Tax	0	0	0	13,788	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Revenues	29,131	0	0	0	0	0
Total State of Tennessee	\$ 1,282,051	\$ 0	\$ 0	\$ 1,494,156	\$ 0	\$ 0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 28,204	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Homeland Security Grants	6,804	0	0	0	0	0
Other Federal through State	32,637	0	0	0	0	0
Total Federal Government	\$ 67,645	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 501,070
<u>Citizens Groups</u>						
Donations	1,300	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 1,300	\$ 0	\$ 0	\$ 0	\$ 0	\$ 501,070
Total	\$ 5,850,446	\$ 1,325,032	\$ 47,737	\$ 1,927,686	\$ 1,629,850	\$ 1,629,850

(Continued)

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

	Capital Projects Fund	Total
	General Capital Projects	
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 60,733	\$ 3,226,443
Trustee's Collections - Prior Year	2,538	135,996
Circuit/Clerk and Master Collections - Prior Years	134	92,988
Interest and Penalty	68	24,161
Pickup Taxes	1,485	78,699
Payments in-Lieu-of Taxes - T.V.A.	0	4,595
Payments in-Lieu-of Taxes - Local Utilities	0	334,648
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	329,067
Hotel/Motel Tax	0	40,800
Wheel Tax	0	452,610
Litigation Tax - General	0	29,415
Litigation Tax - Special Purpose	0	27,365
Litigation Tax - Jail, Workhouse, or Courthouse	0	10,963
Business Tax	0	65,096
Mixed Drink Tax	0	7,206
Mineral Severance Tax	0	85,596
Other County Local Option Taxes	0	765
<u>Statutory Local Taxes</u>		
Wholesale Beer Tax	0	109,764
Beer Privilege Tax	0	1,939
Interstate Telecommunications Tax	0	6,468
<b>Total Local Taxes</b>	<b>\$ 64,958</b>	<b>\$ 5,064,584</b>

(Continued)

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

	Capital Projects Fund	Total
	General Capital Projects	
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Cable TV Franchise	0 \$	37,527
<u>Permits</u>		
Beer Permits	0	1,188
Building Permits	0	19,870
<b>Total Licenses and Permits</b>	<b>0 \$</b>	<b>58,585</b>
<u>Fines, Forfeitures, and Penalties</u>		
<u>Circuit Court</u>		
Fines	0 \$	2,492
Fines for Littering	0	95
Officers Costs	0	3,134
Data Entry Fee - Circuit Court	0	738
Victims Assistance Assessments	0	1,676
<u>Criminal Court</u>		
Fines	0	438
DUI Treatment Fines	0	570
Courtroom Security Fee	0	102
<u>General Sessions Court</u>		
Fines	0	22,795
Officers Costs	0	18,742
Game and Fish Fines	0	1,190
Drug Control Fines	0	4,250
Data Entry Fee - General Sessions Court	0	8,940
Courtroom Security Fee	0	64
Victims Assistance Assessments	0	13,852

(Continued)

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

	Capital Projects Fund	Total
	General	Capital
	Projects	Projects
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>Juvenile Court</u>		
<u>Fines</u>	0 \$	960
Officers Costs	0	3,290
Jail Fees	0	810
Data Entry Fee - Juvenile Court	0	653
<u>Chancery Court</u>		
Officers Costs	0	1,768
Data Entry Fee - Chancery Court	0	1,433
<u>Judicial District Drug Program</u>		
Drug Task Force Forfeitures and Seizures	0	2,555
Courtroom Security Fee	0	2
<u>Other Fines, Forfeitures, and Penalties</u>		
Proceeds from Confiscated Property	0	39,412
<b>Total Fines, Forfeitures, and Penalties</b>	<b>0 \$</b>	<b>129,961</b>
<u>Charges for Current Services</u>		
<u>General Service Charges</u>		
Patient Charges	0 \$	905,917
Other General Service Charges	0	92
<u>Fees</u>		
Engineer Review Fees	0	1,425
Copy Fees	0	954
Library Fees	0	1,193
Archives and Records Management Fee - County Clerk	0	27,305
Telephone Commissions	0	28,975
Vending Machine Collections	0	4,110

(Continued)

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

	Capital Projects Fund	Total
	General Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>		
<u>Fees (Cont.)</u>		
Data Processing Fee - Register	0 \$	7,804
Data Processing Fee - Sheriff	0	3,595
Sexual Offender Registration Fee - Sheriff	0	2,250
Data Processing Fee - County Clerk	0	1,554
<u>Other Charges for Services</u>		
Other Charges for Services	0	357,921
<b>Total Charges for Current Services</b>	<b>0 \$</b>	<b>1,343,095</b>
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	0 \$	114,733
Lease/Rentals	0	31,825
Sale of Materials and Supplies	0	314
Sale of Gasoline	0	17,875
Sale of Recycled Materials	0	263
Miscellaneous Refunds	0	17,728
<u>Nonrecurring Items</u>		
Sale of Equipment	0	7,933
Damages Recovered from Individuals	0	200
Contributions and Gifts	0	15,333
<u>Other Local Revenues</u>		
Other Local Revenues	0	345
<b>Total Other Local Revenues</b>	<b>0 \$</b>	<b>206,549</b>

(Continued)

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

	<u>Capital</u> <u>Projects Fund</u>	<u>Total</u>
	General Capital Projects	
<u>Fees Received from County Officials</u>		
<u>Fees in-Lieu-of Salary</u>		
County Clerk	0 \$	174,075
Circuit Court Clerk	0	46,444
General Sessions Court Clerk	0	98,047
Clerk and Master	0	67,699
Register	0	74,533
Sheriff	0	5,537
Trustee	0	230,378
<b>Total Fees Received from County Officials</b>	<b>0 \$</b>	<b>696,713</b>
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Aging Programs	0 \$	6,600
Other General Government Grants	10,000	16,000
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	0	13,200
Health and Welfare Grants	0	71,998
Public Health Nurses		
<u>Public Works Grants</u>		
State Aid Program	0	92,651
Litter Program	0	33,885
<u>Other State Revenues</u>		
Income Tax	0	25,093
Beer Tax	0	18,055
Vehicle Certificate of Title Fees	0	8,473
Alcoholic Beverage Tax	0	34,592

(Continued)

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

	<u>Capital</u> <u>Projects Fund</u>	<u>Total</u>
	General Capital Projects	
<u>State of Tennessee (Cont.)</u>		
<u>Other State Revenues (Cont.)</u>		
State Revenue Sharing - T.V.A.	0 \$	862,758
Contracted Prisoner Boarding	0	157,102
Gasoline and Motor Fuel Tax	0	1,387,717
Petroleum Special Tax	0	13,788
Registrar's Salary Supplement	0	15,164
Other State Revenues	0	29,131
Total State of Tennessee	<u>10,000 \$</u>	<u>2,786,207</u>
<u>Federal Government</u>		
<u>Federal Through State</u>		
Community Development	0 \$	28,204
Homeland Security Grants	0	6,804
Other Federal through State	0	32,637
Total Federal Government	<u>0 \$</u>	<u>67,645</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contributions	0 \$	501,070
<u>Citizens Groups</u>		
Donations	0	1,300
Total Other Governments and Citizens Groups	<u>0 \$</u>	<u>502,370</u>
Total	<u>74,958 \$</u>	<u>10,855,709</u>

Exhibit J-6

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

	Special Revenue Funds				Capital Projects Fund		Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Other Capital Projects		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 2,216,638	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,216,638
Trustee's Collections - Prior Year	104,758	0	0	0	0	0	104,758
Circuit/Clerk and Master Collections - Prior Years	64,039	0	0	0	0	0	64,039
Interest and Penalty	16,640	0	0	0	0	0	16,640
Pickup Taxes	54,198	0	0	0	0	0	54,198
<u>County Local Option Taxes</u>							
Local Option Sales Tax	932,807	0	0	0	0	0	932,807
Litigation Tax - General	169	0	0	0	0	0	169
Mixed Drink Tax	4,393	0	0	0	0	0	4,393
<u>Statutory Local Taxes</u>							
Bank Excise Tax	9,240	0	0	0	0	0	9,240
Interstate Telecommunications Tax	1,676	0	0	0	0	0	1,676
<u>Total Local Taxes</u>	<u>\$ 3,404,558</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>3,404,558</u>
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 1,130	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,130
<u>Permits</u>							
Other Permits	279	0	0	0	0	0	279
<u>Total Licenses and Permits</u>	<u>\$ 1,409</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>1,409</u>
<u>Charges for Current Services</u>							
<u>Education Charges</u>							
Lunch Payments - Children	\$ 0	\$ 0	\$ 192	\$ 0	\$ 0	\$ 0	192

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Other Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Lunch Payments - Adults	0 \$	0 \$	17,956 \$	0 \$	0 \$	17,956
Income from Breakfast	0	0	5,155	0	0	5,155
A la carte Sales	0	0	114,784	0	0	114,784
Community Service Fees - Children	2,758	0	0	0	0	2,758
Total Charges for Current Services	2,758 \$	0 \$	138,087 \$	0 \$	0 \$	140,845
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	0 \$	0 \$	257 \$	0 \$	0 \$	257
Lease/Rentals	7,857	0	0	0	0	7,857
Sale of Recycled Materials	1,805	0	0	0	0	1,805
E-Rate Funding	844	0	0	0	0	844
Miscellaneous Refunds	39,790	0	0	0	0	39,790
<u>Nonrecurring Items</u>						
Contributions and Gifts	26,777	0	0	0	0	26,777
Total Other Local Revenues	77,073 \$	0 \$	257 \$	0 \$	0 \$	77,330
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	74,420 \$	0 \$	0 \$	0 \$	0 \$	74,420
<u>State Education Funds</u>						
Basic Education Program	17,918,815	0	0	10,418,185	0	28,337,000
Early Childhood Education	359,991	0	0	0	0	359,991
School Food Service	0	0	14,814	0	0	14,814

(Continued)

Exhibit J-6

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

	Special Revenue Funds				Capital Projects Fund		Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Other Capital Projects	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>							
State Education Funds (Cont.)							
Other State Education Funds	\$ 250,023	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	250,023
Career Ladder Program	80,247	0	0	0	0	0	80,247
Career Ladder - Extended Contract	15,820	0	0	0	0	0	15,820
<u>Other State Revenues</u>							
State Revenue Sharing - T.V.A.	215,690	0	0	0	0	0	215,690
Other State Grants	2,542	0	0	0	0	0	2,542
Total State of Tennessee	\$ 18,917,548	\$ 0	\$ 14,814	\$ 10,418,185	\$ 0	\$ 0	\$ 29,350,547
<u>Federal Government</u>							
<u>Federal Through State</u>							
USDA School Lunch Program	\$ 0	\$ 0	\$ 997,728	\$ 0	\$ 0	\$ 0	997,728
USDA - Commodities	0	0	75,285	0	0	0	75,285
Breakfast	0	0	311,980	0	0	0	311,980
USDA - Other	0	0	13,028	0	0	0	13,028
Vocational Education - Basic Grants to States	0	41,117	0	0	0	0	41,117
Title I Grants to Local Education Agencies	0	1,301,116	0	0	0	0	1,301,116
Special Education - Grants to States	13,101	1,015,656	0	0	0	0	1,028,757
Special Education Preschool Grants	0	18,838	0	0	0	0	18,838
English Language Acquisition Grants	0	1,910	0	0	0	0	1,910
Rural Education	0	50,421	0	0	0	0	50,421
Eisenhower Professional Development State Grants	0	153,154	0	0	0	0	153,154
Race to the Top - ARRA	0	28,854	0	0	0	0	28,854
Other Federal through State	231,315	0	0	0	0	0	231,315
Total Federal Government	\$ 244,416	\$ 2,611,066	\$ 1,398,021	\$ 0	\$ 0	\$ 0	\$ 4,253,503

(Continued)

Exhibit J-6

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

	Special Revenue Funds					Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue	Other Capital Projects	Total	
Other Governments and Citizens Groups							
Other Governments							
Contributions	\$ 30,500	\$ 0	\$ 0	\$ 0	\$ 3,483,002	\$ 3,513,502	
Contracted Services	39,399	0	0	0	0	39,399	
Total Other Governments and Citizens Groups	\$ 69,899	\$ 0	\$ 0	\$ 0	\$ 3,483,002	\$ 3,552,901	
Total	\$ 22,717,661	\$ 2,611,066	\$ 1,551,179	\$ 10,418,185	\$ 3,483,002	\$ 40,781,093	

Exhibit J-7

Union 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	\$	51,199	
Social Security		3,917	
Audit Services		5,733	
Total County Commission			\$ 60,849

Board of Equalization

Board and Committee Members Fees	\$	780	
Total Board of Equalization			780

Beer Board

Board and Committee Members Fees	\$	750	
Social Security		57	
Unemployment Compensation		3	
Total Beer Board			810

County Mayor/Executive

County Official/Administrative Officer	\$	73,738	
Secretary(ies)		26,206	
Part-time Personnel		2,680	
Social Security		7,742	
Pensions		6,283	
Medical Insurance		3,373	
Unemployment Compensation		140	
Communication		3,488	
Dues and Memberships		1,424	
Legal Notices, Recording, and Court Costs		432	
Maintenance and Repair Services - Equipment		1,289	
Printing, Stationery, and Forms		294	
Travel		938	
Other Contracted Services		6,480	
Food Supplies		1,833	
Office Supplies		3,208	
Premiums on Corporate Surety Bonds		994	
Data Processing Equipment		155	
Total County Mayor/Executive			140,697

County Attorney

County Official/Administrative Officer	\$	11,170	
Postal Charges		42	
Judgments		45,420	
Total County Attorney			56,632

Election Commission

County Official/Administrative Officer	\$	57,459	
Deputy(ies)		21,297	
Election Commission		4,450	
Election Workers		38,023	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Social Security	\$	5,993	
Pensions		4,936	
Medical Insurance		9,110	
Unemployment Compensation		383	
Communication		1,318	
Data Processing Services		32,900	
Dues and Memberships		225	
Legal Notices, Recording, and Court Costs		4,968	
Maintenance and Repair Services - Equipment		764	
Postal Charges		1,110	
Printing, Stationery, and Forms		2,972	
Travel		6,993	
Other Contracted Services		542	
Office Supplies		1,564	
Office Equipment		1,855	
Total Election Commission			\$ 196,862

Register of Deeds

County Official/Administrative Officer	\$	63,843	
Clerical Personnel		54,316	
Social Security		8,799	
Pensions		7,394	
Medical Insurance		3,444	
Unemployment Compensation		216	
Communication		1,324	
Data Processing Services		6,017	
Dues and Memberships		457	
Maintenance and Repair Services - Office Equipment		661	
Other Contracted Services		1,420	
Office Supplies		881	
Premiums on Corporate Surety Bonds		993	
Office Equipment		2,597	
Total Register of Deeds			152,362

Development

Board and Committee Members Fees	\$	2,950	
Social Security		226	
Unemployment Compensation		23	
Consultants		4,800	
Total Development			7,999

County Buildings

Maintenance Personnel	\$	55,375	
Social Security		4,270	
Pensions		3,446	
Medical Insurance		3,350	
Unemployment Compensation		240	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Janitorial Services	\$	19,683	
Maintenance Agreements		6,502	
Maintenance and Repair Services - Buildings		63,677	
Maintenance and Repair Services - Vehicles		146	
Pest Control		385	
Custodial Supplies		6,551	
Electricity		53,564	
Gasoline		306	
Propane Gas		10,654	
Water and Sewer		24,982	
Building and Contents Insurance		102,375	
Building Improvements		3,290	
Furniture and Fixtures		384	
Total County Buildings	\$		359,180

Other General Administration

Communication	\$	1,642	
Data Processing Services		2,438	
Dues and Memberships		3,808	
Legal Notices, Recording, and Court Costs		1,015	
Maintenance and Repair Services - Vehicles		484	
Postal Charges		20,834	
Gasoline		3,420	
Total Other General Administration			33,641

Finance

Accounting and Budgeting

Supervisor/Director	\$	57,459	
Accountants/Bookkeepers		119,712	
Social Security		12,387	
Pensions		11,045	
Medical Insurance		20,978	
Unemployment Compensation		551	
Communication		3,585	
Data Processing Services		13,661	
Dues and Memberships		50	
Legal Notices, Recording, and Court Costs		747	
Postal Charges		4,512	
Travel		30	
Custodial Supplies		25	
Office Supplies		5,436	
Premiums on Corporate Surety Bonds		149	
Total Accounting and Budgeting			250,327

Property Assessor's Office

County Official/Administrative Officer	\$	63,843	
Clerical Personnel		31,861	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Social Security	\$	7,210	
Pensions		5,995	
Medical Insurance		3,316	
Unemployment Compensation		108	
Communication		1,318	
Legal Notices, Recording, and Court Costs		70	
Maintenance and Repair Services - Office Equipment		155	
Printing, Stationery, and Forms		95	
Travel		1,084	
Other Contracted Services		2,000	
Office Supplies		1,260	
Office Equipment		344	
Total Property Assessor's Office	\$		118,659

Reappraisal Program

Clerical Personnel	\$	27,010	
Other Salaries and Wages		22,729	
Social Security		3,673	
Pensions		3,099	
Medical Insurance		3,345	
Unemployment Compensation		216	
Contracts with Other Public Agencies		13,731	
Total Reappraisal Program			73,803

County Trustee's Office

County Official/Administrative Officer	\$	63,843	
Clerical Personnel		84,831	
Social Security		10,023	
Pensions		9,269	
Medical Insurance		21,489	
Unemployment Compensation		329	
Communication		1,343	
Data Processing Services		6,987	
Dues and Memberships		407	
Legal Notices, Recording, and Court Costs		917	
Maintenance and Repair Services - Buildings		400	
Maintenance and Repair Services - Office Equipment		475	
Printing, Stationery, and Forms		7,091	
Travel		95	
Office Supplies		2,721	
Premiums on Corporate Surety Bonds		5,701	
Office Equipment		1,299	
Total County Trustee's Office			217,220

County Clerk's Office

County Official/Administrative Officer	\$	63,843	
Clerical Personnel		157,627	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Social Security	\$	15,855	
Pensions		13,831	
Medical Insurance		19,387	
Unemployment Compensation		648	
Communication		4,425	
Data Processing Services		10,630	
Dues and Memberships		2,412	
Janitorial Services		2,100	
Maintenance and Repair Services - Buildings		8,662	
Pest Control		528	
Postal Charges		5,948	
Printing, Stationery, and Forms		1,854	
Travel		2,757	
Maintenance and Repair Services - Records		26,496	
Duplicating Supplies		4,652	
Electricity		3,681	
Office Supplies		1,302	
Water and Sewer		573	
Total County Clerk's Office			\$ 347,211

Other Finance

Trustee's Commission	\$	74,012	
Total Other Finance			74,012

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	63,843	
Clerical Personnel		97,465	
Jury and Witness Expense		8,955	
Social Security		12,156	
Pensions		9,971	
Medical Insurance		3,470	
Unemployment Compensation		399	
Communication		1,344	
Data Processing Services		14,669	
Maintenance and Repair Services - Office Equipment		450	
Library Books/Media		8,474	
Office Supplies		9,009	
Premiums on Corporate Surety Bonds		3,507	
Office Equipment		5,623	
Total Circuit Court			239,335

General Sessions Court

Judge(s)	\$	98,031	
Other Salaries and Wages		24,674	
Social Security		8,730	
Pensions		7,645	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Medical Insurance	\$	10,202	
Unemployment Compensation		108	
Travel		2,448	
Office Supplies		893	
Total General Sessions Court			\$ 152,731

Chancery Court

County Official/Administrative Officer	\$	63,843	
Clerical Personnel		57,669	
Social Security		9,078	
Pensions		7,478	
Medical Insurance		6,614	
Unemployment Compensation		265	
Communication		1,318	
Data Processing Services		13,112	
Dues and Memberships		407	
Maintenance and Repair Services - Buildings		1,894	
Maintenance and Repair Services - Office Equipment		520	
Travel		122	
Office Supplies		7,998	
Office Equipment		10,362	
Total Chancery Court			180,680

Victim Assistance Programs

Contributions	\$	15,488	
Liability Claims		4,000	
Total Victim Assistance Programs			19,488

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	70,228	
Deputy(ies)		468,892	
Investigator(s)		144,954	
Salary Supplements		13,200	
Secretary(ies)		30,008	
Social Security		52,986	
Pensions		44,730	
Medical Insurance		55,365	
Unemployment Compensation		2,736	
Communication		14,252	
Contributions		1,000	
Data Processing Services		5,572	
Dues and Memberships		1,500	
Janitorial Services		780	
Maintenance and Repair Services - Buildings		1,119	
Maintenance and Repair Services - Equipment		2,885	
Maintenance and Repair Services - Office Equipment		2,042	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Maintenance and Repair Services - Vehicles	\$	22,692	
Pest Control		594	
Travel		4,667	
Tuition		3,820	
Electricity		14,340	
Food Supplies		690	
Gasoline		100,811	
Law Enforcement Supplies		29,886	
Office Supplies		18,013	
Tires and Tubes		7,287	
Uniforms		9,955	
Vehicle Parts		21,343	
Water and Sewer		605	
Premiums on Corporate Surety Bonds		1,437	
Criminal Investigation of Applicants - TBI		750	
Motor Vehicles		49,774	
Office Equipment		925	
Total Sheriff's Department			\$ 1,199,838

Special Patrols

Deputy(ies)	\$	120,130	
Social Security		8,697	
Pensions		7,477	
Medical Insurance		9,034	
Unemployment Compensation		428	
Uniforms		1,015	
Total Special Patrols			146,781

Jail

Supervisor/Director	\$	37,514	
Guards		471,537	
Secretary(ies)		29,991	
Cafeteria Personnel		23,179	
Social Security		40,692	
Pensions		31,918	
Medical Insurance		49,247	
Unemployment Compensation		3,308	
Communication		2,925	
Evaluation and Testing		1,253	
Maintenance and Repair Services - Buildings		20,971	
Maintenance and Repair Services - Office Equipment		2,480	
Pest Control		420	
Travel		1,148	
Other Contracted Services		104,700	
Custodial Supplies		15,897	
Drugs and Medical Supplies		103,143	
Food Supplies		121,859	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Law Enforcement Supplies	\$	1,028	
Office Supplies		6,023	
Prisoners Clothing		3,590	
Uniforms		9,824	
Food Service Equipment		3,694	
Motor Vehicles		8,123	
Office Equipment		5,686	
Total Jail			\$ 1,100,150

Juvenile Services

Youth Service Officer(s)	\$	21,243	
Psychological Personnel		35,160	
Social Security		3,773	
Pensions		3,513	
Medical Insurance		8,517	
Unemployment Compensation		313	
Communication		2,462	
Contracts with Private Agencies		4,732	
Travel		175	
Office Supplies		3,873	
Office Equipment		1,717	
Total Juvenile Services			85,478

Fire Prevention and Control

Contributions	\$	75,000	
Total Fire Prevention and Control			75,000

Rescue Squad

Contributions	\$	20,000	
Total Rescue Squad			20,000

Other Emergency Management

Contracts with Private Agencies	\$	151,000	
Other Supplies and Materials		60	
Total Other Emergency Management			151,060

County Coroner/Medical Examiner

Other Contracted Services	\$	31,954	
Total County Coroner/Medical Examiner			31,954

Public Health and Welfare

Local Health Center

Communication	\$	3,170	
Contracts with Other School Systems		5,500	
Contracts with Private Agencies		11,789	
Dues and Memberships		200	
Janitorial Services		6,900	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Legal Notices, Recording, and Court Costs	\$	28	
Maintenance and Repair Services - Buildings		7,858	
Pest Control		420	
Postal Charges		1,084	
Electricity		8,441	
Food Supplies		438	
Instructional Supplies and Materials		1,161	
Office Supplies		4,521	
Water and Sewer		1,232	
Liability Insurance		10,574	
Office Equipment		2,427	
Total Local Health Center			\$ 65,743

Other Local Health Services

Medical Personnel	\$	61,261	
Social Security		4,596	
Pensions		3,325	
Medical Insurance		36	
Unemployment Compensation		308	
Travel		986	
Workers' Compensation Insurance		2,076	
Total Other Local Health Services			72,588

Appropriation to State

Contracts with Government Agencies	\$	23,500	
Total Appropriation to State			23,500

Sanitation Management

Contracts with Private Agencies	\$	9,090	
Total Sanitation Management			9,090

Convenience Centers

Laborers	\$	71,461	
Social Security		5,407	
Unemployment Compensation		652	
Disposal Fees		20,000	
Total Convenience Centers			97,520

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$	47,500	
Part-time Personnel		10,325	
Social Security		4,252	
Pensions		2,983	
Medical Insurance		6,526	
Unemployment Compensation		353	
Communication		1,814	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Senior Citizens Assistance (Cont.)

Contributions	\$	7,000	
Maintenance and Repair Services - Buildings		765	
Maintenance and Repair Services - Office Equipment		660	
Maintenance and Repair Services - Vehicles		642	
Pest Control		417	
Rentals		3,000	
Custodial Supplies		573	
Electricity		12,467	
Gasoline		1,431	
Office Supplies		262	
Water and Sewer		1,640	
Total Senior Citizens Assistance			\$ 102,610

Libraries

Librarians	\$	53,460	
Part-time Personnel		1,595	
Other Salaries and Wages		54,669	
Social Security		7,854	
Pensions		5,290	
Medical Insurance		9,143	
Unemployment Compensation		725	
Communication		1,218	
Contracts with Public Carriers		620	
Pest Control		417	
Travel		661	
Custodial Supplies		902	
Office Supplies		5,450	
Other Charges		24,983	
Office Equipment		3,998	
Total Libraries			170,985

Parks and Fair Boards

Maintenance and Repair Services - Buildings	\$	7,745	
Maintenance and Repair Services - Equipment		1,402	
Maintenance and Repair Services - Vehicles		4,064	
Electricity		2,273	
Food Supplies		63	
Gasoline		882	
General Construction Materials		6,051	
Total Parks and Fair Boards			22,480

Agriculture and Natural Resources

Agricultural Extension Service

Part-time Personnel	\$	5,000	
Social Security		382	
Unemployment Compensation		60	
Contracts with Government Agencies		27,549	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Contracts with Private Agencies	\$	779	
Data Processing Services		2,158	
Operating Lease Payments		7,200	
Travel		834	
Custodial Supplies		350	
Electricity		3,276	
Office Supplies		1,027	
Water and Sewer		480	
Total Agricultural Extension Service			\$ 49,095

Forest Service

Contributions	\$	500	
Total Forest Service			500

Soil Conservation

Secretary(ies)	\$	31,356	
Social Security		2,300	
Pensions		1,954	
Medical Insurance		3,263	
Unemployment Compensation		108	
Data Processing Services		1,726	
Dues and Memberships		685	
Rentals		3,250	
Travel		337	
Electricity		2,472	
Instructional Supplies and Materials		2,239	
Office Supplies		263	
Water and Sewer		559	
Total Soil Conservation			50,512

Other Operations

Other Economic and Community Development

Other Capital Outlay	\$	28,452	
Total Other Economic and Community Development			28,452

Veterans' Services

Supervisor/Director	\$	13,770	
Social Security		1,053	
Unemployment Compensation		108	
Communication		1,958	
Contracts with Private Agencies		399	
Travel		272	
Total Veterans' Services			17,560

Other Charges

Contributions	\$	78,530	
Total Other Charges			78,530

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits

Workers' Compensation Insurance	\$ 41,116	
Total Employee Benefits		\$ 41,116

Payments to Cities

Contributions	\$ 11,000	
Total Payments to Cities		11,000

Miscellaneous

State Aid Projects	\$ 6,804	
Total Miscellaneous		6,804

Highways

Litter and Trash Collection

Deputy(ies)	\$ 25,446	
Part-time Personnel	3,500	
Social Security	1,922	
Pensions	1,585	
Medical Insurance	5,386	
Unemployment Compensation	150	
Communication	88	
Dues and Memberships	150	
Maintenance and Repair Services - Vehicles	1,865	
Gasoline	2,559	
Instructional Supplies and Materials	5,424	
Uniforms	350	
Total Litter and Trash Collection		<u>48,425</u>

Total General Fund		\$ 6,390,049
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Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Supervisor/Director	\$ 47,953
Clerical Personnel	31,515
Attendants	759,430
In-service Training	489
Social Security	61,013
Pensions	41,424
Medical Insurance	81,022
Unemployment Compensation	408
Communication	11,365
Data Processing Services	6,051
Dues and Memberships	570
Fiscal Agent Charges	4,500
Licenses	2,570
Maintenance and Repair Services - Buildings	7,720
Maintenance and Repair Services - Equipment	784

(Continued)

Exhibit J-7

Union 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.)

Maintenance and Repair Services - Vehicles	\$	81,344	
Postal Charges		1,362	
Printing, Stationery, and Forms		133	
Travel		1,966	
Disposal Fees		2,536	
Other Contracted Services		8,400	
Custodial Supplies		2,986	
Data Processing Supplies		1,562	
Diesel Fuel		58,169	
Drugs and Medical Supplies		43,839	
Electricity		12,684	
Natural Gas		2,026	
Office Supplies		1,064	
Tires and Tubes		4,536	
Uniforms		4,981	
Water and Sewer		2,006	
Other Supplies and Materials		12,023	
Building and Contents Insurance		2,490	
Liability Insurance		5,710	
Premiums on Corporate Surety Bonds		320	
Trustee's Commission		17,615	
Vehicle and Equipment Insurance		5,394	
Workers' Compensation Insurance		53,502	
Interest on Notes		1,000	
Data Processing Equipment		7,096	
Furniture and Fixtures		2,500	
Motor Vehicles		15,750	
Total Ambulance/Emergency Medical Services			\$ 1,409,808

Total Ambulance Service Fund \$ 1,409,808

Drug Control Fund

Public Safety

Drug Enforcement

Evaluation and Testing	\$	420	
Veterinary Services		182	
Animal Food and Supplies		1,040	
Law Enforcement Supplies		18,444	
Trustee's Commission		462	
Total Drug Enforcement			\$ 20,548

Total Drug Control Fund 20,548

Highway/Public Works Fund

Highways

Administration

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

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Assistant(s)	\$	35,275	
Secretary(ies)		26,682	
Board and Committee Members Fees		16,800	
Social Security		10,833	
Pensions		7,929	
Medical Insurance		36,623	
Advertising		384	
Dues and Memberships		2,168	
Fiscal Agent Charges		15,000	
Maintenance and Repair Services - Buildings		966	
Travel		100	
Office Supplies		672	
Total Administration			\$ 223,660

Highway and Bridge Maintenance

Foremen	\$	58,937	
Equipment Operators - Heavy		77,028	
Equipment Operators - Light		140,453	
Truck Drivers		24,566	
Laborers		47,371	
Social Security		24,954	
Pensions		20,808	
Medical Insurance		98,821	
Rentals		255	
Other Contracted Services		67,711	
Asphalt - Cold Mix		4,263	
Asphalt - Hot Mix		605,238	
Crushed Stone		18,175	
Other Road Materials		2,463	
Pipe - Metal		4,187	
Road Signs		2,461	
Total Highway and Bridge Maintenance			1,197,691

Operation and Maintenance of Equipment

Mechanic(s)	\$	29,468	
Social Security		2,105	
Pensions		1,760	
Medical Insurance		12,499	
Other Contracted Services		543	
Diesel Fuel		52,348	
Equipment Parts - Heavy		10,894	
Equipment Parts - Light		17,835	
Garage Supplies		2,480	
Gasoline		40,272	
Lubricants		1,720	
Tires and Tubes		9,783	
Total Operation and Maintenance of Equipment			181,707

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Ferry Operations

Equipment Operators - Heavy	\$	52,151	
Social Security		3,720	
Pensions		3,115	
Medical Insurance		16,211	
Total Ferry Operations			\$ 75,197

Other Charges

Communication	\$	4,281	
Electricity		4,203	
Water and Sewer		690	
Trustee's Commission		20,807	
Vehicle and Equipment Insurance		24,168	
Workers' Compensation Insurance		25,520	
Total Other Charges			79,669

Capital Outlay

Bridge Construction	\$	22,750	
Highway Equipment		54,189	
Total Capital Outlay			76,939

Total Highway/Public Works Fund \$ 1,834,863

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	77,380	
Principal on Notes		164,851	
Total General Government			\$ 242,231

Education

Principal on Bonds	\$	1,466,624	
Total Education			1,466,624

Interest on Debt

General Government

Interest on Bonds	\$	14,533	
Interest on Notes		4,065	
Total General Government			18,598

Education

Interest on Bonds	\$	302,067	
Total Education			302,067

Other Debt Service

General Government

Trustee's Commission	\$	16,119	
Other Debt Service		652	
Total General Government			16,771

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Other Debt Service (Cont.)

Education

Other Debt Service	\$ 7,757	
Total Education		\$ 7,757

Total General Debt Service Fund \$ 2,054,048

General Capital Projects Fund

Capital Projects

General Administration Projects

Trustee's Commission	\$ 1,298	
Total General Administration Projects		\$ 1,298

Public Safety Projects

Motor Vehicles	\$ 139,697	
Total Public Safety Projects		139,697

Public Health and Welfare Projects

Transportation Equipment	\$ 260,000	
Total Public Health and Welfare Projects		260,000

Other General Government Projects

Other Construction	\$ 10,797	
Total Other General Government Projects		10,797

Highway and Street Capital Projects

Other Construction	\$ 15,268	
Total Highway and Street Capital Projects		15,268

Education Capital Projects

Contributions	\$ 25,000	
Total Education Capital Projects		25,000

Total General Capital Projects Fund 452,060

Other Capital Projects Fund

Other Debt Service

Education

Underwriter's Discount	\$ 45,056	
Other Debt Issuance Charges	48,995	
Total Education		\$ 94,051

Capital Projects

Education Capital Projects

Contributions	\$ 3,483,002	
Total Education Capital Projects		3,483,002

Total Other Capital Projects Fund 3,577,053

Total Governmental Funds - Primary Government \$ 15,738,429

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	7,008,079	
Career Ladder Program		47,250	
Career Ladder Extended Contracts		9,342	
Homebound Teachers		6,139	
Clerical Personnel		18,058	
Educational Assistants		140,183	
Bonus Payments		59,312	
Other Salaries and Wages		25,446	
Certified Substitute Teachers		14,280	
Non-certified Substitute Teachers		91,498	
Social Security		432,506	
Pensions		651,854	
Employee and Dependent Insurance		5,758	
Life Insurance		4,284	
Medical Insurance		881,287	
Unemployment Compensation		14,282	
Employer Medicare		101,173	
Maintenance and Repair Services - Equipment		500	
Tuition		3,507	
Instructional Supplies and Materials		88,925	
Textbooks		193,895	
Regular Instruction Equipment		2,791	
Total Regular Instruction Program			\$ 9,800,349

Special Education Program

Teachers	\$	996,570	
Career Ladder Program		6,500	
Homebound Teachers		6,666	
Educational Assistants		245,410	
Other Salaries and Wages		17,176	
Certified Substitute Teachers		912	
Non-certified Substitute Teachers		14,457	
Social Security		74,999	
Pensions		102,303	
Employee and Dependent Insurance		10,674	
Life Insurance		938	
Medical Insurance		119,976	
Unemployment Compensation		3,458	
Employer Medicare		17,848	
Maintenance and Repair Services - Equipment		2,375	
Instructional Supplies and Materials		27,919	
Other Supplies and Materials		32,668	
Special Education Equipment		39,752	
Total Special Education Program			1,720,601

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

Teachers	\$	686,094	
Career Ladder Program		1,000	
Certified Substitute Teachers		4,807	
Non-certified Substitute Teachers		10,020	
Social Security		40,279	
Pensions		61,746	
Life Insurance		387	
Medical Insurance		97,619	
Unemployment Compensation		1,473	
Employer Medicare		9,455	
Operating Lease Payments		1,529	
Maintenance and Repair Services - Buildings		4,419	
Maintenance and Repair Services - Equipment		2,609	
Rentals		950	
Duplicating Supplies		3,077	
Instructional Supplies and Materials		13,921	
Vocational Instruction Equipment		3,890	
Total Vocational Education Program			\$ 943,275

Support Services

Health Services

Medical Personnel	\$	80,099	
Other Salaries and Wages		69,651	
Social Security		8,474	
Pensions		12,855	
Employee and Dependent Insurance		264	
Life Insurance		96	
Medical Insurance		15,702	
Unemployment Compensation		277	
Employer Medicare		1,982	
Communication		857	
Travel		4,121	
Other Contracted Services		716	
Drugs and Medical Supplies		1,988	
Other Supplies and Materials		3,508	
Health Equipment		2,035	
Total Health Services			202,625

Other Student Support

Guidance Personnel	\$	300,781	
Social Security		17,479	
Pensions		25,703	
Life Insurance		172	
Medical Insurance		40,700	
Unemployment Compensation		668	
Employer Medicare		4,088	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Contracts with Government Agencies	\$	96,723	
Evaluation and Testing		11,026	
Travel		356	
Total Other Student Support			\$ 497,696

Regular Instruction Program

Supervisor/Director	\$	165,422	
Career Ladder Program		4,000	
Librarians		65,526	
Medical Personnel		800	
Social Security		13,699	
Pensions		21,289	
Life Insurance		100	
Medical Insurance		28,276	
Unemployment Compensation		271	
Employer Medicare		3,204	
Communication		969	
Contracts with Private Agencies		22,500	
Dues and Memberships		418	
Postal Charges		147	
Printing, Stationery, and Forms		3,633	
Travel		55,990	
Other Contracted Services		36,596	
Food Supplies		359	
Library Books/Media		1,047	
Office Supplies		4,217	
Other Supplies and Materials		54,178	
In Service/Staff Development		24,738	
Other Charges		4,905	
Data Processing Equipment		22,004	
Office Equipment		1,514	
Total Regular Instruction Program			535,802

Special Education Program

Career Ladder Program	\$	1,000	
Secretary(ies)		139,176	
Other Salaries and Wages		73,682	
Social Security		12,883	
Pensions		14,305	
Employee and Dependent Insurance		5,942	
Life Insurance		191	
Medical Insurance		8,981	
Unemployment Compensation		565	
Employer Medicare		3,013	
Communication		1,689	
Operating Lease Payments		2,203	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Travel	\$	8,642	
Other Contracted Services		98,196	
Duplicating Supplies		938	
Other Supplies and Materials		40,044	
In Service/Staff Development		57,114	
Other Equipment		95,948	
Total Special Education Program			\$ 564,512

Vocational Education Program

Supervisor/Director	\$	74,244	
Career Ladder Program		1,000	
Secretary(ies)		27,534	
Social Security		5,930	
Pensions		8,468	
Employee and Dependent Insurance		1,931	
Life Insurance		49	
Medical Insurance		11,962	
Unemployment Compensation		144	
Employer Medicare		1,387	
Travel		3,043	
Total Vocational Education Program			135,692

Other Programs

On-behalf Payments to OPEB	\$	74,420	
Total Other Programs			74,420

Board of Education

Secretary to Board	\$	3,600	
Clerical Personnel		44,297	
Board and Committee Members Fees		25,200	
Social Security		4,462	
Pensions		2,992	
Life Insurance		24	
Unemployment Compensation		77	
Employer Medicare		1,044	
Audit Services		9,500	
Dues and Memberships		14,992	
Operating Lease Payments		1,404	
Legal Services		26,532	
Legal Notices, Recording, and Court Costs		112	
Duplicating Supplies		4,285	
Other Supplies and Materials		16,212	
Liability Insurance		90,600	
Trustee's Commission		94,028	
Workers' Compensation Insurance		133,302	
Fee Waivers		5,410	
Total Board of Education			478,073

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools

County Official/Administrative Officer	\$	93,900	
Career Ladder Program		2,152	
Social Security		5,776	
Pensions		8,726	
Life Insurance		24	
Medical Insurance		13,583	
Unemployment Compensation		72	
Employer Medicare		1,351	
Communication		1,335	
Postal Charges		980	
Travel		4,679	
Office Supplies		534	
Total Director of Schools			\$ 133,112

Office of the Principal

Principals	\$	605,002	
Career Ladder Program		7,000	
Assistant Principals		144,086	
Secretary(ies)		290,007	
Social Security		61,211	
Pensions		85,742	
Employee and Dependent Insurance		10,676	
Life Insurance		695	
Medical Insurance		82,118	
Unemployment Compensation		1,972	
Employer Medicare		14,330	
Communication		66,577	
Operating Lease Payments		20,328	
Duplicating Supplies		34,748	
Other Charges		2,002	
Total Office of the Principal			1,426,494

Fiscal Services

Fiscal Agent Charges	\$	163,769	
Total Fiscal Services			163,769

Operation of Plant

Custodial Personnel	\$	445,135	
Social Security		27,460	
Pensions		24,608	
Employee and Dependent Insurance		4,390	
Life Insurance		679	
Medical Insurance		828	
Unemployment Compensation		2,372	
Employer Medicare		6,422	
Contracts with Government Agencies		165	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Contracts with Private Agencies	\$	75,120	
Permits		690	
Custodial Supplies		51,157	
Electricity		662,109	
Natural Gas		100,896	
Water and Sewer		117,245	
Building and Contents Insurance		142,660	
Total Operation of Plant			\$ 1,661,936

Maintenance of Plant

Maintenance Personnel	\$	113,101	
Social Security		6,617	
Pensions		6,893	
Life Insurance		74	
Medical Insurance		14,546	
Unemployment Compensation		197	
Employer Medicare		1,547	
Communication		527	
Contracts with Private Agencies		51,650	
Maintenance and Repair Services - Buildings		103,463	
Maintenance and Repair Services - Equipment		134,430	
Maintenance and Repair Services - Vehicles		505	
Travel		883	
Gasoline		3,469	
Motor Vehicles		27,427	
Total Maintenance of Plant			465,329

Transportation

Other Salaries and Wages	\$	48,093	
Social Security		2,963	
Pensions		722	
Life Insurance		9	
Unemployment Compensation		330	
Employer Medicare		693	
Contracts with Vehicle Owners		1,070,234	
Diesel Fuel		4,165	
Gravel and Chert		314	
Other Equipment		36,059	
Total Transportation			1,163,582

Central and Other

Other Salaries and Wages	\$	266,405	
Social Security		16,098	
Pensions		17,732	
Life Insurance		169	
Medical Insurance		14,546	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other (Cont.)

Unemployment Compensation	\$	432	
Employer Medicare		3,765	
Communication		1,134	
Contracts with Other Public Agencies		40,028	
Maintenance Agreements		2,246	
Maintenance and Repair Services - Equipment		103,777	
Maintenance and Repair Services - Office Equipment		66,021	
Travel		4,444	
Gasoline		559	
Office Supplies		478	
Vehicle Parts		40	
Other Equipment		67,697	
Total Central and Other			\$ 605,571

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	46,711	
Other Salaries and Wages		65,617	
Social Security		6,580	
Pensions		2,194	
Life Insurance		24	
Medical Insurance		11,451	
Unemployment Compensation		360	
Employer Medicare		1,539	
Travel		681	
Other Charges		7,857	
Total Community Services			143,014

Early Childhood Education

Supervisor/Director	\$	6,830	
Teachers		117,275	
Bus Drivers		12,795	
Educational Assistants		35,301	
Other Salaries and Wages		5,620	
Non-certified Substitute Teachers		1,724	
Social Security		10,260	
Pensions		13,929	
Life Insurance		149	
Medical Insurance		24,307	
Unemployment Compensation		502	
Employer Medicare		2,399	
Maintenance and Repair Services - Equipment		2,806	
Travel		130	
Instructional Supplies and Materials		28,010	
Other Supplies and Materials		24,034	
In Service/Staff Development		1,435	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Early Childhood Education (Cont.)

Other Charges	\$ 8,866	
Regular Instruction Equipment	30,016	
Total Early Childhood Education		\$ 326,388

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$ 24,930	
Total Education		24,930

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$ 1,070	
Total Education		1,070

Other Debt Service

Education

Other Debt Service	\$ 500,000	
Total Education		500,000

Total General Purpose School Fund \$ 21,568,240

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 161,053	
Educational Assistants	229,678	
Other Salaries and Wages	15,754	
Certified Substitute Teachers	1,789	
Non-certified Substitute Teachers	24,504	
Social Security	26,058	
Pensions	29,802	
Employee and Dependent Insurance	6,849	
Life Insurance	510	
Medical Insurance	21,518	
Unemployment Compensation	1,828	
Employer Medicare	6,095	
Instructional Supplies and Materials	201,015	
Other Supplies and Materials	26,951	
Other Charges	1,406	
Regular Instruction Equipment	38,307	
Total Regular Instruction Program		\$ 793,117

Special Education Program

Teachers	\$ 300,830
Educational Assistants	123,211
Speech Pathologist	107,605

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Salaries and Wages	\$	5,811	
Certified Substitute Teachers		3,000	
Non-certified Substitute Teachers		3,880	
Social Security		31,522	
Pensions		44,339	
Employee and Dependent Insurance		4,918	
Life Insurance		433	
Medical Insurance		59,684	
Unemployment Compensation		1,325	
Employer Medicare		7,372	
Total Special Education Program			\$ 693,930

Vocational Education Program

Instructional Supplies and Materials	\$	10,709	
Other Supplies and Materials		4,022	
Vocational Instruction Equipment		11,243	
Total Vocational Education Program			25,974

Support Services

Other Student Support

Other Salaries and Wages	\$	212,275	
Social Security		12,847	
Pensions		19,191	
Life Insurance		98	
Medical Insurance		15,920	
Unemployment Compensation		287	
Employer Medicare		3,004	
Travel		14,986	
Other Charges		8,578	
Total Other Student Support			287,186

Regular Instruction Program

Supervisor/Director	\$	87,666	
Clerical Personnel		41,754	
Other Salaries and Wages		141,632	
In-service Training		37,827	
Social Security		18,320	
Pensions		26,178	
Life Insurance		98	
Medical Insurance		25,876	
Unemployment Compensation		413	
Employer Medicare		4,285	
Communication		1,238	
Consultants		7,200	
Travel		15,822	
Other Supplies and Materials		4,554	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

In Service/Staff Development	\$	46,530	
Other Charges		1,046	
Other Equipment		4,780	
Total Regular Instruction Program			\$ 465,219

Special Education Program

Supervisor/Director	\$	81,962	
Psychological Personnel		50,955	
Other Salaries and Wages		39,092	
Social Security		10,423	
Pensions		15,550	
Life Insurance		62	
Medical Insurance		10,485	
Unemployment Compensation		216	
Employer Medicare		2,438	
Total Special Education Program			211,183

Transportation

Contracts with Parents	\$	164	
Contracts with Vehicle Owners		129,220	
Total Transportation			129,384

Total School Federal Projects Fund \$ 2,605,993

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	52,282
Career Ladder Program		1,000
Cafeteria Personnel		508,805
Social Security		34,329
Pensions		32,291
Life Insurance		801
Medical Insurance		22,213
Unemployment Compensation		4,184
Employer Medicare		8,028
Fiscal Agent Charges		13,556
Maintenance and Repair Services - Equipment		28,510
Travel		2,160
Other Contracted Services		34,615
Food Preparation Supplies		73,045
Food Supplies		640,147
Office Supplies		1,243
USDA - Commodities		75,285
Other Supplies and Materials		768
Refunds		162

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Other Charges	\$ 1,219	
Food Service Equipment	406	
Total Food Service		<u>\$ 1,535,049</u>

Total Central Cafeteria Fund \$ 1,535,049

Other Education Special Revenue Fund

Instruction

Regular Instruction Program

Contracts with Private Agencies	\$ 9,903,965	
Total Regular Instruction Program		\$ 9,903,965

Support Services

Office of the Principal

Principals	\$ 75,000	
Social Security	4,650	
Pensions	6,780	
Life Insurance	21	
Unemployment Compensation	72	
Employer Medicare	1,088	
Communication	464	
Data Processing Services	9,418	
Total Office of the Principal		<u>97,493</u>

Total Other Education Special Revenue Fund 10,001,458

Education Capital Projects Fund

Capital Outlay

Regular Capital Outlay

Building Improvements	\$ 26,076	
Heating and Air Conditioning Equipment	97,934	
Total Regular Capital Outlay		<u>\$ 124,010</u>

Total Education Capital Projects Fund 124,010

Other Capital Projects Fund

Capital Projects

Education Capital Projects

Contracts with Private Agencies	\$ 1,705,777	
Total Education Capital Projects		<u>\$ 1,705,777</u>

Total Other Capital Projects Fund 1,705,777

Total Governmental Funds - Union County School Department \$ 37,540,527

Exhibit J-9

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

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 603,662
Total Cash Receipts	<u>\$ 603,662</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 597,625
Trustee's Commission	6,037
Total Cash Disbursements	<u>\$ 603,662</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2014	<u>0</u>
Cash Balance, June 30, 2015	<u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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

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

Independent Auditor's Report

Union County Mayor and  
Board of County Commissioners  
Union 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 Union County, Tennessee as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Union County's basic financial statements, and have issued our report thereon dated September 18, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Union County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Union County's internal control. Accordingly, we do not express an opinion on the effectiveness of Union County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material*

*weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

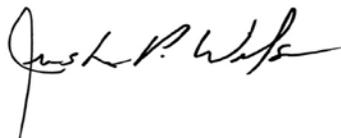
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Union County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

September 18, 2015

JPW/yu



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners

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

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

*Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Union County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

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

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

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

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

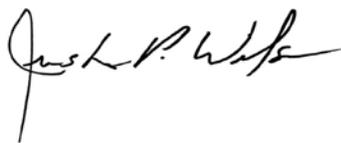
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Union County, Tennessee, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Union County's basic financial statements. We issued our report thereon dated September 18, 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

September 18, 2015

JPW/yu

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

Federal/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 75,285 (3)
National School Lunch Program (Commodities - Cash Assistance)	10.555	N/A	3,307 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	311,980
National School Lunch Program	10.555	N/A	1,007,449 (3)
Direct Program:			
Community Facilities Loans and Grants	10.766	N/A	16,900
Total U.S. Department of Agriculture			<u>\$ 1,414,921</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Community Development Block Grants/State's Program	14.228	(2)	\$ 28,204
Total U.S. Department of Housing and Urban Development			<u>\$ 28,204</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	N/A	\$ 19,684
Total U.S. Department of Transportation			<u>\$ 19,684</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,266,192
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,028,757
Special Education - Preschool Grants	84.173	N/A	18,839
Career and Technical Education - Basic Grants to States	84.048	N/A	41,094
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	123,778
Rural Education	84.358	N/A	62,644
English Language Acquisition Grants	84.365	N/A	1,910
Improving Teacher Quality State Grants	84.367	N/A	175,854
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	28,874
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	N/A	36,478
Total U.S. Department of Education			<u>\$ 2,784,420</u>
U.S. Department of Health and Human Services:			
Passed-through East Tennessee Human Resource Agency:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(2)	\$ 12,953
Passed-through State Department of Mental Health and Developmental Disabilities:			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	GG1132364	54,159
Total U.S. Department of Health and Human Services			<u>\$ 67,112</u>

(Continued)

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

Federal/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security: Passed-through State Department of Military: Homeland Security Grant Program	97.067	(2)	\$ 6,804
Total U.S. Department of Homeland Security			<u>\$ 6,804</u>
Total Expenditures of Federal Awards			<u>\$ 4,321,145</u>
		<u>Contract Number</u>	
<u>State Grants</u>			
Health Department Programs - State Department of Health	N/A	(2)	\$ 71,998
Litter Grant - State Department of Transportation	N/A	(2)	33,885
Family Resource Center - State Department of Education	N/A	(2)	29,612
Consolidated School Health Grant - State Department of Education	N/A	(2)	81,874
Safe Schools Act - State Department of Education	N/A	(2)	36,660
Early Childhood Education Grants - State Department of Education	N/A	(2)	<u>359,991</u>
Total State Grants			<u>\$ 614,020</u>

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

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$1,086,041.

Union County, Tennessee  
Schedule of Audit Finding Not Corrected  
June 30, 2015

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. Presented below is a finding from the Annual Financial Report for Union County, Tennessee, for the year ended June 30, 2014, which has not been corrected.

**OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER OF DEEDS, SHERIFF, AND THE AMBULANCE SERVICE**

Finding Number	Page Number	Subject
2014-001	157	Duties were not segregated adequately

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**UNION COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2015**

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

1. Our report on the financial statements of Union County is unmodified.
2. The audit of the financial statements of Union County disclosed a significant deficiency in internal control. This deficiency was not considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Union County.
4. The audit disclosed no material weaknesses in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555) and the Title I Grants to Local Educational Agencies (CFDA No. 84.010) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Union County qualified as a low-risk auditee.

## PART II, FINDING RELATING TO THE FINANCIAL STATEMENTS

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

### **OFFICES OF CIRCUIT AND GENERAL SESSIONS COURTS CLERK, CLERK AND MASTER, REGISTER OF DEEDS, SHERIFF, AND THE AMBULANCE SERVICE**

#### **FINDING 2015-001**

#### **DUTIES WERE NOT SEGREGATED ADEQUATELY**

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

Duties were not segregated adequately among officials and employees in the Offices of Circuit and General Sessions Courts Clerk, Clerk and Master, Register of Deeds, Sheriff, and the Ambulance Service. Officials and 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 give reasonable assurance of the reliability of financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

#### **RECOMMENDATION**

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

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

There were no findings and questioned costs for federal awards.

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

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