

ANNUAL FINANCIAL REPORT
COFFEE COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2016



DIVISION OF LOCAL GOVERNMENT AUDIT



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

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

***DIVISION OF LOCAL GOVERNMENT AUDIT
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Director***

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

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Summary of Audit Findings

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

Scope

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

Results

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

Our audit resulted in five findings and recommendations, which we have reviewed with Coffee 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 MAYOR

- ◆ The Coffee County Animal Shelter had accounting deficiencies.
- ◆ The county contributed \$39,000 to the Wayside Acres Sewer Fund in violation of state statute.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ Execution docket trial balances were not prepared for Circuit, General Sessions, and Juvenile Courts.
- ◆ The computer software application did not generate a report of outside direct payments.
- ◆ The office software audit log was not functioning correctly.

INTRODUCTORY SECTION

Coffee County Officials
June 30, 2016

Officials

Gary Cordell, County Mayor
Benton Bartlett, Road Superintendent
Dr. LaDonna McFall, Director of Schools
John Marchesoni, Trustee
Jimmy White, Assessor of Property
Teresa McFadden, County Clerk
Heather Hinds Duncan, Circuit, General Sessions, and Juvenile Courts Clerk
Charlotte Broyles, Clerk and Master
Donna Toney, Register of Deeds
Steve Graves, Sheriff
Marianna Edinger, Director of Accounts and Budgets

Board of County Commissioners

Gary Cordell, County Mayor, Chairman
Diane Argraves
B. Rush Bricken
Bobby Bryan
Barbara Buckner
Rosemary Crabtree
Michael Crockett
Margaret Cunningham
Missy Deford
Jackie Duncan
Kerry Farrar

Dennis Hunt
Steven Jones
Mark Kelly
Sam Mai
Kimberly Martin
Tim Morris
David Orrick
Major Shelton
Harold Speer
Timothy Stubblefield
Warren Walker

Road Commission

James Weaver, Chairman
Jeff Bush
Raymond Duke
Richard Harris
Marshall Qualls

Board of Education

Brett Henley, Chairman
Pat Barton
Shannon Duncan
Freda Jones
Sandra Klonaris
Gary Nester
Esther Sims

(Continued)

Coffee County Officials (Cont.)

Budget and Finance Committee

B. Rush Bricken, Chairman
Bobby Bryan
Steven Jones
Mark Kelly
Tim Morris

Audit Committee

Gary Hunt, Chairman
Margaret Cunningham
Stan Teal

FINANCIAL SECTION



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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee 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 Coffee County, Tennessee, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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., Coffee 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 liability and related ratios, schedule of county contributions, schedule of school's proportionate share of the net pension liability, and schedule of funding progress - other postemployment benefit plan on pages 90-97 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coffee 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 and Rural Debt Service funds, combining and individual fund financial statements of the Coffee 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.

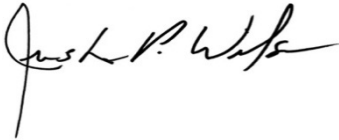
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General and Rural Debt Service funds, combining and individual fund financial statements of the Coffee School Department (a discretely presented component unit), and 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 described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General and Rural Debt Service funds, combining and individual fund financial statements of the Coffee 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 January 26, 2017, on our consideration of Coffee 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 Coffee County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 26, 2017

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component Unit
	Governmental	Business-type	Total	Coffee
	Activities	Activities		County
			School	
				Department
<u>ASSETS</u>				
Cash	\$ 2,470,256	\$ 0	\$ 2,470,256	\$ 4,322
Equity in Pooled Cash and Investments	17,386,178	62,082	17,448,260	7,067,790
Inventories	2,500	0	2,500	0
Accounts Receivable	1,227,475	3,012	1,230,487	26,296
Allowance for Uncollectibles	(430,562)	0	(430,562)	0
Due from Other Governments	1,494,153	0	1,494,153	1,462,914
Property Taxes Receivable	15,418,530	0	15,418,530	9,068,145
Allowance for Uncollectible Property Taxes	(616,056)	0	(616,056)	(267,406)
Net Pension Asset - Agent Plan	1,805,431	0	1,805,431	814,789
Net Pension Asset - Teacher Retirement Plan	0	0	0	19,021
Capital Assets:				
Assets Not Depreciated:				
Land	4,060,649	30,120	4,090,769	1,438,853
Construction in Progress	0	0	0	13,053
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	30,022,533	449,324	30,471,857	47,964,166
Infrastructure	6,822,331	0	6,822,331	0
Other Capital Assets	3,137,934	0	3,137,934	3,004,809
Total Assets	\$ 82,801,352	\$ 544,538	\$ 83,345,890	\$ 70,616,752
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred Charge on Refunding	\$ 33,143	\$ 0	\$ 33,143	\$ 0
Pension Changes in Experience	0	0	0	146,837
Pension Contributions After Measurement Date	695,752	0	695,752	1,905,623
Total Deferred Outflows of Resources	\$ 728,895	\$ 0	\$ 728,895	\$ 2,052,460
<u>LIABILITIES</u>				
Accounts Payable	\$ 192,590	\$ 0	\$ 192,590	\$ 15,847
Accrued Interest Payable	316,339	0	316,339	0
Accrued Payroll	0	0	0	2,450,663
Payroll Deductions Payable	124,393	0	124,393	1,261,707
Due to State of Tennessee	4,255	0	4,255	0
Noncurrent Liabilities:				
Due Within One Year	2,774,644	5,306	2,779,950	89,364
Due in More Than One Year	76,602,584	277,940	76,880,524	5,877,684
Total Liabilities	\$ 80,014,805	\$ 283,246	\$ 80,298,051	\$ 9,695,265
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 14,408,230	\$ 0	\$ 14,408,230	\$ 8,591,267
Pension Changes in Experience	702,966	0	702,966	3,171,312
Pension Changes in Investment Earnings	291,103	0	291,103	1,311,113
Pension Other Deferrals	0	0	0	153,210
Total Deferred Inflow of Resources	\$ 15,402,299	\$ 0	\$ 15,402,299	\$ 13,226,902

(Continued)

Exhibit A

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

	Primary Government			Component Unit
	Governmental	Business-type	Total	Coffee
	Activities	Activities		County School Department
<u>NET POSITION</u>				
Net Investment in Capital Assets	\$ 18,773,840	\$ 196,198	\$ 18,970,038	\$ 52,420,881
Restricted for:				
General Government	1,979,273	0	1,979,273	0
Finance	133,163	0	133,163	0
Administration of Justice	77,553	0	77,553	0
Public Safety	854,973	0	854,973	0
Public Health and Welfare	1,932,717	0	1,932,717	0
Highways/Public Works	1,069,145	0	1,069,145	0
Debt Service	8,242,095	0	8,242,095	0
Capital Projects	2,143,269	0	2,143,269	0
Education	47,111	0	47,111	886,213
Other Purposes	1,805,431	0	1,805,431	0
Unrestricted	(48,945,427)	65,094	(48,880,333)	(3,560,049)
Total Net Position	\$ (11,886,857)	\$ 261,292	\$ (11,625,565)	\$ 49,747,045

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

Exhibit B

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Coffee County School Department	
					Governmental Activities	Business- type Activities		Total
Primary Government:								
Governmental Activities:								
General Government	\$ 3,362,087	\$ 871,671	\$ 115,292	\$ 0	\$ (2,375,124)	\$ 0	\$ (2,375,124)	\$ 0
Finance	1,691,386	1,549,975	0	0	(141,411)	0	(141,411)	0
Administration of Justice	2,175,813	2,033,372	17,348	0	(125,093)	0	(125,093)	0
Public Safety	10,097,343	2,239,037	196,690	3,564	(7,658,052)	0	(7,658,052)	0
Public Health and Welfare	4,490,219	1,785,002	470,461	56,737	(2,178,019)	0	(2,178,019)	0
Social, Cultural, and Recreational Services	1,081,620	71,756	5,080	0	(1,004,784)	0	(1,004,784)	0
Agriculture and Natural Resources	293,881	0	0	0	(293,881)	0	(293,881)	0
Highways/Public Works	2,318,514	0	2,006,166	8,421	(303,927)	0	(303,927)	0
Education	3,369,818	0	0	245,740	(3,124,078)	0	(3,124,078)	0
Interest on Long-term Debt	3,593,482	0	0	0	(3,593,482)	0	(3,593,482)	0
Total Governmental Activities	\$ 32,474,163	\$ 8,550,813	\$ 2,811,037	\$ 314,462	\$ (20,797,851)	\$ 0	\$ (20,797,851)	\$ 0
Business-type Activities:								
Wayside Acres Sewer Fund	\$ 68,313	\$ 36,472	\$ 39,000	\$ 0	\$ 0	\$ 7,159	\$ 7,159	\$ 0
Total Business-type Activities	\$ 68,313	\$ 36,472	\$ 39,000	\$ 0	\$ 0	\$ 7,159	\$ 7,159	\$ 0
Total Primary Government	\$ 32,542,476	\$ 8,587,285	\$ 2,850,037	\$ 314,462	\$ (20,797,851)	\$ 7,159	\$ (20,790,692)	\$ 0
Component Unit:								
School Department	\$ 41,916,782	\$ 983,346	\$ 4,505,114	\$ 2,936,164	\$ 0	\$ 0	\$ 0	\$ (33,492,158)
Total Component Unit	\$ 41,916,782	\$ 983,346	\$ 4,505,114	\$ 2,936,164	\$ 0	\$ 0	\$ 0	\$ (33,492,158)

(Continued)

Exhibit B

Coffee County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Coffee
					Governmental Activities	Business- type Activities	Total	County School Department
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 12,298,651	\$ 0	\$ 12,298,651	\$ 8,779,220
Property Taxes Levied for Debt Service					2,633,643	0	2,633,643	0
Local Option Sales Taxes					3,343,005	0	3,343,005	4,315,602
Litigation Taxes					668,658	0	668,658	0
Wholesale Beer Tax					267,856	0	267,856	0
Mineral Severance Tax					70,404	0	70,404	0
Business Tax					963,614	0	963,614	0
Other Local Taxes					1,940	0	1,940	113,164
Grants and Contributions Not Restricted for Specific Programs					1,383,807	0	1,383,807	21,552,504
Unrestricted Investment Earnings					88,451	0	88,451	527
Miscellaneous					28,035	0	28,035	45,716
Sale of Equipment					16,528	0	16,528	1,865
Amortized Premium					34,915	0	34,915	0
Total General Revenues					\$ 21,799,507	\$ 0	\$ 21,799,507	\$ 34,808,598
Insurance Recovery					\$ 23,036	\$ 0	\$ 23,036	\$ 0
Change in Net Assets					\$ 1,024,692	\$ 7,159	\$ 1,031,851	\$ 1,316,440
Net Position, July 1, 2015					(12,911,549)	254,133	(12,657,416)	48,430,605
Net Position, June 30, 2016					\$ (11,886,857)	\$ 261,292	\$ (11,625,565)	\$ 49,747,045

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Rural Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 2,150	\$ 0	\$ 0	\$ 2,468,106	\$ 2,470,256
Equity in Pooled Cash and Investments	3,126,271	3,161,497	4,697,512	6,400,898	17,386,178
Inventories	2,500	0	0	0	2,500
Accounts Receivable	396,356	0	0	831,119	1,227,475
Allowance for Uncollectibles	0	0	0	(430,562)	(430,562)
Due from Other Governments	393,868	7,912	571,591	520,782	1,494,153
Due from Other Funds	188,548	0	0	0	188,548
Property Taxes Receivable	10,624,889	1,566,613	1,181,643	2,045,385	15,418,530
Allowance for Uncollectible Property Taxes	(310,969)	(45,751)	(65,013)	(194,323)	(616,056)
Total Assets	\$ 14,423,613	\$ 4,690,271	\$ 6,385,733	\$ 11,641,405	\$ 37,141,022
<u>LIABILITIES</u>					
Accounts Payable	\$ 97,153	\$ 0	\$ 0	\$ 95,437	\$ 192,590
Payroll Deductions Payable	96,902	0	0	27,491	124,393
Due to Other Funds	0	0	0	188,548	188,548
Due to State of Tennessee	3,549	0	0	706	4,255
Total Liabilities	\$ 197,604	\$ 0	\$ 0	\$ 312,182	\$ 509,786
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 10,072,119	\$ 1,485,364	\$ 1,066,188	\$ 1,784,559	\$ 14,408,230
Deferred Delinquent Property Taxes	229,448	33,684	47,865	63,152	374,149
Other Deferred/Unavailable Revenue	62,507	0	211,658	521,511	795,676
Total Deferred Inflows of Resources	\$ 10,364,074	\$ 1,519,048	\$ 1,325,711	\$ 2,369,222	\$ 15,578,055

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Rural Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 2,500	\$ 0	\$ 0	\$ 0	\$ 2,500
Restricted:					
Restricted for General Government	15,531	0	0	1,255,345	1,270,876
Restricted for Finance	203,307	0	0	0	203,307
Restricted for Administration of Justice	167,388	0	0	0	167,388
Restricted for Public Safety	29,135	0	0	1,191,349	1,220,484
Restricted for Public Health and Welfare	6,406	0	0	1,998,008	2,004,414
Restricted for Other Operations	0	0	0	545,675	545,675
Restricted for Highways/Public Works	0	0	0	899,503	899,503
Restricted for Education	3,911	0	0	43,200	47,111
Restricted for Capital Outlay	0	0	0	2,135,519	2,135,519
Restricted for Debt Service	0	3,171,223	5,060,022	0	8,231,245
Committed:					
Committed for Administration of Justice	5,018	0	0	0	5,018
Committed for Public Health and Welfare	15,721	0	0	0	15,721
Committed for Social, Cultural, and Recreational Services	426,988	0	0	0	426,988
Assigned:					
Assigned for General Government	19,433	0	0	410,874	430,307
Assigned for Finance	1,743	0	0	0	1,743
Assigned for Administration of Justice	6,398	0	0	0	6,398
Assigned for Public Safety	36,578	0	0	7,448	44,026
Assigned for Public Health and Welfare	5,650	0	0	58,725	64,375
Assigned for Social, Cultural, and Recreational Services	15,492	0	0	3,728	19,220
Assigned for Highways/Public Works	0	0	0	32,227	32,227
Assigned for Education	0	0	0	378,400	378,400

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General Debt Service	Rural Debt Service		Other Govern- mental Funds	
<u>FUND BALANCES (CONT.)</u>					
Unassigned	\$ 2,900,736	\$ 0	\$ 0	\$ 0	\$ 2,900,736
Total Fund Balances	\$ 3,861,935	\$ 3,171,223	\$ 5,060,022	\$ 8,960,001	\$ 21,053,181
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,423,613	\$ 4,690,271	\$ 6,385,733	\$ 11,641,405	\$ 37,141,022

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

Exhibit C-2

Coffee 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)		\$	21,053,181
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds			
Add: land	\$	4,060,649	
Add: buildings and improvements net of accumulated depreciation		30,022,533	
Add: infrastructure net of accumulated depreciation		6,822,331	
Add: other capital assets net of accumulated depreciation		<u>3,137,934</u>	44,043,447
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: bonds payable	\$	(68,255,513)	
Less: notes payable		(1,091,000)	
Less: other loans payable		(8,167,398)	
Add: deferred amount on refunding		33,143	
Less: compensated absences payable		(776,373)	
Less: other postemployment benefits liability		(645,262)	
Less: accrued interest on bonds, notes, and other loans		(316,339)	
Less: unamortized premium on debt		<u>(441,682)</u>	(79,660,424)
(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	\$	695,752	
Less: deferred inflows of resources related to pensions		<u>(994,069)</u>	(298,317)
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			1,805,431
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,169,825</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>(11,886,857)</u></u>

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General	Rural	Other	
		Debt Service	Debt Service	Gov- ern- mental Funds	
<u>Revenues</u>					
Local Taxes	\$ 12,348,881	\$ 1,848,899	\$ 3,671,925	\$ 2,726,545	\$ 20,596,250
Licenses and Permits	281,424	0	0	7,816	289,240
Fines, Forfeitures, and Penalties	426,999	0	0	230,067	657,066
Charges for Current Services	605,846	0	0	1,938,964	2,544,810
Other Local Revenues	211,786	156,352	25,682	943,731	1,337,551
Fees Received From County Officials	2,937,768	0	0	0	2,937,768
State of Tennessee	2,220,457	0	0	2,052,046	4,272,503
Federal Government	248,680	0	399,367	83,796	731,843
Other Governments and Citizens Groups	178,571	0	271,426	0	449,997
Total Revenues	<u>\$ 19,460,412</u>	<u>\$ 2,005,251</u>	<u>\$ 4,368,400</u>	<u>\$ 7,982,965</u>	<u>\$ 33,817,028</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 1,966,294	\$ 0	\$ 0	\$ 0	\$ 1,966,294
Finance	1,459,456	0	0	0	1,459,456
Administration of Justice	2,233,384	0	0	0	2,233,384
Public Safety	8,369,554	0	0	185,446	8,555,000
Public Health and Welfare	821,084	0	0	3,762,188	4,583,272
Social, Cultural, and Recreational Services	1,109,609	0	0	0	1,109,609
Agriculture and Natural Resources	297,201	0	0	0	297,201
Other Operations	1,471,521	0	0	201,316	1,672,837
Highways	0	0	0	1,879,204	1,879,204
Debt Service:					
Principal on Debt	350,000	1,144,134	1,085,310	85,000	2,664,444
Interest on Debt	4,375	837,936	2,604,494	148,215	3,595,020
Other Debt Service	0	114,240	55,254	0	169,494

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	General Debt Service	Rural Debt Service	Other Govern- mental Funds	
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 947,136	\$ 947,136
Capital Projects - Donated	0	0	0	2,936,164	2,936,164
Total Expenditures	<u>\$ 18,082,478</u>	<u>\$ 2,096,310</u>	<u>\$ 3,745,058</u>	<u>\$ 10,144,669</u>	<u>\$ 34,068,515</u>
<u>Excess (Deficiency) of Revenues</u>					
Over Expenditures	\$ 1,377,934	\$ (91,059)	\$ 623,342	\$ (2,161,704)	\$ (251,487)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 4,715,001	\$ 4,715,001
Notes Issued	0	0	0	575,000	575,000
Refunding Debt Issued	0	2,565,000	0	0	2,565,000
Premiums on Debt Sold	0	55,915	0	105,244	161,159
Proceeds from Sale of Capital Assets	16,528	0	0	0	16,528
Insurance Recovery	23,036	0	0	0	23,036
Transfers In	0	0	136,411	400,000	536,411
Transfers Out	(136,411)	0	(400,000)	0	(536,411)
Payments to Refunded Debt Escrow Agent	0	(2,543,236)	0	0	(2,543,236)
Total Other Financing Sources (Uses)	<u>\$ (96,847)</u>	<u>\$ 77,679</u>	<u>\$ (263,589)</u>	<u>\$ 5,795,245</u>	<u>\$ 5,512,488</u>
Net Change in Fund Balances	\$ 1,281,087	\$ (13,380)	\$ 359,753	\$ 3,633,541	\$ 5,261,001
Fund Balance, July 1, 2015	2,580,848	3,184,603	4,700,269	5,326,460	15,792,180
Fund Balance, June 30, 2016	<u>\$ 3,861,935</u>	<u>\$ 3,171,223</u>	<u>\$ 5,060,022</u>	<u>\$ 8,960,001</u>	<u>\$ 21,053,181</u>

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

Exhibit C-4

Coffee 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)		\$ 5,261,001
(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:		
Less: current-year depreciation expense	<u>(1,778,805)</u>	(1,778,805)
(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		(73,214)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2016	\$ 1,169,825	
Less: deferred delinquent property taxes and other deferred June 30, 2015	<u>(1,419,816)</u>	(249,991)
(4) The issuance of long-term debt (e.g., notes, other loans, 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (7,280,000)	
Less: note proceeds	(575,000)	
Less: change in premium on debt issuances	(126,245)	
Add: principal payments on bonds	909,134	
Add: principal payments on notes	245,000	
Add: principal payments on other loans	4,005,310	
Less: contributions from the School Department for other loans	(71,426)	
Less: change in deferred amount on refunding debt	<u>(16,782)</u>	(2,910,009)
(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	\$ 1,538	
Change in net pension liability/asset	124,259	
Change in deferred outflows related to pensions	(55,107)	
Change in deferred inflows related to pensions	809,719	
Change in compensated absences payable	(39,545)	
Change in other postemployment benefits liability	<u>(65,154)</u>	<u>775,710</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,024,692</u>

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

Exhibit C-5

Coffee County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 12,348,881	\$ 0	\$ 0	\$ 12,348,881	\$ 12,087,768	\$ 12,216,923	\$ 131,958
Licenses and Permits	281,424	0	0	281,424	251,250	251,250	30,174
Fines, Forfeitures, and Penalties	426,999	0	0	426,999	633,900	638,318	(211,319)
Charges for Current Services	605,846	0	0	605,846	622,050	628,726	(22,880)
Other Local Revenues	211,786	0	0	211,786	301,900	309,646	(97,860)
Fees Received From County Officials	2,937,768	0	0	2,937,768	2,903,000	2,884,069	53,699
State of Tennessee	2,220,457	0	0	2,220,457	1,848,956	2,099,428	121,029
Federal Government	248,680	0	0	248,680	182,575	257,962	(9,282)
Other Governments and Citizens Groups	178,571	0	0	178,571	170,150	180,150	(1,579)
Total Revenues	\$ 19,460,412	\$ 0	\$ 0	\$ 19,460,412	\$ 19,001,549	\$ 19,466,472	\$ (6,060)
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 41,853	\$ 0	\$ 0	\$ 41,853	\$ 51,836	\$ 47,820	\$ 5,967
Board of Equalization	1,324	0	0	1,324	1,615	1,615	291
Other Boards and Committees	25,239	0	0	25,239	22,530	26,067	828
County Mayor/Executive	214,853	0	0	214,853	201,633	227,368	12,515
County Attorney	50,607	0	0	50,607	39,800	57,800	7,193
Election Commission	301,980	(7,978)	2,460	296,462	362,615	362,615	66,153
Register of Deeds	257,502	0	0	257,502	259,069	276,278	18,776
Codes Compliance	138,333	(388)	1,063	139,008	134,500	145,964	6,956
County Buildings	802,684	(36,530)	14,839	780,993	732,469	844,245	63,252
Other General Administration	131,919	0	0	131,919	133,756	134,806	2,887
Preservation of Records	0	0	0	0	250	250	250
<u>Finance</u>							
Accounting and Budgeting	412,535	0	0	412,535	451,254	426,860	14,325
Property Assessor's Office	342,637	(1,457)	0	341,180	353,002	353,002	11,822
Reappraisal Program	20,980	0	0	20,980	20,238	26,238	5,258
County Trustee's Office	293,878	(950)	0	292,928	311,016	311,016	18,088
County Clerk's Office	389,426	0	1,743	391,169	406,888	406,888	15,719

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 1,072,074	\$ (2,469)	\$ 800	\$ 1,070,405	\$ 1,101,203	\$ 1,118,603	\$ 48,198
General Sessions Judge	420,599	0	0	420,599	433,563	437,363	16,764
Drug Court	69,761	0	0	69,761	250,000	250,000	180,239
Chancery Court	294,498	0	0	294,498	295,721	303,494	8,996
Office of Public Defender	2,511	0	0	2,511	0	4,418	1,907
Judicial Commissioners	119,069	0	0	119,069	126,615	126,615	7,546
Probation Services	254,872	0	0	254,872	266,946	266,946	12,074
<u>Public Safety</u>							
Sheriff's Department	2,562,209	(7,663)	1,450	2,555,996	2,788,522	2,804,042	248,046
Traffic Control	14,186	0	0	14,186	14,190	14,190	4
Administration of the Sexual Offender Registry	820	0	0	820	2,000	2,000	1,180
Jail	3,865,147	(28,990)	35,128	3,871,285	3,954,238	3,979,238	107,953
Workhouse	295,357	0	0	295,357	582,743	318,034	22,677
Juvenile Services	336,403	0	0	336,403	338,518	342,455	6,052
Rural Fire Protection	260,000	0	0	260,000	282,000	282,000	22,000
Civil Defense	120,719	0	0	120,719	133,346	137,346	16,627
Rescue Squad	17,000	0	0	17,000	17,000	17,000	0
County Coroner/Medical Examiner	80,000	0	0	80,000	55,000	80,000	0
Other Public Safety	817,713	0	0	817,713	864,331	864,331	46,618
<u>Public Health and Welfare</u>							
Local Health Center	576,440	(152)	4,475	580,763	674,051	674,051	93,288
Rabies and Animal Control	90,603	0	1,175	91,778	103,769	104,269	12,491
Alcohol and Drug Programs	2,000	0	0	2,000	2,000	2,000	0
Appropriation to State	82,378	0	0	82,378	82,378	82,378	0
General Welfare Assistance	8,846	0	0	8,846	8,850	8,850	4
Other Waste Disposal	60,817	0	0	60,817	50,000	60,817	0
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	198,343	0	0	198,343	199,478	199,478	1,135
Libraries	897,319	(23,919)	15,493	888,893	917,898	917,898	29,005

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services (Cont.)</u>							
Other Social, Cultural, and Recreational	\$ 13,947	\$ (58)	\$ 0	\$ 13,889	\$ 0	\$ 14,745	\$ 856
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	210,632	0	0	210,632	227,544	227,544	16,912
Soil Conservation	86,569	0	0	86,569	87,876	87,876	1,307
<u>Other Operations</u>							
Industrial Development	250,672	0	0	250,672	250,672	250,672	0
Veterans' Services	12,213	(300)	0	11,913	12,976	12,976	1,063
Other Charges	1,162,442	0	5,597	1,168,039	1,466,828	1,170,528	2,489
Payments to Cities	28,500	0	0	28,500	28,500	28,500	0
Miscellaneous	17,694	0	1,072	18,766	0	19,945	1,179
<u>Principal on Debt</u>							
General Government	350,000	0	0	350,000	0	350,000	0
<u>Interest on Debt</u>							
General Government	4,375	0	0	4,375	0	9,000	4,625
Total Expenditures	\$ 18,082,478	\$ (110,854)	\$ 85,295	\$ 18,056,919	\$ 19,101,227	\$ 19,218,434	\$ 1,161,515
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 1,377,934	\$ 110,854	\$ (85,295)	\$ 1,403,493	\$ (99,678)	\$ 248,038	\$ 1,155,455
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 16,528	\$ 0	\$ 0	\$ 16,528	\$ 0	\$ 16,528	\$ 0
Insurance Recovery	23,036	0	0	23,036	0	16,146	6,890
Transfers Out	(136,411)	0	0	(136,411)	(146,755)	(136,412)	1
Total Other Financing Sources	\$ (96,847)	\$ 0	\$ 0	\$ (96,847)	\$ (146,755)	\$ (103,738)	\$ 6,891
Net Change in Fund Balance							
Fund Balance, July 1, 2015	\$ 1,281,087	\$ 110,854	\$ (85,295)	\$ 1,306,646	\$ (246,433)	\$ 144,300	\$ 1,162,346
	2,580,848	(110,854)	0	2,469,994	1,801,961	1,801,961	668,033
Fund Balance, June 30, 2016							
	\$ 3,861,935	\$ 0	\$ (85,295)	\$ 3,776,640	\$ 1,555,528	\$ 1,946,261	\$ 1,830,379

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

Exhibit D-1

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

	Business-type Activities
	Nonmajor Enterprise Fund
	Wayside Acres Sewer Fund
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Assets and Investments	\$ 62,082
Accounts Receivable	3,012
Total Current Assets	<u>\$ 65,094</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 30,120
Assets Net of Accumulated Depreciated:	
Buildings and Improvements	449,324
Total Noncurrent Assets	<u>\$ 479,444</u>
Total Assets	<u>\$ 544,538</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Current Portion of Long-term Debt	\$ 5,306
Total Current Liabilities	<u>\$ 5,306</u>
Noncurrent Liabilities:	
Due in More Than One Year	\$ 277,940
Total Noncurrent Liabilities	<u>\$ 277,940</u>
Total Liabilities	<u>\$ 283,246</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 196,198
Unrestricted	<u>65,094</u>
Total Net Position	<u>\$ 261,292</u>

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

Exhibit D-2

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

	Business-type Activities
	Nonmajor Enterprise Fund
	Wayside Acres Sewer Fund
<u>Operating Revenues</u>	
Charges for Current Services	\$ 36,472
Total Operating Revenues	<u>\$ 36,472</u>
<u>Operating Expenses</u>	
Public Health and Welfare	\$ 29,366
Depreciation	26,951
Total Operating Expenses	<u>\$ 56,317</u>
Operating Income (Loss)	<u>\$ (19,845)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Contributions	\$ 39,000
Interest on Other Loans	(11,996)
Total Nonoperating Revenues (Expenses)	<u>\$ 27,004</u>
Change in Net Position	\$ 7,159
Net Position, July 1, 2015	<u>254,133</u>
Net Position, June 30, 2016	<u><u>\$ 261,292</u></u>

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

Exhibit D-3

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

	Business-type Activities
	Nonmajor Enterprise Fund
	Wayside Acres Sewer Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 36,386
Payments to Suppliers	(29,366)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 7,020</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal Paid on Other Loans	\$ (11,996)
Interest Paid on Other Loans	(5,116)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (17,112)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Contributions	\$ 53,883
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 53,883</u>
Net Increase (Decrease) in Cash	\$ 43,791
Cash, July 1, 2015	<u>18,291</u>
Cash, June 30, 2016	<u><u>\$ 62,082</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u> <u>Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (19,845)
Adjustment to Reconcile Net Operating Income to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	26,951
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(86)
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 7,020</u></u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,651,512
Equity in Pooled Cash and Investments	546,738
Accounts Receivable	2,367
Due from Other Governments	2,845,619
Property Taxes Receivable	8,681,068
Allowance for Uncollectible Property Taxes	<u>(250,939)</u>
Total Assets	<u>\$ 14,476,365</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 417
Due to State of Tennessee	33
Due to Other Taxing Units	11,487,918
Due to Litigants, Heirs, and Others	2,728,889
Due to Joint Ventures	<u>259,108</u>
Total Liabilities	<u>\$ 14,476,365</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Coffee 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 Coffee County:

A. Reporting Entity

Coffee County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Coffee County (the primary government) and its component units. The financial statements of the Coffee County Emergency Communications District, the Industrial Board of Coffee County, and the Coffee County Public Building Authority, component units requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of their omission did 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 Coffee County School Department operates the public school system in the county, and the voters of Coffee 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 Coffee County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Coffee County, and the Coffee 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 Coffee County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Industrial Board of Coffee County provides and assists industry in Coffee County, and the Coffee County Commission appoints its board of directors. The board comprises three members each from the City of Tullahoma, the City of Manchester, and from rural areas. The board is primarily funded by appropriations from the county. The financial statements of the Industrial Board of Coffee County were not material to the component units' opinion unit and therefore have been omitted from this report.

The Coffee County Public Building Authority oversees the operations of the conference center, which benefits the citizens of the City of Manchester and Coffee County. The Coffee County Commission appoints the seven-member board of directors, and Coffee County and the City of Manchester share equally in the profits and losses of the conference center. The center is primarily funded by charges assessed for the use of the facility. During the year ended June 30, 2016, the county's share of the losses of the conference center totaled \$113,001. The financial statements of the Coffee County Public Building Authority were not material to the component units' opinion unit and therefore have been omitted from this report.

The Coffee 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 Coffee County Emergency Communications District, the Industrial Board of Coffee County, and the Public Building Authority of Coffee County can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Coffee County Emergency Communications District
911 Jack Welch Drive
Manchester, TN 37355

Industrial Board of Coffee County
1329 McArthur Street, Suite 4
Manchester, TN 37355

Public Building Authority of Coffee County
147 Hospitality Boulevard
Manchester, TN 37355

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 Coffee 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.

Coffee County issues all debt for the discretely presented Coffee County School Department. Net debt issues totaling \$2,936,164 were contributed by the county to the School Department during the year ended June 30, 2016.

Separate financial statements are provided for governmental funds, proprietary funds (enterprise), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the nonmajor 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 Coffee 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 category. Coffee County only reports one proprietary fund, a nonmajor enterprise fund.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds and the 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. 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. Coffee 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 debt service funds for payments to be made early in the following year.

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

Proprietary funds 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.

Coffee 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.

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.

Rural 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 issued for school projects outside the territorial limits of the Special School District.

Additionally, Coffee County 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.

Capital Projects Fund – The General Capital Projects Fund is used for general capital expenditures of the county. These include various construction projects and purchases of capital assets

Enterprise Fund – The Wayside Acres Sewer Fund is used to account for the transactions of the Wayside Acres sewer operation.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Coffee County, the city school systems’ share of educational revenues, state grants and other restricted revenues held for the benefit of the Fourteenth Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Coffee 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 Coffee County 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.

Capital Projects Fund – The Education Capital Projects Fund is used to account for the receipt of debt issued by Coffee County and contributed to the School Department for building construction and renovations.

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 Wayside Acres sewer operation. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's enterprise fund are charges for services.

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 Coffee 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 Rural Debt Service and the General Purpose School funds. Coffee 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 with the exception of negotiable certificates of deposits, which are reported at fair value. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a Stable Net Asset Value. 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.

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.68 percent of total taxes levied.

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

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

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

Most payables are disaggregated on the face of the financial statements. Claims and judgments payable are discussed in Note V.A. Risk Management.

3. Inventories

Inventories of Coffee County are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

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 (\$10,000 for the discretely presented Coffee County School Department) or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10 - 50
Land Improvements	10 - 50
Infrastructure	15 - 40
Other Capital Assets	3 - 20
Library Assets	3 - 40

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. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for pension changes in experience, changes in proportionate share of contributions, employer contributions made to the pension plan after the measurement date, and the deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

The general policy of Coffee County allows employees to accumulate a limited number of unused vacation days; however, the unused vacation days that exceed the limit allowed by county policy are transferred to sick days on the employee's anniversary date. The remaining unused vacation days are paid to employees when they separate from service with the government. All vacation pay is accrued when incurred in the

government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

County employees hired prior to July 1, 2014, are allowed to accumulate unlimited sick leave days; however, the granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded. County employees hired after July 1, 2014, are allowed to accumulate up to 960 hours of sick leave (1,250 for Ambulance and EMS employees). Following five continuous years of service, employees are eligible to receive a percentage of their accumulated sick leave upon termination of employment. The percentages begin at 25 percent after year five and cap at 50 percent after year ten. Because no employees can be vested in this program until July 1, 2019, sick leave is not required to be accrued or recorded during the current year.

The general policy of the discretely presented Coffee County School Department does not allow for the accumulation of vacation days beyond year-end for professional employees. Support staff are allowed to accumulate unused vacation days. Vacation pay is accrued for support staff when incurred in the government-wide financial statements for the School Department. A liability for vacation pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. All professional personnel (teachers) of the School Department are allowed to accumulate unlimited sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

7. Long-term Obligations

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

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, claims and judgments, and other postemployment benefits, 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 in capital assets.

On the government-wide Statement of Net Position (Exhibit A), the account Restricted for Other Purposes for the primary government consists of pension obligations.

As of June 30, 2016, Coffee County had \$52,307,398 in outstanding debt for capital purposes for the discretely presented Coffee County School Department. This debt is a liability of Coffee County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Coffee 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/Finance Committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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

9. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists and consists of the sum of committed, assigned, and unassigned fund balance:

General Fund – four percent of current-year appropriations.

Debt Service Funds – an amount equal to debt requirements for the first six months of the subsequent fiscal year.

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

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

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

Primary Government

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

Discretely Presented Coffee 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

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 (special revenue fund), which is not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed

appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

At June 30, 2016, Coffee County and the Coffee County School Department reported the following significant encumbrances:

Fund	Description	Amount
Primary Government:		
Major Funds:		
General	Jail Food and Non-Food Supplies	\$ 29,485
Nonmajor Funds:		
Ambulance Service	Ambulance	57,651
Highway/Public Works	Asphalt	8,200
"	Crushed Stone	10,000
"	Fuel	13,127
School Department:		
Major Fund:		
General Purpose School	State Testing	15,444
"	Chromebooks	31,051
"	Paving	101,659
"	Flooring	32,169
"	Truck	41,172

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

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

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

Investments

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

The county had no pooled or nonpooled investments as of June 30, 2016.

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	\$ 4,081,549	\$ 0	\$ (20,900)	\$ 4,060,649
Construction in Progress	22,052,296	0	(22,052,296)	0
Total Capital Assets Not Depreciated	\$ 26,133,845	\$ 0	\$ (22,073,196)	\$ 4,060,649
Capital Assets Depreciated:				
Buildings and Improvements	\$ 18,156,764	\$ 21,337,165	\$ 0	\$ 39,493,929
Infrastructure	15,767,746	0	0	15,767,746
Other Capital Assets	8,061,953	695,107	(260,513)	8,496,547
Total Capital Assets Depreciated	\$ 41,986,463	\$ 22,032,272	\$ (260,513)	\$ 63,758,222
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 8,830,846	\$ 640,550	\$ 0	\$ 9,471,396
Infrastructure	8,410,674	534,741	0	8,945,415
Other Capital Assets	4,983,322	603,514	(228,223)	5,358,613
Total Accumulated Depreciation	\$ 22,224,842	\$ 1,778,805	\$ (228,223)	\$ 23,775,424
Total Capital Assets Depreciated, Net	\$ 19,761,621	\$ 20,253,467	\$ (32,290)	\$ 39,982,798
Governmental Activities Capital Assets, Net	\$ 45,895,466	\$ 20,253,467	\$ (22,105,486)	\$ 44,043,447

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

Governmental Activities:

General Government	\$ 328,377
Finance	7,110
Administration of Justice	4,083
Public Safety	560,478
Public Health and Welfare	154,857
Social, Cultural, and Recreational	84,200
Highways/Public Works	<u>639,700</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,778,805</u></u>

Business-type Activities:

	Balance 7-1-15	Increases	Balance 6-30-16
Capital Assets Not Depreciated:			
Land	\$ 30,120	\$ 0	\$ 30,120
Total Capital Assets Not Depreciated	<u>\$ 30,120</u>	<u>\$ 0</u>	<u>\$ 30,120</u>
Capital Assets Depreciated:			
Infrastructure	\$ 673,775	\$ 0	\$ 673,775
Total Capital Assets Depreciated	<u>\$ 673,775</u>	<u>\$ 0</u>	<u>\$ 673,775</u>
Less Accumulated Depreciation For:			
Infrastructure	\$ 197,500	\$ 26,951	\$ 224,451
Total Accumulated Depreciation	<u>\$ 197,500</u>	<u>\$ 26,951</u>	<u>\$ 224,451</u>
Total Capital Assets Depreciated, Net	<u>\$ 476,275</u>	<u>\$ (26,951)</u>	<u>\$ 449,324</u>
Business-type Activities Capital Assets, Net	<u>\$ 506,395</u>	<u>\$ (26,951)</u>	<u>\$ 479,444</u>

The business-type activities had no decreases in capital assets during the year ended June 30, 2016.

Discretely Presented Coffee County School Department

Governmental Activities:

	Balance 7-1-15	Increases	Decreases	Balance 6-30-16
Capital Assets Not Depreciated:				
Land	\$ 1,438,853	\$ 0	\$ 0	\$ 1,438,853
Construction in Progress	13,053	0	0	13,053
Total Capital Assets Not Depreciated	<u>\$ 1,451,906</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,451,906</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 60,015,618	\$ 98,900	\$ 0	\$ 60,114,518
Other Capital Assets	5,329,359	473,492	(284,243)	5,518,608
Total Capital Assets Depreciated	<u>\$ 65,344,977</u>	<u>\$ 572,392</u>	<u>\$ (284,243)</u>	<u>\$ 65,633,126</u>
Less Accumulated Depreciation:				
Buildings and Improvements	\$ 10,910,396	\$ 1,239,956	\$ 0	\$ 12,150,352
Other Capital Assets	2,514,063	278,345	(278,609)	2,513,799
Total Accumulated Depreciation	<u>\$ 13,424,459</u>	<u>\$ 1,518,301</u>	<u>\$ (278,609)</u>	<u>\$ 14,664,151</u>
Total Capital Assets Depreciated, Net	<u>\$ 51,920,518</u>	<u>\$ (945,909)</u>	<u>\$ (5,634)</u>	<u>\$ 50,968,975</u>
Governmental Activities Capital Assets, Net	<u>\$ 53,372,424</u>	<u>\$ (945,909)</u>	<u>\$ (5,634)</u>	<u>\$ 52,420,881</u>

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

Governmental Activities:

Instruction	\$ 1,284,353
Support Services	201,515
Operation of Non-instructional Services	<u>32,433</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,518,301</u></u>

C. 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
Primary Government:		
General	Nonmajor governmental	\$ 188,548
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	7
Nonmajor governmental	Nonmajor governmental	2,501
Nonmajor governmental	General Purpose School	14,566

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

Interfund Transfers:

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

Primary Government

Transfers Out	Transfers In	
	Rural Debt Service Fund	General Capital Projects Fund
General Fund	\$ 136,411	\$ 0
Rural Debt Service	0	400,000
Total	\$ 136,411	\$ 400,000

Discretely Presented Coffee County School Department

	<u>Transfers In</u>	
	General Purpose School Fund	Nonmajor Governmental Fund
<u>Transfers Out</u>		
Nonmajor governmental fund	\$ 222,682	\$ 0
General Purpose School Fund	0	318,806
Total	<u>222,682</u>	<u>318,806</u>

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

D. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, notes, and other loans outstanding were issued for original terms of up to 38 years for bonds, six years for notes, and up to 18 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. General obligation bonds included in long-term debt as of June 30, 2016, will be retired from the General Debt Service and Rural Debt Service funds. Notes included in long-term debt will be retired from the General Debt Service, Highway/Public Works, and Rural Debt Service funds. Other loans included in long-term debt will be retired from the General, General Debt Service, and Rural Debt Service funds.

General obligation bonds, 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
General Obligation Bonds	2 to 7.15	%	8-28-52	\$ 66,590,000	\$ 65,410,513
General Obligation Bonds - Refunding	2.487 to 2.56		6-1-21	4,065,000	2,845,000
Notes	1.99 to 2.30		4-1-20	1,825,000	1,091,000
Other Loans	0 to 4.75		7-1-27	11,127,000	8,167,398

On November 2, 2006, Coffee County entered into a loan agreement with the Public Building Authority of Coffee County. Under this agreement, the authority loaned \$4,510,000 to Coffee County at interest rates ranging from 3.55 to four percent to refinance a portion of the outstanding balance of a loan issued to the county during the 2000-01 year. This loan was refunded with the issuance of a general obligation bond during the year.

On December 10, 2008, Coffee County entered into a loan agreement with the Tennessee Local Government Alternative Loan Program. Under this agreement, the program loaned \$7,600,000 to Coffee County at an interest rate of 4.75 percent for school construction projects and agreed to refinance the outstanding balance of debt issued in prior years.

On October 7, 2010, Coffee County entered into a loan agreement with the Tennessee State School Board Authority. Under this loan agreement, the authority loaned Coffee County \$3,027,000 from Qualified School Construction Bonds, Series 2010 for rehabilitation and repairs of county school buildings. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the annual principal payment. The county pays an annual administrative fee of \$2,422 under this agreement. The loan retirement schedule also includes equal monthly payments of interest of approximately 4.85 percent, which is offset by a federal interest rate subsidy.

On July 26, 2011, Coffee County entered into a loan agreement with the state Department of Economic and Community Development to provide energy efficiency improvements in the county's schools. Under this agreement, the state loaned the county \$500,000 at an interest rate of zero percent.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2017	\$ 1,639,940	\$ 2,939,360	\$ 4,579,300
2018	1,400,241	2,894,259	4,294,500
2019	1,425,869	2,858,331	4,284,200
2020	1,466,835	2,822,065	4,288,900
2021	1,468,146	2,784,554	4,252,700
2022-2026	6,088,371	13,395,985	19,484,356
2027-2031	11,445,078	12,031,480	23,476,558
2032-2036	11,649,497	9,883,583	21,533,080
2037-2041	14,331,368	6,999,982	21,331,350
2042-2046	11,802,086	2,346,514	14,148,600
2047-2051	4,414,966	535,034	4,950,000
2052-2053	1,123,116	21,871	1,144,987
Total	\$ 68,255,513	\$ 59,513,018	\$ 127,768,531

Year Ending June 30	Notes		
	Principal	Interest	Total
2017	\$ 392,000	\$ 21,603	\$ 413,603
2018	349,000	14,032	363,032
2019	210,000	8,124	218,124
2020	140,000	2,786	142,786
Total	\$ 1,091,000	\$ 46,545	\$ 1,137,545

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2017	\$ 703,884	\$ 419,309	\$ 1,123,193
2018	713,884	399,547	1,113,431
2019	753,884	379,359	1,133,243
2020	773,884	356,442	1,130,326
2021	838,884	332,099	1,170,983
2022-2026	4,157,698	1,222,245	5,379,943
2027-2029	225,280	220,122	445,402
Total	\$ 8,167,398	\$ 3,329,123	\$ 11,496,521

There is \$8,231,245 available in the debt service funds to service long-term debt. Debt per capita, including bonds, notes, and other loans totaled \$1,468, 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	\$ 61,884,647	\$ 761,000	\$ 12,172,708
Additions	7,280,000	575,000	0
Reductions	(909,134)	(245,000)	(4,005,310)
Balance, June 30, 2016	<u>\$ 68,255,513</u>	<u>\$ 1,091,000</u>	<u>\$ 8,167,398</u>
Balance Due Within One Year	<u>\$ 1,639,940</u>	<u>\$ 392,000</u>	<u>\$ 703,884</u>

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2015	\$ 736,828	\$ 580,108
Additions	863,786	75,912
Reductions	(824,241)	(10,758)
Balance, June 30, 2016	<u>\$ 776,373</u>	<u>\$ 645,262</u>
Balance Due Within One Year	<u>\$ 38,820</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 78,935,546
Less: Balance Due Within One Year	(2,774,644)
Add: Unamortized Premium on Debt	<u>441,682</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 76,602,584</u>

Compensated absences and other postemployment benefits will be paid from the employing funds, primarily the General and Highway/Public Works funds.

Current Refunding

On December 10, 2015, Coffee County advance refunded a previous loan issue with a separate general obligation bond issue. The county issued \$2,565,000 of general obligation refunding bonds to provide resources to purchase U.S. government securities that were placed in an irrevocable trust to generate resources for all future debt service payments of the refunded debt. As a result,

the refunded loan is considered retired, and the liability has been removed from the county's long-term debt. As a result of this refunding, total debt service payments over the next six years will be reduced by \$100,926, and an economic gain (difference between the present value of the debt service payments of the refunded and refunding debt) of \$106,136 was obtained.

Wayside Acres Sewer Fund (enterprise fund)

Other loans outstanding were issued for original terms of up to 38 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The other loans included in long-term liabilities as of June 30, 2016, will be retired by the enterprise fund.

Other loans outstanding as of June 30, 2016, for business-type activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-16
Other Loans	4.125 to 4.375 %	12-20-44	\$ 324,000	\$ 283,246

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

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2017	\$ 5,306	\$ 11,806	\$ 17,112
2018	5,533	11,579	17,112
2019	5,770	11,342	17,112
2020	6,016	11,096	17,112
2021	6,274	10,838	17,112
2022-2026	35,633	49,927	85,560
2027-2031	43,941	41,619	85,560
2032-2036	54,189	31,371	85,560
2037-2041	66,834	18,725	85,559
2042-2045	53,750	4,051	57,801
Total	\$ 283,246	\$ 202,354	\$ 485,600

Changes in Long-term Obligations

Long-term obligations activity for the Wayside Acres Sewer Fund (enterprise fund) for the year ended June 30, 2016, was as follows:

Business-type Activities:

	<u>Other Loans</u>
Balance, July 1, 2015	\$ 288,362
Reductions	<u>(5,116)</u>
Balance, June 30, 2016	<u>\$ 283,246</u>
Balance Due Within One Year	<u>\$ 5,306</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 283,246
Less: Balance Due Within One Year	<u>(5,306)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 277,940</u>

Discretely Presented Coffee County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	<u>Compensated Absences</u>	<u>Other Postemployment Benefits</u>
Balance, July 1, 2015	\$ 97,375	\$ 5,397,204
Additions	68,392	1,097,187
Reductions	<u>(54,061)</u>	<u>(822,016)</u>
Balance, June 30, 2016	<u>\$ 111,706</u>	<u>\$ 5,672,375</u>
Balance Due Within One Year	<u>\$ 89,364</u>	<u>\$ 0</u>

	Net Pension Liability*
Balance, July 1, 2015	\$ (74,043)
Additions	4,655,742
Reductions	<u>(4,398,732)</u>
Balance, June 30, 2016	<u>\$ 182,967</u>
Balance Due Within One Year	<u><u>\$ 0</u></u>

* At July 1, 2015, the School Department's Cost-sharing Legacy Plan had a net pension asset.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 5,967,048
Less: Balance Due Within One Year	<u>(89,364)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u><u>\$ 5,877,684</u></u>

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

E. On-Behalf Payments

Primary Government

The State of Tennessee pays health insurance premiums for retired employee's on-behalf of Coffee 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 \$1,050. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

Discretely Presented Coffee County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Coffee 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

\$192,707 and \$41,325, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

F. Short-term Debt

The county issued revenue anticipation notes in advance of collections and deposited the proceeds in the General, General Purpose School, and School Federal Projects funds. These notes were necessary because funds were not available to meet fund obligations coming due before current revenue collections. Short-term debt activity for the year ended June 30, 2016, was as follows:

Fund	Balance 7-1-15	Issued	Paid	Balance 6-30-16
Primary Government:				
General	\$ 0	\$ 1,827,794	\$ (1,827,794)	\$ 0
School Department:				
General Purpose School	0	1,500,000	(1,500,000)	0
School Federal Projects	0	100,000	(100,000)	0

V. OTHER INFORMATION

A. Risk Management

Primary Government

Coffee County’s policy (except for the Highway Department and Ambulance Service) is to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property, casualty, workers’ compensation, and environmental. Settled claims have not exceeded this commercial coverage in any of the past two fiscal years.

The Highway Department’s risk of loss relating to general liability, property, casualty, and workers’ compensation is covered by participation in the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers’ Compensation Fund, which are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The Highway Department pays an annual premium to the pools for its general liability, property, casualty, and workers’ compensation insurance coverage. The creation of these pools provides for them to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims of more than \$100,000 for each insured event.

The Coffee County Ambulance Service purchases commercial insurance for the risk of losses to which it is exposed. These risks include general liability, property, casualty, and accident. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Coffee County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Coffee County School Department

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

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

The School Department provides a self-insured dental and vision plan for all full-time employees through the General Purpose School Fund. Retirees are not allowed to participate in the program. The cost of this plan was provided by appropriations made for that purpose. Payroll deductions were made from employees' compensation for the portion of premiums relating to family coverage. The dental and vision plan provides maximum yearly benefit amounts for participants. The maximum calendar year benefit under the dental plan is \$1,500 per person. The vision plan also contains limits on benefits and the number of procedures covered by the plan. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The self-insurance program funds established claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred

but not reported. Claims liabilities include specific, incremental claim adjustments and expenditures, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	End of Fiscal Year Liability
2014-15	\$ 98,315	\$ 675,656	\$ 536,693	237,278
2015-16	237,278	133,217	370,495	0

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*; 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, address specific payables to defined benefit plans, 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. Subsequent Events

Between July 1, 2016, and January 23, 2017, Coffee County issued tax anticipation notes to provide temporary operating funds. These notes are summarized in the following schedule:

<u>From Fund</u>	<u>To Fund</u>	<u>Amount</u>
Rural Debt Service	General	\$ 1,325,058
"	General Purpose School	2,100,000

On October 5, 2016, Coffee County issued \$8,765,000 in general obligation refunding bonds.

On November 8, 2016, the Coffee County Commission approved a contract with the Coffee County Water and Wastewater Treatment Authority (CCWWTA). This contract stipulated that the county would immediately retire all outstanding debt for CCWWTA who would then repay the county at a rate of \$2,342 per month over ten years at zero percent interest. On November 9, 2016, the county retired CCWWTA's outstanding debt of \$280,819 with a payment from the county's Rural Debt Service Fund.

On August 31, 2016, Jimmy White left the office of Assessor of Property and was succeeded by Beverly Robertson.

D. 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.

E. Joint Ventures

The Fourteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourteenth Judicial District and participating municipalities in the district. The DTF interlocal agreement was signed by the sheriff of Coffee County and the police chiefs of the cities of Manchester and Tullahoma. 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, sheriff, and police chiefs of participating law enforcement agencies within each judicial district. Coffee County made no contributions to the DTF for the year ended June 30, 2016.

Coffee County is a participant with Warren, Cannon, and Rutherford counties in a multi-county Municipal Solid Waste Planning Region. This entity was created to promote the preparation of municipal solid waste regional plans to effectively and efficiently manage solid waste. This entity is governed by a 13-member board comprising appointees from Cannon County (2), Coffee County (2), Rutherford County (3), Warren County (2), the City of Manchester (1), the City of McMinnville (1), the City of Murfreesboro (1), and the City of Woodbury (1). Funding is provided from member contributions and grants. There are no separately issued financial statements for the Municipal Solid Waste Planning Region. Rutherford County has been designated as the fiscal agent for the Planning Region and accounts for its activities through the Joint Venture Fund (agency fund), which is included in the financial statements reflected in Rutherford County's comprehensive annual financial report.

Coffee County does not have an equity interest in the above-noted joint ventures. Complete financial statements for the DTF and the Municipal Solid Waste Planning Region can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
Fourteenth Judicial District
307 South Woodland
Manchester, TN 37355

Municipal Solid Waste Planning Region
c/o Ernest Burgess, Rutherford County Mayor
County Courthouse, Room 101
Murfreesboro, TN 37130

Discretely Presented Coffee County School Department

The Coffee County 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 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 Chapter 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 (Stewart County School Department) and a service provider to offer 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.

Complete financial statements for the Volunteer State Cooperative can be obtained from its administrative office at the following address:

Administrative Office:

Volunteer State Cooperative
P.O. Box 433
110 Natcor Drive
Dover, TN 37058

F. Jointly Governed Organization

The Tri-County Railroad Authority is jointly operated by Coffee County, in conjunction with Warren and White counties. The authority's board comprises the county mayor/executive of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity.

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Coffee County, non-certified employees of the discretely presented Coffee County School Department, the discretely presented Public Building Authority of Coffee County, and the discretely presented Industrial Development Board of Coffee County 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 67.76 percent, the non-certified employees of the discretely presented School Department comprised 30.58 percent, the discretely presented Public Building Authority of Coffee County comprised .73 percent, and the employees of the discretely presented Industrial Development Board of Coffee County comprised .93 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	200
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	336
Active Employees	430
Total	966

Coffee County withdrew from the TCRS effective July 1, 2014. Employees hired after the date of withdrawal are not eligible to participate in TCRS. Employees active as of the withdrawal date will continue to accrue salary and services credit in TCRS. The employer remains responsible for the pension liability for employees and retirees that were active as of the withdrawal date.

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 their salary. Coffee 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 Coffee County was \$1,110,181 based on a rate of 8.783 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Coffee 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)

Coffee 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 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 Coffee 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	\$ 35,853,734	\$ 39,260,364	\$ (3,406,630)
Changes for the Year:			
Service Cost	\$ 1,074,064	\$ 0	\$ 1,074,064
Interest	2,713,685	0	2,713,685
Differences Between Expected and Actual Experience	(70,073)	0	(70,073)
Contributions-Employer	0	1,110,181	(1,110,181)
Contributions-Employees	0	673,024	(673,024)
Net Investment Income	0	1,215,059	(1,215,059)
Benefit Payments, Including Refunds of Employee Contributions	(1,490,656)	(1,490,656)	0
Administrative Expense	0	(22,769)	22,769
Other Changes	0	0	0
Net Changes	\$ 2,227,020	\$ 1,484,839	\$ 742,181
Balance, June 30, 2015	\$ 38,080,754	\$ 40,745,203	\$ (2,664,449)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	67.76%	\$ 25,803,519	\$ 27,608,950	\$ (1,805,431)
School Department	30.58%	11,645,095	12,459,883	(814,789)
Public Building Authority	0.73%	277,990	297,440	(19,450)
Industrial Development Board	0.93%	354,151	378,930	(24,779)
Total		\$ 38,080,754	\$ 40,745,203	\$ (2,664,449)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Coffee 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:

Coffee County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 2,219,314	\$ (2,664,449)	\$ (6,736,121)

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

Pension Expense. For the year ended June 30, 2016, Coffee County recognized pension expense of \$335,685.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, Coffee 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
Difference Between Expected and Actual Experience	\$ 0	\$ 1,037,435
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,391,668	1,821,277
Contributions Subsequent to the Measurement Date of June 30, 2015 (1)	1,040,048	N/A
Total	<u>\$ 2,431,716</u>	<u>\$ 2,858,712</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	\$ 1,638,746	\$ 1,937,063
School Department	751,110	874,194
Public Building Authority	19,214	20,869
Industrial Development Board	22,646	26,586
Total	\$ 2,431,716	\$ 2,858,712

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

Year Ending <u>June 30</u>	<u>Amount</u>
2017	\$ (518,535)
2018	(518,535)
2019	(518,535)
2020	88,558
2021	0
Thereafter	0

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

Discretely Presented Coffee County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Coffee County, non-certified employees of the discretely presented Coffee County School Department, the discretely presented Public Building Authority of Coffee County, and the discretely

presented Industrial Development Board of Coffee County 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 67.76 percent, the non-certified employees of the discretely presented School Department comprised 30.58 percent, the discretely presented Public Building Authority of Coffee County comprise .73 percent, and the employees of the discretely presented Industrial Development Board of Coffee County comprise .93 percent, of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

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 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 \$107,786, 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 Coffee County School Department reported an asset of \$19,021 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 Coffee County School Department's proportion of the net pension asset was based on the Coffee 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 Coffee County School Department's proportion was .472817 percent.

Pension Expense. For the year ended June 30, 2016, the Coffee County School Department recognized pension expense of \$24,928.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 6,191
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,538	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	107,786	N/A
Total	<u>\$ 109,324</u>	<u>\$ 6,191</u>

The Coffee County School Department's employer contributions of \$107,786, 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	\$ (132)
2018	(132)
2019	(132)
2020	(132)
2021	(516)
Thereafter	(3,611)

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 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 Coffee 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 Coffee 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	\$ 3,373	\$ (19,021)	\$ (35,445)

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

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 Coffee County School Department for the year ended June 30, 2016, to the Teacher Legacy Pension Plan were \$1,472,299, 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 Liability (Assets). At June 30, 2016, the Coffee County School Department reported a liability of \$182,965 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 Coffee County School Department's proportion of the net pension liability (asset) was based on the Coffee 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 Coffee County School Department's proportion was .446654 percent. The proportion measured at June 30, 2014, was .455662 percent.

Negative Pension Expense. For the year ended June 30, 2016, the Coffee County School Department recognized negative pension expense of \$185,110.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2016, the Coffee 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	\$ 146,837	\$ 2,847,873
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	3,303,770	4,485,047
Changes in Proportion of Net Pension Liability (Asset)	0	153,209
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	<u>1,472,299</u>	N/A
Total	<u>\$ 4,922,906</u>	<u>\$ 7,486,129</u>

The Coffee County School Department's employer contributions of \$1,472,299 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	\$ (1,239,922)
2018	(1,239,922)
2019	(1,239,922)
2020	255,093
2021	(570,849)
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 adjustments 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 Coffee 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 Coffee 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 \$ 12,473,917 \$ 182,965 \$ (9,992,494)

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

Payable to the Pension Plan

At June 30, 2016, the Coffee County School Department reported a payable of \$24,486 for the outstanding amount of contributions to the pension plan required at the year ended June 30, 2016.

2. Deferred Compensation

Teachers hired after July 1, 2014, by the discretely presented Coffee County School Department are required to participate in a hybrid pension plan administered by the Tennessee Consolidated Retirement System. This hybrid pension plan requires that these teachers contribute five percent of their salaries into a deferred compensation plan managed by the hybrid plan pursuant to IRC Section 401(k). As part of their employment package, the Coffee County School Department has assumed all costs of funding this program on-behalf of the plan participants. The Section 401(k) plan assets remain the property of the participating teachers and are not presented in the accompanying financial statements. IRC Section 401(k), establishes participation, contribution, and withdrawal provisions for the plans. During the year, the Coffee County School Department contributed \$134,759 to the 401(k) portion of the hybrid pension plan on-behalf of the plan participants.

Coffee County School Department offers its employees two deferred compensation plans, one established pursuant to IRC Section 401(k), and the other pursuant to IRC Section 408(a), Roth IRA. All costs of administering and funding these programs are the responsibility of plan participants. The Section 401(k) and Section 408(a) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 401(k) and 408(a) establish participation, contribution, and withdrawal provisions for the plans.

H. Other Postemployment Benefits (OPEB)

Plan Description

Coffee County and the School Department participate in the state-administered Local Education Group Insurance Plan, Local Government Group Insurance Plan, and Medicare Supplement Plan for health care benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees, Section 8-27-207, *TCA*, for local governments, and Section 8-27-701, *TCA*, for the Medicare Supplement Plan. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization plan for health care benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://www.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 plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop 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. During the year ended June 30, 2016, the county and the School Department contributed \$10,758 and \$822,016, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 76,000	\$ 1,098,000
Interest on the NOPEBO	21,754	202,395
Adjustment to the ARC	(21,842)	(203,208)
Annual OPEB cost	\$ 75,912	\$ 1,097,187
Amount of contribution	(10,758)	(822,016)
Increase/decrease in NOPEBO	\$ 65,154	\$ 275,171
Net OPEB obligation, 7-1-15	580,108	5,397,204
Net OPEB obligation, 6-30-16	<u>\$ 645,262</u>	<u>\$ 5,672,375</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-14	Local Government Group	\$ 44,533	12 %	\$ 556,001
6-30-15	"	45,573	47	580,108
6-30-16	"	75,915	14	645,262
6-30-14	Local Education Group	1,058,573	57	4,890,814
6-30-15	"	1,097,040	54	5,397,204
6-30-16	"	1,097,187	75	5,672,375

Funded Status and Funding Progress

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

	Local Government Group Plan	Local Education Group Plan
Actuarial valuation date	7-1-15	7-1-15
Actuarial accrued liability (AAL)	\$ 521,000	\$ 9,501,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 521,000	\$ 9,501,000
Actuarial value of assets as a % of the AAL	0%	0
Covered payroll (active plan members)	\$ 8,555,682	\$ 21,510,569
UAAL as a % of covered payroll	6%	44%

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 Government Plan and the Local Education 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 health care cost trend rate of 6.5 percent initially. The trend rate will decrease to six percent in fiscal year 2016, and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2050. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007. Payroll is assumed to grow at a rate of three percent.

I. Office of Central Accounting and Budgeting

Office of Director of Accounts and Budgets

Coffee County operates under the provisions of a local resolution, which creates the Office of Director of Accounts and Budgets. Under this resolution, the director of accounts and budgets directs the operation of the funds under the control of the county mayor. For years, the director of accounts and budgets has also performed all accounting and budgeting functions for the county's Highway Department; however, there is no state law or local resolution governing this arrangement in Coffee County. The nature and operation of this informal arrangement has created a type of Office of Central Accounting, Budgeting, and Purchasing similar to that created by the adoption of the County Fiscal Procedure Law of 1957.

J. Purchasing Laws

Offices of County Mayor and Road Superintendent

Purchasing procedures for these offices are governed by provisions of the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures in the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for the purchasing agent to make purchases for these departments, with purchases exceeding \$10,000 to be made on the basis of competitive bids solicited through public advertisement.

Office of Director of Schools

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

Coffee 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
Last Fiscal Year Ending June 30

	<u>2014</u>	<u>2015</u>
Total Pension Liability (Asset)		
Service Cost	\$ 1,124,029	\$ 1,074,064
Interest	2,652,435	2,713,685
Differences Between Actual and Expected Experience	(1,472,065)	(70,073)
Benefit Payments, Including Refunds of Employee Contributions	(1,384,888)	(1,490,656)
Net Change in Total Pension Liability (Asset)	\$ 919,511	\$ 2,227,020
Total Pension Liability (Asset), Beginning	\$ 34,934,223	\$ 35,853,734
Total Pension Liability (Asset), Ending (a)	<u>\$ 35,853,734</u>	<u>\$ 38,080,754</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,094,055	\$ 1,110,181
Contributions - Employee	644,561	673,024
Net Investment Income	5,551,086	1,215,059
Benefit Payments, Including Refunds of Employee Contributions	(1,384,888)	(1,490,656)
Administrative Expense	(18,439)	(22,769)
Net Change in Plan Fiduciary Net Position	\$ 5,886,375	\$ 1,484,839
Plan Fiduciary Net Position, Beginning	<u>33,373,989</u>	<u>39,260,364</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 39,260,364</u>	<u>\$ 40,745,203</u>
Net Pension Liability (Asset), Ending (a - b)	<u>\$ (3,406,630)</u>	<u>\$ (2,664,449)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	109.50%	107.00%
Covered Payroll	\$ 12,841,020	\$ 12,644,430
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(26.53)%	(21.07)%

Note: ten-year information will be presented when available.

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

Exhibit F-2

Coffee County, Tennessee
Schedule of Contributions Based on Participation in the Public
Employee Pension Plan of TCRS
Primary Government
Last Fiscal Year Ending June 30

	2014	2015	2016
Actuarially Determined Contribution	\$ 1,094,055	\$ 1,110,181	\$ 1,040,048
Less Contributions in Relation to the Actuarially Determined Contribution	<u>(1,094,055)</u>	<u>(1,110,181)</u>	<u>(1,040,048)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 12,841,020	\$ 12,644,430	\$ 11,861,811
Contributions as a Percentage of Covered Payroll	8.52%	8.78%	8.77%

Note: ten-year information will be presented when available.

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

Exhibit F-3

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

	<u>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 24,560	\$ 67,366
Less Contributions in Relation to the Contractually Required Contribution	<u>(39,296)</u>	<u>(107,786)</u>
Contribution Deficiency (Excess)	<u>\$ (14,736)</u>	<u>\$ (40,420)</u>
Covered Payroll	\$ 982,381	\$ 2,694,649
Contributions as a Percentage of Covered Payroll	4.00%	4.00%

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

Exhibit F-4

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

	2014	2015	2016
Contractually Required Contribution	\$ 1,588,162	\$ 1,511,533	\$ 1,472,299
Less Contributions in Relation to the Contractually Required Contribution	<u>(1,588,162)</u>	<u>(1,511,533)</u>	<u>(1,472,299)</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 17,884,707	\$ 16,720,786	\$ 16,286,535
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

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

	<u>2016</u>
School Department's Proportion of the Net Pension Asset	0.472817%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (19,021)
Covered Payroll	\$ 982,381
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

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

	<u>2015</u>	<u>2016</u>
School Department's Proportion of the Net Pension Asset	0.455662%	0.446654%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (74,043)	\$ 182,965
Covered Payroll	\$ 17,884,707	\$ 16,720,786
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094235%
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

Coffee County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Coffee County School Department
June 30, 2016

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)	
<u>DISCRETELY PRESENTED COFFEE</u>								
<u>COUNTY SCHOOL DEPARTMENT</u>								
Local Government Group	7-1-11	0	730	730	0	7,409	10	%
"	7-1-13	0	304	304	0	8,945	3	
"	7-1-15	0	521	521	0	8,556	6	
Local Education Group	7-1-11	0	9,495	9,495	0	22,108	43	
"	7-1-13	0	9,030	9,030	0	19,997	45	
"	7-1-15	0	9,501	9,501	0	21,511	44	

COFFEE 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	1 Year
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.

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

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

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for a special property tax levied on the Interstate Industrial Park to provide city services for the park.

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.

Highway/Public Works Fund – The Highway/Public Works Fund is used to account for transactions of the county’s Highway Department.

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 for general capital expenditures of the county. These include various construction projects and purchases of capital assets.

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

Exhibit G-1

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

	Special Revenue Funds				
	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees
<u>ASSETS</u>					
Cash	\$ 0	\$ 156,613	\$ 0	\$ 0	\$ 175,974
Equity in Pooled Cash and Investments	1,526,507	319,263	545,675	583,358	0
Accounts Receivable	65,737	752,808	0	0	12,574
Allowance for Uncollectibles	0	(430,562)	0	0	0
Due from Other Governments	37,974	0	0	0	0
Property Taxes Receivable	920,285	537,985	180,077	0	0
Allowance for Uncollectible Property Taxes	(58,289)	(15,711)	(42,278)	0	0
Total Assets	<u>\$ 2,492,214</u>	<u>\$ 1,320,396</u>	<u>\$ 683,474</u>	<u>\$ 583,358</u>	<u>\$ 188,548</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 43,548	\$ 1,118	\$ 0	\$ 0	\$ 0
Payroll Deductions Payable	4,601	15,377	0	0	0
Due to Other Funds	0	0	0	0	188,548
Due to State of Tennessee	395	311	0	0	0
Total Liabilities	<u>\$ 48,544</u>	<u>\$ 16,806</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 188,548</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 816,771	\$ 510,084	\$ 136,878	\$ 0	\$ 0
Deferred Delinquent Property Taxes	42,914	11,567	921	0	0
Other Deferred/Unavailable Revenue	8,147	301,044	0	0	0
Total Deferred Inflows of Resources	<u>\$ 867,832</u>	<u>\$ 822,695</u>	<u>\$ 137,799</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

Exhibit G-1

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

FUND BALANCES

	Special Revenue Funds				
	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Constitutional Officers - Fees
Restricted:					
Restricted for General Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted for Public Safety	0	0	0	583,358	0
Restricted for Public Health and Welfare	1,574,764	423,244	0	0	0
Restricted for Other Operations	0	0	545,675	0	0
Restricted for Highways/Public Works	0	0	0	0	0
Restricted for Education	0	0	0	0	0
Restricted for Capital Outlay	0	0	0	0	0
Assigned:					
Assigned for General Government	0	0	0	0	0
Assigned for Public Safety	0	0	0	0	0
Assigned for Public Health and Welfare	1,074	57,651	0	0	0
Assigned for Social, Cultural, and Recreational Services	0	0	0	0	0
Assigned for Highways/Public Works	0	0	0	0	0
Assigned for Education	0	0	0	0	0
Total Fund Balances	\$ 1,575,838	\$ 480,895	\$ 545,675	\$ 583,358	\$ 0
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,492,214	\$ 1,320,396	\$ 683,474	\$ 583,358	\$ 188,548

(Continued)

Exhibit G-1

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

	Special Revenue Funds (Cont.)		Capital Projects Funds			Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	Education Capital Projects	Total	
<u>ASSETS</u>						
Cash	\$ 0	\$ 332,587	\$ 0	\$ 2,135,519	\$ 2,135,519	\$ 2,468,106
Equity in Pooled Cash and Investments	791,076	3,765,879	2,635,019	0	2,635,019	6,400,898
Accounts Receivable	0	831,119	0	0	0	831,119
Allowance for Uncollectibles	0	(430,562)	0	0	0	(430,562)
Due from Other Governments	386,817	424,791	95,991	0	95,991	520,782
Property Taxes Receivable	0	1,638,347	407,038	0	407,038	2,045,385
Allowance for Uncollectible Property Taxes	0	(116,278)	(78,045)	0	(78,045)	(194,323)
Total Assets	\$ 1,177,893	\$ 6,445,883	\$ 3,060,003	\$ 2,135,519	\$ 5,195,522	\$ 11,641,405
<u>LIABILITIES</u>						
Accounts Payable	\$ 50,771	\$ 95,437	\$ 0	\$ 0	\$ 0	\$ 95,437
Payroll Deductions Payable	7,513	27,491	0	0	0	27,491
Due to Other Funds	0	188,548	0	0	0	188,548
Due to State of Tennessee	0	706	0	0	0	706
Total Liabilities	\$ 58,284	\$ 312,182	\$ 0	\$ 0	\$ 0	\$ 312,182
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 0	\$ 1,463,733	\$ 320,826	\$ 0	\$ 320,826	\$ 1,784,559
Deferred Delinquent Property Taxes	0	55,402	7,750	0	7,750	63,152
Other Deferred/Unavailable Revenue	187,879	497,070	24,441	0	24,441	521,511
Total Deferred Inflows of Resources	\$ 187,879	\$ 2,016,205	\$ 353,017	\$ 0	\$ 353,017	\$ 2,369,222

(Continued)

Exhibit G-1

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

	Special Revenue Funds (Cont.)		Capital Projects Funds			Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	Education Capital Projects	Total	
<u>FUND BALANCES</u>						
Restricted:						
Restricted for General Government	\$ 0	\$ 0	\$ 1,255,345	\$ 0	\$ 1,255,345	\$ 1,255,345
Restricted for Public Safety	0	583,358	607,991	0	607,991	1,191,349
Restricted for Public Health and Welfare	0	1,998,008	0	0	0	1,998,008
Restricted for Other Operations	0	545,675	0	0	0	545,675
Restricted for Highways/Public Works	899,503	899,503	0	0	0	899,503
Restricted for Education	0	0	43,200	0	43,200	43,200
Restricted for Capital Outlay	0	0	0	2,135,519	2,135,519	2,135,519
Assigned:						
Assigned for General Government	0	0	410,874	0	410,874	410,874
Assigned for Public Safety	0	0	7,448	0	7,448	7,448
Assigned for Public Health and Welfare	0	58,725	0	0	0	58,725
Assigned for Social, Cultural, and Recreational Services	0	0	3,728	0	3,728	3,728
Assigned for Highways/Public Works	32,227	32,227	0	0	0	32,227
Assigned for Education	0	0	378,400	0	378,400	378,400
Total Fund Balances	\$ 931,730	\$ 4,117,496	\$ 2,706,986	\$ 2,135,519	\$ 4,842,505	\$ 8,960,001
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,177,893	\$ 6,445,883	\$ 3,060,003	\$ 2,135,519	\$ 5,195,522	\$ 11,641,405

Exhibit G-2

Coffee 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					
	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works	Total
<u>Revenues</u>						
Local Taxes	\$ 1,255,134	\$ 525,268	\$ 204,295	\$ 0	\$ 70,404	\$ 2,055,101
Licenses and Permits	5,816	2,000	0	0	0	7,816
Fines, Forfeitures, and Penalties	0	0	0	230,067	0	230,067
Charges for Current Services	161,982	1,776,982	0	0	0	1,938,964
Other Local Revenues	46,940	5,650	0	453	1,003	54,046
State of Tennessee	43,729	0	0	0	2,008,317	2,052,046
Federal Government	0	0	0	0	83,796	83,796
Total Revenues	\$ 1,513,601	\$ 2,309,900	\$ 204,295	\$ 230,520	\$ 2,163,520	\$ 6,421,836
<u>Expenditures</u>						
Current:						
Public Safety	\$ 0	\$ 0	\$ 0	\$ 185,446	\$ 0	\$ 185,446
Public Health and Welfare	1,557,212	2,204,976	0	0	0	3,762,188
Other Operations	28,165	0	173,151	0	0	201,316
Highways	0	0	0	0	1,879,204	1,879,204
Debt Service:						
Principal on Debt	0	0	0	0	85,000	85,000
Interest on Debt	0	0	0	0	4,485	4,485
Capital Projects	0	0	0	0	0	0
Capital Projects - Donated	0	0	0	0	0	0
Total Expenditures	\$ 1,585,377	\$ 2,204,976	\$ 173,151	\$ 185,446	\$ 1,968,689	\$ 6,117,639

(Continued)

Exhibit G-2

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

	Special Revenue Funds					Total
	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works	
Excess (Deficiency) of Revenues Over Expenditures	\$ (71,776)	\$ 104,924	\$ 31,144	\$ 45,074	\$ 194,831	\$ 304,197
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Notes Issued	0	0	0	0	0	0
Premiums on Debt Sold	0	0	0	0	0	0
Transfers In	0	0	0	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ (71,776)	\$ 104,924	\$ 31,144	\$ 45,074	\$ 194,831	\$ 304,197
Fund Balance, July 1, 2015	1,647,614	375,971	514,531	538,284	736,899	3,813,299
Fund Balance, June 30, 2016	\$ 1,575,838	\$ 480,895	\$ 545,675	\$ 583,358	\$ 931,730	\$ 4,117,496

(Continued)

Exhibit G-2

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

	Capital Projects Funds			Total Nonmajor Governmental Funds
	General Capital Projects	Education Capital Projects	Total	
<u>Revenues</u>				
Local Taxes	\$ 671,444	\$ 0	\$ 671,444	\$ 2,726,545
Licenses and Permits	0	0	0	7,816
Fines, Forfeitures, and Penalties	0	0	0	230,067
Charges for Current Services	0	0	0	1,938,964
Other Local Revenues	880,869	8,816	889,685	943,731
State of Tennessee	0	0	0	2,052,046
Federal Government	0	0	0	83,796
Total Revenues	\$ 1,552,313	\$ 8,816	\$ 1,561,129	\$ 7,982,965
<u>Expenditures</u>				
Current:				
Public Safety	\$ 0	\$ 0	\$ 0	\$ 185,446
Public Health and Welfare	0	0	0	3,762,188
Other Operations	0	0	0	201,316
Highways	0	0	0	1,879,204
Debt Service:				
Principal on Debt	0	0	0	85,000
Interest on Debt	0	143,730	143,730	148,215
Capital Projects	947,136	0	947,136	947,136
Capital Projects - Donated	0	2,936,164	2,936,164	2,936,164
Total Expenditures	\$ 947,136	\$ 3,079,894	\$ 4,027,030	\$ 10,144,669

(Continued)

Exhibit G-2

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

	Capital Projects Funds			Total Nonmajor Governmental Funds
	General Capital Projects	Education Capital Projects	Total	
Excess (Deficiency) of Revenues Over Expenditures	\$ 605,177	\$ (3,071,078)	\$ (2,465,901)	\$ (2,161,704)
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 0	\$ 4,715,001	\$ 4,715,001	\$ 4,715,001
Notes Issued	575,000	0	575,000	575,000
Premiums on Debt Sold	0	105,244	105,244	105,244
Transfers In	400,000	0	400,000	400,000
Total Other Financing Sources (Uses)	<u>\$ 975,000</u>	<u>\$ 4,820,245</u>	<u>\$ 5,795,245</u>	<u>\$ 5,795,245</u>
Net Change in Fund Balances	\$ 1,580,177	\$ 1,749,167	\$ 3,329,344	\$ 3,633,541
Fund Balance, July 1, 2015	<u>1,126,809</u>	<u>386,352</u>	<u>1,513,161</u>	<u>5,326,460</u>
Fund Balance, June 30, 2016	<u>\$ 2,706,986</u>	<u>\$ 2,135,519</u>	<u>\$ 4,842,505</u>	<u>\$ 8,960,001</u>

Exhibit G-3

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,255,134	\$ 0	\$ 0	\$ 1,255,134	\$ 1,217,141	\$ 1,217,141	\$ 37,993
Licenses and Permits	5,816	0	0	5,816	5,000	5,000	816
Charges for Current Services	161,982	0	0	161,982	140,817	140,817	21,165
Other Local Revenues	46,940	0	0	46,940	55,000	55,000	(8,060)
State of Tennessee	43,729	0	0	43,729	40,000	40,000	3,729
Total Revenues	\$ 1,513,601	\$ 0	\$ 0	\$ 1,513,601	\$ 1,457,958	\$ 1,457,958	\$ 55,643
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Management	\$ 167,639	\$ 0	\$ 0	\$ 167,639	\$ 195,328	\$ 195,328	\$ 27,689
Waste Pickup	967,513	(800)	1,074	967,787	889,872	1,128,664	160,877
Convenience Centers	291,827	(10,114)	0	281,713	359,882	359,882	78,169
Other Waste Collection	130,233	0	0	130,233	107,317	136,657	6,424
Other Waste Disposal	0	0	0	0	4,500	4,500	4,500
<u>Other Operations</u>							
Other Charges	28,165	0	0	28,165	28,165	28,165	0
Total Expenditures	\$ 1,585,377	\$ (10,914)	\$ 1,074	\$ 1,575,537	\$ 1,585,064	\$ 1,853,196	\$ 277,659
Excess (Deficiency) of Revenues							
Over Expenditures	\$ (71,776)	\$ 10,914	\$ (1,074)	\$ (61,936)	\$ (127,106)	\$ (395,238)	\$ 333,302
Net Change in Fund Balance							
Fund Balance, July 1, 2015	\$ (71,776)	\$ 10,914	\$ (1,074)	\$ (61,936)	\$ (127,106)	\$ (395,238)	\$ 333,302
	1,647,614	(10,914)	0	1,636,700	1,638,025	1,638,025	(1,325)
Fund Balance, June 30, 2016							
	\$ 1,575,838	\$ 0	\$ (1,074)	\$ 1,574,764	\$ 1,510,919	\$ 1,242,787	\$ 331,977

Exhibit G-4

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Ambulance Service Fund
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 525,268	\$ 0	\$ 0	\$ 525,268	\$ 517,185	\$ 517,185	\$ 8,083
Licenses and Permits	2,000	0	0	2,000	9,000	9,000	(7,000)
Charges for Current Services	1,776,982	0	0	1,776,982	1,834,619	1,834,619	(57,637)
Other Local Revenues	5,650	0	0	5,650	200	200	5,450
Total Revenues	\$ 2,309,900	\$ 0	\$ 0	\$ 2,309,900	\$ 2,361,004	\$ 2,361,004	\$ (51,104)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	\$ 2,204,976	\$ (93,542)	\$ 57,651	\$ 2,169,085	\$ 2,431,922	\$ 2,431,922	\$ 262,837
Total Expenditures	\$ 2,204,976	\$ (93,542)	\$ 57,651	\$ 2,169,085	\$ 2,431,922	\$ 2,431,922	\$ 262,837
Excess (Deficiency) of Revenues Over Expenditures	\$ 104,924	\$ 93,542	\$ (57,651)	\$ 140,815	\$ (70,918)	\$ (70,918)	\$ 211,733
Net Change in Fund Balance	\$ 104,924	\$ 93,542	\$ (57,651)	\$ 140,815	\$ (70,918)	\$ (70,918)	\$ 211,733
Fund Balance, July 1, 2015	375,971	(93,542)	0	282,429	282,429	282,429	0
Fund Balance, June 30, 2016	\$ 480,895	\$ 0	\$ (57,651)	\$ 423,244	\$ 211,511	\$ 211,511	\$ 211,733

Exhibit G-5

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 204,295	\$ 0	\$ 204,295	\$ 194,111	\$ 194,111	\$ 10,184
Total Revenues	\$ 204,295	\$ 0	\$ 204,295	\$ 194,111	\$ 194,111	\$ 10,184
<u>Expenditures</u>						
<u>Other Operations</u>						
Industrial Development	\$ 173,151	\$ 6,910	\$ 180,061	\$ 102,500	\$ 190,000	\$ 9,939
Total Expenditures	\$ 173,151	\$ 6,910	\$ 180,061	\$ 102,500	\$ 190,000	\$ 9,939
Excess (Deficiency) of Revenues Over Expenditures	\$ 31,144	\$ (6,910)	\$ 24,234	\$ 91,611	\$ 4,111	\$ 20,123
Net Change in Fund Balance	\$ 31,144	\$ (6,910)	\$ 24,234	\$ 91,611	\$ 4,111	\$ 20,123
Fund Balance, July 1, 2015	514,531	0	514,531	514,531	514,531	0
Fund Balance, June 30, 2016	\$ 545,675	\$ (6,910)	\$ 538,765	\$ 606,142	\$ 518,642	\$ 20,123

Exhibit G-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 230,067	\$ 0	\$ 230,067	\$ 180,000	\$ 180,000	\$ 50,067
Other Local Revenues	453	0	453	43,500	43,500	(43,047)
Total Revenues	<u>\$ 230,520</u>	<u>\$ 0</u>	<u>\$ 230,520</u>	<u>\$ 223,500</u>	<u>\$ 223,500</u>	<u>\$ 7,020</u>
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 185,446	\$ (25,858)	\$ 159,588	\$ 127,100	\$ 229,983	\$ 70,395
Total Expenditures	<u>\$ 185,446</u>	<u>\$ (25,858)</u>	<u>\$ 159,588</u>	<u>\$ 127,100</u>	<u>\$ 229,983</u>	<u>\$ 70,395</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 45,074</u>	<u>\$ 25,858</u>	<u>\$ 70,932</u>	<u>\$ 96,400</u>	<u>\$ (6,483)</u>	<u>\$ 77,415</u>
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,813	\$ (19,813)
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 19,813</u>	<u>\$ (19,813)</u>
Net Change in Fund Balance	\$ 45,074	\$ 25,858	\$ 70,932	\$ 96,400	\$ 13,330	\$ 57,602
Fund Balance, July 1, 2015	<u>538,284</u>	<u>(25,858)</u>	<u>512,426</u>	<u>512,426</u>	<u>512,426</u>	<u>0</u>
Fund Balance, June 30, 2016	<u><u>\$ 583,358</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 583,358</u></u>	<u><u>\$ 608,826</u></u>	<u><u>\$ 525,756</u></u>	<u><u>\$ 57,602</u></u>

Exhibit G-7

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2016

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 70,404	\$ 0	\$ 0	\$ 70,404	\$ 75,000	\$ 75,000	\$ (4,596)
Other Local Revenues	1,003	0	0	1,003	5,650	5,650	(4,647)
State of Tennessee	2,008,317	0	0	2,008,317	2,467,279	2,467,279	(458,962)
Federal Government	83,796	0	0	83,796	0	0	83,796
Total Revenues	\$ 2,163,520	\$ 0	\$ 0	\$ 2,163,520	\$ 2,547,929	\$ 2,547,929	\$ (384,409)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 309,403	\$ 0	\$ 0	\$ 309,403	\$ 333,876	\$ 333,876	\$ 24,473
Highway and Bridge Maintenance	941,552	(34,733)	19,100	925,919	1,835,892	1,775,892	849,973
Operation and Maintenance of Equipment	315,079	(2,593)	13,127	325,613	363,343	363,343	37,730
Other Charges	174,558	0	0	174,558	195,651	195,651	21,093
Capital Outlay	138,612	0	0	138,612	80,000	140,000	1,388
<u>Principal on Debt</u>							
Highways and Streets	85,000	0	0	85,000	85,000	85,000	0
<u>Interest on Debt</u>							
Highways and Streets	4,485	0	0	4,485	4,485	4,485	0
Total Expenditures	\$ 1,968,689	\$ (37,326)	\$ 32,227	\$ 1,963,590	\$ 2,898,247	\$ 2,898,247	\$ 934,657
<u>Excess (Deficiency) of Revenues</u>							
Over Expenditures	\$ 194,831	\$ 37,326	\$ (32,227)	\$ 199,930	\$ (350,318)	\$ (350,318)	\$ 550,248
<u>Net Change in Fund Balance</u>							
Fund Balance, July 1, 2015	\$ 736,899	(37,326)	0	699,573	699,574	699,574	(1)
Fund Balance, June 30, 2016	\$ 931,730	\$ 0	\$ (32,227)	\$ 899,503	\$ 349,256	\$ 349,256	\$ 550,247

Major Governmental Funds

Debt Service Funds

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

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

Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the retirement of bonds issued for school projects outside the territorial limits of the Special School District.

Exhibit H-1

Coffee 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	\$ 1,848,899	\$ 1,808,333	\$ 1,833,333	\$ 15,566
Other Local Revenues	156,352	184,280	184,280	(27,928)
Total Revenues	<u>\$ 2,005,251</u>	<u>\$ 1,992,613</u>	<u>\$ 2,017,613</u>	<u>\$ (12,362)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,144,134	\$ 1,124,956	\$ 1,144,956	\$ 822
<u>Interest on Debt</u>				
General Government	837,936	813,916	841,269	3,333
<u>Other Debt Service</u>				
General Government	114,240	50,000	127,679	13,439
Total Expenditures	<u>\$ 2,096,310</u>	<u>\$ 1,988,872</u>	<u>\$ 2,113,904</u>	<u>\$ 17,594</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (91,059)</u>	<u>\$ 3,741</u>	<u>\$ (96,291)</u>	<u>\$ 5,232</u>
<u>Other Financing Sources (Uses)</u>				
Refunding Debt Issued	\$ 2,565,000	\$ 0	\$ 2,565,000	\$ 0
Premiums on Debt Sold	55,915	0	55,915	0
Payments to Refunded Debt Escrow Agent	(2,543,236)	0	(2,543,236)	0
Total Other Financing Sources	<u>\$ 77,679</u>	<u>\$ 0</u>	<u>\$ 77,679</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (13,380)	\$ 3,741	\$ (18,612)	\$ 5,232
Fund Balance, July 1, 2015	<u>3,184,603</u>	<u>3,201,132</u>	<u>3,201,132</u>	<u>(16,529)</u>
Fund Balance, June 30, 2016	<u>\$ 3,171,223</u>	<u>\$ 3,204,873</u>	<u>\$ 3,182,520</u>	<u>\$ (11,297)</u>

Exhibit H-2

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Rural 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	\$ 3,671,925	\$ 3,549,429	\$ 3,634,495	\$ 37,430
Other Local Revenues	25,682	25,000	25,000	682
Federal Government	399,367	428,505	428,505	(29,138)
Other Governments and Citizens Groups	271,426	0	271,426	0
Total Revenues	<u>\$ 4,368,400</u>	<u>\$ 4,002,934</u>	<u>\$ 4,359,426</u>	<u>\$ 8,974</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,085,310	\$ 1,014,004	\$ 1,085,430	\$ 120
<u>Interest on Debt</u>				
Education	2,604,494	2,547,857	2,604,964	470
<u>Other Debt Service</u>				
Education	55,254	56,500	56,500	1,246
Total Expenditures	<u>\$ 3,745,058</u>	<u>\$ 3,618,361</u>	<u>\$ 3,746,894</u>	<u>\$ 1,836</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 623,342</u>	<u>\$ 384,573</u>	<u>\$ 612,532</u>	<u>\$ 10,810</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 136,411	\$ 146,752	\$ 146,752	\$ (10,341)
Transfers Out	(400,000)	(400,000)	(400,000)	0
Total Other Financing Sources	<u>\$ (263,589)</u>	<u>\$ (253,248)</u>	<u>\$ (253,248)</u>	<u>\$ (10,341)</u>
Net Change in Fund Balance	\$ 359,753	\$ 131,325	\$ 359,284	\$ 469
Fund Balance, July 1, 2015	<u>4,700,269</u>	<u>4,700,268</u>	<u>4,700,268</u>	<u>1</u>
Fund Balance, June 30, 2016	<u>\$ 5,060,022</u>	<u>\$ 4,831,593</u>	<u>\$ 5,059,552</u>	<u>\$ 470</u>

Fiduciary Funds

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

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.

City School ADA - Tullahoma Fund – The City School ADA - Tullahoma Fund is used to account for the Tullahoma City School’s share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis.

City School ADA - Manchester Fund – The City School ADA - Manchester Fund is used to account for the Manchester City School’s share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance 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, general sessions, and juvenile courts clerk; clerk and master; register of deeds; and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues held in trust for the benefit of the Fourteenth Judicial District Drug Task Force.

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

Exhibit I-1

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

	Agency Funds			
	Cities - Sales Tax	City School ADA -	City School ADA -	Constitu- tional Officers - Agency
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 0	\$ 2,651,512
Equity in Pooled Cash and Investments	0	167,187	59,762	0
Accounts Receivable	0	0	0	2,367
Due from Other Governments	2,830,548	207	85	0
Property Taxes Receivable	0	6,148,439	2,532,629	0
Allowance for Uncollectible Property Taxes	0	(177,639)	(73,300)	0
Total Assets	<u>\$ 2,830,548</u>	<u>\$ 6,138,194</u>	<u>\$ 2,519,176</u>	<u>\$ 2,653,879</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0
Due to State of Tennessee	0	0	0	0
Due to Other Taxing Units	2,830,548	6,138,194	2,519,176	0
Due to Litigants, Heirs, and Others	0	0	0	2,653,879
Due to Joint Ventures	0	0	0	0
Total Liabilities	<u>\$ 2,830,548</u>	<u>\$ 6,138,194</u>	<u>\$ 2,519,176</u>	<u>\$ 2,653,879</u>

(Continued)

Exhibit I-1

Coffee County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds (Cont.)

	<u>Agency Funds (Cont.)</u>		
	<u>Judicial District Drug</u>	<u>District Attorney General</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 2,651,512
Equity in Pooled Cash and Investments	244,779	75,010	546,738
Accounts Receivable	0	0	2,367
Due from Other Governments	14,779	0	2,845,619
Property Taxes Receivable	0	0	8,681,068
Allowance for Uncollectible Property Taxes	0	0	(250,939)
Total Assets	<u>\$ 259,558</u>	<u>\$ 75,010</u>	<u>\$ 14,476,365</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 417	\$ 0	\$ 417
Due to State of Tennessee	33	0	33
Due to Other Taxing Units	0	0	11,487,918
Due to Litigants, Heirs, and Others	0	75,010	2,728,889
Due to Joint Ventures	259,108	0	259,108
Total Liabilities	<u>\$ 259,558</u>	<u>\$ 75,010</u>	<u>\$ 14,476,365</u>

Exhibit I-2

Coffee 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	\$ 15,653,675	\$ 15,653,675	\$ 0
Due from Other Governments	2,791,657	2,830,548	2,791,657	2,830,548
Total Assets	\$ 2,791,657	\$ 18,484,223	\$ 18,445,332	\$ 2,830,548
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,791,657	\$ 18,484,223	\$ 18,445,332	\$ 2,830,548
Total Liabilities	\$ 2,791,657	\$ 18,484,223	\$ 18,445,332	\$ 2,830,548
<u>City School ADA-Tullahoma Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 11,726	\$ 6,022,134	\$ 5,866,673	\$ 167,187
Due from Other Governments	241	207	241	207
Property Taxes Receivable	6,060,811	6,148,439	6,060,811	6,148,439
Allowance for Uncollectible Property Taxes	(185,224)	185,224	177,639	(177,639)
Total Assets	\$ 5,887,554	\$ 12,356,004	\$ 12,105,364	\$ 6,138,194
<u>Liabilities</u>				
Cash Overdraft	\$ 129,557	\$ 0	\$ 129,557	\$ 0
Due to Other Taxing Units	5,757,997	12,356,004	11,975,807	6,138,194
Total Liabilities	\$ 5,887,554	\$ 12,356,004	\$ 12,105,364	\$ 6,138,194
<u>City School ADA-Manchester Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 82,966	\$ 2,480,248	\$ 2,503,452	\$ 59,762
Due from Other Governments	100	85	100	85
Property Taxes Receivable	2,498,578	2,532,629	2,498,578	2,532,629
Allowance for Uncollectible Property Taxes	(74,243)	74,243	73,300	(73,300)
Total Assets	\$ 2,507,401	\$ 5,087,205	\$ 5,075,430	\$ 2,519,176
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,507,401	\$ 5,087,205	\$ 5,075,430	\$ 2,519,176
Total Liabilities	\$ 2,507,401	\$ 5,087,205	\$ 5,075,430	\$ 2,519,176
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,859,383	\$ 11,013,660	\$ 11,221,531	\$ 2,651,512
Accounts Receivable	4,208	2,367	4,208	2,367
Total Assets	\$ 2,863,591	\$ 11,016,027	\$ 11,225,739	\$ 2,653,879
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,863,591	\$ 11,016,027	\$ 11,225,739	\$ 2,653,879
Total Liabilities	\$ 2,863,591	\$ 11,016,027	\$ 11,225,739	\$ 2,653,879

(Continued)

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
Judicial District Drug Fund				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 284,874	\$ 156,488	\$ 196,583	\$ 244,779
Due from Other Governments	6,620	14,779	6,620	14,779
Total Assets	\$ 291,494	\$ 171,267	\$ 203,203	\$ 259,558
<u>Liabilities</u>				
Accounts Payable	\$ 763	\$ 417	\$ 763	\$ 417
Due to State of Tennessee	127	33	127	33
Due to Joint Ventures	290,604	170,817	202,313	259,108
Total Liabilities	\$ 291,494	\$ 171,267	\$ 203,203	\$ 259,558
District Attorney General Fund				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 90,725	\$ 11,679	\$ 27,394	\$ 75,010
Total Assets	\$ 90,725	\$ 11,679	\$ 27,394	\$ 75,010
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 90,725	\$ 11,679	\$ 27,394	\$ 75,010
Total Liabilities	\$ 90,725	\$ 11,679	\$ 27,394	\$ 75,010
Totals - All Agency Funds				
<u>Assets</u>				
Cash	\$ 2,859,383	\$ 11,013,660	\$ 11,221,531	\$ 2,651,512
Equity in Pooled Cash and Investments	470,291	24,324,224	24,247,777	546,738
Accounts Receivable	4,208	2,367	4,208	2,367
Due from Other Governments	2,798,618	2,845,619	2,798,618	2,845,619
Property Taxes Receivable	8,559,389	8,681,068	8,559,389	8,681,068
Allowance for Uncollectible Property Taxes	(259,467)	259,467	250,939	(250,939)
Total Assets	\$ 14,432,422	\$ 47,126,405	\$ 47,082,462	\$ 14,476,365
<u>Liabilities</u>				
Accounts Payable	\$ 763	\$ 417	\$ 763	\$ 417
Cash Overdraft	129,557	0	129,557	0
Due to State of Tennessee	127	33	127	33
Due to Other Taxing Units	11,057,055	35,927,432	35,496,569	11,487,918
Due to Litigants, Heirs, and Others	2,954,316	11,027,706	11,253,133	2,728,889
Due to Joint Ventures	290,604	170,817	202,313	259,108
Total Liabilities	\$ 14,432,422	\$ 47,126,405	\$ 47,082,462	\$ 14,476,365

Coffee County School Department

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

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

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

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

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for contributions from the county for energy efficient projects.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for building renovations at various schools.

Exhibit J-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 25,093,175	\$ 130,158	\$ 1,930,847	\$ 2,936,164	\$ (20,096,006)
Support Services	13,588,082	0	104,353	0	(13,483,729)
Operation of Non-instructional Services	3,235,525	853,188	2,469,914	0	87,577
Total Governmental Activities	\$ 41,916,782	\$ 983,346	\$ 4,505,114	\$ 2,936,164	\$ (33,492,158)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 8,779,220
Local Option Sales Taxes					4,315,602
Other Local Taxes					113,164
Grants and Contributions Not Restricted to Specific Programs					21,552,504
Unrestricted Investment Earnings					527
Miscellaneous					45,716
Sale of Equipment					1,865
Total General Revenues					\$ 34,808,598
Change in Net Position					\$ 1,316,440
Net Position, July 1, 2015					48,430,605
Net Position, June 30, 2016					\$ 49,747,045

Exhibit J-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 4,322	\$ 4,322
Equity in Pooled Cash and Investments	5,908,890	1,158,900	7,067,790
Accounts Receivable	26,296	0	26,296
Due from Other Governments	1,097,321	365,593	1,462,914
Due from Other Funds	7	17,067	17,074
Property Taxes Receivable	9,068,145	0	9,068,145
Allowance for Uncollectible Property Taxes	(267,406)	0	(267,406)
Total Assets	<u>\$ 15,833,253</u>	<u>\$ 1,545,882</u>	<u>\$ 17,379,135</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 14,351	\$ 1,496	\$ 15,847
Accrued Payroll	2,227,135	223,528	2,450,663
Payroll Deductions Payable	1,055,505	206,202	1,261,707
Due to Other Funds	14,566	2,508	17,074
Total Liabilities	<u>\$ 3,311,557</u>	<u>\$ 433,734</u>	<u>\$ 3,745,291</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 8,591,267	\$ 0	\$ 8,591,267
Deferred Delinquent Property Taxes	198,770	0	198,770
Other Deferred/Unavailable Revenue	387,000	0	387,000
Total Deferred Inflows of Resources	<u>\$ 9,177,037</u>	<u>\$ 0</u>	<u>\$ 9,177,037</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 673,672	\$ 673,672
Restricted for Instruction	8,082	0	8,082
Restricted for Capital Projects	0	138,476	138,476
Restricted for Other Purposes	65,983	0	65,983
Committed:			
Committed for Education	0	300,000	300,000
Assigned:			
Assigned for Education	468,743	0	468,743
Unassigned	2,801,851	0	2,801,851
Total Fund Balances	<u>\$ 3,344,659</u>	<u>\$ 1,112,148</u>	<u>\$ 4,456,807</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,833,253</u>	<u>\$ 1,545,882</u>	<u>\$ 17,379,135</u>

Exhibit J-3

Coffee County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Coffee 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)		\$	4,456,807
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,438,853	
Add: construction in progress		13,053	
Add: buildings and improvements net of accumulated depreciation		47,964,166	
Add: other capital assets net of accumulated depreciation		<u>3,004,809</u>	52,420,881
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: net pension liability - teacher legacy plan	\$	(182,967)	
Less: compensated absences payable		(111,706)	
Less: other postemployment benefits liability		<u>(5,672,375)</u>	(5,967,048)
(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	\$	2,052,460	
Less: deferred inflows of resources related to pensions		<u>(4,635,635)</u>	(2,583,175)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension assets - agent plan	\$	814,789	
Add: net pension assets - teacher retirement plan		<u>19,021</u>	833,810
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>585,770</u>
Net position of governmental activities (Exhibit A)			<u>\$ 49,747,045</u>

Exhibit J-4

Coffee County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Coffee 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	\$ 13,274,264	\$ 0	\$ 13,274,264
Licenses and Permits	2,202	0	2,202
Charges for Current Services	208,797	743,525	952,322
Other Local Revenues	140,567	3,122	143,689
State of Tennessee	21,680,784	21,914	21,702,698
Federal Government	306,630	3,985,884	4,292,514
Other Governments and Citizens Groups	0	2,936,164	2,936,164
Total Revenues	\$ 35,613,244	\$ 7,690,609	\$ 43,303,853
<u>Expenditures</u>			
Current:			
Other Operations	\$ 200,000	\$ 0	\$ 200,000
Instruction	19,443,891	1,835,528	21,279,419
Support Services	13,616,529	327,594	13,944,123
Operation of Non-instructional Services	1,100,966	2,575,182	3,676,148
Capital Outlay	284,130	2,527,131	2,811,261
Debt Service:			
Principal on Debt	71,426	0	71,426
Capital Projects	0	982,914	982,914
Total Expenditures	\$ 34,716,942	\$ 8,248,349	\$ 42,965,291
Excess (Deficiency) of Revenues Over Expenditures	\$ 896,302	\$ (557,740)	\$ 338,562
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 222,682	\$ 318,806	\$ 541,488
Transfers Out	(318,806)	(222,682)	(541,488)
Total Other Financing Sources (Uses)	\$ (96,124)	\$ 96,124	\$ 0
Net Change in Fund Balances	\$ 800,178	\$ (461,616)	\$ 338,562
Fund Balance, July 1, 2015	2,544,481	1,573,764	4,118,245
Fund Balance, June 30, 2016	\$ 3,344,659	\$ 1,112,148	\$ 4,456,807

Exhibit J-5

Coffee County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Coffee 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)		\$ 338,562
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 572,392	
Less: current-year depreciation expense	<u>(1,518,301)</u>	(945,909)
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position</p>		
Less: book value of capital assets disposed		(5,634)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2016	\$ 585,770	
Less: deferred delinquent property taxes and other deferred June 30, 2015	<u>(651,516)</u>	(65,746)
<p>(4) The contribution of long-term debt (e.g., notes, other loans, bonds) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department of the principal of long-term debt consume the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Add: principal contributions on other loans to the primary government		71,426
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in compensated absences payable	\$ (14,331)	
Change in other postemployment benefits liability	(275,171)	
Change in net pension asset - agent plan	(836,745)	
Change in net pension asset - teacher retirement plan	19,021	
Change in net pension liability - teacher legacy plan	(257,010)	
Change in deferred outflows related to pensions	(17,308)	
Change in deferred inflows related to pensions	<u>3,305,285</u>	<u>1,923,741</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,316,440</u>

Exhibit J-6

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

	Special Revenue Funds			Capital Projects Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects
<u>ASSETS</u>				
Cash	\$ 0	\$ 4,322	\$ 4,322	\$ 0
Equity in Pooled Cash and Investments	209,417	824,597	1,034,014	15,835
Due from Other Governments	365,593	0	365,593	0
Due from Other Funds	3,477	0	3,477	0
Total Assets	\$ 578,487	\$ 828,919	\$ 1,407,406	\$ 15,835
<u>LIABILITIES</u>				
Accounts Payable	\$ 221	\$ 1,275	\$ 1,496	\$ 0
Accrued Payroll	149,668	73,860	223,528	0
Payroll Deductions Payable	126,577	79,625	206,202	0
Due to Other Funds	2,021	487	2,508	0
Total Liabilities	\$ 278,487	\$ 155,247	\$ 433,734	\$ 0
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 0	\$ 673,672	\$ 673,672	\$ 0
Restricted for Capital Projects	0	0	0	15,835
Committed:				
Committed for Education	300,000	0	300,000	0
Total Fund Balances	\$ 300,000	\$ 673,672	\$ 973,672	\$ 15,835
Total Liabilities and Fund Balances	\$ 578,487	\$ 828,919	\$ 1,407,406	\$ 15,835

(Continued)

Exhibit J-6

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	Other Capital Projects	Total	Nonmajor Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 4,322
Equity in Pooled Cash and Investments	109,051	124,886	1,158,900
Due from Other Governments	0	0	365,593
Due from Other Funds	13,590	13,590	17,067
Total Assets	<u>\$ 122,641</u>	<u>\$ 138,476</u>	<u>\$ 1,545,882</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 0	\$ 1,496
Accrued Payroll	0	0	223,528
Payroll Deductions Payable	0	0	206,202
Due to Other Funds	0	0	2,508
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 433,734</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 0	\$ 673,672
Restricted for Capital Projects	122,641	138,476	138,476
Committed:			
Committed for Education	0	0	300,000
Total Fund Balances	<u>\$ 122,641</u>	<u>\$ 138,476</u>	<u>\$ 1,112,148</u>
Total Liabilities and Fund Balances	<u>\$ 122,641</u>	<u>\$ 138,476</u>	<u>\$ 1,545,882</u>

Exhibit J-7

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

	Special Revenue Funds			Capital Projects Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects
<u>Revenues</u>				
Charges for Current Services	\$ 0	\$ 743,525	\$ 743,525	\$ 0
Other Local Revenues	0	3,122	3,122	0
State of Tennessee	0	21,914	21,914	0
Federal Government	2,185,282	1,800,602	3,985,884	0
Other Governments and Citizens Groups	0	0	0	2,542,966
Total Revenues	<u>\$ 2,185,282</u>	<u>\$ 2,569,163</u>	<u>\$ 4,754,445</u>	<u>\$ 2,542,966</u>
<u>Expenditures</u>				
Current:				
Instruction	\$ 1,835,528	\$ 0	\$ 1,835,528	\$ 0
Support Services	327,594	0	327,594	0
Operation of Non-instructional Services	0	2,575,182	2,575,182	0
Capital Outlay	0	0	0	2,527,131
Capital Projects	0	0	0	0
Total Expenditures	<u>\$ 2,163,122</u>	<u>\$ 2,575,182</u>	<u>\$ 4,738,304</u>	<u>\$ 2,527,131</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 22,160</u>	<u>\$ (6,019)</u>	<u>\$ 16,141</u>	<u>\$ 15,835</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 300,000	\$ 0	\$ 300,000	\$ 0
Transfers Out	(222,682)	0	(222,682)	0
Total Other Financing Sources (Uses)	<u>\$ 77,318</u>	<u>\$ 0</u>	<u>\$ 77,318</u>	<u>\$ 0</u>

(Continued)

Exhibit J-7

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

	Special Revenue Funds			Capital Projects Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects
Net Change in Fund Balances	\$ 99,478	\$ (6,019)	\$ 93,459	\$ 15,835
Fund Balance, July 1, 2015	200,522	679,691	880,213	0
Fund Balance, June 30, 2016	\$ 300,000	\$ 673,672	\$ 973,672	\$ 15,835

(Continued)

Exhibit J-7

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	Other		Nonmajor
	Capital	Total	Governmental
	Projects		Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 0	\$ 743,525
Other Local Revenues	0	0	3,122
State of Tennessee	0	0	21,914
Federal Government	0	0	3,985,884
Other Governments and Citizens Groups	393,198	2,936,164	2,936,164
Total Revenues	<u>\$ 393,198</u>	<u>\$ 2,936,164</u>	<u>\$ 7,690,609</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 0	\$ 0	\$ 1,835,528
Support Services	0	0	327,594
Operation of Non-instructional Services	0	0	2,575,182
Capital Outlay	0	2,527,131	2,527,131
Capital Projects	982,914	982,914	982,914
Total Expenditures	<u>\$ 982,914</u>	<u>\$ 3,510,045</u>	<u>\$ 8,248,349</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ (589,716)</u>	<u>\$ (573,881)</u>	<u>\$ (557,740)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 18,806	\$ 18,806	\$ 318,806
Transfers Out	0	0	(222,682)
Total Other Financing Sources (Uses)	<u>\$ 18,806</u>	<u>\$ 18,806</u>	<u>\$ 96,124</u>

(Continued)

Exhibit J-7

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

	<u>Capital Projects Funds (Cont.)</u>		Total
	Other		Nonmajor
	Capital	Total	Governmental
	Projects		Funds
Net Change in Fund Balances	\$ (570,910)	\$ (555,075)	\$ (461,616)
Fund Balance, July 1, 2015	693,551	693,551	1,573,764
Fund Balance, June 30, 2016	\$ 122,641	\$ 138,476	\$ 1,112,148

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 13,274,264	\$ 0	\$ 0	\$ 13,274,264	\$ 13,008,483	\$ 13,146,997	\$ 127,267
Licenses and Permits	2,202	0	0	2,202	2,200	2,200	2
Charges for Current Services	208,797	0	0	208,797	172,500	179,600	29,197
Other Local Revenues	140,567	0	0	140,567	96,031	125,418	15,149
State of Tennessee	21,680,784	0	0	21,680,784	21,518,922	21,669,212	11,572
Federal Government	306,630	0	0	306,630	53,149	375,412	(68,782)
Total Revenues	\$ 35,613,244	\$ 0	\$ 0	\$ 35,613,244	\$ 34,851,285	\$ 35,498,839	\$ 114,405
<u>Expenditures</u>							
<u>Other Operations</u>							
Miscellaneous	\$ 200,000	\$ 0	\$ 0	\$ 200,000	\$ 0	\$ 200,000	\$ 0
<u>Instruction</u>							
Regular Instruction Program	14,732,294	(29,941)	5,035	14,707,388	15,460,481	15,053,427	346,039
Alternative Instruction Program	5,028	0	0	5,028	20,000	9,474	4,446
Special Education Program	3,334,735	(1,507)	2,255	3,335,483	3,542,945	3,595,180	259,697
Vocational Education Program	1,304,285	(10,129)	0	1,294,156	1,381,606	1,398,586	104,430
Student Body Education Program	67,549	0	0	67,549	66,943	71,469	3,920
<u>Support Services</u>							
Attendance	148,099	0	0	148,099	155,668	156,659	8,560
Health Services	735,534	0	0	735,534	714,368	748,088	12,554
Other Student Support	930,488	0	15,445	945,933	983,936	993,059	47,126
Regular Instruction Program	1,777,800	0	34,436	1,812,236	1,373,608	1,876,128	63,892
Special Education Program	318,218	0	0	318,218	330,904	333,150	14,932
Vocational Education Program	70,403	0	0	70,403	72,062	72,955	2,552
Other Programs	234,032	0	0	234,032	0	234,032	0
Board of Education	1,322,852	0	0	1,322,852	1,168,139	1,376,464	53,612
Director of Schools	263,034	0	0	263,034	284,703	285,517	22,483
Office of the Principal	2,559,069	0	0	2,559,069	2,574,093	2,606,777	47,708
Fiscal Services	306,445	0	0	306,445	318,751	324,545	18,100

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 2,325,971	\$ 0	\$ 0	\$ 2,325,971	\$ 2,443,854	\$ 2,467,347	\$ 141,376
Maintenance of Plant	644,690	(2,000)	1,050	643,740	672,494	707,921	64,181
Transportation	1,979,894	(2,353)	41,172	2,018,713	2,119,069	2,128,681	109,968
<u>Operation of Non-instructional Services</u>							
Community Services	434,841	(350)	0	434,491	262,580	497,254	62,763
Early Childhood Education	666,125	0	0	666,125	668,652	680,252	14,127
<u>Capital Outlay</u>							
Regular Capital Outlay	284,130	(140,003)	145,628	289,755	190,000	289,987	232
<u>Principal on Debt</u>							
Education	71,426	0	0	71,426	71,429	71,429	3
<u>Interest on Debt</u>							
Education	0	0	0	0	0	57,107	57,107
Total Expenditures	\$ 34,716,942	\$ (186,283)	\$ 245,021	\$ 34,775,680	\$ 34,876,285	\$ 36,235,488	\$ 1,459,808
Excess (Deficiency) of Revenues Over Expenditures							
	\$ 896,302	\$ 186,283	\$ (245,021)	\$ 837,564	\$ (25,000)	\$ (736,649)	\$ 1,574,213
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 0	\$ 0	\$ 0	\$ 0	\$ 10,000	\$ 10,000	\$ (10,000)
Transfers In	222,682	0	0	222,682	215,000	272,107	(49,425)
Transfers Out	(318,806)	0	0	(318,806)	(200,000)	(533,199)	214,393
Total Other Financing Sources	\$ (96,124)	\$ 0	\$ 0	\$ (96,124)	\$ 25,000	\$ (251,092)	\$ 154,968
Net Change in Fund Balance							
Fund Balance, July 1, 2015	\$ 800,178	\$ 186,283	\$ (245,021)	\$ 741,440	\$ 0	\$ (987,741)	\$ 1,729,181
	2,544,481	(186,283)	0	2,358,198	2,808,153	2,808,153	(449,955)
Fund Balance, June 30, 2016							
	\$ 3,344,659	\$ 0	\$ (245,021)	\$ 3,099,638	\$ 2,808,153	\$ 1,820,412	\$ 1,279,226

Exhibit J-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 2,185,282	\$ 0	\$ 2,185,282	\$ 2,606,035	\$ 2,617,147	\$ (431,865)
Total Revenues	\$ 2,185,282	\$ 0	\$ 2,185,282	\$ 2,606,035	\$ 2,617,147	\$ (431,865)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 930,792	\$ 0	\$ 930,792	\$ 1,091,383	\$ 1,064,687	\$ 133,895
Special Education Program	840,268	(626)	839,642	927,814	917,820	78,178
Vocational Education Program	64,468	0	64,468	64,808	64,491	23
<u>Support Services</u>						
Health Services	0	0	0	26,139	26,139	26,139
Other Student Support	160,681	0	160,681	200,872	211,281	50,600
Regular Instruction Program	119,136	0	119,136	219,328	251,789	132,653
Special Education Program	43,400	0	43,400	46,227	51,221	7,821
Vocational Education Program	4,377	0	4,377	4,380	4,380	3
Total Expenditures	\$ 2,163,122	\$ (626)	\$ 2,162,496	\$ 2,580,951	\$ 2,591,808	\$ 429,312
Excess (Deficiency) of Revenues Over Expenditures	\$ 22,160	\$ 626	\$ 22,786	\$ 25,084	\$ 25,339	\$ (2,553)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 300,000	\$ 0	\$ 300,000	\$ 200,000	\$ 200,000	\$ 100,000
Transfers Out	(222,682)	0	(222,682)	(225,085)	(225,339)	2,657
Total Other Financing Sources	\$ 77,318	\$ 0	\$ 77,318	\$ (25,085)	\$ (25,339)	\$ 102,657
Net Change in Fund Balance	\$ 99,478	\$ 626	\$ 100,104	\$ (1)	\$ 0	\$ 100,104
Fund Balance, July 1, 2015	200,522	(626)	199,896	200,522	200,522	(626)
Fund Balance, June 30, 2016	\$ 300,000	\$ 0	\$ 300,000	\$ 200,521	\$ 200,522	\$ 99,478

Exhibit J-10

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Coffee 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	\$ 743,525	\$ 745,725	\$ 745,725	\$ (2,200)
Other Local Revenues	3,122	2,408	2,408	714
State of Tennessee	21,914	24,143	24,143	(2,229)
Federal Government	1,800,602	1,722,670	1,722,670	77,932
Total Revenues	<u>\$ 2,569,163</u>	<u>\$ 2,494,946</u>	<u>\$ 2,494,946</u>	<u>\$ 74,217</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 2,575,182	\$ 2,664,139	\$ 2,681,547	\$ 106,365
Total Expenditures	<u>\$ 2,575,182</u>	<u>\$ 2,664,139</u>	<u>\$ 2,681,547</u>	<u>\$ 106,365</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (6,019)</u>	<u>\$ (169,193)</u>	<u>\$ (186,601)</u>	<u>\$ 180,582</u>
Net Change in Fund Balance	\$ (6,019)	\$ (169,193)	\$ (186,601)	\$ 180,582
Fund Balance, July 1, 2015	<u>679,691</u>	<u>675,258</u>	<u>675,258</u>	<u>4,433</u>
Fund Balance, June 30, 2016	<u>\$ 673,672</u>	<u>\$ 506,065</u>	<u>\$ 488,657</u>	<u>\$ 185,015</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Coffee 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	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-16
GOVERNMENTAL ACTIVITIES:									
NOTES PAYABLE									
<u>Payable through General Debt Service Fund</u>									
Lighting Project and Ambulance Repair Capital Outlay Note	\$ 450,000	2.21 %	7-22-13	7-22-18	\$ 315,000	\$ 0	\$ 90,000	\$ 0	\$ 225,000
Administrative Plaza Building Repairs Capital Outlay Note	575,000	1.99	4-21-16	4-1-20	0	575,000	0	0	575,000
Total Payable through General Debt Service Fund					<u>\$ 315,000</u>	<u>\$ 575,000</u>	<u>\$ 90,000</u>	<u>\$ 0</u>	<u>\$ 800,000</u>
<u>Payable through Rural Debt Service Fund</u>									
School Buses	300,000	2.19	7-22-13	7-22-18	\$ 230,000	\$ 0	\$ 70,000	\$ 0	\$ 160,000
Total Payable through Rural Debt Service Fund					<u>\$ 230,000</u>	<u>\$ 0</u>	<u>\$ 70,000</u>	<u>\$ 0</u>	<u>\$ 160,000</u>
<u>Payable through Highway Public Works Fund</u>									
Equipment and Vehicles	500,000	2.3	9-26-11	8-1-17	\$ 216,000	\$ 0	\$ 85,000	\$ 0	\$ 131,000
Total Payable through Highway/Public Works Fund					<u>\$ 216,000</u>	<u>\$ 0</u>	<u>\$ 85,000</u>	<u>\$ 0</u>	<u>\$ 131,000</u>
Total Notes Payable					<u>\$ 761,000</u>	<u>\$ 575,000</u>	<u>\$ 245,000</u>	<u>\$ 0</u>	<u>\$ 1,091,000</u>
OTHER LOANS PAYABLE									
<u>Payable through General Fund</u>									
City of Tullahoma Sales Tax Agreement	1,750,000	Variable	11-8-11	12-31-16	\$ 350,000	\$ 0	\$ 350,000	\$ 0	\$ 0
Total Payable through General Fund					<u>\$ 350,000</u>	<u>\$ 0</u>	<u>\$ 350,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Payable through General Debt Service Fund</u>									
Public Improvement, Series Z-4-A	4,510,000	3.55 to 4	11-2-06	12-10-15	\$ 2,915,000	\$ 0	\$ 420,000	\$ 2,495,000	\$ 0
Total Payable through General Debt Service Fund					<u>\$ 2,915,000</u>	<u>\$ 0</u>	<u>\$ 420,000</u>	<u>\$ 2,495,000</u>	<u>\$ 0</u>
<u>Payable through Rural Debt Service Fund</u>									
Education Improvement Series Z-6-A	7,600,000	4.75	12-10-08	6-1-26	\$ 6,175,000	\$ 0	\$ 430,000	\$ 0	\$ 5,745,000
Qualified School Construction Bonds Series 2010	3,027,000	0 (1)	10-7-10	7-1-27	2,302,960	0	188,880	0	2,114,080
Energy Efficiency Improvements	500,000	0	7-26-11	9-1-22	358,322	0	50,004	0	308,318
Total Payable through Rural Debt Service Fund					<u>\$ 8,836,282</u>	<u>\$ 0</u>	<u>\$ 668,884</u>	<u>\$ 0</u>	<u>\$ 8,167,398</u>
<u>Contributions Due by the School Department from the General Purpose School Fund to the Rural Debt Service Fund</u>									
Energy Efficiency Improvements	500,000	0	9-5-07	7-15-15	\$ 71,426	\$ 0	\$ 71,426	\$ 0	\$ 0
Total Contributed by the School Department through the General Purpose School Fund to the Rural Debt Service Fund					<u>\$ 71,426</u>	<u>\$ 0</u>	<u>\$ 71,426</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Other Loans Payable					<u>\$ 12,172,708</u>	<u>\$ 0</u>	<u>\$ 1,510,310</u>	<u>\$ 2,495,000</u>	<u>\$ 8,167,398</u>

(Continued)

Exhibit K-1

Coffee County, Tennessee
 Schedule of Changes in Long-term Notes, Other Loans, and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-15	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-16
GOVERNMENTAL ACTIVITIES (CONT.):									
BONDS PAYABLE									
<u>Payable through General Debt Service Fund</u>									
General Obligation Refunding Bonds, Series 2009	\$ 1,500,000	2.56 %	10-1-09	6-1-17	\$ 600,000	\$ 0	\$ 300,000	\$ 0	\$ 300,000
General Obligation Bond, Series 2013A	9,000,000	3.125	8-28-14	8-28-52	8,895,537	0	128,509	0	8,767,028
General Obligation Bond, Series 2013B	9,000,000	3.125	8-28-14	8-28-52	8,895,537	0	128,509	0	8,767,028
General Obligation Bond, Series 2013C	4,000,000	3.125	8-28-14	8-28-52	3,953,573	0	57,116	0	3,896,457
General Obligation Refunding Bond, Series 2015A	2,565,000	2.487	12-10-15	6-1-21		2,565,000	20,000	0	2,545,000
Total Payable through General Debt Service Fund					<u>\$ 22,344,647</u>	<u>\$ 2,565,000</u>	<u>\$ 634,134</u>	<u>\$ 0</u>	<u>\$ 24,275,513</u>
<u>Payable through Rural Debt Service Fund</u>									
Rural School Bond, Series 2015B	2,040,000	2 to 3.5	12-10-15	6-1-31	\$ 0	\$ 2,040,000	\$ 0	\$ 0	\$ 2,040,000
Rural School Bond, Series 2015C	2,675,000	2 to 3.5	12-10-15	6-1-31	0	2,675,000	0	0	2,675,000
Build America Bond	17,125,000	7.15	7-15-09	6-1-44	17,125,000	0	0	0	17,125,000
Rural School Bond, Series 2013	9,100,000	3.83	1-6-14	6-1-37	9,100,000	0	0	0	9,100,000
Rural School Bond, Series 2014	13,650,000	4.19	1-6-14	6-1-37	13,315,000	0	275,000	0	13,040,000
Total Payable through Rural Debt Service Fund					<u>\$ 39,540,000</u>	<u>\$ 4,715,000</u>	<u>\$ 275,000</u>	<u>\$ 0</u>	<u>\$ 43,980,000</u>
Total Bonds Payable					<u>\$ 61,884,647</u>	<u>\$ 7,280,000</u>	<u>\$ 909,134</u>	<u>\$ 0</u>	<u>\$ 68,255,513</u>
BUSINESS-TYPE ACTIVITIES:									
OTHER LOANS PAYABLE									
<u>Payable through Wayside Acres Sewer Fund</u>									
Sewer Construction	224,000	4.125	10-10-06	10-10-44	\$ 198,832	\$ 0	\$ 3,582	\$ 0	\$ 195,250
Sewer Construction	100,000	4.375	12-20-06	12-20-44	89,530	0	1,534	0	87,996
Total Other Loans Payable					<u>\$ 288,362</u>	<u>\$ 0</u>	<u>\$ 5,116</u>	<u>\$ 0</u>	<u>\$ 283,246</u>

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

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Notes		
	Principal	Interest	Total
2017	\$ 392,000	\$ 21,603	\$ 413,603
2018	349,000	14,032	363,032
2019	210,000	8,124	218,124
2020	140,000	2,786	142,786
Total	\$ 1,091,000	\$ 46,545	\$ 1,137,545

Year Ending June 30	Other Loans		
	Principal	Interest (1)	Total
2017	\$ 703,884	\$ 419,309	\$ 1,123,193
2018	713,884	399,547	1,113,431
2019	753,884	379,359	1,133,243
2020	773,884	356,442	1,130,326
2021	838,884	332,099	1,170,983
2022	838,884	304,499	1,143,383
2023	762,174	274,499	1,036,673
2024	803,880	246,249	1,050,129
2025	868,880	215,499	1,084,379
2026	883,880	181,499	1,065,379
2027	207,474	146,749	354,223
2027	17,806	73,373	91,179
Total	\$ 8,167,398	\$ 3,329,123	\$ 11,496,521

(Continued)

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES (CONT.)

Year Ending June 30	Bonds		
	Principal	Interest	Total
2017	\$ 1,639,940	\$ 2,939,360	\$ 4,579,300
2018	1,400,241	2,894,259	4,294,500
2019	1,425,869	2,858,331	4,284,200
2020	1,466,835	2,822,065	4,288,900
2021	1,468,146	2,784,554	4,252,700
2022	979,818	2,746,232	3,726,050
2023	1,166,857	2,716,193	3,883,050
2024	1,289,280	2,683,270	3,972,550
2025	1,297,096	2,645,041	3,942,137
2026	1,355,320	2,605,249	3,960,569
2027	2,138,960	2,559,672	4,698,632
2028	2,208,035	2,486,984	4,695,019
2029	2,282,555	2,410,914	4,693,469
2030	2,362,537	2,329,582	4,692,119
2031	2,452,991	2,244,328	4,697,319
2032	2,153,938	2,152,256	4,306,194
2033	2,235,389	2,068,317	4,303,706
2034	2,327,361	1,980,719	4,308,080
2035	2,419,871	1,889,304	4,309,175
2036	2,512,938	1,792,987	4,305,925
2037	2,606,577	1,692,723	4,299,300
2038	2,750,805	1,588,495	4,339,300
2039	2,870,644	1,419,906	4,290,550
2040	2,991,113	1,243,687	4,234,800
2041	3,112,229	1,055,171	4,167,400
2042	3,259,016	858,784	4,117,800
2043	3,406,493	652,707	4,059,200
2044	3,554,681	436,919	3,991,600
2045	778,607	211,393	990,000
2046	803,289	186,711	990,000
2047	828,755	161,245	990,000
2048	855,028	134,972	990,000
2049	882,134	107,866	990,000
2050	910,099	79,901	990,000
2051	938,950	51,050	990,000
2052	968,716	21,284	990,000
2053	154,400	587	154,987
Total	\$ 68,255,513	\$ 59,513,018	\$ 127,768,531

(Continued)

Exhibit K-2

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

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2017	\$ 5,306	\$ 11,806	\$ 17,112
2018	5,533	11,579	17,112
2019	5,770	11,342	17,112
2020	6,016	11,096	17,112
2021	6,274	10,838	17,112
2022	6,543	10,569	17,112
2023	6,822	10,290	17,112
2024	7,114	9,998	17,112
2025	7,418	9,694	17,112
2026	7,736	9,376	17,112
2027	8,067	9,045	17,112
2028	8,412	8,700	17,112
2029	8,773	8,339	17,112
2030	9,149	7,963	17,112
2031	9,540	7,572	17,112
2032	9,948	7,164	17,112
2033	10,375	6,737	17,112
2034	10,818	6,294	17,112
2035	11,282	5,830	17,112
2036	11,766	5,346	17,112
2037	12,269	4,843	17,112
2038	12,795	4,317	17,112
2039	13,344	3,768	17,112
2040	13,915	3,197	17,112
2041	14,511	2,601	17,112
2042	15,134	1,978	17,112
2043	15,782	1,330	17,112
2044	16,458	654	17,112
2045	6,376	88	6,464
Total	\$ 283,246	\$ 202,354	\$ 485,600

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

Exhibit K-3

Coffee County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Coffee County School Department
For the Year Ended June 30, 2016

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Rural Debt Service	Operations	\$ 136,411
Rural Debt Service	General Capital Projects	Purchase school buses	<u>400,000</u>
Total Transfers Primary Government			<u><u>\$ 536,411</u></u>
<u>DISCRETELY PRESENTED COFFEE</u>			
<u>COFFEE SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 22,682
School Federal Projects	General Purpose School	Prior-year cash flow	200,000
General Purpose School	School Federal Projects	Cash flow	300,000
General Purpose School	Other Capital Projects	Operations	<u>18,806</u>
			<u><u>\$ 541,488</u></u>

Exhibit K-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 88,141	\$ 100,000	Auto-Owners Mutual Insurance Company
Road Superintendent	Section 8-24-102, <i>TCA</i>	83,945	100,000	"
Director of Schools	State Board of Education and Coffee County Board of Education	116,601 (1)	(2)	"
Trustee	Section 8-24-102, <i>TCA</i>	76,313	2,163,387	"
Assessor of Property	Section 8-24-102, <i>TCA</i>	76,313	10,000	"
Director of Accounts and Budgets	Coffee County Commission	76,210	100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	76,313	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	76,313	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	76,313	50,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	76,313	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	83,945 (3)	100,000	"
Employee Blanket Bonds:				
	Public Employee Dishonesty - County Departments		150,000	Brit Global Specialty USA
	Public Employee Dishonesty - Highway Department		150,000	Local Government Insurance Pool
	Public Employee Dishonesty - School Department		400,000	Tennessee Risk Management Trust

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

(2) The director is covered under the School Department's blanket bond.

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

Exhibit K-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 9,809,556	\$ 803,362	\$ 494,536	\$ 197,825	\$ 0	0
Trustee's Collections - Prior Year	317,323	21,764	15,751	6,283	0	0
Trustee's Collections - Bankruptcy	2,010	151	69	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	138,066	31,047	8,395	0	0	0
Interest and Penalty	102,805	14,421	5,627	187	0	0
Payments in-Lieu-of Taxes - T.V.A.	627	117	32	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	10,973	2,052	553	0	0	0
Payments in-Lieu-of Taxes - Other	6,055	1,133	305	0	0	0
<u>County Local Option Taxes</u>						
Local Option Sales Tax	359,902	113,231	0	0	0	0
Litigation Tax - General	191,488	0	0	0	0	0
Litigation Tax - Special Purpose	107,674	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0
Litigation Tax - Courthouse Security	70,560	0	0	0	0	0
Business Tax	963,614	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	70,404
<u>Statutory Local Taxes</u>						
Bank Excise Tax	266,288	0	0	0	0	0
Wholesale Beer Tax	0	267,856	0	0	0	0
Interstate Telecommunications Tax	1,940	0	0	0	0	0
Total Local Taxes	\$ 12,348,881	\$ 1,255,134	\$ 525,268	\$ 204,295	\$ 0	70,404
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 162,799	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 0	\$ 5,816	\$ 0	\$ 0	\$ 0	0
Building Permits	98,325	0	0	0	0	0
Plumbing Permits	13,200	0	0	0	0	0
Other Permits	7,100	0	2,000	0	0	0
Total Licenses and Permits	\$ 281,424	\$ 5,816	\$ 2,000	\$ 0	\$ 0	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 13,781	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	12,027	0	0	0	0	0
Drug Control Fines	518	0	0	0	23,007	0
Judicial Commissioner Fees	1,871	0	0	0	0	0
DUI Treatment Fines	1,709	0	0	0	0	0
Data Entry Fee - Circuit Court	33,757	0	0	0	0	0
Courtroom Security Fee	66	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	174,910	0	0	0	0	0
Officers Costs	63,387	0	0	0	0	0
Game and Fish Fines	2,395	0	0	0	0	0
Drug Control Fines	0	0	0	0	148,584	0
Jail Fees	14,230	0	0	0	0	0
Interpreter Fee	48	0	0	0	0	0
Judicial Commissioner Fees	5,333	0	0	0	0	0
DUI Treatment Fines	19,583	0	0	0	0	0
Courtroom Security Fee	2,119	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 1,829	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	4,303	0	0	0	0	0
Judicial Commissioner Fees	664	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	4,265	0	0	0	0	0
Data Entry Fee - Chancery Court	8,061	0	0	0	0	0
Courtroom Security Fee	4,774	0	0	0	0	0
<u>Other Courts - In-county</u>						
Drug Control Fines	33,792	0	0	0	0	0
Drug Court Fees	16,048	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	58,476	0
Other Fines, Forfeitures, and Penalties	7,529	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 426,999	\$ 0	\$ 0	\$ 0	\$ 230,067	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 10,585	\$ 0	\$ 0	\$ 0	0
Solid Waste Disposal Fee	0	104,728	0	0	0	0
Surcharge - Waste Tire Disposal	0	46,669	0	0	0	0
Patient Charges	4,824	0	1,771,980	0	0	0
Other General Service Charges	4,952	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	10,045	0	0	0	0	0
Recreation Fees	16,800	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Copy Fees	\$ 5,112	\$ 0	\$ 1,462	\$ 0	\$ 0	\$ 0
Library Fees	48,302	0	0	0	0	0
Archives and Records Management Fee	80	0	0	0	0	0
Greenbelt Late Application Fee	700	0	0	0	0	0
Telephone Commissions	152,269	0	0	0	0	0
Data Processing Fee - Register	17,438	0	0	0	0	0
Probation Fees	285,399	0	0	0	0	0
Data Processing Fee - Sheriff	6,474	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,625	0	0	0	0	0
Data Processing Fee - County Clerk	7,626	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	42,200	0	3,540	0	0	0
Total Charges for Current Services	\$ 605,846	\$ 161,982	\$ 1,776,982	\$ 0	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 873
Lease/Rentals	19,270	0	5,650	0	0	0
Commissary Sales	4,882	0	0	0	0	0
Sale of Maps	3	0	0	0	0	0
Sale of Recycled Materials	0	46,732	0	0	0	130
Miscellaneous Refunds	12,862	208	0	0	0	0
<u>Nonrecurring Items</u>						
Damages Recovered from Individuals	1,746	0	0	0	0	0
Contributions and Gifts	173,023	0	0	0	453	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Performance Bond Forfeitures	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 211,786	\$ 46,940	\$ 5,650	\$ 0	\$ 453	\$ 1,003
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 541,721	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	917,023	0	0	0	0	0
Clerk and Master	232,360	0	0	0	0	0
Register	219,971	0	0	0	0	0
Sheriff	19,142	0	0	0	0	0
Trustee	1,007,551	0	0	0	0	0
Total Fees Received From County Officials	\$ 2,937,768	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 17,348	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
On-behalf Contributions for OPEB	1,050	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	25,800	0	0	0	0	0
<u>Public Works Grants</u>						
Litter Program	0	43,729	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	59,997	0	0	0	0	0
Beer Tax	18,488	0	0	0	0	0
Vehicle Certificate of Title Fees	58,579	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Alcoholic Beverage Tax	\$ 90,505	\$ 0	\$ 0	\$ 0	\$ 0	0
State Revenue Sharing - T.V.A.	322,614	0	0	0	0	0
Contracted Prisoner Boarding	1,112,847	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,961,801
Petroleum Special Tax	0	0	0	0	0	38,095
T.B.I. - Equipment Reimbursement	3,264	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	494,501	0	0	0	0	8,421
Other State Revenues	300	0	0	0	0	0
Total State of Tennessee	\$ 2,220,457	\$ 43,729	\$ 0	\$ 0	\$ 0	\$ 2,008,317
<u>Federal Government</u>						
<u>Federal Through State</u>						
Civil Defense Reimbursement	\$ 35,850	\$ 0	\$ 0	\$ 0	\$ 0	0
Disaster Relief	4,014	0	0	0	0	83,796
Homeland Security Grants	13,280	0	0	0	0	0
Other Federal through State	56,737	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Forest Service	2,358	0	0	0	0	0
Tax Credit Bond Rebate	136,441	0	0	0	0	0
Total Federal Government	\$ 248,680	\$ 0	\$ 0	\$ 0	\$ 0	\$ 83,796
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 139,216	\$ 0	\$ 0	\$ 0	\$ 0	0
Contracted Services	26,136	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Highway / Public Works
<u>Other Governments and Citizens Groups (Cont.)</u>						
<u>Citizens Groups</u>						
Donations	\$ 13,219	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Governments and Citizens Groups	\$ 178,571	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
 Total	 \$ 19,460,412	 \$ 1,513,601	 \$ 2,309,900	 \$ 204,295	 \$ 230,520	 \$ 2,163,520

(Continued)

Exhibit K-5

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

	Debt Service Funds		Capital Projects Funds		Total
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 1,440,085	\$ 1,039,956	\$ 331,332	\$ 0	\$ 14,116,652
Trustee's Collections - Prior Year	56,423	32,831	0	0	450,375
Trustee's Collections - Bankruptcy	385	278	0	0	2,893
Circuit Clerk/Clerk and Master Collections - Prior Years	30,071	34,630	0	0	242,209
Interest and Penalty	19,935	17,472	294	0	160,741
Payments in-Lieu-of Taxes - T.V.A.	92	131	21	0	1,020
Payments in-Lieu-of Taxes - Local Utilities	1,982	2,289	0	0	17,849
Payments in-Lieu-of Taxes - Other	990	1,263	103	0	9,849
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	2,543,075	339,694	0	3,355,902
Litigation Tax - General	0	0	0	0	191,488
Litigation Tax - Special Purpose	0	0	0	0	107,674
Litigation Tax - Jail, Workhouse, or Courthouse	298,936	0	0	0	298,936
Litigation Tax - Courthouse Security	0	0	0	0	70,560
Business Tax	0	0	0	0	963,614
Mineral Severance Tax	0	0	0	0	70,404
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	266,288
Wholesale Beer Tax	0	0	0	0	267,856
Interstate Telecommunications Tax	0	0	0	0	1,940
Total Local Taxes	\$ 1,848,899	\$ 3,671,925	\$ 671,444	\$ 0	\$ 20,596,250
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 162,799

(Continued)

Exhibit K-5

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

	Debt Service Funds		Capital Projects Funds		Total
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	5,816
Building Permits	0	0	0	0	98,325
Plumbing Permits	0	0	0	0	13,200
Other Permits	0	0	0	0	9,100
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	289,240
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	13,781
Officers Costs	0	0	0	0	12,027
Drug Control Fines	0	0	0	0	23,525
Judicial Commissioner Fees	0	0	0	0	1,871
DUI Treatment Fines	0	0	0	0	1,709
Data Entry Fee - Circuit Court	0	0	0	0	33,757
Courtroom Security Fee	0	0	0	0	66
<u>General Sessions Court</u>					
Fines	0	0	0	0	174,910
Officers Costs	0	0	0	0	63,387
Game and Fish Fines	0	0	0	0	2,395
Drug Control Fines	0	0	0	0	148,584
Jail Fees	0	0	0	0	14,230
Interpreter Fee	0	0	0	0	48
Judicial Commissioner Fees	0	0	0	0	5,333
DUI Treatment Fines	0	0	0	0	19,583
Courtroom Security Fee	0	0	0	0	2,119

(Continued)

Exhibit K-5

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

	Debt Service Funds		Capital Projects Funds		Total
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Juvenile Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	1,829
Officers Costs	0	0	0	0	4,303
Judicial Commissioner Fees	0	0	0	0	664
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	4,265
Data Entry Fee - Chancery Court	0	0	0	0	8,061
Courtroom Security Fee	0	0	0	0	4,774
<u>Other Courts - In-county</u>					
Drug Control Fines	0	0	0	0	33,792
Drug Court Fees	0	0	0	0	16,048
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	58,476
Other Fines, Forfeitures, and Penalties	0	0	0	0	7,529
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	657,066
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	10,585
Solid Waste Disposal Fee	0	0	0	0	104,728
Surcharge - Waste Tire Disposal	0	0	0	0	46,669
Patient Charges	0	0	0	0	1,776,804
Other General Service Charges	0	0	0	0	4,952
<u>Fees</u>					
Subdivision Lot Fees	0	0	0	0	10,045
Recreation Fees	0	0	0	0	16,800

(Continued)

Exhibit K-5

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

	Debt Service Funds		Capital Projects Funds		Total
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Copy Fees	\$ 0	\$ 0	\$ 0	\$ 0	6,574
Library Fees	0	0	0	0	48,302
Archives and Records Management Fee	0	0	0	0	80
Greenbelt Late Application Fee	0	0	0	0	700
Telephone Commissions	0	0	0	0	152,269
Data Processing Fee - Register	0	0	0	0	17,438
Probation Fees	0	0	0	0	285,399
Data Processing Fee - Sheriff	0	0	0	0	6,474
Sexual Offender Registration Fee - Sheriff	0	0	0	0	3,625
Data Processing Fee - County Clerk	0	0	0	0	7,626
<u>Education Charges</u>					
Other Charges for Services	0	0	0	0	45,740
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	2,544,810
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 53,080	\$ 25,682	\$ 0	\$ 8,816	\$ 88,451
Lease/Rentals	103,272	0	0	0	128,192
Commissary Sales	0	0	0	0	4,882
Sale of Maps	0	0	0	0	3
Sale of Recycled Materials	0	0	0	0	46,862
Miscellaneous Refunds	0	0	0	0	13,070
<u>Nonrecurring Items</u>					
Damages Recovered from Individuals	0	0	0	0	1,746
Contributions and Gifts	0	0	0	0	173,476

(Continued)

Exhibit K-5

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

	Debt Service Funds		Capital Projects Funds		Total
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items (Cont.)</u>					
Performance Bond Forfeitures	\$ 0	\$ 0	\$ 880,869	\$ 0	\$ 880,869
Total Other Local Revenues	\$ 156,352	\$ 25,682	\$ 880,869	\$ 8,816	\$ 1,337,551
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 541,721
Circuit Court Clerk	0	0	0	0	917,023
Clerk and Master	0	0	0	0	232,360
Register	0	0	0	0	219,971
Sheriff	0	0	0	0	19,142
Trustee	0	0	0	0	1,007,551
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,937,768
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,348
On-behalf Contributions for OPEB	0	0	0	0	1,050
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	25,800
<u>Public Works Grants</u>					
Litter Program	0	0	0	0	43,729
<u>Other State Revenues</u>					
Income Tax	0	0	0	0	59,997
Beer Tax	0	0	0	0	18,488
Vehicle Certificate of Title Fees	0	0	0	0	58,579

(Continued)

Exhibit K-5

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

	Debt Service Funds		Capital Projects Funds		Total
	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects	
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues (Cont.)</u>					
Alcoholic Beverage Tax	\$ 0	\$ 0	\$ 0	\$ 0	90,505
State Revenue Sharing - T.V.A.	0	0	0	0	322,614
Contracted Prisoner Boarding	0	0	0	0	1,112,847
Gasoline and Motor Fuel Tax	0	0	0	0	1,961,801
Petroleum Special Tax	0	0	0	0	38,095
T.B.I. - Equipment Reimbursement	0	0	0	0	3,264
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	502,922
Other State Revenues	0	0	0	0	300
Total State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0	4,272,503
<u>Federal Government</u>					
<u>Federal Through State</u>					
Civil Defense Reimbursement	\$ 0	\$ 0	\$ 0	\$ 0	35,850
Disaster Relief	0	0	0	0	87,810
Homeland Security Grants	0	0	0	0	13,280
Other Federal through State	0	0	0	0	56,737
<u>Direct Federal Revenue</u>					
Forest Service	0	0	0	0	2,358
Tax Credit Bond Rebate	0	399,367	0	0	535,808
Total Federal Government	\$ 0	\$ 399,367	\$ 0	\$ 0	731,843
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 271,426	\$ 0	\$ 0	410,642
Contracted Services	0	0	0	0	26,136

(Continued)

Exhibit K-5

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

	<u>Debt Service Funds</u>		<u>Capital Projects Funds</u>		<u>Total</u>
	<u>General Debt Service</u>	<u>Rural Debt Service</u>	<u>General Capital Projects</u>	<u>Education Capital Projects</u>	
<u>Other Governments and Citizens Groups (Cont.)</u>					
<u>Citizens Groups</u>					
Donations	\$ 0	\$ 0	\$ 0	\$ 0	13,219
Total Other Governments and Citizens Groups	\$ 0	\$ 271,426	\$ 0	\$ 0	449,997
 Total	 \$ 2,005,251	 \$ 4,368,400	 \$ 1,552,313	 \$ 8,816	 \$ 33,817,028

Exhibit K-6

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

	Special Revenue Funds			Capital Projects Funds		Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 8,329,540	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,329,540
Trustee's Collections - Prior Year	265,125	0	0	0	0	265,125
Trustee's Collections - Bankruptcy	2,226	0	0	0	0	2,226
Circuit Clerk/Clerk and Master Collections - Prior Years	141,121	0	0	0	0	141,121
Interest and Penalty	92,725	0	0	0	0	92,725
Payments in-Lieu-of Taxes - T.V.A.	532	0	0	0	0	532
Payments in-Lieu-of Taxes - Local Utilities	9,318	0	0	0	0	9,318
Payments in-Lieu-of Taxes - Other	5,142	0	0	0	0	5,142
<u>County Local Option Taxes</u>						
Local Option Sales Tax	4,315,371	0	0	0	0	4,315,371
Mixed Drink Tax	110,558	0	0	0	0	110,558
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	2,606	0	0	0	0	2,606
Total Local Taxes	\$ 13,274,264	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,274,264
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 2,202	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,202
Total Licenses and Permits	\$ 2,202	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,202
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Summer School	\$ 400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 400
Lunch Payments - Children	0	0	463,816	0	0	463,816

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Capital Projects Funds		Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 34,218	\$ 0	\$ 0	\$ 34,218
Income from Breakfast	0	0	56,324	0	0	56,324
A la Carte Sales	0	0	189,167	0	0	189,167
Receipts from Individual Schools	98,734	0	0	0	0	98,734
Community Service Fees - Children	109,663	0	0	0	0	109,663
Total Charges for Current Services	\$ 208,797	\$ 0	\$ 743,525	\$ 0	\$ 0	\$ 952,322
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 527	\$ 0	\$ 0	\$ 527
Sale of Materials and Supplies	4,983	0	2,595	0	0	7,578
E-Rate Funding	31,024	0	0	0	0	31,024
Miscellaneous Refunds	3,000	0	0	0	0	3,000
<u>Nonrecurring Items</u>						
Sale of Equipment	6,750	0	0	0	0	6,750
Damages Recovered from Individuals	4,045	0	0	0	0	4,045
Contributions and Gifts	59,672	0	0	0	0	59,672
<u>Other Local Revenues</u>						
Other Local Revenues	31,093	0	0	0	0	31,093
Total Other Local Revenues	\$ 140,567	\$ 0	\$ 3,122	\$ 0	\$ 0	\$ 143,689
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 234,032	\$ 0	\$ 0	\$ 0	\$ 0	\$ 234,032

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Capital Projects Funds		Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds</u>						
Basic Education Program	\$ 19,804,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,804,000
Early Childhood Education	647,398	0	0	0	0	647,398
School Food Service	0	0	21,914	0	0	21,914
Driver Education	17,184	0	0	0	0	17,184
Other State Education Funds	16,457	0	0	0	0	16,457
Coordinated School Health	83,938	0	0	0	0	83,938
Internet Connectivity	11,782	0	0	0	0	11,782
Family Resource Centers	58,736	0	0	0	0	58,736
Career Ladder Program	107,445	0	0	0	0	107,445
<u>Other State Revenues</u>						
Beer Tax	1,474	0	0	0	0	1,474
Alcoholic Beverage Tax	2,379	0	0	0	0	2,379
State Revenue Sharing - T.V.A.	671,240	0	0	0	0	671,240
Other State Grants	2,479	0	0	0	0	2,479
Safe Schools	22,240	0	0	0	0	22,240
Total State of Tennessee	\$ 21,680,784	\$ 0	\$ 21,914	\$ 0	\$ 0	\$ 21,702,698
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,162,608	\$ 0	\$ 0	\$ 1,162,608
USDA - Commodities	0	0	146,808	0	0	146,808
Breakfast	0	0	451,274	0	0	451,274
USDA - Other	0	0	27,912	0	0	27,912
Vocational Education - Basic Grants to States	0	93,040	0	0	0	93,040

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Capital Projects Funds		Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Other Capital Projects	
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Title I Grants to Local Education Agencies	\$ 0	\$ 1,011,005	\$ 0	\$ 0	\$ 0	\$ 1,011,005
Special Education - Grants to States	0	880,227	0	0	0	880,227
Special Education Preschool Grants	0	21,313	0	0	0	21,313
English Language Acquisition Grants	0	5,645	0	0	0	5,645
Rural Education	0	42,237	0	0	0	42,237
Eisenhower Professional Development State Grants	0	131,815	0	0	0	131,815
Other Federal through State	260,597	0	12,000	0	0	272,597
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	46,033	0	0	0	0	46,033
Total Federal Government	\$ 306,630	\$ 2,185,282	\$ 1,800,602	\$ 0	\$ 0	\$ 4,292,514
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 0	\$ 0	\$ 0	\$ 2,542,966	\$ 393,198	\$ 2,936,164
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 2,542,966	\$ 393,198	\$ 2,936,164
Total	\$ 35,613,244	\$ 2,185,282	\$ 2,569,163	\$ 2,542,966	\$ 393,198	\$ 43,303,853

Exhibit K-7

Coffee 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	\$	16,100	
Social Security		1,232	
Audit Services		15,839	
Dues and Memberships		2,200	
Maintenance Agreements		1,682	
Travel		4,800	
Total County Commission			\$ 41,853

Board of Equalization

Board and Committee Members Fees	\$	1,230	
Social Security		94	
Total Board of Equalization			1,324

Other Boards and Committees

Board and Committee Members Fees	\$	22,515	
Social Security		1,724	
Travel		1,000	
Total Other Boards and Committees			25,239

County Mayor/Executive

County Official/Administrative Officer	\$	88,141	
Purchasing Personnel		23,119	
Secretary(ies)		35,993	
Clerical Personnel		7,415	
Part-time Personnel		925	
Social Security		11,595	
Pensions		8,682	
Medical Insurance		7,441	
Dental Insurance		666	
Unemployment Compensation		196	
Communication		2,925	
Dues and Memberships		14,017	
Legal Notices, Recording, and Court Costs		1,505	
Maintenance Agreements		1,718	
Travel		3,571	
Office Supplies		1,945	
Other Charges		4,999	
Total County Mayor/Executive			214,853

County Attorney

County Official/Administrative Officer	\$	4,800	
Legal Services		45,807	
Total County Attorney			50,607

Election Commission

County Official/Administrative Officer	\$	68,682	
Deputy(ies)		61,891	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Clerical Personnel	\$	2,748	
Overtime Pay		189	
Election Commission		7,919	
Election Workers		43,970	
Social Security		11,922	
Pensions		10,183	
Medical Insurance		15,270	
Dental Insurance		516	
Unemployment Compensation		407	
Communication		3,769	
Operating Lease Payments		338	
Legal Notices, Recording, and Court Costs		43,470	
Maintenance Agreements		15,128	
Maintenance and Repair Services - Equipment		677	
Travel		1,278	
Other Contracted Services		1,912	
Office Supplies		6,878	
In Service/Staff Development		75	
Data Processing Equipment		4,758	
Total Election Commission			\$ 301,980

Register of Deeds

County Official/Administrative Officer	\$	76,313	
Deputy(ies)		92,401	
Part-time Personnel		14,186	
Social Security		13,637	
Pensions		2,759	
Medical Insurance		12,222	
Dental Insurance		752	
Unemployment Compensation		302	
Communication		1,950	
Dues and Memberships		830	
Operating Lease Payments		15,194	
Maintenance Agreements		1,942	
Other Contracted Services		2,540	
Data Processing Supplies		2,465	
Office Supplies		3,789	
In Service/Staff Development		2,760	
Other Charges		13,460	
Total Register of Deeds			257,502

Codes Compliance

Assistant(s)	\$	26,749	
Supervisor/Director		50,003	
Secretary(ies)		25,916	
Social Security		7,389	
Pensions		4,909	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

Medical Insurance	\$	9,399	
Dental Insurance		666	
Unemployment Compensation		246	
Communication		1,426	
Dues and Memberships		240	
Legal Notices, Recording, and Court Costs		1,099	
Maintenance Agreements		1,440	
Maintenance and Repair Services - Vehicles		439	
Printing, Stationery, and Forms		432	
Other Contracted Services		2,228	
Gasoline		2,213	
Office Supplies		3,427	
In Service/Staff Development		112	
Total Codes Compliance			\$ 138,333

County Buildings

Assistant(s)	\$	32,939	
Supervisor/Director		49,017	
Custodial Personnel		24,186	
Maintenance Personnel		93,275	
Overtime Pay		19,725	
Social Security		16,547	
Pensions		13,863	
Medical Insurance		28,045	
Dental Insurance		1,397	
Unemployment Compensation		626	
Communication		38,412	
Maintenance Agreements		109,400	
Maintenance and Repair Services - Buildings		147,266	
Maintenance and Repair Services - Equipment		4,374	
Maintenance and Repair Services - Vehicles		5,048	
Pest Control		4,295	
Disposal Fees		183	
Other Contracted Services		39,543	
Custodial Supplies		12,637	
Electricity		124,935	
Gasoline		3,896	
Natural Gas		21,690	
Office Supplies		228	
Uniforms		312	
Water and Sewer		7,061	
Other Supplies and Materials		59	
Maintenance Equipment		1,910	
Other Equipment		1,815	
Total County Buildings			802,684

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration

Data Processing Personnel	\$	40,891	
Social Security		3,128	
Pensions		3,590	
Unemployment Compensation		64	
On-behalf Payments to OPEB		1,050	
Communication		4,111	
Data Processing Services		9,928	
Maintenance Agreements		14,474	
Postal Charges		54,683	
Total Other General Administration			\$ 131,919

Finance

Accounting and Budgeting

Supervisor/Director	\$	76,210	
Accountants/Bookkeepers		214,221	
Other Salaries and Wages		4,162	
Social Security		21,623	
Pensions		24,181	
Medical Insurance		35,239	
Dental Insurance		1,827	
Unemployment Compensation		518	
Communication		2,021	
Dues and Memberships		881	
Legal Notices, Recording, and Court Costs		2,150	
Maintenance Agreements		18,176	
Office Supplies		5,638	
In Service/Staff Development		5,688	
Total Accounting and Budgeting			412,535

Property Assessor's Office

County Official/Administrative Officer	\$	76,313	
Clerical Personnel		150,752	
Social Security		17,197	
Pensions		18,804	
Medical Insurance		21,991	
Dental Insurance		1,547	
Unemployment Compensation		388	
Audit Services		17,950	
Communication		1,707	
Data Processing Services		25,580	
Dues and Memberships		1,700	
Maintenance Agreements		903	
Maintenance and Repair Services - Vehicles		3,403	
Printing, Stationery, and Forms		962	
Gasoline		2,460	
Office Supplies		980	
Total Property Assessor's Office			342,637

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program

Other Salaries and Wages	\$	12,929	
Social Security		989	
Unemployment Compensation		69	
Other Contracted Services		5,700	
Data Processing Supplies		156	
Other Charges		1,137	
Total Reappraisal Program			\$ 20,980

County Trustee's Office

County Official/Administrative Officer	\$	76,313	
Deputy(ies)		128,402	
Social Security		14,403	
Pensions		12,800	
Medical Insurance		30,098	
Dental Insurance		1,032	
Unemployment Compensation		240	
Communication		1,232	
Dues and Memberships		734	
Maintenance Agreements		8,761	
Postal Charges		7,272	
Travel		3,514	
Other Contracted Services		5,968	
Office Supplies		3,109	
Total County Trustee's Office			293,878

County Clerk's Office

County Official/Administrative Officer	\$	76,313	
Deputy(ies)		195,243	
Social Security		19,701	
Pensions		21,452	
Medical Insurance		34,067	
Dental Insurance		1,805	
Unemployment Compensation		457	
Communication		2,515	
Dues and Memberships		734	
Maintenance Agreements		27,398	
Printing, Stationery, and Forms		1,737	
Office Supplies		3,519	
In Service/Staff Development		4,359	
Other Charges		126	
Total County Clerk's Office			389,426

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	76,313	
Deputy(ies)		636,121	
Part-time Personnel		40,260	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Jury and Witness Expense	\$	13,080	
Social Security		55,809	
Pensions		48,178	
Medical Insurance		107,058	
Dental Insurance		5,072	
Unemployment Compensation		1,732	
Communication		4,252	
Dues and Memberships		704	
Maintenance Agreements		36,344	
Printing, Stationery, and Forms		14,353	
Travel		1,999	
Duplicating Supplies		4,425	
Office Supplies		10,191	
Other Charges		16,183	
Total Circuit Court			\$ 1,072,074

General Sessions Judge

Judge(s)	\$	322,662	
Secretary(ies)		27,416	
Social Security		20,809	
Pensions		14,165	
Medical Insurance		12,078	
Dental Insurance		516	
Unemployment Compensation		70	
Communication		756	
Dues and Memberships		570	
Evaluation and Testing		1,470	
Travel		10,027	
Office Supplies		1,168	
Periodicals		8,892	
Total General Sessions Judge			420,599

Drug Court

Drug Treatment	\$	69,761	
Total Drug Court			69,761

Chancery Court

County Official/Administrative Officer	\$	76,313	
Deputy(ies)		126,739	
Part-time Personnel		5,739	
Social Security		14,926	
Pensions		17,828	
Medical Insurance		26,521	
Dental Insurance		1,289	
Unemployment Compensation		376	
Communication		1,272	
Dues and Memberships		1,614	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Maintenance Agreements	\$	9,360	
Printing, Stationery, and Forms		569	
Travel		838	
Office Supplies		2,600	
Periodicals		742	
Other Supplies and Materials		7,772	
Total Chancery Court			\$ 294,498

Office of Public Defender

Other Contracted Services	\$	2,511	
Total Office of Public Defender			2,511

Judicial Commissioners

County Official/Administrative Officer	\$	79,361	
Temporary Personnel		12,044	
Social Security		7,086	
Pensions		7,082	
Medical Insurance		9,519	
Dental Insurance		774	
Unemployment Compensation		292	
Communication		1,570	
Maintenance Agreements		587	
Office Supplies		229	
In Service/Staff Development		525	
Total Judicial Commissioners			119,069

Probation Services

Supervisor/Director	\$	40,968	
Deputy(ies)		32,939	
Probation Officer(s)		70,326	
Clerical Personnel		23,308	
Part-time Personnel		30,463	
Social Security		13,825	
Pensions		11,131	
Medical Insurance		15,664	
Dental Insurance		860	
Unemployment Compensation		547	
Communication		2,427	
Maintenance Agreements		1,008	
Maintenance and Repair Services - Vehicles		875	
Printing, Stationery, and Forms		452	
Travel		2,408	
Gasoline		177	
Office Supplies		3,160	
Uniforms		601	
Other Supplies and Materials		3,435	
Furniture and Fixtures		298	
Total Probation Services			254,872

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	83,945	
Deputy(ies)		1,426,658	
Salary Supplements		25,800	
Secretary(ies)		43,571	
Clerical Personnel		56,040	
Overtime Pay		68,490	
Other Salaries and Wages		72,845	
Social Security		138,162	
Pensions		139,216	
Medical Insurance		203,807	
Dental Insurance		10,743	
Unemployment Compensation		3,143	
Communication		28,357	
Dues and Memberships		5,688	
Evaluation and Testing		400	
Maintenance Agreements		21,216	
Maintenance and Repair Services - Equipment		483	
Maintenance and Repair Services - Vehicles		79,843	
Printing, Stationery, and Forms		207	
Travel		200	
Gasoline		132,106	
Law Enforcement Supplies		1,901	
Office Supplies		6,456	
Uniforms		12,183	
Data Processing Equipment		749	
Total Sheriff's Department			\$ 2,562,209

Traffic Control

Contracts with Other Public Agencies	\$	9,175	
Road Signs		5,011	
Total Traffic Control			14,186

Administration of the Sexual Offender Registry

Law Enforcement Supplies	\$	820	
Total Administration of the Sexual Offender Registry			820

Jail

Deputy(ies)	\$	258,521	
Guards		1,270,846	
Clerical Personnel		71,050	
Attendants		14,498	
Cafeteria Personnel		55,045	
Overtime Pay		90,793	
Bonus Payments		29,603	
Other Salaries and Wages		81,509	
Social Security		140,265	
Pensions		76,880	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Medical Insurance	\$	254,800	
Dental Insurance		13,236	
Unemployment Compensation		6,710	
Communication		26,115	
Contracts with Private Agencies		150	
Evaluation and Testing		6,900	
Maintenance Agreements		20,083	
Maintenance and Repair Services - Equipment		1,167	
Medical and Dental Services		237,737	
Transportation - Other than Students		3,064	
Travel		6,134	
Other Contracted Services		461,174	
Custodial Supplies		45,527	
Electricity		152,138	
Food Supplies		358,385	
Law Enforcement Supplies		11,484	
Natural Gas		31,052	
Office Supplies		8,409	
Prisoners Clothing		15,786	
Uniforms		6,447	
Water and Sewer		84,463	
Liability Claims		25,000	
Law Enforcement Equipment		176	
Total Jail			\$ 3,865,147

Workhouse

Guards	\$	156,127	
Overtime Pay		26,254	
Other Salaries and Wages		10,814	
Social Security		14,489	
Pensions		9,341	
Medical Insurance		35,327	
Dental Insurance		1,805	
Unemployment Compensation		537	
Evaluation and Testing		600	
Maintenance and Repair Services - Equipment		624	
Custodial Supplies		55	
Electricity		22,557	
Law Enforcement Supplies		365	
Natural Gas		3,429	
Office Supplies		904	
Prisoners Clothing		912	
Water and Sewer		11,217	
Total Workhouse			295,357

Juvenile Services

Supervisor/Director	\$	43,551	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Juvenile Services (Cont.)

Youth Service Officer(s)	\$	161,097	
Salary Supplements		9,000	
Other Salaries and Wages		7,800	
In-service Training		700	
Social Security		16,521	
Pensions		17,224	
Medical Insurance		28,316	
Dental Insurance		1,547	
Unemployment Compensation		420	
Communication		2,378	
Contracts with Government Agencies		35,164	
Maintenance Agreements		1,463	
Travel		3,969	
Office Supplies		2,783	
Other Supplies and Materials		2,710	
Data Processing Equipment		1,760	
Total Juvenile Services			\$ 336,403

Rural Fire Protection

Contributions	\$	260,000	
Total Rural Fire Protection			260,000

Civil Defense

Supervisor/Director	\$	42,283	
Deputy(ies)		33,927	
Social Security		4,981	
Pensions		6,691	
Medical Insurance		9,399	
Dental Insurance		516	
Unemployment Compensation		136	
Communication		5,400	
Dues and Memberships		190	
Maintenance and Repair Services - Vehicles		914	
Travel		2,697	
Food Supplies		568	
Gasoline		2,913	
Office Supplies		3,277	
Uniforms		838	
Other Supplies and Materials		5,556	
In Service/Staff Development		183	
Other Charges		250	
Total Civil Defense			120,719

Rescue Squad

Contributions	\$	17,000	
Total Rescue Squad			17,000

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

County Coroner/Medical Examiner

Medical and Dental Services	\$	79,360	
Pauper Burials		640	
Total County Coroner/Medical Examiner			\$ 80,000

Other Public Safety

Supervisor/Director	\$	45,983	
Salary Supplements		25,987	
Dispatchers/Radio Operators		481,179	
Educational Assistants		40,061	
Overtime Pay		20,779	
Other Salaries and Wages		20,027	
Social Security		46,545	
Pensions		44,094	
Medical Insurance		87,305	
Dental Insurance		4,427	
Unemployment Compensation		1,326	
Total Other Public Safety			817,713

Public Health and Welfare

Local Health Center

Medical Personnel	\$	105,093	
Clerical Personnel		152,160	
Educational Assistants		101,381	
Social Security		26,984	
Pensions		25,986	
Medical Insurance		51,723	
Dental Insurance		2,235	
Unemployment Compensation		1,087	
Communication		9,095	
Contributions		39,393	
Maintenance and Repair Services - Buildings		4,276	
Travel		15,964	
Drugs and Medical Supplies		72	
Office Supplies		105	
Utilities		8,015	
Other Supplies and Materials		1,648	
In Service/Staff Development		200	
Other Charges		31,023	
Total Local Health Center			576,440

Rabies and Animal Control

Supervisor/Director	\$	33,334	
Deputy(ies)		24,688	
Overtime Pay		2,486	
Social Security		4,622	
Pensions		3,470	
Medical Insurance		7,169	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Dental Insurance	\$	516	
Unemployment Compensation		136	
Communication		1,867	
Maintenance and Repair Services - Buildings		385	
Maintenance and Repair Services - Vehicles		3,063	
Veterinary Services		1,108	
Animal Food and Supplies		412	
Custodial Supplies		163	
Drugs and Medical Supplies		82	
Gasoline		3,914	
Office Supplies		1,377	
Uniforms		354	
Utilities		1,457	
Total Rabies and Animal Control			\$ 90,603

Alcohol and Drug Programs

Other Supplies and Materials	\$	2,000	
Total Alcohol and Drug Programs			2,000

Appropriation to State

Contributions	\$	82,378	
Total Appropriation to State			82,378

General Welfare Assistance

Contributions	\$	8,846	
Total General Welfare Assistance			8,846

Other Waste Disposal

Disposal Fees	\$	60,817	
Total Other Waste Disposal			60,817

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	59,478	
Tax Relief Program		138,865	
Total Senior Citizens Assistance			198,343

Libraries

Librarians	\$	512,967	
Social Security		37,547	
Pensions		28,312	
Medical Insurance		67,756	
Dental Insurance		3,352	
Unemployment Compensation		1,930	
Communication		6,570	
Data Processing Services		1,022	
Dues and Memberships		709	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries (Cont.)

Janitorial Services	\$	13,282	
Maintenance Agreements		43,855	
Maintenance and Repair Services - Equipment		2,028	
Printing, Stationery, and Forms		481	
Travel		838	
Other Contracted Services		6,462	
Riprap		23,200	
Library Books/Media		74,554	
Office Supplies		11,908	
Periodicals		2,057	
Utilities		38,971	
Other Supplies and Materials		9,742	
Office Equipment		9,776	
Total Libraries			\$ 897,319

Other Social, Cultural, and Recreational

Librarians	\$	1,215	
Social Security		89	
Pensions		43	
Unemployment Compensation		3	
Riprap		29	
Library Books/Media		122	
Other Supplies and Materials		3,552	
Office Equipment		8,894	
Total Other Social, Cultural, and Recreational			13,947

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	84,546	
Secretary(ies)		43,516	
Social Security		905	
Pensions		1,039	
Unemployment Compensation		72	
Other Fringe Benefits		31,306	
Communication		872	
Contracts with Private Agencies		45,825	
Travel		600	
Utilities		1,951	
Total Agricultural Extension Service			210,632

Soil Conservation

Secretary(ies)	\$	34,945	
Other Salaries and Wages		27,586	
Social Security		4,155	
Pensions		5,490	
Medical Insurance		11,742	
Dental Insurance		516	

(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Soil Conservation (Cont.)

Unemployment Compensation	\$	135	
Contributions		2,000	
Total Soil Conservation			\$ 86,569

Other Operations

Industrial Development

Contributions	\$	250,672	
Total Industrial Development			250,672

Veterans' Services

Clerical Personnel	\$	7,540	
Social Security		577	
Unemployment Compensation		60	
Communication		850	
Travel		377	
Data Processing Supplies		340	
Electricity		1,081	
Natural Gas		742	
Office Supplies		345	
Water and Sewer		301	
Total Veterans' Services			12,213

Other Charges

Contributions	\$	6,210	
Other Contracted Services		13,770	
Electricity		60,000	
Judgments		100,000	
Liability Insurance		308,811	
Premiums on Corporate Surety Bonds		1,045	
Trustee's Commission		247,952	
Workers' Compensation Insurance		287,611	
Liability Claims		191	
Loss from Joint Venture		113,001	
Other Charges		23,851	
Total Other Charges			1,162,442

Payments to Cities

Contributions	\$	28,500	
Total Payments to Cities			28,500

Miscellaneous

Instructional Supplies and Materials	\$	17,694	
Total Miscellaneous			17,694

Principal on Debt

General Government

Principal on Other Loans	\$	350,000	
Total General Government			350,000

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Interest on Debt

General Government

Interest on Other Loans	\$ 4,375	
Total General Government		\$ 4,375

Total General Fund \$ 18,082,478

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$ 49,017	
Secretary(ies)	34,945	
Part-time Personnel	5,397	
Overtime Pay	1,258	
In-service Training	75	
Social Security	6,808	
Pensions	7,482	
Medical Insurance	11,742	
Dental Insurance	516	
Unemployment Compensation	144	
Communication	2,757	
Maintenance and Repair Services - Buildings	2,660	
Postal Charges	926	
Travel	89	
Custodial Supplies	268	
Utilities	7,289	
Other Supplies and Materials	2,728	
Trustee's Commission	22,740	
Other Charges	10,798	
Total Sanitation Management		\$ 167,639

Waste Pickup

Truck Drivers	\$ 115,907
Guards	25,037
Overtime Pay	12,628
Social Security	11,108
Pensions	7,417
Medical Insurance	25,644
Dental Insurance	1,032
Unemployment Compensation	330
Contracts with Government Agencies	22,460
Contracts with Private Agencies	416,981
Maintenance and Repair Services - Equipment	155
Maintenance and Repair Services - Vehicles	17,497
Medical and Dental Services	100
Diesel Fuel	41,400
Garage Supplies	2,498
Gasoline	4,908
Tires and Tubes	7,913

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Waste Pickup (Cont.)

Uniforms	\$	2,330	
Other Supplies and Materials		2,407	
Vehicle and Equipment Insurance		10,969	
Motor Vehicles		238,792	
Total Waste Pickup			\$ 967,513

Convenience Centers

Attendants	\$	153,994	
Overtime Pay		5,418	
Other Salaries and Wages		19,180	
Social Security		12,969	
Pensions		5,957	
Medical Insurance		40,076	
Dental Insurance		2,622	
Unemployment Compensation		974	
Communication		5,272	
Maintenance and Repair Services - Buildings		2,376	
Maintenance and Repair Services - Equipment		26,908	
Rentals		7,560	
Electricity		8,521	
Total Convenience Centers			291,827

Other Waste Collection

Supervisor/Director	\$	14,001	
Secretary(ies)		8,653	
Attendants		2,894	
Overtime Pay		1,024	
Social Security		1,980	
Pensions		2,079	
Unemployment Compensation		28	
Contracts with Government Agencies		1,661	
Contracts with Private Agencies		67,604	
Contracts with Vehicle Owners		1,036	
Maintenance and Repair Services - Equipment		130	
Office Supplies		589	
Other Equipment		28,554	
Total Other Waste Collection			130,233

Other Operations

Other Charges

Workers' Compensation Insurance	\$	28,165	
Total Other Charges			28,165

Total Solid Waste/Sanitation Fund \$ 1,585,377

(Continued)

Exhibit K-7

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

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Assistant(s)	\$	49,041	
Supervisor/Director		61,506	
Accountants/Bookkeepers		26,960	
Medical Personnel		782,172	
Overtime Pay		501,764	
In-service Training		5,637	
Social Security		104,959	
Pensions		85,154	
Medical Insurance		157,442	
Dental Insurance		7,072	
Unemployment Compensation		2,595	
Communication		15,772	
Consultants		3,000	
Dues and Memberships		360	
Operating Lease Payments		2,071	
Licenses		3,535	
Maintenance Agreements		9,349	
Maintenance and Repair Services - Equipment		13,061	
Maintenance and Repair Services - Vehicles		50,780	
Travel		475	
Other Contracted Services		2,640	
Custodial Supplies		2,214	
Drugs and Medical Supplies		74,426	
Gasoline		34,714	
Office Supplies		4,495	
Tires and Tubes		6,266	
Uniforms		12,443	
Utilities		27,292	
Other Supplies and Materials		2,564	
Liability Insurance		9,020	
Trustee's Commission		28,453	
Vehicle and Equipment Insurance		13,035	
Communication Equipment		3,289	
Data Processing Equipment		3,680	
Furniture and Fixtures		1,614	
Motor Vehicles		96,126	
Total Ambulance/Emergency Medical Services			\$ 2,204,976

Total Ambulance Service Fund \$ 2,204,976

Local Purpose Tax Fund

Other Operations

Industrial Development

Contracts with Government Agencies	\$	75,000	
Other Contracted Services		93,320	
Utilities		745	
Trustee's Commission		4,086	
Total Industrial Development			\$ 173,151

Total Local Purpose Tax Fund 173,151

(Continued)

Exhibit K-7

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

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	91	
Confidential Drug Enforcement Payments		15,000	
Maintenance Agreements		2,500	
Maintenance and Repair Services - Office Equipment		330	
Maintenance and Repair Services - Vehicles		234	
Travel		4,704	
Tuition		1,550	
Veterinary Services		544	
Animal Food and Supplies		285	
Instructional Supplies and Materials		3,434	
Law Enforcement Supplies		6,795	
Office Supplies		22	
Trustee's Commission		221	
Communication Equipment		3,820	
Data Processing Equipment		1,984	
Law Enforcement Equipment		50,276	
Motor Vehicles		74,793	
Office Equipment		443	
Other Equipment		18,420	
Total Drug Enforcement			\$ 185,446

Total Drug Control Fund

\$ 185,446

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	83,945	
Assistant(s)		50,202	
Supervisor/Director		33,666	
Secretary(ies)		33,666	
Board and Committee Members Fees		6,300	
Social Security		15,895	
Pensions		14,516	
Life Insurance		1,333	
Medical Insurance		26,677	
Dental Insurance		774	
Unemployment Compensation		702	
Accounting Services		12,000	
Dues and Memberships		3,580	
Engineering Services		22,245	
Evaluation and Testing		405	
Maintenance and Repair Services - Office Equipment		46	
Travel		330	
Other Contracted Services		649	
Drugs and Medical Supplies		26	
Office Supplies		874	
Other Charges		1,572	
Total Administration			\$ 309,403

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Equipment Operators	\$	403,079	
Social Security		30,836	
Pensions		24,758	
Life Insurance		4,834	
Medical Insurance		132,193	
Dental Insurance		3,175	
Unemployment Compensation		4,596	
Other Contracted Services		32,300	
Asphalt - Cold Mix		13,091	
Asphalt - Hot Mix		109	
Asphalt - Liquid		185,986	
Concrete		400	
Crushed Stone		79,392	
Pipe - Concrete		3,938	
Road Signs		4,986	
Salt		8,970	
Other Supplies and Materials		8,909	
Total Highway and Bridge Maintenance			\$ 941,552

Operation and Maintenance of Equipment

Mechanic(s)	\$	99,476	
Social Security		7,610	
Pensions		8,734	
Life Insurance		667	
Medical Insurance		21,179	
Dental Insurance		774	
Unemployment Compensation		468	
Laundry Service		3,260	
Towing Services		500	
Diesel Fuel		23,018	
Equipment and Machinery Parts		109,804	
Garage Supplies		1,971	
Gasoline		14,373	
Lubricants		8,251	
Tires and Tubes		11,571	
Other Supplies and Materials		3,423	
Total Operation and Maintenance of Equipment			315,079

Other Charges

Communication	\$	4,196	
Electricity		4,975	
Natural Gas		2,186	
Water and Sewer		607	
Liability Insurance		44,181	
Trustee's Commission		20,544	
Workers' Compensation Insurance		97,827	
Other Charges		42	
Total Other Charges			174,558

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Highway Equipment	\$ 138,612	
Total Capital Outlay		\$ 138,612

Principal on Debt

Highways and Streets

Principal on Notes	\$ 85,000	
Total Highways and Streets		85,000

Interest on Debt

Highways and Streets

Interest on Notes	\$ 4,485	
Total Highways and Streets		<u>4,485</u>

Total Highway/Public Works Fund		\$ 1,968,689
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General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$ 634,134	
Principal on Notes	90,000	
Principal on Other Loans	420,000	
Total General Government		\$ 1,144,134

Interest on Debt

General Government

Interest on Bonds	\$ 718,233	
Interest on Notes	6,430	
Interest on Other Loans	113,273	
Total General Government		837,936

Other Debt Service

General Government

Fiscal Agent Charges	\$ 4,206	
Trustee's Commission	32,355	
Underwriter's Discount	26,244	
Other Debt Issuance Charges	51,435	
Total General Government		<u>114,240</u>

Total General Debt Service Fund		2,096,310
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Rural Debt Service Fund

Principal on Debt

Education

Principal on Bonds	\$ 275,000	
Principal on Notes	70,000	
Principal on Other Loans	740,310	
Total Education		\$ 1,085,310

(Continued)

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

Rural Debt Service Fund (Cont.)

Interest on Debt

Education

Interest on Bonds	\$ 2,162,282	
Interest on Notes	4,628	
Interest on Other Loans	437,584	
Total Education		\$ 2,604,494

Other Debt Service

Education

Fiscal Agent Charges	\$ 6,727	
Trustee's Commission	48,527	
Total Education		55,254

Total Rural Debt Service Fund

\$ 3,745,058

General Capital Projects Fund

Capital Projects

General Administration Projects

Trustee's Commission	\$ 10,244	
Building Improvements	100,000	
Data Processing Equipment	14,994	
Heating and Air Conditioning Equipment	19,074	
Total General Administration Projects		\$ 144,312

Public Safety Projects

Contracts with Private Agencies	\$ 140,675	
Maintenance Agreements	2,980	
Data Processing Equipment	82,872	
Furniture and Fixtures	18,080	
Law Enforcement Equipment	2,390	
Motor Vehicles	56,396	
Total Public Safety Projects		303,393

Public Health and Welfare Projects

Contributions	\$ 39,000	
Other Supplies and Materials	4,692	
Health Equipment	63,168	
Total Public Health and Welfare Projects		106,860

Social, Cultural, and Recreation Projects

Building Improvements	\$ 1,272	
Total Social, Cultural, and Recreation Projects		1,272

Other General Government Projects

Data Processing Services	\$ 399	
Other Equipment	12,500	
Total Other General Government Projects		12,899

(Continued)

Exhibit K-7

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

<u>General Capital Projects Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Education Capital Projects</u>		
Transportation Equipment	\$ 378,400	
Total Education Capital Projects		\$ 378,400
Total General Capital Projects Fund		\$ 947,136
<u>Education Capital Projects Fund</u>		
<u>Interest on Debt</u>		
<u>Education</u>		
Underwriter's Discount	\$ 48,241	
Other Debt Issuance Charges	95,489	
Total Education		\$ 143,730
<u>Capital Projects - Donated</u>		
<u>Capital Projects Donated to School Department</u>		
Contributions	\$ 2,936,164	
Total Capital Projects Donated to School Department		2,936,164
Total Education Capital Projects Fund		<u>3,079,894</u>
Total Governmental Funds - Primary Government		<u>\$ 34,068,515</u>

Exhibit K-8

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

General Purpose School Fund

Other Operations

Miscellaneous

Contributions	\$ 200,000	
Total Miscellaneous		\$ 200,000

Instruction

Regular Instruction Program

Teachers	\$ 9,975,848	
Career Ladder Program	57,090	
Homebound Teachers	15,407	
Educational Assistants	286,719	
Other Salaries and Wages	20,714	
Certified Substitute Teachers	34,937	
Non-certified Substitute Teachers	112,602	
Social Security	614,449	
Pensions	926,614	
Life Insurance	26,322	
Medical Insurance	1,901,336	
Dental Insurance	81,245	
Employer Medicare	144,456	
Instructional Supplies and Materials	155,469	
Textbooks	304,686	
Other Charges	37,007	
Regular Instruction Equipment	37,393	
Total Regular Instruction Program		14,732,294

Alternative Instruction Program

Other Charges	\$ 5,028	
Total Alternative Instruction Program		5,028

Special Education Program

Teachers	\$ 1,804,268
Career Ladder Program	11,525
Homebound Teachers	7,276
Educational Assistants	242,556
Speech Pathologist	141,846
Other Salaries and Wages	103,976
Certified Substitute Teachers	1,560
Non-certified Substitute Teachers	19,280
Social Security	135,832
Pensions	206,878
Life Insurance	6,223
Medical Insurance	440,648
Dental Insurance	29,057
Employer Medicare	31,791
Maintenance and Repair Services - Equipment	2,008
Other Contracted Services	123,683
Instructional Supplies and Materials	13,851

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Other Supplies and Materials	\$	12,075	
Other Charges		402	
Total Special Education Program			\$ 3,334,735

Vocational Education Program

Teachers	\$	912,924	
Career Ladder Program		5,000	
Certified Substitute Teachers		3,715	
Non-certified Substitute Teachers		15,763	
Social Security		55,604	
Pensions		81,686	
Life Insurance		2,129	
Medical Insurance		151,536	
Dental Insurance		6,249	
Employer Medicare		13,057	
Other Contracted Services		7,654	
Instructional Supplies and Materials		22,928	
Other Charges		900	
Building Construction		9,690	
Building Improvements		2,937	
Vocational Instruction Equipment		12,513	
Total Vocational Education Program			1,304,285

Student Body Education Program

Other Salaries and Wages	\$	46,807	
Social Security		2,766	
Pensions		3,950	
Employer Medicare		565	
Other Charges		13,461	
Total Student Body Education Program			67,549

Support Services

Attendance

Supervisor/Director	\$	64,943	
Career Ladder Program		1,000	
Clerical Personnel		29,995	
Other Salaries and Wages		157	
Social Security		5,824	
Pensions		8,595	
Life Insurance		199	
Medical Insurance		13,097	
Dental Insurance		661	
Employer Medicare		1,362	
Travel		1,408	
Other Contracted Services		16,537	
Other Supplies and Materials		1,270	
Attendance Equipment		3,051	
Total Attendance			148,099

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

Supervisor/Director	\$	111,045	
Medical Personnel		371,105	
Other Salaries and Wages		28,372	
Social Security		28,844	
Pensions		44,155	
Life Insurance		1,251	
Medical Insurance		100,672	
Dental Insurance		4,019	
Employer Medicare		6,922	
Travel		4,695	
Other Supplies and Materials		16,724	
In Service/Staff Development		6,426	
Other Charges		11,304	
Total Health Services			\$ 735,534

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		591,982	
Psychological Personnel		24,599	
Secretary(ies)		54,538	
Other Salaries and Wages		500	
Social Security		39,809	
Pensions		60,848	
Life Insurance		1,541	
Medical Insurance		112,374	
Dental Insurance		5,113	
Employer Medicare		9,311	
Evaluation and Testing		23,149	
Travel		1,032	
Other Contracted Services		2,692	
Total Other Student Support			930,488

Regular Instruction Program

Supervisor/Director	\$	308,132	
Career Ladder Program		7,000	
Librarians		441,473	
Instructional Computer Personnel		62,761	
Secretary(ies)		67,796	
Other Salaries and Wages		110,869	
Social Security		57,998	
Pensions		89,614	
Life Insurance		2,021	
Medical Insurance		176,417	
Dental Insurance		6,452	
Employer Medicare		13,564	
Maintenance and Repair Services - Equipment		39,588	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Travel	\$	19,219	
Other Contracted Services		118,647	
Library Books/Media		24,815	
Other Supplies and Materials		27,802	
In Service/Staff Development		7,068	
Other Charges		3,643	
Regular Instruction Equipment		192,921	
Total Regular Instruction Program			\$ 1,777,800

Special Education Program

Supervisor/Director	\$	66,486	
Career Ladder Program		1,000	
Psychological Personnel		130,360	
Secretary(ies)		19,548	
Other Salaries and Wages		1,983	
Social Security		12,372	
Pensions		19,768	
Life Insurance		439	
Medical Insurance		35,819	
Dental Insurance		1,498	
Employer Medicare		2,894	
Communication		3,571	
Maintenance and Repair Services - Equipment		3,398	
Travel		6,470	
Other Supplies and Materials		1,422	
In Service/Staff Development		10,655	
Other Charges		535	
Total Special Education Program			318,218

Vocational Education Program

Supervisor/Director	\$	56,493	
Social Security		3,503	
Pensions		5,107	
Life Insurance		99	
Medical Insurance		2,328	
Employer Medicare		819	
Communication		399	
Travel		1,552	
Other Charges		103	
Total Vocational Education Program			70,403

Other Programs

On-behalf Payments to OPEB	\$	234,032	
Total Other Programs			234,032

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education

Secretary to Board	\$	796	
Board and Committee Members Fees		11,350	
Social Security		528	
Pensions		64	
Life Insurance		1,830	
Medical Insurance		205,495	
Unemployment Compensation		19,138	
Employer Medicare		175	
Audit Services		5,100	
Dues and Memberships		6,965	
Legal Services		30,087	
Travel		6,318	
Liability Insurance		274,213	
Trustee's Commission		267,059	
Workers' Compensation Insurance		211,388	
In Service/Staff Development		9,909	
Other Charges		272,437	
Total Board of Education			\$ 1,322,852

Director of Schools

County Official/Administrative Officer	\$	115,601	
Career Ladder Program		1,000	
Secretary(ies)		31,595	
Clerical Personnel		25,495	
Social Security		10,606	
Pensions		15,623	
Life Insurance		274	
Medical Insurance		14,625	
Dental Insurance		789	
Employer Medicare		2,540	
Communication		13,067	
Dues and Memberships		3,213	
Maintenance and Repair Services - Equipment		13,144	
Postal Charges		2,132	
Travel		7,048	
Office Supplies		5,214	
In Service/Staff Development		1,068	
Total Director of Schools			263,034

Office of the Principal

Principals	\$	701,205	
Career Ladder Program		6,000	
Accountants/Bookkeepers		79,282	
Assistant Principals		758,770	
Secretary(ies)		301,124	
Social Security		107,747	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Pensions	\$	165,888	
Life Insurance		4,002	
Medical Insurance		332,405	
Dental Insurance		12,450	
Employer Medicare		25,200	
Communication		52,616	
Travel		3,449	
Office Supplies		4,650	
Other Charges		4,281	
Total Office of the Principal			\$ 2,559,069

Fiscal Services

Supervisor/Director	\$	64,143	
Accountants/Bookkeepers		146,355	
Social Security		12,711	
Pensions		17,751	
Life Insurance		495	
Medical Insurance		34,028	
Dental Insurance		1,625	
Employer Medicare		2,973	
Travel		904	
Other Contracted Services		22,906	
Other Supplies and Materials		1,545	
In Service/Staff Development		1,009	
Total Fiscal Services			306,445

Operation of Plant

Custodial Personnel	\$	590,887	
Social Security		34,536	
Pensions		48,363	
Life Insurance		2,319	
Medical Insurance		169,956	
Dental Insurance		8,578	
Employer Medicare		8,264	
Laundry Service		8,212	
Electricity		1,195,589	
Natural Gas		55,964	
Water and Sewer		100,182	
Other Supplies and Materials		103,121	
Total Operation of Plant			2,325,971

Maintenance of Plant

Supervisor/Director	\$	46,284	
Maintenance Personnel		242,166	
Other Salaries and Wages		19,633	
Social Security		18,521	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Pensions	\$	27,223	
Life Insurance		861	
Medical Insurance		50,867	
Dental Insurance		2,305	
Employer Medicare		4,332	
Communication		3,065	
Maintenance and Repair Services - Equipment		18,876	
Travel		1,951	
Other Supplies and Materials		159,630	
In Service/Staff Development		200	
Maintenance Equipment		48,776	
Total Maintenance of Plant			\$ 644,690

Transportation

Supervisor/Director	\$	62,132	
Mechanic(s)		122,579	
Bus Drivers		782,725	
Clerical Personnel		28,231	
Other Salaries and Wages		5,704	
Social Security		58,312	
Pensions		85,448	
Life Insurance		6,000	
Medical Insurance		438,342	
Dental Insurance		19,872	
Employer Medicare		13,637	
Communication		1,883	
Laundry Service		9,626	
Travel		1,464	
Other Contracted Services		8,666	
Diesel Fuel		138,237	
Gasoline		13,313	
Office Supplies		549	
Tires and Tubes		29,912	
Vehicle Parts		137,488	
Other Supplies and Materials		51	
In Service/Staff Development		960	
Other Charges		12,410	
Administration Equipment		2,353	
Total Transportation			1,979,894

Operation of Non-instructional Services

Community Services

Other Salaries and Wages	\$	298,894	
Social Security		18,029	
Pensions		9,115	
Life Insurance		239	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Community Services (Cont.)

Medical Insurance	\$	15,651	
Dental Insurance		352	
Employer Medicare		4,217	
Communication		1,907	
Printing, Stationery, and Forms		1,577	
Rentals		3,650	
Travel		14,658	
Other Contracted Services		10,952	
Food Supplies		689	
Other Supplies and Materials		38,328	
In Service/Staff Development		125	
Other Charges		16,458	
Total Community Services			\$ 434,841

Early Childhood Education

Teachers	\$	333,569	
Career Ladder Program		1,000	
Educational Assistants		100,766	
Other Salaries and Wages		18,114	
Certified Substitute Teachers		60	
Non-certified Substitute Teachers		5,958	
Social Security		26,343	
Pensions		40,582	
Life Insurance		1,396	
Medical Insurance		117,750	
Dental Insurance		4,925	
Employer Medicare		6,162	
Communication		1,061	
Travel		87	
Instructional Supplies and Materials		3,251	
Other Supplies and Materials		2,148	
In Service/Staff Development		300	
Other Equipment		2,653	
Total Early Childhood Education			666,125

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	96,400	
Other Capital Outlay		187,730	
Total Regular Capital Outlay			284,130

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	71,426	
Total Education			71,426

Total General Purpose School Fund \$ 34,716,942

(Continued)

Exhibit K-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	661,045	
Other Salaries and Wages		13,870	
Certified Substitute Teachers		2,518	
Non-certified Substitute Teachers		8,622	
Social Security		40,898	
Pensions		60,998	
Life Insurance		1,357	
Medical Insurance		102,817	
Employer Medicare		9,589	
Instructional Supplies and Materials		16,140	
Regular Instruction Equipment		12,938	
Total Regular Instruction Program			\$ 930,792

Special Education Program

Teachers	\$	39,464	
Educational Assistants		439,642	
Other Salaries and Wages		20,104	
Certified Substitute Teachers		660	
Non-certified Substitute Teachers		11,194	
Social Security		28,563	
Pensions		42,787	
Life Insurance		2,914	
Medical Insurance		238,731	
Dental Insurance		287	
Employer Medicare		6,704	
Instructional Supplies and Materials		4,779	
Textbooks		2,240	
Other Supplies and Materials		270	
Other Charges		332	
Special Education Equipment		1,597	
Total Special Education Program			840,268

Vocational Education Program

Maintenance and Repair Services - Equipment	\$	4,581	
Instructional Supplies and Materials		5,588	
Other Charges		250	
Vocational Instruction Equipment		54,049	
Total Vocational Education Program			64,468

Support Services

Other Student Support

Other Salaries and Wages	\$	89,726	
Social Security		5,497	
Pensions		8,111	
Life Insurance		94	
Medical Insurance		11,631	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Employer Medicare	\$	1,286	
Evaluation and Testing		8,889	
Travel		18,974	
Other Contracted Services		500	
Other Supplies and Materials		11,059	
In Service/Staff Development		3,885	
Other Charges		1,029	
Total Other Student Support			\$ 160,681

Regular Instruction Program

Supervisor/Director	\$	34,723	
Secretary(ies)		23,409	
Social Security		3,541	
Pensions		5,194	
Life Insurance		29	
Medical Insurance		8,554	
Employer Medicare		828	
Travel		417	
Other Supplies and Materials		3,576	
In Service/Staff Development		37,672	
Other Equipment		1,193	
Total Regular Instruction Program			119,136

Special Education Program

Secretary(ies)	\$	19,198	
Social Security		1,108	
Pensions		1,713	
Medical Insurance		5,234	
Employer Medicare		259	
Travel		57	
Other Supplies and Materials		3,761	
In Service/Staff Development		6,696	
Other Equipment		5,374	
Total Special Education Program			43,400

Vocational Education Program

Other Supplies and Materials	\$	157	
In Service/Staff Development		4,220	
Total Vocational Education Program			4,377

Total School Federal Projects Fund \$ 2,163,122

Central Cafeteria Fund

Operation of Non-instructional Services

<u>Food Service</u>			
Supervisor/Director	\$	68,483	

(Continued)

Exhibit K-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Food Service (Cont.)

Accountants/Bookkeepers	\$	29,051	
Cafeteria Personnel		709,477	
Other Salaries and Wages		4,407	
Social Security		46,734	
Pensions		62,469	
Life Insurance		3,361	
Medical Insurance		270,772	
Dental Insurance		12,176	
Employer Medicare		10,930	
Communication		1,317	
Maintenance and Repair Services - Equipment		11,887	
Travel		8,277	
Other Contracted Services		13,748	
Food Preparation Supplies		88,034	
Food Supplies		1,011,482	
Office Supplies		5,479	
USDA - Commodities		146,808	
Other Supplies and Materials		661	
In Service/Staff Development		8,154	
Other Charges		5,226	
Administration Equipment		956	
Food Service Equipment		55,293	
Total Food Service			\$ 2,575,182
Total Central Cafeteria Fund			\$ 2,575,182

Education Capital Projects Fund

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	2,527,131	
Total Regular Capital Outlay			\$ 2,527,131
Total Education Capital Projects Fund			2,527,131

Other Capital Projects Fund

Capital Projects

Education Capital Projects

Engineering Services	\$	10,800	
Building Improvements		972,114	
Total Education Capital Projects			\$ 982,914
Total Other Capital Projects Fund			982,914

Total Governmental Funds - Coffee County School Department \$ 42,965,291

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2016

	Enterprise Fund
	Wayside Acres Sewer Fund
<hr/>	
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Water Treatment Charges	\$ 17,497
Other General Service Charges	18,975
Total Operating Revenues	<u>\$ 36,472</u>
<u>Nonoperating Revenues</u>	
Contributions	\$ 39,000
Total Nonoperating Revenues	<u>\$ 39,000</u>
Total Revenues	<u><u>\$ 75,472</u></u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Public Health and Welfare</u>	
Communication	\$ 644
Dues and Memberships	550
Engineering Services	4,569
Permits	370
Other Contracted Services	16,082
Electricity	3,272
Water and Sewer	84
Other Supplies and Materials	3,795
Depreciation	26,951
Total Operating Expenses	<u>\$ 56,317</u>
<u>Nonoperating Expenses</u>	
Interest on Other Loans	\$ 11,996
Total Nonoperating Expenses	<u>\$ 11,996</u>
Total Expenses	<u><u>\$ 68,313</u></u>

Exhibit K-10

Coffee County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2016

	Cities - Sales Tax Fund	City School ADA- Tullahoma Fund	City School ADA- Manchester Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 5,649,447	\$ 2,326,772	\$ 7,976,219
Trustee's Collections - Prior Years	0	194,232	79,996	274,228
Trustee's Collections - Bankruptcy	0	1,512	621	2,133
Circuit/Clerk and Master Collections - Prior Years	0	96,227	39,620	135,847
Interest and Penalty	0	64,817	26,691	91,508
Payments in-Lieu-of Taxes - TVA	0	362	149	511
Payments in-Lieu-of Taxes - Local Utilities	0	6,328	2,606	8,934
Payments in-Lieu-of Taxes - Other	0	3,492	1,438	4,930
Local Option Sales Tax	15,653,675	0	0	15,653,675
Mixed Drink Tax	0	0	0	0
Interstate Telecommunications Tax	0	1,611	664	2,275
Marriage Licenses	0	1,489	613	2,102
Alcoholic Beverage Tax	0	2,617	1,078	3,695
Total Cash Receipts	\$ 15,653,675	\$ 6,022,134	\$ 2,480,248	\$ 24,156,057
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 15,497,138	\$ 5,747,094	\$ 2,454,198	\$ 23,698,430
Trustee's Commission	156,537	119,579	49,254	325,370
Total Cash Disbursements	\$ 15,653,675	\$ 5,866,673	\$ 2,503,452	\$ 24,023,800
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 155,461	\$ (23,204)	\$ 132,257
Cash Balance, July 1, 2015	0	11,726	82,966	94,692
Cash Balance, June 30, 2016	\$ 0	\$ 167,187	\$ 59,762	\$ 226,949

SINGLE AUDIT SECTION



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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Coffee County's basic financial statements, and have issued our report thereon dated January 26, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2016-004 and 2016-005.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coffee 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: 2016-001, 2016-002, and 2016-003.

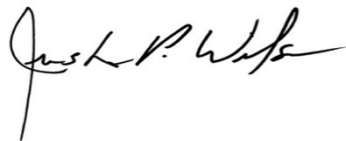
Coffee County's Responses to the Findings

Coffee County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Coffee 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 Coffee 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

January 26, 2017

JPW/sb



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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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**

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Coffee 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 Coffee County's major federal programs for the year ended June 30, 2016. Coffee 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 Coffee 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 Coffee 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 Coffee County's compliance.

Opinion on Each Major Federal Program

In our opinion, Coffee 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 Coffee 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 Coffee 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 Coffee 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.

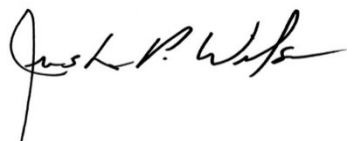
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 Coffee County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Coffee County's basic financial statements. We issued our report thereon dated January 26, 2017, 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

January 26, 2017

JPW/sb

Coffee 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	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 146,808 (4)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	451,274
National School Lunch Program	10.555	N/A	1,186,061 (4) (5)
State Administrative Expenses for Child Nutrition	10.560	N/A	4,459
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	12,000
Total U.S. Department of Agriculture			<u>\$ 1,800,602</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(3)	\$ 8,348
Total U.S. Department of Justice			<u>\$ 8,348</u>
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	N/A	\$ 5,080
Total Institute of Museum and Library Services:			<u>\$ 5,080</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 1,010,900
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	880,853
Special Education - Preschool Grants	84.173	N/A	21,313
Career and Technical Education - Basic Grants to States	84.048	N/A	93,040
Twenty-first Century Community Learning Centers	84.287	N/A	83,067
Rural Education	84.358	N/A	42,237
Improving Teacher Quality State Grants	84.367	N/A	131,815
Passed-through Lincoln County, TN, Board of Education:			
English Language Acquisition Grants	84.365	N/A	5,645
Total U.S. Department of Education			<u>\$ 2,268,870</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Mental Health and Substance Abuse Services:			
Drug-free Communities Support Program Grants	93.276	(3)	\$ 110,049
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(3)	66,766
Passed-through State Department of Human Services:			
Temporary Assistance for Needy Families	93.558	(3)	715
Total U.S. Department of Health and Human Services			<u>\$ 177,530</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(3)	\$ 87,810
Emergency Management Performance Grants	97.042	(3)	35,850
Homeland Security Grant Program	97.067	(3)	13,280
Total U.S. Department of Homeland Security			<u>\$ 136,940</u>
Total Expenditures of Federal Awards			<u>\$ 4,397,370</u>

(Continued)

Coffee 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>			
Voluntary Pre-K for Tennessee - State Department of Education	N/A	(3)	\$ 647,398
Coordinated School Health - State Department of Education	N/A	(3)	83,938
Family Resource Center - State Department of Education	N/A	(3)	58,736
ConnecTenn - State Department of Education	N/A	(3)	11,782
Safe Schools Act - State Department of Education	N/A	(3)	22,240
ThreeStar Grant Program - State Department of Economic and Community Development	N/A	(3)	17,689
Litter Program - State Department of Transportation	N/A	(3)	43,729
Rural Local Health Services - State Department of Health	N/A	GG-16-45629-00	471,732
Public Assistance Program - State Department of Military	N/A	(3)	8,421
Juvenile Justice - State Commission on Children and Youth	N/A	(3)	9,000
Student Ticket Subsidy Grant - State Arts Commission	N/A	(3)	<u>2,479</u>
Total State Grants			<u>\$ 1,377,144</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) Coffee County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Total for CFDA No. 10.555 is \$1,332,869.
- (5) National School Lunch Program - \$1,162,608; Afterschool Snack Program - \$23,453.

Coffee 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 not. Presented below are financial statement findings along with their current status from the Annual Financial Report for Coffee 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 DIRECTOR OF SCHOOLS</u>					
2015	228	2015-001	The General Purpose School Fund required material audit adjustments for proper financial statement presentation	N/A	Corrected
2015	228	2015-002	General ledger payroll liability accounts were not reconciled monthly	N/A	Corrected
2015	229	2015-003	Duties were not segregated adequately in the Office of Director of Schools	N/A	Corrected
<u>OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK</u>					
2015	229	2015-004	Execution docket trial balances were not prepared for circuit, general sessions, and juvenile courts	N/A	Not Corrected - See Explanation on Corrective Action Plan
2015	230	2015-005	The office software did not have adequate application controls	N/A	Corrected
2015	230	2015-006	The office did not review all software audit logs	N/A	Corrected

Prior-year Federal Awards Findings

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

COFFEE 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 Coffee County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

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 Number: 84.010 Title I Grants to Local Education Agencies
 - * 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, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses are paraphrased and presented following each finding and recommendation. The county mayor and the circuit, general sessions, and juvenile courts clerk provided corrective action plans, which are paraphrased and 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 MAYOR

FINDING 2016-001 **THE COFFEE COUNTY ANIMAL SHELTER HAD ACCOUNTING DEFICIENCIES (Noncompliance Under *Government Auditing Standards*)**

We noted the following accounting deficiencies at the Coffee County Animal Shelter, which were the result of a lack of management oversight:

- A. As part of our audit procedures for obtaining reasonable assurance that funds were deposited within three days of collection as required by Section 5-8-207, *Tennessee Code Annotated*, we judgmentally selected 29 receipts to trace to deposits. Our examination revealed that the office did not deposit funds with the county trustee within three days of collection in 27 of the 29 receipts tested. The delay in depositing funds weakens internal controls over collections and increases the risks of fraud and misappropriation.

- B. We reviewed employee time records from July 2015 through May 2016, and noted deficiencies in the allowance of compensatory time plus errors in reporting leave balances. In five of 21 pay periods examined, we noted compensatory time was granted to employees that had not worked 40 hours in the pay period. This allowance violates the county's personnel policy, which states that "no overtime or compensatory time at time and one-half will be earned until the employee has worked more that 40 hours for this work period." Also, in five of the 21 pay periods examined, employee leave balances were not calculated correctly or balances were not carried forward properly to the subsequent time report resulting in leave balance overstatements of approximately 41.5 hours. This deficiency could result in a loss of funds for the county.

RECOMMENDATION

All funds should be deposited within three days of collection as required by state statute. Employee leave should be granted in accordance with provisions of the county's personnel policy, and leave balances should be calculated and reported correctly.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

I concur with the finding.

FINDING 2016-002

**THE COUNTY CONTRIBUTED \$39,000 TO THE
WAYSIDE ACRES SEWER FUND IN VIOLATION OF
STATE STATUTE**

(Noncompliance Under *Government Auditing Standards*)

During the year under examination, Coffee County contributed \$39,000 from the General Capital Projects Fund to fund general operations of the Wayside Acres Sewer Fund. The Wayside Acres Sewer Fund is an enterprise fund, which serves as the operating fund for the sewer system that services the Wayside Acres Subdivision and is overseen by the Water and Wastewater Treatment Authority of Coffee County. Section 7-34-115, *Tennessee Code Annotated*, requires that “municipal utility systems shall be operated on sound business principles as self-sufficient entities.” This statute further requires that “user charges, rates and fees shall reflect the actual cost of providing the services rendered.” During the year, the Wayside Acres Sewer Fund’s expenses exceeded its revenue from operations by \$31,841; therefore, the contribution from the county was necessary to provide cash flow for the enterprise fund.

RECOMMENDATION

Management should develop a plan to establish rates sufficient for the expenses of operating the sewer system as required by state statute.

MANAGEMENT’S RESPONSE – COUNTY MAYOR

I concur with the finding.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 2016-003

**EXECUTION DOCKET TRIAL BALANCES WERE NOT
PREPARED FOR CIRCUIT, GENERAL SESSIONS, AND
JUVENILE COURTS**

(Noncompliance Under *Government Auditing Standards*)

At June 30, 2016, the circuit, general sessions, and juvenile courts clerk presented undisbursed receipt reports for execution docket trial balances as required by Section 18-2-103, *Tennessee Code Annotated (TCA)*. However, these reports did not reconcile with general ledger accounts by significant amounts. The clerk had unidentified balances of \$652,916, \$241,351, and \$52,859, in Circuit, General Sessions, and Juvenile Courts, respectively. Therefore, we were unable to determine if the clerk had complied with provisions of the Unclaimed Property Act, Section 66-29-110, *TCA*. This statute provides that any funds held by the courts for one year and unclaimed by the owner are considered abandoned. Section 66-

29-113, TCA, further requires these funds to be reported and paid to the state Treasurer's Office. This deficiency is the result of management's failure to correct the finding noted in prior-year audit reports.

RECOMMENDATION

Execution docket trial balances should be reconciled with general ledger accounts. Any funds held by the courts for one year and unclaimed by the owner are considered abandoned and should be reported and paid to the state Treasurer's Office in accordance with state statutes.

MANAGEMENT'S RESPONSE – CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

We concur with this finding. The Circuit Court Clerk's Office reconciles the bank statements and general ledger for all three courts every month. Therefore, all monies are always accounted for. In addition, the Circuit Court Clerk's Office has always complied with the Unclaimed Property Act by reporting and paying to the Treasurer's Office all abandoned funds. However, the computer generated Execution Docket (Undisbursed Receipt Report) has not reconciled to General Ledger since the transition to ICON software. This is being corrected by ICON software.

FINDING 2016-004

THE COMPUTER SOFTWARE APPLICATION DID NOT GENERATE A REPORT OF OUTSIDE DIRECT PAYMENTS

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

The courts' computer software application allowed users to generate receipts that did not flow through the accounting records. These receipts are referred to as outside direct payments because these funds are not deposited with the courts but are disbursed directly to the appropriate party. A report detailing these receipts was not available. Because this receipting functionality could be used improperly, a report of these transactions should be available for review by management.

RECOMMENDATION

Management should contact their software vendor concerning the creation of a report that details outside direct payment receipts. Once created, this report should be reviewed by management for inappropriate activity.

MANAGEMENT'S RESPONSE – CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

We concur. The circuit court clerk has contacted its software vendor in an effort to expedite the creation of a report that details outside direct payment receipts. The representative indicated this report would be created. Once created, the circuit court clerk and the office

bookkeeper will review the report daily in an effort to check for inappropriate activity. In the meantime, the circuit court clerk is maintaining a manual log of all outside direct payments.

FINDING 2016-005

THE OFFICE SOFTWARE AUDIT LOG WAS NOT FUNCTIONING CORRECTLY

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

The software application used by the office did not consistently generate a log that displayed changes and deletions made by users. When generated correctly, this log provided the only audit trail of these changes and deletions. Because management had not implemented proper review procedures, they were not aware the audit log was not functioning correctly.

RECOMMENDATION

Management should review the audit log on a routine basis and ensure it is functioning correctly. Any unusual transactions should be investigated.

MANAGEMENT'S RESPONSE – CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

We concur.

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.

**Coffee 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 **THE COFFEE COUNTY ANIMAL SHELTER HAD ACCOUNTING DEFICIENCIES**

Response and Corrective Action Plan Prepared by:	Gary Cordell, County Mayor, Coffee County, Tennessee
Person Responsible for Implementing the Corrective Action:	Same
Anticipated Completion Date of Corrective Action:	January 17, 2017
Repeat Finding:	No
Reason Why Corrective Action was Not Taken – PY:	N/A

Planned Corrective Action:

- A. Three Day Deposit Rule - I have instructed the two employees of the Coffee County Animal Department on the proper method of depositing county funds and explained the three day deposit rule to them. They understand that any further violation on their part could be grounds for termination.
- B. Proper Recording of Regular, Overtime and Compensatory Time on Time Sheets – I have reviewed the proper recording of time with the two employees of the Coffee County Animal Control Department. They understand that hours are not calculated at time and one-half until they have physically worked forty hours per week and the only hours recorded in the “regular” time column are the hours that they actually worked. Regarding the employee leave balances, the true balance is actually documented in the payroll system itself and reflected on the employees pay stub. Employees do make calculation errors from time to time and we do make every effort to bring it to their attention. Both employees’ memories have been refreshed on the procedure for recording accrued hours and reminded that it is stated in the county’s personnel manual. I will review each time sheet for accuracy.

FINDING 2016-002

**THE COUNTY CONTRIBUTED \$39,000 TO THE
WAYSIDE ACRES SEWER FUND IN VIOLATION OF
STATE STATUTE**

Response and Corrective Action Plan Prepared by: Gary Cordell, County
Mayor, Coffee County,
Tennessee
Person Responsible for Implementing the Corrective Action: Same
Anticipated Completion Date of Corrective Action: March 14, 2017
Repeat Finding: No
Reason Why Corrective Action was Not Taken – PY: N/A

Planned Corrective Action:

The county legislative body approved the \$39,000 contribution to the Wayside Acres Sewer Fund through the annual budget process. However, since the Comptroller’s Office has determined that such a contribution is in violation of TCA, Section 7-34-115, we will increase the rates of the users to match the actual cost of providing the services rendered.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 2016-003

**EXECUTION DOCKET TRIAL BALANCES WERE NOT
PREPARED FOR CIRCUIT, GENERAL SESSIONS, AND
JUVENILE COURTS**

Response and Corrective Action Plan Prepared by: Heather Hinds Duncan,
Circuit, General Sessions,
and Juvenile Courts Clerk,
Coffee County, Tennessee
Person Responsible for Implementing the Corrective Action: Same
Anticipated Completion Date of Corrective Action: June 30, 2017
Repeat Finding: Yes
Reason Why Corrective Action was Not Taken – PY: This corrective action has
not been taken during the
past 12 months because the
software provider was not
able to complete the
necessary action.

Planned Corrective Action:

I have contacted the ICON software vendor in an effort to correct the issue with the undisbursed receipt report in order that it can be reconciled to the general ledger. The ICON representative indicated this is currently being worked on. Once corrected, I and the office bookkeeper will review this report daily in an effort to reconcile the general ledger.

FINDING 2016-004

**THE COMPUTER SOFTWARE APPLICATION DID NOT
GENERATE A REPORT OF OUTSIDE DIRECT
PAYMENTS**

Response and Corrective Action Plan Prepared by:	Heather Hinds Duncan, Circuit, General Sessions, and Juvenile Courts Clerk, Coffee County, Tennessee
Person Responsible for Implementing the Corrective Action:	Same
Anticipated Completion Date of Corrective Action:	December 31, 2016
Repeat Finding:	Yes
Reason Why Corrective Action was Not Taken – PY:	This corrective action has not been taken during the past 12 months because the software provider was not able to complete the necessary action.

Planned Corrective Action:

The Circuit Court Clerk has contacted the software vendor in an effort to expedite the creation of a report that details outside direct payment receipts. The representative indicated this report would be created right away. Once created, the Circuit Court Clerk and the office bookkeeper will review this report daily in an effort to check for inappropriate activity. In the meantime, the Circuit Court Clerk is maintaining a manual log of all outside direct payments.

FINDING 2016-005

**THE OFFICE SOFTWARE AUDIT LOG WAS NOT
FUNCTIONING CORRECTLY**

Response and Corrective Action Plan Prepared by:	Heather Hinds Duncan, Circuit, General Sessions, and Juvenile Courts Clerk, Coffee County, Tennessee
Person Responsible for Implementing the Corrective Action:	Same
Anticipated Completion Date of Corrective Action:	June 30, 2017
Repeat Finding:	No
Reason Why Corrective Action was Not Taken – PY:	N/A

Planned Corrective Action:

The Circuit Court Clerk has contacted the software vendor in an effort to expedite the effort to create an accurate audit log that functions properly, displaying the changes and deletions made by users. The representative indicated this report was being worked on. Once corrected, the Circuit Court Clerk and the office bookkeeper will review this report regularly in an effort to check for unusual transactions.

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 Coffee County.

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

Coffee County operates under the provisions of the Fiscal Control Acts of 1957 for central purchasing covering the funds controlled by the county mayor and the road superintendent. Also, the county operates under the provisions of a local resolution, which creates the Office of Director of Accounts and Budgets. Under this resolution, the director of accounts and budgets directs the operation of the funds under the control of the county mayor. For years, the director of accounts and budgets has also performed all accounting and budgeting functions for the county's Highway Department; however, there is no state law or local resolution governing this arrangement in Coffee County. The nature and operation of this informal arrangement has created a type of Office of Central Accounting and Budgeting similar to that created by the adoption of the County Fiscal Procedure Law of 1957. However, neither this arrangement nor the 1957 Act includes the county's School Department.

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