

ANNUAL FINANCIAL REPORT
HUMPHREYS COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2016



DIVISION OF LOCAL GOVERNMENT AUDIT



**ANNUAL FINANCIAL REPORT
HUMPHREYS COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2016**

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

***DIVISION OF LOCAL GOVERNMENT AUDIT
JAMES R. ARNETTE
Director***

***LEE ANN WEST, CPA, CGFM
Audit Manager***

***TIFFANY NOLEN, CFE
Auditor 4***

***JAKE McNATT, CFE
BETHANY GRAVES
State Auditors***

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

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Summary of Audit Findings

Annual Financial Report
Humphreys County, Tennessee
For the Year Ended June 30, 2016

Scope

We have audited the basic financial statements of Humphreys County as of and for the year ended June 30, 2016.

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY EXECUTIVE

- ◆ A formal purchase order system had not been established.

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Federal Projects Fund had a cash overdraft of \$22,400 at June 30, 2016.
- ◆ The director of schools had not obtained adequate surety bond coverage.
- ◆ The office had deficiencies in computer system backup procedures.

OFFICE OF SHERIFF

- ◆ A theft occurred at the Sheriff's Department.
 - ◆ Inventory records were not maintained for evidence and seized property.
-

HUMPHREYS COUNTY

- ◆ The county used a questionable method of funding workers' compensation expenses, general liability insurance, officials' corporate surety bonds, and employees' dishonesty bonds.
- ◆ Humphreys County has a material recurring audit finding.

INTRODUCTORY SECTION

Humphreys County Officials
June 30, 2016

Officials

Jessie Wallace, County Executive
Randy Woods, Road Supervisor
James Long, Director of Schools
Leigh Ann Stanfield, Trustee
Vickie Cowell, Assessor of Property
Cindy Wilson, County Clerk
Elaine Choate, Circuit and General Sessions Courts Clerk
Michael Bullion, Clerk and Master
Jan Crowell, Register of Deeds
Chris Davis, Sheriff

Board of County Commissioners

Jessie Wallace, County Executive, Chairman
Terry Coleman
Tim Daniel
Chris Dellinger
Taylor Hall
Kay Hampton
Ricky Hooper
Ronald Hughes

John E. Hunt
John Hurt
Larry Mayberry
Marilyn Phillips
Edward Rochelle
Larry Smith
Daniel Waggoner

Board of Education

Gene Trotter, Chairman
Billy Daniel
Jimmy Wayne Jones
Dwayne Ross
James Simmons
Kenneth Wallace
Johnny Whitfield

Audit Committee

Larry Mayberry, Chairman
Tim Daniel
Taylor Hall
Ronald Hughes
John Hurt
Larry Smith
Daniel Waggoner

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
JAMES K. POLK STATE OFFICE BUILDING
NASHVILLE, TENNESSEE 37243-1402
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Independent Auditor's Report

Humphreys County Executive and
Board of County Commissioners
Humphreys County, Tennessee

To the County Executive and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Humphreys County, Tennessee, as of and for the year ended June 30, 2016, 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Humphreys County, Tennessee, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Solid Waste/Sanitation, 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., Humphreys County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68 and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension asset and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension assets, and schedule of funding progress – other postemployment benefits plan on pages 81-90 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 Humphreys 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 Humphreys 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 Humphreys 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 additional procedures discussed 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 Humphreys 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 October 13, 2016, on our consideration of Humphreys 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 Humphreys County's internal control over financial reporting and compliance.

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

October 13, 2016

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Humphreys County, Tennessee
Statement of Net Position
June 30, 2016

| | Primary Government | | | Component Unit |
|--|-------------------------|--------------------------|---------------|------------------------------------|
| | Governmental Activities | Business-type Activities | Total | Humphreys County School Department |
| <u>ASSETS</u> | | | | |
| Cash | \$ 7,711 | \$ 0 | \$ 7,711 | \$ 0 |
| Equity in Pooled Cash and Investments | 14,961,525 | 247,255 | 15,208,780 | 2,428,917 |
| Accounts Receivable | 126 | 10,493 | 10,619 | 6,699 |
| Due from Other Governments | 655,137 | 0 | 655,137 | 627,468 |
| Property Taxes Receivable | 6,636,862 | 0 | 6,636,862 | 3,502,790 |
| Allowance for Uncollectible Property Taxes | (156,257) | 0 | (156,257) | (82,469) |
| Restricted Assets: | | | | |
| Other Restricted Assets | 0 | 113,276 | 113,276 | 0 |
| Net Pension Asset - Agent Plan | 544,894 | 0 | 544,894 | 120,260 |
| Net Pension Asset - Teacher Retirement Plan | 0 | 0 | 0 | 5,765 |
| Capital Assets Not Depreciated: | | | | |
| Land | 1,498,084 | 12,000 | 1,510,084 | 141,175 |
| Construction in Progress | 152,706 | 0 | 152,706 | 0 |
| Assets Net of Accumulated Depreciation: | | | | |
| Buildings and Improvements | 5,094,699 | 42,246 | 5,136,945 | 9,245,659 |
| Infrastructure | 15,356,266 | 572,159 | 15,928,425 | 35,587 |
| Other Capital Assets | 1,506,005 | 22,404 | 1,528,409 | 1,253,832 |
| Total Assets | \$ 46,257,758 | \$ 1,019,833 | \$ 47,277,591 | \$ 17,285,683 |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | | |
| Pension Changes in Experience | \$ 0 | \$ 0 | \$ 0 | \$ 97,265 |
| Pension Changes - Other Deferrals | 0 | 0 | 0 | 83,185 |
| Pension Contributions after Measurement Date | 347,790 | 0 | 347,790 | 1,247,934 |
| Total Deferred Outflows of Resources | \$ 347,790 | \$ 0 | \$ 347,790 | \$ 1,428,384 |
| <u>LIABILITIES</u> | | | | |
| Accounts Payable | \$ 71,513 | \$ 3,580 | \$ 75,093 | \$ 0 |
| Payroll Deductions Payable | 4 | 0 | 4 | 65,008 |
| Cash Overdraft | 0 | 0 | 0 | 22,400 |
| Contracts Payable | 7,258 | 0 | 7,258 | 0 |
| Accrued Interest Payable | 2,378 | 0 | 2,378 | 0 |
| Customer Deposits Payable | 0 | 113,276 | 113,276 | 0 |
| Noncurrent Liabilities: | | | | |
| Due Within One Year | 641,829 | 0 | 641,829 | 0 |
| Due in More Than One Year | 2,563,973 | 0 | 2,563,973 | 5,465,679 |
| Total Liabilities | \$ 3,286,955 | \$ 116,856 | \$ 3,403,811 | \$ 5,553,087 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Deferred Current Property Taxes | \$ 6,359,439 | \$ 0 | \$ 6,359,439 | \$ 3,356,371 |
| Pension Changes in Experience | 113,698 | 0 | 113,698 | 1,913,402 |
| Pension Changes in Investment Earnings | 203,982 | 0 | 203,982 | 827,032 |
| Pension Other Deferrals | 0 | 0 | 0 | 10,711 |
| Total Deferred Inflows of Resources | \$ 6,677,119 | \$ 0 | \$ 6,677,119 | \$ 6,107,516 |

(Continued)

Exhibit A

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

| | Primary Government | | | Component Unit |
|---|-------------------------|--------------------------|----------------------|------------------------------------|
| | Governmental Activities | Business-type Activities | Total | Humphreys County School Department |
| <u>NET POSITION</u> | | | | |
| Net Investment in Capital Assets | \$ 23,377,760 | \$ 648,809 | \$ 24,026,569 | \$ 10,676,253 |
| Restricted for: | | | | |
| General Government | 391,327 | 0 | 391,327 | 0 |
| Finance | 1,852 | 0 | 1,852 | 0 |
| Administration of Justice | 73,187 | 0 | 73,187 | 0 |
| Public Safety | 486,804 | 0 | 486,804 | 0 |
| Public Health and Welfare | 1,621,250 | 0 | 1,621,250 | 0 |
| Highways/Public Works | 2,584,004 | 0 | 2,584,004 | 0 |
| Education | 0 | 0 | 0 | 126,025 |
| Operation of Non-instructional Services | 0 | 0 | 0 | 127,751 |
| Debt Service | 1,721,628 | 0 | 1,721,628 | 0 |
| Capital Projects | 670,472 | 0 | 670,472 | 0 |
| Other Purposes | 544,894 | 0 | 544,894 | 0 |
| Unrestricted | 5,168,296 | 254,168 | 5,422,464 | (3,876,565) |
| Total Net Position | <u>\$ 36,641,474</u> | <u>\$ 902,977</u> | <u>\$ 37,544,451</u> | <u>\$ 7,053,464</u> |

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

Exhibit B

Humphreys County, Tennessee
Statement of Activities
For the Year Ended June 30, 2016

| Functions/Programs | Net (Expense) Revenue and Changes in Net Position | | | | | | | | Component Unit Humphreys County School Department |
|---|---|----------------------|------------------------------------|----------------------------------|-------------------------|--------------------------|----------------|-----------------|--|
| | Expenses | Program Revenues | | | Primary Government | | | Total | |
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | | | |
| Primary Government: | | | | | | | | | |
| Governmental Activities: | | | | | | | | | |
| General Government | \$ 2,260,077 | \$ 167,296 | \$ 256,439 | \$ 140,632 | \$ (1,695,710) | \$ 0 | \$ (1,695,710) | \$ 0 | |
| Finance | 749,691 | 625,380 | 0 | 0 | (124,311) | 0 | (124,311) | 0 | |
| Administration of Justice | 810,405 | 341,878 | 13,725 | 0 | (454,802) | 0 | (454,802) | 0 | |
| Public Safety | 3,040,208 | 256,745 | 148,420 | 0 | (2,635,043) | 0 | (2,635,043) | 0 | |
| Public Health and Welfare | 1,445,295 | 19,258 | 164,626 | 0 | (1,261,411) | 0 | (1,261,411) | 0 | |
| Social, Cultural, and Recreational Services | 290,509 | 0 | 15,528 | 0 | (274,981) | 0 | (274,981) | 0 | |
| Agriculture and Natural Resources | 245,159 | 0 | 9,000 | 0 | (236,159) | 0 | (236,159) | 0 | |
| Highways/Public Works | 3,721,552 | 35,529 | 2,207,695 | 351,378 | (1,126,950) | 0 | (1,126,950) | 0 | |
| Education | 551,549 | 0 | 15,330 | 0 | (536,219) | 0 | (536,219) | 0 | |
| Interest on Long-term Debt | 19,640 | 0 | 0 | 0 | (19,640) | 0 | (19,640) | 0 | |
| Total Governmental Activities | \$ 13,134,085 | \$ 1,446,086 | \$ 2,830,763 | \$ 492,010 | \$ (8,365,226) | \$ 0 | \$ (8,365,226) | \$ 0 | |
| Business-type Activities: | | | | | | | | | |
| Public Utility | \$ 140,488 | \$ 102,038 | \$ 0 | \$ 0 | \$ 0 | \$ (38,450) | \$ (38,450) | \$ 0 | |
| Total Primary Government | \$ 13,274,573 | \$ 1,548,124 | \$ 2,830,763 | \$ 492,010 | \$ (8,365,226) | \$ (38,450) | \$ (8,403,676) | \$ 0 | |
| Component Unit: | | | | | | | | | |
| Humphreys County School Department | \$ 23,802,959 | \$ 687,648 | \$ 3,568,960 | \$ 53,657 | \$ 0 | \$ 0 | \$ 0 | \$ (19,492,694) | |
| Total Component Unit | \$ 23,802,959 | \$ 687,648 | \$ 3,568,960 | \$ 53,657 | \$ 0 | \$ 0 | \$ 0 | \$ (19,492,694) | |

(Continued)

Exhibit B

Humphreys County, Tennessee
Statement of Activities (Cont.)

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | Component Unit Humphreys County School Department |
|--|----------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------------|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | |
| | | | | | Governmental Activities | Business-type Activities | Total | |
| General Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property Taxes Levied for General Purposes | | | | | \$ 5,769,845 | \$ 0 | \$ 5,769,845 | \$ 3,504,696 |
| Property Taxes Levied for Debt Service | | | | | 811,077 | 0 | 811,077 | 0 |
| Local Option Sales Tax | | | | | 1,074,402 | 0 | 1,074,402 | 2,668,800 |
| Hotel/Motel Tax | | | | | 116,544 | 0 | 116,544 | 0 |
| Litigation Taxes | | | | | 151,252 | 0 | 151,252 | 0 |
| Business Tax | | | | | 167,244 | 0 | 167,244 | 0 |
| Wholesale Beer Tax | | | | | 74,921 | 0 | 74,921 | 0 |
| Other Local Taxes | | | | | 2,247 | 0 | 2,247 | 1,674 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 1,958,112 | 0 | 1,958,112 | 14,372,250 |
| Unrestricted Investment Income | | | | | 46,416 | 0 | 46,416 | 0 |
| Miscellaneous | | | | | 13,800 | 0 | 13,800 | 109,919 |
| Total General Revenues | | | | | \$ 10,185,860 | \$ 0 | \$ 10,185,860 | \$ 20,657,339 |
| Change in Net Position | | | | | \$ 1,820,634 | \$ (38,450) | \$ 1,782,184 | \$ 1,164,645 |
| Net Position, July 1, 2015 | | | | | 34,820,840 | 941,427 | 35,762,267 | 5,888,819 |
| Net Position, June 30, 2016 | | | | | \$ 36,641,474 | \$ 902,977 | \$ 37,544,451 | \$ 7,053,464 |

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

Exhibit C-1

Humphreys County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2016

| | Major Funds | | | | Nonmajor Funds | Total Governmental Funds |
|--|---------------|--------------------------------|------------------------------|----------------------------|-------------------------------------|--------------------------------|
| | General | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | Other Govern- mental Funds | |
| <u>ASSETS</u> | | | | | | |
| Cash | \$ 4,196 | \$ 0 | \$ 0 | \$ 0 | \$ 3,515 | \$ 7,711 |
| Equity in Pooled Cash and Investments | 7,890,117 | 1,697,975 | 2,437,806 | 1,781,141 | 1,154,310 | 14,961,349 |
| Accounts Receivable | 0 | 0 | 126 | 0 | 0 | 126 |
| Due from Other Governments | 324,046 | 0 | 323,833 | 0 | 7,258 | 655,137 |
| Due from Other Funds | 3,515 | 0 | 2,745 | 0 | 0 | 6,260 |
| Property Taxes Receivable | 3,548,879 | 921,786 | 921,786 | 829,608 | 414,803 | 6,636,862 |
| Allowance for Uncollectible Property Taxes | (83,554) | (21,703) | (21,703) | (19,532) | (9,765) | (156,257) |
| Total Assets | \$ 11,687,199 | \$ 2,598,058 | \$ 3,664,593 | \$ 2,591,217 | \$ 1,570,121 | \$ 22,111,188 |
| <u>LIABILITIES</u> | | | | | | |
| Accounts Payable | \$ 49,077 | \$ 20,533 | \$ 0 | \$ 0 | \$ 1,903 | \$ 71,513 |
| Payroll Deductions Payable | 0 | 0 | 4 | 0 | 0 | 4 |
| Contracts Payable | 0 | 0 | 0 | 0 | 7,258 | 7,258 |
| Due to Other Funds | 431 | 2,011 | 0 | 0 | 3,642 | 6,084 |
| Total Liabilities | \$ 49,508 | \$ 22,544 | \$ 4 | \$ 0 | \$ 12,803 | \$ 84,859 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | | |
| Deferred Current Property Taxes | \$ 3,400,534 | \$ 883,255 | \$ 883,255 | \$ 794,930 | \$ 397,465 | \$ 6,359,439 |
| Deferred Delinquent Property Taxes | 55,832 | 14,501 | 14,501 | 13,052 | 6,728 | 104,614 |
| Other Deferred/Unavailable Revenue | 138,328 | 0 | 161,916 | 0 | 0 | 300,244 |
| Total Deferred Inflows of Resources | \$ 3,594,694 | \$ 897,756 | \$ 1,059,672 | \$ 807,982 | \$ 404,193 | \$ 6,764,297 |

(Continued)

Exhibit C-1

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

| | Major Funds | | | | Nonmajor | Total |
|---|----------------------|--------------------------------|------------------------------|----------------------------|-------------------------------------|----------------------|
| | General | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | Other Govern- mental Funds | |
| <u>FUND BALANCES</u> | | | | | | |
| Restricted: | | | | | | |
| Restricted for General Government | \$ 24,618 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 24,618 |
| Restricted for Finance | 1,852 | 0 | 0 | 0 | 0 | 1,852 |
| Restricted for Administration of Justice | 73,187 | 0 | 0 | 0 | 0 | 73,187 |
| Restricted for Public Safety | 153,450 | 0 | 0 | 0 | 329,527 | 482,977 |
| Restricted for Public Health and Welfare | 73,358 | 1,533,391 | 0 | 0 | 0 | 1,606,749 |
| Restricted for Other Operations | 296,032 | 0 | 0 | 0 | 0 | 296,032 |
| Restricted for Highways/Public Works | 0 | 0 | 2,490,016 | 0 | 0 | 2,490,016 |
| Restricted for Debt Service | 0 | 0 | 0 | 1,710,954 | 0 | 1,710,954 |
| Restricted for Capital Projects | 0 | 0 | 0 | 0 | 667,571 | 667,571 |
| Restricted for Other Purposes | 0 | 0 | 0 | 0 | 53,177 | 53,177 |
| Committed: | | | | | | |
| Committed for General Government | 1,497,926 | 0 | 0 | 0 | 0 | 1,497,926 |
| Committed for Public Safety | 69,760 | 0 | 0 | 0 | 0 | 69,760 |
| Committed for Public Health and Welfare | 0 | 144,367 | 0 | 0 | 0 | 144,367 |
| Committed for Highways/Public Works | 0 | 0 | 114,901 | 0 | 0 | 114,901 |
| Committed for Debt Service | 0 | 0 | 0 | 72,281 | 0 | 72,281 |
| Committed for Capital Projects | 0 | 0 | 0 | 0 | 102,850 | 102,850 |
| Unassigned | 5,852,814 | 0 | 0 | 0 | 0 | 5,852,814 |
| Total Fund Balances | <u>\$ 8,042,997</u> | <u>\$ 1,677,758</u> | <u>\$ 2,604,917</u> | <u>\$ 1,783,235</u> | <u>\$ 1,153,125</u> | <u>\$ 15,262,032</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 11,687,199</u> | <u>\$ 2,598,058</u> | <u>\$ 3,664,593</u> | <u>\$ 2,591,217</u> | <u>\$ 1,570,121</u> | <u>\$ 22,111,188</u> |

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

Exhibit C-2

Humphreys County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2016

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) | | \$ 15,262,032 |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | |
| Add: land | \$ 1,498,084 | |
| Add: construction in progress | 152,706 | |
| Add: buildings and improvements net of accumulated depreciation | 5,094,699 | |
| Add: infrastructure net of accumulated depreciation | 15,356,266 | |
| Add: other capital assets net of accumulated depreciation | <u>1,506,005</u> | 23,607,760 |
| (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 | \$ (230,000) | |
| Less: other loans payable | (1,935,000) | |
| Less: compensated absences payable | (163,888) | |
| Less: landfill closure/postclosure care costs | (876,914) | |
| Less: accrued interest on notes | <u>(2,378)</u> | (3,208,180) |
| (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 | \$ 347,790 | |
| Less: deferred inflows of resources related to pensions | <u>(317,680)</u> | 30,110 |
| (4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds. | | 544,894 |
| (5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | <u>404,858</u> |
| Net position of governmental activities (Exhibit A) | | <u>\$ 36,641,474</u> |

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

Exhibit C-3

Humphreys County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2016

| | Major Funds | | | | Nonmajor | Total |
|---|---------------------|--------------------------------|------------------------------|----------------------------|-------------------------------------|----------------------|
| | General | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | Other Govern- mental Funds | |
| <u>Revenues</u> | | | | | | |
| Local Taxes | \$ 5,199,835 | \$ 922,599 | \$ 920,545 | \$ 799,506 | \$ 355,509 | \$ 8,197,994 |
| Fines, Forfeitures, and Penalties | 78,803 | 0 | 0 | 0 | 146,384 | 225,187 |
| Charges for Current Services | 13,953 | 15,926 | 0 | 0 | 4,260 | 34,139 |
| Other Local Revenues | 161,681 | 3,332 | 38,465 | 46,405 | 35,775 | 285,658 |
| Fees Received From County Officials | 925,097 | 0 | 0 | 0 | 0 | 925,097 |
| State of Tennessee | 2,472,668 | 10,465 | 2,183,566 | 0 | 0 | 4,666,699 |
| Federal Government | 54,981 | 0 | 369,925 | 0 | 140,632 | 565,538 |
| Other Governments and Citizens Groups | 41,219 | 0 | 0 | 0 | 0 | 41,219 |
| Total Revenues | \$ 8,948,237 | \$ 952,322 | \$ 3,512,501 | \$ 845,911 | \$ 682,560 | \$ 14,941,531 |
| <u>Expenditures</u> | | | | | | |
| Current: | | | | | | |
| General Government | \$ 979,140 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 979,140 |
| Finance | 571,110 | 0 | 0 | 0 | 0 | 571,110 |
| Administration of Justice | 645,277 | 0 | 0 | 0 | 4,260 | 649,537 |
| Public Safety | 2,238,232 | 0 | 0 | 0 | 265,713 | 2,503,945 |
| Public Health and Welfare | 615,131 | 635,375 | 0 | 0 | 0 | 1,250,506 |
| Social, Cultural, and Recreational Services | 168,028 | 0 | 0 | 0 | 0 | 168,028 |
| Agriculture and Natural Resources | 195,129 | 0 | 0 | 0 | 0 | 195,129 |
| Other Operations | 2,427,164 | 75,469 | 0 | 0 | 12,904 | 2,515,537 |
| Highways | 0 | 0 | 3,085,087 | 0 | 0 | 3,085,087 |
| Debt Service: | | | | | | |
| Principal on Debt | 0 | 0 | 0 | 559,200 | 0 | 559,200 |
| Interest on Debt | 0 | 0 | 0 | 20,828 | 0 | 20,828 |
| Other Debt Service | 0 | 0 | 0 | 47,776 | 0 | 47,776 |
| Capital Projects | 0 | 0 | 0 | 0 | 574,656 | 574,656 |
| Total Expenditures | \$ 7,839,211 | \$ 710,844 | \$ 3,085,087 | \$ 627,804 | \$ 857,533 | \$ 13,120,479 |

(Continued)

Exhibit C-3

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

| | Major Funds | | | | Nonmajor Funds | Total Governmental Funds |
|--|--------------|--------------------------------|------------------------------|----------------------------|-------------------------------------|--------------------------------|
| | General | Solid Waste / Sanitation | Highway / Public Works | General Debt Service | Other Govern- mental Funds | |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 1,109,026 | \$ 241,478 | \$ 427,414 | \$ 218,107 | \$ (174,973) | \$ 1,821,052 |
| <u>Other Financing Sources (Uses)</u> | | | | | | |
| Insurance Recovery | \$ 24,349 | \$ 0 | \$ 0 | \$ 0 | \$ 19,078 | \$ 43,427 |
| Total Other Financing Sources (Uses) | \$ 24,349 | \$ 0 | \$ 0 | \$ 0 | \$ 19,078 | \$ 43,427 |
| Net Change in Fund Balances | \$ 1,133,375 | \$ 241,478 | \$ 427,414 | \$ 218,107 | \$ (155,895) | \$ 1,864,479 |
| Fund Balance, July 1, 2015 | 6,909,622 | 1,436,280 | 2,177,503 | 1,565,128 | 1,309,020 | 13,397,553 |
| Fund Balance, June 30, 2016 | \$ 8,042,997 | \$ 1,677,758 | \$ 2,604,917 | \$ 1,783,235 | \$ 1,153,125 | \$ 15,262,032 |

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

Exhibit C-4

Humphreys 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, 2016

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

| | | |
|--|--------------------|---------------------|
| Net change in fund balances - total governmental funds (Exhibit C-3) | | \$ 1,864,479 |
| | | |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows: | | |
| Add: capital assets purchased in the current period | \$ 1,201,983 | |
| Less: current-year depreciation expense | <u>(2,181,922)</u> | (979,939) |
| | | |
| (2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position. | | |
| Less: book value of capital assets disposed | | (16,212) |
| | | |
| (3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Add: deferred delinquent property taxes and other deferred June 30, 2016 | \$ 404,858 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2015 | <u>(375,458)</u> | 29,400 |
| | | |
| (4) The issuance of long-term debt (e.g., notes, bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. | | |
| Add: principal payments on bonds | \$ 6,200 | |
| Add: principal payments on notes | 115,000 | |
| Add: principal payments on other loans | <u>438,000</u> | 559,200 |
| | | |
| (5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. | | |
| Change in accrued interest payable | \$ 1,188 | |
| Change in net pension asset | 60,018 | |
| Change in deferred outflows related to pensions | 11,023 | |
| Change in deferred inflows related to pensions | 294,819 | |
| Change in compensated absences payable | (20,830) | |
| Change in landfill closure/postclosure care costs | <u>17,488</u> | <u>363,706</u> |
| | | |
| Change in net position of governmental activities (Exhibit B) | | <u>\$ 1,820,634</u> |

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

Exhibit C-5

Humphreys County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2016

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---------------------------------------|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| Revenues | | | | |
| Local Taxes | \$ 5,199,835 | \$ 4,775,287 | \$ 4,775,287 | \$ 424,548 |
| Licenses and Permits | 0 | 700 | 700 | (700) |
| Fines, Forfeitures, and Penalties | 78,803 | 60,725 | 60,725 | 18,078 |
| Charges for Current Services | 13,953 | 13,050 | 13,050 | 903 |
| Other Local Revenues | 161,681 | 202,500 | 202,500 | (40,819) |
| Fees Received From County Officials | 925,097 | 859,000 | 859,000 | 66,097 |
| State of Tennessee | 2,472,668 | 2,277,189 | 2,289,309 | 183,359 |
| Federal Government | 54,981 | 16,500 | 16,500 | 38,481 |
| Other Governments and Citizens Groups | 41,219 | 140,055 | 140,055 | (98,836) |
| Total Revenues | \$ 8,948,237 | \$ 8,345,006 | \$ 8,357,126 | \$ 591,111 |
| Expenditures | | | | |
| <u>General Government</u> | | | | |
| County Commission | \$ 118,050 | \$ 127,140 | \$ 137,140 | \$ 19,090 |
| Board of Equalization | 1,060 | 2,000 | 2,000 | 940 |
| Beer Board | 0 | 800 | 800 | 800 |
| County Mayor/Executive | 204,224 | 229,396 | 230,146 | 25,922 |
| County Attorney | 45,162 | 45,162 | 45,162 | 0 |
| Election Commission | 163,446 | 175,057 | 175,057 | 11,611 |
| Register of Deeds | 148,855 | 148,487 | 152,487 | 3,632 |
| County Buildings | 298,144 | 270,347 | 337,697 | 39,553 |
| Other General Administration | 199 | 1,500 | 1,500 | 1,301 |
| <u>Finance</u> | | | | |
| Property Assessor's Office | 181,038 | 193,106 | 193,106 | 12,068 |
| Reappraisal Program | 3,474 | 5,200 | 5,200 | 1,726 |
| County Trustee's Office | 157,494 | 158,264 | 158,263 | 769 |
| County Clerk's Office | 229,104 | 231,787 | 231,787 | 2,683 |
| <u>Administration of Justice</u> | | | | |
| Circuit Court | 239,089 | 253,879 | 253,879 | 14,790 |
| General Sessions Court | 85,863 | 87,405 | 87,405 | 1,542 |
| Chancery Court | 159,091 | 160,232 | 160,232 | 1,141 |
| Juvenile Court | 121,623 | 131,942 | 131,942 | 10,319 |
| District Attorney General | 6,000 | 6,000 | 6,000 | 0 |
| Judicial Commissioners | 33,611 | 33,614 | 33,614 | 3 |
| <u>Public Safety</u> | | | | |
| Sheriff's Department | 1,251,131 | 1,276,974 | 1,263,375 | 12,244 |
| Jail | 297,549 | 256,900 | 295,175 | (2,374) |
| Workhouse | 361,487 | 369,950 | 369,950 | 8,463 |
| Work Release Program | 75 | 1,000 | 1,000 | 925 |
| Fire Prevention and Control | 2,000 | 2,000 | 2,000 | 0 |
| Inspection and Regulation | 84,661 | 78,510 | 85,010 | 349 |
| County Coroner/Medical Examiner | 24,391 | 28,300 | 28,300 | 3,909 |
| Other Public Safety | 216,938 | 216,938 | 216,938 | 0 |
| <u>Public Health and Welfare</u> | | | | |
| Local Health Center | 93,502 | 137,350 | 137,350 | 43,848 |
| Ambulance/Emergency Medical Services | 386,250 | 386,250 | 386,250 | 0 |
| Alcohol and Drug Programs | 0 | 25,000 | 25,000 | 25,000 |
| Other Local Health Services | 25,000 | 25,000 | 25,000 | 0 |

(Continued)

Exhibit C-5

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

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|----------------------------|----------------------------|----------------------------|--|
| | | Original | Final | |
| <u>Expenditures (Cont.)</u> | | | | |
| <u>Public Health and Welfare (Cont.)</u> | | | | |
| Sanitation Education/Information | \$ 29,136 | \$ 46,404 | \$ 46,404 | \$ 17,268 |
| Other Public Health and Welfare | 81,243 | 88,900 | 90,982 | 9,739 |
| <u>Social, Cultural, and Recreational Services</u> | | | | |
| Libraries | 167,228 | 179,392 | 181,180 | 13,952 |
| Other Social, Cultural, and Recreational | 800 | 800 | 800 | 0 |
| <u>Agriculture and Natural Resources</u> | | | | |
| Agricultural Extension Service | 100,567 | 100,567 | 100,567 | 0 |
| Soil Conservation | 94,562 | 96,032 | 96,032 | 1,470 |
| <u>Other Operations</u> | | | | |
| Tourism | 164,539 | 161,000 | 168,500 | 3,961 |
| Airport | 85,004 | 259,789 | 259,789 | 174,785 |
| Veterans' Services | 14,564 | 13,322 | 15,328 | 764 |
| Other Charges | 923,510 | 940,978 | 940,978 | 17,468 |
| Contributions to Other Agencies | 125,762 | 128,874 | 128,874 | 3,112 |
| Employee Benefits | 1,113,785 | 1,299,441 | 1,299,441 | 185,656 |
| <u>Capital Outlay</u> | | | | |
| Regular Capital Outlay | 0 | 0 | 500,000 | 500,000 |
| <u>Capital Projects</u> | | | | |
| Highway and Street Capital Projects | 0 | 864,540 | 864,540 | 864,540 |
| Total Expenditures | <u>\$ 7,839,211</u> | <u>\$ 9,245,529</u> | <u>\$ 9,872,180</u> | <u>\$ 2,032,969</u> |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | <u>\$ 1,109,026</u> | <u>\$ (900,523)</u> | <u>\$ (1,515,054)</u> | <u>\$ 2,624,080</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | <u>\$ 24,349</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 24,349</u> |
| Total Other Financing Sources | <u>\$ 24,349</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 24,349</u> |
| Net Change in Fund Balance | <u>\$ 1,133,375</u> | <u>\$ (900,523)</u> | <u>\$ (1,515,054)</u> | <u>\$ 2,648,429</u> |
| Fund Balance, July 1, 2015 | <u>6,909,622</u> | <u>5,864,518</u> | <u>5,864,518</u> | <u>1,045,104</u> |
| Fund Balance, June 30, 2016 | <u><u>\$ 8,042,997</u></u> | <u><u>\$ 4,963,995</u></u> | <u><u>\$ 4,349,464</u></u> | <u><u>\$ 3,693,533</u></u> |

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

Exhibit C-6

Humphreys County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2016

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|---|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 922,599 | \$ 876,403 | \$ 876,403 | \$ 46,196 |
| Charges for Current Services | 15,926 | 15,000 | 15,000 | 926 |
| Other Local Revenues | 3,332 | 12,000 | 12,000 | (8,668) |
| State of Tennessee | 10,465 | 11,400 | 11,400 | (935) |
| Total Revenues | <u>\$ 952,322</u> | <u>\$ 914,803</u> | <u>\$ 914,803</u> | <u>\$ 37,519</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Health and Welfare</u> | | | | |
| Landfill Operation and Maintenance | \$ 635,375 | \$ 752,936 | \$ 777,622 | \$ 142,247 |
| <u>Other Operations</u> | | | | |
| Other Charges | 18,370 | 22,000 | 22,000 | 3,630 |
| Employee Benefits | 57,099 | 81,018 | 81,018 | 23,919 |
| Total Expenditures | <u>\$ 710,844</u> | <u>\$ 855,954</u> | <u>\$ 880,640</u> | <u>\$ 169,796</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 241,478</u> | <u>\$ 58,849</u> | <u>\$ 34,163</u> | <u>\$ 207,315</u> |
| Net Change in Fund Balance | \$ 241,478 | \$ 58,849 | \$ 34,163 | \$ 207,315 |
| Fund Balance, July 1, 2015 | <u>1,436,280</u> | <u>1,146,120</u> | <u>1,146,120</u> | <u>290,160</u> |
| Fund Balance, June 30, 2016 | <u>\$ 1,677,758</u> | <u>\$ 1,204,969</u> | <u>\$ 1,180,283</u> | <u>\$ 497,475</u> |

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

Exhibit C-7

Humphreys County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2016

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 920,545 | \$ 866,167 | \$ 867,547 | \$ 52,998 |
| Other Local Revenues | 38,465 | 80,000 | 80,000 | (41,535) |
| State of Tennessee | 2,183,566 | 2,113,376 | 2,464,755 | (281,189) |
| Federal Government | 369,925 | 0 | 0 | 369,925 |
| Total Revenues | <u>\$ 3,512,501</u> | <u>\$ 3,059,543</u> | <u>\$ 3,412,302</u> | <u>\$ 100,199</u> |
| <u>Expenditures</u> | | | | |
| <u>Highways</u> | | | | |
| Administration | \$ 156,235 | \$ 194,605 | \$ 194,605 | \$ 38,370 |
| Highway and Bridge Maintenance | 1,533,469 | 1,591,707 | 1,591,707 | 58,238 |
| Operation and Maintenance of Equipment | 449,024 | 622,417 | 622,417 | 173,393 |
| Other Charges | 42,889 | 38,500 | 43,411 | 522 |
| Employee Benefits | 379,634 | 403,000 | 403,000 | 23,366 |
| Capital Outlay | 523,836 | 635,000 | 1,068,714 | 544,878 |
| Total Expenditures | <u>\$ 3,085,087</u> | <u>\$ 3,485,229</u> | <u>\$ 3,923,854</u> | <u>\$ 838,767</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 427,414</u> | <u>\$ (425,686)</u> | <u>\$ (511,552)</u> | <u>\$ 938,966</u> |
| Net Change in Fund Balance | \$ 427,414 | \$ (425,686) | \$ (511,552) | 938,966 |
| Fund Balance, July 1, 2015 | <u>2,177,503</u> | <u>1,724,365</u> | <u>1,724,365</u> | <u>453,138</u> |
| Fund Balance, June 30, 2016 | <u>\$ 2,604,917</u> | <u>\$ 1,298,679</u> | <u>\$ 1,212,813</u> | <u>\$ 1,392,104</u> |

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

Exhibit D-1

Humphreys County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2016

| | <u>Nonmajor Enterprise Fund Public Utility Fund</u> |
|---|---|
| <u>ASSETS</u> | |
| Current Assets: | |
| Equity in Pooled Cash and Investments | \$ 247,255 |
| Accounts Receivable | 10,493 |
| Total Current Assets | <u>\$ 257,748</u> |
| Noncurrent Assets: | |
| Restricted Assets: | |
| Other Restricted Assets | \$ 113,276 |
| Capital Assets: | |
| Assets Not Depreciated: | |
| Land | 12,000 |
| Assets Net of Accumulated Depreciation: | |
| Buildings and Improvements | 42,246 |
| Infrastructure | 572,159 |
| Other Capital Assets | 22,404 |
| Total Noncurrent Assets | <u>\$ 762,085</u> |
| Total Assets | <u>\$ 1,019,833</u> |
| <u>LIABILITIES</u> | |
| Current Liabilities: | |
| Accounts Payable | \$ 3,580 |
| Current Liabilities Payable from Restricted Assets: | |
| Customer Deposits Payable | 113,276 |
| Total Current Liabilities | <u>\$ 116,856</u> |
| Total Liabilities | <u>\$ 116,856</u> |
| <u>NET POSITION</u> | |
| Investment in Capital Assets | \$ 648,809 |
| Unrestricted | 254,168 |
| Total Net Position | <u>\$ 902,977</u> |

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

Exhibit D-2

Humphreys County, Tennessee
Statement of Revenues, Expenses,
and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2016

| | <u>Nonmajor</u> <u>Enterprise</u> <u>Fund</u> <u>Public</u> <u>Utility</u> <u>Fund</u> |
|---|---|
| <u>Operating Revenues</u> | |
| Wastewater Treatment Charges | \$ 102,038 |
| Total Operating Revenues | <u>\$ 102,038</u> |
| <u>Operating Expenses</u> | |
| Communication | \$ 2,254 |
| Contracts with Private Agencies | 50,619 |
| Maintenance and Repair Services - Equipment | 20,646 |
| Permits | 1,730 |
| Electricity | 15,822 |
| Water and Sewer | 3,740 |
| Depreciation | 45,677 |
| Total Operating Expenses | <u>\$ 140,488</u> |
| Operating Income (Loss) | \$ (38,450) |
| Net Position, July 1, 2015 | <u>941,427</u> |
| Net Position, July 1, 2016 | <u><u>\$ 902,977</u></u> |

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

Exhibit D-3

Humphreys County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2016

| | <u>Nonmajor Enterprise Fund Public Utility Fund</u> |
|---|---|
| <u>Cash Flows from Operating Activities</u> | |
| Receipts from Customers and Users | \$ 99,425 |
| Payments to Vendors | (92,938) |
| Net Cash Provided By (Used In) Operating Activities | <u>\$ 6,487</u> |
| Increase (Decrease) in Cash | \$ 6,487 |
| Cash, July 1, 2015 | <u>354,044</u> |
| Cash, June 30, 2016 | <u><u>\$ 360,531</u></u> |
| <u>Reconciliation of Operating Income to Net Cash Provided By (Used In) Operating Activities</u> | |
| Operating Income (Loss) | \$ (38,450) |
| Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities: | |
| Depreciation | 45,677 |
| Change in Assets and Liabilities: | |
| (Increase) Decrease in Accounts Receivable | (2,613) |
| Increase (Decrease) in Accounts Payable | 1,873 |
| Net Cash Provided By (Used In) Operating Activities | <u><u>\$ 6,487</u></u> |
| <u>Reconciliation of Cash With the Statement of Net Position</u> | |
| Equity in Pooled Cash and Investments | \$ 247,255 |
| Cash - Other Restricted Assets | <u>113,276</u> |
| Cash, June 30, 2016 | <u><u>\$ 360,531</u></u> |

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

Exhibit E

Humphreys County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2016

| | <u>Agency Funds</u> |
|-------------------------------------|-------------------------|
| <u>ASSETS</u> | |
| Cash | \$ 925,475 |
| Accounts Receivable | 131 |
| Due from Other Governments | <u>264,356</u> |
| Total Assets | <u>\$ 1,189,962</u> |
| <u>LIABILITIES</u> | |
| Due to Other Taxing Units | \$ 264,356 |
| Due to Litigants, Heirs, and Others | <u>925,606</u> |
| Total Liabilities | <u>\$ 1,189,962</u> |

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

HUMPHREYS COUNTY, TENNESSEE
Index of Notes to the Financial Statements

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HUMPHREYS COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Humphreys 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 Humphreys County:

A. Reporting Entity

Humphreys County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Humphreys County (the primary government) and its component units. The financial statements of the Humphreys County Emergency Communications District, a component unit requiring discrete presentation, was excluded from this report due to materiality calculations; therefore, the effect of its omission will not affect our opinion thereon. 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 Humphreys County School Department operates the public school system in the county, and the voters of Humphreys 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 Humphreys County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Humphreys County, and the Humphreys 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 Humphreys County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Humphreys 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. Complete financial statements of the Humphreys County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Humphreys County Emergency
Communications District
P.O. Box 553
Waverly, TN 37185

Related Organization – The Humphreys County Industrial Development Board is a related organization of Humphreys County. The Humphreys County Commission appoints board members, but the county’s accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

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

Humphreys County issues all debt for the discretely presented Humphreys County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2016.

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

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

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

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

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

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

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

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

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

Humphreys 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.

Solid Waste/Sanitation Fund – This special revenue fund accounts for all solid waste activities, including those activities specifically related to the landfill. Local taxes and general service 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.

Additionally, Humphreys County reports the following fund types:

Capital Projects Funds – These funds account for the financial resources to be used for the acquisition or construction of major capital projects.

Enterprise Fund – The Public Utility Fund accounts for the transactions of the county-owned wastewater disposal facility.

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 Humphreys 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 Humphreys County School Department reports the following major governmental fund:

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

Additionally, the School Department reports the following fund types:

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

Private-Purpose Trust Fund – The Private-Purpose Trust Fund is used to account for resources legally held in trust to provide scholarships for students seeking further education in a field related to mechanical or chemical engineering. The corpus will remain undistributed as a source of investment income for scholarships.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund, used to account for the transactions of the county-owned wastewater disposal facility. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations.

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

1. Deposits and Investments

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

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

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

2. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.21 percent of total taxes levied.

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

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

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

3. Restricted Assets

In the Public Utility Fund, an enterprise fund, certain contributions totaling \$113,276 from two businesses are classified as other restricted assets on the balance sheet because their use is limited to construction costs by agreements between the wastewater customers and Humphreys County.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by

the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

| Assets | Primary Government | | Humphreys |
|----------------------|-------------------------|------------|------------|
| | Governmental | Business- | County |
| | Activities | type | School |
| | Years | Activities | Department |
| | | Years | Years |
| Buildings and | | | |
| Improvements | 25 or life of note | 24 | 20 - 40 |
| Other Capital Assets | 5 - 15 | 24 | 5 - 20 |
| Infrastructure | 10 - 30 or life of note | 50 | 20 - 30 |

5. 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 has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for pension changes in experience, pension changes in proportionate share of contributions, and employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement

of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience and investment earnings, pension changes in proportionate share of contributions, and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

It is the policy of Humphreys County to permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from service. In addition, it is the policy of the Humphreys County Highway Department to permit its employees to accumulate earned but unused sick leave, which will be paid to employees upon separation from service. The granting of sick leave, except for the Highway Department, as described above, has no guaranteed payment attached and therefore is not required to be accrued or recorded. All vacation benefits, along with sick leave benefits for the Highway/Public Works Fund, are accrued when incurred in the government-wide financial statements for the county. A liability for vacation benefits and sick leave benefits of the Highway Department is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The policy of the discretely presented School Department permits the unlimited accumulation of unused sick leave for professional personnel (teachers) and nonprofessional full-time personnel. There is no provision for accumulating vacation days. The granting of sick leave has no guaranteed payment attached and therefore requires no accrual or recording.

7. Long-term Obligations

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the

current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

8. Net Position and Fund Balance

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

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

The government-wide Statement of Net Position reports \$8,095,418 of restricted net position, of which \$313,532 is restricted by enabling legislation.

As of June 30, 2016, Humphreys County had \$1,935,000 of outstanding debt for capital purposes for the discretely presented Humphreys County School Department. This debt is a liability of Humphreys County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Humphreys County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes, but are neither restricted nor committed (excluding stabilization arrangements). The County Commission has by resolution authorized the county's Budget Committee to make assignments for 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 has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

E. Pension Plans

Primary Government

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

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teacher Retirement Plan and the Teacher Legacy Pension Plan in the Tennessee Consolidated Retirement System, and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the TCRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Teacher Retirement Plan and the Teacher Legacy Pension Plan. Investments are reported at fair value.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position

Primary Government

Exhibit C-2 includes explanations of the nature of individual elements of items required to reconcile the balance sheet of governmental funds with the government-wide Statement of Net Position.

Discretely Presented Humphreys County School Department

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

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

Primary Government

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

Discretely Presented Humphreys County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the Other Capital Projects Fund, which adopts a project length budget. 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, Beer Board, County Mayor/Executive, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. Cash Overdraft

The discretely presented School Federal Projects Fund had a cash overdraft of \$22,400 at June 30, 2016. This cash overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2016.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Humphreys County and the Humphreys 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 the 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.

Investment Balances. As of June 30, 2016, Humphreys County had the following investments carried at amortized cost, which approximates fair value level one within the fair value hierarchy established by generally accepted accounting principles. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Humphreys County and the discretely presented Humphreys County School Department since both pool their deposits and investments through the county trustee.

| Investment | Weighted Average Maturity (days) | Amortized Cost |
|-----------------------------------|---|-------------------|
| State Treasurer's Investment Pool | 4 to 117 | \$ 1,386,853 |

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State statutes limit the maturities of certain investments as previously disclosed. Humphreys County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Humphreys County has no investment policy that would further limit its investment choices. As of June 30, 2016, Humphreys County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

Capital assets activity for the year ended June 30, 2016, was as follows:

Primary Government

Governmental Activities:

| | Balance 7-1-15 | Increases | Decreases | Balance 6-30-16 |
|--|----------------------|-----------------------|---------------------|----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 1,498,084 | \$ 0 | \$ 0 | \$ 1,498,084 |
| Construction in Progress | 125,000 | 27,706 | 0 | 152,706 |
| Total Capital Assets Not Depreciated | <u>\$ 1,623,084</u> | <u>\$ 27,706</u> | <u>\$ 0</u> | <u>\$ 1,650,790</u> |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 10,647,623 | \$ 37,500 | \$ 0 | \$ 10,685,123 |
| Infrastructure | 55,443,202 | 806,169 | 0 | 56,249,371 |
| Other Capital Assets | 5,308,324 | 330,608 | (141,908) | 5,497,024 |
| Total Capital Assets Depreciated | <u>\$ 71,399,149</u> | <u>\$ 1,174,277</u> | <u>\$ (141,908)</u> | <u>\$ 72,431,518</u> |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | \$ 5,218,385 | \$ 372,039 | \$ 0 | \$ 5,590,424 |
| Infrastructure | 39,451,403 | 1,441,702 | 0 | 40,893,105 |
| Other Capital Assets | 3,748,534 | 368,181 | (125,696) | 3,991,019 |
| Total Accumulated Depreciation | <u>\$ 48,418,322</u> | <u>\$ 2,181,922</u> | <u>\$ (125,696)</u> | <u>\$ 50,474,548</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 22,980,827</u> | <u>\$ (1,007,645)</u> | <u>\$ (16,212)</u> | <u>\$ 21,956,970</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 24,603,911</u> | <u>\$ (979,939)</u> | <u>\$ (16,212)</u> | <u>\$ 23,607,760</u> |

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

Governmental Activities:

| | |
|---|--------------------------------|
| General Government | \$ 355,244 |
| Finance | 9,517 |
| Public Safety | 260,491 |
| Public Health and Welfare | 44,735 |
| Social, Cultural, and Recreational Services | 4,727 |
| Agriculture and Natural Resources | 4,546 |
| Highway/Public Works | <u>1,502,662</u> |
| Total | <u><u>\$ 2,181,922</u></u> |

Business-type Activities:

| | Balance 7-1-15 | Increases | Balance 6-30-16 |
|--|---------------------|--------------------|---------------------|
| Capital Assets Not Depreciated: | | | |
| Land | \$ 12,000 | \$ 0 | \$ 12,000 |
| Total Capital Assets Not Depreciated | <u>\$ 12,000</u> | <u>\$ 0</u> | <u>\$ 12,000</u> |
| Capital Assets Depreciated: | | | |
| Buildings and Improvements | \$ 506,953 | \$ 0 | \$ 506,953 |
| Infrastructure | 775,950 | 0 | 775,950 |
| Other Capital Assets | 216,848 | 0 | 216,848 |
| Total Capital Assets Depreciated | <u>\$ 1,499,751</u> | <u>\$ 0</u> | <u>\$ 1,499,751</u> |
| Less Accumulated Depreciation For: | | | |
| Buildings and Improvements | \$ 443,585 | \$ 21,122 | \$ 464,707 |
| Infrastructure | 188,272 | 15,519 | 203,791 |
| Other Capital Assets | 185,408 | 9,036 | 194,444 |
| Total Accumulated Depreciation | <u>\$ 817,265</u> | <u>\$ 45,677</u> | <u>\$ 862,942</u> |
| Total Capital Assets Depreciated, Net | <u>\$ 682,486</u> | <u>\$ (45,677)</u> | <u>\$ 636,809</u> |
| Business-type Activities Capital Assets, Net | <u>\$ 694,486</u> | <u>\$ (45,677)</u> | <u>\$ 648,809</u> |

There were no decreases in capital assets to report during the year ended June 30, 2016.

Depreciation expense totaled \$45,677 for the year ended June 30, 2016.

Discretely Presented Humphreys County School Department

Governmental Activities:

| | Balance 7-1-15 | Increases | Decreases | Balance 6-30-16 |
|--|----------------------|---------------------|-----------------------|----------------------|
| Capital Assets Not Depreciated: | | | | |
| Land | \$ 141,175 | \$ 0 | \$ 0 | \$ 141,175 |
| Construction in Progress | 1,647,162 | 0 | (1,647,162) | 0 |
| Total Capital Assets Not Depreciated | \$ 1,788,337 | \$ 0 | \$ (1,647,162) | \$ 141,175 |
| Capital Assets Depreciated: | | | | |
| Buildings and Improvements | \$ 19,526,275 | \$ 2,079,242 | \$ 0 | \$ 21,605,517 |
| Infrastructure | 71,974 | 0 | 0 | 71,974 |
| Other Capital Assets | 4,315,326 | 153,900 | (360,363) | 4,108,863 |
| Total Capital Assets Depreciated | \$ 23,913,575 | \$ 2,233,142 | \$ (360,363) | \$ 25,786,354 |
| Less Accumulated Depreciation For: | | | | |
| Buildings and Improvements | \$ 11,884,100 | \$ 475,758 | \$ 0 | \$ 12,359,858 |
| Infrastructure | 33,988 | 2,399 | 0 | 36,387 |
| Other Capital Assets | 2,958,885 | 256,509 | (360,363) | 2,855,031 |
| Total Accumulated Depreciation | \$ 14,876,973 | \$ 734,666 | \$ (360,363) | \$ 15,251,276 |
| Total Capital Assets Depreciated, Net | \$ 9,036,602 | \$ 1,498,476 | \$ 0 | \$ 10,535,078 |
| Governmental Activities Capital Assets, Net | \$ 10,824,939 | \$ 1,498,476 | \$ (1,647,162) | \$ 10,676,253 |

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

Governmental Activities:

| | |
|---|---------------------------------|
| Instruction | \$ 365,563 |
| Support Services | 328,678 |
| Operation of Non-instructional Services | <u>40,425</u> |
| Total Depreciation Expense - Governmental Activities | <u><u>\$ 734,666</u></u> |

C. Construction Commitments

At June 30, 2016, the Highway/Public Works Fund had uncompleted construction contracts of \$93,146 for bridge construction. Funding for these future expenditures is expected to be provided from available fund balances and state funds.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2016, was as follows:

Due to/from Other Funds:

| Receivable Fund | Payable Fund | Amount |
|----------------------|------------------------|----------|
| General | Nonmajor governmental | \$ 3,515 |
| Highway/Public Works | General | 431 |
| " | Solid Waste/Sanitation | 2,011 |
| " | Nonmajor governmental | 303 |

These balances resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payments between funds are made. A portion of the receivable in the Highway/Public Works Fund totaling \$176 was in transit from a nonmajor governmental fund at June 30, 2016.

Interfund Transfers:

Interfund transfers for the year ended June 30, 2016, consisted of the following amount:

Discretely Presented Humphreys County School Department

| Transfer Out | Transfer In |
|----------------------------|--------------------------------------|
| | General Purpose School Fund |
| Nonmajor governmental fund | \$ 7,037 |

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

E. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. Capital outlay notes and other loans outstanding were issued for original terms of up to ten years for notes and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. Capital outlay notes and other loans included in long-term debt as of June 30, 2016, will be retired from the General Debt Service Fund.

Capital outlay notes and other loans outstanding as of June 30, 2016, for governmental activities are as follows:

| Type | Interest Rate | | Final Maturity | Original Amount of Issue | Balance 6-30-16 |
|----------------------|---------------|---|----------------|--------------------------|-----------------|
| Capital Outlay Notes | 3.85 | % | 3-27-18 | \$ 1,150,000 | \$ 230,000 |
| Other Loans | variable | | 5-25-20 | 7,000,000 | 1,935,000 |

In prior years, Humphreys County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$7,000,000 to Humphreys County for school renovations and construction. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent, Bank of America (BOA) daily or weekly. In addition, the county pays various other fees (letter of credit, administrative, and debt remarketing) in connection with this loan. At June 30, 2016, the variable interest rate was .61 percent, and other fees totaled .94 percent of the outstanding loan principal.

The annual requirements to amortize all notes and other loans outstanding as of June 30, 2016, including interest payments and other loan fees, are presented in the following tables:

| Year Ending June 30 | Notes | | |
|------------------------|-------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 2017 | \$ 115,000 | \$ 8,855 | \$ 123,855 |
| 2018 | 115,000 | 4,428 | 119,428 |
| Total | <u>\$ 230,000</u> | <u>\$ 13,283</u> | <u>\$ 243,283</u> |

| Year Ending June 30 | Other Loans | | | |
|------------------------|---------------------|------------------|------------------|---------------------|
| | Principal | Interest | Other Fees | Total |
| 2017 | \$ 456,000 | \$ 11,804 | \$ 19,185 | \$ 486,989 |
| 2018 | 474,000 | 9,022 | 14,904 | 497,926 |
| 2019 | 493,000 | 6,130 | 10,454 | 509,584 |
| 2020 | 512,000 | 3,123 | 5,826 | 520,949 |
| Total | <u>\$ 1,935,000</u> | <u>\$ 30,079</u> | <u>\$ 50,369</u> | <u>\$ 2,015,448</u> |

There is \$1,783,235 available in the General Debt Service Fund to service long-term debt. Debt per capita, including notes and other loans, totaled \$117, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2016, was as follows:

Governmental Activities:

| | Bonds | Notes | Other Loans |
|-----------------------------|-------------|-------------------|---------------------|
| Balance, July 1, 2015 | \$ 6,200 | \$ 345,000 | \$ 2,373,000 |
| Reductions | (6,200) | (115,000) | (438,000) |
| Balance, June 30, 2016 | <u>\$ 0</u> | <u>\$ 230,000</u> | <u>\$ 1,935,000</u> |
| Balance Due Within One Year | <u>\$ 0</u> | <u>\$ 115,000</u> | <u>\$ 456,000</u> |

| | Compensated Absences | Landfill Closure/ Postclosure Care Costs |
|-----------------------------|-------------------------|--|
| Balance, July 1, 2015 | \$ 143,058 | \$ 894,402 |
| Additions | 197,899 | 10,398 |
| Reductions | (177,069) | (27,886) |
| | <hr/> | <hr/> |
| Balance, June 30, 2016 | \$ 163,888 | \$ 876,914 |
| | <hr/> | <hr/> |
| Balance Due Within One Year | \$ 8,192 | \$ 62,637 |
| | <hr/> | <hr/> |

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|---------------------|
| Total Noncurrent Liabilities, June 30, 2016 | \$ 3,205,802 |
| Less: Balance Due Within One Year | <u>(641,829)</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 2,563,973</u> |

Compensated absences will be paid from the employing funds, primarily the General and Highway/Public Works funds. Landfill closure/postclosure care costs will be paid from the Solid Waste/Sanitation Fund.

Discretely Presented Humphreys County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Humphreys County School Department for the year ended June 30, 2016, was as follows:

Governmental Activities:

| | Other Postemployment Benefits | Net Pension Liability - Teacher Legacy Pension Plan* |
|-----------------------------|-------------------------------------|---|
| Balance, July 1, 2015 | \$ 4,785,665 | \$ (46,811) |
| Additions | 782,279 | 4,103,105 |
| Reductions | (223,461) | (3,935,098) |
| Balance, June 30, 2016 | <u>\$ 5,344,483</u> | <u>\$ 121,196</u> |
| Balance Due Within One Year | <u>\$ 0</u> | <u>\$ 0</u> |

*At July 1, 2015, the teacher legacy pension plan had a net pension asset.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

| | |
|---|---------------------|
| Total Noncurrent Liabilities, June 30, 2016 | \$ 5,465,679 |
| Less: Balance Due Within One Year | <u>0</u> |
| Noncurrent Liabilities - Due in More Than One Year - Exhibit A | <u>\$ 5,465,679</u> |

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

F. On-Behalf Payments

Primary Government

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Humphreys County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2016, were \$750. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

Discretely Presented Humphreys County School Department

The State of Tennessee pays health insurance premiums for retired teacher's on-behalf of the Humphreys 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, 2016, were \$58,118 and \$29,400, 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

Liability, Property, Casualty, and Workers' Compensation Insurance

Humphreys County and the discretely presented School Department participate in the Tennessee Risk Management Trust (TN-RMT), which is a public entity risk pool created under the auspices of the Tennessee Governmental Tort Liability Act to provide governmental insurance coverage. Humphreys County and the School Department pay annual premiums to the TN-RMT for their 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.

Employee Health Insurance

Humphreys County participated in a public entity risk pool to provide health insurance coverage for its employees until July 31, 2014. Effective August 1, 2014, Humphreys County (except for the School Department) purchased commercial health insurance for its employees. Settled claims have not exceeded this commercial coverage in the past two fiscal years.

The discretely presented Humphreys 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.

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68 and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*; Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; and Statement No. 79, *Certain External Investment Pools and Pool Participants* became effective for the year ended June 30, 2016.

GASB Statement No. 72, establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. This standard supersedes previous statements as they relate to measuring fair value of certain assets and liabilities.

GASB Statement No. 73, established accounting and reporting requirements for pensions that are not administered through a trust account and also addresses changes made to Statements No. 67 and No. 68. The changes to Statements No. 67 and No. 68 require new RSI disclosures concerning plan investments, and address specific payables to defined benefit plans.

GASB Statement No. 76, addresses changes made to the hierarchy of generally accepted accounting principles. This standard supersedes Statement No. 55 and reduces the hierarchy from four to two categories.

GASB Statement No. 79, addresses issues related to certain external investment pools and pool participants because of changes in Security and Exchange rules relative to money market funds. This standard establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost rather than fair value for financial reporting purposes standards.

C. Contingent Liabilities

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

The Humphreys County School system is one of forty-five Tennessee school districts that are members of the Sweetwater Consortium. The consortium was formed in 2012 to negotiate costs with vendors for providing telephone and internet services to member schools, and awarded a contract to Education Networks of America (ENA). The Federal Government subsidizes the costs of these services through the Federal Communications Commission's (FCC) E-Rate Program. The E-Rate program is managed by Universal Services Administration Company. Another service provider filed a lawsuit in 2012 challenging the contract awarded by the consortium, which resulted in the withholding of E-Rate funding. The case has been heard by an appeals board and members are awaiting a ruling. If the ruling is favorable for the consortium, then E-Rate funding will be reimbursed by the federal government. If the ruling is unfavorable for the consortium, then a hearing before the FCC will be granted. Consortium members could be required to reimburse ENA for the costs of any services not reimbursed by the E-Rate program. The Humphreys County School System's share of these costs is estimated at approximately \$350,600.

D. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Humphreys County closed its sanitary landfill in 1999. The \$876,914 reported as postclosure care liability at June 30, 2016, represents amounts based on what it would cost to perform all postclosure care in 2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

E. Joint Ventures

The Twenty-third Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-third Judicial District; Cheatham, Dickson, Houston, Humphreys, and Stewart counties; and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a Board of Directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Humphreys County made no contributions to the DTF for the year ended June 30, 2016.

The discretely presented School Department participates in the Volunteer State Cooperative (VOLCO), which represents a cost-sharing arrangement. The cooperative was established through a contractual agreement between the Boards of Education of Bedford County, Coffee County, Dickson County, Fayetteville City, Hickman County, Houston County, Humphreys County, Manchester City, Marshall County, Maury County, Robertson County, and Stewart County. The cooperative was authorized through Title 49 of *Tennessee Code Annotated*. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Fayetteville City Schools) and a service provider to provide these services. The cooperative is governed by a

Representative Committee, comprising one representative from each of the member districts; and an Executive Council, consisting of the chair, vice-chair, secretary, treasurer, and a member-at-large from the Representative Committee.

Humphreys County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Twenty-third Judicial District Drug Task Force and the Volunteer State Cooperative can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
Twenty-third Judicial District Drug Task Force
P.O. Box 580
Charlotte, TN 37036

Volunteer State Cooperative
1800 Wilson Parkway
Fayetteville, TN 37334

F. Retirement Commitments

Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Humphreys County and non-certified employees of the discretely presented Humphreys 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 comprised 81.92 percent and the non-certified employees of the discretely presented School Department comprised 18.08 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with five years of service credit

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

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

Employees Covered by Benefit Terms. At the measurement date of June 30, 2015, the following employees were covered by the benefit terms:

| | |
|--|-----------------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 172 |
| Inactive Employees Entitled to But Not Yet Receiving Benefits | 153 |
| Active Employees | <u>247</u> |
| Total | <u><u>572</u></u> |

Contributions. Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Humphreys County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, the Actuarial Determined Contribution (ADC) for Humphreys County was \$584,242 based on a rate of 8.69 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Humphreys County's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability (Asset)

Humphreys County's net pension liability (asset) was measured as of June 30, 2015, and the total pension liability (asset) used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability as of the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the June 30, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

Changes in the Net Pension Liability (Asset)

| | Increase (Decrease) | | |
|---|--------------------------------------|--|--|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
| Balance, July 1, 2014 | \$ 20,818,619 | \$ 21,985,028 | \$ (1,166,409) |
| Changes for the year: | | | |
| Service Cost | \$ 588,913 | \$ 0 | \$ 588,913 |
| Interest | 1,568,062 | 0 | 1,568,062 |
| Differences Between Expected and Actual Experience | (73,805) | 0 | (73,805) |
| Contributions-Employer | 0 | 584,242 | (584,242) |
| Contributions-Employees | 0 | 335,653 | (335,653) |
| Net Investment Income | 0 | 674,993 | (674,993) |
| Benefit Payments, Including Refunds of Employee Contributions | (1,000,082) | (1,000,082) | 0 |
| Administrative Expense | 0 | (12,973) | 12,973 |
| Other Changes | 0 | 0 | 0 |
| Net Changes | \$ 1,083,088 | \$ 581,833 | \$ 501,255 |
| Balance, June 30, 2015 | \$ 21,901,707 | \$ 22,566,861 | \$ (665,154) |

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

| | | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
|--------------------|--------|-------------------------------|--------------------------------------|--|
| Primary Government | 81.92% | \$ 17,941,878 | \$ 18,486,772 | \$ (544,894) |
| School Department | 18.08% | 3,959,829 | 4,080,089 | (120,260) |
| Total | | \$ 21,901,707 | \$ 22,566,861 | \$ (665,154) |

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

| | 1% Decrease | Current Discount Rate | 1% Increase |
|-------------------------|----------------|-----------------------------|----------------|
| <u>Humphreys County</u> | <u>6.5%</u> | <u>7.5%</u> | <u>8.5%</u> |
| Net Pension Liability | \$ 2,046,448 | \$ (665,154) | \$ (2,926,805) |

Negative Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources to Pensions

Negative Pension Expense. For the year ended June 30, 2016, Humphreys County recognized negative pension expense of \$125.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, Humphreys County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences Between Expected and Actual Experience | \$ 0 | \$ 138,792 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 776,313 | 1,025,315 |
| Contributions Subsequent to the Measurement Date of June 30, 2015 (1) | <u>425,203</u> | <u>N/A</u> |
| Total | <u>\$ 1,201,516</u> | <u>\$ 1,164,107</u> |

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2015,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

Allocation of Agent Plan Deferred Outflows of Resources and
Deferred Inflows of Resources

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--------------------|--------------------------------------|-------------------------------------|
| Primary Government | \$ 983,746 | \$ 953,636 |
| School Department | 217,770 | 210,471 |
| Total | <u>\$ 1,201,516</u> | <u>\$ 1,164,107</u> |

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

| Year Ending June 30 | Amount |
|------------------------|--------------|
| 2017 | \$ (189,036) |
| 2018 | (189,036) |
| 2019 | (189,036) |
| 2020 | 179,314 |
| 2021 | 0 |
| Thereafter | 0 |

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

Discretely Presented Humphreys County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Humphreys County and non-certified employees of the discretely presented Humphreys 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 comprised 81.92 percent and the non-certified employees of the discretely presented School Department comprised 18.08 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit 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. 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 60 or pursuant to the rule of 80. 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 percent and one percent. Members who leave 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 or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except for in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2016, to the Teacher Retirement Plan were \$21,882, which is four percent of covered 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 (Assets). At June 30, 2016, the Humphreys County School Department reported an asset of \$5,765 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Humphreys County School Department's proportion of the net pension asset was based on the Humphreys County School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Humphreys County School Department's proportion was .143311 percent.

Pension Expense. For the year ended June 30, 2016, the Humphreys County School Department recognized pension expense of \$7,556.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, the Humphreys 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 |
|--|---|--|
| Difference Between Expected and Actual Experience | \$ 0 | \$ 1,877 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 466 | 0 |
| LEAs Contributions Subsequent to the Measurement Date of June 30, 2015 | <u>21,882</u> | <u>N/A</u> |
| Total | <u>\$ 22,348</u> | <u>\$ 1,877</u> |

The Humphreys County School Department's employer contributions of \$21,882 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2017. 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 |
|------------------------|---------|
| 2017 | \$ (40) |
| 2018 | (40) |
| 2019 | (40) |
| 2020 | (40) |
| 2021 | (156) |
| Thereafter | (1,095) |

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

Actuarial Assumptions. The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates 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, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2012, actuarial experience study by considering the following three techniques: (1) the 25-year historical return of the TCRS at June 30, 2012, (2) the historical market returns of asset classes from 1926 to 2012 using the TCRS investment policy asset allocation, and (3) capital market projections that were utilized as a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. Four sources of capital market projections were blended and utilized in the third technique. The blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best 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 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 all the LEAs will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

| School Department's Proportionate Share of the Net Pension Liability (Asset) | 1% Decrease 6.5% | Current Discount Rate 7.5% | 1% Increase 8.5% |
|--|---------------------|-------------------------------|---------------------|
|--|---------------------|-------------------------------|---------------------|

Net Pension Liability \$ 1,022 \$ (5,765) \$ (10,743)

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

Teacher Legacy Pension Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member’s highest five consecutive year average compensation and the member’s years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of

the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs 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 are required to contribute five percent of their salaries. 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 Humphreys County School Department for the year ended June 30, 2016, to the Teacher Legacy Pension Plan were \$1,148,639, which is 9.04 percent of covered 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, 2016, the Humphreys County School Department reported a liability of \$121,196 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Humphreys County School Department's proportion of the net pension liability (asset) was based on the Humphreys County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Humphreys County School Department's proportion was .295864 percent. The proportion measured as of June 30, 2014, was .288084 percent.

Negative Pension Expense. For the year ended June 30, 2016, the Humphreys County School Department recognized negative pension expense of \$87,825.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, the Humphreys 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 | \$ 97,265 | \$ 1,886,431 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 2,188,417 | 2,970,895 |
| Changes in Proportion and Differences Between LEAs Contributions and Proportionate Share of Contributions | 83,185 | 10,711 |
| LEAs Contributions Subsequent to the Measurement Date of June 30, 2014 | <u>1,148,639</u> | <u>N/A</u> |
| Total | <u>\$ 3,517,506</u> | <u>\$ 4,868,037</u> |

The Humphreys County School Department's employer contributions of \$1,148,639 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2017. 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 |
|------------------------|--------------|
| 2017 | \$ (786,533) |
| 2018 | (786,533) |
| 2019 | (786,533) |
| 2020 | 203,766 |
| 2021 | (343,337) |
| Thereafter | 0 |

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, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Mortality rates 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, 2015, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2008, through June 30, 2012. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

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

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

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

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

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

| | | | |
|--|---------------------|-------------------------------|---------------------|
| School Department's Proportionate Share of the Net Pension Liability (Asset) | 1% Decrease 6.5% | Current Discount Rate 7.5% | 1% Increase 8.5% |
|--|---------------------|-------------------------------|---------------------|

Net Pension Liability \$ 8,262,723 \$ 121,196 \$ (6,619,029)

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

G. Other Postemployment Benefits (OPEB)

Primary Government

Humphreys County provides commercial health benefits for pre-65 age retirees. For accounting purposes, the plan is defined as a single-employer defined benefit OPEB plan. Retirees are allowed to remain in the commercial healthcare plan and the Highway Department makes a contribution toward the insurance premium for employees who retire with 30 years of service. This contribution continues until the employee reaches age 65 and is Medicare eligible. The county had not obtained an actuarial valuation for the commercial healthcare plan to determine the data necessary for the measurement, recognition, and display of other postemployment benefits necessary to prepare government-wide financial statements and note disclosures; however, we do not believe the amount is material to the government-wide financial statements.

Discretely Presented Humphreys County School Department

Plan Description

The Humphreys County School Department participates in the state-administered Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plan is an agent multiple-employer defined benefit OPEB plan. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated*, for local education employees. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization plan for 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/article/fa-accfin-cafr>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employer in the plan develops a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The School Department makes a contribution toward the health insurance premium of the group medical plan for certified employees who retire with at least 20 years of service; participate in the Tennessee Consolidated Retirement System, have accumulated sick leave at retirement, and have been covered under the group medical plan prior to retirement. The School Department contributes toward the medical premium for each eligible retiree and their dependents based on a value calculated from the retiree's total salary and accumulated sick days at retirement. The retiree's annual salary at retirement (excluding career ladder, extended contract, or other supplements) is divided by a 200-day year then multiplied by 25 percent to yield a daily compensation value. This daily compensation value is multiplied by the retiree's accumulated sick leave days at retirement date. The School Department allocates this calculated amount to each eligible retiree and depletes it monthly to pay the health insurance premium until the amount is exhausted, the retiree reaches Medicare eligibility, or is deceased. Retirees' contributions vary depending on the insurance options they select. During the year ended June 30, 2016, the Humphreys County School Department contributed a total of \$223,461 for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

| | <u>Local Education Group Plan</u> |
|------------------------------|---|
| ARC | \$ 783,000 |
| Interest on the NOPEBO | 179,462 |
| Adjustment to the ARC | <u>(180,183)</u> |
| Annual OPEB cost | \$ 782,279 |
| Less: Amount of contribution | <u>(223,461)</u> |
| Increase/decrease in NOPEBO | \$ 558,818 |
| Net OPEB obligation, 7-1-15 | <u>4,785,665</u> |
| Net OPEB obligation, 6-30-16 | <u><u>\$ 5,344,483</u></u> |

| Fiscal Year Ended | Plan | Annual OPEB Cost | Percentage of Annual OPEB Cost Contributed | Net OPEB Obligation at Year End |
|-------------------|-----------------------|------------------|--|---------------------------------|
| 6-30-14 | Local Education Group | \$ 747,816 | 32% | \$ 4,212,536 |
| 6-30-15 | " | 775,340 | 26 | 4,785,665 |
| 6-30-16 | " | 782,279 | 29 | 5,344,483 |

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2015, was as follows:

| | <u>Local Education Group Plan</u> |
|---|-----------------------------------|
| Actuarial valuation date | 7-1-15 |
| Actuarial accrued liability (AAL) | \$ 6,870,000 |
| Actuarial value of plan assets | \$ 0 |
| Unfunded actuarial accrued liability (UAAL) | \$ 6,870,000 |
| Actuarial value of assets as a % of the AAL | 0% |
| Covered payroll (active plan members) | \$ 9,649,849 |
| UAAL as a % of covered payroll | 71% |

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, 2015, actuarial valuation for the Local Education Group Plan, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.75 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 6.5 percent initially. The trend rate will decrease to six percent in 2016 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2050. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

H. Purchasing Laws

Office of County Executive

Purchasing procedures for the County Executive's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, which provide for all purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Road Supervisor

Purchasing procedures for the Road Department are governed by the provisions of Chapter 634, Private Acts of 1935, as amended, and the Uniform Road Law, Section 54-7-113, *TCA*. Provisions of the private act provide for the road supervisor to obtain the approval of the County Road Advisory Commission for all purchases of single items exceeding \$2,500. The Uniform Road Law provides for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

| | <u>2014</u> | <u>2015</u> |
|--|-----------------------|----------------------|
| Total Pension Liability (Asset) | | |
| Service Cost | \$ 531,102 | \$ 588,913 |
| Interest | 1,490,762 | 1,568,062 |
| Differences Between Actual and Expected Experience | (132,912) | (73,805) |
| Benefit Payments, Including Refunds of Employee Contributions | (832,093) | (1,000,082) |
| Net Change in Total Pension Liability (Asset) | \$ 1,056,859 | \$ 1,083,088 |
| Total Pension Liability (Asset), Beginning | 19,761,760 | 20,818,619 |
| Total Pension Liability (Asset), Ending (a) | <u>\$ 20,818,619</u> | <u>\$ 21,901,707</u> |
| Plan Fiduciary Net Position | | |
| Contributions - Employer | \$ 562,771 | \$ 584,242 |
| Contributions - Employee | 344,847 | 335,653 |
| Net Investment Income | 3,121,198 | 674,993 |
| Benefit Payments, Including Refunds of Employee Contributions | (832,093) | (1,000,082) |
| Administrative Expense | (10,303) | (12,973) |
| Net Change in Plan Fiduciary Net Position | \$ 3,186,420 | \$ 581,833 |
| Plan Fiduciary Net Position, Beginning | 18,798,608 | 21,985,028 |
| Plan Fiduciary Net Position, Ending (b) | <u>\$ 21,985,028</u> | <u>\$ 22,566,861</u> |
| Net Pension Liability (Asset), Ending (a - b) | <u>\$ (1,166,409)</u> | <u>\$ (665,154)</u> |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 105.60% | 103.04% |
| Covered Payroll | \$ 6,896,939 | \$ 6,723,148 |
| Net Pension Liability (Asset) as a Percentage of Covered Payroll | 16.91% | 9.89% |

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

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

Exhibit F-2

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

| | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|--|------------------|------------------|------------------|
| Actuarially Determined Contribution | \$ 562,771 | \$ 584,242 | \$ 425,203 |
| Less Contributions in Relation to the Actuarially Determined Contribution | <u>(562,771)</u> | <u>(584,242)</u> | <u>(425,203)</u> |
| Contribution Deficiency (Excess) | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Covered Payroll | \$ 6,896,939 | \$ 6,723,148 | \$ 4,893,003 |
| Contributions as a Percentage of Covered Payroll | 8.16% | 8.69% | 8.69% |

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

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

Exhibit F-3

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

| | <u>2015</u> | <u>2016</u> |
|--|-------------------|-------------------|
| Actuarially Determined Contribution | \$ 7,444 | \$ 13,676 |
| Less Contributions in Relation to the Contractually Required Contribution | <u>(11,910)</u> | <u>(21,882)</u> |
| Contribution Deficiency (Excess) | <u>\$ (4,466)</u> | <u>\$ (8,206)</u> |
| Covered Payroll | \$ 297,757 | \$ 547,050 |
| Contributions as a Percentage of Covered Payroll | 4.00% | 4.00% |

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

Exhibit F-4

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

| | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|--|--------------------|--------------------|--------------------|
| Actuarially Determined Contribution | \$ 1,004,086 | \$ 1,001,240 | \$ 1,148,639 |
| Less Contributions in Relation to the Contractually Required Contribution | <u>(1,004,086)</u> | <u>(1,001,240)</u> | <u>(1,148,639)</u> |
| Contribution Deficiency (Excess) | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Covered Payroll | \$ 11,307,278 | \$ 11,075,658 | \$ 12,706,184 |
| Contributions as a Percentage of Covered Payroll | 8.88% | 9.04% | 9.04% |

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

Exhibit F-5

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

| | <u>2016</u> |
|---|-------------|
| School Department's Proportion of the Net Pension Liability (Asset) | 0.143311% |
| School Department's Proportionate Share of the Net Pension Liability (Asset) | \$ (5,765) |
| Covered Payroll | \$ 297,757 |
| School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | (1.94)% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 127.46% |

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

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

Exhibit F-6

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

| | <u>2015</u> | <u>2016</u> |
|---|---------------|---------------|
| School Department's Proportion of the Net Pension Liability (Asset) | 0.288084% | 0.295864% |
| School Department's Proportionate Share of the Net Pension Liability (Asset) | \$ (46,812) | \$ 121,196 |
| Covered Payroll | \$ 11,307,278 | \$ 11,075,658 |
| School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | (.414002)% | 1.094254% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 100.08% | 99.81% |

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

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

Exhibit F-7

Humphreys County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Humphreys County School Department
June 30, 2016

(Dollar amounts in thousands)

| Plan | Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Projected Unit Credit (b) | Unfunded AAL (UAAL) (b)-(a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|-----------------------|--------------------------------|--|--|--------------------------------------|--------------------------|---------------------------|---|
| Local Education Group | 7-1-11 | \$ 0 | \$ 6,774 | \$ 6,774 | 0 % | \$ 15,220 | 45 % |
| " | 7-1-13 | 0 | 6,323 | 6,323 | 0 | 10,815 | 58 |
| " | 7-1-15 | 0 | 6,870 | 6,870 | 0 | 9,650 | 71 |

HUMPHREYS COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2016

TENNESSEE CONSOLIDATED RETIREMENT SYSTEM

Valuation Date: Actuarially determined contribution rates for 2016 were calculated based on the July 1, 2013, actuarial valuation.

Methods and assumptions used to determine contribution rates:

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

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for transactions involving the Humphreys County Rural Fire Department.

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

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.

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

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for bond proceeds received in prior years for the construction and maintenance of dams associated with the Hurricane Creek Watershed District.

Exhibit G-1

Humphreys County, Tennessee
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

| | Special Revenue Funds | | | | Capital Projects Funds |
|--|-------------------------|-----------------|---|------------|--------------------------------|
| | Local Purpose Tax | Drug Control | Constitu- tional Officers - Fees | Total | General Capital Projects |
| <u>ASSETS</u> | | | | | |
| Cash | \$ 0 | \$ 0 | \$ 3,515 | \$ 3,515 | \$ 0 |
| Equity in Pooled Cash and Investments | 164,898 | 166,279 | 0 | 331,177 | 769,956 |
| Due from Other Governments | 0 | 0 | 0 | 0 | 7,258 |
| Property Taxes Receivable | 230,446 | 0 | 0 | 230,446 | 184,357 |
| Allowance for Uncollectible Property Taxes | (5,425) | 0 | 0 | (5,425) | (4,340) |
| Total Assets | \$ 389,919 | \$ 166,279 | \$ 3,515 | \$ 559,713 | \$ 957,231 |
| <u>LIABILITIES</u> | | | | | |
| Accounts Payable | \$ 650 | \$ 1,253 | \$ 0 | \$ 1,903 | \$ 0 |
| Contracts Payable | 0 | 0 | 0 | 0 | 7,258 |
| Due to Other Funds | 127 | 0 | 3,515 | 3,642 | 0 |
| Total Liabilities | \$ 777 | \$ 1,253 | \$ 3,515 | \$ 5,545 | \$ 7,258 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | |
| Deferred Current Property Taxes | \$ 220,814 | \$ 0 | \$ 0 | \$ 220,814 | \$ 176,651 |
| Deferred Delinquent Property Taxes | 3,827 | 0 | 0 | 3,827 | 2,901 |
| Total Deferred Inflows of Resources | \$ 224,641 | \$ 0 | \$ 0 | \$ 224,641 | \$ 179,552 |
| <u>FUND BALANCES</u> | | | | | |
| Restricted: | | | | | |
| Restricted for Public Safety | \$ 164,501 | \$ 165,026 | \$ 0 | \$ 329,527 | \$ 0 |

(Continued)

Exhibit G-1

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

| | Special Revenue Funds | | | | Capital Projects Funds |
|---|-------------------------|-------------------|--|-------------------|--------------------------------|
| | Local Purpose Tax | Drug Control | Constitu - tional Officers - Fees | Total | General Capital Projects |
| <u>FUND BALANCES (Cont.)</u> | | | | | |
| Restricted (Cont.): | | | | | |
| Restricted for Capital Projects | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 667,571 |
| Restricted for Other Purposes | 0 | 0 | 0 | 0 | 0 |
| Committed: | | | | | |
| Committed for Capital Projects | 0 | 0 | 0 | 0 | 102,850 |
| Total Fund Balances | <u>\$ 164,501</u> | <u>\$ 165,026</u> | <u>\$ 0</u> | <u>\$ 329,527</u> | <u>\$ 770,421</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 389,919</u> | <u>\$ 166,279</u> | <u>\$ 3,515</u> | <u>\$ 559,713</u> | <u>\$ 957,231</u> |

(Continued)

Exhibit G-1

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

| | <u>Capital Projects Funds (Cont.)</u> | | Total |
|--|---------------------------------------|--------------|-----------------------------------|
| | Other Capital Projects | Total | Nonmajor Governmental Funds |
| <u>ASSETS</u> | | | |
| Cash | \$ 0 | \$ 0 | \$ 3,515 |
| Equity in Pooled Cash and Investments | 53,177 | 823,133 | 1,154,310 |
| Due from Other Governments | 0 | 7,258 | 7,258 |
| Property Taxes Receivable | 0 | 184,357 | 414,803 |
| Allowance for Uncollectible Property Taxes | 0 | (4,340) | (9,765) |
| | <hr/> | <hr/> | <hr/> |
| Total Assets | \$ 53,177 | \$ 1,010,408 | \$ 1,570,121 |
| <u>LIABILITIES</u> | | | |
| Accounts Payable | \$ 0 | \$ 0 | \$ 1,903 |
| Contracts Payable | 0 | 7,258 | 7,258 |
| Due to Other Funds | 0 | 0 | 3,642 |
| Total Liabilities | <hr/> | <hr/> | <hr/> |
| | \$ 0 | \$ 7,258 | \$ 12,803 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred Current Property Taxes | \$ 0 | \$ 176,651 | \$ 397,465 |
| Deferred Delinquent Property Taxes | 0 | 2,901 | 6,728 |
| Total Deferred Inflows of Resources | <hr/> | <hr/> | <hr/> |
| | \$ 0 | \$ 179,552 | \$ 404,193 |
| <u>FUND BALANCES</u> | | | |
| Restricted: | | | |
| Restricted for Public Safety | \$ 0 | \$ 0 | \$ 329,527 |

(Continued)

Exhibit G-1

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

FUND BALANCES (Cont.)

Restricted (Cont.):

 Restricted for Capital Projects
 Restricted for Other Purposes

Committed:

 Committed for Capital Projects

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

| <u>Capital Projects Funds (Cont.)</u> | | | |
|---------------------------------------|---------------------|-----------|--|
| <u>Other Capital Projects</u> | <u>Total</u> | | <u>Total Nonmajor Governmental Funds</u> |
| \$ 0 | \$ 667,571 | \$ | 667,571 |
| 53,177 | 53,177 | | 53,177 |
| 0 | 102,850 | | 102,850 |
| <u>\$ 53,177</u> | <u>\$ 823,598</u> | <u>\$</u> | <u>1,153,125</u> |
| <u>\$ 53,177</u> | <u>\$ 1,010,408</u> | <u>\$</u> | <u>1,570,121</u> |

Exhibit G-2

Humphreys County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

| | Special Revenue Funds | | | | Capital |
|---|-----------------------|-------------------|--------------------------------|-------------------|---|
| | Local Purpose Tax | Drug Control | Constitutional Officers - Fees | Total | Projects Funds General Capital Projects |
| <u>Revenues</u> | | | | | |
| Local Taxes | \$ 170,986 | \$ 0 | \$ 0 | \$ 170,986 | \$ 184,523 |
| Fines, Forfeitures, and Penalties | 0 | 146,384 | 0 | 146,384 | 0 |
| Charges for Current Services | 0 | 0 | 4,260 | 4,260 | 0 |
| Other Local Revenues | 7,191 | 10,872 | 0 | 18,063 | 17,712 |
| Federal Government | 0 | 0 | 0 | 0 | 140,632 |
| Total Revenues | <u>\$ 178,177</u> | <u>\$ 157,256</u> | <u>\$ 4,260</u> | <u>\$ 339,693</u> | <u>\$ 342,867</u> |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| Administration of Justice | \$ 0 | \$ 0 | \$ 4,260 | \$ 4,260 | \$ 0 |
| Public Safety | 114,942 | 150,771 | 0 | 265,713 | 0 |
| Other Operations | 0 | 12,904 | 0 | 12,904 | 0 |
| Capital Projects | 0 | 0 | 0 | 0 | 572,256 |
| Total Expenditures | <u>\$ 114,942</u> | <u>\$ 163,675</u> | <u>\$ 4,260</u> | <u>\$ 282,877</u> | <u>\$ 572,256</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 63,235</u> | <u>\$ (6,419)</u> | <u>\$ 0</u> | <u>\$ 56,816</u> | <u>\$ (229,389)</u> |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Insurance Recovery | \$ 2,603 | \$ 16,475 | \$ 0 | \$ 19,078 | \$ 0 |
| Total Other Financing Sources (Uses) | <u>\$ 2,603</u> | <u>\$ 16,475</u> | <u>\$ 0</u> | <u>\$ 19,078</u> | <u>\$ 0</u> |

(Continued)

Exhibit G-2

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

| | Special Revenue Funds | | | | Capital |
|-----------------------------|-------------------------|-----------------|--|------------|--|
| | Local Purpose Tax | Drug Control | Constitu - tional Officers - Fees | Total | Projects Funds General Capital Projects |
| Net Change in Fund Balances | \$ 65,838 | \$ 10,056 | \$ 0 | \$ 75,894 | \$ (229,389) |
| Fund Balance, July 1, 2015 | 98,663 | 154,970 | 0 | 253,633 | 999,810 |
| Fund Balance, June 30, 2016 | \$ 164,501 | \$ 165,026 | \$ 0 | \$ 329,527 | \$ 770,421 |

(Continued)

Exhibit G-2

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

| | <u>Capital Projects Funds (Cont.)</u> | | Total Nonmajor Governmental Funds |
|--|---------------------------------------|---------------------|--|
| | Other Capital Projects | Total | |
| <u>Revenues</u> | | | |
| Local Taxes | \$ 0 | \$ 184,523 | \$ 355,509 |
| Fines, Forfeitures, and Penalties | 0 | 0 | 146,384 |
| Charges for Current Services | 0 | 0 | 4,260 |
| Other Local Revenues | 0 | 17,712 | 35,775 |
| Federal Government | 0 | 140,632 | 140,632 |
| Total Revenues | <u>\$ 0</u> | <u>\$ 342,867</u> | <u>\$ 682,560</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Administration of Justice | \$ 0 | \$ 0 | \$ 4,260 |
| Public Safety | 0 | 0 | 265,713 |
| Other Operations | 0 | 0 | 12,904 |
| Capital Projects | 2,400 | 574,656 | 574,656 |
| Total Expenditures | <u>\$ 2,400</u> | <u>\$ 574,656</u> | <u>\$ 857,533</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (2,400)</u> | <u>\$ (231,789)</u> | <u>\$ (174,973)</u> |
| <u>Other Financing Sources (Uses)</u> | | | |
| Insurance Recovery | \$ 0 | \$ 0 | \$ 19,078 |
| Total Other Financing Sources (Uses) | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 19,078</u> |

(Continued)

Exhibit G-2

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

| | <u>Capital Projects Funds (Cont.)</u> | | Total |
|-----------------------------|---------------------------------------|--------------|-----------------------------------|
| | Other Capital Projects | Total | Nonmajor Governmental Funds |
| Net Change in Fund Balances | \$ (2,400) | \$ (231,789) | \$ (155,895) |
| Fund Balance, July 1, 2015 | 55,577 | 1,055,387 | 1,309,020 |
| Fund Balance, June 30, 2016 | \$ 53,177 | \$ 823,598 | \$ 1,153,125 |

Exhibit G-3

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2016

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-------------------|-------------------|-------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 170,986 | \$ 162,725 | \$ 162,725 | \$ 8,261 |
| Other Local Revenues | 7,191 | 0 | 0 | 7,191 |
| Total Revenues | <u>\$ 178,177</u> | <u>\$ 162,725</u> | <u>\$ 162,725</u> | <u>\$ 15,452</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Safety</u> | | | | |
| Fire Prevention and Control | \$ 114,942 | \$ 132,100 | \$ 140,101 | \$ 25,159 |
| Total Expenditures | <u>\$ 114,942</u> | <u>\$ 132,100</u> | <u>\$ 140,101</u> | <u>\$ 25,159</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 63,235</u> | <u>\$ 30,625</u> | <u>\$ 22,624</u> | <u>\$ 40,611</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 2,603 | \$ 0 | \$ 0 | \$ 2,603 |
| Total Other Financing Sources | <u>\$ 2,603</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 2,603</u> |
| Net Change in Fund Balance | \$ 65,838 | \$ 30,625 | \$ 22,624 | \$ 43,214 |
| Fund Balance, July 1, 2015 | <u>98,663</u> | <u>53,170</u> | <u>53,170</u> | <u>45,493</u> |
| Fund Balance, June 30, 2016 | <u>\$ 164,501</u> | <u>\$ 83,795</u> | <u>\$ 75,794</u> | <u>\$ 88,707</u> |

Exhibit G-4

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2016

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|-------------------|-------------------|-------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Fines, Forfeitures, and Penalties | \$ 146,384 | \$ 175,000 | \$ 175,000 | \$ (28,616) |
| Other Local Revenues | 10,872 | 0 | 3,000 | 7,872 |
| Total Revenues | <u>\$ 157,256</u> | <u>\$ 175,000</u> | <u>\$ 178,000</u> | <u>\$ (20,744)</u> |
| <u>Expenditures</u> | | | | |
| <u>Public Safety</u> | | | | |
| Drug Enforcement | \$ 150,771 | \$ 121,124 | \$ 151,474 | \$ 703 |
| <u>Other Operations</u> | | | | |
| Employee Benefits | 12,904 | 14,756 | 14,756 | 1,852 |
| Total Expenditures | <u>\$ 163,675</u> | <u>\$ 135,880</u> | <u>\$ 166,230</u> | <u>\$ 2,555</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (6,419)</u> | <u>\$ 39,120</u> | <u>\$ 11,770</u> | <u>\$ (18,189)</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 16,475 | \$ 0 | \$ 0 | \$ 16,475 |
| Total Other Financing Sources | <u>\$ 16,475</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 16,475</u> |
| Net Change in Fund Balance | \$ 10,056 | \$ 39,120 | \$ 11,770 | \$ (1,714) |
| Fund Balance, July 1, 2015 | 154,970 | 173,608 | 173,608 | (18,638) |
| Fund Balance, June 30, 2016 | <u>\$ 165,026</u> | <u>\$ 212,728</u> | <u>\$ 185,378</u> | <u>\$ (20,352)</u> |

Exhibit G-5

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Capital Projects Fund
For the Year Ended June 30, 2016

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|--------------------------|--------------------------|--------------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 184,523 | \$ 171,560 | \$ 171,560 | \$ 12,963 |
| Other Local Revenues | 17,712 | 16,000 | 16,000 | 1,712 |
| State of Tennessee | 0 | 146,863 | 0 | 0 |
| Federal Government | 140,632 | 0 | 146,863 | (6,231) |
| Total Revenues | <u>\$ 342,867</u> | <u>\$ 334,423</u> | <u>\$ 334,423</u> | <u>\$ 8,444</u> |
| <u>Expenditures</u> | | | | |
| <u>Capital Projects</u> | | | | |
| General Administration Projects | \$ 3,818 | \$ 22,000 | \$ 22,000 | \$ 18,182 |
| Public Safety Projects | 85,933 | 92,000 | 92,000 | 6,067 |
| Public Utility Projects | 130,505 | 245,943 | 245,943 | 115,438 |
| Highway and Street Capital Projects | 100,000 | 100,000 | 100,000 | 0 |
| Education Capital Projects | 252,000 | 0 | 252,000 | 0 |
| <u>Capital Projects - Donated</u> | | | | |
| Capital Projects Donated to School Department | 0 | 252,000 | 0 | 0 |
| Total Expenditures | <u>\$ 572,256</u> | <u>\$ 711,943</u> | <u>\$ 711,943</u> | <u>\$ 139,687</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ (229,389)</u> | <u>\$ (377,520)</u> | <u>\$ (377,520)</u> | <u>\$ 148,131</u> |
| Net Change in Fund Balance | <u>\$ (229,389)</u> | <u>\$ (377,520)</u> | <u>\$ (377,520)</u> | <u>\$ 148,131</u> |
| Fund Balance, July 1, 2015 | <u>999,810</u> | <u>733,945</u> | <u>733,945</u> | <u>265,865</u> |
| Fund Balance, June 30, 2016 | <u><u>\$ 770,421</u></u> | <u><u>\$ 356,425</u></u> | <u><u>\$ 356,425</u></u> | <u><u>\$ 413,996</u></u> |

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2016

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 799,506 | \$ 804,423 | \$ 804,423 | \$ (4,917) |
| Other Local Revenues | 46,405 | 20,000 | 20,000 | 26,405 |
| Total Revenues | <u>\$ 845,911</u> | <u>\$ 824,423</u> | <u>\$ 824,423</u> | <u>\$ 21,488</u> |
| <u>Expenditures</u> | | | | |
| <u>Principal on Debt</u> | | | | |
| General Government | \$ 81,200 | \$ 81,200 | \$ 81,200 | \$ 0 |
| Education | 478,000 | 478,000 | 478,000 | 0 |
| <u>Interest on Debt</u> | | | | |
| General Government | 8,931 | 8,957 | 8,986 | 55 |
| Education | 11,897 | 123,283 | 123,283 | 111,386 |
| <u>Other Debt Service</u> | | | | |
| General Government | 16,374 | 100,000 | 50,000 | 33,626 |
| Education | 31,402 | 0 | 49,971 | 18,569 |
| Total Expenditures | <u>\$ 627,804</u> | <u>\$ 791,440</u> | <u>\$ 791,440</u> | <u>\$ 163,636</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 218,107</u> | <u>\$ 32,983</u> | <u>\$ 32,983</u> | <u>\$ 185,124</u> |
| Net Change in Fund Balance | \$ 218,107 | \$ 32,983 | \$ 32,983 | \$ 185,124 |
| Fund Balance, July 1, 2015 | <u>1,565,128</u> | <u>1,390,486</u> | <u>1,390,486</u> | <u>174,642</u> |
| Fund Balance, June 30, 2016 | <u>\$ 1,783,235</u> | <u>\$ 1,423,469</u> | <u>\$ 1,423,469</u> | <u>\$ 359,766</u> |

Fiduciary Funds

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit 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 I-1

Humphreys County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2016

| | <u>Agency Funds</u> | | |
|-------------------------------------|--------------------------|---|---------------------|
| | Cities - Sales Tax | Constitu- tional Officers - Agency | Total |
| <u>ASSETS</u> | | | |
| Cash | \$ 0 | \$ 925,475 | \$ 925,475 |
| Accounts Receivable | 0 | 131 | 131 |
| Due from Other Governments | 264,356 | 0 | 264,356 |
| Total Assets | <u>\$ 264,356</u> | <u>\$ 925,606</u> | <u>\$ 1,189,962</u> |
| <u>LIABILITIES</u> | | | |
| Due to Other Taxing Units | \$ 264,356 | \$ 0 | \$ 264,356 |
| Due to Litigants, Heirs, and Others | 0 | 925,606 | 925,606 |
| Total Liabilities | <u>\$ 264,356</u> | <u>\$ 925,606</u> | <u>\$ 1,189,962</u> |

Exhibit I-2

Humphreys County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2016

| | Beginning Balance | Additions | Deductions | Ending Balance |
|--|----------------------|---------------------|---------------------|---------------------|
| <u>Cities - Sales Tax Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 1,600,302 | \$ 1,600,302 | \$ 0 |
| Due from Other Governments | 270,753 | 264,356 | 270,753 | 264,356 |
| Total Assets | \$ 270,753 | \$ 1,864,658 | \$ 1,871,055 | \$ 264,356 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 270,753 | \$ 1,864,658 | \$ 1,871,055 | \$ 264,356 |
| Total Liabilities | \$ 270,753 | \$ 1,864,658 | \$ 1,871,055 | \$ 264,356 |
| <u>Constitutional Officers - Agency Fund</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 666,684 | \$ 3,789,524 | \$ 3,530,733 | \$ 925,475 |
| Accounts Receivable | 186 | 131 | 186 | 131 |
| Total Assets | \$ 666,870 | \$ 3,789,655 | \$ 3,530,919 | \$ 925,606 |
| <u>Liabilities</u> | | | | |
| Due to Litigants, Heirs, and Others | \$ 666,870 | \$ 3,789,655 | \$ 3,530,919 | \$ 925,606 |
| Total Liabilities | \$ 666,870 | \$ 3,789,655 | \$ 3,530,919 | \$ 925,606 |
| <u>Totals - All Agency Funds</u> | | | | |
| <u>Assets</u> | | | | |
| Cash | \$ 666,684 | \$ 3,789,524 | \$ 3,530,733 | \$ 925,475 |
| Equity in Pooled Cash and Investments | 0 | 1,600,302 | 1,600,302 | 0 |
| Accounts Receivable | 186 | 131 | 186 | 131 |
| Due from Other Governments | 270,753 | 264,356 | 270,753 | 264,356 |
| Total Assets | \$ 937,623 | \$ 5,654,313 | \$ 5,401,974 | \$ 1,189,962 |
| <u>Liabilities</u> | | | | |
| Due to Other Taxing Units | \$ 270,753 | \$ 1,864,658 | \$ 1,871,055 | \$ 264,356 |
| Due to Litigants, Heirs, and Others | 666,870 | 3,789,655 | 3,530,919 | 925,606 |
| Total Liabilities | \$ 937,623 | \$ 5,654,313 | \$ 5,401,974 | \$ 1,189,962 |

Humphreys County School Department

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

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

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

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

Private-Purpose Trust Fund – The Private-Purpose Trust Fund is used to account for resources legally held in trust to provide scholarships for students.

Exhibit J-1

Humphreys County, Tennessee
Statement of Activities
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2016

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position Total Governmental Activities |
|--|----------------------|----------------------|------------------------------------|----------------------------------|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental Activities: | | | | | |
| Instruction | \$ 14,229,559 | \$ 21,183 | \$ 2,191,244 | \$ 53,657 | \$ (11,963,475) |
| Support Services | 7,002,036 | 40,285 | 208,199 | 0 | (6,753,552) |
| Operation of Non-instructional Services | 2,571,364 | 626,180 | 1,169,517 | 0 | (775,667) |
| Total Governmental Activities | <u>\$ 23,802,959</u> | <u>\$ 687,648</u> | <u>\$ 3,568,960</u> | <u>\$ 53,657</u> | <u>\$ (19,492,694)</u> |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property Taxes Levied for General Purposes | | | | | \$ 3,504,696 |
| Local Option Sales Taxes | | | | | 2,668,800 |
| Other Local Taxes | | | | | 1,674 |
| Grants and Contributions Not Restricted to Specific Programs | | | | | 14,372,250 |
| Miscellaneous | | | | | 109,919 |
| Total General Revenues | | | | | <u>\$ 20,657,339</u> |
| Change in Net Position | | | | | \$ 1,164,645 |
| Net Position, July 1, 2015 | | | | | <u>5,888,819</u> |
| Net Position, June 30, 2016 | | | | | <u><u>\$ 7,053,464</u></u> |

Exhibit J-2

Humphreys County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Humphreys County School Department
June 30, 2016

| | <u>Major Fund</u> | <u>Nonmajor Funds</u> | |
|---|---------------------------------------|---|---|
| | <u>General Purpose School</u> | <u>Other Govern- mental Funds</u> | <u>Total Governmental Funds</u> |
| <u>ASSETS</u> | | | |
| Equity in Pooled Cash and Investments | \$ 2,301,593 | \$ 127,324 | \$ 2,428,917 |
| Accounts Receivable | 6,272 | 427 | 6,699 |
| Due from Other Governments | 505,068 | 122,400 | 627,468 |
| Property Taxes Receivable | 3,502,790 | 0 | 3,502,790 |
| Allowance for Uncollectible Property Taxes | (82,469) | 0 | (82,469) |
| Total Assets | <u>\$ 6,233,254</u> | <u>\$ 250,151</u> | <u>\$ 6,483,405</u> |
| <u>LIABILITIES</u> | | | |
| Payroll Deductions Payable | \$ 65,008 | \$ 0 | \$ 65,008 |
| Cash Overdraft | 0 | 22,400 | 22,400 |
| Total Liabilities | <u>\$ 65,008</u> | <u>\$ 22,400</u> | <u>\$ 87,408</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred Current Property Taxes | \$ 3,356,371 | \$ 0 | \$ 3,356,371 |
| Deferred Delinquent Property Taxes | 55,108 | 0 | 55,108 |
| Other Deferred/Unavailable Revenue | 226,684 | 0 | 226,684 |
| Total Deferred Inflows of Resources | <u>\$ 3,638,163</u> | <u>\$ 0</u> | <u>\$ 3,638,163</u> |
| <u>FUND BALANCES</u> | | | |
| Restricted: | | | |
| Restricted for Operation of Non-instructional Services | \$ 0 | \$ 127,751 | \$ 127,751 |
| Committed: | | | |
| Committed for Education | 222,700 | 0 | 222,700 |
| Assigned: | | | |
| Assigned for Education | 0 | 100,000 | 100,000 |
| Unassigned | 2,307,383 | 0 | 2,307,383 |
| Total Fund Balances | <u>\$ 2,530,083</u> | <u>\$ 227,751</u> | <u>\$ 2,757,834</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 6,233,254</u> | <u>\$ 250,151</u> | <u>\$ 6,483,405</u> |

Exhibit J-3

Humphreys County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Humphreys County School Department
June 30, 2016

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

| | | | |
|--|----|--------------------|---------------------|
| Total fund balances - balance sheet - governmental funds (Exhibit J-2) | | \$ 2,757,834 | |
| (1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. | | | |
| Add: land | \$ | 141,175 | |
| Add: buildings and improvements net of accumulated depreciation | | 9,245,659 | |
| Add: infrastructure net of accumulated depreciation | | 35,587 | |
| Add: other capital assets net of accumulated depreciation | | <u>1,253,832</u> | 10,676,253 |
| (2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | | | |
| Less: other postemployment benefits liability | \$ | (5,344,483) | |
| Less: net pension liability - teacher legacy pension plan | | <u>(121,196)</u> | (5,465,679) |
| (3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as a component of pension expense in future years. | | | |
| Add: deferred outflows of resources related to pensions | \$ | 1,428,384 | |
| Less: deferred inflows of resources related to pensions | | <u>(2,751,145)</u> | (1,322,761) |
| (4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds. | | | |
| Add: net pension asset - agent plan | \$ | 120,260 | |
| Add: net pension asset - teacher retirement plan | | <u>5,765</u> | 126,025 |
| (5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds. | | | <u>281,792</u> |
| Net position of governmental activities (Exhibit A) | | | <u>\$ 7,053,464</u> |

Exhibit J-4

Humphreys County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2016

| | <u>Major Fund</u> | <u>Nonmajor</u> <u>Funds</u> | |
|--|------------------------------|-------------------------------------|--------------------------------|
| | General Purpose School | Other Govern- mental Funds | Total Governmental Funds |
| <u>Revenues</u> | | | |
| Local Taxes | \$ 6,163,888 | \$ 0 | \$ 6,163,888 |
| Licenses and Permits | 801 | 0 | 801 |
| Charges for Current Services | 61,129 | 626,180 | 687,309 |
| Other Local Revenues | 112,616 | 17,682 | 130,298 |
| State of Tennessee | 15,047,346 | 15,215 | 15,062,561 |
| Federal Government | 540,076 | 2,829,964 | 3,370,040 |
| Total Revenues | <u>\$ 21,925,856</u> | <u>\$ 3,489,041</u> | <u>\$ 25,414,897</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Instruction | \$ 12,863,198 | \$ 1,298,205 | \$ 14,161,403 |
| Support Services | 7,014,140 | 370,609 | 7,384,749 |
| Operation of Non-Instructional Services | 892,380 | 1,725,648 | 2,618,028 |
| Capital Outlay | 262,162 | 0 | 262,162 |
| Total Expenditures | <u>\$ 21,031,880</u> | <u>\$ 3,394,462</u> | <u>\$ 24,426,342</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 893,976</u> | <u>\$ 94,579</u> | <u>\$ 988,555</u> |
| <u>Other Financing Sources (Uses)</u> | | | |
| Insurance Recovery | \$ 20,340 | \$ 0 | \$ 20,340 |
| Transfers In | 7,037 | 0 | 7,037 |
| Transfers Out | 0 | (7,037) | (7,037) |
| Total Other Financing Sources (Uses) | <u>\$ 27,377</u> | <u>\$ (7,037)</u> | <u>\$ 20,340</u> |
| Net Change in Fund Balances | \$ 921,353 | \$ 87,542 | \$ 1,008,895 |
| Fund Balance, July 1, 2015 | 1,608,730 | 140,209 | 1,748,939 |
| Fund Balance, June 30, 2016 | <u>\$ 2,530,083</u> | <u>\$ 227,751</u> | <u>\$ 2,757,834</u> |

Exhibit J-5

Humphreys County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2016

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

| | | |
|---|------------------|---------------------|
| Net change in fund balances - total governmental funds (Exhibit J-4) | | \$ 1,008,895 |
| (1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows: | | |
| Add: capital assets purchased in the current period | \$ 585,980 | |
| Less: current-year depreciation expense | <u>(734,666)</u> | (148,686) |
| (2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Add: deferred delinquent property taxes and other deferred June 30, 2016 | \$ 281,792 | |
| Less: deferred delinquent property taxes and other deferred June 30, 2015 | <u>(729,085)</u> | (447,293) |
| (3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| Change in other postemployment benefits liability | \$ (558,818) | |
| Change in net pension asset - agent plan | (561,273) | |
| Change in net pension asset - teacher retirement plan | 5,765 | |
| Change in net pension asset/liability - teacher legacy pension plan | (168,007) | |
| Change in deferred outflows related to pensions | 54,399 | |
| Change in deferred inflows related to pensions | <u>1,979,663</u> | <u>751,729</u> |
| Change in net position of governmental activities (Exhibit B) | | <u>\$ 1,164,645</u> |

Exhibit J-6

Humphreys County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Humphreys County School Department
June 30, 2016

| | <u>Special Revenue Funds</u> | | |
|--|-------------------------------|----------------------|--|
| | School Federal Projects | Central Cafeteria | Total Nonmajor Governmental Funds |
| <u>ASSETS</u> | | | |
| Equity in Pooled Cash and Investments | \$ 0 | \$ 127,324 | \$ 127,324 |
| Accounts Receivable | 0 | 427 | 427 |
| Due from Other Governments | 122,400 | 0 | 122,400 |
| Total Assets | <u>\$ 122,400</u> | <u>\$ 127,751</u> | <u>\$ 250,151</u> |
| <u>LIABILITIES</u> | | | |
| Cash Overdraft | \$ 22,400 | \$ 0 | \$ 22,400 |
| Total Liabilities | <u>\$ 22,400</u> | <u>\$ 0</u> | <u>\$ 22,400</u> |
| <u>FUND BALANCES</u> | | | |
| Restricted: | | | |
| Restricted for Operation of Non-instructional Services | \$ 0 | \$ 127,751 | \$ 127,751 |
| Assigned: | | | |
| Assigned for Education | 100,000 | 0 | 100,000 |
| Total Fund Balances | <u>\$ 100,000</u> | <u>\$ 127,751</u> | <u>\$ 227,751</u> |
| Total Liabilities and Fund Balances | <u>\$ 122,400</u> | <u>\$ 127,751</u> | <u>\$ 250,151</u> |

Exhibit J-7

Humphreys County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2016

| | <u>Special Revenue Funds</u> | | Total Nonmajor Governmental Funds |
|--|-------------------------------|----------------------|--|
| | School Federal Projects | Central Cafeteria | |
| <u>Revenues</u> | | | |
| Charges for Current Services | \$ 0 | \$ 626,180 | \$ 626,180 |
| Other Local Revenues | 0 | 17,682 | 17,682 |
| State of Tennessee | 0 | 15,215 | 15,215 |
| Federal Government | 1,675,851 | 1,154,113 | 2,829,964 |
| Total Revenues | <u>\$ 1,675,851</u> | <u>\$ 1,813,190</u> | <u>\$ 3,489,041</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Instruction | \$ 1,298,205 | \$ 0 | \$ 1,298,205 |
| Support Services | 370,609 | 0 | 370,609 |
| Operation of Non-Instructional Services | 0 | 1,725,648 | 1,725,648 |
| Total Expenditures | <u>\$ 1,668,814</u> | <u>\$ 1,725,648</u> | <u>\$ 3,394,462</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 7,037</u> | <u>\$ 87,542</u> | <u>\$ 94,579</u> |
| <u>Other Financing Sources (Uses)</u> | | | |
| Transfers Out | \$ (7,037) | \$ 0 | \$ (7,037) |
| Total Other Financing Sources (Uses) | <u>\$ (7,037)</u> | <u>\$ 0</u> | <u>\$ (7,037)</u> |
| Net Change in Fund Balances | \$ 0 | \$ 87,542 | \$ 87,542 |
| Fund Balance, July 1, 2015 | 100,000 | 40,209 | 140,209 |
| Fund Balance, June 30, 2016 | <u>\$ 100,000</u> | <u>\$ 127,751</u> | <u>\$ 227,751</u> |

Exhibit J-8

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Humphreys County School Department
General Purpose School Fund
For the Year Ended June 30, 2016

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|----------------------|----------------------|----------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Local Taxes | \$ 6,163,888 | \$ 5,729,550 | \$ 5,729,550 | \$ 434,338 |
| Licenses and Permits | 801 | 650 | 650 | 151 |
| Charges for Current Services | 61,129 | 67,100 | 67,100 | (5,971) |
| Other Local Revenues | 112,616 | 150,950 | 150,950 | (38,334) |
| State of Tennessee | 15,047,346 | 14,833,643 | 14,921,161 | 126,185 |
| Federal Government | 540,076 | 391,892 | 391,892 | 148,184 |
| Total Revenues | <u>\$ 21,925,856</u> | <u>\$ 21,173,785</u> | <u>\$ 21,261,303</u> | <u>\$ 664,553</u> |
| <u>Expenditures</u> | | | | |
| <u>Instruction</u> | | | | |
| Regular Instruction Program | \$ 10,694,559 | \$ 10,940,500 | \$ 10,940,499 | \$ 245,940 |
| Alternative Instruction Program | 83,837 | 87,800 | 87,800 | 3,963 |
| Special Education Program | 1,225,883 | 1,234,600 | 1,234,601 | 8,718 |
| Vocational Education Program | 858,919 | 895,800 | 895,800 | 36,881 |
| <u>Support Services</u> | | | | |
| Health Services | 237,223 | 239,409 | 239,409 | 2,186 |
| Other Student Support | 473,033 | 503,560 | 503,560 | 30,527 |
| Regular Instruction Program | 678,056 | 702,800 | 702,801 | 24,745 |
| Special Education Program | 166,395 | 166,395 | 166,395 | 0 |
| Vocational Education Program | 73,714 | 83,148 | 83,148 | 9,434 |
| Other Programs | 87,518 | 0 | 87,518 | 0 |
| Board of Education | 168,775 | 171,497 | 171,497 | 2,722 |
| Director of Schools | 182,346 | 181,528 | 186,442 | 4,096 |
| Office of the Principal | 1,397,989 | 1,447,687 | 1,447,688 | 49,699 |
| Fiscal Services | 122,739 | 133,118 | 133,118 | 10,379 |
| Operation of Plant | 1,499,233 | 1,589,600 | 1,589,600 | 90,367 |
| Maintenance of Plant | 592,363 | 623,920 | 623,920 | 31,557 |
| Transportation | 892,164 | 924,539 | 924,539 | 32,375 |
| Central and Other | 442,592 | 470,900 | 470,900 | 28,308 |
| <u>Operation of Non-Instructional Services</u> | | | | |
| Community Services | 138,737 | 139,500 | 139,499 | 762 |
| Early Childhood Education | 753,643 | 753,643 | 753,643 | 0 |
| <u>Capital Outlay</u> | | | | |
| Regular Capital Outlay | 262,162 | 300,000 | 300,000 | 37,838 |
| Total Expenditures | <u>\$ 21,031,880</u> | <u>\$ 21,589,944</u> | <u>\$ 21,682,377</u> | <u>\$ 650,497</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 893,976</u> | <u>\$ (416,159)</u> | <u>\$ (421,074)</u> | <u>\$ 1,315,050</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Insurance Recovery | \$ 20,340 | \$ 20,000 | \$ 20,000 | \$ 340 |
| Transfers In | 7,037 | 24,761 | 0 | 7,037 |
| Transfers Out | 0 | (39,261) | (9,586) | 9,586 |
| Total Other Financing Sources | <u>\$ 27,377</u> | <u>\$ 5,500</u> | <u>\$ 10,414</u> | <u>\$ 16,963</u> |
| Net Change in Fund Balance | \$ 921,353 | \$ (410,659) | \$ (410,660) | \$ 1,332,013 |
| Fund Balance, July 1, 2015 | 1,608,730 | 1,694,876 | 1,694,876 | (86,146) |
| Fund Balance, June 30, 2016 | <u>\$ 2,530,083</u> | <u>\$ 1,284,217</u> | <u>\$ 1,284,216</u> | <u>\$ 1,245,867</u> |

Exhibit J-9

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Humphreys County School Department
School Federal Projects Fund
For the Year Ended June 30, 2016

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive (Negative) |
|--|--------------|------------------|--------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Federal Government | \$ 1,675,851 | \$ 1,559,626 | \$ 1,815,333 | \$ (139,482) |
| Total Revenues | \$ 1,675,851 | \$ 1,559,626 | \$ 1,815,333 | \$ (139,482) |
| <u>Expenditures</u> | | | | |
| <u>Instruction</u> | | | | |
| Regular Instruction Program | \$ 641,858 | \$ 531,474 | \$ 736,852 | \$ 94,994 |
| Special Education Program | 620,444 | 616,009 | 649,807 | 29,363 |
| Vocational Education Program | 35,903 | 34,472 | 35,903 | 0 |
| <u>Support Services</u> | | | | |
| Other Student Support | 51,099 | 48,908 | 51,099 | 0 |
| Regular Instruction Program | 179,075 | 200,181 | 191,380 | 12,305 |
| Special Education Program | 79,461 | 61,403 | 81,809 | 2,348 |
| Vocational Education Program | 2,066 | 2,066 | 2,066 | 0 |
| Transportation | 58,908 | 57,521 | 59,380 | 472 |
| Total Expenditures | \$ 1,668,814 | \$ 1,552,034 | \$ 1,808,296 | \$ 139,482 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ 7,037 | \$ 7,592 | \$ 7,037 | \$ 0 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers Out | \$ (7,037) | \$ (7,592) | \$ (7,037) | \$ 0 |
| Total Other Financing Sources | \$ (7,037) | \$ (7,592) | \$ (7,037) | \$ 0 |
| Net Change in Fund Balance | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Fund Balance, July 1, 2015 | 100,000 | 0 | 0 | 100,000 |
| Fund Balance, June 30, 2016 | \$ 100,000 | \$ 0 | \$ 0 | \$ 100,000 |

Exhibit J-10

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Humphreys County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2016

| | Actual | Budgeted Amounts | | Variance with Final Budget - Positive - (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | | Original | Final | |
| <u>Revenues</u> | | | | |
| Charges for Current Services | \$ 626,180 | \$ 838,000 | \$ 838,000 | \$ (211,820) |
| Other Local Revenues | 17,682 | 30,525 | 30,525 | (12,843) |
| State of Tennessee | 15,215 | 16,768 | 16,768 | (1,553) |
| Federal Government | 1,154,113 | 1,110,900 | 1,110,900 | 43,213 |
| Total Revenues | <u>\$ 1,813,190</u> | <u>\$ 1,996,193</u> | <u>\$ 1,996,193</u> | <u>\$ (183,003)</u> |
| <u>Expenditures</u> | | | | |
| <u>Operation of Non-Instructional Services</u> | | | | |
| Food Service | \$ 1,725,648 | \$ 1,996,193 | \$ 1,996,193 | \$ 270,545 |
| Total Expenditures | <u>\$ 1,725,648</u> | <u>\$ 1,996,193</u> | <u>\$ 1,996,193</u> | <u>\$ 270,545</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>\$ 87,542</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 87,542</u> |
| Net Change in Fund Balance | \$ 87,542 | \$ 0 | \$ 0 | \$ 87,542 |
| Fund Balance, July 1, 2015 | <u>40,209</u> | <u>155,637</u> | <u>155,637</u> | <u>(115,428)</u> |
| Fund Balance, June 30, 2016 | <u>\$ 127,751</u> | <u>\$ 155,637</u> | <u>\$ 155,637</u> | <u>\$ (27,886)</u> |

Exhibit J-11

Humphreys County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Humphreys County School Department
Fiduciary Fund
June 30, 2016

| | <u>Private- Purpose Trust Fund</u> |
|---------------------------------------|--|
| <u>ASSETS</u> | |
| Equity in Pooled Cash and Investments | <u>\$ 49,593</u> |
| Total Assets | <u>\$ 49,593</u> |
| <u>NET POSITION</u> | |
| Held in Trust for Scholarships | <u>\$ 49,593</u> |
| Total Net Position | <u>\$ 49,593</u> |

Exhibit J-12

Humphreys County, Tennessee
Statement of Changes in Fiduciary Net Position
Discretely Presented Humphreys County School Department
Fiduciary Fund
For the Year Ended June 30, 2016

| | <u>Private- Purpose Trust Fund</u> |
|-----------------------------|--|
| <u>ADDITIONS</u> | |
| <u>Other Local Revenues</u> | |
| Investment Income | \$ 194 |
| Total Additions | <u>\$ 194</u> |
| <u>DEDUCTIONS</u> | |
| <u>Other</u> | |
| Scholarships | \$ 2,000 |
| Total Deductions | <u>\$ 2,000</u> |
| Change in Net Position | \$ (1,806) |
| Net Position, July 1, 2015 | <u>51,399</u> |
| Net Position, June 30, 2016 | <u><u>\$ 49,593</u></u> |

MISCELLANEOUS SCHEDULES

Exhibit K-1

Humphreys County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds
For the Year Ended June 30, 2016

| Description of Indebtedness | Original Amount of Issue | Interest Rate | Date of Issue | Last Maturity Date | Outstanding 7-1-15 | Paid and/or Matured During Period | Outstanding 6-30-16 |
|--|--------------------------------|------------------|---------------------|--------------------------|-----------------------|--|------------------------|
| <u>NOTES PAYABLE</u> | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | |
| E-911 Towers | \$ 750,000 | 3.85 % | 3-27-08 | 3-27-18 | \$ 225,000 | \$ 75,000 | \$ 150,000 |
| Center for Higher Learning Expansion | 400,000 | 3.85 | 3-27-08 | 3-27-18 | 120,000 | 40,000 | 80,000 |
| Total Notes Payable | | | | | <u>\$ 345,000</u> | <u>\$ 115,000</u> | <u>\$ 230,000</u> |
| <u>OTHER LOANS PAYABLE</u> | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | |
| School | 7,000,000 | Variable | 3-7-00 | 5-25-20 | \$ 2,373,000 | \$ 438,000 | \$ 1,935,000 |
| Total Other Loans Payable | | | | | <u>\$ 2,373,000</u> | <u>\$ 438,000</u> | <u>\$ 1,935,000</u> |
| <u>BONDS PAYABLE</u> | | | | | | | |
| <u>Payable through General Debt Service Fund</u> | | | | | | | |
| Flood Control, FmHA | 110,000 | 4.371 | 7-1-76 | 1-1-16 | \$ 6,200 | \$ 6,200 | \$ 0 |
| Total Bonds Payable | | | | | <u>\$ 6,200</u> | <u>\$ 6,200</u> | <u>\$ 0</u> |

Exhibit K-2

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

| Year Ending June 30 | Notes | | |
|---------------------------|-------------------|------------------|-------------------|
| | Principal | Interest | Total |
| 2017 | \$ 115,000 | \$ 8,855 | \$ 123,855 |
| 2018 | 115,000 | 4,428 | 119,428 |
| Total | <u>\$ 230,000</u> | <u>\$ 13,283</u> | <u>\$ 243,283</u> |

| Year Ending June 30 | Other Loans | | | |
|---------------------------|---------------------|------------------|------------------|---------------------|
| | Principal | Interest | Other Fees | Total |
| 2017 | \$ 456,000 | \$ 11,804 | \$ 19,185 | \$ 486,989 |
| 2018 | 474,000 | 9,022 | 14,904 | 497,926 |
| 2019 | 493,000 | 6,130 | 10,454 | 509,584 |
| 2020 | 512,000 | 3,123 | 5,826 | 520,949 |
| Total | <u>\$ 1,935,000</u> | <u>\$ 30,079</u> | <u>\$ 50,369</u> | <u>\$ 2,015,448</u> |

Exhibit K-3

Humphreys County, Tennessee
Schedule of Transfers
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2016

| <u>From Fund</u> | <u>To Fund</u> | <u>Purpose</u> | <u>Amount</u> |
|-------------------------|------------------------|----------------|------------------------|
| School Federal Projects | General Purpose School | Indirect costs | <u>\$ 7,037</u> |
| Total Transfers | | | <u><u>\$ 7,037</u></u> |

Exhibit K-4

Humphreys County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2016

| Official | Authorization for Salary | Salary Paid During Period | Bond | Surety |
|---|---|---------------------------|------------|--|
| County Executive | Section 8-24-102, <i>TCA</i> | \$ 73,738 | \$ 100,000 | Auto-Owners Insurance Company |
| Road Supervisor | Section 8-24-102, <i>TCA</i> | 70,228 | 100,000 | Travelers Casualty and Surety Company of America |
| Director of Schools | State Board of Education and County Board of Education | 92,474 (1) | 50,000 | " |
| Trustee | Section 8-24-102, <i>TCA</i> | 63,843 | 825,000 | Auto-Owners Insurance Company |
| Assessor of Property | Section 8-24-102, <i>TCA</i> | 63,843 | 50,000 | Travelers Casualty and Surety Company of America |
| County Clerk | Section 8-24-102, <i>TCA</i> | 63,843 | 100,000 | Auto-Owners Insurance Company |
| Circuit and General Sessions Courts Clerk | Section 8-24-102, <i>TCA</i> | 63,843 | 100,000 | " |
| Clerk and Master | Section 8-24-102, <i>TCA</i> , and Chancery Court Judge | 63,843 (2) | 75,000 | Travelers Casualty and Surety Company of America |
| Register of Deeds | Section 8-24-102, <i>TCA</i> | 63,843 | 100,000 | Auto-Owners Insurance Company |
| Sheriff | Section 8-24-102, <i>TCA</i> | 70,228 (3) | 100,000 | " |
| Employee Blanket Bonds: | | | | |
| | Public Employee Dishonesty - County Departments | | 150,000 | Tennessee Risk Management Trust |
| | Public Employee Dishonesty - School Department | | 150,000 | " |

(1) Includes a chief executive officer training supplement of \$1,000.

(2) Does not include special commissioner fees of \$4,260.

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

Exhibit K-5

Humphreys County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
For the Year Ended June 30, 2016

| | Special Revenue Funds | | | | | |
|--|-----------------------|--------------------------|-------------------|--------------|--------------------------------|------------------------|
| | General | Solid Waste / Sanitation | Local Purpose Tax | Drug Control | Constitutional Officers - Fees | Highway / Public Works |
| <u>Local Taxes</u> | | | | | | |
| <u>County Property Taxes</u> | | | | | | |
| Current Property Tax | \$ 3,392,646 | \$ 881,158 | \$ 164,738 | \$ 0 | \$ 0 | \$ 880,372 |
| Trustee's Collections - Prior Year | 76,149 | 15,865 | 2,846 | 0 | 0 | 14,247 |
| Trustee's Collections - Bankruptcy | 1,233 | 261 | 57 | 0 | 0 | 222 |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 108,427 | 23,020 | 2,788 | 0 | 0 | 19,903 |
| Interest and Penalty | 10,189 | 2,295 | 557 | 0 | 0 | 2,057 |
| Payments in-Lieu-of Taxes - T.V.A. | 7,500 | 0 | 0 | 0 | 0 | 3,744 |
| Payments in-Lieu-of Taxes - Other | 1,188 | 0 | 0 | 0 | 0 | 0 |
| <u>County Local Option Taxes</u> | | | | | | |
| Local Option Sales Tax | 1,059,402 | 0 | 0 | 0 | 0 | 0 |
| Hotel/Motel Tax | 116,544 | 0 | 0 | 0 | 0 | 0 |
| Local Amusement Tax | 804 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - General | 88,079 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Special Purpose | 11,428 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 46,295 | 0 | 0 | 0 | 0 | 0 |
| Litigation Tax - Courthouse Security | 5,450 | 0 | 0 | 0 | 0 | 0 |
| Business Tax | 167,244 | 0 | 0 | 0 | 0 | 0 |
| Mixed Drink Tax | 587 | 0 | 0 | 0 | 0 | 0 |
| Other County Local Option Taxes | 1,173 | 0 | 0 | 0 | 0 | 0 |
| <u>Statutory Local Taxes</u> | | | | | | |
| Bank Excise Tax | 29,675 | 0 | 0 | 0 | 0 | 0 |
| Wholesale Beer Tax | 74,921 | 0 | 0 | 0 | 0 | 0 |
| Interstate Telecommunications Tax | 901 | 0 | 0 | 0 | 0 | 0 |
| Total Local Taxes | \$ 5,199,835 | \$ 922,599 | \$ 170,986 | \$ 0 | \$ 0 | \$ 920,545 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | | |
|--|-----------------------|--------------------------|-------------------|--------------|--------------------------------|------------------------|
| | General | Solid Waste / Sanitation | Local Purpose Tax | Drug Control | Constitutional Officers - Fees | Highway / Public Works |
| <u>Fines, Forfeitures, and Penalties</u> | | | | | | |
| <u>Circuit Court</u> | | | | | | |
| Fines | \$ 2,984 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Officers Costs | 3,969 | 0 | 0 | 0 | 0 | 0 |
| Drug Court Fees | 0 | 0 | 0 | 66 | 0 | 0 |
| Jail Fees | 226 | 0 | 0 | 0 | 0 | 0 |
| Judicial Commissioner Fees | 501 | 0 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 736 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Circuit Court | 904 | 0 | 0 | 0 | 0 | 0 |
| Victims Assistance Assessments | 10,782 | 0 | 0 | 0 | 0 | 0 |
| <u>Criminal Court</u> | | | | | | |
| DUI Treatment Fines | 142 | 0 | 0 | 0 | 0 | 0 |
| <u>General Sessions Court</u> | | | | | | |
| Fines | 9,326 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 6,877 | 0 | 0 | 0 | 0 | 0 |
| Game and Fish Fines | 315 | 0 | 0 | 0 | 0 | 0 |
| Drug Control Fines | 0 | 0 | 0 | 21,148 | 0 | 0 |
| Jail Fees | 479 | 0 | 0 | 0 | 0 | 0 |
| Judicial Commissioner Fees | 1,981 | 0 | 0 | 0 | 0 | 0 |
| DUI Treatment Fines | 3,187 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - General Sessions Court | 5,920 | 0 | 0 | 0 | 0 | 0 |
| <u>Juvenile Court</u> | | | | | | |
| Fines | 636 | 0 | 0 | 0 | 0 | 0 |
| Officers Costs | 5,164 | 0 | 0 | 0 | 0 | 0 |
| <u>Chancery Court</u> | | | | | | |
| Officers Costs | 3,127 | 0 | 0 | 0 | 0 | 0 |
| Data Entry Fee - Chancery Court | 2,624 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | | |
|--|-----------------------|--------------------------|-------------------|-------------------|--------------------------------|------------------------|
| | General | Solid Waste / Sanitation | Local Purpose Tax | Drug Control | Constitutional Officers - Fees | Highway / Public Works |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | | | | |
| <u>Other Courts - In-county</u> | | | | | | |
| Drug Control Fines | \$ 4,442 | \$ 0 | \$ 0 | \$ 8,191 | \$ 0 | \$ 0 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | | | | |
| Proceeds from Confiscated Property | 0 | 0 | 0 | 116,979 | 0 | 0 |
| Other Fines, Forfeitures, and Penalties | 14,481 | 0 | 0 | 0 | 0 | 0 |
| Total Fines, Forfeitures, and Penalties | \$ 78,803 | \$ 0 | \$ 0 | \$ 146,384 | \$ 0 | \$ 0 |
| <u>Charges for Current Services</u> | | | | | | |
| <u>General Service Charges</u> | | | | | | |
| Tipping Fees | \$ 0 | \$ 15,926 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Work Release Charges for Board | 170 | 0 | 0 | 0 | 0 | 0 |
| <u>Fees</u> | | | | | | |
| Copy Fees | 724 | 0 | 0 | 0 | 0 | 0 |
| Greenbelt Late Application Fee | 50 | 0 | 0 | 0 | 0 | 0 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 0 | 0 | 4,260 | 0 |
| Data Processing Fee - Register | 6,354 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - Sheriff | 2,369 | 0 | 0 | 0 | 0 | 0 |
| Sexual Offender Registration Fee - Sheriff | 900 | 0 | 0 | 0 | 0 | 0 |
| Data Processing Fee - County Clerk | 3,386 | 0 | 0 | 0 | 0 | 0 |
| Total Charges for Current Services | \$ 13,953 | \$ 15,926 | \$ 0 | \$ 0 | \$ 4,260 | \$ 0 |
| <u>Other Local Revenues</u> | | | | | | |
| <u>Recurring Items</u> | | | | | | |
| Investment Income | \$ 9 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 2 |
| Lease/Rentals | 14,769 | 0 | 0 | 0 | 0 | 0 |
| Sale of Materials and Supplies | 0 | 0 | 280 | 0 | 0 | 0 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | | |
|--|-----------------------|--------------------------|-------------------|------------------|--------------------------------|------------------------|
| | General | Solid Waste / Sanitation | Local Purpose Tax | Drug Control | Constitutional Officers - Fees | Highway / Public Works |
| <u>Other Local Revenues (Cont.)</u> | | | | | | |
| <u>Recurring Items (Cont.)</u> | | | | | | |
| Sale of Gasoline | \$ 49,020 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 32,913 |
| Sale of Recycled Materials | 0 | 3,332 | 0 | 0 | 0 | 2,616 |
| Miscellaneous Refunds | 674 | 0 | 4,911 | 0 | 0 | 2,934 |
| <u>Nonrecurring Items</u> | | | | | | |
| Sale of Equipment | 0 | 0 | 0 | 7,872 | 0 | 0 |
| Sale of Property | 9,200 | 0 | 0 | 0 | 0 | 0 |
| Contributions and Gifts | 88,009 | 0 | 2,000 | 3,000 | 0 | 0 |
| Total Other Local Revenues | \$ 161,681 | \$ 3,332 | \$ 7,191 | \$ 10,872 | \$ 0 | \$ 38,465 |
| <u>Fees Received From County Officials</u> | | | | | | |
| <u>Fees In-Lieu-of Salary</u> | | | | | | |
| County Clerk | \$ 197,306 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Circuit Court Clerk | 74,292 | 0 | 0 | 0 | 0 | 0 |
| General Sessions Court Clerk | 88,904 | 0 | 0 | 0 | 0 | 0 |
| Clerk and Master | 66,214 | 0 | 0 | 0 | 0 | 0 |
| Register | 77,494 | 0 | 0 | 0 | 0 | 0 |
| Sheriff | 11,837 | 0 | 0 | 0 | 0 | 0 |
| Trustee | 409,050 | 0 | 0 | 0 | 0 | 0 |
| Total Fees Received From County Officials | \$ 925,097 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| <u>State of Tennessee</u> | | | | | | |
| <u>General Government Grants</u> | | | | | | |
| Juvenile Services Program | \$ 13,500 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Airport Maintenance Program | 2,493 | 0 | 0 | 0 | 0 | 0 |
| On-behalf Contributions for OPEB | 750 | 0 | 0 | 0 | 0 | 0 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | | Highway / Public Works |
|-----------------------------------|-----------------------|--------------------------------|-------------------------|-----------------|--|------------------------------|
| | General | Solid Waste / Sanitation | Local Purpose Tax | Drug Control | Constitu - tional Officers - Fees | |
| <u>State of Tennessee (Cont.)</u> | | | | | | |
| <u>Public Safety Grants</u> | | | | | | |
| Law Enforcement Training Programs | \$ 13,800 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Other Public Safety Grants | 19,418 | 0 | 0 | 0 | 0 | 0 |
| <u>Health and Welfare Grants</u> | | | | | | |
| Health Department Programs | 108,020 | 0 | 0 | 0 | 0 | 0 |
| <u>Public Works Grants</u> | | | | | | |
| State Aid Program | 0 | 0 | 0 | 0 | 0 | 351,378 |
| Litter Program | 26,723 | 0 | 0 | 0 | 0 | 0 |
| <u>Other State Revenues</u> | | | | | | |
| Income Tax | 20,070 | 0 | 0 | 0 | 0 | 0 |
| Resort District Sales Tax | 434,646 | 0 | 0 | 0 | 0 | 0 |
| Beer Tax | 18,488 | 0 | 0 | 0 | 0 | 0 |
| Vehicle Certificate of Title Fees | 15,638 | 0 | 0 | 0 | 0 | 0 |
| Alcoholic Beverage Tax | 55,456 | 0 | 0 | 0 | 0 | 0 |
| State Revenue Sharing - T.V.A. | 1,599,168 | 0 | 0 | 0 | 0 | 0 |
| Prisoner Transportation | 1,054 | 0 | 0 | 0 | 0 | 0 |
| Contracted Prisoner Boarding | 95,201 | 0 | 0 | 0 | 0 | 0 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 0 | 0 | 0 | 1,818,812 |
| Petroleum Special Tax | 0 | 0 | 0 | 0 | 0 | 13,376 |
| Registrar's Salary Supplement | 28,242 | 0 | 0 | 0 | 0 | 0 |
| Other State Grants | 15,580 | 0 | 0 | 0 | 0 | 0 |
| Other State Revenues | 4,421 | 10,465 | 0 | 0 | 0 | 0 |
| Total State of Tennessee | \$ 2,472,668 | \$ 10,465 | \$ 0 | \$ 0 | \$ 0 | \$ 2,183,566 |

(Continued)

Exhibit K-5

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

| | Special Revenue Funds | | | | | |
|--|-----------------------|--------------------------|-------------------|-------------------|--------------------------------|------------------------|
| | General | Solid Waste / Sanitation | Local Purpose Tax | Drug Control | Constitutional Officers - Fees | Highway / Public Works |
| <u>Federal Government</u> | | | | | | |
| <u>Federal Through State</u> | | | | | | |
| Community Development | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| Disaster Relief | 0 | 0 | 0 | 0 | 0 | 369,925 |
| Other Federal through State | 39,250 | 0 | 0 | 0 | 0 | 0 |
| <u>Direct Federal Revenue</u> | | | | | | |
| Other Direct Federal Revenue | 15,731 | 0 | 0 | 0 | 0 | 0 |
| Total Federal Government | <u>\$ 54,981</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>369,925</u> |
| <u>Other Governments and Citizens Groups</u> | | | | | | |
| <u>Other Governments</u> | | | | | | |
| Contributions | \$ 16,530 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | 0 |
| <u>Other</u> | | | | | | |
| Other | 24,689 | 0 | 0 | 0 | 0 | 0 |
| Total Other Governments and Citizens Groups | <u>\$ 41,219</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>0</u> |
| Total | <u>\$ 8,948,237</u> | <u>\$ 952,322</u> | <u>\$ 178,177</u> | <u>\$ 157,256</u> | <u>\$ 4,260</u> | <u>\$ 3,512,501</u> |

(Continued)

Exhibit K-5

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

| | <u>Debt Service Fund</u> | <u>Capital Projects Fund</u> | <u>Total</u> |
|--|------------------------------|--------------------------------------|---------------------|
| | General Debt Service | General Capital Projects | |
| <u>Local Taxes</u> | | | |
| <u>County Property Taxes</u> | | | |
| Current Property Tax | \$ 792,893 | \$ 176,233 | \$ 6,288,040 |
| Trustee's Collections - Prior Year | 1,591 | 3,173 | 113,871 |
| Trustee's Collections - Bankruptcy | 48 | 51 | 1,872 |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 4,048 | 4,604 | 162,790 |
| Interest and Penalty | 926 | 462 | 16,486 |
| Payments in-Lieu-of Taxes - T.V.A. | 0 | 0 | 11,244 |
| Payments in-Lieu-of Taxes - Other | 0 | 0 | 1,188 |
| <u>County Local Option Taxes</u> | | | |
| Local Option Sales Tax | 0 | 0 | 1,059,402 |
| Hotel/Motel Tax | 0 | 0 | 116,544 |
| Local Amusement Tax | 0 | 0 | 804 |
| Litigation Tax - General | 0 | 0 | 88,079 |
| Litigation Tax - Special Purpose | 0 | 0 | 11,428 |
| Litigation Tax - Jail, Workhouse, or Courthouse | 0 | 0 | 46,295 |
| Litigation Tax - Courthouse Security | 0 | 0 | 5,450 |
| Business Tax | 0 | 0 | 167,244 |
| Mixed Drink Tax | 0 | 0 | 587 |
| Other County Local Option Taxes | 0 | 0 | 1,173 |
| <u>Statutory Local Taxes</u> | | | |
| Bank Excise Tax | 0 | 0 | 29,675 |
| Wholesale Beer Tax | 0 | 0 | 74,921 |
| Interstate Telecommunications Tax | 0 | 0 | 901 |
| Total Local Taxes | \$ 799,506 | \$ 184,523 | \$ 8,197,994 |

(Continued)

Exhibit K-5

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

| | <u>Debt Service</u> <u>Fund</u> | <u>Capital</u> <u>Projects</u> <u>Fund</u> | <u>Total</u> |
|--|------------------------------------|--|--------------|
| | General Debt Service | General Capital Projects | |
| <u>Fines, Forfeitures, and Penalties</u> | | | |
| <u>Circuit Court</u> | | | |
| Fines | \$ 0 | \$ 0 | \$ 2,984 |
| Officers Costs | 0 | 0 | 3,969 |
| Drug Court Fees | 0 | 0 | 66 |
| Jail Fees | 0 | 0 | 226 |
| Judicial Commissioner Fees | 0 | 0 | 501 |
| DUI Treatment Fines | 0 | 0 | 736 |
| Data Entry Fee - Circuit Court | 0 | 0 | 904 |
| Victims Assistance Assessments | 0 | 0 | 10,782 |
| <u>Criminal Court</u> | | | |
| DUI Treatment Fines | 0 | 0 | 142 |
| <u>General Sessions Court</u> | | | |
| Fines | 0 | 0 | 9,326 |
| Officers Costs | 0 | 0 | 6,877 |
| Game and Fish Fines | 0 | 0 | 315 |
| Drug Control Fines | 0 | 0 | 21,148 |
| Jail Fees | 0 | 0 | 479 |
| Judicial Commissioner Fees | 0 | 0 | 1,981 |
| DUI Treatment Fines | 0 | 0 | 3,187 |
| Data Entry Fee - General Sessions Court | 0 | 0 | 5,920 |
| <u>Juvenile Court</u> | | | |
| Fines | 0 | 0 | 636 |
| Officers Costs | 0 | 0 | 5,164 |
| <u>Chancery Court</u> | | | |
| Officers Costs | 0 | 0 | 3,127 |
| Data Entry Fee - Chancery Court | 0 | 0 | 2,624 |

(Continued)

Exhibit K-5

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

| | <u>Debt Service Fund</u> | <u>Capital Projects Fund</u> | <u>Total</u> |
|--|------------------------------|--------------------------------------|-------------------|
| | General Debt Service | General Capital Projects | |
| <u>Fines, Forfeitures, and Penalties (Cont.)</u> | | | |
| <u>Other Courts - In-county</u> | | | |
| Drug Control Fines | \$ 0 | \$ 0 | \$ 12,633 |
| <u>Other Fines, Forfeitures, and Penalties</u> | | | |
| Proceeds from Confiscated Property | 0 | 0 | 116,979 |
| Other Fines, Forfeitures, and Penalties | 0 | 0 | 14,481 |
| Total Fines, Forfeitures, and Penalties | \$ 0 | \$ 0 | \$ 225,187 |
| <u>Charges for Current Services</u> | | | |
| <u>General Service Charges</u> | | | |
| Tipping Fees | \$ 0 | \$ 0 | \$ 15,926 |
| Work Release Charges for Board | 0 | 0 | 170 |
| <u>Fees</u> | | | |
| Copy Fees | 0 | 0 | 724 |
| Greenbelt Late Application Fee | 0 | 0 | 50 |
| Constitutional Officers' Fees and Commissions | 0 | 0 | 4,260 |
| Data Processing Fee - Register | 0 | 0 | 6,354 |
| Data Processing Fee - Sheriff | 0 | 0 | 2,369 |
| Sexual Offender Registration Fee - Sheriff | 0 | 0 | 900 |
| Data Processing Fee - County Clerk | 0 | 0 | 3,386 |
| Total Charges for Current Services | \$ 0 | \$ 0 | \$ 34,139 |
| <u>Other Local Revenues</u> | | | |
| <u>Recurring Items</u> | | | |
| Investment Income | \$ 46,405 | \$ 0 | \$ 46,416 |
| Lease/Rentals | 0 | 17,712 | 32,481 |
| Sale of Materials and Supplies | 0 | 0 | 280 |

(Continued)

Exhibit K-5

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

| | <u>Debt Service Fund</u> | <u>Capital Projects Fund</u> | <u>Total</u> |
|--|------------------------------|--------------------------------------|-------------------|
| | General Debt Service | General Capital Projects | |
| <u>Other Local Revenues (Cont.)</u> | | | |
| <u>Recurring Items (Cont.)</u> | | | |
| Sale of Gasoline | \$ 0 | \$ 0 | \$ 81,933 |
| Sale of Recycled Materials | 0 | 0 | 5,948 |
| Miscellaneous Refunds | 0 | 0 | 8,519 |
| <u>Nonrecurring Items</u> | | | |
| Sale of Equipment | 0 | 0 | 7,872 |
| Sale of Property | 0 | 0 | 9,200 |
| Contributions and Gifts | 0 | 0 | 93,009 |
| Total Other Local Revenues | <u>\$ 46,405</u> | <u>\$ 17,712</u> | <u>\$ 285,658</u> |
| <u>Fees Received From County Officials</u> | | | |
| <u>Fees In-Lieu-of Salary</u> | | | |
| County Clerk | \$ 0 | \$ 0 | \$ 197,306 |
| Circuit Court Clerk | 0 | 0 | 74,292 |
| General Sessions Court Clerk | 0 | 0 | 88,904 |
| Clerk and Master | 0 | 0 | 66,214 |
| Register | 0 | 0 | 77,494 |
| Sheriff | 0 | 0 | 11,837 |
| Trustee | 0 | 0 | 409,050 |
| Total Fees Received From County Officials | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 925,097</u> |
| <u>State of Tennessee</u> | | | |
| <u>General Government Grants</u> | | | |
| Juvenile Services Program | \$ 0 | \$ 0 | \$ 13,500 |
| Airport Maintenance Program | 0 | 0 | 2,493 |
| On-behalf Contributions for OPEB | 0 | 0 | 750 |

(Continued)

Exhibit K-5

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

| | <u>Debt Service</u> <u>Fund</u> | <u>Capital</u> <u>Projects</u> <u>Fund</u> | <u>Total</u> |
|-----------------------------------|------------------------------------|--|---------------------|
| | General Debt Service | General Capital Projects | |
| <u>State of Tennessee (Cont.)</u> | | | |
| <u>Public Safety Grants</u> | | | |
| Law Enforcement Training Programs | \$ 0 | \$ 0 | \$ 13,800 |
| Other Public Safety Grants | 0 | 0 | 19,418 |
| <u>Health and Welfare Grants</u> | | | |
| Health Department Programs | 0 | 0 | 108,020 |
| <u>Public Works Grants</u> | | | |
| State Aid Program | 0 | 0 | 351,378 |
| Litter Program | 0 | 0 | 26,723 |
| <u>Other State Revenues</u> | | | |
| Income Tax | 0 | 0 | 20,070 |
| Resort District Sales Tax | 0 | 0 | 434,646 |
| Beer Tax | 0 | 0 | 18,488 |
| Vehicle Certificate of Title Fees | 0 | 0 | 15,638 |
| Alcoholic Beverage Tax | 0 | 0 | 55,456 |
| State Revenue Sharing - T.V.A. | 0 | 0 | 1,599,168 |
| Prisoner Transportation | 0 | 0 | 1,054 |
| Contracted Prisoner Boarding | 0 | 0 | 95,201 |
| Gasoline and Motor Fuel Tax | 0 | 0 | 1,818,812 |
| Petroleum Special Tax | 0 | 0 | 13,376 |
| Registrar's Salary Supplement | 0 | 0 | 28,242 |
| Other State Grants | 0 | 0 | 15,580 |
| Other State Revenues | 0 | 0 | 14,886 |
| Total State of Tennessee | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 4,666,699</u> |

(Continued)

Exhibit K-5

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

| | <u>Debt Service Fund</u> | <u>Capital Projects Fund</u> | Total |
|--|------------------------------|--------------------------------------|----------------------|
| | General Debt Service | General Capital Projects | |
| <u>Federal Government</u> | | | |
| <u>Federal Through State</u> | | | |
| Community Development | \$ 0 | \$ 84,214 | \$ 84,214 |
| Disaster Relief | 0 | 0 | 369,925 |
| Other Federal through State | 0 | 56,418 | 95,668 |
| <u>Direct Federal Revenue</u> | | | |
| Other Direct Federal Revenue | 0 | 0 | 15,731 |
| Total Federal Government | <u>\$ 0</u> | <u>\$ 140,632</u> | <u>\$ 565,538</u> |
| <u>Other Governments and Citizens Groups</u> | | | |
| <u>Other Governments</u> | | | |
| Contributions | \$ 0 | \$ 0 | \$ 16,530 |
| <u>Other</u> | | | |
| Other | 0 | 0 | 24,689 |
| Total Other Governments and Citizens Groups | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 41,219</u> |
| Total | <u>\$ 845,911</u> | <u>\$ 342,867</u> | <u>\$ 14,941,531</u> |

Exhibit K-6

Humphreys County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2016

| | <u>Special Revenue Funds</u> | | | |
|--|------------------------------|-------------------------------|----------------------|---------------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | Total |
| <u>Local Taxes</u> | | | | |
| <u>County Property Taxes</u> | | | | |
| Current Property Tax | \$ 3,340,138 | \$ 0 | \$ 0 | \$ 3,340,138 |
| Trustee's Collections - Prior Year | 68,554 | 0 | 0 | 68,554 |
| Trustee's Collections - Bankruptcy | 992 | 0 | 0 | 992 |
| Circuit Clerk/Clerk and Master Collections - Prior Years | 84,323 | 0 | 0 | 84,323 |
| Interest and Penalty | 11,902 | 0 | 0 | 11,902 |
| <u>County Local Option Taxes</u> | | | | |
| Local Option Sales Tax | 2,656,308 | 0 | 0 | 2,656,308 |
| Mixed Drink Tax | 115 | 0 | 0 | 115 |
| <u>Statutory Local Taxes</u> | | | | |
| Interstate Telecommunications Tax | 1,556 | 0 | 0 | 1,556 |
| Total Local Taxes | <u>\$ 6,163,888</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 6,163,888</u> |
| <u>Licenses and Permits</u> | | | | |
| <u>Licenses</u> | | | | |
| Marriage Licenses | \$ 536 | \$ 0 | \$ 0 | \$ 536 |
| <u>Permits</u> | | | | |
| Other Permits | 265 | 0 | 0 | 265 |
| Total Licenses and Permits | <u>\$ 801</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 801</u> |
| <u>Charges for Current Services</u> | | | | |
| <u>Education Charges</u> | | | | |
| Tuition - Regular Day Students | \$ 2,900 | \$ 0 | \$ 0 | \$ 2,900 |
| Tuition - Summer School | 5,850 | 0 | 0 | 5,850 |
| Tuition - Other | 12,433 | 0 | 0 | 12,433 |

(Continued)

Exhibit K-6

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

| | <u>Special Revenue Funds</u> | | | | Total |
|---|------------------------------|-------------------------------|----------------------|-----------|----------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | | |
| <u>Charges for Current Services (Cont.)</u> | | | | | |
| <u>Education Charges (Cont.)</u> | | | | | |
| Lunch Payments - Children | \$ 0 | \$ 0 | \$ 341,289 | \$ | 341,289 |
| Lunch Payments - Adults | 0 | 0 | 61,167 | | 61,167 |
| Income from Breakfast | 0 | 0 | 21,466 | | 21,466 |
| A la Carte Sales | 0 | 0 | 201,421 | | 201,421 |
| Receipts from Individual Schools | 39,946 | 0 | 0 | | 39,946 |
| Other Charges for Services | 0 | 0 | 837 | | 837 |
| Total Charges for Current Services | \$ 61,129 | \$ 0 | \$ 626,180 | \$ | 687,309 |
| <u>Other Local Revenues</u> | | | | | |
| <u>Recurring Items</u> | | | | | |
| Investment Income | \$ 35 | \$ 0 | \$ 154 | \$ | 189 |
| Lease/Rentals | 3,910 | 0 | 0 | | 3,910 |
| Sale of Recycled Materials | 339 | 0 | 0 | | 339 |
| E-Rate Funding | 5,351 | 0 | 0 | | 5,351 |
| Miscellaneous Refunds | 38,079 | 0 | 17,528 | | 55,607 |
| <u>Nonrecurring Items</u> | | | | | |
| Sale of Equipment | 50,033 | 0 | 0 | | 50,033 |
| Damages Recovered from Individuals | 369 | 0 | 0 | | 369 |
| Contributions and Gifts | 14,500 | 0 | 0 | | 14,500 |
| Total Other Local Revenues | \$ 112,616 | \$ 0 | \$ 17,682 | \$ | 130,298 |
| <u>State of Tennessee</u> | | | | | |
| <u>General Government Grants</u> | | | | | |
| On-behalf Contributions for OPEB | \$ 87,518 | \$ 0 | \$ 0 | \$ | 87,518 |

(Continued)

Exhibit K-6

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

| | <u>Special Revenue Funds</u> | | | |
|--|------------------------------|-------------------------------|----------------------|----------------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | Total |
| <u>State of Tennessee (Cont.)</u> | | | | |
| <u>State Education Funds</u> | | | | |
| Basic Education Program | \$ 13,648,000 | \$ 0 | \$ 0 | \$ 13,648,000 |
| Early Childhood Education | 767,643 | 0 | 0 | 767,643 |
| School Food Service | 0 | 0 | 15,215 | 15,215 |
| Driver Education | 7,518 | 0 | 0 | 7,518 |
| Other State Education Funds | 311,667 | 0 | 0 | 311,667 |
| Coordinated School Health | 100,000 | 0 | 0 | 100,000 |
| Internet Connectivity | 5,438 | 0 | 0 | 5,438 |
| Career Ladder Program | 100,616 | 0 | 0 | 100,616 |
| <u>Other State Revenues</u> | | | | |
| Other State Grants | 3,616 | 0 | 0 | 3,616 |
| Safe Schools | 15,330 | 0 | 0 | 15,330 |
| Total State of Tennessee | <u>\$ 15,047,346</u> | <u>\$ 0</u> | <u>\$ 15,215</u> | <u>\$ 15,062,561</u> |
| <u>Federal Government</u> | | | | |
| <u>Federal Through State</u> | | | | |
| USDA School Lunch Program | \$ 0 | \$ 0 | \$ 784,210 | \$ 784,210 |
| Breakfast | 0 | 0 | 250,713 | 250,713 |
| USDA - Other | 0 | 0 | 116,040 | 116,040 |
| Vocational Education - Basic Grants to States | 0 | 42,389 | 0 | 42,389 |
| Title I Grants to Local Education Agencies | 0 | 708,949 | 0 | 708,949 |
| Special Education - Grants to States | 27,844 | 735,887 | 0 | 763,731 |
| Special Education Preschool Grants | 0 | 22,929 | 0 | 22,929 |
| Rural Education | 0 | 54,026 | 0 | 54,026 |
| Eisenhower Professional Development State Grants | 0 | 111,671 | 0 | 111,671 |

(Continued)

Exhibit K-6

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

| | <u>Special Revenue Funds</u> | | | |
|--------------------------------------|------------------------------|-------------------------------|-------------------------|--------------------------|
| | General Purpose School | School Federal Projects | Central Cafeteria | Total |
| <u>Federal Government (Cont.)</u> | | | | |
| <u>Federal Through State (Cont.)</u> | | | | |
| Disaster Relief | \$ 512,232 | \$ 0 | \$ 0 | \$ 512,232 |
| Other Federal through State | 0 | 0 | 3,150 | 3,150 |
| Total Federal Government | <u>\$ 540,076</u> | <u>\$ 1,675,851</u> | <u>\$ 1,154,113</u> | <u>\$ 3,370,040</u> |
| Total | <u>\$ 21,925,856</u> | <u>\$ 1,675,851</u> | <u>\$ 1,813,190</u> | <u>\$ 25,414,897</u> |

Exhibit K-7

Humphreys County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2016

General Fund

General Government

County Commission

| | | | |
|------------------------------------|----|--------|------------|
| Board and Committee Members Fees | \$ | 25,200 | |
| Audit Services | | 5,561 | |
| Contracts with Government Agencies | | 52,175 | |
| Contracts with Private Agencies | | 2,399 | |
| Data Processing Services | | 449 | |
| Dues and Memberships | | 7,342 | |
| Tax Relief Program | | 12,250 | |
| Other Charges | | 6,607 | |
| Other Equipment | | 6,067 | |
| Total County Commission | | | \$ 118,050 |

Board of Equalization

| | | | |
|----------------------------------|----|-------|-------|
| Board and Committee Members Fees | \$ | 1,060 | |
| Total Board of Equalization | | | 1,060 |

County Mayor/Executive

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 73,738 | |
| Secretary(ies) | | 75,057 | |
| Part-time Personnel | | 16,402 | |
| Other Salaries and Wages | | 1,306 | |
| On-behalf Payments to OPEB | | 750 | |
| Communication | | 4,901 | |
| Operating Lease Payments | | 4,355 | |
| Maintenance Agreements | | 15,800 | |
| Postal Charges | | 1,595 | |
| Travel | | 5,447 | |
| Duplicating Supplies | | 1,114 | |
| Gasoline | | 1,308 | |
| Office Supplies | | 1,757 | |
| Other Supplies and Materials | | 694 | |
| Total County Mayor/Executive | | | 204,224 |

County Attorney

| | | | |
|-----------------------|----|--------|--------|
| Legal Services | \$ | 45,162 | |
| Total County Attorney | | | 45,162 |

Election Commission

| | | | |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 57,459 | |
| Secretary(ies) | | 60,683 | |
| Overtime Pay | | 1,867 | |
| Other Salaries and Wages | | 20 | |
| Election Commission | | 1,350 | |
| Election Workers | | 7,275 | |
| Audit Services | | 900 | |
| Communication | | 2,704 | |
| Data Processing Services | | 8,002 | |
| Dues and Memberships | | 200 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

| | | | |
|--|----|--------|------------|
| Operating Lease Payments | \$ | 1,768 | |
| Maintenance and Repair Services - Office Equipment | | 205 | |
| Postal Charges | | 6,660 | |
| Printing, Stationery, and Forms | | 11,310 | |
| Office Supplies | | 2,821 | |
| Office Equipment | | 222 | |
| Total Election Commission | | | \$ 163,446 |

Register of Deeds

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 63,843 | |
| Secretary(ies) | | 67,870 | |
| Communication | | 2,414 | |
| Dues and Memberships | | 573 | |
| Operating Lease Payments | | 1,264 | |
| Postal Charges | | 196 | |
| Other Contracted Services | | 6,185 | |
| Duplicating Supplies | | 1,092 | |
| Office Supplies | | 4,735 | |
| Other Charges | | 683 | |
| Total Register of Deeds | | | 148,855 |

County Buildings

| | | | |
|---|----|---------|---------|
| Custodial Personnel | \$ | 42,624 | |
| Communication | | 2,240 | |
| Maintenance Agreements | | 7,417 | |
| Maintenance and Repair Services - Buildings | | 27,377 | |
| Maintenance and Repair Services - Vehicles | | 1,918 | |
| Pest Control | | 910 | |
| Custodial Supplies | | 8,602 | |
| Electricity | | 110,434 | |
| Natural Gas | | 13,792 | |
| Water and Sewer | | 26,998 | |
| Building Improvements | | 39,190 | |
| Motor Vehicles | | 16,642 | |
| Total County Buildings | | | 298,144 |

Other General Administration

| | | | |
|------------------------------------|----|-----|-----|
| Office Supplies | \$ | 199 | |
| Total Other General Administration | | | 199 |

Finance

Property Assessor's Office

| | | | |
|--|----|--------|--|
| County Official/Administrative Officer | \$ | 63,843 | |
| Secretary(ies) | | 98,211 | |
| Communication | | 2,276 | |
| Data Processing Services | | 4,191 | |
| Dues and Memberships | | 2,374 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

| | | | |
|----------------------------------|----|-------|------------|
| Operating Lease Payments | \$ | 2,696 | |
| Postal Charges | | 539 | |
| Other Contracted Services | | 5,755 | |
| Office Supplies | | 1,153 | |
| Total Property Assessor's Office | | | \$ 181,038 |

Reappraisal Program

| | | | |
|---------------------------|----|-------|-------|
| Data Processing Services | \$ | 2,193 | |
| Postal Charges | | 603 | |
| Gasoline | | 640 | |
| Motor Vehicles | | 38 | |
| Total Reappraisal Program | | | 3,474 |

County Trustee's Office

| | | | |
|---|----|--------|---------|
| County Official/Administrative Officer | \$ | 63,843 | |
| Secretary(ies) | | 67,870 | |
| Communication | | 2,050 | |
| Data Processing Services | | 5,642 | |
| Dues and Memberships | | 458 | |
| Operating Lease Payments | | 1,236 | |
| Legal Notices, Recording, and Court Costs | | 241 | |
| Maintenance Agreements | | 8,812 | |
| Postal Charges | | 4,962 | |
| Printing, Stationery, and Forms | | 69 | |
| Office Supplies | | 2,311 | |
| Total County Trustee's Office | | | 157,494 |

County Clerk's Office

| | | | |
|--|----|---------|---------|
| County Official/Administrative Officer | \$ | 63,843 | |
| Deputy(ies) | | 127,687 | |
| Communication | | 3,181 | |
| Dues and Memberships | | 558 | |
| Operating Lease Payments | | 2,195 | |
| Maintenance Agreements | | 12,894 | |
| Postal Charges | | 5,814 | |
| Office Supplies | | 6,264 | |
| Data Processing Equipment | | 6,668 | |
| Total County Clerk's Office | | | 229,104 |

Administration of Justice

Circuit Court

| | | | |
|--|----|---------|--|
| County Official/Administrative Officer | \$ | 63,843 | |
| Secretary(ies) | | 128,553 | |
| Jury and Witness Expense | | 10,991 | |
| Communication | | 2,815 | |
| Dues and Memberships | | 458 | |
| Operating Lease Payments | | 2,912 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

| | | | |
|---------------------------------|----|--------|------------|
| Maintenance Agreements | \$ | 11,910 | |
| Postal Charges | | 4,125 | |
| Printing, Stationery, and Forms | | 1,901 | |
| Data Processing Supplies | | 47 | |
| Office Supplies | | 3,758 | |
| Access Fees | | 7,776 | |
| Total Circuit Court | | | \$ 239,089 |

General Sessions Court

| | | | |
|------------------------------|----|--------|--------|
| Judge(s) | \$ | 84,405 | |
| Travel | | 1,346 | |
| Other Charges | | 112 | |
| Total General Sessions Court | | | 85,863 |

Chancery Court

| | | | |
|--|----|--------|---------|
| County Official/Administrative Officer | \$ | 63,843 | |
| Secretary(ies) | | 67,870 | |
| Communication | | 2,512 | |
| Dues and Memberships | | 458 | |
| Operating Lease Payments | | 2,368 | |
| Maintenance Agreements | | 8,051 | |
| Postal Charges | | 2,473 | |
| Printing, Stationery, and Forms | | 2,955 | |
| Data Processing Supplies | | 1,642 | |
| Office Supplies | | 6,874 | |
| Other Charges | | 45 | |
| Total Chancery Court | | | 159,091 |

Juvenile Court

| | | | |
|---------------------------|----|--------|---------|
| Judge(s) | \$ | 84,405 | |
| Youth Service Officer(s) | | 33,535 | |
| Communication | | 1,963 | |
| Other Contracted Services | | 705 | |
| Office Supplies | | 618 | |
| Other Charges | | 397 | |
| Total Juvenile Court | | | 121,623 |

District Attorney General

| | | | |
|---------------------------------|----|-------|-------|
| Investigator(s) | \$ | 6,000 | |
| Total District Attorney General | | | 6,000 |

Judicial Commissioners

| | | | |
|------------------------------|----|--------|--------|
| Other Salaries and Wages | \$ | 33,611 | |
| Total Judicial Commissioners | | | 33,611 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety

Sheriff's Department

| | | | |
|--|----|---------|--------------|
| County Official/Administrative Officer | \$ | 70,228 | |
| Deputy(ies) | | 648,211 | |
| Accountants/Bookkeepers | | 75,057 | |
| Salary Supplements | | 13,200 | |
| School Resource Officer | | 82,749 | |
| Overtime Pay | | 59,988 | |
| Other Salaries and Wages | | 59,072 | |
| In-service Training | | 5,187 | |
| Communication | | 16,957 | |
| Data Processing Services | | 7,191 | |
| Dues and Memberships | | 1,550 | |
| Maintenance Agreements | | 8,379 | |
| Maintenance and Repair Services - Vehicles | | 39,313 | |
| Postal Charges | | 3,343 | |
| Gasoline | | 66,831 | |
| Office Supplies | | 7,705 | |
| Uniforms | | 9,747 | |
| Other Charges | | 3,925 | |
| Data Processing Equipment | | 3,042 | |
| Law Enforcement Equipment | | 16,523 | |
| Motor Vehicles | | 52,933 | |
| Total Sheriff's Department | | | \$ 1,251,131 |

Jail

| | | | |
|---|----|---------|---------|
| Cafeteria Personnel | \$ | 26,726 | |
| Maintenance Agreements | | 12,142 | |
| Maintenance and Repair Services - Buildings | | 11,860 | |
| Medical and Dental Services | | 117,022 | |
| Transportation - Other than Students | | 1,381 | |
| Custodial Supplies | | 9,268 | |
| Food Preparation Supplies | | 552 | |
| Food Supplies | | 101,648 | |
| Office Supplies | | 4,285 | |
| Other Charges | | 3,390 | |
| Other Equipment | | 9,275 | |
| Total Jail | | | 297,549 |

Workhouse

| | | | |
|-----------------|----|---------|---------|
| Guards | \$ | 332,066 | |
| Overtime Pay | | 27,161 | |
| Small Tools | | 650 | |
| Uniforms | | 1,610 | |
| Total Workhouse | | | 361,487 |

Work Release Program

| | | | |
|----------------------------------|----|----|----|
| Board and Committee Members Fees | \$ | 75 | |
| Total Work Release Program | | | 75 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control

| | | |
|-----------------------------------|----------|----------|
| Contributions | \$ 2,000 | |
| Total Fire Prevention and Control | | \$ 2,000 |

Inspection and Regulation

| | | |
|--|-----------|--------|
| County Official/Administrative Officer | \$ 36,103 | |
| Part-time Personnel | 10,824 | |
| Communication | 1,749 | |
| Postal Charges | 100 | |
| Gasoline | 3,049 | |
| Vehicle Parts | 2,486 | |
| Other Supplies and Materials | 4,850 | |
| Other Equipment | 25,500 | |
| Total Inspection and Regulation | | 84,661 |

County Coroner/Medical Examiner

| | | |
|--|--------|--------|
| County Official/Administrative Officer | \$ 900 | |
| Specialized Medical Treatment | 21,607 | |
| Other Charges | 1,884 | |
| Total County Coroner/Medical Examiner | | 24,391 |

Other Public Safety

| | | |
|-----------------------------|------------|---------|
| Dispatchers/Radio Operators | \$ 216,938 | |
| Total Other Public Safety | | 216,938 |

Public Health and Welfare

Local Health Center

| | | |
|------------------------------------|----------|--------|
| Communication | \$ 4,663 | |
| Contracts with Government Agencies | 59,566 | |
| Medical and Dental Services | 327 | |
| Drug Treatment | 17,733 | |
| Other Supplies and Materials | 3,503 | |
| Building Improvements | 7,710 | |
| Total Local Health Center | | 93,502 |

Ambulance/Emergency Medical Services

| | | |
|--|------------|---------|
| Contracts with Private Agencies | \$ 386,250 | |
| Total Ambulance/Emergency Medical Services | | 386,250 |

Other Local Health Services

| | | |
|-----------------------------------|-----------|--------|
| Matching Share | \$ 25,000 | |
| Total Other Local Health Services | | 25,000 |

Sanitation Education/Information

| | | |
|---------------------------|-----------|--|
| Supervisor/Director | \$ 14,695 | |
| Part-time Personnel | 9,569 | |
| Communication | 1,639 | |
| Other Contracted Services | 167 | |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information (Cont.)

| | | | |
|--|----|-------|-----------|
| Gasoline | \$ | 1,509 | |
| Instructional Supplies and Materials | | 1,429 | |
| Motor Vehicles | | 128 | |
| Total Sanitation Education/Information | | | \$ 29,136 |

Other Public Health and Welfare

| | | | |
|---------------------------------------|----|--------|--------|
| Other Salaries and Wages | \$ | 80,374 | |
| Travel | | 869 | |
| Total Other Public Health and Welfare | | | 81,243 |

Social, Cultural, and Recreational Services

Libraries

| | | | |
|---------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 41,234 | |
| Clerical Personnel | | 59,653 | |
| Part-time Personnel | | 27,878 | |
| Communication | | 2,095 | |
| Maintenance Agreements | | 1,726 | |
| Printing, Stationery, and Forms | | 216 | |
| Library Books/Media | | 18,000 | |
| Periodicals | | 444 | |
| Other Supplies and Materials | | 6,491 | |
| Other Charges | | 981 | |
| Data Processing Equipment | | 7,243 | |
| Other Equipment | | 1,267 | |
| Total Libraries | | | 167,228 |

Other Social, Cultural, and Recreational

| | | | |
|--|----|-----|-----|
| Contributions | \$ | 800 | |
| Total Other Social, Cultural, and Recreational | | | 800 |

Agriculture and Natural Resources

Agricultural Extension Service

| | | | |
|--------------------------------------|----|---------|---------|
| Contributions | \$ | 100,567 | |
| Total Agricultural Extension Service | | | 100,567 |

Soil Conservation

| | | | |
|------------------------------|----|--------|--------|
| Assistant(s) | \$ | 26,522 | |
| Secretary(ies) | | 28,520 | |
| Part-time Personnel | | 1,870 | |
| Other Salaries and Wages | | 27,274 | |
| Dues and Memberships | | 985 | |
| Gasoline | | 1,975 | |
| Office Supplies | | 850 | |
| Vehicle Parts | | 2,485 | |
| Other Supplies and Materials | | 3,585 | |
| Office Equipment | | 496 | |
| Total Soil Conservation | | | 94,562 |

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations

Tourism

| | | | |
|------------------------------|----|--------|---------|
| Advertising | \$ | 26,881 | |
| Contributions | | 25,000 | |
| Dues and Memberships | | 4,416 | |
| Travel | | 6,369 | |
| Other Contracted Services | | 80,500 | |
| Other Supplies and Materials | | 2,295 | |
| Other Charges | | 19,078 | |
| Total Tourism | \$ | | 164,539 |

Airport

| | | | |
|---|----|--------|--------|
| Supervisor/Director | \$ | 32,688 | |
| Communication | | 3,082 | |
| Maintenance and Repair Services - Buildings | | 5,171 | |
| Gasoline | | 30,753 | |
| Office Supplies | | 27 | |
| Utilities | | 9,057 | |
| Other Charges | | 4,226 | |
| Total Airport | | | 85,004 |

Veterans' Services

| | | | |
|--------------------------|----|--------|--------|
| Supervisor/Director | \$ | 12,616 | |
| Communication | | 1,361 | |
| Other Charges | | 587 | |
| Total Veterans' Services | | | 14,564 |

Other Charges

| | | | |
|---------------------------------|----|---------|---------|
| Liability Insurance | \$ | 456,465 | |
| Trustee's Commission | | 204,708 | |
| Workers' Compensation Insurance | | 262,337 | |
| Total Other Charges | | | 923,510 |

Contributions to Other Agencies

| | | | |
|---------------------------------------|----|---------|---------|
| Contributions | \$ | 125,762 | |
| Total Contributions to Other Agencies | | | 125,762 |

Employee Benefits

| | | | |
|---------------------------|----|---------|-----------|
| Social Security | \$ | 206,458 | |
| Pensions | | 260,809 | |
| Life Insurance | | 13,489 | |
| Medical Insurance | | 584,698 | |
| Unemployment Compensation | | 20 | |
| Employer Medicare | | 48,311 | |
| Total Employee Benefits | | | 1,113,785 |

Total General Fund \$ 7,839,211

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

| | | | |
|---|----|---------|---------|
| Supervisor/Director | \$ | 73,069 | |
| Laborers | | 221,431 | |
| Communication | | 12,171 | |
| Operating Lease Payments | | 3,600 | |
| Maintenance and Repair Services - Equipment | | 20,299 | |
| Postal Charges | | 48 | |
| Disposal Fees | | 202,885 | |
| Diesel Fuel | | 21,808 | |
| Fertilizer, Lime, and Seed | | 173 | |
| Office Supplies | | 154 | |
| Tires and Tubes | | 9,712 | |
| Other Supplies and Materials | | 9,776 | |
| Landfill Closure/Postclosure Care Costs | | 27,886 | |
| Other Charges | | 13,823 | |
| Motor Vehicles | | 1,200 | |
| Solid Waste Equipment | | 17,340 | |
| Total Landfill Operation and Maintenance | \$ | | 635,375 |

Other Operations

Other Charges

| | | | |
|----------------------|----|--------|--------|
| Trustee's Commission | \$ | 18,370 | |
| Total Other Charges | | | 18,370 |

Employee Benefits

| | | | |
|-------------------------|----|--------|--------|
| Social Security | \$ | 18,259 | |
| Pensions | | 10,534 | |
| Life Insurance | | 450 | |
| Medical Insurance | | 23,586 | |
| Employer Medicare | | 4,270 | |
| Total Employee Benefits | | | 57,099 |

Total Solid Waste/Sanitation Fund \$ 710,844

Local Purpose Tax Fund

Public Safety

Fire Prevention and Control

| | | | |
|---|----|--------|--|
| Equipment Operators | \$ | 34,340 | |
| In-service Training | | 668 | |
| Communication | | 2,331 | |
| Maintenance and Repair Services - Buildings | | 1,741 | |
| Maintenance and Repair Services - Equipment | | 5,012 | |
| Maintenance and Repair Services - Vehicles | | 5,178 | |
| Other Contracted Services | | 4,800 | |
| Diesel Fuel | | 2,705 | |
| Electricity | | 2,979 | |
| Gasoline | | 2,020 | |
| Natural Gas | | 6,134 | |

(Continued)

Exhibit K-7

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

Local Purpose Tax Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

| | | | |
|-----------------------------------|----|--------|------------|
| Tires and Tubes | \$ | 692 | |
| Water and Sewer | | 563 | |
| Liability Insurance | | 26,009 | |
| Trustee's Commission | | 3,387 | |
| Other Charges | | 9,383 | |
| Motor Vehicles | | 7,000 | |
| Total Fire Prevention and Control | | | \$ 114,942 |

Total Local Purpose Tax Fund \$ 114,942

Drug Control Fund

Public Safety

Drug Enforcement

| | | | |
|--------------------------------------|----|--------|------------|
| Deputy(ies) | \$ | 36,873 | |
| Salary Supplements | | 600 | |
| Overtime Pay | | 3,550 | |
| In-service Training | | 1,259 | |
| Communication | | 3,126 | |
| Travel | | 209 | |
| Instructional Supplies and Materials | | 8,292 | |
| Trustee's Commission | | 1,467 | |
| Other Charges | | 999 | |
| Building Improvements | | 25,613 | |
| Law Enforcement Equipment | | 68,783 | |
| Total Drug Enforcement | | | \$ 150,771 |

Other Operations

Employee Benefits

| | | | |
|-------------------------|----|-------|--------|
| Social Security | \$ | 2,543 | |
| Pensions | | 3,513 | |
| Life Insurance | | 96 | |
| Medical Insurance | | 6,156 | |
| Employer Medicare | | 596 | |
| Total Employee Benefits | | | 12,904 |

Total Drug Control Fund 163,675

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

| | | | |
|---------------------------|----|-------|----------|
| Special Commissioner Fees | \$ | 4,260 | |
| Total Chancery Court | | | \$ 4,260 |

Total Constitutional Officers - Fees Fund 4,260

(Continued)

Exhibit K-7

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

Highway/Public Works Fund

Highways

Administration

| | | | |
|--|----|--------|------------|
| County Official/Administrative Officer | \$ | 70,228 | |
| Accountants/Bookkeepers | | 62,935 | |
| Advertising | | 144 | |
| Communication | | 4,188 | |
| Data Processing Services | | 5,970 | |
| Dues and Memberships | | 2,667 | |
| Maintenance and Repair Services - Office Equipment | | 122 | |
| Pest Control | | 132 | |
| Postal Charges | | 197 | |
| Custodial Supplies | | 504 | |
| Electricity | | 5,543 | |
| Natural Gas | | 1,192 | |
| Office Supplies | | 551 | |
| Water and Sewer | | 1,402 | |
| Other Charges | | 460 | |
| Total Administration | | | \$ 156,235 |

Highway and Bridge Maintenance

| | | | |
|--------------------------------------|----|---------|-----------|
| Foremen | \$ | 137,900 | |
| Equipment Operators | | 162,564 | |
| Truck Drivers | | 222,085 | |
| Laborers | | 182,294 | |
| Asphalt - Cold Mix | | 572,437 | |
| Crushed Stone | | 201,990 | |
| Pipe - Metal | | 48,824 | |
| Road Signs | | 4,899 | |
| Other Supplies and Materials | | 476 | |
| Total Highway and Bridge Maintenance | | | 1,533,469 |

Operation and Maintenance of Equipment

| | | | |
|--|----|---------|---------|
| Foremen | \$ | 31,715 | |
| Mechanic(s) | | 62,656 | |
| Diesel Fuel | | 97,148 | |
| Equipment and Machinery Parts | | 142,921 | |
| Garage Supplies | | 2,245 | |
| Gasoline | | 44,495 | |
| Lubricants | | 6,573 | |
| Tires and Tubes | | 48,746 | |
| Other Supplies and Materials | | 12,525 | |
| Total Operation and Maintenance of Equipment | | | 449,024 |

Other Charges

| | | | |
|-----------------------------|----|--------|--------|
| Medical and Dental Services | \$ | 1,555 | |
| Trustee's Commission | | 36,423 | |
| Other Charges | | 4,911 | |
| Total Other Charges | | | 42,889 |

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

| | | | |
|---------------------------|----|---------|------------|
| Social Security | \$ | 70,406 | |
| Pensions | | 72,846 | |
| Medical Insurance | | 234,808 | |
| Unemployment Compensation | | 1,569 | |
| Other Fringe Benefits | | 5 | |
| Total Employee Benefits | | | \$ 379,634 |

Capital Outlay

| | | | |
|-----------------------|----|---------|---------|
| Building Improvements | \$ | 4,100 | |
| Motor Vehicles | | 15,500 | |
| Office Equipment | | 972 | |
| State Aid Projects | | 434,818 | |
| Other Equipment | | 68,446 | |
| Total Capital Outlay | | | 523,836 |

Total Highway/Public Works Fund \$ 3,085,087

General Debt Service Fund

Principal on Debt

General Government

| | | | |
|--------------------------|----|--------|-----------|
| Principal on Bonds | \$ | 6,200 | |
| Principal on Notes | | 75,000 | |
| Total General Government | | | \$ 81,200 |

Education

| | | | |
|--------------------------|----|---------|---------|
| Principal on Notes | \$ | 40,000 | |
| Principal on Other Loans | | 438,000 | |
| Total Education | | | 478,000 |

Interest on Debt

General Government

| | | | |
|--------------------------|----|-------|-------|
| Interest on Bonds | \$ | 300 | |
| Interest on Notes | | 8,631 | |
| Total General Government | | | 8,931 |

Education

| | | | |
|-------------------------|----|-------|--------|
| Interest on Notes | \$ | 4,603 | |
| Interest on Other Loans | | 7,294 | |
| Total Education | | | 11,897 |

Other Debt Service

General Government

| | | | |
|--------------------------|----|--------|--------|
| Trustee's Commission | \$ | 16,374 | |
| Total General Government | | | 16,374 |

Education

| | | | |
|-----------------------------|----|--------|--------|
| Other Debt Issuance Charges | \$ | 31,402 | |
| Total Education | | | 31,402 |

Total General Debt Service Fund 627,804

(Continued)

Exhibit K-7

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

| | | |
|---|------------|----------------------|
| <u>General Capital Projects Fund</u> | | |
| <u>Capital Projects</u> | | |
| <u>General Administration Projects</u> | | |
| Trustee's Commission | \$ 3,818 | |
| Total General Administration Projects | | \$ 3,818 |
| <u>Public Safety Projects</u> | | |
| Airport Improvement | \$ 85,933 | |
| Total Public Safety Projects | | 85,933 |
| <u>Public Utility Projects</u> | | |
| Engineering Services | \$ 6,375 | |
| Evaluation and Testing | 62,864 | |
| Other Construction | 60,772 | |
| Other Capital Outlay | 494 | |
| Total Public Utility Projects | | 130,505 |
| <u>Highway and Street Capital Projects</u> | | |
| Motor Vehicles | \$ 100,000 | |
| Total Highway and Street Capital Projects | | 100,000 |
| <u>Education Capital Projects</u> | | |
| Building Improvements | \$ 100,000 | |
| Transportation Equipment | 152,000 | |
| Total Education Capital Projects | | 252,000 |
| Total General Capital Projects Fund | | \$ 572,256 |
| <u>Other Capital Projects Fund</u> | | |
| <u>Capital Projects</u> | | |
| <u>Agriculture and Natural Resources Projects</u> | | |
| Other Charges | \$ 2,400 | |
| Total Agriculture and Natural Resources Projects | | \$ 2,400 |
| Total Other Capital Projects Fund | | 2,400 |
| Total Governmental Funds - Primary Government | | <u>\$ 13,120,479</u> |

Exhibit K-8

Humphreys County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Humphreys County School Department
For the Year Ended June 30, 2016

General Purpose School Fund

Instruction

Regular Instruction Program

| | | |
|--------------------------------------|--------------|---------------|
| Teachers | \$ 7,309,713 | |
| Career Ladder Program | 85,975 | |
| Career Ladder Extended Contracts | 18,896 | |
| Educational Assistants | 375,592 | |
| Other Salaries and Wages | 7,160 | |
| Certified Substitute Teachers | 22,104 | |
| Non-certified Substitute Teachers | 105,031 | |
| Social Security | 452,796 | |
| Pensions | 667,982 | |
| Employee and Dependent Insurance | 12,000 | |
| Medical Insurance | 1,096,045 | |
| Dental Insurance | 4,631 | |
| Unemployment Compensation | 2,555 | |
| Employer Medicare | 107,757 | |
| Other Contracted Services | 93,609 | |
| Instructional Supplies and Materials | 15,270 | |
| Textbooks | 205,158 | |
| Fee Waivers | 49,541 | |
| Other Charges | 46,210 | |
| Regular Instruction Equipment | 16,534 | |
| Total Regular Instruction Program | | \$ 10,694,559 |

Alternative Instruction Program

| | | |
|---------------------------------------|-----------|--------|
| Teachers | \$ 41,999 | |
| Educational Assistants | 14,592 | |
| Social Security | 3,111 | |
| Pensions | 4,956 | |
| Medical Insurance | 18,224 | |
| Dental Insurance | 48 | |
| Unemployment Compensation | 15 | |
| Employer Medicare | 728 | |
| Other Charges | 164 | |
| Total Alternative Instruction Program | | 83,837 |

Special Education Program

| | |
|-------------------------------|------------|
| Teachers | \$ 707,432 |
| Educational Assistants | 150,373 |
| Speech Pathologist | 41,167 |
| Other Salaries and Wages | 12,842 |
| Certified Substitute Teachers | 474 |
| Social Security | 52,567 |
| Pensions | 76,305 |
| Medical Insurance | 132,971 |
| Dental Insurance | 544 |
| Unemployment Compensation | 306 |
| Employer Medicare | 12,301 |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

| | | | |
|--------------------------------------|----|--------|--------------|
| Travel | \$ | 159 | |
| Other Contracted Services | | 26,123 | |
| Instructional Supplies and Materials | | 967 | |
| Other Charges | | 525 | |
| Regular Instruction Equipment | | 10,827 | |
| Total Special Education Program | | | \$ 1,225,883 |

Vocational Education Program

| | | | |
|--------------------------------------|----|---------|---------|
| Teachers | \$ | 600,862 | |
| Educational Assistants | | 4,387 | |
| Certified Substitute Teachers | | 753 | |
| Non-certified Substitute Teachers | | 11,952 | |
| Social Security | | 36,046 | |
| Pensions | | 51,088 | |
| Employee and Dependent Insurance | | 3,500 | |
| Medical Insurance | | 71,264 | |
| Dental Insurance | | 289 | |
| Unemployment Compensation | | 214 | |
| Employer Medicare | | 8,430 | |
| Travel | | 1,224 | |
| Other Contracted Services | | 37,061 | |
| Instructional Supplies and Materials | | 21,901 | |
| Textbooks | | 9,948 | |
| Total Vocational Education Program | | | 858,919 |

Support Services

Health Services

| | | | |
|------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 61,841 | |
| Medical Personnel | | 88,712 | |
| Other Salaries and Wages | | 25,966 | |
| Social Security | | 10,553 | |
| Pensions | | 14,170 | |
| Medical Insurance | | 15,145 | |
| Dental Insurance | | 25 | |
| Unemployment Compensation | | 108 | |
| Employer Medicare | | 2,468 | |
| Medical and Dental Services | | 9,000 | |
| Postal Charges | | 263 | |
| Travel | | 1,444 | |
| Other Supplies and Materials | | 7,528 | |
| Total Health Services | | | 237,223 |

Other Student Support

| | | | |
|--------------------|----|---------|--|
| Guidance Personnel | \$ | 342,542 | |
| Social Security | | 19,759 | |
| Pensions | | 30,953 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

| | | | |
|------------------------------------|----|--------|---------|
| Medical Insurance | \$ | 53,720 | |
| Dental Insurance | | 405 | |
| Unemployment Compensation | | 107 | |
| Employer Medicare | | 4,621 | |
| Contracts with Government Agencies | | 15,330 | |
| Evaluation and Testing | | 5,596 | |
| Total Other Student Support | \$ | | 473,033 |

Regular Instruction Program

| | | | |
|-----------------------------------|----|---------|---------|
| Supervisor/Director | \$ | 139,690 | |
| Librarians | | 290,291 | |
| Materials Supervisor | | 30,653 | |
| Other Salaries and Wages | | 10,987 | |
| Social Security | | 23,221 | |
| Pensions | | 35,634 | |
| Medical Insurance | | 37,882 | |
| Dental Insurance | | 355 | |
| Unemployment Compensation | | 92 | |
| Employer Medicare | | 6,522 | |
| Travel | | 2,887 | |
| Other Contracted Services | | 65,580 | |
| Library Books/Media | | 30,000 | |
| In Service/Staff Development | | 4,262 | |
| Total Regular Instruction Program | | | 678,056 |

Special Education Program

| | | | |
|---------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 56,855 | |
| Other Salaries and Wages | | 57,053 | |
| Social Security | | 6,957 | |
| Pensions | | 7,628 | |
| Medical Insurance | | 4,428 | |
| Unemployment Compensation | | 15 | |
| Employer Medicare | | 1,627 | |
| Other Contracted Services | | 31,832 | |
| Total Special Education Program | | | 166,395 |

Vocational Education Program

| | | | |
|------------------------------------|----|--------|--------|
| Supervisor/Director | \$ | 61,720 | |
| Secretary(ies) | | 938 | |
| Social Security | | 3,715 | |
| Pensions | | 5,650 | |
| Dental Insurance | | 101 | |
| Unemployment Compensation | | 15 | |
| Employer Medicare | | 869 | |
| Travel | | 706 | |
| Total Vocational Education Program | | | 73,714 |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)
Support Services (Cont.)

Other Programs

| | | |
|----------------------------|-----------|-----------|
| On-behalf Payments to OPEB | \$ 87,518 | |
| Total Other Programs | | \$ 87,518 |

Board of Education

| | | |
|--------------------------|----------|---------|
| Other Salaries and Wages | \$ 9,600 | |
| Social Security | 474 | |
| Dental Insurance | 81 | |
| Employer Medicare | 128 | |
| Audit Services | 11,750 | |
| Dues and Memberships | 8,812 | |
| Legal Services | 5,870 | |
| Travel | 2,815 | |
| Trustee's Commission | 129,245 | |
| Total Board of Education | | 168,775 |

Director of Schools

| | | |
|--|-----------|---------|
| County Official/Administrative Officer | \$ 91,474 | |
| Social Security | 5,360 | |
| Pensions | 8,269 | |
| Medical Insurance | 2,298 | |
| Dental Insurance | 48 | |
| Unemployment Compensation | 15 | |
| Employer Medicare | 1,298 | |
| Communication | 37,941 | |
| Dues and Memberships | 2,511 | |
| Postal Charges | 2,548 | |
| Travel | 460 | |
| Other Contracted Services | 9,218 | |
| Office Supplies | 14,885 | |
| Other Charges | 2,468 | |
| Regular Instruction Equipment | 3,553 | |
| Total Director of Schools | | 182,346 |

Office of the Principal

| | | |
|-------------------------------|------------|-----------|
| Assistant(s) | \$ 334,010 | |
| Principals | 451,965 | |
| Secretary(ies) | 208,534 | |
| Social Security | 58,370 | |
| Pensions | 89,168 | |
| Medical Insurance | 105,733 | |
| Dental Insurance | 1,159 | |
| Unemployment Compensation | 357 | |
| Employer Medicare | 13,651 | |
| Office Supplies | 11,662 | |
| Other Supplies and Materials | 109,012 | |
| Other Charges | 14,368 | |
| Total Office of the Principal | | 1,397,989 |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)
Support Services (Cont.)

Fiscal Services

| | | | |
|------------------------------|----|--------|------------|
| Accountants/Bookkeepers | \$ | 38,952 | |
| Secretary(ies) | | 63,251 | |
| Social Security | | 6,032 | |
| Pensions | | 8,717 | |
| Medical Insurance | | 315 | |
| Unemployment Compensation | | 46 | |
| Employer Medicare | | 1,438 | |
| Travel | | 2,472 | |
| Other Supplies and Materials | | 1,516 | |
| Total Fiscal Services | | | \$ 122,739 |

Operation of Plant

| | | | |
|---------------------------|----|---------|-----------|
| Supervisor/Director | \$ | 40,514 | |
| Custodial Personnel | | 487,120 | |
| Other Salaries and Wages | | 607 | |
| Social Security | | 30,423 | |
| Pensions | | 28,583 | |
| Medical Insurance | | 71,697 | |
| Dental Insurance | | 216 | |
| Unemployment Compensation | | 474 | |
| Employer Medicare | | 7,376 | |
| Disposal Fees | | 26,672 | |
| Custodial Supplies | | 50,245 | |
| Electricity | | 581,554 | |
| Natural Gas | | 84,212 | |
| Water and Sewer | | 88,649 | |
| Other Charges | | 891 | |
| Total Operation of Plant | | | 1,499,233 |

Maintenance of Plant

| | | | |
|---|----|---------|---------|
| Other Salaries and Wages | \$ | 256,264 | |
| Social Security | | 14,391 | |
| Pensions | | 17,460 | |
| Medical Insurance | | 27,025 | |
| Dental Insurance | | 124 | |
| Unemployment Compensation | | 184 | |
| Employer Medicare | | 3,556 | |
| Maintenance and Repair Services - Buildings | | 35,861 | |
| Maintenance and Repair Services - Equipment | | 19,273 | |
| Other Contracted Services | | 66,629 | |
| Other Supplies and Materials | | 119,727 | |
| Other Charges | | 1,917 | |
| Maintenance Equipment | | 29,952 | |
| Total Maintenance of Plant | | | 592,363 |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)
Support Services (Cont.)

Transportation

| | | | |
|--|----|---------|------------|
| Supervisor/Director | \$ | 43,832 | |
| Mechanic(s) | | 83,461 | |
| Bus Drivers | | 332,356 | |
| Clerical Personnel | | 30,155 | |
| Social Security | | 28,037 | |
| Pensions | | 20,599 | |
| Medical Insurance | | 68,911 | |
| Dental Insurance | | 288 | |
| Unemployment Compensation | | 520 | |
| Employer Medicare | | 6,768 | |
| Maintenance and Repair Services - Vehicles | | 15,495 | |
| Medical and Dental Services | | 3,277 | |
| Equipment and Machinery Parts | | 891 | |
| Gasoline | | 119,308 | |
| Lubricants | | 16,278 | |
| Tires and Tubes | | 29,544 | |
| Vehicle Parts | | 68,009 | |
| Other Charges | | 12,796 | |
| Transportation Equipment | | 11,639 | |
| Total Transportation | | | \$ 892,164 |

Central and Other

| | | | |
|---|----|---------|---------|
| Supervisor/Director | \$ | 51,597 | |
| Other Salaries and Wages | | 187,142 | |
| Social Security | | 14,188 | |
| Pensions | | 19,013 | |
| Medical Insurance | | 25,206 | |
| Dental Insurance | | 84 | |
| Unemployment Compensation | | 107 | |
| Employer Medicare | | 3,318 | |
| Consultants | | 3,000 | |
| Maintenance and Repair Services - Equipment | | 24,839 | |
| Other Contracted Services | | 117 | |
| Instructional Supplies and Materials | | 86,292 | |
| Data Processing Equipment | | 17,620 | |
| Regular Instruction Equipment | | 10,069 | |
| Total Central and Other | | | 442,592 |

Operation of Non-Instructional Services

Community Services

| | | | |
|--------------------------|----|--------|--|
| Supervisor/Director | \$ | 67,339 | |
| Teachers | | 37,017 | |
| Educational Assistants | | 5,422 | |
| Other Salaries and Wages | | 2,258 | |
| Social Security | | 6,852 | |
| Pensions | | 9,502 | |

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

| | | | |
|--------------------------------------|----|-------|---------|
| Medical Insurance | \$ | 5,595 | |
| Dental Insurance | | 48 | |
| Unemployment Compensation | | 15 | |
| Employer Medicare | | 1,602 | |
| Travel | | 487 | |
| Instructional Supplies and Materials | | 2,600 | |
| Total Community Services | \$ | | 138,737 |

Early Childhood Education

| | | | |
|---|----|---------|---------|
| Teachers | \$ | 337,847 | |
| Clerical Personnel | | 8,000 | |
| Educational Assistants | | 122,206 | |
| Other Salaries and Wages | | 10,162 | |
| Non-certified Substitute Teachers | | 7,394 | |
| Social Security | | 26,933 | |
| Pensions | | 41,656 | |
| Medical Insurance | | 90,231 | |
| Dental Insurance | | 433 | |
| Unemployment Compensation | | 122 | |
| Employer Medicare | | 6,300 | |
| Communication | | 593 | |
| Maintenance and Repair Services - Equipment | | 5,989 | |
| Travel | | 1,234 | |
| Other Contracted Services | | 8,208 | |
| Food Supplies | | 9,096 | |
| Instructional Supplies and Materials | | 56,157 | |
| In Service/Staff Development | | 2,480 | |
| Other Charges | | 15,737 | |
| Regular Instruction Equipment | | 2,865 | |
| Total Early Childhood Education | | | 753,643 |

Capital Outlay

Regular Capital Outlay

| | | | |
|------------------------------|----|---------|---------|
| Other Contracted Services | \$ | 119,955 | |
| Building Improvements | | 142,207 | |
| Total Regular Capital Outlay | | | 262,162 |

Total General Purpose School Fund \$ 21,031,880

School Federal Projects Fund

Instruction

Regular Instruction Program

| | | |
|-------------------------------|----|---------|
| Teachers | \$ | 340,162 |
| Educational Assistants | | 22,630 |
| Other Salaries and Wages | | 30,679 |
| Certified Substitute Teachers | | 334 |

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

| | | | |
|---|----|---------|------------|
| Non-certified Substitute Teachers | \$ | 644 | |
| Social Security | | 22,945 | |
| Pensions | | 35,301 | |
| Medical Insurance | | 49,451 | |
| Dental Insurance | | 169 | |
| Unemployment Compensation | | 157 | |
| Employer Medicare | | 5,373 | |
| Maintenance and Repair Services - Equipment | | 1,932 | |
| Instructional Supplies and Materials | | 117,443 | |
| Other Supplies and Materials | | 809 | |
| Other Charges | | 1,864 | |
| Regular Instruction Equipment | | 11,965 | |
| Total Regular Instruction Program | | | \$ 641,858 |

Special Education Program

| | | | |
|--------------------------------------|----|---------|---------|
| Teachers | \$ | 37,943 | |
| Educational Assistants | | 345,904 | |
| Speech Pathologist | | 40,319 | |
| Certified Substitute Teachers | | 1,422 | |
| Non-certified Substitute Teachers | | 10,175 | |
| Social Security | | 24,824 | |
| Pensions | | 29,170 | |
| Employee and Dependent Insurance | | 1,897 | |
| Medical Insurance | | 67,235 | |
| Dental Insurance | | 460 | |
| Unemployment Compensation | | 336 | |
| Employer Medicare | | 5,824 | |
| Other Contracted Services | | 11,461 | |
| Instructional Supplies and Materials | | 23,955 | |
| Other Supplies and Materials | | 6,816 | |
| Special Education Equipment | | 12,703 | |
| Total Special Education Program | | | 620,444 |

Vocational Education Program

| | | | |
|---|----|--------|--------|
| Clerical Personnel | \$ | 20,957 | |
| Social Security | | 1,274 | |
| Pensions | | 1,821 | |
| Employer Medicare | | 298 | |
| Maintenance and Repair Services - Equipment | | 2,000 | |
| Vocational Instruction Equipment | | 9,553 | |
| Total Vocational Education Program | | | 35,903 |

Support Services

Other Student Support

| | | | |
|--------------------------|----|--------|--|
| Other Salaries and Wages | \$ | 34,362 | |
| Social Security | | 1,747 | |

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)
Support Services (Cont.)

Other Student Support (Cont.)

| | | | |
|------------------------------|----|-------|-----------|
| Pensions | \$ | 2,986 | |
| Medical Insurance | | 7,058 | |
| Dental Insurance | | 102 | |
| Unemployment Compensation | | 15 | |
| Employer Medicare | | 409 | |
| Other Contracted Services | | 2,350 | |
| In Service/Staff Development | | 2,070 | |
| Total Other Student Support | | | \$ 51,099 |

Regular Instruction Program

| | | | |
|-----------------------------------|----|--------|---------|
| Supervisor/Director | \$ | 74,590 | |
| Secretary(ies) | | 21,666 | |
| Social Security | | 5,574 | |
| Pensions | | 8,626 | |
| Medical Insurance | | 12,695 | |
| Dental Insurance | | 48 | |
| Unemployment Compensation | | 31 | |
| Employer Medicare | | 1,304 | |
| Travel | | 66 | |
| In Service/Staff Development | | 54,475 | |
| Total Regular Instruction Program | | | 179,075 |

Special Education Program

| | | | |
|---------------------------------|----|--------|--------|
| Secretary(ies) | \$ | 46,168 | |
| Other Salaries and Wages | | 14,183 | |
| Social Security | | 3,618 | |
| Pensions | | 5,294 | |
| Medical Insurance | | 2,519 | |
| Unemployment Compensation | | 31 | |
| Employer Medicare | | 846 | |
| Travel | | 112 | |
| In Service/Staff Development | | 6,690 | |
| Total Special Education Program | | | 79,461 |

Vocational Education Program

| | | | |
|------------------------------------|----|-------|-------|
| Supervisor/Director | \$ | 1,770 | |
| Social Security | | 110 | |
| Pensions | | 160 | |
| Employer Medicare | | 26 | |
| Total Vocational Education Program | | | 2,066 |

Transportation

| | | | |
|---------------------------|----|--------|--------|
| Bus Drivers | \$ | 51,721 | |
| Social Security | | 3,170 | |
| Pensions | | 3,230 | |
| Unemployment Compensation | | 46 | |
| Employer Medicare | | 741 | |
| Total Transportation | | | 58,908 |

Total School Federal Projects Fund \$ 1,668,814

(Continued)

Exhibit K-8

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

| | | | |
|---|----|---------|---------------------|
| Supervisor/Director | \$ | 56,931 | |
| Clerical Personnel | | 29,723 | |
| Cafeteria Personnel | | 277,518 | |
| Custodial Personnel | | 39,488 | |
| Other Salaries and Wages | | 212,158 | |
| Social Security | | 35,755 | |
| Pensions | | 32,323 | |
| Medical Insurance | | 89,844 | |
| Dental Insurance | | 198 | |
| Unemployment Compensation | | 321 | |
| Employer Medicare | | 8,362 | |
| Communication | | 1,314 | |
| Maintenance and Repair Services - Equipment | | 8,578 | |
| Travel | | 50 | |
| Other Contracted Services | | 15,453 | |
| Food Supplies | | 825,189 | |
| Office Supplies | | 2,446 | |
| Other Supplies and Materials | | 85,881 | |
| In Service/Staff Development | | 4,116 | |
| Total Food Service | | | <u>\$ 1,725,648</u> |

Total Central Cafeteria Fund \$ 1,725,648

Total Governmental Funds - Humphreys County School Department \$ 24,426,342

Exhibit K-9

Humphreys County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2016

| | <u>Cities - Sales Tax Fund</u> |
|--------------------------------------|------------------------------------|
| <u>Cash Receipts</u> | |
| Local Option Sales Tax | \$ 1,600,302 |
| Total Cash Receipts | <u>\$ 1,600,302</u> |
| <u>Cash Disbursements</u> | |
| Remittance of Revenues Collected | \$ 1,584,299 |
| Trustee's Commission | 16,003 |
| Total Cash Disbursements | <u>\$ 1,600,302</u> |
| Excess of Cash Receipts Over (Under) | |
| Cash Disbursements | \$ 0 |
| Cash Balance, July 1, 2015 | <u>0</u> |
| Cash Balance, June 30, 2016 | <u><u>\$ 0</u></u> |

SINGLE AUDIT SECTION



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

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

Humphreys County Executive and
Board of County Commissioners
Humphreys County, Tennessee

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Humphreys County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Humphreys County's basic financial statements, and have issued our report thereon dated October 13, 2016.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 2016-008.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2016-001, 2016-002, and 2016-006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Humphreys County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2016-003, 2016-004, 2016-005, and 2016-007.

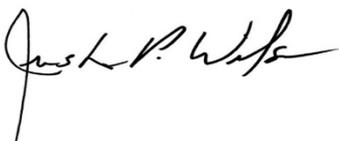
Humphreys County's Responses to Findings

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

Purpose of this Report

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

October 13, 2016

JPW/kp



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
SUITE 1500
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**Independent Auditor's Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on the Schedule of
Expenditures of Federal Awards Required by the Uniform Guidance**

Humphreys County Executive and
Board of County Commissioners
Humphreys County, Tennessee

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Humphreys 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 Humphreys County's major federal programs for the year ended June 30, 2016. Humphreys 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 Humphreys 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Humphreys 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 Humphreys County's compliance.

Opinion on Each Major Federal Program

In our opinion, Humphreys 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, 2016.

Report on Internal Control Over Compliance

Management of Humphreys 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 Humphreys 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 the Uniform Guidance, 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 Humphreys 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.

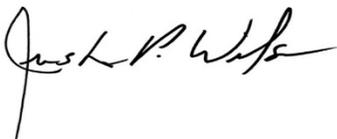
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Humphreys County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Humphreys County's basic financial statements. We issued our report thereon dated October 13, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance 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

October 13, 2016

JPW/kp

Humphreys County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (2)
For the Year Ended June 30, 2016

| Federal/Pass-through Agency/State Grantor Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Expenditures |
|---|---------------------------|--|---------------|
| U.S. Department of Agriculture: | | | |
| Passed-through State Department of Education: | | | |
| Child Nutrition Cluster: | | | |
| School Breakfast Program | 10.553 | N/A | \$ 250,713 |
| National School Lunch Program | 10.555 | N/A | 900,250 |
| Healthy, Hunger-free Kids Act of 2010 Childhood Hunger Research and Demonstration Projects | 10.592 | N/A | 3,150 |
| Direct Program: | | | |
| Environmental Quality Incentives Program | 10.912 | N/A | 9,000 |
| Total U.S. Department of Agriculture | | | \$ 1,163,113 |
| U.S. Department of Defense: | | | |
| Passed-through State Department of General Services: | | | |
| Section 1033 Excess Property Program (Noncash Assistance) | 12.U01 | N/A | \$ 58,682 (5) |
| Total U.S. Department of Defense | | | \$ 58,682 |
| U.S. Department of Housing and Urban Development: | | | |
| Passed-through State Department of Economic and Community Development: | | | |
| Community Development Block Grants/State's Program | 14.228 | 33004-20614 | \$ 84,214 |
| Total U.S. Department of Housing and Urban Development | | | \$ 84,214 |
| U.S. Department of Justice: | | | |
| Passed-through State Commission on Children and Youth: | | | |
| Juvenile Justice and Delinquency Prevention - Allocation to States | 16.540 | 31601-23613 | \$ 225 |
| Total U.S. Department of Justice | | | \$ 225 |
| U.S. Department of Transportation: | | | |
| Passed-through State Department of Transportation: | | | |
| Airport Improvement Program | 20.106 | (3) | \$ 56,418 |
| Alcohol Open Container Requirements | 20.607 | Z-15-GHS166 | 19,418 |
| Total U.S. Department of Transportation | | | \$ 75,836 |
| U.S. Department of Education: | | | |
| Passed-through State Department of Education: | | | |
| Title I Grants to Local Educational Agencies | 84.010 | N/A | \$ 708,949 |
| Special Education Cluster: | | | |
| Special Education - Grants to States | 84.027 | N/A | 748,372 |
| Special Education - Preschool Grants | 84.173 | N/A | 38,287 |
| Career and Technical Education - Basic Grants to States | 84.048 | N/A | 42,389 |
| Rural Education | 84.358 | N/A | 54,026 |
| Improving Teacher Quality State Grants | 84.367 | N/A | 111,671 |
| Total U.S. Department of Education | | | \$ 1,703,694 |
| U.S. Department of Homeland Security: | | | |
| Passed-through State Department of Military: | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | FEMA-1909-DR-TN | \$ 369,925 |
| Hazard Mitigation Grant | 97.039 | FEMA-1974-0013 | 512,232 |
| Emergency Management Performance Grants | 97.042 | 34101-05914 | 39,250 |
| Total U.S. Department of Homeland Security | | | \$ 921,407 |
| Total Expenditures of Federal Awards | | | \$ 4,007,171 |

(Continued)

Humphreys County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

| Federal/Pass-through Agency/State Grantor Program Title | Federal CFDA Number | Contract Number | Expenditures |
|---|---------------------------|--------------------|---------------------|
| <u>State Grants</u> | | | |
| Airport Maintenance Program - State Department of Transportation | N/A | 99-555-1239-04 | \$ 2,493 |
| Three Star Program - State Department of Economic and Community Development | N/A | (4) | 6,067 |
| Tourist Development Co-Op - State Department of Tourist Development | N/A | (4) | 7,500 |
| Public Library Technology Grant - Tennessee Secretary of State | N/A | (4) | 1,788 |
| Local Health Services - State Department of Health | N/A | GG-1437724 | 108,020 |
| Juvenile Justice State Supplement - Tennessee Commission on Children and Youth | N/A | (4) | 13,500 |
| Litter Grant - State Department of Transportation | N/A | Z13LIT043 | 26,723 |
| Lottery for Education: Afterschool Programs - State Department of Education | N/A | (4) | 139,238 |
| Student Ticket Subsidy Grant - State Department of Education | N/A | (4) | 3,616 |
| Early Childhood Education - State Department of Education | N/A | (4) | 767,643 |
| Coordinated School Health - State Department of Education | N/A | (4) | 100,000 |
| Safe Schools - State Department of Education | N/A | (4) | 15,330 |
| ConnTenn - State Department of Education | N/A | (4) | 7,696 |
| ACT/EXPLORE/PLAN - State Department of Education | N/A | (4) | 5,438 |
| Total State Grants | | | <u>\$ 1,205,052</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) Humphreys County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) AERO-13-192-00: \$4,445; AERO-16-202-00: \$51,973.
- (4) Information not available.
- (5) During the year ended June 30, 2016, Humphreys County received excess military equipment from the U.S. Department of Defense valued at \$58,682.

Humphreys County, Tennessee
Summary Schedule of Prior-year Findings
For the Year Ended June 30, 2016

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. In addition, OMB's Uniform Guidance requires auditees to report the status of all prior-year findings whether corrected or uncorrected. Presented below are financial statement findings along with their current status from the Annual Financial Report for Humphreys County, Tennessee, for the year ended June 30, 2016.

Prior-year Financial Statement Findings

| Fiscal Year | Page Number | Finding Number | Title of Finding | CFDA Number | Current Status |
|--|-------------|----------------|--|-------------|---|
| <u>OFFICE OF COUNTY EXECUTIVE</u> | | | | | |
| 2015 | 168 | 2015-001 | A Formal Purchase Order System had not been Established | N/A | Not Corrected - See Explanation on Corrective Action Plan |
| <u>OFFICE OF ROAD SUPERVISOR</u> | | | | | |
| 2015 | 168 | 2015-002 | The Highway/Public Works Fund Required Material Audit Adjustments for Proper Financial Statement Presentation | N/A | Corrected |
| <u>OFFICES OF COUNTY EXECUTIVE, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, AND CLERK AND MASTER</u> | | | | | |
| 2015 | 169 | 2015-003 | Duties were not Segregated Adequately | N/A | Corrected |
| <u>HUMPHREYS COUNTY</u> | | | | | |
| 2015 | 170 | 2015-004 | The County used a Questionable Method of Funding Workers' Compensation Expenses, General Liability Insurance, Officials' Corporate Surety Bonds, and Employees' Dishonesty Bonds | N/A | Not Corrected - See Explanation on Corrective Action Plan |
| 2015 | 171 | 2015-005 | Humphreys County has a Material Recurring Audit Finding | N/A | Not Corrected - See Explanation on Corrective Action Plan |

Prior-year Federal Award Findings

There were no prior-year federal award findings to report.

HUMPHREYS COUNTY, TENNESSEE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2016

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Humphreys County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **YES**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **YES**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs: **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Numbers: 10.553 and 10.555 Nutrition Cluster: School Breakfast Program and National School Lunch Program
 - * CFDA Number 84.027 and 84.173 Special Education Cluster: Special Education - Grants to States and Special Education - Preschool Grants
8. Dollar threshold used to distinguish between Type A and Type B Programs: **\$750,000**
9. Auditee qualified as low-risk auditee? **NO**

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our audit of the financial statements, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. The county executive, director of schools, and sheriff provided corrective action plans for these findings, which are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report.

Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF COUNTY EXECUTIVE

FINDING 2016-001 **A FORMAL PURCHASE ORDER SYSTEM HAD NOT BEEN ESTABLISHED**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The office had not established a formal purchase order system. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. This deficiency is the result of management's failure to correct the finding noted in prior-year audit reports. The absence of a formal purchase order system increases the risks of unauthorized purchases.

RECOMMENDATION

The office should establish a formal purchase order system to improve internal controls over the purchasing process and to document purchasing commitments.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

We concur with this finding. We are currently addressing this issue by obtaining County Commission approval for an increase in our staff funding, which should be adequate for securing the necessary manpower to implement and manage a purchase order system by the end of the current fiscal year.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2016-002 **THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT OF \$22,400 AT JUNE 30, 2016**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The School Federal Projects Fund had a cash overdraft of \$22,400 at June 30, 2016. This cash overdraft resulted from the issuance of warrants exceeding cash on deposit with the

county trustee. Sound business practices dictate that expenditures be held within available funds. The cash overdraft was liquidated subsequent to June 30, 2016.

RECOMMENDATION

The School Department should not issue warrants exceeding cash on deposit with the county trustee.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding.

FINDING 2016-003

THE DIRECTOR OF SCHOOLS HAD NOT OBTAINED ADEQUATE SURETY BOND COVERAGE

(Noncompliance Under *Government Auditing Standards*)

The director of schools executed a surety bond of \$50,000. Chapter 315 of the Public Acts of 2013, amended most public official's surety bonds in Tennessee. The minimum bond requirement for the director of schools was increased to \$100,000. *Tennessee Code Annotated*, Sections 49-2-301, 9-3-301(c), and 49-2-102, support the separate bonding of the director of schools and the \$100,000 minimum bond requirement. The failure to obtain an adequate bond is the result of a lack of management oversight, which increases the county's risk of loss.

RECOMMENDATION

Management should review all employee surety bonds and determine if the minimum coverage has been obtained.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding.

FINDING 2016-004

THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES

(Noncompliance Under *Government Auditing Standards*)

System backups were not regularly stored off-site. Section 10-7-121, *Tennessee Code Annotated*, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that media more than one week old be stored at an off-site location. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information

accounted for through the automated process. Proper backup procedures were implemented in July 2016.

RECOMMENDATION

Management should ensure backups are rotated off-site on a routine basis.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding that our office had deficiencies in computer system backup procedures, and the system backups were not regularly stored off-site. Proper backup procedures were implemented in July 2016.

OFFICE OF SHERIFF

FINDING 2016-005

A THEFT OCCURRED AT THE SHERIFF'S DEPARTMENT

(Noncompliance Under *Government Auditing Standards*)

On April 17, 2016, a Sheriff's Department deputy caught an inmate stealing evidence bags containing assorted pills from the evidence room. According to an incident report filed by the Sheriff's Department, the inmate was working on the locking mechanism on the door, which had been getting stuck. While he was in the evidence room, he took two evidence bags containing pills. The evidence bags had not been compromised and were recovered. As a result of the investigation, it was also discovered the inmate had been the lookout on separate occasions while another inmate took evidence bags containing drugs. The incident report noted this inmate had been in the evidence room three or four times and took bags that contained drugs. The sheriff contacted the Tennessee Bureau of Investigation (TBI), district attorney general, and Comptroller of the Treasury to report the theft. No investigation was conducted by the TBI because it was already determined who was responsible for the theft. Charges have been filed in connection with this incident against the two inmates that were involved. On June 6, 2016, one of the inmates was indicted and charged with Burglary – Other Than Habitation and Theft (up to \$500).

RECOMMENDATION

The Sheriff's Department should review the security measures of the evidence room to determine any weaknesses that could be strengthened.

MANAGEMENT'S RESPONSE – SHERIFF

This incident occurred after the evidence room had been moved to a new location. More advanced security measures were in the process of being applied or installed.

FINDING 2016-006

INVENTORY RECORDS WERE NOT MAINTAINED FOR EVIDENCE AND SEIZED PROPERTY

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

The Sheriff's Department did not maintain inventory records of drug evidence and seized property such as cash, weapons, and personal property. Therefore, we were unable to determine if the office properly accounted for all the evidence and seized property. The failure to adequately inventory evidence and seized property is the result of a lack of management oversight and increases the risk of loss.

RECOMMENDATION

A perpetual log should be maintained for all evidence and seized property. At a minimum, this log should include the following: date received, defendant, case number, description, location, signatures of individuals signing evidence in and out, and disposition.

MANAGEMENT'S RESPONSE – SHERIFF

The Sheriff's Department does maintain electronic inventory records; however, at the time of the incident, a hard copy of the inventory could not be printed by the software company.

AUDITOR'S COMMENT

During our audit, the sheriff advised that the department had not done a recent inventory of the evidence room. He provided an inventory that was performed when he took office in 2006, but was not sure if they had done one since. There was a computer system used to track evidence; however, the sheriff could not produce any records from the system at the time of the evidence room theft. Department personnel also advised that older items were not entered into the system, and many of these items were not properly tagged and identified. Due to the lack of complete inventory records, the sheriff could not determine if other items could also be missing from the evidence room. The Sheriff's Department performed a complete evidence inventory after the theft and has provided us with a copy.

HUMPHREYS COUNTY

FINDING 2016-007

THE COUNTY USED A QUESTIONABLE METHOD OF FUNDING WORKERS' COMPENSATION EXPENSES, GENERAL LIABILITY INSURANCE, OFFICIALS' CORPORATE SURETY BONDS, AND EMPLOYEES' DISHONESTY BONDS

(Material Noncompliance Under *Government Auditing Standards*)

During the year, premiums for workers' compensation expenses, general liability insurance, officials' corporate surety bonds, and employees' dishonesty bonds for the Highway

Department and the School Department were paid from the county's General Fund. The state attorney general has opined in Opinion No. 92-03 that state statutes authorize a county to levy a tax for county general purposes and has defined a county general purpose levy as a levy for all county purposes, except roads, bridges, and schools. Also, the state attorney general has opined that workers' compensation claims and/or insurance coverage for county school employees must be funded through the county's school fund. The payment of these expenses has been a management decision by the County Commission since this finding has been reported in annual financial reports for the last several years. The legality of using General Fund monies to pay for workers' compensation, general liability insurance, officials' corporate surety bonds, and employees' dishonesty bonds for highway and school employees is questionable.

RECOMMENDATION

County officials should take immediate action to change the funding procedures and allocate the costs to the appropriate funds.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE AND ROAD SUPERVISOR

We concur with this finding. We feel our overall cost for these coverages has been lower because of some volume discounts, and we have benefitted from having one internal entity providing the interface with the underwriter. Certainly we can overcome the challenges in providing corrective action. The county executive has outlined the steps necessary for coming into compliance and should have these accomplished by the end of the current fiscal year.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding.

FINDING 2016-008

HUMPHREYS COUNTY HAS A MATERIAL RECURRING AUDIT FINDING

(Internal Control – Material Weakness Under *Government Auditing Standards*)

Humphreys County has a material audit finding that has been reported in its annual financial reports for three or more consecutive years. This recurring material finding is listed as follows:

| Finding Numbers | Description |
|------------------------------|--|
| 2016-007, 2015-004, 2014-004 | The county used a questionable method of funding workers' compensation expenses, general liability insurance, officials' corporate surety bonds, and employees' dishonesty bonds |

The recurring nature of the above-noted finding indicates that management is either unwilling or unable to address the deficiency. Humphreys County has established an Audit Committee to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

RECOMMENDATION

Humphreys County should work with its Audit Committee to correct the above-noted material weakness in internal control.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE AND ROAD SUPERVISOR

We concur with this finding. Corrective measures will be in place by June 30, 2017.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We concur with this finding.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2016.

**Humphreys County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2016**

We reviewed the financial statement and federal award findings and recommendations with management to provide an opportunity for their response as required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Management's corrective action plans for all financial statement findings and federal award findings are presented below:

Corrective Action - Financial Statement Findings

OFFICE OF COUNTY MAYOR

**FINDING 2016-001 A FORMAL PURCHASE ORDER SYSTEM HAD NOT
BEEN ESTABLISHED**

| | |
|--|---|
| Response and Corrective Action Plan Prepared by: | Jessie Wallace, County Executive, Humphreys County, Tennessee |
| Person Responsible for Implementing the Corrective Action: | Same |
| Anticipated Completion Date of Corrective Action: | July 1, 2017 |
| Repeat Finding: | Yes |
| Reason Why Corrective Action was Not Taken – PY | Staffing has been the issue, but commercial software should reduce this to a model that can be managed by our current staff with adjustments to the finance personnel schedule. |

Planned Corrective Action:

Historical departmental staffing did not allow for the necessary manpower. We anticipate that technological improvements will significantly reduce the labor burden and the County Commission has approved an increase to our finance department's budget sufficient for our need.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2016-002 **THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT OF \$22,400 AT JUNE 30, 2016**

Response and Corrective Action Plan Prepared by: James Long, Director of Schools, Humphreys County, Tennessee
Person Responsible for Implementing the Corrective Action: Same
Anticipated Completion Date of Corrective Action: July 2017
Repeat Finding: No
Reason Why Corrective Action was Not Taken – PY N/A

Planned Corrective Action:

To keep this from happening again in the future, we will transfer an additional \$25,000 from the General Purpose School Fund into the School Federal Projects Fund when we make the 2017-18 budget. We will also monitor the cash flow more often next spring.

FINDING 2016-003 **THE DIRECTOR OF SCHOOLS HAD NOT OBTAINED ADEQUATE SURETY BOND COVERAGE**

Response and Corrective Action Plan Prepared by: James Long, Director of Schools, Humphreys County, Tennessee
Person Responsible for Implementing the Corrective Action: Same
Anticipated Completion Date of Corrective Action: November 1, 2016
Repeat Finding: No
Reason Why Corrective Action was Not Taken – PY N/A

Planned Corrective Action:

We will review our surety bond and obtain the proper coverage. We will coordinate this coverage with the county mayor and the insurance company. We were not aware the law had changed. The insurance company has been contacted and they have assured me they will correct the situation.

FINDING 2016-004 **THE OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES**

Response and Corrective Action Plan Prepared by: James Long, Director of Schools, Humphreys County, Tennessee
Person Responsible for Implementing the Corrective Action: Shane Foster, Technology Department

Anticipated Completion Date of Corrective Action: July 2016
Repeat Finding: No
Reason Why Corrective Action was Not Taken – PY N/A

Planned Corrective Action:

An offsite backup program was purchased from the accounting software vendor. This online disaster recovery was purchased from the vendor on March 7, 2016. The date of completion of the corrective action plan was July 21, 2016, when the offsite backup was working properly.

OFFICE OF SHERIFF

**FINDING 2016-005 A THEFT OCCURRED AT THE SHERIFF'S
DEPARTMENT**

Response and Corrective Action Plan Prepared by: Chris Davis, Sheriff,
Humphreys County,
Tennessee
Person Responsible for Implementing the Corrective Action: Same
Anticipated Completion Date of Corrective Action: July 2016
Repeat Finding: No
Reason Why Corrective Action was Not Taken – PY N/A

Planned Corrective Action:

The installation of security has been completed at the new location of the evidence room. The inmates involved in the incident have been identified and charges have been filed.

**FINDING 2016-006 INVENTORY RECORDS WERE NOT MAINTAINED FOR
EVIDENCE AND SEIZED PROPERTY**

Response and Corrective Action Plan Prepared by: Chris Davis, Sheriff,
Humphreys County,
Tennessee
Person Responsible for Implementing the Corrective Action: Same
Anticipated Completion Date of Corrective Action: July 2016
Repeat Finding: No
Reason Why Corrective Action was Not Taken – PY N/A

Planned Corrective Action:

A complete inventory can now be printed and a copy has been submitted to the Comptroller's Office.

HUMPHREYS COUNTY

FINDING 2016-007

THE COUNTY USED A QUESTIONABLE METHOD OF FUNDING WORKERS' COMPENSATION EXPENSES, GENERAL LIABILITY INSURANCE, OFFICIALS' CORPORATE SURETY BONDS, AND EMPLOYEES' DISHONESTY BONDS

| | |
|--|--|
| Response and Corrective Action Plan Prepared by: | Jessie Wallace, County Executive, Humphreys County, Tennessee |
| Person Responsible for Implementing the Corrective Action: | Same |
| Anticipated Completion Date of Corrective Action: | July 1, 2017 |
| Repeat Finding: | Yes |
| Reason Why Corrective Action was Not Taken – PY | We have assumed that staffing would be an issue in each department assuming duties associated with an expanded role related to insurance administration. We have also acted on the assertion from our carrier that combining the coverages into a single policy has resulted in a savings in cost based on volume. |

Planned Corrective Action:

This can be tracked back to our long-term practice of paying all the liability insurance costs out of the General Fund, plus the worker's compensation and the surety bonds. To resolve this issue we need to have these insurance policies separated and funding re-routed to the School and Highway Department budgets. There will be slight, or no impact to the cost to the taxpayer, just requiring a slight shift in the property tax allocation and a change in policy parameters so that each fund is invoiced to cover their own needs. Each department will need to develop the necessary skillsets and provide appropriate staffing. Premiums are already paid for the current fiscal year, so changes will be made for the 2017-18 fiscal year.

FINDING 2016-008

HUMPHREYS COUNTY HAS A MATERIAL RECURRING AUDIT FINDING

| | |
|--|---|
| Response and Corrective Action Plan Prepared by: | Jessie Wallace, County Executive, Humphreys County, Tennessee |
| Person Responsible for Implementing the Corrective Action: | Same |
| Anticipated Completion Date of Corrective Action: | July 1, 2017 |

Repeat Finding:
Reason Why Corrective Action was Not Taken – PY

Yes
This finding has occurred for multiple years as we had assumed staffing would be an issue and we did not have sufficient funds to correct.

Planned Corrective Action:

We will be correcting Finding 2016-007 and allocating insurance costs to the applicable departments. This will also correct the material recurring audit finding. Premiums are already paid for the current fiscal year, so changes will be made for the 2017-18 fiscal year.

BEST PRACTICE

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

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

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

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