

# **ANNUAL FINANCIAL REPORT**

## **COFFEE COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2018**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



**ANNUAL FINANCIAL REPORT  
COFFEE COUNTY, TENNESSEE  
FOR THE YEAR ENDED JUNE 30, 2018**

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

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

***STEVE REEDER, CPA, CGFM, CFE  
Audit Manager***

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Senior Auditor***

***AMY HEWITT, CPA, CFE  
TREVOR GLOVER  
JENI PALADENI, CISA  
State Auditors***

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

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## COFFEE COUNTY, TENNESSEE

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

Annual Financial Report  
Coffee County, Tennessee  
For the Year Ended June 30, 2018

### ***Scope***

We have audited the basic financial statements of Coffee County as of and for the year ended June 30, 2018.

### ***Results***

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

Our audit resulted in no findings.

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## INTRODUCTORY SECTION

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## Coffee County Officials

### June 30, 2018

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#### **Officials**

Gary Cordell, County Mayor  
Benton Bartlett, Road Superintendent  
Dr. LaDonna McFall, Director of Schools  
John Marchesoni, Trustee  
Beverly Robertson, 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.)

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### **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

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## FINANCIAL SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

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

To the County Executive and Board of County Commissioners:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the 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, 2018, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of June 30, 2018, 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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

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

We draw attention to Note I.D.10. to the financial statements, which describes restatements reducing the beginning net position of the Governmental Activities of the primary government and the discretely presented Coffee County School Department by \$69,476 and \$3,576,378, respectively, on the Government-wide Statement of Activities. These restatements were necessary because of the transitional requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to these matters.

### ***Other Matters***

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

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability and related ratios, schedules of county and school contributions, schedule of school's proportionate share of the net pension liability, and schedules of county and school changes in the total OPEB liability and related ratios on pages 100-110 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 combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and Rural Debt Service funds, combining and individual fund financial statements of the Coffee County School Department (a discretely presented component unit), miscellaneous schedules and the other information such as the introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

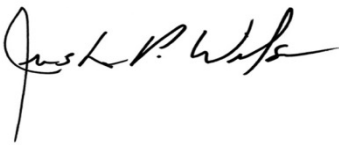
schedules of nonmajor governmental funds and the General Debt Service and Rural Debt Service funds, combining and individual fund financial statements of the Coffee County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules 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 them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2019, 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 solely 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 the effectiveness of Coffee County's 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

February 5, 2019

JPW/kp

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Coffee County, Tennessee  
Statement of Net Position  
June 30, 2018

		Component Units	
	Primary Government	Coffee	Water and
	Governmental	County	Wastewater
	Activities	School	Treatment
		Department	Authority of
			Coffee County
<u>ASSETS</u>			
Cash	\$ 275,013	\$ 1,721	\$ 0
Equity in Pooled Cash and Investments	18,636,861	10,183,778	65,693
Inventories	3,150	0	0
Accounts Receivable	1,034,594	8,169	6,797
Allowance for Uncollectibles	(453,026)	0	0
Due from Other Governments	2,219,357	2,196,328	0
Due from Component Units	1,200	0	0
Property Taxes Receivable	15,775,899	9,353,811	0
Allowance for Uncollectible Property Taxes	(629,846)	(281,429)	0
Note Receivable-Current	28,081	0	0
Note Receivable-Long Term	224,650	0	0
Net Pension Asset - Agent Legacy Plan	1,695,791	850,486	0
Net Pension Asset - Agent Hybrid Plan	0	33,000	0
Net Pension Asset - Teacher Retirement Plan	0	97,390	0
Net Pension Asset - Teacher Legacy Retirement Plan	0	150,448	0
Capital Assets:			
Assets Not Depreciated:			
Land	4,015,249	1,438,853	30,120
Construction in Progress	0	85,277	0
Assets Net of Accumulated Depreciation:			
Buildings and Improvements	29,139,514	45,438,922	414,820
Infrastructure	6,779,547	0	0
Other Capital Assets	2,889,854	3,368,435	5,286
Total Assets	<u>\$ 81,635,888</u>	<u>\$ 72,925,189</u>	<u>\$ 522,716</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension Changes in Experience	\$ 255,030	\$ 224,334	\$ 0
Pension Changes in Assumptions	491,540	1,532,554	0
Pension Changes in Investment Earnings	0	22,837	0
Pension Other Deferrals	0	82,772	0
Pension Contributions After Measurement Date	446,830	1,848,336	0
OPEB Contributions After Measurement Date	10,114	374,440	0
Total Deferred Outflows of Resources	<u>\$ 1,203,514</u>	<u>\$ 4,085,273</u>	<u>\$ 0</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 221,515	\$ 10,694	\$ 0
Accrued Interest Payable	263,275	0	0
Accrued Payroll	0	2,649,014	0
Payroll Deductions Payable	131,022	2,060,912	0
Due to State of Tennessee	2,556	0	0
Noncurrent Liabilities:			
Due Within One Year	2,536,958	33,334	28,081
Due in More Than One Year	70,319,455	9,754,720	224,650
Total Liabilities	<u>\$ 73,474,781</u>	<u>\$ 14,508,674</u>	<u>\$ 252,731</u>

(Continued)



Exhibit A

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

		Component Unit	
	Primary Government	Coffee	Water and
	Governmental	County	Wastewater
	Activities	School	Treatment
		Department	Authority of
			Coffee County
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 14,799,255	\$ 8,890,013	\$ 0
Pension Changes in Experience	616,856	3,426,372	0
Pension Changes in Investment Earnings	5,484	10,215	0
Pension Other Deferrals	0	91,925	0
OPEB Changes in Assumptions	29,491	430,858	0
Total Deferred Inflow of Resources	<u>\$ 15,451,086</u>	<u>\$ 12,849,383</u>	<u>\$ 0</u>
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 21,463,146	\$ 50,331,487	\$ 197,495
Restricted for:			
General Government	678,266	0	0
Finance	158,834	0	0
Administration of Justice	212,943	0	0
Public Safety	624,282	0	0
Public Health and Welfare	2,618,298	0	0
Highways/Public Works	1,144,134	0	0
Debt Service	7,689,404	0	0
Capital Projects	2,195,717	0	0
Education	333,455	1,184,179	0
Pensions	1,695,791	1,131,324	0
Unrestricted	<u>(44,900,735)</u>	<u>(2,994,585)</u>	<u>72,490</u>
Total Net Position	<u>\$ (6,086,465)</u>	<u>\$ 49,652,405</u>	<u>\$ 269,985</u>

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, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units	
					Total Governmental Activities	Coffee County School Department	Water and Wastewater Treatment Authority of Coffee County
Primary Government:							
Governmental Activities:							
General Government	\$ 3,471,391	\$ 783,814	\$ 15,948	\$ 0	\$ (2,671,629)	\$ 0	\$ 0
Finance	1,758,267	1,618,225	0	0	(140,042)	0	0
Administration of Justice	2,457,557	2,195,244	33,800	0	(228,513)	0	0
Public Safety	11,161,244	1,622,881	147,585	0	(9,390,778)	0	0
Public Health and Welfare	5,362,017	2,137,866	666,830	719,434	(1,837,887)	0	0
Social, Cultural, and Recreational Services	1,690,141	65,372	71,933	0	(1,552,836)	0	0
Agriculture and Natural Resources	308,880	0	0	0	(308,880)	0	0
Highways/Public Works	2,559,658	8,290	2,466,564	715,095	630,291	0	0
Education	831,282	0	0	381,487	(449,795)	0	0
Interest on Long-term Debt	3,171,878	0	0	0	(3,171,878)	0	0
Total Governmental Activities	\$ 32,772,315	\$ 8,431,692	\$ 3,402,660	\$ 1,816,016	\$ (19,121,947)	\$ 0	\$ 0
Total Primary Government	\$ 32,772,315	\$ 8,431,692	\$ 3,402,660	\$ 1,816,016	\$ (19,121,947)	\$ 0	\$ 0
Component Units:							
School Department	\$ 40,988,929	\$ 914,809	\$ 5,979,372	\$ 124,866	\$ 0	\$ (33,969,882)	\$ 0
Water and Wastewater Treatment Authority	61,236	79,342	0	0	0	0	18,106
Total Component Units	\$ 61,236	\$ 79,342	\$ 0	\$ 0	\$ 0	\$ (33,969,882)	\$ 18,106

(Continued)

Exhibit B

Coffee County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units	
					Total Governmental Activities	Coffee County School Department	Water and Wastewater Treatment Authority of Coffee County
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 12,580,830	\$ 8,871,893	\$ 0
Property Taxes Levied for Debt Service					2,570,411	0	0
Local Option Sales Taxes					3,506,659	4,492,183	0
Litigation Taxes					831,268	0	0
Wholesale Beer Tax					244,424	0	0
Mineral Severance Tax					50,924	0	0
Business Tax					1,066,381	0	0
Other Local Taxes					0	12,416	0
Grants and Contributions Not Restricted for Specific Programs					1,923,899	22,353,585	0
Unrestricted Investment Earnings					246,848	0	0
Miscellaneous					12,559	3,078	0
Donation of Capital Assets					0	467,965	0
Sale of Equipment					39,200	0	0
Amortized Premium					38,781	0	0
Total General Revenues					\$ 23,112,184	\$ 36,201,120	\$ 0
Insurance Recovery					\$ 31,285	\$ 0	\$ 0
Change in Net Assets					\$ 4,021,522	\$ 2,231,238	\$ 18,106
Net Position, July 1, 2017					(10,038,511)	50,997,545	251,879
Restatements - See Note I.D.10.					(69,476)	(3,576,378)	0
Net Position, June 30, 2018					\$ (6,086,465)	\$ 49,652,405	\$ 269,985

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, 2018

	Major Funds			Nonmajor Funds	
	General	General Debt Service	Rural Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 1,150	\$ 0	\$ 0	\$ 273,863	\$ 275,013
Equity in Pooled Cash and Investments	4,336,349	2,961,852	4,030,304	7,308,356	18,636,861
Inventories	3,150	0	0	0	3,150
Accounts Receivable	154,380	0	0	880,214	1,034,594
Allowance for Uncollectibles	0	0	0	(453,026)	(453,026)
Due from Other Governments	501,290	0	638,168	1,079,899	2,219,357
Due from Other Funds	162,428	0	0	39,645	202,073
Due from Component Units	0	0	0	1,200	1,200
Property Taxes Receivable	10,937,010	1,473,539	1,220,398	2,144,952	15,775,899
Allowance for Uncollectible Property Taxes	(328,822)	(44,653)	(68,346)	(188,025)	(629,846)
Notes Receivable - Current	0	0	28,081	0	28,081
Notes Receivable - Long-term	0	0	224,650	0	224,650
Total Assets	<u>\$ 15,766,935</u>	<u>\$ 4,390,738</u>	<u>\$ 6,073,255</u>	<u>\$ 11,087,078</u>	<u>\$ 37,318,006</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 147,551	\$ 2,000	\$ 2,000	\$ 69,964	\$ 221,515
Payroll Deductions Payable	103,298	0	0	27,724	131,022
Due to Other Funds	39,645	0	0	162,428	202,073
Due to State of Tennessee	2,055	0	0	501	2,556
Total Liabilities	<u>\$ 292,549</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 260,617</u>	<u>\$ 557,166</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 10,394,989	\$ 1,399,737	\$ 1,107,577	\$ 1,896,952	\$ 14,799,255

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	General Debt Service	Rural Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Deferred Delinquent Property Taxes	\$ 188,783	\$ 25,551	\$ 42,236	\$ 56,476	\$ 313,046
Other Deferred/Unavailable Revenue	139,686	0	432,781	658,728	1,231,195
Total Deferred Inflows of Resources	<u>\$ 10,723,458</u>	<u>\$ 1,425,288</u>	<u>\$ 1,582,594</u>	<u>\$ 2,612,156</u>	<u>\$ 16,343,496</u>
<u>FUND BALANCES</u>					
Nonspendable:					
Inventory	\$ 3,150	\$ 0	\$ 0	\$ 0	\$ 3,150
Long-term Notes Receivable	0	0	252,731	0	252,731
Restricted:					
Restricted for General Government	29,495	0	0	0	29,495
Restricted for Finance	158,834	0	0	0	158,834
Restricted for Administration of Justice	212,943	0	0	0	212,943
Restricted for Public Safety	40,023	0	0	584,259	624,282
Restricted for Public Health and Welfare	6,486	0	0	2,280,713	2,287,199
Restricted for Other Operations	0	0	0	645,621	645,621
Restricted for Highways/Public Works	0	0	0	930,839	930,839
Restricted for Education	8,555	0	0	324,900	333,455
Restricted for Capital Outlay	0	0	0	2,195,717	2,195,717
Restricted for Debt Service	0	2,963,450	4,235,930	0	7,199,380
Committed:					
Committed for Administration of Justice	35,059	0	0	0	35,059
Committed for Public Health and Welfare	43,253	0	0	0	43,253
Committed for Social, Cultural, and Recreational Services	434,000	0	0	0	434,000
Assigned:					
Assigned for General Government	134,570	0	0	48,633	183,203

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	General Debt Service	Rural Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>FUND BALANCES (Cont.)</u>					
Assigned (Cont.):					
Assigned for Finance	\$ 41,330	\$ 0	\$ 0	\$ 0	\$ 41,330
Assigned for Administration of Justice	5,110	0	0	0	5,110
Assigned for Public Safety	44,784	0	0	163,373	208,157
Assigned for Public Health and Welfare	7,463	0	0	18,897	26,360
Assigned for Social, Cultural, and Recreational Services	30,045	0	0	9,145	39,190
Assigned for Agriculture and Natural Resources	1,000	0	0	0	1,000
Assigned for Highways/Public Works	0	0	0	897,227	897,227
Assigned for Education	0	0	0	114,981	114,981
Unassigned	3,514,828	0	0	0	3,514,828
Total Fund Balances	<u>\$ 4,750,928</u>	<u>\$ 2,963,450</u>	<u>\$ 4,488,661</u>	<u>\$ 8,214,305</u>	<u>\$ 20,417,344</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 15,766,935</u>	<u>\$ 4,390,738</u>	<u>\$ 6,073,255</u>	<u>\$ 11,087,078</u>	<u>\$ 37,318,006</u>

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, 2018

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)		\$	20,417,344
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds			
Add: land	\$	4,015,249	
Add: buildings and improvements net of accumulated depreciation		29,139,514	
Add: infrastructure net of accumulated depreciation		6,779,547	
Add: other capital assets net of accumulated depreciation		<u>2,889,854</u>	42,824,164
(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	\$	(64,051,535)	
Less: notes payable		(285,000)	
Less: other loans payable		(6,749,630)	
Less: compensated absences payable		(773,915)	
Less: net OPEB liability		(635,129)	
Less: accrued interest on bonds, notes, and other loans		(263,275)	
Less: unamortized premium on debt		<u>(361,204)</u>	(73,119,688)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years:			
Add: deferred outflows of resources related to pensions	\$	1,193,400	
Less: deferred inflows of resources related to pensions		(622,340)	
Add: deferred outflows of resources related to OPEB		10,114	
Less: deferred inflows of resources related to OPEB		<u>(29,491)</u>	551,683
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.			1,695,791
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,544,241</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>(6,086,465)</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, 2018

	Major Funds			Nonmajor Funds	
	General	General Debt Service	Rural Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 12,813,027	\$ 1,820,497	\$ 3,171,732	\$ 3,498,893	\$ 21,304,149
Licenses and Permits	335,468	0	0	9,435	344,903
Fines, Forfeitures, and Penalties	546,162	0	0	260,071	806,233
Charges for Current Services	671,218	0	0	2,111,250	2,782,468
Other Local Revenues	330,193	327,367	17,343	80,938	755,841
Fees Received From County Officials	3,111,904	0	0	0	3,111,904
State of Tennessee	2,476,382	0	0	3,192,209	5,668,591
Federal Government	308,446	0	400,224	380,160	1,088,830
Other Governments and Citizens Groups	173,785	0	323,737	471,204	968,726
Total Revenues	<u>\$ 20,766,585</u>	<u>\$ 2,147,864</u>	<u>\$ 3,913,036</u>	<u>\$ 10,004,160</u>	<u>\$ 36,831,645</u>
<u>Expenditures</u>					
Current:					
General Government	\$ 2,118,891	\$ 0	\$ 0	\$ 0	\$ 2,118,891
Finance	1,520,411	0	0	0	1,520,411
Administration of Justice	2,415,695	0	0	25,818	2,441,513
Public Safety	10,030,234	0	0	236,847	10,267,081
Public Health and Welfare	750,071	0	0	4,005,789	4,755,860
Social, Cultural, and Recreational Services	1,228,793	0	0	0	1,228,793
Agriculture and Natural Resources	312,895	0	0	0	312,895
Other Operations	1,683,150	0	0	113,003	1,796,153
Highways	0	0	0	2,397,610	2,397,610
Debt Service:					
Principal on Debt	0	1,407,135	1,378,884	44,000	2,830,019
Interest on Debt	0	601,551	2,599,212	506	3,201,269
Other Debt Service	0	39,117	56,922	0	96,039

(Continued)



Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	General Debt Service	Rural Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 1,788,005	\$ 1,788,005
Capital Projects - Donated	0	0	100,000	0	100,000
Total Expenditures	<u>\$ 20,060,140</u>	<u>\$ 2,047,803</u>	<u>\$ 4,135,018</u>	<u>\$ 8,611,578</u>	<u>\$ 34,854,539</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 706,445</u>	<u>\$ 100,061</u>	<u>\$ (221,982)</u>	<u>\$ 1,392,582</u>	<u>\$ 1,977,106</u>
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 140,000	\$ 0	\$ 140,000
Proceeds from Sale of Capital Assets	0	0	0	184,985	184,985
Insurance Recovery	14,730	0	0	16,555	31,285
Transfers In	0	0	136,853	100,000	236,853
Transfers Out	(136,853)	0	0	(100,000)	(236,853)
Total Other Financing Sources (Uses)	<u>\$ (122,123)</u>	<u>\$ 0</u>	<u>\$ 276,853</u>	<u>\$ 201,540</u>	<u>\$ 356,270</u>
Net Change in Fund Balances	\$ 584,322	\$ 100,061	\$ 54,871	\$ 1,594,122	\$ 2,333,376
Fund Balance, July 1, 2017	<u>4,166,606</u>	<u>2,863,389</u>	<u>4,433,790</u>	<u>6,620,183</u>	<u>18,083,968</u>
Fund Balance, June 30, 2018	<u>\$ 4,750,928</u>	<u>\$ 2,963,450</u>	<u>\$ 4,488,661</u>	<u>\$ 8,214,305</u>	<u>\$ 20,417,344</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, 2018

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)		\$ 2,333,376
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: assets purchased	1,165,116	
Less: current-year depreciation expense	<u>(1,937,548)</u>	(772,432)
(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		(417,355)
(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, 2018	\$ 1,544,241	
Less: deferred delinquent property taxes and other deferred June 30, 2017	<u>(1,679,739)</u>	(135,498)
(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	\$ (140,000)	
Add: change in premium on debt issuances	38,781	
Add: principal payments on bonds	1,702,135	
Add: principal payments on notes	414,000	
Add: principal payments on other loans	713,884	
Less: change in deferred amount on refunding debt	<u>(20,597)</u>	2,708,203
(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	\$ 29,391	
Change in net pension asset	291,009	
Change in deferred outflows related to pensions	(228,969)	
Change in deferred inflows related to pensions	276,065	
Change in compensated absences payable	1,762	
Change in deferred outflows related to OPEB	10,114	
Change in deferred inflows related to OPEB	(29,491)	
Change in OPEB liability (net of restatement)	<u>(44,653)</u>	305,228
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,021,522</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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 12,813,027	\$ 0	\$ 0	\$ 12,813,027	\$ 12,479,699	\$ 12,536,736	\$ 276,291
Licenses and Permits	335,468	0	0	335,468	278,379	278,379	57,089
Fines, Forfeitures, and Penalties	546,162	0	0	546,162	537,759	555,831	(9,669)
Charges for Current Services	671,218	0	0	671,218	647,613	665,007	6,211
Other Local Revenues	330,193	0	0	330,193	291,425	336,822	(6,629)
Fees Received From County Officials	3,111,904	0	0	3,111,904	2,963,763	2,979,911	131,993
State of Tennessee	2,476,382	0	0	2,476,382	2,446,672	2,606,695	(130,313)
Federal Government	308,446	0	0	308,446	228,127	389,967	(81,521)
Other Governments and Citizens Groups	173,785	0	0	173,785	144,025	177,006	(3,221)
Total Revenues	\$ 20,766,585	\$ 0	\$ 0	\$ 20,766,585	\$ 20,017,462	\$ 20,526,354	\$ 240,231
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 49,372	\$ (2,400)	\$ 0	\$ 46,972	\$ 51,289	\$ 51,289	\$ 4,317
Board of Equalization	1,001	0	0	1,001	1,615	1,615	614
Other Boards and Committees	24,401	0	0	24,401	27,963	27,963	3,562
County Mayor/Executive	325,650	0	5,128	330,778	372,913	354,913	24,135
County Attorney	57,960	0	0	57,960	51,800	66,775	8,815
Election Commission	302,171	(2,506)	38,990	338,655	397,515	397,515	58,860
Register of Deeds	262,169	0	0	262,169	268,991	273,251	11,082
Codes Compliance	160,453	(1,413)	0	159,040	171,962	173,797	14,757
County Buildings	793,442	(15,017)	36,844	815,269	896,653	903,676	88,407
Other General Administration	142,257	(16,555)	4,975	130,677	135,848	135,848	5,171
Preservation of Records	15	0	0	15	250	250	235
<u>Finance</u>							
Accounting and Budgeting	397,487	0	0	397,487	405,240	405,240	7,753
Property Assessor's Office	358,507	0	4,000	362,507	377,299	380,299	17,792
Reappraisal Program	42,789	0	5,102	47,891	53,404	53,404	5,513
County Trustee's Office	315,488	0	508	315,996	321,897	338,045	22,049
County Clerk's Office	406,140	0	31,721	437,861	429,571	456,271	18,410

(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 7/1/2017	Add: Encumbrances 6/30/2018	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	\$ 1,144,281	\$ (1,845)	\$ 5,110	\$ 1,147,546	\$ 1,177,608	\$ 1,196,108	\$ 48,562
General Sessions Judge	436,247	0	0	436,247	440,052	440,052	3,805
Drug Court	67,550	0	0	67,550	93,925	73,925	6,375
Chancery Court	296,546	0	0	296,546	304,401	308,401	11,855
District Attorney General	38,032	0	0	38,032	40,527	40,527	2,495
Office of Public Defender	28,251	0	0	28,251	20,144	29,216	965
Judicial Commissioners	135,555	(669)	0	134,886	130,161	141,026	6,140
Probation Services	269,233	0	0	269,233	282,755	284,458	15,225
<u>Public Safety</u>							
Sheriff's Department	2,710,236	(8,619)	809	2,702,426	2,868,286	2,788,635	86,209
Traffic Control	11,251	0	0	11,251	15,000	15,000	3,749
Administration of the Sexual Offender Registry	1,493	0	0	1,493	2,176	2,176	683
Jail	5,433,680	(55,059)	37,282	5,415,903	4,770,404	5,444,470	28,567
Workhouse	192,219	0	0	192,219	294,856	217,148	24,929
Juvenile Services	295,995	0	0	295,995	358,671	358,671	62,676
Rural Fire Protection	329,000	0	0	329,000	329,000	329,000	0
Civil Defense	189,295	(1,430)	1,774	189,639	168,780	222,683	33,044
Rescue Squad	27,000	0	0	27,000	27,000	27,000	0
County Coroner/Medical Examiner	93,395	0	0	93,395	81,000	101,000	7,605
Other Public Safety	746,670	0	0	746,670	863,598	863,598	116,928
<u>Public Health and Welfare</u>							
Local Health Center	534,369	(2,000)	0	532,369	656,277	668,189	135,820
Rabies and Animal Control	83,073	0	2,463	85,536	108,668	108,668	23,132
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	8,606	0	0	8,606	8,650	8,650	44
Other Waste Disposal	39,645	0	0	39,645	62,816	62,816	23,171
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	220,583	0	0	220,583	215,000	221,123	540

(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 7/1/2017	Add: Encumbrances 6/30/2018	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>							
Libraries	\$ 993,072	\$ (15,463)	\$ 20,900	\$ 998,509	\$ 1,024,615	\$ 1,024,615	\$ 26,106
Other Social, Cultural, and Recreational	15,138	0	0	15,138	0	15,196	58
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	231,033	(1,000)	1,000	231,033	236,251	236,251	5,218
Soil Conservation	81,862	0	0	81,862	85,168	85,168	3,306
<u>Other Operations</u>							
Industrial Development	250,000	0	0	250,000	250,000	250,000	0
Veterans' Services	15,816	0	0	15,816	19,815	21,815	5,999
Other Charges	1,191,687	(1,000)	0	1,190,687	1,454,552	1,213,212	22,525
Contributions to Other Agencies	24,953	0	0	24,953	18,050	27,050	2,097
Payments to Cities	31,500	0	0	31,500	31,500	31,500	0
Miscellaneous	169,194	0	4,919	174,113	0	177,045	2,932
Total Expenditures	\$ 20,060,140	\$ (124,976)	\$ 201,525	\$ 20,136,689	\$ 20,488,294	\$ 21,138,921	\$ 1,002,232
Excess (Deficiency) of Revenues							
Over Expenditures	\$ 706,445	\$ 124,976	\$ (201,525)	\$ 629,896	\$ (470,832)	\$ (612,567)	\$ 1,242,463
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 14,730	\$ 0	\$ 0	\$ 14,730	\$ 0	\$ 35,510	\$ (20,780)
Transfers Out	(136,853)	0	0	(136,853)	(146,750)	(146,750)	9,897
Total Other Financing Sources	\$ (122,123)	\$ 0	\$ 0	\$ (122,123)	\$ (146,750)	\$ (111,240)	\$ (10,883)
Net Change in Fund Balance							
Fund Balance, July 1, 2017	\$ 584,322	\$ 124,976	\$ (201,525)	\$ 507,773	\$ (617,582)	\$ (723,807)	\$ 1,231,580
	4,166,606	(124,976)	0	4,041,630	3,052,670	3,052,670	988,960
Fund Balance, June 30, 2018							
	\$ 4,750,928	\$ 0	\$ (201,525)	\$ 4,549,403	\$ 2,435,088	\$ 2,328,863	\$ 2,220,540

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

Exhibit D

Coffee County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2018

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,512,184
Equity in Pooled Cash and Investments	458,165
Due from Other Governments	3,107,575
Property Taxes Receivable	8,963,835
Allowance for Uncollectible Property Taxes	<u>(267,737)</u>
Total Assets	<u><u>\$ 13,774,022</u></u>
<u>LIABILITIES</u>	
Due to State of Tennessee	\$ 4
Due to Other Taxing Units	11,862,093
Due to Litigants, Heirs, and Others	1,558,594
Due to Joint Ventures	<u>353,331</u>
Total Liabilities	<u><u>\$ 13,774,022</u></u>

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

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## COFFEE COUNTY, TENNESSEE

### Index of Notes to the Financial Statements

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**COFFEE COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2018**

**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 this omission did not affect the independent auditor's 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 Water and Wastewater Treatment Authority of Coffee County, Tennessee, was created by resolution of the Coffee County Commission as allowed by Section 68-221-601, *Tennessee Code Annotated*. The authority is governed by a five-member board, which includes four citizens and one member of the Coffee County Commission. The purpose of the authority is to oversee the operations of a sewer system that services the residents of the Wayside Acres Subdivision, and the financial transactions of the authority are maintained in



an enterprise fund, the Wayside Acres Sewer Fund, which is administered by the county's director of accounts and budgets on behalf of the authority. The authority is funded primarily by service charges levied on the residents of the subdivision that utilize the system. In prior years, the activity of the Wayside Acres Sewer Fund has been reflected as an enterprise fund of Coffee County.

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, 2018, the county's share of the losses of the conference center totaled \$160,000. 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 and the Water and Wastewater Treatment Authority of Coffee County, Tennessee, do not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department and the Water and Wastewater Treatment Authority 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. However, the primary government of Coffee County does not have any business-type activities to report. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The Coffee County School Department and the Water and Wastewater Treatment Authority of Coffee County, Tennessee, component units, only report 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 \$100,000 were contributed by the county to the School Department during the year ended June 30, 2018.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the 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. The primary government of Coffee County has no proprietary funds to report.

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

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

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

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

**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.

The discretely presented Water and Wastewater Treatment Authority of Coffee County, Tennessee, reports the following major proprietary fund:

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

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.

The discretely presented Water and Wastewater Treatment Authority of Coffee County, Tennessee's proprietary fund (enterprise fund) distinguishes operating revenues and expenses from nonoperating items. This fund is used to account for the operation of the sewer system servicing the Wayside Acres Subdivision. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges for services. Operating expenses for the enterprise fund include payments to vendors, administration expenses, and debt payments.

**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 for the discretely presented Water and Wastewater Treatment Authority of Coffee County, Tennessee, 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, the discretely presented Coffee County School Department, and the discretely presented Water and Wastewater Treatment Authority of Coffee County, Tennessee. 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. 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 1.73 percent of total taxes levied.

The Water and Wastewater Treatment Authority of Coffee County, Tennessee's accounts receivable for sewer services are shown without an allowance for uncollectibles. The authority does not provide an allowance for uncollectible accounts because of its ability to stop service for nonpaying customers.

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

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

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

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

### **3. 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 acquisition 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, the discretely presented School Department, and the discretely presented Water and Wastewater Authority 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. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are for pension changes in experience, pension changes in assumptions, pension changes in investment earnings, pension changes in proportionate share of contributions, employer contributions made to the pension and other postemployment benefits plans after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred



inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue, etc.) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience, pension changes in investment earnings, pension changes in proportionate share of contributions, other postemployment benefits plan changes in assumptions, 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 Water and Wastewater Treatment Authority's proprietary fund in the financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. 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 Water and Wastewater Treatment Authority's proprietary fund in the fund financial statements, equity is classified as net position and displayed in three components:

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

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

As of June 30, 2018, Coffee County had \$49,754,630 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.

**10. Restatements**

In prior years, the government was required to recognize a liability for its other postemployment benefits plans under Governmental Accounting Standards Board (GASB) Statement No. 45. As of July 1, 2017, Coffee County has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Restatements reducing the beginning net position of the Governmental Activities of the primary government and the discretely presented Coffee County School Department by \$69,476 and \$3,576,378, respectively, have been recognized to account for the transitional requirements

**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.

### **F. Other Postemployment Benefit (OPEB) Plans**

#### **Primary Government**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by Coffee County. For this purpose, Coffee County recognizes benefit payments when due and payable in accordance with benefit terms. Coffee County's OPEB plan is not administered through a trust.

#### **Discretely Presented Coffee County School Department**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, have been determined on the same basis as they are reported by the discretely presented Coffee County School Department. For this purpose, the School Department recognizes benefit payments when due and payable in accordance with benefit terms. The School Department's OPEB plan is not administered through a trust.

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

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

#### **Primary Government**

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

#### **Discretely Presented Coffee County School Department**

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

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

### **A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers – Fees (special revenue fund), which is not budgeted, and the discretely presented School Department's Education Capital Projects Fund which adopts project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be

sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

At June 30, 2018, Coffee County and the Coffee County School Department reported the following encumbrances:

<u>Fund</u>	<u>Amount</u>
Primary Government:	
General	\$ 201,525
Nonmajor governmental	1,252,256
Discretely Presented School Department:	
General Purpose School	456,196

**B. Results of Investigation by Comptroller's Office**

The Comptroller of the Treasury, Division of Investigations, conducted an investigation related to allegations received involving the Coffee County Emergency Communications District. Subsequent to June 30, 2018, the investigation concluded and resulted in a report dated October 3, 2018. That report is available on the Comptroller of the Treasury's website <https://comptroller.tn.gov>.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Coffee County, the discretely presented Coffee County School Department, and the discretely presented Water and Wastewater Treatment Authority 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, 2018.

**B. Notes Receivable**

Notes receivable of \$252,731 in the Rural Debt Service Fund resulted from a note issued by Coffee County to the discretely presented Water and Wastewater Treatment Authority of Coffee County, Tennessee, to refund the authority's outstanding debt. The amount of the notes that is not expected to be collected within one year is \$224,650 and is reflected in the financial statements of the Rural Debt Service Fund as restricted fund equity.

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2018, was as follows:

## **Primary Government**

### **Governmental Activities:**

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 4,105,049	\$ 0	\$ (89,800)	\$ 4,015,249
Total Capital Assets Not Depreciated	\$ 4,105,049	\$ 0	\$ (89,800)	\$ 4,015,249
Capital Assets Depreciated:				
Buildings and Improvements	\$ 40,206,807	\$ 0	\$ 0	\$ 40,206,807
Infrastructure	16,490,805	357,755	0	16,848,560
Other Capital Assets	8,808,443	807,361	(1,950,831)	7,664,973
Total Capital Assets Depreciated	\$ 65,506,055	\$ 1,165,116	\$ (1,950,831)	\$ 64,720,340
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 10,262,117	\$ 805,176	\$ 0	\$ 11,067,293
Infrastructure	9,494,617	574,396	0	10,069,013
Other Capital Assets	5,840,419	557,976	(1,623,276)	4,775,119
Total Accumulated Depreciation	\$ 25,597,153	\$ 1,937,548	\$ (1,623,276)	\$ 25,911,425
Total Capital Assets Depreciated, Net	\$ 39,908,902	\$ (772,432)	\$ (327,555)	\$ 38,808,915
Governmental Activities Capital Assets, Net	\$ 44,013,951	\$ (772,432)	\$ (417,355)	\$ 42,824,164

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

**Governmental Activities:**

General Government	\$ 366,976
Finance	2,883
Administration of Justice	3,589
Public Safety	679,308
Public Health and Welfare	215,840
Social, Cultural, and Recreational	19,058
Highways/Public Works	<u>649,894</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,937,548</u>

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

	Balance 7-1-17	Increases	Decreases	Balance 6-30-18
Capital Assets Not Depreciated:				
Land	\$ 1,438,853	\$ 0	\$ 0	\$ 1,438,853
Construction in Progress	13,053	72,224	0	85,277
Total Capital Assets Not Depreciated	<u>\$ 1,451,906</u>	<u>\$ 72,224</u>	<u>\$ 0</u>	<u>\$ 1,524,130</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 60,015,126	\$ 0	\$ 0	\$ 60,015,126
Other Capital Assets	5,955,214	493,865	(33,700)	6,415,379
Total Capital Assets Depreciated	<u>\$ 65,970,340</u>	<u>\$ 493,865</u>	<u>\$ (33,700)</u>	<u>\$ 66,430,505</u>
Less Accumulated Depreciation:				
Buildings and Improvements	\$ 13,341,184	\$ 1,235,020	\$ 0	\$ 14,576,204
Other Capital Assets	2,764,579	316,065	(33,700)	3,046,944
Total Accumulated Depreciation	<u>\$ 16,105,763</u>	<u>\$ 1,551,085</u>	<u>\$ (33,700)</u>	<u>\$ 17,623,148</u>
Total Capital Assets Depreciated, Net	<u>\$ 49,864,577</u>	<u>\$ (1,057,220)</u>	<u>\$ 0</u>	<u>\$ 48,807,357</u>
Governmental Activities Capital Assets, Net	<u>\$ 51,316,483</u>	<u>\$ (984,996)</u>	<u>\$ 0</u>	<u>\$ 50,331,487</u>

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

**Governmental Activities:**

Instruction	\$ 1,286,694
Support Services	232,920
Operation of Non-instructional Services	<u>31,471</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,551,085</u></u>

**Discretely Presented Water and Wastewater Treatment Authority of  
Coffee County, Tennessee**

**Business-type Activities:**

	Balance 7-1-17	Increases	Balance 6-30-18
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	\$ 694,275	\$ 0	\$ 694,275
Other Capital Assets	0	5,350	5,350
Total Capital Assets Depreciated	<u>\$ 694,275</u>	<u>\$ 5,350</u>	<u>\$ 699,625</u>
Less Accumulated Depreciation For:			
Infrastructure	\$ 251,684	\$ 27,771	\$ 279,455
Other Capital Assets	0	64	64
Total Accumulated Depreciation	<u>\$ 251,684</u>	<u>\$ 27,835</u>	<u>\$ 279,519</u>
Total Capital Assets Depreciated, Net	<u>\$ 442,591</u>	<u>\$ (22,485)</u>	<u>\$ 420,106</u>
Business-type Activities Capital Assets, Net	<u><u>\$ 472,711</u></u>	<u><u>\$ (22,485)</u></u>	<u><u>\$ 450,226</u></u>

The authority had no decreases in capital assets during the year ended June 30, 2018.

Depreciation expense totaled \$27,835 for the year ended June 30, 2018.

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

The composition of interfund balances as of June 30, 2018, was as follows:

**Due to/from Other Funds:**

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	Nonmajor governmental	\$ 162,428
Nonmajor governmental	General	39,645
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	2,701

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.

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

Receivable Fund	Payable Fund	Amount
Primary Government:	Component Unit:	
Nonmajor governmental	General Purpose School	\$ 1,200

The amount reflected as Due from Component Unit in the nonmajor governmental fund of \$1,200 was in transit from the General Purpose School Fund at June 30, 2018.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2018, consisted of the following amounts:

### **Primary Government**

Transfers Out	Transfers In		Purpose
	Rural Debt Service Fund	Nonmajor Governmental Fund	
General Fund	\$ 136,853	\$ 0	Federal subsidy
Nonmajor governmental fund	0	100,000	Capital Project
Total	<u>\$ 136,853</u>	<u>\$ 100,000</u>	

### **Discretely Presented Coffee County School Department**

Transfers Out	Transfers In		Purpose
	General Purpose School Fund	Nonmajor Governmental Fund	
Nonmajor governmental fund	\$ 27,274	\$ 0	Indirect Costs
General Purpose School Fund	0	200,000	Capital Projects
Total	<u>\$ 27,274</u>	<u>\$ 200,000</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.

## **E. 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, four 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, 2018, 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 Fund. Other loans included in long-term debt will be retired from the Rural Debt Service Fund.

General obligation bonds, notes, and other loans outstanding as of June 30, 2018, for governmental activities are as follows:

Type	Interest Rate		Final Maturity	Original Amount of Issue	Balance 6-30-18
General Obligation Bonds	2 to 7.15	%	8-28-52	\$ 57,690,000	\$ 54,216,535
General Obligation Bonds - Refunding	2.253 to 5		6-1-39	11,370,000	9,835,000
Notes	1.99		4-1-20	575,000	285,000
Other Loans	0 to 4.75		7-1-27	11,127,000	6,749,630

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, 2018, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 1,599,377	\$ 2,779,929	\$ 4,379,306
2020	1,645,857	2,741,849	4,387,706
2021	1,647,541	2,702,465	4,350,006
2022	1,159,438	2,662,318	3,821,756
2023	1,346,552	2,630,504	3,977,056
2024-2028	9,227,636	12,526,002	21,753,638
2029-2033	12,467,560	10,706,072	23,173,632
2034-2038	13,668,781	8,371,562	22,040,343
2039-2043	14,717,429	4,625,659	19,343,088
2044-2048	4,854,592	750,932	5,605,524
2049-2053	1,716,772	154,043	1,870,815
Total	\$ 64,051,535	\$ 50,651,335	\$ 114,702,870

Year Ending June 30	Notes		
	Principal	Interest	Total
2019	\$ 145,000	\$ 5,672	\$ 150,672
2020	140,000	2,786	142,786
Total	\$ 285,000	\$ 8,458	\$ 293,458

Year Ending June 30	Other Loans		
	Principal	Interest	Total
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
2024-2028	2,781,920	863,370	3,645,290
Total	\$ 6,749,630	\$ 2,510,268	\$ 9,259,898

There is \$7,452,111 available in the debt service funds to service long-term debt. Bonded debt per capita totaled \$1,213, based on the 2010 federal census. Total debt per capita, including bonds, notes, other loans, and unamortized debt premiums, totaled \$1,352 based on the 2010 federal census.

#### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2018, was as follows:



Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2017	\$ 65,613,670	\$ 699,000	\$ 7,463,514
Additions	140,000	0	0
Reductions	(1,702,135)	(414,000)	(713,884)
Balance, June 30, 2018	<u>\$ 64,051,535</u>	<u>\$ 285,000</u>	<u>\$ 6,749,630</u>
Balance Due Within One Year	<u>\$ 1,599,377</u>	<u>\$ 145,000</u>	<u>\$ 753,884</u>

	Compensated Absences	Other Postemployment Benefits *
Balance, July 1, 2017	\$ 775,677	\$ 590,476
Additions	798,918	82,231
Reductions	(800,680)	(37,578)
Balance, June 30, 2018	<u>\$ 773,915</u>	<u>\$ 635,129</u>
Balance Due Within One Year	<u>\$ 38,697</u>	<u>\$ 0</u>

\* Restated Beginning Balance - See Note I.D.10.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 72,495,209
Less: Balance Due Within One Year	(2,536,958)
Add: Unamortized Premium on Debt	<u>361,204</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 70,319,455</u>

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

**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, 2018, was as follows:

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits *
Balance, July 1, 2017	\$ 122,688	\$ 9,603,538
Additions	66,745	907,486
Reductions	(106,100)	(806,303)
Balance, June 30, 2018	<u>\$ 83,333</u>	<u>\$ 9,704,721</u>
Balance Due Within One Year	<u>\$ 33,334</u>	<u>\$ 0</u>

\* Restated Beginning Balance - See Note I.D.10.

	Net Pension Liability #
Balance, July 1, 2017	\$ 2,819,610
Additions	13,968
Reductions	(2,984,026)
Balance, June 30, 2018	<u>\$ (150,448)</u>
Balance Due Within One Year	<u>\$ 0</u>

# At June 30, 2018, the Teacher Legacy Plan had a net pension asset.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 9,788,054
Less: Balance Due Within One Year	<u>(33,334)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 9,754,720</u>

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

**Discretely Presented Water and Wastewater Treatment Authority of Coffee County, Tennessee**

On November 8, 2016, Coffee County issued a note from its Rural Debt Service Fund to the Water and Wastewater Treatment Authority of Coffee County,

Tennessee. The purpose of this note was to refund the outstanding debt of the authority.

Notes issued are direct obligations of the authority and are to be retired by the authority. The note was issued for a term of 10 years and for an interest rate of zero percent. Repayment terms for this note call for the authority to make equal monthly installments to the county's Rural Debt Service Fund over the period of the debt.

Notes outstanding as of June 30, 2018, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-18
Notes	0	% 6-15-27	\$ 280,819	\$ 252,731

The annual requirements to amortize all notes outstanding as of June 30, 2018, are presented in the following table:

Year Ending June 30	Notes	
	Principal	Total
2019	\$ 28,081	\$ 28,081
2020	28,082	28,082
2021	28,081	28,081
2022	28,082	28,082
2023	28,082	28,082
2024-2027	112,323	112,323
Total	<u>\$ 252,731</u>	<u>\$ 252,731</u>

#### Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Water and Wastewater Treatment Authority of Coffee County, Tennessee, for the year ended June 30, 2018, was as follows:

	Notes
Balance, July 1, 2017	\$ 280,819
Additions	0
Reductions	(28,088)
Balance, June 30, 2018	<u>\$ 252,731</u>
Balance Due Within One Year	<u>\$ 28,081</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 252,731
Less: Balance Due Within One Year	<u>(28,081)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 224,650</u>

**F. On-Behalf Payments**

**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 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, 2018, were \$118,022 and \$51,555, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**V. OTHER INFORMATION**

**A. Risk Management**

**Primary Government**

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
2016-17	\$	0	\$ 308,302	\$ 293,309	14,993
2017-18		14,993	302,048	303,580	13,461

## **B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*; Statement No. 81, *Irrevocable Split-Interest Agreements*; Statement No. 85, *Omnibus 2017*; and Statement No. 86, *Certain Debt Extinguishment Issues* became effective for the year ended June 30, 2018.

GASB Statement No. 75, establishes accounting and reporting requirements for postemployment benefits other than pensions (other postemployment benefits or OPEB), which are included in the general purpose financial reports of state and local governmental OPEB plans. This statement replaces GASB Statements No. 45 and No. 57. The scope of this statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed.

GASB Statement No. 81, establishes accounting and financial reporting guidance for irrevocable split-interest agreements in which a government is a beneficiary.

GASB Statement No. 85, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

GASB Statement No. 86, establishes guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources

other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also provides guidance for accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

**C. Contingent Liabilities**

As noted in the prior-year audit, a former employee of Coffee County received a judgment against the county totaling \$600,000 for wrongful termination. This judgment has been appealed by the county; however, if the appellate court upholds the judgment, attorneys for the county advised that the county's insurance will likely not cover the amount awarded. Subsequent to June 30, 2018, the county settled the case of Keeling vs. Coffee County (See Note V.J.).

The county and School Department are involved in several additional pending lawsuits. Attorneys for both estimate that the potential claims against the county and School Department not covered by insurance resulting from such litigation would not materially affect the financial statements.

**D. 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, 2018.

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  
220 McLemore Street  
Dickson, TN 37055

**E. 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.

**F. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**Public Employee Legacy Retirement Plan**

**General Information About the Pension Plan**

*Plan Description.* Employees hired before July 1, 2014, 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 (Coffee County Legacy Retirement Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 65.46 percent, the non-certified employees of the discretely presented School Department comprised 32.83 percent, employees of the discretely presented Public Building Authority of Coffee County comprised .69 percent, and the employees of the discretely presented Industrial Development Board of Coffee County comprised 1.02 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](http://www.treasury.tn.gov/tcrs).

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

projected service credits. A variety of death benefits 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, 2017, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	209
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	349
Active Employees	363
Total	<u><u>921</u></u>

Coffee County withdrew from the TCRS Coffee County Plan effective July 1, 2014. Employees hired after the date of withdrawal are not eligible to participate in the Coffee County Plan. 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. 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, 2018, the employer contribution for Coffee County was \$698,160 based on a rate of 6.60 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 actuarially determined contributions (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, 2017, 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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major 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	5.69	%	31	%
International Equity Emerging Market	5.29		14	
International Equity Private Equity and Strategic Lending	6.36		4	
U.S. Fixed Income	5.79		20	
Real Estate	2.01		20	
Short-term Securities	4.32		10	
	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 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 (Asset) (a)-(b)
Balance, July 1, 2016	\$ 39,745,038	\$ 41,844,861	\$ (2,099,823)
Changes for the Year:			
Service Cost	\$ 1,042,833	\$ 0	\$ 1,042,833
Interest	2,994,156	0	2,994,156
Differences Between Expected and Actual Experience	519,461	0	519,461
Changes in Assumptions	1,001,203	0	1,001,203
Contributions-Employer	0	765,884	(765,884)
Contributions-Employees	0	580,404	(580,404)
Net Investment Income	0	4,724,157	(4,724,157)
Benefit Payments, Including Refunds of Employee Contributions	(1,731,594)	(1,731,594)	0
Administrative Expense	0	(31,150)	31,150
Other Changes	0	9,109	(9,109)
Net Changes	\$ 3,826,059	\$ 4,316,810	\$ (490,751)
Balance, June 30, 2017	\$ 43,571,097	\$ 46,161,671	\$ (2,590,574)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	65.46%	\$ 28,521,640	\$ 30,217,431	\$ (1,695,790)
IDB	1.02%	444,425	470,849	(26,424)
PBA	0.69%	300,641	318,516	(17,875)
School Department	32.83%	14,304,391	15,154,876	(850,485)
Total		\$ 43,571,097	\$ 46,161,671	\$ (2,590,574)

*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 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Coffee County	6.25%	7.25%	8.25%

Net Pension Liability      \$    2,959,266   \$ (2,590,574)   \$    (7,219,577)

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

*Pension Expense or Negative Pension Expense.* For the year ended June 30, 2018, Coffee County recognized pension expense of \$150,325.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, 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	\$    389,596	\$    942,341
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	8,376
Changes in Assumptions	750,902	0
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	698,160	N/A
Total	<u>\$    1,838,658</u>	<u>\$    950,717</u>

- (1)      The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2017,” 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	\$ 1,193,400	\$ 622,339
IDB	17,548	9,697
PBA	12,806	6,561
School Department	614,904	312,120
Total	<u>\$ 1,838,658</u>	<u>\$ 950,717</u>

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 June 30	Amount
2019	\$ (205,212)
2020	401,881
2021	313,323
2022	(320,214)
2023	0
Thereafter	0

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

**Payable to the Pension Plan**

At June 30, 2018, Coffee County reported a payable of \$98,006 for the outstanding amount of contributions due to the pension plan at year end.

**Discretely Presented Coffee County School Department**

**Non-certified Employees**

**General Information About the Pension Plans**

*Plan Description – Coffee County Legacy Plan.* As noted above under the primary government, employees of Coffee County, non-certified employees of the discretely presented Coffee County School

Department, employees of the discretely presented Public Building Authority of Coffee County, and the employees of the discretely presented Industrial Development Board of Coffee County are provided a defined benefit pension plan (Coffee County Legacy Plan) through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 65.46 percent, the non-certified employees of the discretely presented School Department comprise 32.83 percent, employees of the discretely presented Public Building Authority of Coffee County comprise .69 percent, and the employees of the discretely presented Industrial Development Board of Coffee County comprise 1.03 percent, of the plan based on contribution data.

Coffee County withdrew from the Coffee County Legacy Plan effective July 1, 2014. Employees of Coffee County, employees of the discretely presented Public Building Authority of Coffee County, and the employees of the discretely presented Industrial Development Board of Coffee County hired after the date of withdrawal are not eligible to participate in the TCRS Coffee County Legacy Plan. 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.

*Plan Description. Coffee County Schools Hybrid Plan.* Non-certified employees of the discretely presented Coffee County School Department hired after July 1, 2014, are provided a defined benefit pension plan (Coffee County Schools Hybrid Plan) through the Public Employee Retirement Plan, an agent 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 the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. 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 in which the member's age and service credits total 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 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.

*Employees Covered by Benefit Terms.* At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	0
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	15
Active Employees	74
Total	<u>89</u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Coffee County makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation and statutory provisions. 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 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, 2018, to the Retirement Plan were \$46,212, 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 to Pensions**

*Pension Liabilities (Assets).* Coffee County's net pension liability (asset) was measured at June 30, 2017, and the total pension liability 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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major class are summarized in the following table:

Asset Class	Percentage Long-term Expected Real Rate of Return	Percentage Target Allocations
U.S. Equity	5.69 %	31 %
Developed Market		
International Equity	5.29	14
Emerging Market		
International Equity	6.36	4
Private Equity and		
Strategic Lending	5.79	20
U.S. Fixed Income	2.01	20
Real Estate	4.32	10
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 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 Asset) (a)-(b)
Balance, July 1, 2016	\$ 54,592	\$ 59,609	\$ (5,017)
Changes for the Year:			
Service Cost	\$ 53,999	\$ 0	\$ 53,999
Interest	8,089	0	8,089
Changes in Benefit Terms	0	0	0
Differences Between Expected and Actual Experience	(4,062)	0	(4,062)
Changes in Assumptions	3,644	0	3,644
Contributions-Employer	0	36,683	(36,683)
Contributions-Employees	0	45,854	(45,854)
Net Investment Income	0	11,193	(11,193)
Benefit Payments, Including Refunds of Employee Contributions	(1,488)	(1,488)	0
Administrative Expense	0	(5,400)	5,400
Other Changes	0	1,323	(1,323)
Net Changes	\$ 60,182	\$ 88,165	\$ (27,983)
Balance, June 30, 2017	\$ 114,774	\$ 147,774	\$ (33,000)

*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 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Coffee County			
Net Pension Liability	\$ (5,947)	\$ (33,000)	\$ (53,834)

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

*Pension Expense or Negative Pension Expense.* For the year ended June 30, 2018, Coffee County recognized pension expense of \$12,684.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, 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	\$ 2,317	\$ 3,656
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	2,225
Changes in Assumptions	3,280	0
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	46,212	N/A
Total	<u>\$ 51,809</u>	<u>\$ 5,881</u>

- (1) The amount shown above for “Contributions Subsequent to the Measurement Date of June 30, 2017,” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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 June 30	Amount
2019	\$ (270)
2020	(270)
2021	(270)
2022	(551)
2023	216
Thereafter	864

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.* 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 publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

### **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 publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. 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, 2018, to the Teacher Retirement Plan were \$136,479, 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, 2018, the School Department reported a liability (asset) of (\$97,390) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the 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, 2017, the School Department's proportion was .369136 percent. The proportion as of June 30, 2016, was .456517 percent.

*Pension Expense.* For the year ended June 30, 2018, the School Department recognized pension expense of \$44,888.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the 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	\$ 3,413	\$ 7,325
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	5,240
Changes in Assumptions	8,556	0
Changes in Proportion of Net Pension Liability (Asset)	9,842	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	136,479	N/A
Total	<u>\$ 158,290</u>	<u>\$ 12,565</u>

The School Department's employer contributions of \$136,479, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension asset in the year ending June 30, 2019. 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
2019	\$ 248
2020	248
2021	(52)
2022	(1,400)
2023	1,071
Thereafter	9,129

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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS

investment policy target asset allocation for each major 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	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	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 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 19,431	\$ (97,390)	\$ (183,082)

*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 publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

*Benefits Provided.* TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. 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, 2018, to the Teacher Legacy Pension Plan were \$1,425,166, which is 9.08 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, 2018, the School Department reported a liability (asset) of (\$150,448) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2017, and the total pension liability used to

calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The School Department's proportion of the net pension liability (asset) was based on the 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, 2017, the School Department's proportion was .459824 percent. The proportion measured at June 30, 2016, was .451178 percent.

*Pension Expense.* For the year ended June 30, 2018, the School Department recognized pension expense of \$1,559.

*Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the 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	\$ 90,700	\$ 3,106,020
Changes in Assumptions	1,274,197	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	22,837	0
Changes in Proportion of Net Pension Liability (Asset)	72,930	91,925
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017	1,425,166	N/A
Total	<u>\$ 2,885,830</u>	<u>\$ 3,197,945</u>

The School Department's employer contributions of \$1,425,166 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as a decrease in net pension liability in the year ending June 30, 2019. 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
2019	\$ (1,076,705)
2020	462,395
2021	(387,902)
2022	(735,067)
2023	0
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, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary Increases	Graded Salary Ranges from 8.72% to 3.46% Based on Age, Including Inflation, Averaging 4%
Investment Rate of Return	7.25%, Net of Pension Plan Investment Expenses, Including Inflation
Cost of Living Adjustment	2.25%

Mortality rates are based actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2017, actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012, through June 30, 2016. 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, 2016, actuarial experience study. A blend of future capital market projections and historic market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target allocation percentage and by adding expected inflation of 2.5 percent. The best-estimates of geometric real rates of return and the TCRS

investment policy target asset allocation for each major 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	5.69 %	31 %
International Equity Emerging Market	5.29	14
International Equity Private Equity and Strategic Lending	6.36	4
U.S. Fixed Income	5.79	20
Real Estate	2.01	20
Short-term Securities	4.32	10
	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 7.25 percent based on a blending of the factors described above.

*Changes of Assumptions.* In 2017, the following assumptions were changed: decreased inflation rate from 3.0 percent to 2.5 percent; decreased the investment rate of return from 7.5 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.5 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.0 percent; and modified the mortality assumptions.

*Discount Rate.* The discount rate used to measure the total pension liability was 7.25 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 School Department's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.25 percent, as well as what the School Department's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
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Net Pension Liability	\$ 13,499,367	\$ (150,448)	\$ (11,432,918)
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*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, 2018, the Coffee County School Department reported a payable of \$51,491 for the outstanding amount of contributions due to the pension plan at year end.

## **2. Deferred Compensation**

Teachers hired after July 1, 2014, by the School Department are required to participate in a hybrid pension plan consisting of a defined benefit portion, which is detailed in the pensions footnote above and is managed by the Tennessee Consolidated Retirement System, and a defined contribution portion which is placed into the state's 401 (K) plan and is managed by the employee. The defined contribution portion of the plan requires that the School Department contribute five percent of each teacher's salary into their deferred compensation plan. In addition, teachers are required to contribute two percent of their salaries into this deferred compensation plan, unless they opt out of the employee portion. During the year the School Department contributed \$227,051 and teachers contributed \$97,635 to this deferred compensation pension plan.

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.

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

Coffee County and the discretely presented Coffee County School Department provide OPEB benefits to its retirees under various OPEB plans. These include OPEB provided through state administered public entity risk pools and commercial health insurance plans. For reporting purposes the plans are considered single employer defined benefit OPEB plans based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plans are funded on a pay-as-you-go basis and there are no assets accumulating in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

**OPEB Provided through State Administered Public Entity Risk Pools**

**Primary Government**

Retirees of Coffee County are provided healthcare under separate Local Government Plans (LGPs) until they reach Medicare eligibility. The primary government's LGPs are combined for presentation purposes.

The county's total OPEB liability for each plan was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2017, actuarial valuation of each plan was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary Increases	Salary increases used in the July 1, 2017, TCRS actuarial valuation; 3.44% to 8.72%, including inflation
Discount Rate	3.56%
Healthcare Cost Trend Rates	LGP - Based on the Getzen Model, with trend starting at 7.5% for the 2018 calendar year, and gradually decreasing over a 33-year period to an ultimate trend rate of 3.53% with .18% added to approximate the effect of the excise tax
Retirees Share of Benefit	
Related Cost	Discussed under each plan

The discount rate was 3.56 percent, based on the daily rate of Fidelity's 20-Year Municipal GO AA index closest to but not later than the measurement date.

Mortality rates were based on the results of a statewide experience study undertaken on behalf of the Tennessee Consolidated Retirement System (TCRS). These mortality rates were used in the July 1, 2017, actuarial valuation of the TCRS.

Unless noted otherwise, the actuarial demographic assumptions used in the June 30, 2017, valuations were the same as those employed in the July 1, 2017, Pension Actuarial Valuation of the TCRS. These assumptions were developed by TCRS based on the results of an actuarial experience study for the period July 1, 2012 - June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience. Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2014 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2016. Post-retirement tables are Blue Collar and adjusted with a 2 percent load for males and a -3 percent load for females. Mortality rates for impaired lives are the same as those used by TCRS and are taken from a gender distinct table published in the IRS Ruling 96-7 for disabled lives with a 10 percent load.

*Changes in Assumptions.* The discount rate changed from 2.92 percent as of the beginning of the measurement period to 3.56 percent as of the measurement date of June 30, 2017.

### **Closed Local Government OPEB Plan (Primary Government)**

*Plan Description.* Employees of Coffee County who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Government Plan (LGP) administered by the Tennessee Department of Finance and Administration. All eligible pre-65 retired employees and disability participants of local governments, who choose coverage, participate in the LGP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

*Benefits Provided.* Coffee County offers the LGP to provide health insurance coverage to eligible pre-65 retirees and disabled participants of local governments. With the exception of a small group of grandfathered individuals, retirees are required to discontinue coverage under the LGP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-701 establishes and amends the benefit terms of the LGP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members, of the LGP, receives the same plan benefits as active employees, at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for the retiree premiums. Coffee County does not provide a direct subsidy and is only subject to the implicit subsidy.

#### **Employees Covered by Benefit Terms**

At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

	<u>Total</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	1
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	370
Total	<u><u>371</u></u>

An insurance committee, created in accordance with TCA 8-27-701, establishes the required payments to the LGP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and

statistical techniques to establish premium rates. For the fiscal year ended June 30, 2018, the county paid \$10,114 to the LGP for OPEB benefits as they came due.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance July 1, 2016	\$ 590,476
Changes for the Year:	
Service Cost	\$ 63,210
Interest	19,021
Changes in Benefit Terms	0
Difference between Expected and Actuarial Experience	0
Changes in Assumption and Other Inputs	(33,044)
Benefit Payments	(4,534)
Net Changes	<u>\$ 44,653</u>
Balance June 30, 2017	<u><u>\$ 635,129</u></u>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the county recognized OPEB expense of \$78,678. At June 30, 2018, the county reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	29,491
Net Difference Between Projected and Benefits paid after the measurement date	<u>10,114</u>	<u>0</u>
Total	<u><u>\$ 10,114</u></u>	<u><u>\$ 29,491</u></u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Total Amount
2019	\$ (3,553)
2020	(3,553)
2021	(3,553)
2022	(3,553)
2023	(3,553)
Thereafter	(11,726)

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

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the county calculated using the current discount rate as well as what the OPEB liability would be if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 2.56%	Current Discount Rate 3.56%	1% Increase 4.56%
Total OPEB Liability	\$ 687,437	\$ 635,129	\$ 586,138

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the total OPEB liability of the county calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it was calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 6 to 3.77%	Current Trend Rates 7 to 4.77%	1% Increase 8 to 5.77%
Total OPEB Liability	\$ 556,736	\$ 635,129	\$ 728,787

**Closed Local Education (LEP) OPEB Plan (Discretely Presented School Department)**

*Plan Description.* Employees of the Coffee County School Department who were hired prior to July 1, 2015, are provided with pre-65 retiree health insurance benefits through the closed Local Education Plan (LEP) administered by the Tennessee Department of Finance and Administration.

All eligible pre-65 retired teachers, support staff, and disability participants of local education agencies, who choose coverage, participate in the LEP. This plan is closed to the employees of all participating employers that were hired on or after July 1, 2015.

*Benefits Provided.* The Coffee County School Department offers the LEP to provide health insurance coverage to eligible pre-65 retirees, support staff, and disabled participants of local education agencies. Retirees are required to discontinue coverage under the LEP upon obtaining Medicare eligibility. Insurance coverage is the only postemployment benefit provided to retirees. An insurance committee created in accordance with TCA 8-27-301 establishes and amends the benefit terms of the LEP. All members have the option of choosing between the premier preferred provider organization (PPO), standard PPO, limited PPO or the wellness health savings consumer-driven health plan (CDHP) for healthcare benefits. Retired plan members of the LEP receive the same plan benefits as active employees at a blended premium rate that considers the cost of all participants. This creates an implicit subsidy for retirees. Participating employers determine their own policy related to direct subsidies provided for retiree premiums. Coffee County does not provide a direct subsidy and is only subject to the implicit subsidy. The state, as a governmental non-employer contributing entity, provides a direct subsidy for eligible retirees premiums based on years of service. Therefore, retirees with 30 or more years of service will receive 45%; 20 but less than 30 years, 35%; and less than 20 years, 20% of the scheduled premium. No subsidy is provided for enrollees of the health savings CDHP.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2017, the following employees were covered by the benefit terms:

	<u>School Department</u>
Inactive Employees or Beneficiaries Currently Receiving Benefits	43
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	532
Total	<u><u>575</u></u>

A state insurance committee, created in accordance with TCA 8-27-301, establishes the required payments to the LEP by member employers and employees through the blended premiums established for active and retired employees. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates.

Administrative costs are allocated to plan participants. Employers contribute towards employee costs based on their own developed policies. During the current reporting period, the School Department paid \$374,440 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	Share of Collective Liability		
	Coffee County	State of	Total OPEB
	School Department	TN	
	76.02%	23.98%	Liability
Balance July 1, 2016	\$ 9,603,538	\$ 3,030,103	\$ 12,633,641
Changes for the Year:			
Service Cost	\$ 613,903	\$ 193,698	\$ 807,601
Interest	293,583	92,631	386,214
Changes in			
Benefit Terms	0	0	0
Difference between			
Expected and Actuarial			
Experience	0	0	0
Changes in Assumption			
and Other Inputs	(479,819)	(151,392)	(631,211)
Benefit Payments	(326,484)	(103,012)	(429,496)
Net Changes	\$ 101,183	\$ 31,925	\$ 133,108
Balance June 30, 2017	\$ 9,704,721	\$ 3,062,028	\$ 12,766,749

The Coffee County School Department has a special funding situation related to benefits paid by the State of Tennessee for its eligible retired employees participating in the LEP. The Coffee County School Department's proportionate share of the collective total OPEB liability was based on a projection of the employers long-term share of benefit payments to the OPEB plan relative to the projected share of benefit payments of all participating employers and nonemployer contributing entities, actuarially determined. The School Department recognized \$270,881 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department retirees.

During the year, the Coffee County School Department's proportionate share of the collective OPEB liability was 76.02% and the State of Tennessee's share was 23.98%.

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources.* For the year ended June 30, 2018, the School Department recognized OPEB expense of \$1,129,406 including the state's share of the

expense. At June 30, 2018, the School Department reported deferred outflows of resources and deferred inflows of resources related to its proportionate share of OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 0
Changes of Assumptions/Inputs	0	430,858
Changes in Proportion and Differences Between Amounts Paid as Benefits Came Due and Proportionate Share Amounts Paid by the Employee and Nonemployer Contributors As Benefits Came Due	0	0
Benefits Paid After the Measurement Date	374,440	0
Total	<u>\$ 374,440</u>	<u>\$ 430,858</u>

Amounts reported as deferred inflows and deferred outflows of resources (excluding benefits paid after the measurement date) related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	School Department
2019	\$ (48,961)
2020	(48,961)
2021	(48,961)
2022	(48,961)
2023	(48,961)
Thereafter	(186,053)

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

*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Discount Rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate.



<u>Discount Rate</u>	1% Decrease 2.56%	Current Discount Rate 3.56%	1% Increase 4.56%
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Proportionate Share of the Collective Total OPEB Liability	\$ 10,460,612	\$ 9,704,721	\$ 8,985,493
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*Sensitivity of Proportionate Share of the Collective Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the School Department's proportionate share of the collective total OPEB liability related to the LEP, as well as what the proportionate share of the collective total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current healthcare cost trend rate.

<u>Healthcare Cost Trend Rate</u>	1% Decrease 6.5 to 2.71%	Current Rates 7.5 to 3.71%	1% Increase 8.5 to 4.71%
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Proportionate Share of the Collective Total OPEB Liability	\$ 8,520,458	\$ 9,704,721	\$ 11,116,375
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## **H. 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.

## **I. 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.

## **J. Subsequent Events**

Clerk and Master Charlotte Broyles left office July 3, 2018, and was succeeded by Sheila Proffitt. Sheriff Steve Graves left office August 31, 2018, and was succeeded by Chad Partin.

On November 26, 2018, Coffee County entered into a settlement agreement in the wrongful termination case of Keeling vs. Coffee County. The settlement amount was \$982,500 and was paid in full by the county on December 27, 2018. The county received \$120,000 from its insurance carrier, Tennessee Risk Management Trust, on January 28, 2019.

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## REQUIRED SUPPLEMENTARY INFORMATION

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Exhibit E-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

	2014	2015	2016	2017
<b>Total Pension Liability</b>				
Service Cost	\$ 1,124,029	\$ 1,074,064	\$ 1,081,961	\$ 1,042,833
Interest	2,652,435	2,713,685	2,877,607	2,994,156
Differences Between Actual and Expected Experience	(1,472,065)	(70,073)	(706,040)	519,461
Changes in Assumptions	0	0	0	1,001,203
Benefit Payments, Including Refunds of Employee Contributions	(1,384,888)	(1,490,656)	(1,589,244)	(1,731,594)
Net Change in Total Pension Liability	\$ 919,511	\$ 2,227,020	\$ 1,664,284	\$ 3,826,059
Total Pension Liability, Beginning	\$ 34,934,223	\$ 35,853,734	\$ 38,080,754	\$ 39,745,038
Total Pension Liability, Ending (a)	\$ 35,853,734	\$ 38,080,754	\$ 39,745,038	\$ 43,571,097
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 1,094,055	\$ 1,110,181	\$ 1,035,664	\$ 765,884
Contributions - Employee	644,561	673,024	590,953	580,404
Net Investment Income	5,551,086	1,215,059	1,083,599	4,724,157
Benefit Payments, Including Refunds of Employee Contributions	(1,384,888)	(1,490,656)	(1,589,244)	(1,731,594)
Administrative Expense	(18,439)	(22,769)	(30,436)	(31,150)
Other	0	0	9,122	9,109
Net Change in Plan Fiduciary Net Position	\$ 5,886,375	\$ 1,484,839	\$ 1,099,658	\$ 4,316,810
Plan Fiduciary Net Position, Beginning	33,373,989	39,260,364	40,745,203	41,844,861
Plan Fiduciary Net Position, Ending (b)	\$ 39,260,364	\$ 40,745,203	\$ 41,844,861	\$ 46,161,671
Net Pension Liability (Asset), Ending (a - b)	\$ (3,406,630)	\$ (2,664,449)	\$ (2,099,823)	\$ (2,590,574)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	109.50%	107.00%	105.28%	105.95%
Covered Payroll	\$ 12,841,020	\$ 12,644,430	\$ 11,861,811	\$ 11,604,290
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(26.53)%	(21.07)%	(17.70)%	(22.32)%

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

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

Exhibit E-2

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  
Discretely Presented Coffee County School Department  
Last Fiscal Year Ending June 30

	2016	2017
<b>Total Pension Liability</b>		
Service Cost	\$ 48,148	\$ 53,999
Interest	3,611	8,089
Differences Between Actual and Expected Experience	2,833	(4,062)
Changes in Assumptions	0	3,644
Benefit Payments, Including Refunds of Employee Contributions	0	(1,488)
Net Change in Total Pension Liability	\$ 54,592	\$ 60,182
Total Pension Liability, Beginning	\$ 0	\$ 54,592
 Total Pension Liability, Ending (a)	 \$ 54,592	 \$ 114,774
 <b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 27,681	\$ 36,683
Contributions - Employee	34,601	45,854
Net Investment Income	799	11,193
Benefit Payments, Including Refunds of Employee Contributions	0	(1,488)
Administrative Expense	(3,472)	(5,400)
Other	0	1,323
Net Change in Plan Fiduciary Net Position	\$ 59,609	\$ 88,165
Plan Fiduciary Net Position, Beginning	0	59,609
 Plan Fiduciary Net Position, Ending (b)	 \$ 59,609	 \$ 147,774
 Net Pension Liability (Asset), Ending (a - b)	 \$ (5,017)	 \$ (33,000)
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	 109.19%	 128.75%
Covered Payroll	\$ 706,728	\$ 917,086
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(.71)%	(3.60)%

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

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

Exhibit E-3

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	2017	2018
Actuarially Determined Contribution	\$ 1,094,055	\$ 1,110,181	\$ 1,035,664	\$ 511,749	\$ 687,309
Less Contributions in Relation to the Actuarially Determined Contribution	(1,094,055)	(1,110,181)	(1,035,664)	(765,884)	(687,309)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (254,135)</u>	<u>\$ 0</u>
Covered Payroll	\$ 12,841,020	\$ 12,644,430	\$ 11,861,811	\$ 11,604,290	\$ 10,413,763
Contributions as a Percentage of Covered Payroll	8.52%	8.78%	8.73%	6.60%	6.60%

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

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

Coffee County, Tennessee  
Schedule of Contributions Based on Participation in the Public  
Employee Pension Plan of TCRS  
Discretely Presented Coffee County School Department  
Last Fiscal Year Ending June 30

	2016	2017	2018
Actuarially Determined Contribution	\$ 27,681	\$ 10,363	\$ 46,212
Less Contributions in Relation to the Actuarially Determined Contribution	(27,681)	(36,683)	(46,212)
Contribution Deficiency (Excess)	\$ 0	\$ (26,320)	\$ 0
Covered Payroll	\$ 706,728	\$ 917,086	\$ 1,155,420
Contributions as a Percentage of Covered Payroll	3.92%	4.00%	4.00%

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

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

Exhibit E-5

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

	2015	2016	2017	2018
Contractually Required Contribution	\$ 39,296	\$ 80,348	\$ 96,911	\$ 136,479
Less Contributions in Relation to the Contractually Required Contribution	(39,296)	(80,348)	(96,911)	(136,479)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 982,381	\$ 2,008,688	\$ 2,422,795	\$ 3,411,976
Contributions as a Percentage of Covered Payroll	4.00%	4.00%	4.00%	4.00%

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



Exhibit E-6

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	2017	2018
Contractually Required Contribution	\$ 1,588,162	\$ 1,511,533	\$ 1,472,309	\$ 1,469,413	\$ 1,425,166
Less Contributions in Relation to the Contractually Required Contribution	(1,588,162)	(1,511,533)	(1,472,309)	(1,469,413)	(1,425,166)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 17,884,707	\$ 16,720,786	\$ 16,286,625	\$ 16,254,573	\$ 15,695,651
Contributions as a Percentage of Covered Payroll	8.88%	9.04%	9.04%	9.04%	9.08%

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

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 \*

	2016	2017	2018
School Department's Proportion of the Net Pension Liability/Asset	0.463058%	0.456517%	0.369136%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (19,021)	\$ (47,525)	\$ (97,390)
Covered Payroll	\$ 982,381	\$ 2,008,688	\$ 2,422,795
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%	(2.37)%	(4.02)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%	121.88%	126.81%

\* 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 E-8

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 \*

	2015	2016	2017	2017
School Department's Proportion of the Net Pension Liability/Asset	0.455662%	0.446654%	0.451178%	0.459824%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (74,043)	\$ 182,965	\$ 2,819,610	\$ (150,448)
Covered Payroll	\$ 17,884,707	\$ 16,720,786	\$ 16,286,625	\$ 16,254,573
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(0.41)%	1.09%	17.31%	(0.93)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%	97.14%	100.14%

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

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

Exhibit E-9

Coffee County, Tennessee  
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Government Plans  
Primary Government  
For the Fiscal Year Ended June 30

**Coffee County Plan**

	<u>2017</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 63,210
Interest	19,021
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(33,044)
Benefit Payments	<u>(4,534)</u>
Net Change in Total OPEB Liability	\$ 44,653
Total OPEB Liability, Beginning	<u>590,476</u>
 Total OPEB Liability, Ending	 <u><u>\$ 635,129</u></u>
 Covered Employee Payroll	 \$ 6,770,147
Net OPEB Liability as a Percentage of Covered Employee Payroll	9.38%

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2.92%
2018	3.56%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Exhibit E-10

Coffee County, Tennessee  
Schedule of Changes in the Total OPEB Liability and Related Ratios - Local Education Plan  
Discretely Presented Coffee County School Department  
For the Fiscal Year Ended June 30

	<u>2017</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 807,601
Interest	386,214
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(631,211)
Benefit Payments	<u>(429,496)</u>
Net Change in Total OPEB Liability	\$ 133,108
Total OPEB Liability, Beginning	<u>12,633,641</u>
Total OPEB Liability, Ending	<u><u>\$ 12,766,749</u></u>
Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	\$ 3,062,028
Employer Proportionate Share of the Total OPEB Liability	9,704,721
Covered Employee Payroll	\$ 23,906,662
Net OPEB Liability as a Percentage of Covered Employee Payroll	53.40%

Note 1: Ten years of data will be presented when available.

Note 2: Changes in assumptions. Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2017	2.92%
2018	3.56%

Note 3: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**COFFEE COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2018**

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

*Valuation Date:* Actuarially determined contribution rates for fiscal year 2017 were calculated based on the June 30, 2016, actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed (Not to Exceed 20 Years)
Remaining Amortization Period	Varies by 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,
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%

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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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 Fund

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

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

## Exhibit F-1

Coffee County, Tennessee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2018

	Special Revenue Funds				
	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees
<u>ASSETS</u>					
Cash	\$ 0	\$ 131,556	\$ 0	\$ 0	\$ 142,307
Equity in Pooled Cash and Investments	1,486,311	620,599	648,071	747,682	0
Accounts Receivable	55,542	804,551	0	0	20,121
Allowance for Uncollectibles	0	(453,026)	0	0	0
Due from Other Governments	42,671	0	0	0	0
Due from Other Funds	39,645	0	0	0	0
Due from Component Units	1,200	0	0	0	0
Property Taxes Receivable	959,845	655,538	219,689	0	0
Allowance for Uncollectible Property Taxes	(61,448)	(19,812)	(45,124)	0	0
Total Assets	<u>\$ 2,523,766</u>	<u>\$ 1,739,406</u>	<u>\$ 822,636</u>	<u>\$ 747,682</u>	<u>\$ 162,428</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 52,653	\$ 2,454	\$ 2,450	\$ 50	\$ 0
Payroll Deductions Payable	4,561	17,145	0	0	0
Due to Other Funds	0	0	0	0	162,428
Due to State of Tennessee	295	206	0	0	0
Total Liabilities	<u>\$ 57,509</u>	<u>\$ 19,805</u>	<u>\$ 2,450</u>	<u>\$ 50</u>	<u>\$ 162,428</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 858,522	\$ 622,828	\$ 174,565	\$ 0	\$ 0
Deferred Delinquent Property Taxes	38,554	11,662	0	0	0

(Continued)

## Exhibit F-1

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

	Special Revenue Funds				
	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Other Deferred/Unavailable Revenue	\$ 28,583	\$ 331,099	\$ 0	\$ 0	\$ 0
Total Deferred Inflows of Resources	\$ 925,659	\$ 965,589	\$ 174,565	\$ 0	\$ 0
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 584,259	\$ 0
Restricted for Public Health and Welfare	1,540,598	740,115	0	0	0
Restricted for Other Operations	0	0	645,621	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	163,373	0
Assigned for Public Health and Welfare	0	13,897	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	\$ 1,540,598	\$ 754,012	\$ 645,621	\$ 747,632	\$ 0
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,523,766	\$ 1,739,406	\$ 822,636	\$ 747,682	\$ 162,428

(Continued)

Exhibit F-1

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Highway / Public Works</u>	<u>Total</u>	<u>General Capital Projects</u>	
<u>ASSETS</u>				
Cash	\$ 0	\$ 273,863	\$ 0	\$ 273,863
Equity in Pooled Cash and Investments	1,273,166	4,775,829	2,532,527	7,308,356
Accounts Receivable	0	880,214	0	880,214
Allowance for Uncollectibles	0	(453,026)	0	(453,026)
Due from Other Governments	779,070	821,741	258,158	1,079,899
Due from Other Funds	0	39,645	0	39,645
Due from Component Units	0	1,200	0	1,200
Property Taxes Receivable	0	1,835,072	309,880	2,144,952
Allowance for Uncollectible Property Taxes	0	(126,384)	(61,641)	(188,025)
Total Assets	<u>\$ 2,052,236</u>	<u>\$ 8,048,154</u>	<u>\$ 3,038,924</u>	<u>\$ 11,087,078</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 4,857	\$ 62,464	\$ 7,500	\$ 69,964
Payroll Deductions Payable	6,018	27,724	0	27,724
Due to Other Funds	0	162,428	0	162,428
Due to State of Tennessee	0	501	0	501
Total Liabilities	<u>\$ 10,875</u>	<u>\$ 253,117</u>	<u>\$ 7,500</u>	<u>\$ 260,617</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 0	\$ 1,655,915	\$ 241,037	\$ 1,896,952
Deferred Delinquent Property Taxes	0	50,216	6,260	56,476

(Continued)

Exhibit F-1

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

	<u>Special Revenue Funds (Cont.)</u>		<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Highway / Public Works</u>	<u>Total</u>	<u>General Capital Projects</u>	
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>				
Other Deferred/Unavailable Revenue	\$ 213,295	\$ 572,977	\$ 85,751	\$ 658,728
Total Deferred Inflows of Resources	\$ 213,295	\$ 2,279,108	\$ 333,048	\$ 2,612,156
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 0	\$ 584,259	\$ 0	\$ 584,259
Restricted for Public Health and Welfare	0	2,280,713	0	2,280,713
Restricted for Other Operations	0	645,621	0	645,621
Restricted for Highways/Public Works	930,839	930,839	0	930,839
Restricted for Education	0	0	324,900	324,900
Restricted for Capital Outlay	0	0	2,195,717	2,195,717
Assigned:				
Assigned for General Government	0	0	48,633	48,633
Assigned for Public Safety	0	163,373	0	163,373
Assigned for Public Health and Welfare	0	13,897	5,000	18,897
Assigned for Social, Cultural, and Recreational Services	0	0	9,145	9,145
Assigned for Highways/Public Works	897,227	897,227	0	897,227
Assigned for Education	0	0	114,981	114,981
Total Fund Balances	\$ 1,828,066	\$ 5,515,929	\$ 2,698,376	\$ 8,214,305
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,052,236	\$ 8,048,154	\$ 3,038,924	\$ 11,087,078

Exhibit F-2

Coffee County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2018

	Special Revenue Funds					Constitu -
	Solid	Ambulance	Local	Drug		tional
	Waste /	Service	Purpose	Control		Officers -
	Sanitation		Tax			Fees
<u>Revenues</u>						
Local Taxes	\$ 1,248,137	\$ 635,066	\$ 200,036	\$ 0	\$ 0	
Licenses and Permits	6,435	3,000	0	0	0	
Fines, Forfeitures, and Penalties	0	0	0	260,071	0	
Charges for Current Services	131,740	1,953,526	0	0	25,984	
Other Local Revenues	71,101	212	0	0	0	
State of Tennessee	44,221	0	0	0	0	
Federal Government	0	122,326	0	8,404	0	
Other Governments and Citizens Groups	1,200	0	0	0	0	
Total Revenues	\$ 1,502,834	\$ 2,714,130	\$ 200,036	\$ 268,475	\$ 25,984	
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,818	
Public Safety	0	0	0	236,681	166	
Public Health and Welfare	1,622,668	2,383,121	0	0	0	
Other Operations	28,165	0	84,838	0	0	
Highways	0	0	0	0	0	
Debt Service:						
Principal on Debt	0	0	0	0	0	
Interest on Debt	0	0	0	0	0	
Capital Projects	0	0	0	0	0	
Total Expenditures	\$ 1,650,833	\$ 2,383,121	\$ 84,838	\$ 236,681	\$ 25,984	

(Continued)

Exhibit F-2

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

	Special Revenue Funds					
	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	Constitu - tional Officers - Fees	
Excess (Deficiency) of Revenues Over Expenditures	\$ (147,999)	\$ 331,009	\$ 115,198	\$ 31,794	\$	0
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 72,500	\$ 0	\$ 0	\$ 39,624	\$	0
Insurance Recovery	0	0	0	16,555		0
Transfers In	0	0	0	0		0
Transfers Out	0	0	(100,000)	0		0
Total Other Financing Sources (Uses)	\$ 72,500	\$ 0	\$ (100,000)	\$ 56,179	\$	0
Net Change in Fund Balances	\$ (75,499)	\$ 331,009	\$ 15,198	\$ 87,973	\$	0
Fund Balance, July 1, 2017	1,616,097	423,003	630,423	659,659		0
Fund Balance, June 30, 2018	\$ 1,540,598	\$ 754,012	\$ 645,621	\$ 747,632	\$	0

(Continued)

Exhibit F-2

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

	Special Revenue Funds (Cont.)		Capital Projects Fund	Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	
<u>Revenues</u>				
Local Taxes	\$ 50,924	\$ 2,134,163	\$ 1,364,730	\$ 3,498,893
Licenses and Permits	0	9,435	0	9,435
Fines, Forfeitures, and Penalties	0	260,071	0	260,071
Charges for Current Services	0	2,111,250	0	2,111,250
Other Local Revenues	9,625	80,938	0	80,938
State of Tennessee	3,147,988	3,192,209	0	3,192,209
Federal Government	0	130,730	249,430	380,160
Other Governments and Citizens Groups	0	1,200	470,004	471,204
Total Revenues	\$ 3,208,537	\$ 7,919,996	\$ 2,084,164	\$ 10,004,160
<u>Expenditures</u>				
Current:				
Administration of Justice	\$ 0	\$ 25,818	\$ 0	\$ 25,818
Public Safety	0	236,847	0	236,847
Public Health and Welfare	0	4,005,789	0	4,005,789
Other Operations	0	113,003	0	113,003
Highways	2,397,610	2,397,610	0	2,397,610
Debt Service:				
Principal on Debt	44,000	44,000	0	44,000
Interest on Debt	506	506	0	506
Capital Projects	0	0	1,788,005	1,788,005
Total Expenditures	\$ 2,442,116	\$ 6,823,573	\$ 1,788,005	\$ 8,611,578

(Continued)



Exhibit F-2

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

	Special Revenue Funds (Cont.)		Capital Projects Fund	Total Nonmajor Governmental Funds
	Highway / Public Works	Total	General Capital Projects	
Excess (Deficiency) of Revenues Over Expenditures	\$ 766,421	\$ 1,096,423	\$ 296,159	\$ 1,392,582
<u>Other Financing Sources (Uses)</u>				
Proceeds from Sale of Capital Assets	\$ 0	\$ 112,124	\$ 72,861	\$ 184,985
Insurance Recovery	0	16,555	0	16,555
Transfers In	0	0	100,000	100,000
Transfers Out	0	(100,000)	0	(100,000)
Total Other Financing Sources (Uses)	\$ 0	\$ 28,679	\$ 172,861	\$ 201,540
Net Change in Fund Balances	\$ 766,421	\$ 1,125,102	\$ 469,020	\$ 1,594,122
Fund Balance, July 1, 2017	1,061,645	4,390,827	2,229,356	6,620,183
Fund Balance, June 30, 2018	\$ 1,828,066	\$ 5,515,929	\$ 2,698,376	\$ 8,214,305

Exhibit F-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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 1,248,137	\$ 0	\$ 1,248,137	\$ 1,270,969	\$ 1,270,969	\$ (22,832)
Licenses and Permits	6,435	0	6,435	6,000	6,000	435
Charges for Current Services	131,740	0	131,740	160,816	160,816	(29,076)
Other Local Revenues	71,101	0	71,101	35,000	35,000	36,101
State of Tennessee	44,221	0	44,221	52,400	52,400	(8,179)
Other Governments and Citizens Groups	1,200	0	1,200	0	0	1,200
Total Revenues	\$ 1,502,834	\$ 0	\$ 1,502,834	\$ 1,525,185	\$ 1,525,185	\$ (22,351)
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Sanitation Management	\$ 188,874	\$ 0	\$ 188,874	\$ 208,354	\$ 208,354	\$ 19,480
Waste Pickup	1,016,834	(231,365)	785,469	892,119	892,119	106,650
Convenience Centers	322,087	0	322,087	396,998	396,998	74,911
Other Waste Collection	94,873	0	94,873	107,316	107,316	12,443
Other Waste Disposal	0	0	0	4,500	4,500	4,500
<u>Other Operations</u>						
Other Charges	28,165	0	28,165	28,165	28,165	0
Total Expenditures	\$ 1,650,833	\$ (231,365)	\$ 1,419,468	\$ 1,637,452	\$ 1,637,452	\$ 217,984
Excess (Deficiency) of Revenues Over Expenditures	\$ (147,999)	\$ 231,365	\$ 83,366	\$ (112,267)	\$ (112,267)	\$ 195,633
<u>Other Financing Sources (Uses)</u>						
Proceeds from Sale of Capital Assets	\$ 72,500	\$ 0	\$ 72,500	\$ 0	\$ 0	\$ 72,500
Total Other Financing Sources	\$ 72,500	\$ 0	\$ 72,500	\$ 0	\$ 0	\$ 72,500

(Continued)

Exhibit F-3

Coffee County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Solid Waste/Sanitation Fund (Cont.)

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ (75,499)	\$ 231,365	\$ 155,866	\$ (112,267)	\$ (112,267)	\$ 268,133
Fund Balance, July 1, 2017	1,616,097	(231,365)	1,384,732	1,384,731	1,384,731	1
Fund Balance, June 30, 2018	\$ 1,540,598	\$ 0	\$ 1,540,598	\$ 1,272,464	\$ 1,272,464	\$ 268,134

## Exhibit F-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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 635,066	\$ 0	\$ 0	\$ 635,066	\$ 634,698	\$ 634,698	\$ 368
Licenses and Permits	3,000	0	0	3,000	2,500	2,500	500
Charges for Current Services	1,953,526	0	0	1,953,526	1,743,988	1,743,988	209,538
Other Local Revenues	212	0	0	212	0	0	212
Federal Government	122,326	0	0	122,326	0	122,327	(1)
Total Revenues	\$ 2,714,130	\$ 0	\$ 0	\$ 2,714,130	\$ 2,381,186	\$ 2,503,513	\$ 210,617
<u>Expenditures</u>							
Public Health and Welfare							
Ambulance/Emergency Medical Services	\$ 2,383,121	\$ (20,276)	\$ 13,897	\$ 2,376,742	\$ 2,478,296	\$ 2,526,525	\$ 149,783
Total Expenditures	\$ 2,383,121	\$ (20,276)	\$ 13,897	\$ 2,376,742	\$ 2,478,296	\$ 2,526,525	\$ 149,783
Excess (Deficiency) of Revenues Over Expenditures	\$ 331,009	\$ 20,276	\$ (13,897)	\$ 337,388	\$ (97,110)	\$ (23,012)	\$ 360,400
Net Change in Fund Balance	\$ 331,009	\$ 20,276	\$ (13,897)	\$ 337,388	\$ (97,110)	\$ (23,012)	\$ 360,400
Fund Balance, July 1, 2017	423,003	(20,276)	0	402,727	402,727	402,727	0
Fund Balance, June 30, 2018	\$ 754,012	\$ 0	\$ (13,897)	\$ 740,115	\$ 305,617	\$ 379,715	\$ 360,400

## Exhibit F-5

Coffee County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Local Purpose Tax Fund  
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 200,036	\$ 193,099	\$ 193,099	\$ 6,937
Total Revenues	\$ 200,036	\$ 193,099	\$ 193,099	\$ 6,937
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 84,838	\$ 207,500	\$ 107,500	\$ 22,662
Total Expenditures	\$ 84,838	\$ 207,500	\$ 107,500	\$ 22,662
Excess (Deficiency) of Revenues Over Expenditures	\$ 115,198	\$ (14,401)	\$ 85,599	\$ 29,599
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (100,000)	\$ 0	\$ (100,000)	\$ 0
Total Other Financing Sources	\$ (100,000)	\$ 0	\$ (100,000)	\$ 0
Net Change in Fund Balance	\$ 15,198	\$ (14,401)	\$ (14,401)	\$ 29,599
Fund Balance, July 1, 2017	630,423	630,423	630,423	0
Fund Balance, June 30, 2018	\$ 645,621	\$ 616,022	\$ 616,022	\$ 29,599

Exhibit F-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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 260,071	\$ 0	\$ 0	\$ 260,071	\$ 257,470	\$ 257,470	\$ 2,601
Federal Government	8,404	0	0	8,404	0	0	8,404
Total Revenues	\$ 268,475	\$ 0	\$ 0	\$ 268,475	\$ 257,470	\$ 257,470	\$ 11,005
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 236,681	\$ (102,410)	\$ 163,373	\$ 297,644	\$ 390,400	\$ 411,350	\$ 113,706
Total Expenditures	\$ 236,681	\$ (102,410)	\$ 163,373	\$ 297,644	\$ 390,400	\$ 411,350	\$ 113,706
Excess (Deficiency) of Revenues Over Expenditures	\$ 31,794	\$ 102,410	\$ (163,373)	\$ (29,169)	\$ (132,930)	\$ (153,880)	\$ 124,711
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 39,624	\$ 0	\$ 0	\$ 39,624	\$ 0	\$ 0	\$ 39,624
Insurance Recovery	16,555	0	0	16,555	0	0	16,555
Total Other Financing Sources	\$ 56,179	\$ 0	\$ 0	\$ 56,179	\$ 0	\$ 0	\$ 56,179
Net Change in Fund Balance	\$ 87,973	\$ 102,410	\$ (163,373)	\$ 27,010	\$ (132,930)	\$ (153,880)	\$ 180,890
Fund Balance, July 1, 2017	659,659	(102,410)	0	557,249	557,249	557,249	0
Fund Balance, June 30, 2018	\$ 747,632	\$ 0	\$ (163,373)	\$ 584,259	\$ 424,319	\$ 403,369	\$ 180,890

## Exhibit F-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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 50,924	\$ 0	\$ 0	\$ 50,924	\$ 65,000	\$ 65,000	\$ (14,076)
Other Local Revenues	9,625	0	0	9,625	2,275	2,275	7,350
State of Tennessee	3,147,988	0	0	3,147,988	3,414,592	3,414,592	(266,604)
Total Revenues	\$ 3,208,537	\$ 0	\$ 0	\$ 3,208,537	\$ 3,481,867	\$ 3,481,867	\$ (273,330)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 293,827	\$ 0	\$ 0	\$ 293,827	\$ 340,138	\$ 340,138	\$ 46,311
Highway and Bridge Maintenance	1,436,941	(453,141)	814,437	1,798,237	2,404,667	2,394,062	595,825
Operation and Maintenance of Equipment	316,434	(1,168)	9,790	325,056	424,594	424,594	99,538
Other Charges	198,972	0	0	198,972	192,538	203,143	4,171
Capital Outlay	151,436	0	73,000	224,436	325,000	325,000	100,564
<u>Principal on Debt</u>							
Highways and Streets	44,000	0	0	44,000	44,000	44,000	0
<u>Interest on Debt</u>							
Highways and Streets	506	0	0	506	506	506	0
Total Expenditures	\$ 2,442,116	\$ (454,309)	\$ 897,227	\$ 2,885,034	\$ 3,731,443	\$ 3,731,443	\$ 846,409
Excess (Deficiency) of Revenues Over Expenditures	\$ 766,421	\$ 454,309	\$ (897,227)	\$ 323,503	\$ (249,576)	\$ (249,576)	\$ 573,079
Net Change in Fund Balance	\$ 766,421	\$ 454,309	\$ (897,227)	\$ 323,503	\$ (249,576)	\$ (249,576)	\$ 573,079
Fund Balance, July 1, 2017	1,061,645	(454,309)	0	607,336	607,337	607,337	(1)
Fund Balance, June 30, 2018	\$ 1,828,066	\$ 0	\$ (897,227)	\$ 930,839	\$ 357,761	\$ 357,761	\$ 573,078

## Exhibit F-8

Coffee County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
General Capital Projects Fund  
For the Year Ended June 30, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,364,730	\$ 0	\$ 0	\$ 1,364,730	\$ 1,283,055	\$ 1,293,460	\$ 71,270
Federal Government	249,430	0	0	249,430	0	0	249,430
Other Governments and Citizens Groups	470,004	0	0	470,004	0	260,000	210,004
Total Revenues	\$ 2,084,164	\$ 0	\$ 0	\$ 2,084,164	\$ 1,283,055	\$ 1,553,460	\$ 530,704
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 28,767	\$ 0	\$ 48,633	\$ 77,400	\$ 114,344	\$ 483,444	\$ 406,044
Public Safety Projects	149,700	(79,500)	0	70,200	70,200	70,200	0
Public Health and Welfare Projects	308,676	(125,925)	5,000	187,751	409,000	409,000	221,249
Social, Cultural, and Recreation Projects	90,728	(99,873)	9,145	0	0	9,145	9,145
Public Utility Projects	528,274	0	0	528,274	0	1,359,600	831,326
Other General Government Projects	7,500	0	0	7,500	110,000	117,500	110,000
Education Capital Projects	674,360	(423,304)	114,981	366,037	650,000	650,000	283,963
Total Expenditures	\$ 1,788,005	\$ (728,602)	\$ 177,759	\$ 1,237,162	\$ 1,353,544	\$ 3,098,889	\$ 1,861,727
Excess (Deficiency) of Revenues Over Expenditures	\$ 296,159	\$ 728,602	\$ (177,759)	\$ 847,002	\$ (70,489)	\$ (1,545,429)	\$ 2,392,431
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 72,861	\$ 0	\$ 0	\$ 72,861	\$ 0	\$ 72,861	\$ 0
Transfers In	100,000	0	0	100,000	0	0	100,000
Total Other Financing Sources	\$ 172,861	\$ 0	\$ 0	\$ 172,861	\$ 0	\$ 72,861	\$ 100,000
Net Change in Fund Balance	\$ 469,020	\$ 728,602	\$ (177,759)	\$ 1,019,863	\$ (70,489)	\$ (1,472,568)	\$ 2,492,431
Fund Balance, July 1, 2017	2,229,356	(728,602)	0	1,500,754	1,488,754	1,488,754	12,000
Fund Balance, June 30, 2018	\$ 2,698,376	\$ 0	\$ (177,759)	\$ 2,520,617	\$ 1,418,265	\$ 16,186	\$ 2,504,431



# Major Governmental Funds

## Debt Service Funds

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

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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 G-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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,820,497	\$ 1,785,851	\$ 1,785,851	\$ 34,646
Other Local Revenues	327,367	206,380	310,383	16,984
Total Revenues	<u>\$ 2,147,864</u>	<u>\$ 1,992,231</u>	<u>\$ 2,096,234</u>	<u>\$ 51,630</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,407,135	\$ 1,352,828	\$ 1,420,828	\$ 13,693
<u>Interest on Debt</u>				
General Government	601,551	612,080	602,263	712
<u>Other Debt Service</u>				
General Government	39,117	50,000	50,000	10,883
Total Expenditures	<u>\$ 2,047,803</u>	<u>\$ 2,014,908</u>	<u>\$ 2,073,091</u>	<u>\$ 25,288</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 100,061</u>	<u>\$ (22,677)</u>	<u>\$ 23,143</u>	<u>\$ 76,918</u>
Net Change in Fund Balance	\$ 100,061	\$ (22,677)	\$ 23,143	\$ 76,918
Fund Balance, July 1, 2017	<u>2,863,389</u>	<u>2,863,389</u>	<u>2,863,389</u>	<u>0</u>
Fund Balance, June 30, 2018	<u>\$ 2,963,450</u>	<u>\$ 2,840,712</u>	<u>\$ 2,886,532</u>	<u>\$ 76,918</u>

## Exhibit G-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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,171,732	\$ 2,921,393	\$ 2,921,393	\$ 250,339
Other Local Revenues	17,343	5,000	5,000	12,343
Federal Government	400,224	428,505	428,505	(28,281)
Other Governments and Citizens Groups	323,737	351,888	351,888	(28,151)
Total Revenues	<u>\$ 3,913,036</u>	<u>\$ 3,706,786</u>	<u>\$ 3,706,786</u>	<u>\$ 206,250</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,378,884	\$ 1,358,885	\$ 1,378,885	\$ 1
<u>Interest on Debt</u>				
Education	2,599,212	2,600,160	2,600,160	948
<u>Other Debt Service</u>				
Education	56,922	56,500	62,500	5,578
<u>Capital Projects - Donated</u>				
Capital Projects Donated to School Department	100,000	0	100,000	0
Total Expenditures	<u>\$ 4,135,018</u>	<u>\$ 4,015,545</u>	<u>\$ 4,141,545</u>	<u>\$ 6,527</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (221,982)</u>	<u>\$ (308,759)</u>	<u>\$ (434,759)</u>	<u>\$ 212,777</u>
<u>Other Financing Sources (Uses)</u>				
Bonds Issued	\$ 140,000	\$ 0	\$ 100,000	\$ 40,000
Transfers In	136,853	146,752	146,752	(9,899)
Total Other Financing Sources	<u>\$ 276,853</u>	<u>\$ 146,752</u>	<u>\$ 246,752</u>	<u>\$ 30,101</u>
Net Change in Fund Balance	\$ 54,871	\$ (162,007)	\$ (188,007)	\$ 242,878
Fund Balance, July 1, 2017	<u>4,433,790</u>	<u>4,152,972</u>	<u>4,152,972</u>	<u>280,818</u>
Fund Balance, June 30, 2018	<u>\$ 4,488,661</u>	<u>\$ 3,990,965</u>	<u>\$ 3,964,965</u>	<u>\$ 523,696</u>

# Fiduciary Funds

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

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

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 H-1

Coffee County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2018

	Agency Funds			
	Cities -	City	City	Constitu -
	Sales	School	School	tional
	Tax	ADA -	ADA -	Officers -
		Tulahoma	Manchester	Agency
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 0	\$ 1,512,184
Equity in Pooled Cash and Investments	0	45,894	19,916	0
Due from Other Governments	3,099,799	269	117	0
Property Taxes Receivable	0	6,343,350	2,620,485	0
Allowance for Uncollectible Property Taxes	0	(187,141)	(80,596)	0
Total Assets	<u>\$ 3,099,799</u>	<u>\$ 6,202,372</u>	<u>\$ 2,559,922</u>	<u>\$ 1,512,184</u>
<u>LIABILITIES</u>				
Due to State of Tennessee	\$ 0	\$ 0	\$ 0	\$ 0
Due to Other Taxing Units	3,099,799	6,202,372	2,559,922	0
Due to Litigants, Heirs, and Others	0	0	0	1,512,184
Due to Joint Ventures	0	0	0	0
Total Liabilities	<u>\$ 3,099,799</u>	<u>\$ 6,202,372</u>	<u>\$ 2,559,922</u>	<u>\$ 1,512,184</u>

(Continued)

Exhibit H-1

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

	<u>Agency Funds (Cont.)</u>		
	Judicial District Drug	District Attorney General	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 0	\$ 1,512,184
Equity in Pooled Cash and Investments	345,945	46,410	458,165
Due from Other Governments	7,390	0	3,107,575
Property Taxes Receivable	0	0	8,963,835
Allowance for Uncollectible Property Taxes	0	0	(267,737)
Total Assets	<u>\$ 353,335</u>	<u>\$ 46,410</u>	<u>\$ 13,774,022</u>
<u>LIABILITIES</u>			
Due to State of Tennessee	\$ 4	\$ 0	\$ 4
Due to Other Taxing Units	0	0	11,862,093
Due to Litigants, Heirs, and Others	0	46,410	1,558,594
Due to Joint Ventures	353,331	0	353,331
Total Liabilities	<u>\$ 353,335</u>	<u>\$ 46,410</u>	<u>\$ 13,774,022</u>

## Exhibit H-2

Coffee County, Tennessee  
Combining Statement of Changes in Assets and  
Liabilities - All Agency Funds  
For the Year Ended June 30, 2018

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 16,416,228	\$ 16,416,228	\$ 0
Due from Other Governments	3,092,713	3,099,799	3,092,713	3,099,799
Total Assets	<u>\$ 3,092,713</u>	<u>\$ 19,516,027</u>	<u>\$ 19,508,941</u>	<u>\$ 3,099,799</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 3,092,713	\$ 19,516,027	\$ 19,508,941	\$ 3,099,799
Total Liabilities	<u>\$ 3,092,713</u>	<u>\$ 19,516,027</u>	<u>\$ 19,508,941</u>	<u>\$ 3,099,799</u>
<u>City School ADA-Tullahoma Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 5,693	\$ 6,042,608	\$ 6,002,407	\$ 45,894
Due from Other Governments	325	269	325	269
Property Taxes Receivable	6,296,702	6,343,350	6,296,702	6,343,350
Allowance for Uncollectible Property Taxes	(177,788)	(187,141)	(177,788)	(187,141)
Total Assets	<u>\$ 6,124,932</u>	<u>\$ 12,199,086</u>	<u>\$ 12,121,646</u>	<u>\$ 6,202,372</u>
<u>Liabilities</u>				
Cash Overdraft	\$ 68,500	\$ 0	\$ 68,500	\$ 0
Due to Other Taxing Units	6,056,432	12,199,086	12,053,146	6,202,372
Total Liabilities	<u>\$ 6,124,932</u>	<u>\$ 12,199,086</u>	<u>\$ 12,121,646</u>	<u>\$ 6,202,372</u>
<u>City School ADA-Manchester Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 16,080	\$ 2,622,711	\$ 2,618,875	\$ 19,916
Due from Other Governments	146	117	146	117
Property Taxes Receivable	2,593,348	2,620,485	2,593,348	2,620,485
Allowance for Uncollectible Property Taxes	(73,223)	(80,596)	(73,223)	(80,596)
Total Assets	<u>\$ 2,536,351</u>	<u>\$ 5,162,717</u>	<u>\$ 5,139,146</u>	<u>\$ 2,559,922</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,536,351	\$ 5,162,717	\$ 5,139,146	\$ 2,559,922
Total Liabilities	<u>\$ 2,536,351</u>	<u>\$ 5,162,717</u>	<u>\$ 5,139,146</u>	<u>\$ 2,559,922</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 1,796,448	\$ 12,214,653	\$ 12,498,917	\$ 1,512,184
Accounts Receivable	6,617	0	6,617	0
Total Assets	<u>\$ 1,803,065</u>	<u>\$ 12,214,653</u>	<u>\$ 12,505,534</u>	<u>\$ 1,512,184</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 1,803,065	\$ 12,214,653	\$ 12,505,534	\$ 1,512,184
Total Liabilities	<u>\$ 1,803,065</u>	<u>\$ 12,214,653</u>	<u>\$ 12,505,534</u>	<u>\$ 1,512,184</u>

(Continued)

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 263,397	\$ 268,394	\$ 185,846	\$ 345,945
Due from Other Governments	7,390	7,390	7,390	7,390
Total Assets	<u>\$ 270,787</u>	<u>\$ 275,784</u>	<u>\$ 193,236</u>	<u>\$ 353,335</u>
<u>Liabilities</u>				
Accounts Payable	\$ 3,051	\$ 0	\$ 3,051	\$ 0
Due to State of Tennessee	22	4	22	4
Due to Joint Ventures	267,714	275,780	190,163	353,331
Total Liabilities	<u>\$ 270,787</u>	<u>\$ 275,784</u>	<u>\$ 193,236</u>	<u>\$ 353,335</u>
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 61,455	\$ 9,984	\$ 25,029	\$ 46,410
Total Assets	<u>\$ 61,455</u>	<u>\$ 9,984</u>	<u>\$ 25,029</u>	<u>\$ 46,410</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 61,455	\$ 9,984	\$ 25,029	\$ 46,410
Total Liabilities	<u>\$ 61,455</u>	<u>\$ 9,984</u>	<u>\$ 25,029</u>	<u>\$ 46,410</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 1,796,448	\$ 12,214,653	\$ 12,498,917	\$ 1,512,184
Equity in Pooled Cash and Investments	346,625	25,359,925	25,248,385	458,165
Accounts Receivable	6,617	0	6,617	0
Due from Other Governments	3,100,574	3,107,575	3,100,574	3,107,575
Property Taxes Receivable	8,890,050	8,963,835	8,890,050	8,963,835
Allowance for Uncollectible Property Taxes	(251,011)	(267,737)	(251,011)	(267,737)
Total Assets	<u>\$ 13,889,303</u>	<u>\$ 49,378,251</u>	<u>\$ 49,493,532</u>	<u>\$ 13,774,022</u>
<u>Liabilities</u>				
Accounts Payable	\$ 3,051	\$ 0	\$ 3,051	\$ 0
Cash Overdraft	68,500	0	68,500	0
Due to State of Tennessee	22	4	22	4
Due to Other Taxing Units	11,685,496	36,877,830	36,701,233	11,862,093
Due to Litigants, Heirs, and Others	1,864,520	12,224,637	12,530,563	1,558,594
Due to Joint Ventures	267,714	275,780	190,163	353,331
Total Liabilities	<u>\$ 13,889,303</u>	<u>\$ 49,378,251</u>	<u>\$ 49,493,532</u>	<u>\$ 13,774,022</u>



# Coffee County School Department

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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.

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

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

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

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

Exhibit I-1

Coffee County, Tennessee  
Statement of Activities  
Discretely Presented Coffee County School Department  
For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Total Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 23,355,343	\$ 107,586	\$ 2,846,641	\$ 124,866	\$ (20,276,250)
Support Services	13,867,528	0	334,387	0	(13,533,141)
Operation of Non-instructional Services	3,766,058	807,223	2,798,344	0	(160,491)
Total Governmental Activities	<u>\$ 40,988,929</u>	<u>\$ 914,809</u>	<u>\$ 5,979,372</u>	<u>\$ 124,866</u>	<u>\$ (33,969,882)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 8,871,893
Local Option Sales Taxes					4,492,183
Other Local Taxes					12,416
Grants and Contributions Not Restricted to Specific Programs					22,353,585
Miscellaneous					3,078
Donation of Capital Assets					467,965
Total General Revenues					<u>\$ 36,201,120</u>
Change in Net Position					\$ 2,231,238
Net Position, July 1, 2017					50,997,545
Restatement - See Note I.D.10.					<u>(3,576,378)</u>
Net Position, June 30, 2018					<u>\$ 49,652,405</u>

## Exhibit I-2

Coffee County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Coffee County School Department  
June 30, 2018

	Major Fund	Nonmajor Funds	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,721	\$ 1,721
Equity in Pooled Cash and Investments	8,722,006	1,461,772	10,183,778
Accounts Receivable	6,428	1,741	8,169
Due from Other Governments	1,688,075	508,253	2,196,328
Due from Other Funds	2,701	0	2,701
Property Taxes Receivable	9,353,811	0	9,353,811
Allowance for Uncollectible Property Taxes	(281,429)	0	(281,429)
Total Assets	\$ 19,491,592	\$ 1,973,487	\$ 21,465,079
<u>LIABILITIES</u>			
Accounts Payable	\$ 9,771	\$ 923	\$ 10,694
Accrued Payroll	2,388,048	260,966	2,649,014
Payroll Deductions Payable	1,832,607	228,305	2,060,912
Due to Other Funds	0	2,701	2,701
Total Liabilities	\$ 4,230,426	\$ 492,895	\$ 4,723,321
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 8,890,013	\$ 0	\$ 8,890,013
Deferred Delinquent Property Taxes	165,563	0	165,563
Other Deferred/Unavailable Revenue	531,590	0	531,590
Total Deferred Inflows of Resources	\$ 9,587,166	\$ 0	\$ 9,587,166
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 3,587	\$ 1,180,592	\$ 1,184,179
Committed:			
Committed for Education	0	300,000	300,000
Assigned:			
Assigned for Education	1,045,987	0	1,045,987
Unassigned	4,624,426	0	4,624,426
Total Fund Balances	\$ 5,674,000	\$ 1,480,592	\$ 7,154,592
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 19,491,592	\$ 1,973,487	\$ 21,465,079

Exhibit I-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, 2018

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 7,154,592
(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	85,277	
Add: buildings and improvements net of accumulated depreciation	45,438,922	
Add: other capital assets net of accumulated depreciation	<u>3,368,435</u>	50,331,487
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (83,333)	
Less: OPEB liability	<u>(9,704,721)</u>	(9,788,054)
(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	\$ 3,710,833	
Less: deferred inflows of resources related to pensions	(3,528,512)	
Add: deferred outflows of resources related to OPEB	374,440	
Less: deferred inflows of resources related to OPEB	<u>(430,858)</u>	125,903
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		
Add: net pension assets - agent legacy plan	\$ 850,486	
Add: net pension assets - agent hybrid plan	33,000	
Add: net pension assets - teacher retirement plan	97,390	
Add: net pension assets - teacher legacy plan	<u>150,448</u>	1,131,324
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>697,153</u>
Net position of governmental activities (Exhibit A)		<u>\$ 49,652,405</u>

Exhibit I-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, 2018

	Major Fund	Nonmajor Funds	
	General	Other	Total
	Purpose	Govern- mental	Governmental
	School	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 13,474,013	\$ 0	\$ 13,474,013
Licenses and Permits	2,278	0	2,278
Charges for Current Services	214,022	675,034	889,056
Other Local Revenues	185,501	971	186,472
State of Tennessee	23,582,004	21,756	23,603,760
Federal Government	191,999	4,379,410	4,571,409
Other Governments and Citizens Groups	0	100,000	100,000
Total Revenues	<u>\$ 37,649,817</u>	<u>\$ 5,177,171</u>	<u>\$ 42,826,988</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 21,102,720	\$ 2,062,708	\$ 23,165,428
Support Services	13,467,340	226,913	13,694,253
Operation of Non-Instructional Services	1,060,810	2,673,370	3,734,180
Capital Outlay	259,038	26,848	285,886
Debt Service:			
Principal on Debt	323,737	0	323,737
Total Expenditures	<u>\$ 36,213,645</u>	<u>\$ 4,989,839</u>	<u>\$ 41,203,484</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,436,172</u>	<u>\$ 187,332</u>	<u>\$ 1,623,504</u>
<u>Other Financing Sources (Uses)</u>			
Proceeds from Sale of Capital Assets	\$ 2,468	\$ 0	\$ 2,468
Transfers In	27,274	200,000	227,274
Transfers Out	(200,000)	(27,274)	(227,274)
Total Other Financing Sources (Uses)	<u>\$ (170,258)</u>	<u>\$ 172,726</u>	<u>\$ 2,468</u>
Net Change in Fund Balances	\$ 1,265,914	\$ 360,058	\$ 1,625,972
Fund Balance, July 1, 2017	<u>4,408,086</u>	<u>1,120,534</u>	<u>5,528,620</u>
Fund Balance, June 30, 2018	<u>\$ 5,674,000</u>	<u>\$ 1,480,592</u>	<u>\$ 7,154,592</u>

Exhibit I-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, 2018

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$	1,625,972
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	98,124	
Add: capital assets donated in the current period		467,965	
Less: current-year depreciation expense		<u>(1,551,085)</u>	(984,996)
(2) 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, 2018	\$	697,153	
Less: deferred delinquent property taxes and other deferred June 30, 2017		<u>(771,939)</u>	(74,786)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in compensated absences payable	\$	39,355	
Change in net OPEB liability (net of restatement)		(101,183)	
Change in deferred outflows related to OPEB		374,440	
Change in deferred inflows related to OPEB		(430,858)	
Change in net pension asset - agent legacy plan		193,241	
Change in net pension asset - agent hybrid plan		27,983	
Change in net pension asset - teacher retirement plan		49,865	
Change in net pension asset/liability - teacher legacy plan		2,970,058	
Change in deferred outflows related to pensions		(1,891,331)	
Change in deferred inflows related to pensions		<u>433,478</u>	<u>1,665,048</u>
Change in net position of governmental activities (Exhibit B)		\$	<u><u>2,231,238</u></u>

Exhibit I-6

Coffee County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Coffee County School Department  
June 30, 2018

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>School Federal Projects</u>	<u>Central Cafeteria</u>	<u>Total</u>	<u>Education Capital Projects</u>	
<u>ASSETS</u>					
Cash	\$ 0	\$ 1,721	\$ 1,721	\$ 0	\$ 1,721
Equity in Pooled Cash and Investments	150,931	1,010,841	1,161,772	300,000	1,461,772
Accounts Receivable	0	1,741	1,741	0	1,741
Due from Other Governments	469,014	39,239	508,253	0	508,253
Total Assets	<u>\$ 619,945</u>	<u>\$ 1,053,542</u>	<u>\$ 1,673,487</u>	<u>\$ 300,000</u>	<u>\$ 1,973,487</u>
<u>LIABILITIES</u>					
Accounts Payable	\$ 218	\$ 705	\$ 923	\$ 0	\$ 923
Accrued Payroll	176,885	84,081	260,966	0	260,966
Payroll Deductions Payable	140,141	88,164	228,305	0	228,305
Due to Other Funds	2,701	0	2,701	0	2,701
Total Liabilities	<u>\$ 319,945</u>	<u>\$ 172,950</u>	<u>\$ 492,895</u>	<u>\$ 0</u>	<u>\$ 492,895</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	\$ 0	\$ 880,592	\$ 880,592	\$ 300,000	\$ 1,180,592
Committed:					
Committed for Education	300,000	0	300,000	0	300,000
Total Fund Balances	<u>\$ 300,000</u>	<u>\$ 880,592</u>	<u>\$ 1,180,592</u>	<u>\$ 300,000</u>	<u>\$ 1,480,592</u>
Total Liabilities and Fund Balances	<u>\$ 619,945</u>	<u>\$ 1,053,542</u>	<u>\$ 1,673,487</u>	<u>\$ 300,000</u>	<u>\$ 1,973,487</u>

Exhibit I-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, 2018

	<u>Special Revenue Funds</u>			<u>Capital</u> <u>Projects Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
	<u>School</u> <u>Federal</u> <u>Projects</u>	<u>Central</u> <u>Cafeteria</u>	<u>Total</u>	<u>Education</u> <u>Capital</u> <u>Projects</u>	
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 675,034	\$ 675,034	\$ 0	\$ 675,034
Other Local Revenues	0	971	971	0	971
State of Tennessee	0	21,756	21,756	0	21,756
Federal Government	2,402,496	1,976,914	4,379,410	0	4,379,410
Other Governments and Citizens Groups	0	0	0	100,000	100,000
Total Revenues	\$ 2,402,496	\$ 2,674,675	\$ 5,077,171	\$ 100,000	\$ 5,177,171
<u>Expenditures</u>					
Current:					
Instruction	\$ 2,062,708	\$ 0	\$ 2,062,708	\$ 0	\$ 2,062,708
Support Services	226,913	0	226,913	0	226,913
Operation of Non-Instructional Services	85,601	2,587,769	2,673,370	0	2,673,370
Capital Outlay	0	0	0	26,848	26,848
Total Expenditures	\$ 2,375,222	\$ 2,587,769	\$ 4,962,991	\$ 26,848	\$ 4,989,839
Excess (Deficiency) of Revenues Over Expenditures	\$ 27,274	\$ 86,906	\$ 114,180	\$ 73,152	\$ 187,332
<u>Other Financing Sources (Uses)</u>					
Transfers In	\$ 0	\$ 0	\$ 0	\$ 200,000	\$ 200,000
Transfers Out	(27,274)	0	(27,274)	0	(27,274)
Total Other Financing Sources (Uses)	\$ (27,274)	\$ 0	\$ (27,274)	\$ 200,000	\$ 172,726

(Continued)



Exhibit I-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>Special Revenue Funds</u>			<u>Capital</u> <u>Projects Fund</u>	
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Total Nonmajor Governmental Funds
Net Change in Fund Balances	\$ 0	\$ 86,906	\$ 86,906	\$ 273,152	\$ 360,058
Fund Balance, July 1, 2017	300,000	793,686	1,093,686	26,848	1,120,534
Fund Balance, June 30, 2018	\$ 300,000	\$ 880,592	\$ 1,180,592	\$ 300,000	\$ 1,480,592

Exhibit I-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, 2018

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 13,474,013	\$ 0	\$ 0	\$ 13,474,013	\$ 13,259,969	\$ 13,259,969	\$ 214,044
Licenses and Permits	2,278	0	0	2,278	2,000	2,000	278
Charges for Current Services	214,022	0	0	214,022	203,016	203,016	11,006
Other Local Revenues	185,501	0	0	185,501	70,140	226,930	(41,429)
State of Tennessee	23,582,004	0	0	23,582,004	23,184,971	23,595,272	(13,268)
Federal Government	191,999	0	0	191,999	149,649	243,159	(51,160)
Total Revenues	\$ 37,649,817	\$ 0	\$ 0	\$ 37,649,817	\$ 36,869,745	\$ 37,530,346	\$ 119,471
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 15,957,852	\$ (1,970)	\$ 341,671	\$ 16,297,553	\$ 16,389,516	\$ 16,691,119	\$ 393,566
Alternative Instruction Program	12,320	0	0	12,320	15,000	15,000	2,680
Special Education Program	3,581,857	(1,768)	575	3,580,664	3,741,894	3,699,372	118,708
Career and Technical Education Program	1,489,138	0	396	1,489,534	1,398,267	1,537,679	48,145
Student Body Education Program	61,553	0	0	61,553	75,138	75,138	13,585
<u>Support Services</u>							
Attendance	149,704	0	0	149,704	153,924	156,424	6,720
Health Services	706,832	0	0	706,832	722,271	744,524	37,692
Other Student Support	1,048,070	(1,476)	0	1,046,594	1,111,059	1,080,496	33,902
Regular Instruction Program	1,144,044	0	0	1,144,044	1,204,764	1,190,883	46,839
Special Education Program	404,607	(2,896)	0	401,711	409,413	409,659	7,948
Career and Technical Education Program	69,103	0	0	69,103	70,522	70,522	1,419
Technology	540,319	(68,092)	5,030	477,257	612,023	516,873	39,616
Other Programs	169,577	0	0	169,577	0	169,577	0
Board of Education	887,256	0	0	887,256	1,012,315	1,012,315	125,059
Director of Schools	284,606	0	2,810	287,416	293,647	296,697	9,281
Office of the Principal	2,689,911	0	0	2,689,911	2,704,353	2,739,353	49,442
Fiscal Services	353,858	(186)	0	353,672	364,731	365,731	12,059
Operation of Plant	2,151,666	0	0	2,151,666	2,385,148	2,299,964	148,298

(Continued)

Exhibit I-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 7/1/2017	Add: Encumbrances 6/30/2018	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Maintenance of Plant	\$ 717,006	\$ (12,115)	\$ 9,800	\$ 714,691	\$ 743,740	\$ 746,240	\$ 31,549
Transportation	2,150,781	(1,479)	0	2,149,302	2,142,013	2,239,038	89,736
<u>Operation of Non-Instructional Services</u>							
Community Services	344,165	0	0	344,165	246,328	423,791	79,626
Early Childhood Education	716,645	0	0	716,645	713,860	729,524	12,879
<u>Capital Outlay</u>							
Regular Capital Outlay	259,038	(92,168)	95,914	262,784	200,000	300,000	37,216
<u>Principal on Debt</u>							
Education	323,737	0	0	323,737	275,000	323,738	1
Total Expenditures	\$ 36,213,645	\$ (182,150)	\$ 456,196	\$ 36,487,691	\$ 36,984,926	\$ 37,833,657	\$ 1,345,966
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,436,172	\$ 182,150	\$ (456,196)	\$ 1,162,126	\$ (115,181)	\$ (303,311)	\$ 1,465,437
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 2,468	\$ 0	\$ 0	\$ 2,468	\$ 0	\$ 0	\$ 2,468
Insurance Recovery	0	0	0	0	10,000	10,000	(10,000)
Transfers In	27,274	0	0	27,274	30,000	30,000	(2,726)
Transfers Out	(200,000)	0	0	(200,000)	0	(205,250)	5,250
Total Other Financing Sources	\$ (170,258)	\$ 0	\$ 0	\$ (170,258)	\$ 40,000	\$ (165,250)	\$ (5,008)
Net Change in Fund Balance	\$ 1,265,914	\$ 182,150	\$ (456,196)	\$ 991,868	\$ (75,181)	\$ (468,561)	\$ 1,460,429
Fund Balance, July 1, 2017	4,408,086	(182,150)	0	4,225,936	3,617,195	3,617,195	608,741
Fund Balance, June 30, 2018	\$ 5,674,000	\$ 0	\$ (456,196)	\$ 5,217,804	\$ 3,542,014	\$ 3,148,634	\$ 2,069,170

## Exhibit I-9

Coffee County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Coffee County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,402,496	\$ 2,839,053	\$ 2,932,816	\$ (530,320)
Total Revenues	\$ 2,402,496	\$ 2,839,053	\$ 2,932,816	\$ (530,320)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,030,046	\$ 1,030,757	\$ 1,107,685	\$ 77,639
Special Education Program	923,733	1,145,884	1,146,289	222,556
Career and Technical Education Program	108,929	106,830	109,175	246
<u>Support Services</u>				
Other Student Support	63,590	148,835	148,503	84,913
Regular Instruction Program	104,866	213,250	218,930	114,064
Special Education Program	51,334	57,351	61,082	9,748
Career and Technical Education Program	6,019	3,891	6,066	47
Transportation	1,104	0	1,443	339
<u>Operation of Non-Instructional Services</u>				
Food Service	1,150	0	1,440	290
Community Services	84,451	98,999	98,999	14,548
Total Expenditures	\$ 2,375,222	\$ 2,805,797	\$ 2,899,612	\$ 524,390
Excess (Deficiency) of Revenues Over Expenditures	\$ 27,274	\$ 33,256	\$ 33,204	\$ (5,930)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (27,274)	\$ (33,253)	\$ (33,201)	\$ 5,927
Total Other Financing Sources	\$ (27,274)	\$ (33,253)	\$ (33,201)	\$ 5,927
Net Change in Fund Balance	\$ 0	\$ 3	\$ 3	\$ (3)
Fund Balance, July 1, 2017	300,000	300,000	300,000	0
Fund Balance, June 30, 2018	\$ 300,000	\$ 300,003	\$ 300,003	\$ (3)

## Exhibit I-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, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 675,034	\$ 730,000	\$ 730,000	\$ (54,966)
Other Local Revenues	971	900	900	71
State of Tennessee	21,756	21,000	21,000	756
Federal Government	1,976,914	1,850,530	1,879,555	97,359
Total Revenues	<u>\$ 2,674,675</u>	<u>\$ 2,602,430</u>	<u>\$ 2,631,455</u>	<u>\$ 43,220</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 2,587,769	\$ 2,717,835	\$ 2,746,860	\$ 159,091
Total Expenditures	<u>\$ 2,587,769</u>	<u>\$ 2,717,835</u>	<u>\$ 2,746,860</u>	<u>\$ 159,091</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 86,906</u>	<u>\$ (115,405)</u>	<u>\$ (115,405)</u>	<u>\$ 202,311</u>
Net Change in Fund Balance	\$ 86,906	\$ (115,405)	\$ (115,405)	\$ 202,311
Fund Balance, July 1, 2017	793,686	669,337	669,337	124,349
Fund Balance, June 30, 2018	<u><u>\$ 880,592</u></u>	<u><u>\$ 553,932</u></u>	<u><u>\$ 553,932</u></u>	<u><u>\$ 326,660</u></u>

# **The Water and Wastewater Treatment Authority of Coffee County, Tennessee**

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This section presents fund financial statements for the Water and Wastewater Treatment Authority of Coffee County, Tennessee, a discretely presented component unit. The authority uses a single enterprise fund, the Wayside Acres Sewer Fund.

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Exhibit J-1

Coffee County, Tennessee  
Statement of Net Position - Proprietary Fund  
Discretely Presented Water and Wastewater Authority of Coffee County  
June 30, 2018

	<u>Enterprise Fund</u>
	Wayside
	Acres
	Sewer
	<u>Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 65,693
Accounts Receivable	6,797
Total Current Assets	<u>\$ 72,490</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 30,120
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	414,820
Other Capital Assets	5,286
Total Noncurrent Assets	<u>\$ 450,226</u>
Total Assets	<u>\$ 522,716</u>
<u>LIABILITIES</u>	
Noncurrent Liabilities:	
Due Within One Year	\$ 28,081
Due In More Than One Year	224,650
Total Liabilities	<u>\$ 252,731</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 197,495
Unrestricted	72,490
Total Net Position	<u>\$ 269,985</u>

Exhibit J-2

Coffee County, Tennessee

Statement of Revenues, Expenses, and

Changes in Net Position

Discretely Presented Water and Wastewater Treatment Authority of Coffee County, Tennessee  
For the Year Ended June 30, 2018

	Enterprise Fund
	Wayside
	Acres
	Sewer
	Fund
	<hr/>
<u>Operating Revenues</u>	
Charges for Current Services	\$ 79,342
Total Operating Revenues	<hr/> \$ 79,342 <hr/>
<u>Operating Expenses</u>	
Public Health and Welfare	\$ 33,401
Depreciation	27,835
Total Operating Expenses	<hr/> \$ 61,236 <hr/>
Operating Income (Loss)	<hr/> \$ 18,106 <hr/>
Change in Net Position	\$ 18,106
Net Position, July 1, 2017	<hr/> 251,879 <hr/>
Net Position, June 30, 2018	<hr/> \$ 269,985 <hr/> <hr/>

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



Exhibit J-3

Coffee County, Tennessee

Statement of Cash Flows

Discretely Presented Water and Wastewater Treatment Authority of Coffee County, Tennessee  
For the Year Ended June 30, 2018

	<u>Enterprise Fund</u>
	Wayside
	Acres
	Sewer
	<u>Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 75,611
Payments to Suppliers	(33,401)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 42,210</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal Paid on Other Loans	\$ (28,088)
Acquisition of Capital Assets	(5,350)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (33,438)</u>
Net Increase (Decrease) in Cash	\$ 8,772
Cash, July 1, 2017	<u>56,921</u>
Cash, June 30, 2018	<u><u>\$ 65,693</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u>Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ 18,106
Adjustment to Reconcile Net Operating Income	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	27,835
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	<u>(3,731)</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 42,210</u></u>

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

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## MISCELLANEOUS SCHEDULES

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## Exhibit K-1

Coffee County, Tennessee  
Schedule of Changes in Long-term Bonds, Notes, and Other Loans  
Primary Government and Discretely Presented Water and Wastewater Treatment Authority  
For the Year Ended June 30, 2018

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-17	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-18
<b>PRIMARY GOVERNMENT</b>									
<b>BONDS PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
General Obligation Bond, Series 2013B	\$ 9,000,000	3.125 %	8-28-14	8-28-52	\$ 8,634,104	\$ 0	\$ 137,138	\$ 0	\$ 8,496,966
General Obligation Bond, Series 2013C	4,000,000	3.125	8-28-14	8-28-52	2,944,566	0	189,997	0	2,754,569
General Obligation Refunding Bond, Series 2015A	2,565,000	2.487	12-10-15	6-1-21	2,070,000	0	490,000	0	1,580,000
General Obligation Refunding Bond, Series 2016	8,765,000	2.253	10-5-16	6-1-39	8,525,000	0	310,000	0	8,215,000
Total Payable through General Debt Service Fund					<u>\$ 22,173,670</u>	<u>\$ 0</u>	<u>\$ 1,127,135</u>	<u>\$ 0</u>	<u>\$ 21,046,535</u>
<u>Payable through Rural Debt Service Fund</u>									
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 Bonds, Series 2018B	100,000 (1)	4 to 5	6-21-18	7-1-38	0	100,000	0	0	100,000
Rural School Bond, Series 2013	9,100,000	3.83	1-6-14	6-1-37	9,100,000	0	100,000	0	9,000,000
Rural School Bond, Series 2014	13,650,000	4.19	1-6-14	6-1-37	12,765,000	0	200,000	0	12,565,000
Rural School Bond, Series 2015B	2,040,000	2 to 3.5	12-10-15	6-1-31	1,925,000	0	120,000	0	1,805,000
Rural School Bond, Series 2015C	2,675,000	2 to 3.5	12-10-15	6-1-31	2,525,000	0	155,000	0	2,370,000
Rural School Refunding Bond, Series 2018A	40,000 (2)	3 to 5	6-21-18	6-1-26	0	40,000	0	0	40,000
Total Payable through Rural Debt Service Fund					<u>\$ 43,440,000</u>	<u>\$ 140,000</u>	<u>\$ 575,000</u>	<u>\$ 0</u>	<u>\$ 43,005,000</u>
Total Bonds Payable					<u>\$ 65,613,670</u>	<u>\$ 140,000</u>	<u>\$ 1,702,135</u>	<u>\$ 0</u>	<u>\$ 64,051,535</u>
<b>NOTES PAYABLE</b>									
<u>Payable through General Debt Service Fund</u>									
Lighting Project and Ambulance Repair Capital Outlay Note	450,000	2.21	7-22-13	1-19-18	\$ 135,000	\$ 0	\$ 135,000	\$ 0	\$ 0
Administrative Plaza Building Repairs Capital Outlay Note	575,000	1.99	4-21-16	4-1-20	430,000	0	145,000	0	285,000
Total Payable through General Debt Service Fund					<u>\$ 565,000</u>	<u>\$ 0</u>	<u>\$ 280,000</u>	<u>\$ 0</u>	<u>\$ 285,000</u>
<u>Payable through Rural Debt Service Fund</u>									
School Buses	300,000	2.19	7-22-13	1-19-18	\$ 90,000	\$ 0	\$ 90,000	\$ 0	\$ 0
Total Payable through Rural Debt Service Fund					<u>\$ 90,000</u>	<u>\$ 0</u>	<u>\$ 90,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Payable through Highway Public Works Fund</u>									
Equipment and Vehicles	500,000	2.3	9-26-11	8-1-17	\$ 44,000	\$ 0	\$ 44,000	\$ 0	\$ 0
Total Payable through Highway/Public Works Fund					<u>\$ 44,000</u>	<u>\$ 0</u>	<u>\$ 44,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Notes Payable					<u>\$ 699,000</u>	<u>\$ 0</u>	<u>\$ 414,000</u>	<u>\$ 0</u>	<u>\$ 285,000</u>

(Continued)

Exhibit K-1

Coffee County, Tennessee  
Schedule of Changes in Long-term Bonds, Notes, and Other Loans (Cont.)  
Primary Government and Discretely Presented Water and Wastewater Treatment Authority

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-17	Issued During Period	Paid and/or Matured During Period	Debt Refunded	Outstanding 6-30-18
<b>PRIMARY GOVERNMENT (CONT.):</b>									
<b>OTHER LOANS PAYABLE</b>									
Payable through Rural Debt Service Fund									
Education Improvement Series Z-6-A	\$ 7,600,000	4.75 %	12-10-08	6-1-26	\$ 5,280,000	\$ 0	\$ 475,000	\$ 0	\$ 4,805,000
Qualified School Construction Bonds Series 2010	3,027,000 (3)	0	10-7-10	7-1-27	1,925,200	0	188,880	0	1,736,320
Energy Efficiency Improvements	500,000	0	7-26-11	9-1-22	258,314	0	50,004	0	208,310
Total Payable through Rural Debt Service Fund					<u>\$ 7,463,514</u>	<u>\$ 0</u>	<u>\$ 713,884</u>	<u>\$ 0</u>	<u>\$ 6,749,630</u>
Total Other Loans Payable					<u>\$ 7,463,514</u>	<u>\$ 0</u>	<u>\$ 713,884</u>	<u>\$ 0</u>	<u>\$ 6,749,630</u>
<b>DISCRETELY PRESENTED WATER AND WASTEWATER TREATMENT AUTHORITY OF COFFEE COUNTY, TENNESSEE</b>									
<b>Notes Payable</b>									
Payable through Wayside Acres Sewer Fund									
Payment of Other Loan Principal	280,819	0	11-8-16	6-15-27	\$ 280,819	\$ 0	\$ 28,088	\$ 0	\$ 252,731
Total Notes Payable					<u>\$ 280,819</u>	<u>\$ 0</u>	<u>\$ 28,088</u>	<u>\$ 0</u>	<u>\$ 252,731</u>

- (1) Total amount approved was \$9,510,000, of which \$9,410,000 remains available for drawdown as of June 30,2018.  
(2) Total amount approved was \$4,015,000, of which \$3,975,000 remains available for drawdown as of June 30,2018.  
(3) 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  
Primary Government and Discretely Presented Water and Wastewater Treatment Authority

PRIMARY GOVERNMENT

Year Ending June 30	Bonds		Total
	Principal	Interest	
2019	\$ 1,599,377	\$ 2,779,929	\$ 4,379,306
2020	1,645,857	2,741,849	4,387,706
2021	1,647,541	2,702,465	4,350,006
2022	1,159,438	2,662,318	3,821,756
2023	1,346,552	2,630,504	3,977,056
2024	1,473,893	2,595,863	4,069,756
2025	1,481,466	2,555,877	4,037,343
2026	1,544,280	2,514,395	4,058,675
2027	2,327,340	2,467,098	4,794,438
2028	2,400,657	2,392,768	4,793,425
2029	2,474,237	2,315,038	4,789,275
2030	2,558,090	2,232,135	4,790,225
2031	2,647,222	2,144,810	4,792,032
2032	2,351,645	2,050,262	4,401,907
2033	2,436,366	1,963,828	4,400,194
2034	2,531,395	1,873,198	4,404,593
2035	2,626,742	1,778,733	4,405,475
2036	2,722,418	1,678,807	4,401,225
2037	2,818,432	1,574,918	4,393,350
2038	2,969,794	1,465,906	4,435,700
2039	3,091,517	1,292,371	4,383,888
2040	2,718,612	1,111,188	3,829,800
2041	2,831,090	931,310	3,762,400
2042	2,968,964	743,836	3,712,800
2043	3,107,246	546,954	3,654,200
2044	3,245,948	340,652	3,586,600
2045	460,086	124,914	585,000
2046	459,738	110,329	570,067
2047	339,036	95,281	434,317
2048	349,784	79,756	429,540
2049	360,873	63,739	424,612
2050	372,313	47,214	419,527
2051	384,116	30,166	414,282
2052	396,293	12,577	408,870
2053	203,177	347	203,524
Total	\$ 64,051,535	\$ 50,651,335	\$ 114,702,870

(Continued)

Exhibit K-2

Coffee County, Tennessee  
Schedule of Long-term Debt Requirements by Year (Cont.)  
Primary Government and Discretely Presented Water and Wastewater Treatment Authority

PRIMARY GOVERNMENT (CONT.)

Year Ending June 30	Notes		
	Principal	Interest	Total
2019	\$ 145,000	\$ 5,672	\$ 150,672
2020	140,000	2,786	142,786
Total	<u>\$ 285,000</u>	<u>\$ 8,458</u>	<u>\$ 293,458</u>

Year Ending June 30	Other Loans		
	Principal	Interest (1)	Total
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
2028	17,806	73,374	91,180
Total	<u>\$ 6,749,630</u>	<u>\$ 2,510,268</u>	<u>\$ 9,259,898</u>

DISCRETELY PRESENTED WATER AND  
WASTEWATER TREATMENT AUTHORITY  
OF COFFEE COUNTY, TENNESSEE

Year Ending June 30	Notes		
	Principal	Interest	Total
2019	\$ 28,081	\$ 0	\$ 28,081
2020	28,082	0	28,082
2021	28,081	0	28,081
2022	28,081	0	28,081
2023	28,081	0	28,081
2024	28,081	0	28,081
2025	28,082	0	28,082
2026	28,082	0	28,082
2027	28,080	0	28,080
Total	<u>\$ 252,731</u>	<u>\$ 0</u>	<u>\$ 252,731</u>

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

Exhibit K-3

Coffee County, Tennessee  
Schedule of Notes Receivable  
For the Year Ended June 30, 2018

Description	Debtor	Original Amount of Notes	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-18
<u>Rural Debt Service Fund</u>						
Payment of Other Loan Principal	The Water and Wastewater Treatment Authority of Coffee County, Tennessee	\$ 280,819	11-8-16	6-15-27	0 %	\$ <u>252,731</u>
Total						\$ <u><u>252,731</u></u>

Exhibit K-4

Coffee County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented Coffee County School Department  
For the Year Ended June 30, 2018

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General	Rural Debt Service	Federal interest subsidy	\$ 136,853
Local Purpose Tax	General Capital Projects	Capital Projects	<u>100,000</u>
Total Transfers Primary Government			<u>\$ 236,853</u>
<u>DISCRETELY PRESENTED COFFEE COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 27,274
General Purpose School	Education Capital Projects	Capital Projects	<u>200,000</u>
Total Transfers Discretely Presented Coffee County School Department			<u>\$ 227,274</u>



Exhibit K-5

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, 2018

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, <i>TCA</i>	\$ 94,427	\$ 100,000	Auto-Owners Mutual Insurance Company
Road Superintendent	Section 8-24-102, <i>TCA</i>	89,931	100,000	"
Director of Schools	State Board of Education and Coffee County Board of Education	120,925 (1)	(2)	
Trustee	Section 8-24-102, <i>TCA</i>	81,756	2,163,387	Auto-Owners Mutual Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	81,756	50,000	"
Director of Accounts and Budgets	Coffee County Commission	78,383	100,000	"
County Clerk	Section 8-24-102, <i>TCA</i>	81,756	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	81,756	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	81,756	50,000	"
Register of Deeds	Section 8-24-102, <i>TCA</i>	81,756	100,000	"
Sheriff	Section 8-24-102, <i>TCA</i>	89,931 (3)	100,000	"
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			150,000	Travelers Property Casualty Company of America
Public Employee Dishonesty - Highway Department			400,000	Local Government Insurance Pool
Public Employee Dishonesty - School Department			400,000	Tennessee Risk Management Trust

(1) Does not include 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-6

Coffee County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
For the Year Ended June 30, 2018

	Special Revenue Funds						Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 10,019,097	\$ 822,094	\$ 610,033	\$ 196,815	\$ 0	\$ 0	0
Current Property Tax - Tax Increment Financing	68,758	0	0	0	0	0	0
Trustee's Collections - Prior Year	253,222	22,070	12,818	2,751	0	0	0
Trustee's Collections - Bankruptcy	7,739	1,216	360	0	0	0	0
Circuit Clerk/Clerk and Master Collections - Prior Years	125,666	23,509	6,337	0	0	0	0
Interest and Penalty	90,022	11,809	4,609	470	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	627	117	38	0	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	11,338	2,121	686	0	0	0	0
Payments in-Lieu-of Taxes - Other	3,054	571	185	0	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	382,987	120,206	0	0	0	0	0
Litigation Tax - General	237,836	0	0	0	0	0	0
Litigation Tax - Special Purpose	135,819	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	0	0
Litigation Tax - Courthouse Security	88,692	0	0	0	0	0	0
Business Tax	1,069,086	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	319,084	0	0	0	0	0	0
Wholesale Beer Tax	0	244,424	0	0	0	0	0
Total Local Taxes	\$ 12,813,027	\$ 1,248,137	\$ 635,066	\$ 200,036	\$ 0	\$ 0	0
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 166,608	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

## Exhibit K-6

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	\$ 0	\$ 6,435	\$ 0	\$ 0	\$ 0	0
Building Permits	128,001	0	0	0	0	0
Plumbing Permits	22,275	0	0	0	0	0
Other Permits	18,584	0	3,000	0	0	0
Total Licenses and Permits	<u>\$ 335,468</u>	<u>\$ 6,435</u>	<u>\$ 3,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 18,123	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	13,890	0	0	0	0	0
Drug Control Fines	9,357	0	0	0	21,586	0
Veterans Treatment Court Fees	11,736	0	0	0	0	0
Judicial Commissioner Fees	1,694	0	0	0	0	0
DUI Treatment Fines	1,598	0	0	0	0	0
Data Entry Fee - Circuit Court	41,814	0	0	0	0	0
Courtroom Security Fee	18	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	189,442	0	0	0	0	0
Officers Costs	94,970	0	0	0	0	0
Drug Control Fines	0	0	0	0	132,955	0
Jail Fees	17,147	0	0	0	0	0
Judicial Commissioner Fees	4,785	0	0	0	0	0
DUI Treatment Fines	13,482	0	0	0	0	0
Courtroom Security Fee	1,235	0	0	0	0	0
Victims Assistance Assessments	15,367	0	0	0	0	0

(Continued)

## Exhibit K-6

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

	Special Revenue Funds						Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Juvenile Court</u>							
Fines	\$ 1,819	\$ 0	\$ 0	\$ 0	\$ 0		0
Officers Costs	5,866	0	0	0	0		0
Judicial Commissioner Fees	692	0	0	0	0		0
<u>Chancery Court</u>							
Officers Costs	4,683	0	0	0	0		0
Data Entry Fee - Chancery Court	7,339	0	0	0	0		0
Courtroom Security Fee	4,952	0	0	0	0		0
<u>Other Courts - In-county</u>							
Drug Court Fees	42,734	0	0	0	0		0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	105,530		0
Other Fines, Forfeitures, and Penalties	43,419	0	0	0	0		0
Total Fines, Forfeitures, and Penalties	\$ 546,162	\$ 0	\$ 0	\$ 0	\$ 260,071	\$	0
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Convenience Waste Centers Collection Charge	\$ 0	\$ 4,571	\$ 0	\$ 0	\$ 0	\$	0
Solid Waste Disposal Fee	0	80,506	0	0	0		0
Surcharge - Waste Tire Disposal	0	46,663	0	0	0		0
Patient Charges	23,047	0	1,946,796	0	0		0
Other General Service Charges	2,537	0	0	0	0		0
<u>Fees</u>							
Subdivision Lot Fees	13,620	0	0	0	0		0
Recreation Fees	17,415	0	0	0	0		0
Copy Fees	4,170	0	1,680	0	0		0

(Continued)

## Exhibit K-6

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Library Fees	\$ 47,957	\$ 0	\$ 0	\$ 0	\$ 0	0
Archives and Records Management Fee	54	0	0	0	0	0
Greenbelt Late Application Fee	200	0	0	0	0	0
Telephone Commissions	209,628	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0	25,984
Data Processing Fee - Register	30,340	0	0	0	0	0
Probation Fees	212,871	0	0	0	0	0
Data Processing Fee - Sheriff	7,839	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	8,851	0	0	0	0	0
Data Processing Fee - County Clerk	39,479	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	510	0	0	0	0	0
<u>Education Charges</u>						
Other Charges for Services	52,700	0	5,050	0	0	0
Total Charges for Current Services	\$ 671,218	\$ 131,740	\$ 1,953,526	\$ 0	\$ 0	25,984
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	19,200	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	0
Commissary Sales	7,327	0	0	0	0	0
Sale of Maps	8	0	0	0	0	0
Sale of Recycled Materials	0	71,101	0	0	0	0
Miscellaneous Refunds	12,347	0	212	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items</u>						
Sale of Equipment	\$ 11,576	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions and Gifts	279,735	0	0	0	0	0
Total Other Local Revenues	<u>\$ 330,193</u>	<u>\$ 71,101</u>	<u>\$ 212</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>Fees Received From County Officials</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 547,035	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	1,042,597	0	0	0	0	0
Clerk and Master	213,089	0	0	0	0	0
Register	249,714	0	0	0	0	0
Sheriff	28,522	0	0	0	0	0
Trustee	1,030,947	0	0	0	0	0
Total Fees Received From County Officials	<u>\$ 3,111,904</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Other General Government Grants	49,086	0	0	0	0	0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	25,200	0	0	0	0	0
Other Public Safety Grants	19,895	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	0
Litter Program	0	44,221	0	0	0	0

(Continued)

## Exhibit K-6

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 64,818	\$ 0	\$ 0	\$ 0	\$ 0	0
Beer Tax	17,839	0	0	0	0	0
Vehicle Certificate of Title Fees	62,094	0	0	0	0	0
Alcoholic Beverage Tax	98,194	0	0	0	0	0
State Revenue Sharing - T.V.A.	298,601	0	0	0	0	0
State Revenue Sharing - Telecommunications	103,762	0	0	0	0	0
Contracted Prisoner Boarding	1,255,184	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
T.B.I. - Equipment Reimbursement	2,158	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	454,603	0	0	0	0	0
Other State Revenues	784	0	0	0	0	0
Total State of Tennessee	\$ 2,476,382	\$ 44,221	\$ 0	\$ 0	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA - Other	\$ 5,000	\$ 0	\$ 0	\$ 0	\$ 0	0
Appalachian Regional Commission	0	0	0	0	0	0
Community Development	45,680	0	0	0	0	0
Civil Defense Reimbursement	35,850	0	0	0	0	0
Homeland Security Grants	12,181	0	0	0	0	0
Medicaid	0	0	122,326	0	0	0
Law Enforcement Grants	0	0	0	0	8,404	0
Other Federal through State	47,100	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Constitu - tional Officers - Fees
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Forest Service	\$ 25,782	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Tax Credit Bond Rebate	136,853	0	0	0	0	0
Total Federal Government	<u>\$ 308,446</u>	<u>\$ 0</u>	<u>\$ 122,326</u>	<u>\$ 0</u>	<u>\$ 8,404</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 131,790	\$ 1,200	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	28,333	0	0	0	0	0
<u>Citizens Groups</u>						
Donations	13,662	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 173,785</u>	<u>\$ 1,200</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total	<u>\$ 20,766,585</u>	<u>\$ 1,502,834</u>	<u>\$ 2,714,130</u>	<u>\$ 200,036</u>	<u>\$ 268,475</u>	<u>\$ 25,984</u>

(Continued)



## Exhibit K-6

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

	Special Revenue Fund	Debt Service Funds		Capital Projects Fund	Total
	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 0	\$ 1,379,480	\$ 1,068,282	\$ 340,847	\$ 14,436,648
Current Property Tax - Tax Increment Financing	0	0	0	0	68,758
Trustee's Collections - Prior Year	0	37,242	28,314	9,568	365,985
Trustee's Collections - Bankruptcy	0	1,202	1,433	196	12,146
Circuit Clerk/Clerk and Master Collections - Prior Years	0	18,453	26,221	4,275	204,461
Interest and Penalty	0	13,146	13,960	3,217	137,233
Payments in-Lieu-of Taxes - T.V.A.	0	86	131	21	1,020
Payments in-Lieu-of Taxes - Local Utilities	0	1,550	2,365	383	18,443
Payments in-Lieu-of Taxes - Other	0	417	637	103	4,967
<u>County Local Option Taxes</u>					
Local Option Sales Tax	0	0	2,030,389	1,006,120	3,539,702
Litigation Tax - General	0	0	0	0	237,836
Litigation Tax - Special Purpose	0	0	0	0	135,819
Litigation Tax - Jail, Workhouse, or Courthouse	0	368,921	0	0	368,921
Litigation Tax - Courthouse Security	0	0	0	0	88,692
Business Tax	0	0	0	0	1,069,086
Mineral Severance Tax	50,924	0	0	0	50,924
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	319,084
Wholesale Beer Tax	0	0	0	0	244,424
Total Local Taxes	\$ 50,924	\$ 1,820,497	\$ 3,171,732	\$ 1,364,730	\$ 21,304,149
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$ 0	\$ 0	\$ 0	\$ 166,608

(Continued)

## Exhibit K-6

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

	Special Revenue Fund	Debt Service Funds		Capital Projects Fund	
	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects	Total
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 0	\$ 0	\$ 0	\$ 0	6,435
Building Permits	0	0	0	0	128,001
Plumbing Permits	0	0	0	0	22,275
Other Permits	0	0	0	0	21,584
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	344,903
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	18,123
Officers Costs	0	0	0	0	13,890
Drug Control Fines	0	0	0	0	30,943
Veterans Treatment Court Fees	0	0	0	0	11,736
Judicial Commissioner Fees	0	0	0	0	1,694
DUI Treatment Fines	0	0	0	0	1,598
Data Entry Fee - Circuit Court	0	0	0	0	41,814
Courtroom Security Fee	0	0	0	0	18
<u>General Sessions Court</u>					
Fines	0	0	0	0	189,442
Officers Costs	0	0	0	0	94,970
Drug Control Fines	0	0	0	0	132,955
Jail Fees	0	0	0	0	17,147
Judicial Commissioner Fees	0	0	0	0	4,785
DUI Treatment Fines	0	0	0	0	13,482
Courtroom Security Fee	0	0	0	0	1,235
Victims Assistance Assessments	0	0	0	0	15,367

(Continued)

## Exhibit K-6

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

	Special Revenue Fund	Debt Service Funds		Capital Projects Fund	
	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Juvenile Court</u>					
Fines	\$ 0	\$ 0	\$ 0	\$ 0	1,819
Officers Costs	0	0	0	0	5,866
Judicial Commissioner Fees	0	0	0	0	692
<u>Chancery Court</u>					
Officers Costs	0	0	0	0	4,683
Data Entry Fee - Chancery Court	0	0	0	0	7,339
Courtroom Security Fee	0	0	0	0	4,952
<u>Other Courts - In-county</u>					
Drug Court Fees	0	0	0	0	42,734
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	0	0	0	0	105,530
Other Fines, Forfeitures, and Penalties	0	0	0	0	43,419
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	806,233
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	4,571
Solid Waste Disposal Fee	0	0	0	0	80,506
Surcharge - Waste Tire Disposal	0	0	0	0	46,663
Patient Charges	0	0	0	0	1,969,843
Other General Service Charges	0	0	0	0	2,537
<u>Fees</u>					
Subdivision Lot Fees	0	0	0	0	13,620
Recreation Fees	0	0	0	0	17,415
Copy Fees	0	0	0	0	5,850

(Continued)

## Exhibit K-6

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

	Special Revenue Fund	Debt Service Funds		Capital Projects Fund	
	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Library Fees	\$ 0	\$ 0	\$ 0	\$ 0	47,957
Archives and Records Management Fee	0	0	0	0	54
Greenbelt Late Application Fee	0	0	0	0	200
Telephone Commissions	0	0	0	0	209,628
Constitutional Officers' Fees and Commissions	0	0	0	0	25,984
Data Processing Fee - Register	0	0	0	0	30,340
Probation Fees	0	0	0	0	212,871
Data Processing Fee - Sheriff	0	0	0	0	7,839
Sexual Offender Registration Fee - Sheriff	0	0	0	0	8,851
Data Processing Fee - County Clerk	0	0	0	0	39,479
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	510
<u>Education Charges</u>					
Other Charges for Services	0	0	0	0	57,750
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	2,782,468
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 882	\$ 228,623	\$ 17,343	\$ 0	246,848
Lease/Rentals	0	98,744	0	0	117,944
Sale of Materials and Supplies	8,290	0	0	0	8,290
Commissary Sales	0	0	0	0	7,327
Sale of Maps	0	0	0	0	8
Sale of Recycled Materials	453	0	0	0	71,554
Miscellaneous Refunds	0	0	0	0	12,559

(Continued)

## Exhibit K-6

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

	Special Revenue Fund	Debt Service Funds		Capital Projects Fund	
	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items</u>					
Sale of Equipment	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,576
Contributions and Gifts	0	0	0	0	279,735
Total Other Local Revenues	\$ 9,625	\$ 327,367	\$ 17,343	\$ 0	\$ 755,841
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 547,035
Circuit Court Clerk	0	0	0	0	1,042,597
Clerk and Master	0	0	0	0	213,089
Register	0	0	0	0	249,714
Sheriff	0	0	0	0	28,522
Trustee	0	0	0	0	1,030,947
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,111,904
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000
Other General Government Grants	0	0	0	0	49,086
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	0	0	0	0	25,200
Other Public Safety Grants	0	0	0	0	19,895
<u>Public Works Grants</u>					
State Aid Program	715,095	0	0	0	715,095
Litter Program	0	0	0	0	44,221

(Continued)

## Exhibit K-6

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

	Special Revenue Fund	Debt Service Funds		Capital Projects Fund	
	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 64,818
Beer Tax	0	0	0	0	17,839
Vehicle Certificate of Title Fees	0	0	0	0	62,094
Alcoholic Beverage Tax	0	0	0	0	98,194
State Revenue Sharing - T.V.A.	0	0	0	0	298,601
State Revenue Sharing - Telecommunications	0	0	0	0	103,762
Contracted Prisoner Boarding	0	0	0	0	1,255,184
Gasoline and Motor Fuel Tax	2,394,798	0	0	0	2,394,798
Petroleum Special Tax	38,095	0	0	0	38,095
T.B.I. - Equipment Reimbursement	0	0	0	0	2,158
Registrar's Salary Supplement	0	0	0	0	15,164
Other State Grants	0	0	0	0	454,603
Other State Revenues	0	0	0	0	784
Total State of Tennessee	\$ 3,147,988	\$ 0	\$ 0	\$ 0	\$ 5,668,591
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA - Other	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,000
Appalachian Regional Commission	0	0	0	249,430	249,430
Community Development	0	0	0	0	45,680
Civil Defense Reimbursement	0	0	0	0	35,850
Homeland Security Grants	0	0	0	0	12,181
Medicaid	0	0	0	0	122,326
Law Enforcement Grants	0	0	0	0	8,404
Other Federal through State	0	0	0	0	47,100

(Continued)

## Exhibit K-6

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

	Special Revenue Fund	Debt Service Funds		Capital Projects Fund	
	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects	Total
<u>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
Forest Service	\$ 0	\$ 0	\$ 0	\$ 0	\$ 25,782
Tax Credit Bond Rebate	0	0	400,224	0	537,077
Total Federal Government	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 400,224</u>	<u>\$ 249,430</u>	<u>\$ 1,088,830</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 323,737	\$ 470,004	\$ 926,731
Contracted Services	0	0	0	0	28,333
<u>Citizens Groups</u>					
Donations	0	0	0	0	13,662
Total Other Governments and Citizens Groups	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 323,737</u>	<u>\$ 470,004</u>	<u>\$ 968,726</u>
Total	<u>\$ 3,208,537</u>	<u>\$ 2,147,864</u>	<u>\$ 3,913,036</u>	<u>\$ 2,084,164</u>	<u>\$ 36,831,645</u>

Exhibit K-7

Coffee County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Coffee County School Department  
For the Year Ended June 30, 2018

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 8,513,684	\$ 0	\$ 0	\$ 0	\$ 8,513,684
Trustee's Collections - Prior Year	218,105	0	0	0	218,105
Trustee's Collections - Bankruptcy	6,912	0	0	0	6,912
Circuit Clerk/Clerk and Master Collections - Prior Years	106,044	0	0	0	106,044
Interest and Penalty	76,234	0	0	0	76,234
Payments in-Lieu-of Taxes - T.V.A.	529	0	0	0	529
Payments in-Lieu-of Taxes - Local Utilities	19,628	0	0	0	19,628
Payments in-Lieu-of Taxes - Other	2,578	0	0	0	2,578
<u>County Local Option Taxes</u>					
Local Option Sales Tax	4,517,883	0	0	0	4,517,883
Mixed Drink Tax	12,416	0	0	0	12,416
Total Local Taxes	<u>\$ 13,474,013</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,474,013</u>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 2,278	\$ 0	\$ 0	\$ 0	\$ 2,278
Total Licenses and Permits	<u>\$ 2,278</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,278</u>
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Summer School	\$ 1,400	\$ 0	\$ 0	\$ 0	\$ 1,400
Lunch Payments - Children	0	0	567,346	0	567,346
Lunch Payments - Adults	0	0	39,376	0	39,376
Income from Breakfast	0	0	59,954	0	59,954

(Continued)



Exhibit K-7

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

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges (Cont.)</u>					
A la Carte Sales	\$ 0	\$ 0	\$ 8,319	\$ 0	\$ 8,319
Receipts from Individual Schools	106,147	0	39	0	106,186
Community Service Fees - Children	106,475	0	0	0	106,475
Total Charges for Current Services	\$ 214,022	\$ 0	\$ 675,034	\$ 0	\$ 889,056
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 971	\$ 0	\$ 971
Sale of Materials and Supplies	1,506	0	0	0	1,506
E-Rate Funding	4,068	0	0	0	4,068
<u>Nonrecurring Items</u>					
Damages Recovered from Individuals	3,078	0	0	0	3,078
Contributions and Gifts	152,067	0	0	0	152,067
<u>Other Local Revenues</u>					
Other Local Revenues	24,782	0	0	0	24,782
Total Other Local Revenues	\$ 185,501	\$ 0	\$ 971	\$ 0	\$ 186,472
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 169,577	\$ 0	\$ 0	\$ 0	\$ 169,577
<u>State Education Funds</u>					
Basic Education Program	21,639,000	0	0	0	21,639,000
Early Childhood Education	672,458	0	0	0	672,458
School Food Service	0	0	21,756	0	21,756

(Continued)

## Exhibit K-7

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

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Driver Education	\$ 13,503	\$ 0	\$ 0	\$ 0	\$ 13,503
Other State Education Funds	29,164	0	0	0	29,164
Coordinated School Health	83,754	0	0	0	83,754
Internet Connectivity	11,498	0	0	0	11,498
Family Resource Centers	58,953	0	0	0	58,953
Career Ladder Program	82,569	0	0	0	82,569
Vocational Equipment	124,866	0	0	0	124,866
<u>Other State Revenues</u>					
Alcoholic Beverage Tax	4,340	0	0	0	4,340
State Revenue Sharing - T.V.A.	671,240	0	0	0	671,240
Safe Schools	21,082	0	0	0	21,082
Total State of Tennessee	\$ 23,582,004	\$ 0	\$ 21,756	\$ 0	\$ 23,603,760
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,225,240	\$ 0	\$ 1,225,240
USDA - Commodities	0	0	180,530	0	180,530
Breakfast	0	0	488,679	0	488,679
USDA - Other	0	0	82,465	0	82,465
Vocational Education - Basic Grants to States	0	90,470	0	0	90,470
Other Vocational	0	45,906	0	0	45,906
Title I Grants to Local Education Agencies	0	919,279	0	0	919,279
Special Education - Grants to States	0	995,236	0	0	995,236
Special Education Preschool Grants	0	24,060	0	0	24,060

(Continued)

Exhibit K-7

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

	<u>Special Revenue Funds</u>			<u>Capital Projects Fund</u>	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
English Language Acquisition Grants	\$ 0	\$ 6,697	\$ 0	\$ 0	\$ 6,697
Rural Education	0	12,457	0	0	12,457
Eisenhower Professional Development State Grants	0	118,867	0	0	118,867
Other Federal through State	140,659	189,524	0	0	330,183
<u>Direct Federal Revenue</u>					
ROTC Reimbursement	51,340	0	0	0	51,340
Total Federal Government	\$ 191,999	\$ 2,402,496	\$ 1,976,914	\$ 0	\$ 4,571,409
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 100,000
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 100,000
Total	\$ 37,649,817	\$ 2,402,496	\$ 2,674,675	\$ 100,000	\$ 42,826,988

## Exhibit K-8

Coffee County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2018

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	17,600	
Social Security		1,346	
Audit Services		19,535	
Dues and Memberships		1,700	
Maintenance Agreements		4,474	
Printing, Stationery, and Forms		290	
Travel		4,427	
Total County Commission			\$ 49,372

Board of Equalization

Board and Committee Members Fees	\$	930	
Social Security		71	
Total Board of Equalization			1,001

Other Boards and Committees

Board and Committee Members Fees	\$	22,100	
Social Security		1,691	
Travel		610	
Total Other Boards and Committees			24,401

County Mayor/Executive

County Official/Administrative Officer	\$	94,427	
ADA Coordinator		41,051	
Purchasing Personnel		39,856	
Secretary(ies)		37,072	
Part-time Personnel		7,907	
Educational Incentive - Other County Employees		12,000	
Social Security		16,704	
Pensions		13,234	
Medical Insurance		16,164	
Dental Insurance		1,032	
Unemployment Compensation		176	
Communication		4,379	
Dues and Memberships		15,325	
Legal Notices, Recording, and Court Costs		3,754	
Maintenance Agreements		2,123	
Printing, Stationery, and Forms		348	
Travel		3,741	
Tuition		1,550	
Other Contracted Services		2,376	
Office Supplies		3,140	
Other Charges		5,830	
Furniture and Fixtures		3,461	
Total County Mayor/Executive			325,650

County Attorney

County Official/Administrative Officer	\$	4,800	
Legal Services		53,160	
Total County Attorney			57,960

(Continued)

## Exhibit K-8

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

General Fund (Cont.)General Government (Cont.)Election Commission

County Official/Administrative Officer	\$	73,580	
Deputy(ies)		63,747	
Clerical Personnel		7,910	
Overtime Pay		440	
Election Commission		4,749	
Election Workers		47,278	
Social Security		13,165	
Pensions		8,552	
Medical Insurance		16,858	
Dental Insurance		516	
Unemployment Compensation		342	
Communication		5,305	
Dues and Memberships		200	
Operating Lease Payments		85	
Legal Notices, Recording, and Court Costs		32,061	
Maintenance Agreements		14,014	
Maintenance and Repair Services - Equipment		312	
Postal Charges		490	
Travel		3,155	
Tuition		1,545	
Other Contracted Services		1,722	
Office Supplies		6,145	
Total Election Commission			\$ 302,171

Register of Deeds

County Official/Administrative Officer	\$	81,756	
Deputy(ies)		94,723	
Part-time Personnel		16,125	
Social Security		14,175	
Pensions		5,903	
Medical Insurance		17,255	
Dental Insurance		1,072	
Unemployment Compensation		201	
Communication		3,055	
Dues and Memberships		789	
Operating Lease Payments		16,277	
Maintenance Agreements		1,734	
Travel		1,236	
Tuition		275	
Other Contracted Services		2,320	
Data Processing Supplies		1,225	
Office Supplies		1,148	
Furniture and Fixtures		2,900	
Total Register of Deeds			262,169

Codes Compliance

Assistant(s)	\$	39,986	
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(Continued)

## Exhibit K-8

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

General Fund (Cont.)General Government (Cont.)Codes Compliance (Cont.)

Supervisor/Director	\$	48,546	
Secretary(ies)		26,002	
Social Security		8,631	
Pensions		3,733	
Medical Insurance		16,447	
Dental Insurance		774	
Unemployment Compensation		126	
Communication		1,459	
Consultants		1,848	
Legal Notices, Recording, and Court Costs		1,024	
Maintenance Agreements		1,656	
Maintenance and Repair Services - Vehicles		1,654	
Printing, Stationery, and Forms		1,138	
Tuition		1,584	
Other Contracted Services		112	
Gasoline		2,815	
Office Supplies		2,715	
Other Supplies and Materials		203	
Total Codes Compliance			\$ 160,453

County Buildings

Assistant(s)	\$	35,232	
Supervisor/Director		50,488	
Custodial Personnel		24,883	
Maintenance Personnel		105,850	
Overtime Pay		22,425	
Social Security		17,755	
Pensions		11,385	
Medical Insurance		32,157	
Dental Insurance		1,504	
Unemployment Compensation		733	
Communication		38,774	
Maintenance Agreements		92,456	
Maintenance and Repair Services - Buildings		114,639	
Maintenance and Repair Services - Equipment		4,628	
Maintenance and Repair Services - Vehicles		1,816	
Pest Control		3,798	
Disposal Fees		183	
Other Contracted Services		48,003	
Custodial Supplies		12,982	
Electricity		127,737	
Gasoline		7,083	
Natural Gas		27,497	
Office Supplies		619	
Uniforms		2,721	
Water and Sewer		8,094	
Total County Buildings			793,442

(Continued)

## Exhibit K-8

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

General Fund (Cont.)General Government (Cont.)Other General Administration

Data Processing Personnel	\$	42,166	
Social Security		3,226	
Pensions		2,783	
Unemployment Compensation		42	
Communication		5,297	
Data Processing Services		24,398	
Maintenance Agreements		10,345	
Postal Charges		54,000	
Total Other General Administration			\$ 142,257

Preservation of Records

Communication	\$	15	
Total Preservation of Records			15

FinanceAccounting and Budgeting

Supervisor/Director	\$	78,383	
Accountants/Bookkeepers		200,299	
Social Security		20,083	
Pensions		16,184	
Medical Insurance		37,265	
Dental Insurance		2,042	
Unemployment Compensation		354	
Communication		1,665	
Dues and Memberships		525	
Legal Notices, Recording, and Court Costs		960	
Maintenance Agreements		28,334	
Travel		2,495	
Tuition		1,490	
Office Supplies		7,408	
Total Accounting and Budgeting			397,487

Property Assessor's Office

County Official/Administrative Officer	\$	81,756	
Clerical Personnel		153,812	
Social Security		17,983	
Pensions		13,004	
Medical Insurance		20,608	
Dental Insurance		1,332	
Unemployment Compensation		263	
Audit Services		27,500	
Communication		2,642	
Data Processing Services		24,539	
Dues and Memberships		1,700	
Maintenance Agreements		562	
Maintenance and Repair Services - Vehicles		1,903	
Printing, Stationery, and Forms		2,228	

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Finance (Cont.)Property Assessor's Office (Cont.)

Gasoline	\$	2,586	
Office Supplies		3,089	
Other Charges		3,000	
Total Property Assessor's Office			\$ 358,507

Reappraisal Program

Part-time Personnel	\$	27,363	
Social Security		2,093	
Unemployment Compensation		89	
Other Contracted Services		3,113	
Data Processing Supplies		10,131	
Total Reappraisal Program			42,789

County Trustee's Office

County Official/Administrative Officer	\$	81,756	
Deputy(ies)		145,352	
Social Security		16,573	
Pensions		12,663	
Medical Insurance		30,082	
Dental Insurance		1,053	
Unemployment Compensation		199	
Communication		1,644	
Dues and Memberships		909	
Maintenance Agreements		9,384	
Postal Charges		6,250	
Travel		1,742	
Other Contracted Services		5,425	
Office Supplies		2,456	
Total County Trustee's Office			315,488

County Clerk's Office

County Official/Administrative Officer	\$	81,756	
Deputy(ies)		202,101	
Social Security		20,496	
Pensions		17,164	
Medical Insurance		45,214	
Dental Insurance		1,870	
Unemployment Compensation		332	
Communication		2,975	
Dues and Memberships		789	
Maintenance Agreements		14,745	
Printing, Stationery, and Forms		3,124	
Travel		4,365	
Tuition		455	
Office Supplies		5,397	
Other Charges		5,357	
Total County Clerk's Office			406,140

(Continued)



## Exhibit K-8

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

General Fund (Cont.)Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	81,756	
Deputy(ies)		700,083	
Part-time Personnel		36,644	
Jury and Witness Expense		8,675	
Social Security		60,423	
Pensions		33,793	
Medical Insurance		126,695	
Dental Insurance		5,673	
Unemployment Compensation		1,224	
Communication		6,011	
Dues and Memberships		1,339	
Legal Notices, Recording, and Court Costs		865	
Maintenance Agreements		37,885	
Printing, Stationery, and Forms		13,828	
Travel		1,447	
Duplicating Supplies		5,500	
Office Supplies		8,301	
Other Charges		14,139	
Total Circuit Court			\$ 1,144,281

General Sessions Judge

Judge(s)	\$	339,768	
Secretary(ies)		31,185	
Social Security		23,554	
Pensions		11,212	
Medical Insurance		12,000	
Dental Insurance		516	
Unemployment Compensation		34	
Communication		1,459	
Dues and Memberships		890	
Evaluation and Testing		1,600	
Travel		2,670	
Tuition		580	
Office Supplies		1,101	
Periodicals		9,678	
Total General Sessions Judge			436,247

Drug Court

Drug Treatment	\$	67,550	
Total Drug Court			67,550

Chancery Court

County Official/Administrative Officer	\$	81,756	
Deputy(ies)		126,607	
Part-time Personnel		5,674	
Social Security		15,471	
Pensions		13,300	

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Administration of Justice (Cont.)Chancery Court (Cont.)

Medical Insurance	\$	26,911	
Dental Insurance		1,225	
Unemployment Compensation		254	
Communication		3,265	
Dues and Memberships		1,313	
Maintenance Agreements		11,580	
Printing, Stationery, and Forms		1,264	
Travel		199	
Office Supplies		3,689	
Periodicals		918	
Other Supplies and Materials		3,120	
Total Chancery Court			\$ 296,546

District Attorney General

Social Workers	\$	33,031	
Social Security		2,527	
Pensions		1,652	
Unemployment Compensation		42	
Communication		15	
Travel		665	
Tuition		100	
Total District Attorney General			38,032

Office of Public Defender

Part-time Personnel	\$	19,270	
Social Security		1,474	
Unemployment Compensation		79	
Travel		1,713	
Other Contracted Services		4,059	
Other Supplies and Materials		895	
Office Equipment		761	
Total Office of Public Defender			28,251

Judicial Commissioners

County Official/Administrative Officer	\$	78,906	
Part-time Personnel		24,540	
Social Security		7,822	
Pensions		4,448	
Medical Insurance		13,878	
Dental Insurance		752	
Unemployment Compensation		224	
Communication		1,078	
Dues and Memberships		375	
Maintenance Agreements		798	
Office Supplies		2,734	
Total Judicial Commissioners			135,555

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Administration of Justice (Cont.)Probation Services

Assistant(s)	\$	33,927	
Supervisor/Director		42,169	
Probation Officer(s)		86,702	
Clerical Personnel		22,798	
Part-time Personnel		21,130	
Social Security		14,579	
Pensions		9,139	
Medical Insurance		21,552	
Dental Insurance		1,032	
Unemployment Compensation		358	
Communication		3,403	
Maintenance Agreements		1,614	
Printing, Stationery, and Forms		628	
Travel		1,102	
Tuition		734	
Office Supplies		3,208	
Uniforms		414	
Other Supplies and Materials		3,041	
Data Processing Equipment		1,703	
Total Probation Services			\$ 269,233

Public SafetySheriff's Department

County Official/Administrative Officer	\$	89,931
Deputy(ies)		1,516,354
Salary Supplements		25,200
Secretary(ies)		45,115
Clerical Personnel		58,551
Overtime Pay		84,033
Other Salaries and Wages		74,321
Social Security		140,739
Pensions		103,860
Medical Insurance		224,960
Dental Insurance		10,831
Unemployment Compensation		2,165
Communication		30,570
Dues and Memberships		6,210
Evaluation and Testing		1,925
Maintenance Agreements		19,706
Maintenance and Repair Services - Equipment		1,473
Maintenance and Repair Services - Vehicles		55,953
Postal Charges		541
Printing, Stationery, and Forms		1,515
Travel		5,223
Tuition		12,085
Remittance of Revenue Collected		5,700
Gasoline		146,419

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Public Safety (Cont.)Sheriff's Department (Cont.)

Law Enforcement Supplies	\$	11,869	
Office Supplies		5,602	
Uniforms		19,627	
Data Processing Equipment		3,518	
Law Enforcement Equipment		6,240	
Total Sheriff's Department			\$ 2,710,236

Traffic Control

Contracts with Other Public Agencies	\$	7,900	
Road Signs		3,351	
Total Traffic Control			11,251

Administration of the Sexual Offender Registry

Law Enforcement Supplies	\$	1,493	
Total Administration of the Sexual Offender Registry			1,493

Jail

Deputy(ies)	\$	246,957	
Guards		1,718,477	
Clerical Personnel		99,798	
Attendants		9,242	
Cafeteria Personnel		85,875	
Overtime Pay		81,903	
Bonus Payments		34,823	
Other Salaries and Wages		101,479	
Social Security		177,757	
Pensions		74,326	
Medical Insurance		335,134	
Dental Insurance		16,547	
Unemployment Compensation		5,069	
Communication		26,973	
Contracts with Private Agencies		150	
Dues and Memberships		108	
Evaluation and Testing		9,200	
Maintenance Agreements		17,258	
Maintenance and Repair Services - Equipment		1,000	
Medical and Dental Services		643,162	
Transportation - Other than Students		6,173	
Travel		3,121	
Tuition		1,694	
Other Contracted Services		697,150	
Custodial Supplies		57,862	
Electricity		164,231	
Food Supplies		428,573	
Law Enforcement Supplies		10,261	
Natural Gas		46,356	
Office Supplies		6,630	

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Public Safety (Cont.)Jail (Cont.)

Prisoners Clothing	\$	26,691	
Uniforms		14,421	
Water and Sewer		118,690	
Liability Claims		101,980	
Data Processing Equipment		3,821	
Law Enforcement Equipment		22,532	
Motor Vehicles		38,256	
Total Jail			\$ 5,433,680

Workhouse

Guards	\$	79,893	
Overtime Pay		13,040	
Other Salaries and Wages		20,414	
Social Security		8,558	
Pensions		2,760	
Medical Insurance		20,962	
Dental Insurance		967	
Unemployment Compensation		187	
Maintenance and Repair Services - Equipment		442	
Electricity		12,108	
Law Enforcement Supplies		174	
Natural Gas		4,553	
Office Supplies		339	
Prisoners Clothing		725	
Water and Sewer		1,985	
Motor Vehicles		25,112	
Total Workhouse			192,219

Juvenile Services

Supervisor/Director	\$	44,858	
Youth Service Officer(s)		134,311	
Salary Supplements		9,000	
Other Salaries and Wages		7,600	
Social Security		14,544	
Pensions		11,376	
Medical Insurance		26,940	
Dental Insurance		1,289	
Unemployment Compensation		210	
Communication		3,457	
Contracts with Government Agencies		24,333	
Dues and Memberships		760	
Maintenance Agreements		1,544	
Travel		4,320	
Tuition		1,200	
Office Supplies		1,977	
Other Supplies and Materials		2,765	
Data Processing Equipment		5,112	
Furniture and Fixtures		399	
Total Juvenile Services			295,995

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Public Safety (Cont.)Rural Fire Protection

Contributions	\$ 329,000	
Total Rural Fire Protection		\$ 329,000

Civil Defense

Supervisor/Director	\$ 43,129	
Deputy(ies)	35,257	
Part-time Personnel	9,530	
Overtime Pay	13,000	
Other Salaries and Wages	4,706	
Social Security	6,903	
Pensions	6,301	
Medical Insurance	10,776	
Dental Insurance	516	
Unemployment Compensation	146	
Communication	7,617	
Dues and Memberships	470	
Maintenance and Repair Services - Vehicles	4,531	
Travel	1,574	
Tuition	250	
Food Supplies	2,221	
Gasoline	3,976	
Office Supplies	4,700	
Uniforms	2,404	
Other Supplies and Materials	4,188	
Other Charges	2,712	
Communication Equipment	14,347	
Law Enforcement Equipment	4,392	
Other Equipment	5,649	
Total Civil Defense		189,295

Rescue Squad

Contributions	\$ 27,000	
Total Rescue Squad		27,000

County Coroner/Medical Examiner

Medical and Dental Services	\$ 93,395	
Total County Coroner/Medical Examiner		93,395

Other Public Safety

Supervisor/Director	\$ 47,110	
Salary Supplements	18,528	
Dispatchers/Radio Operators	465,389	
Overtime Pay	34,550	
Other Salaries and Wages	19,535	
Social Security	42,911	
Pensions	29,712	
Medical Insurance	84,033	

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Public Safety (Cont.)Other Public Safety (Cont.)

Dental Insurance	\$	4,019	
Unemployment Compensation		883	
Total Other Public Safety			\$ 746,670

Public Health and WelfareLocal Health Center

Medical Personnel	\$	113,406	
Clerical Personnel		146,576	
Educational Assistants		89,297	
Social Security		26,222	
Pensions		18,898	
Medical Insurance		51,734	
Dental Insurance		2,106	
Unemployment Compensation		570	
Communication		5,203	
Contributions		39,490	
Maintenance and Repair Services - Buildings		3,600	
Travel		13,589	
Tuition		200	
Other Contracted Services		5,406	
Drugs and Medical Supplies		25	
Office Supplies		644	
Utilities		8,602	
Other Supplies and Materials		3,168	
Other Charges		5,633	
Total Local Health Center			534,369

Rabies and Animal Control

Supervisor/Director	\$	26,085	
Deputy(ies)		25,109	
Overtime Pay		3,842	
Social Security		4,197	
Pensions		936	
Medical Insurance		7,731	
Dental Insurance		376	
Unemployment Compensation		230	
Communication		1,790	
Maintenance and Repair Services - Buildings		1,456	
Maintenance and Repair Services - Vehicles		1,054	
Veterinary Services		3,931	
Animal Food and Supplies		831	
Custodial Supplies		323	
Drugs and Medical Supplies		147	
Gasoline		1,762	
Office Supplies		1,385	
Uniforms		688	
Utilities		1,200	
Total Rabies and Animal Control			83,073

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Public Health and Welfare (Cont.)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	\$ 8,606	
Total General Welfare Assistance		8,606

Other Waste Disposal

Disposal Fees	\$ 39,645	
Total Other Waste Disposal		39,645

Social, Cultural, and Recreational ServicesSenior Citizens Assistance

Contributions	\$ 75,000	
Tax Relief Program	145,583	
Total Senior Citizens Assistance		220,583

Libraries

Supervisor/Director	\$ 83,407
Data Processing Personnel	56,278
Librarians	281,242
Part-time Personnel	139,224
Social Security	40,897
Pensions	24,369
Medical Insurance	77,975
Dental Insurance	3,481
Unemployment Compensation	1,401
Communication	6,957
Data Processing Services	1,123
Dues and Memberships	907
Janitorial Services	13,581
Maintenance Agreements	51,510
Maintenance and Repair Services - Buildings	93
Maintenance and Repair Services - Equipment	100
Printing, Stationery, and Forms	681
Travel	496
Tuition	15
Other Contracted Services	5,784
Riprap	26,499
Library Books/Media	85,810
Office Supplies	12,846
Periodicals	3,607
Utilities	35,856

(Continued)



## Exhibit K-8

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

General Fund (Cont.)Social, Cultural, and Recreational Services (Cont.)Libraries (Cont.)

Other Supplies and Materials	\$	24,527	
Office Equipment		14,406	
Total Libraries			\$ 993,072

Other Social, Cultural, and Recreational

Supervisor/Director	\$	81	
Data Processing Personnel		81	
Librarians		567	
Part-time Personnel		567	
Social Security		96	
Pensions		31	
Unemployment Compensation		3	
Other Contracted Services		225	
Library Books/Media		2,138	
Other Supplies and Materials		6,104	
Office Equipment		5,245	
Total Other Social, Cultural, and Recreational			15,138

Agriculture and Natural ResourcesAgricultural Extension Service

Salary Supplements	\$	88,486	
Secretary(ies)		50,234	
Social Security		864	
Unemployment Compensation		70	
Other Fringe Benefits		37,408	
Communication		974	
Contracts with Private Agencies		48,116	
Maintenance and Repair Services - Office Equipment		779	
Travel		599	
Data Processing Supplies		1,500	
Utilities		2,003	
Total Agricultural Extension Service			231,033

Soil Conservation

Secretary(ies)	\$	35,993	
Other Salaries and Wages		24,966	
Social Security		3,958	
Pensions		2,875	
Medical Insurance		11,470	
Dental Insurance		516	
Unemployment Compensation		84	
Contributions		2,000	
Total Soil Conservation			81,862

Other OperationsIndustrial Development

Contributions	\$	250,000	
Total Industrial Development			250,000

(Continued)

## Exhibit K-8

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

General Fund (Cont.)Other Operations (Cont.)Veterans' Services

Clerical Personnel	\$	9,207	
Social Security		704	
Unemployment Compensation		58	
Communication		1,580	
Maintenance Agreements		399	
Transportation - Other than Students		815	
Travel		425	
Electricity		1,100	
Natural Gas		775	
Office Supplies		450	
Water and Sewer		303	
Total Veterans' Services			\$ 15,816

Other Charges

Contributions	\$	74,763	
Other Contracted Services		9,915	
Electricity		60,000	
Liability Insurance		356,364	
Trustee's Commission		246,630	
Workers' Compensation Insurance		271,560	
Loss from Joint Venture		160,000	
Other Charges		12,455	
Total Other Charges			1,191,687

Contributions to Other Agencies

Contributions	\$	24,953	
Total Contributions to Other Agencies			24,953

Payments to Cities

Contributions	\$	31,500	
Total Payments to Cities			31,500

Miscellaneous

Other Contracted Services	\$	80,622	
Administration Equipment		18,449	
Building Construction		70,123	
Total Miscellaneous			169,194

Total General Fund \$ 20,060,140

Solid Waste/Sanitation FundPublic Health and WelfareSanitation Management

Supervisor/Director	\$	50,488	
Secretary(ies)		35,993	
Part-time Personnel		4,915	
Overtime Pay		1,564	

(Continued)

## Exhibit K-8

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Sanitation Management (Cont.)

Social Security	\$	6,976	
Pensions		5,811	
Medical Insurance		12,163	
Dental Insurance		516	
Unemployment Compensation		99	
Communication		3,148	
Dues and Memberships		100	
Maintenance and Repair Services - Buildings		13,490	
Postal Charges		985	
Travel		303	
Custodial Supplies		659	
Utilities		8,688	
Other Supplies and Materials		4,694	
Trustee's Commission		21,601	
Other Charges		16,681	
Total Sanitation Management			\$ 188,874

Waste Pickup

Truck Drivers	\$	119,257	
Guards		26,483	
Overtime Pay		20,598	
Social Security		12,132	
Pensions		5,998	
Medical Insurance		28,738	
Dental Insurance		1,010	
Unemployment Compensation		246	
Contracts with Government Agencies		22,505	
Contracts with Private Agencies		423,652	
Maintenance and Repair Services - Equipment		9,378	
Maintenance and Repair Services - Vehicles		27,835	
Medical and Dental Services		105	
Diesel Fuel		54,361	
Garage Supplies		1,946	
Gasoline		6,007	
Tires and Tubes		8,769	
Uniforms		1,854	
Other Supplies and Materials		4,171	
Vehicle and Equipment Insurance		10,969	
Motor Vehicles		230,820	
Total Waste Pickup			1,016,834

Convenience Centers

Attendants	\$	163,990	
Overtime Pay		5,390	
Other Salaries and Wages		25,434	
Social Security		14,341	
Pensions		4,094	

(Continued)

## Exhibit K-8

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

Solid Waste/Sanitation Fund (Cont.)Public Health and Welfare (Cont.)Convenience Centers (Cont.)

Medical Insurance	\$	47,603	
Dental Insurance		3,181	
Unemployment Compensation		646	
Communication		5,544	
Maintenance and Repair Services - Buildings		10,188	
Maintenance and Repair Services - Equipment		22,392	
Rentals		7,560	
Crushed Stone		578	
Electricity		11,146	
Total Convenience Centers			\$ 322,087

Other Waste Collection

Supervisor/Director	\$	14,421	
Secretary(ies)		9,180	
Attendants		3,849	
Overtime Pay		911	
Social Security		2,114	
Pensions		1,605	
Unemployment Compensation		43	
Contracts with Government Agencies		1,785	
Contracts with Private Agencies		57,798	
Contracts with Vehicle Owners		2,159	
Maintenance and Repair Services - Equipment		299	
Office Supplies		709	
Total Other Waste Collection			94,873

Other OperationsOther Charges

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

Total Solid Waste/Sanitation Fund \$ 1,650,833

Ambulance Service FundPublic Health and WelfareAmbulance/Emergency Medical Services

Assistant(s)	\$	50,659	
Supervisor/Director		64,624	
Accountants/Bookkeepers		27,415	
Medical Personnel		807,724	
Overtime Pay		634,620	
Social Security		117,414	
Pensions		71,174	
Medical Insurance		173,080	
Dental Insurance		7,200	
Unemployment Compensation		1,669	
Communication		14,399	

(Continued)

## Exhibit K-8

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

Ambulance Service Fund (Cont.)Public Health and Welfare (Cont.)Ambulance/Emergency Medical Services (Cont.)

Consultants	\$	3,500	
Dues and Memberships		760	
Licenses		2,785	
Maintenance Agreements		14,860	
Maintenance and Repair Services - Equipment		7,635	
Maintenance and Repair Services - Vehicles		48,279	
Matching Share		36,728	
Travel		116	
Tuition		3,008	
Other Contracted Services		2,665	
Custodial Supplies		2,313	
Drugs and Medical Supplies		68,045	
Gasoline		44,927	
Office Supplies		4,892	
Tires and Tubes		5,402	
Uniforms		10,007	
Utilities		37,708	
Other Supplies and Materials		2,378	
Liability Insurance		20,460	
Trustee's Commission		32,549	
Vehicle and Equipment Insurance		33,401	
Communication Equipment		6,545	
Data Processing Equipment		3,373	
Furniture and Fixtures		1,737	
Motor Vehicles		9,500	
Other Equipment		9,570	
Total Ambulance/Emergency Medical Services		<u>\$ 2,383,121</u>	
Total Ambulance Service Fund			\$ 2,383,121

Local Purpose Tax FundOther OperationsIndustrial Development

Contracts with Government Agencies	\$	75,000	
Other Contracted Services		4,900	
Utilities		937	
Trustee's Commission		4,001	
Total Industrial Development		<u>\$ 84,838</u>	

Total Local Purpose Tax Fund 84,838

Drug Control FundPublic SafetyDrug Enforcement

Confidential Drug Enforcement Payments	\$	5,000	
Travel		6,244	
Tuition		10,981	

(Continued)

## Exhibit K-8

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

Drug Control Fund (Cont.)Public Safety (Cont.)Drug Enforcement (Cont.)

Veterinary Services	\$	1,478	
Remittance of Revenue Collected		588	
Animal Food and Supplies		3,863	
Instructional Supplies and Materials		6,044	
Law Enforcement Supplies		1,985	
Trustee's Commission		315	
Building Construction		2,040	
Communication Equipment		900	
Data Processing Equipment		18,751	
Furniture and Fixtures		39,828	
Law Enforcement Equipment		55,714	
Motor Vehicles		82,950	
Total Drug Enforcement			\$ 236,681
Total Drug Control Fund			\$ 236,681

Constitutional Officers - Fees FundAdministration of JusticeCircuit Court

Constitutional Officers' Operating Expenses	\$	1,467	
Total Circuit Court			\$ 1,467

General Sessions Court

Constitutional Officers' Operating Expenses	\$	22,066	
Total General Sessions Court			22,066

Chancery Court

Constitutional Officers' Operating Expenses	\$	124	
Total Chancery Court			124

Juvenile Court

Constitutional Officers' Operating Expenses	\$	2,161	
Total Juvenile Court			2,161

Public SafetySheriff's Department

Constitutional Officers' Operating Expenses	\$	166	
Total Sheriff's Department			166

Total Constitutional Officers - Fees Fund 25,984

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$	89,931	
Assistant(s)		50,611	
Supervisor/Director		34,080	

(Continued)

## Exhibit K-8

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Administration (Cont.)

Secretary(ies)	\$	34,080	
Board and Committee Members Fees		6,300	
Social Security		16,448	
Pensions		12,335	
Life Insurance		1,333	
Medical Insurance		26,940	
Dental Insurance		773	
Unemployment Compensation		567	
Accounting Services		12,000	
Dues and Memberships		3,840	
Evaluation and Testing		170	
Legal Services		488	
Maintenance and Repair Services - Office Equipment		6	
Travel		774	
Tuition		230	
Other Contracted Services		492	
Office Supplies		695	
Other Charges		1,734	
Total Administration			\$ 293,827

Highway and Bridge Maintenance

Equipment Operators	\$	441,880	
Social Security		33,804	
Pensions		20,763	
Life Insurance		5,439	
Medical Insurance		137,560	
Dental Insurance		3,393	
Unemployment Compensation		4,116	
Other Contracted Services		399,387	
Asphalt - Cold Mix		17,594	
Asphalt - Hot Mix		5,180	
Asphalt - Liquid		210,326	
Crushed Stone		119,324	
Pipe - Concrete		11,460	
Road Signs		4,497	
Salt		5,265	
Other Supplies and Materials		6,475	
Bridge Construction		10,478	
Total Highway and Bridge Maintenance			1,436,941

Operation and Maintenance of Equipment

Mechanic(s)	\$	98,630	
Social Security		7,536	
Pensions		6,005	
Life Insurance		667	
Medical Insurance		31,230	
Dental Insurance		1,031	

(Continued)

## Exhibit K-8

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Operation and Maintenance of Equipment (Cont.)

Unemployment Compensation	\$	430	
Laundry Service		1,935	
Diesel Fuel		43,044	
Equipment and Machinery Parts		70,493	
Garage Supplies		9,236	
Gasoline		16,224	
Lubricants		6,527	
Tires and Tubes		16,683	
Other Supplies and Materials		6,763	
Total Operation and Maintenance of Equipment			\$ 316,434

Other Charges

Communication	\$	4,700	
Electricity		5,048	
Natural Gas		187	
Water and Sewer		602	
Liability Insurance		43,550	
Trustee's Commission		24,280	
Workers' Compensation Insurance		120,605	
Total Other Charges			198,972

Capital Outlay

Highway Equipment	\$	151,436	
Total Capital Outlay			151,436

Principal on DebtHighways and Streets

Principal on Notes	\$	44,000	
Total Highways and Streets			44,000

Interest on DebtHighways and Streets

Interest on Notes	\$	506	
Total Highways and Streets			506

Total Highway/Public Works Fund \$ 2,442,116

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$	1,127,135	
Principal on Notes		280,000	
Total General Government			\$ 1,407,135

Interest on DebtGeneral Government

Interest on Bonds	\$	590,571	
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(Continued)



## Exhibit K-8

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

General Debt Service Fund (Cont.)Interest on Debt (Cont.)General Government (Cont.)

Interest on Notes	\$ 10,980	
Total General Government		\$ 601,551

Other Debt ServiceGeneral Government

Fiscal Agent Charges	\$ 7,000	
Trustee's Commission	32,117	
Total General Government		39,117

Total General Debt Service Fund		\$ 2,047,803
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Rural Debt Service FundPrincipal on DebtEducation

Principal on Bonds	\$ 575,000	
Principal on Notes	90,000	
Principal on Other Loans	713,884	
Total Education		\$ 1,378,884

Interest on DebtEducation

Interest on Bonds	\$ 2,198,100	
Interest on Notes	1,566	
Interest on Other Loans	399,546	
Total Education		2,599,212

Other Debt ServiceEducation

Fiscal Agent Charges	\$ 13,122	
Other Contracted Services	3,000	
Trustee's Commission	40,800	
Total Education		56,922

Capital Projects - DonatedCapital Projects Donated to School Department

Contracts with Other Public Agencies	\$ 100,000	
Total Capital Projects Donated to School Department		100,000

Total Rural Debt Service Fund		4,135,018
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General Capital Projects FundCapital ProjectsGeneral Administration Projects

Trustee's Commission	\$ 19,304	
Motor Vehicles	9,463	
Total General Administration Projects		\$ 28,767

(Continued)

## Exhibit K-8

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>Public Safety Projects</u>		
Data Processing Equipment	\$ 7,200	
Motor Vehicles	142,500	
Total Public Safety Projects		\$ 149,700
<u>Public Health and Welfare Projects</u>		
Motor Vehicles	\$ 269,821	
Other Construction	38,855	
Total Public Health and Welfare Projects		308,676
<u>Social, Cultural, and Recreation Projects</u>		
Building Improvements	\$ 90,728	
Total Social, Cultural, and Recreation Projects		90,728
<u>Public Utility Projects</u>		
Accounting Services	\$ 4,300	
Engineering Services	24,685	
Legal Notices, Recording, and Court Costs	556	
Other Construction	498,733	
Total Public Utility Projects		528,274
<u>Other General Government Projects</u>		
Other Construction	\$ 7,500	
Total Other General Government Projects		7,500
<u>Education Capital Projects</u>		
Building Improvements	\$ 251,057	
Transportation Equipment	402,262	
Vocational Instruction Equipment	21,041	
Total Education Capital Projects		674,360
Total General Capital Projects Fund		\$ 1,788,005
Total Governmental Funds - Primary Government		\$ 34,854,539

## Exhibit K-9

Coffee County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Coffee County School Department  
For the Year Ended June 30, 2018

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$ 10,537,686	
Career Ladder Program	41,418	
Homebound Teachers	24,767	
Instructional Computer Personnel	65,845	
Educational Assistants	306,498	
Other Salaries and Wages	16,558	
Certified Substitute Teachers	84,948	
Non-certified Substitute Teachers	148,962	
Social Security	650,906	
Pensions	981,968	
Life Insurance	19,898	
Medical Insurance	2,291,374	
Dental Insurance	90,092	
Employer Medicare	153,686	
Maintenance and Repair Services - Equipment	561	
Other Contracted Services	6,591	
Instructional Supplies and Materials	157,791	
Textbooks - Bound	174,711	
Other Supplies and Materials	100	
Other Charges	30,695	
Regular Instruction Equipment	172,797	
Total Regular Instruction Program		\$ 15,957,852

Alternative Instruction Program

Other Charges	\$ 12,320	
Total Alternative Instruction Program		12,320

Special Education Program

Teachers	\$ 1,882,803	
Career Ladder Program	6,990	
Homebound Teachers	7,716	
Educational Assistants	289,858	
Speech Pathologist	192,247	
Other Salaries and Wages	49,602	
Certified Substitute Teachers	4,088	
Non-certified Substitute Teachers	32,430	
Social Security	144,148	
Pensions	215,378	
Life Insurance	5,185	
Medical Insurance	549,331	
Dental Insurance	24,498	
Employer Medicare	33,734	
Maintenance and Repair Services - Equipment	290	
Other Contracted Services	122,830	
Instructional Supplies and Materials	11,172	
Other Supplies and Materials	8,396	

(Continued)

## Exhibit K-9

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 Charges	\$	214	
Special Education Equipment		947	
Total Special Education Program			\$ 3,581,857

Career and Technical Education Program

Teachers	\$	966,198	
Career Ladder Program		4,000	
Certified Substitute Teachers		2,850	
Non-certified Substitute Teachers		12,000	
Social Security		58,343	
Pensions		90,552	
Life Insurance		1,581	
Medical Insurance		165,486	
Dental Insurance		7,271	
Employer Medicare		13,686	
Maintenance and Repair Services - Buildings		900	
Other Contracted Services		5,266	
Instructional Supplies and Materials		22,228	
Other Charges		4,715	
Building Improvements		3,000	
Vocational Instruction Equipment		131,062	
Total Career and Technical Education Program			1,489,138

Student Body Education Program

Other Salaries and Wages	\$	44,255	
Social Security		2,559	
Pensions		2,531	
Employer Medicare		600	
Other Charges		11,608	
Total Student Body Education Program			61,553

Support ServicesAttendance

Supervisor/Director	\$	67,644	
Career Ladder Program		1,000	
Clerical Personnel		31,669	
Other Salaries and Wages		1,100	
Social Security		6,166	
Pensions		8,412	
Life Insurance		150	
Medical Insurance		14,278	
Dental Insurance		781	
Employer Medicare		1,442	
Travel		52	
Other Contracted Services		9,675	
Other Supplies and Materials		1,384	

(Continued)

## Exhibit K-9

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.)Attendance (Cont.)

In Service/Staff Development	\$	1,297	
Other Charges		3,250	
Attendance Equipment		1,404	
Total Attendance			\$ 149,704

Health Services

Supervisor/Director	\$	49,532	
Medical Personnel		391,913	
Clerical Personnel		7,713	
Other Salaries and Wages		37,909	
Social Security		28,353	
Pensions		41,485	
Life Insurance		837	
Medical Insurance		102,811	
Dental Insurance		4,380	
Employer Medicare		6,656	
Travel		1,918	
Other Supplies and Materials		13,699	
In Service/Staff Development		5,491	
Other Charges		14,135	
Total Health Services			706,832

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		628,021	
Psychological Personnel		26,106	
Secretary(ies)		47,196	
Other Salaries and Wages		55,260	
Social Security		45,454	
Pensions		67,668	
Life Insurance		1,219	
Medical Insurance		122,726	
Dental Insurance		5,306	
Employer Medicare		10,630	
Evaluation and Testing		35,411	
Travel		73	
Total Other Student Support			1,048,070

Regular Instruction Program

Supervisor/Director	\$	252,911	
Career Ladder Program		6,833	
Librarians		467,638	
Secretary(ies)		74,941	
Social Security		46,066	
Pensions		70,993	
Life Insurance		1,251	

(Continued)

Exhibit K-9

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.)

Medical Insurance	\$	155,044	
Dental Insurance		5,893	
Employer Medicare		10,773	
Travel		5,885	
Library Books/Media		25,253	
Software		6,494	
Other Supplies and Materials		365	
In Service/Staff Development		7,171	
Other Charges		6,533	
Total Regular Instruction Program			\$ 1,144,044

Special Education Program

Supervisor/Director	\$	69,269	
Career Ladder Program		1,000	
Psychological Personnel		186,327	
Secretary(ies)		20,171	
Other Salaries and Wages		2,022	
Social Security		15,801	
Pensions		24,786	
Life Insurance		457	
Medical Insurance		52,762	
Dental Insurance		2,083	
Employer Medicare		3,695	
Communication		632	
Maintenance and Repair Services - Equipment		1,919	
Travel		6,212	
Other Supplies and Materials		5,009	
In Service/Staff Development		11,505	
Other Charges		377	
Regular Instruction Equipment		580	
Total Special Education Program			404,607

Career and Technical Education Program

Supervisor/Director	\$	57,926	
Social Security		3,537	
Pensions		5,260	
Life Insurance		82	
Employer Medicare		827	
Communication		409	
Travel		203	
In Service/Staff Development		859	
Total Career and Technical Education Program			69,103

Technology

Supervisor/Director	\$	70,847	
Other Salaries and Wages		114,560	

(Continued)

## Exhibit K-9

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.)Technology (Cont.)

Social Security	\$	9,726	
Pensions		14,852	
Life Insurance		329	
Medical Insurance		49,348	
Dental Insurance		1,630	
Employer Medicare		2,275	
Maintenance and Repair Services - Equipment		1,012	
Internet Connectivity		62,337	
Travel		7,285	
Other Contracted Services		16,952	
Software		59,838	
In Service/Staff Development		2,886	
Regular Instruction Equipment		126,442	
Total Technology			\$ 540,319

Other Programs

On-behalf Payments to OPEB	\$	169,577	
Total Other Programs			169,577

Board of Education

Secretary to Board	\$	661	
Board and Committee Members Fees		7,385	
Social Security		293	
Pensions		26	
Medical Insurance		133,689	
Dental Insurance		15,966	
Unemployment Compensation		1,462	
Employer Medicare		116	
Audit Services		5,200	
Dues and Memberships		7,078	
Legal Services		7,342	
Travel		100	
Software		3,574	
Liability Insurance		220,477	
Trustee's Commission		272,828	
Workers' Compensation Insurance		134,998	
In Service/Staff Development		13,601	
Other Charges		62,460	
Total Board of Education			887,256

Director of Schools

County Official/Administrative Officer	\$	120,925	
Career Ladder Program		1,000	
Secretary(ies)		33,324	
Clerical Personnel		29,087	
Other Salaries and Wages		1,126	

(Continued)

## Exhibit K-9

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.)Director of Schools (Cont.)

Social Security	\$	11,527	
Pensions		15,990	
Life Insurance		247	
Medical Insurance		17,746	
Dental Insurance		882	
Local Retirement		3,600	
Employer Medicare		2,696	
Communication		15,124	
Dues and Memberships		4,400	
Maintenance and Repair Services - Equipment		7,676	
Postal Charges		4,307	
Travel		6,000	
Office Supplies		5,326	
In Service/Staff Development		3,623	
Total Director of Schools			\$ 284,606

Office of the Principal

Principals	\$	728,978	
Career Ladder Program		12,999	
Accountants/Bookkeepers		80,870	
Assistant Principals		788,494	
Secretary(ies)		314,489	
Social Security		111,927	
Pensions		166,522	
Life Insurance		3,175	
Medical Insurance		386,398	
Dental Insurance		14,523	
Employer Medicare		26,186	
Communication		47,197	
Travel		2,722	
Office Supplies		4,992	
In Service/Staff Development		439	
Total Office of the Principal			2,689,911

Fiscal Services

Supervisor/Director	\$	71,837	
Accountants/Bookkeepers		175,033	
Social Security		15,060	
Pensions		17,373	
Life Insurance		393	
Medical Insurance		35,818	
Dental Insurance		2,132	
Employer Medicare		3,522	
Travel		48	
Other Contracted Services		25,150	
Software		1,350	

(Continued)



## Exhibit K-9

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.)Fiscal Services (Cont.)

Other Supplies and Materials	\$	2,369	
In Service/Staff Development		2,434	
Administration Equipment		1,339	
Total Fiscal Services			\$ 353,858

Operation of Plant

Custodial Personnel	\$	610,645	
Social Security		35,075	
Pensions		43,205	
Life Insurance		1,993	
Medical Insurance		192,042	
Dental Insurance		8,938	
Employer Medicare		8,352	
Laundry Service		6,274	
Electricity		989,529	
Natural Gas		66,867	
Water and Sewer		77,717	
Other Supplies and Materials		111,029	
Total Operation of Plant			2,151,666

Maintenance of Plant

Supervisor/Director	\$	48,426	
Maintenance Personnel		278,304	
Social Security		18,876	
Pensions		23,078	
Life Insurance		704	
Medical Insurance		63,566	
Dental Insurance		2,968	
Employer Medicare		4,440	
Communication		2,092	
Maintenance and Repair Services - Buildings		9,947	
Maintenance and Repair Services - Equipment		15,173	
Other Contracted Services		35,718	
Other Supplies and Materials		177,030	
In Service/Staff Development		1,262	
Maintenance Equipment		35,422	
Total Maintenance of Plant			717,006

Transportation

Supervisor/Director	\$	65,658	
Mechanic(s)		136,235	
Bus Drivers		834,876	
Clerical Personnel		36,819	
Other Salaries and Wages		6,264	
Social Security		62,190	
Pensions		77,623	

(Continued)

## Exhibit K-9

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.)Transportation (Cont.)

Life Insurance	\$	4,627	
Medical Insurance		506,371	
Dental Insurance		22,378	
Employer Medicare		14,545	
Communication		2,314	
Laundry Service		8,917	
Maintenance and Repair Services - Buildings		2,080	
Travel		856	
Other Contracted Services		1,140	
Diesel Fuel		182,041	
Gasoline		11,943	
Office Supplies		63	
Tires and Tubes		26,724	
Vehicle Parts		122,374	
Software		3,506	
In Service/Staff Development		2,917	
Other Charges		16,320	
Transportation Equipment		2,000	
Total Transportation			\$ 2,150,781

Operation of Non-Instructional ServicesCommunity Services

Other Salaries and Wages	\$	176,985	
Social Security		10,806	
Pensions		5,588	
Life Insurance		82	
Medical Insurance		7,139	
Dental Insurance		38	
Employer Medicare		2,527	
Communication		532	
Travel		15,558	
Other Contracted Services		40,962	
Food Supplies		1,505	
Other Supplies and Materials		20,744	
In Service/Staff Development		2,021	
Other Charges		59,678	
Total Community Services			344,165

Early Childhood Education

Teachers	\$	337,447	
Educational Assistants		104,807	
Other Salaries and Wages		21,615	
Certified Substitute Teachers		1,388	
Non-certified Substitute Teachers		4,200	
Social Security		27,521	
Pensions		39,935	

(Continued)

## Exhibit K-9

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.)Early Childhood Education (Cont.)

Life Insurance	\$	1,165	
Medical Insurance		131,156	
Dental Insurance		5,415	
Employer Medicare		6,452	
Communication		1,063	
Instructional Supplies and Materials		26,132	
Other Supplies and Materials		6,095	
In Service/Staff Development		2,254	
Total Early Childhood Education			\$ 716,645

Capital OutlayRegular Capital Outlay

Other Capital Outlay	\$	259,038	
Total Regular Capital Outlay			259,038

Principal on DebtEducation

Debt Service Contribution to Primary Government	\$	323,737	
Total Education			323,737

Total General Purpose School Fund \$ 36,213,645

School Federal Projects FundInstructionRegular Instruction Program

Teachers	\$	709,547	
Other Salaries and Wages		700	
Certified Substitute Teachers		5,025	
Non-certified Substitute Teachers		9,600	
Social Security		42,117	
Pensions		64,130	
Life Insurance		1,128	
Medical Insurance		111,654	
Dental Insurance		5,031	
Employer Medicare		9,880	
Instructional Supplies and Materials		35,863	
Software		6,118	
Other Charges		1,812	
Regular Instruction Equipment		27,441	
Total Regular Instruction Program			\$ 1,030,046

Special Education Program

Teachers	\$	21,381	
Educational Assistants		489,473	
Other Salaries and Wages		2,070	
Non-certified Substitute Teachers		180	

(Continued)

## Exhibit K-9

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

School Federal Projects Fund (Cont.)Instruction (Cont.)Special Education Program (Cont.)

Social Security	\$	27,948	
Pensions		36,589	
Life Insurance		2,551	
Medical Insurance		247,095	
Dental Insurance		13,550	
Employer Medicare		6,555	
Instructional Supplies and Materials		36,096	
Other Supplies and Materials		5,777	
Other Charges		30	
Special Education Equipment		34,438	
Total Special Education Program			\$ 923,733

Career and Technical Education Program

Maintenance and Repair Services - Equipment	\$	2,400	
Other Contracted Services		6,175	
Instructional Supplies and Materials		6,366	
Vocational Instruction Equipment		93,988	
Total Career and Technical Education Program			108,929

Support ServicesOther Student Support

Other Salaries and Wages	\$	625	
Social Security		35	
Pensions		57	
Employer Medicare		8	
Evaluation and Testing		31,719	
Travel		18,131	
Other Supplies and Materials		3,855	
In Service/Staff Development		2,124	
Other Charges		7,036	
Total Other Student Support			63,590

Regular Instruction Program

Supervisor/Director	\$	40,931	
Other Salaries and Wages		4,495	
Social Security		2,814	
Pensions		4,072	
Employer Medicare		658	
Travel		53	
Other Contracted Services		1,800	
Other Supplies and Materials		3,437	
In Service/Staff Development		46,606	
Total Regular Instruction Program			104,866

Special Education Program

Secretary(ies)	\$	20,171	
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(Continued)

## Exhibit K-9

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.)Special Education Program (Cont.)

Social Security	\$	1,251	
Pensions		1,220	
Employer Medicare		292	
Other Supplies and Materials		2,787	
In Service/Staff Development		25,613	
Total Special Education Program			\$ 51,334

Career and Technical Education Program

Supervisor/Director	\$	3,335	
Social Security		207	
Pensions		303	
Employer Medicare		48	
In Service/Staff Development		2,126	
Total Career and Technical Education Program			6,019

Transportation

Bus Drivers	\$	505	
Social Security		31	
Pensions		23	
Employer Medicare		7	
Diesel Fuel		538	
Total Transportation			1,104

Operation of Non-Instructional ServicesFood Service

Food Supplies	\$	1,150	
Total Food Service			1,150

Community Services

Other Salaries and Wages	\$	67,887	
Social Security		4,184	
Pensions		3,022	
Employer Medicare		984	
Travel		42	
Instructional Supplies and Materials		5,614	
Other Supplies and Materials		127	
In Service/Staff Development		907	
Other Charges		1,684	
Total Community Services			84,451

Total School Federal Projects Fund \$ 2,375,222

Central Cafeteria FundOperation of Non-Instructional ServicesFood Service

Supervisor/Director	\$	65,663	
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(Continued)

## Exhibit K-9

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	\$	30,647	
Cafeteria Personnel		752,922	
Other Salaries and Wages		1,811	
Social Security		48,274	
Pensions		52,649	
Life Insurance		2,950	
Medical Insurance		289,460	
Dental Insurance		17,400	
Employer Medicare		11,290	
Communication		522	
Maintenance and Repair Services - Equipment		9,458	
Travel		4,209	
Other Contracted Services		17,576	
Food Preparation Supplies		94,355	
Food Supplies		990,122	
Office Supplies		3,201	
USDA - Commodities		180,530	
Other Supplies and Materials		354	
In Service/Staff Development		6,810	
Other Charges		2,233	
Food Service Equipment		5,333	
Total Food Service			\$ 2,587,769

Total Central Cafeteria Fund \$ 2,587,769

Education Capital Projects FundCapital OutlayRegular Capital Outlay

Other Capital Outlay	\$	26,848	
Total Regular Capital Outlay			\$ 26,848

Total Education Capital Projects Fund 26,848

Total Governmental Funds - Coffee County School Department \$ 41,203,484

Exhibit K-10

Coffee County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Discretely Presented Water and Wastewater Treatment Authority of Coffee County, Tennessee  
For the Year Ended June 30, 2018

	Enterprise Fund
	Wayside
	Acres
	Sewer
	Fund
<hr/>	
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Water Treatment Charges	\$ 55,539
Other General Service Charges	23,803
Total Charges for Current Services	<u>\$ 79,342</u>
Total Operating Revenue	<u>\$ 79,342</u>
Total Revenues	<u><u>\$ 79,342</u></u>
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Other Public Health and Welfare</u>	
Communication	\$ 730
Dues and Memberships	740
Engineering Services	4,650
Legal Services	500
Permits	424
Other Contracted Services	21,769
Electricity	3,252
Water and Sewer	414
Other Supplies and Materials	922
Depreciation	27,835
Total Waste Pickup	<u>\$ 61,236</u>
Total Operating Expenses	<u>\$ 61,236</u>
Total Expenses	<u><u>\$ 61,236</u></u>

## Exhibit K-11

Coffee County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balances - City Agency Funds  
For the Year Ended June 30, 2018

	Cities - Sales Tax Fund	City School ADA- Tulahoma Fund	City School ADA- Manchester Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 5,746,650	\$ 2,494,341	\$ 8,240,991
Trustee's Collections - Prior Years	0	154,674	67,136	221,810
Trustee's Collections - Bankruptcy	0	4,675	2,028	6,703
Circuit/Clerk and Master Collections -		71,881	31,135	103,016
Prior Years	0	51,601	22,376	73,977
Interest and Penalty	0	358	155	513
Payments in-Lieu-of Taxes - TVA	0	6,475	2,810	9,285
Payments in-Lieu-of Taxes - Other	0	1,744	757	2,501
Local Option Sales Tax	16,416,228	0	0	16,416,228
Marriage Licenses	0	1,546	669	2,215
Alcoholic Beverage Tax	0	3,004	1,304	4,308
Total Cash Receipts	<u>\$ 16,416,228</u>	<u>\$ 6,042,608</u>	<u>\$ 2,622,711</u>	<u>\$ 25,081,547</u>
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 16,252,065	\$ 5,882,226	\$ 2,566,695	\$ 24,700,986
Trustee's Commission	164,163	120,181	52,180	336,524
Total Cash Disbursements	<u>\$ 16,416,228</u>	<u>\$ 6,002,407</u>	<u>\$ 2,618,875</u>	<u>\$ 25,037,510</u>
Excess of Cash Receipts Over				
(Under) Cash Disbursements	\$ 0	\$ 40,201	\$ 3,836	\$ 44,037
Cash Balance, July 1, 2017	0	5,693	16,080	21,773
Cash Balance, June 30, 2018	<u>\$ 0</u>	<u>\$ 45,894</u>	<u>\$ 19,916</u>	<u>\$ 65,810</u>



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## SINGLE AUDIT SECTION

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JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

**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 Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the 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, 2018, and the related notes to the financial statements, which collectively comprise Coffee County's basic financial statements, and have issued our report thereon dated February 5, 2019.

**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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

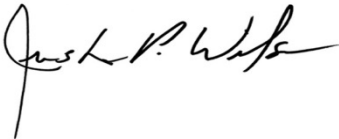
### **Compliance and Other Matters**

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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

February 5, 2019

JPW/kp



JUSTIN P. WILSON  
*Comptroller*

JASON E. MUMPOWER  
*Deputy Comptroller*

**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**

**Independent Auditor's Report**

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

To the County Executive 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, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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, 2018.

### **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.

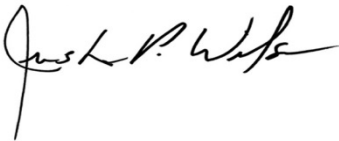
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on

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 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, 2018, and the related notes to the financial statements, which collectively comprise Coffee County's basic financial statements. We issued our report thereon dated February 5, 2019, 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.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

February 5, 2019

JPW/kp

Coffee County, Tennessee, and the Coffee County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2)  
For the Year Ended June 30, 2018

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Direct Program:			
Rural Business Development Grant	10.351	N/A	\$ 5,000
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (4)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	180,530 (5)
Fresh Fruit and Vegetables Program	10.582	N/A	58,240
Passed-through State Department of Education:			
Child Nutrition Cluster: (4)			
School Breakfast Program	10.553	N/A	488,679
National School Lunch Program	10.555	N/A	1,249,465 (5) (6)
Total U.S. Department of Agriculture			<u>\$ 1,981,914</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program	12.U01	N/A	\$ 7,955
Total U.S. Department of Defense			<u>\$ 7,955</u>
U. S. Department of Housing & Urban Development:			
Passed-through State Housing Development Agency:			
HOME Investment Partnership Program	14.239	N/A	\$ 45,680
Total U.S. Department of Housing and Urban Development			<u>\$ 45,680</u>
U.S. Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	(3)	\$ 8,404
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(3)	4,905
Passed-through State Office of Criminal Justice Programs:			
Crime Victim Assistance	16.575	(3)	38,010
Total U.S. Department of Justice			<u>\$ 51,319</u>
Appalachian Regional Commission:			
Pass-through State Department of Environment and Conservation:			
Appalachian Area Development Supplemental and Direct Grants	23.002	(3)	\$ 249,430
Total Appalachian Regional Commission:			<u>\$ 249,430</u>
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	N/A	\$ 4,185
Total Institute of Museum and Library Services:			<u>\$ 4,185</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 919,279
Special Education Cluster: (4)			
Special Education - Grants to States	84.027	N/A	995,236
Special Education - Preschool Grants	84.173	N/A	24,060
Career and Technical Education - Basic Grants to States	84.048	N/A	136,376
Twenty-first Century Community Learning Centers	84.287	N/A	85,451
Rural Education	84.358	N/A	12,457
Improving Teacher Quality State Grants	84.367	N/A	118,867
Student Support and Academic Enrichment Program	84.424	N/A	14,864
Passed-through Lawrence County, TN, Board of Education:			
English Language Acquisition Grants	84.365	N/A	6,697
Total U.S. Department of Education			<u>\$ 2,313,287</u>
U.S. Department of Health and Human Services:			
Direct Program:			
Drug-free Communities Support Program Grants	93.276	(3)	\$ 140,659
Passed-through State Department of Education:			
CCDF Cluster:			
Child Care and Development Block Grants	93.575	(3)	89,209
Total U.S. Department of Health and Human Services			<u>\$ 229,868</u>

(Continued)

Coffee County, Tennessee, and the Coffee County School Department  
Schedule of Expenditures of Federal Awards and State Grants (1) (2) (Cont.)

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Passed-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(3)	\$ 35,850
Homeland Security Grant Program	97.067	(3)	12,181
Total U.S. Department of Homeland Security			<u>\$ 48,031</u>
Total Expenditures of Federal Awards			<u>\$ 4,931,669</u>
		Contract Number	
<u>State Grants</u>			
Early Childhood Education - State Department of Education	N/A	(3)	\$ 672,458
Coordinated School Health - State Department of Education	N/A	(3)	83,754
Family Resource Center - State Department of Education	N/A	(3)	58,953
ConnecTenn - State Department of Education	N/A	(3)	11,498
Safe Schools Act - State Department of Education	N/A	(3)	21,082
Tourism Enhancement Grant - State Department of Economic and Community Development	N/A	(3)	49,086
Litter Program - State Department of Transportation	N/A	(3)	44,221
Rural Local Health Services - State Department of Health	N/A	GG-16-45629-00	454,603
Court Security Grant Program - State Administration of Courts	N/A	(3)	19,895
Juvenile Justice - State Commission on Children and Youth	N/A	(3)	9,000
Kindergarten Entry Inventory - State Department of Education	N/A	(3)	5,700
K-3 Literacy Unit Starter and Text Set Pilot - State Department of Education	N/A	(3)	3,900
Career and Technical Education Equipment Program - State Department of Education	N/A	(3)	124,866
Read To Be Ready Coaching Network - State Department of Education	N/A	(3)	<u>11,146</u>
Total State Grants			<u>\$ 1,570,162</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 minimis cost rate permitted in the Uniform Guidance.
- (3) Information not available.
- (4) Child Nutrition Cluster total \$1,918,674; Special Education Cluster total \$1,019,296.
- (5) Total for CFDA No. 10.555 is \$1,429,995.
- (6) National School Lunch Program - \$1,225,240; Afterschool Snack Program - \$24,225.



Coffee County, Tennessee  
Summary Schedule of Prior-year Findings  
For the Year Ended June 30, 2018

*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, 2018.

***Prior-year Financial Statement Findings***

Fiscal Year	Page Number	Finding Number	Title of Finding	CFDA Number	Current Status
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**OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK**

2017	220	2017-001	Execution docket trial balances were not prepared for Circuit, General Sessions, and Juvenile Courts	N/A	Corrected
2017	221	2017-002	The computer software application did not generate a report of outside direct payments	N/A	Corrected
2017	221	2017-003	The office did not review its software audit logs	N/A	Corrected

***Prior-year Federal Awards Findings***

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

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**COFFEE COUNTY, TENNESSEE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2018**

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**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? **NO**
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: 23.002                      Appalachian Area Development
  - \* CFDA Numbers: 10.553 and 10.555              Nutrition Cluster: School Breakfast Program, National School Lunch Program
8. Dollar threshold used to distinguish between Type A and Type B Programs. **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

## **PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS**

There were no findings and recommendations, as a result of our audit of the financial statements of Coffee County, Tennessee, for the year ended June 30, 2018.

### **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, 2018.

## **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.