

ANNUAL FINANCIAL REPORT

HAYWOOD COUNTY, TENNESSEE

FOR THE YEAR ENDED JUNE 30, 2018



DIVISION OF LOCAL GOVERNMENT AUDIT



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

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

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

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

HAYWOOD COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The Solid Waste Disposal Fund had a deficit in unrestricted net position.
- ◆ County officials did not adequately control access to the courthouse offices.
- ◆ The office had deficiencies in budget operations.
- ◆ General ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund.

INTRODUCTORY SECTION

Haywood County Officials

June 30, 2018

Officials

Franklin Smith, County Mayor
Perry Davis, Chief Administrative Highway Officer
Joey Hassell, Director of Schools
William Howse, Trustee
Gwen Watson, Assessor of Property
Sonya Castellaw, County Clerk
Mary Lonon, Circuit, General Sessions, and Juvenile Courts Clerk
Sarah Levy, Clerk and Master
Steve Smith, Register of Deeds
Billy Garrett, Jr., Sheriff

Board of County Commissioners

Franklin Smith, County Mayor, Chairman	James Morgan
Joe Barden IV	Alan O'Quin
Becky Booth	Dell Phillips
James Carlton	Jeffrey Richmond
Wally Eubanks	Janice Rogers
John Gorman, Jr.	Freddy Smith
Robert Green	Jerry Smith
Sheronda Green	Larry Stanley
Richard Jameson	Joe Stephens
Leonard Jones, Jr.	Marjorie Vaulx
Allen King	

Highway Commission

Robert English, Jr., Chairman
Milton Booth
James Boyd
George Floyd
Chuck Lonon

Board of Education

Harold Garrett, Chairman
Allen Currie
Olivia Farrington
Harrison Jones
Greg Vanstory

Audit Committee

Pam Deen White, Chairman
Steve Correa
Leonard Jones, Jr.
Greg Vanstory

FINANCIAL SECTION



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood 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 did not audit the financial statements of the Haywood County Utility District, a discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Haywood County Utility District, is based solely on the report of the other auditors. We were unable to determine Haywood County Utility District's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Haywood County Emergency Communications District, a component unit requiring discrete presentation, was not included in the county's financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Haywood 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.8. to the financial statements, which describes a restatement reducing the beginning net position of the discretely presented Haywood County School Department by \$1,334,058 on the Government-wide Statement of Activities. This restatement was 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 this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension asset and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension assets, and schedule of school changes in the total OPEB liability and related ratios on pages 96-103 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 Haywood 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 Fund, combining and individual fund financial statements of the Haywood County School Department (a discretely presented component unit), miscellaneous schedules and the other information such as the introductory section and management's corrective action plans 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 Fund, combining and individual fund financial statements of the Haywood 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

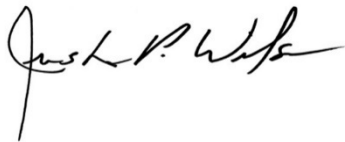
nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Haywood County School Department (a discretely presented component unit), schedule of expenditures of federal awards, and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and management's corrective action plans have 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 19, 2019, on our consideration of Haywood 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 Haywood 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 Haywood County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 19, 2019

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Haywood County School Department	Haywood County Utility District
<u>ASSETS</u>					
Cash	\$ 50,460	\$ 0	\$ 50,460	\$ 0	\$ 258,006
Equity in Pooled Cash and Investments	10,610,449	168,747	10,779,196	4,797,695	0
Accounts Receivable	2,152,468	813,722	2,966,190	13,944	39,664
Allowance for Uncollectibles	(507,654)	(244,117)	(751,771)	0	0
Due from Other Governments	701,618	0	701,618	1,264,350	0
Due from Primary Government	0	0	0	80,000	0
Property Taxes Receivable	8,327,141	0	8,327,141	4,169,874	0
Allowance for Uncollectible Property Taxes	(325,760)	0	(325,760)	(163,128)	0
Net Pension Asset - Agent Plan	752,274	22,867	775,141	530,909	0
Net Pension Asset - Teacher Retirement Plan	0	0	0	72,909	0
Net Pension Asset - Teacher Legacy Pension Plan	0	0	0	103,077	0
Capital Assets:					
Assets Not Depreciated:					
Land	4,374,111	235,000	4,609,111	143,868	0
Construction in Progress	323,117	0	323,117	1,733,069	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	9,302,402	61,887	9,364,289	11,474,714	2,990,241
Infrastructure	8,080,364	0	8,080,364	0	0
Other Capital Assets	3,900,019	220,952	4,120,971	1,417,669	0
Total Assets	\$ 47,741,009	\$ 1,279,058	\$ 49,020,067	\$ 25,638,950	\$ 3,287,911
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Deferred Amount on Refunding	\$ 189,723	\$ 0	\$ 189,723	\$ 0	\$ 0
Pension Changes in Experience	145,538	4,424	149,962	167,408	0
Pension Changes in Investment Earnings	0	0	0	15,647	0
Pension Changes in Assumptions	449,325	13,658	462,983	1,196,497	0
Pension Changes in Proportion	0	0	0	4,619	0
Pension Contributions After Measurement Date	539,407	14,859	554,266	1,487,716	0
OPEB Contributions After Measurement Date	0	0	0	133,022	0
Total Deferred Outflows of Resources	\$ 1,323,993	\$ 32,941	\$ 1,356,934	\$ 3,004,909	\$ 0
<u>LIABILITIES</u>					
Accounts Payable	\$ 406,501	\$ 59,794	\$ 466,295	\$ 136,593	\$ 19,001
Payroll Deductions Payable	87,594	1,273	88,867	540,638	0
Retainage Payable	0	0	0	87,067	0
Due to Component Units	80,000	0	80,000	0	0
Due to State of Tennessee	1,626	34	1,660	0	0
Accrued Interest Payable	62,932	0	62,932	0	0
Noncurrent Liabilities:					
Due Within One Year	1,417,760	87,510	1,505,270	0	0
Due in More Than One Year	14,823,550	1,740,799	16,564,349	2,067,717	0
Total Liabilities	\$ 16,879,963	\$ 1,889,410	\$ 18,769,373	\$ 2,832,015	\$ 19,001

(Continued)

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Haywood County School Department	Haywood County Utility District
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 7,749,903	\$ 0	\$ 7,749,903	\$ 3,880,817	\$ 0
Pension Changes in Experience	735,665	22,362	758,027	2,652,687	0
Pension Changes in Investments Earnings	2,899	88	2,987	5,969	0
Pension Changes in Assumptions	0	0	0	99,086	0
OPEB Changes in Assumptions	0	0	0	85,811	0
Total Deferred Inflows of Resources	<u>\$ 8,488,467</u>	<u>\$ 22,450</u>	<u>\$ 8,510,917</u>	<u>\$ 6,724,370</u>	<u>\$ 0</u>
<u>NET POSITION</u>					
Net Investment in Capital Assets	\$ 14,468,800	\$ 420,174	\$ 14,888,974	\$ 14,769,320	\$ 2,990,241
Restricted for:					
General Government	138,013	0	138,013	0	0
Finance	19,373	0	19,373	0	0
Administration of Justice	420,263	0	420,263	0	0
Public Safety	55,499	0	55,499	0	0
Public Health and Welfare	4,096	0	4,096	0	0
Social, Cultural, and Recreational Services	12,737	0	12,737	0	0
Highway/Public Works	2,161,537	0	2,161,537	0	0
Capital Projects	51,628	0	51,628	0	0
Debt Service	153,302	0	153,302	0	0
Education	2,499	0	2,499	818,896	0
Operation of Non-instructional Services	0	0	0	598,949	0
Pensions	752,274	22,867	775,141	706,895	0
Unrestricted	<u>5,456,551</u>	<u>(1,042,902)</u>	<u>4,413,649</u>	<u>2,193,414</u>	<u>278,669</u>
Total Net Position	<u>\$ 23,696,572</u>	<u>\$ (599,861)</u>	<u>\$ 23,096,711</u>	<u>\$ 19,087,474</u>	<u>\$ 3,268,910</u>

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

Exhibit B

Haywood 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	
					Governmental Activities	Business- type Activities	Total	Haywood County School Department	Haywood County Utility District
Primary Government:									
Governmental Activities:									
General Government	\$ 1,713,326	\$ 1,106,622	\$ 23,522	\$ 145,504	\$ (437,678)	\$ 0	\$ (437,678)	\$ 0	\$ 0
Finance	914,336	609,478	2,816	0	(302,042)	0	(302,042)	0	0
Administration of Justice	1,059,938	714,092	13,500	0	(332,346)	0	(332,346)	0	0
Public Safety	4,785,761	894,410	48,135	0	(3,843,216)	0	(3,843,216)	0	0
Public Health and Welfare	2,416,127	1,212,659	57,521	274,208	(871,739)	0	(871,739)	0	0
Social, Cultural, and Recreational Services	992,649	40,466	0	0	(952,183)	0	(952,183)	0	0
Agriculture and Natural Resources	230,982	0	0	0	(230,982)	0	(230,982)	0	0
Highways/Public Works	2,886,554	185,906	2,265,950	978,072	543,374	0	543,374	0	0
Education	1,813,384	0	0	0	(1,813,384)	0	(1,813,384)	0	0
Interest on Long-term Debt	575,655	0	427,051	0	(148,604)	0	(148,604)	0	0
Other Debt Service	71,377	0	0	0	(71,377)	0	(71,377)	0	0
Total Governmental Activities	\$ 17,460,089	\$ 4,763,633	\$ 2,838,495	\$ 1,397,784	\$ (8,460,177)	\$ 0	\$ (8,460,177)	\$ 0	\$ 0
Business-type Activities:									
Solid Waste Disposal	\$ 824,954	\$ 691,626	\$ 23,258	\$ 0	\$ 0	\$ (110,070)	\$ (110,070)	\$ 0	\$ 0
Total Primary Government	\$ 18,285,043	\$ 5,455,259	\$ 2,861,753	\$ 1,397,784	\$ (8,460,177)	\$ (110,070)	\$ (8,570,247)	\$ 0	\$ 0
Component Units:									
Haywood County School Department	\$ 28,594,942	\$ 51,997	6,141,912	\$ 1,942,291	\$ 0	\$ 0	\$ 0	\$ (20,458,742)	\$ 0
Haywood County Utility District	349,638	421,229	0	0	0	0	0	0	71,591
Total Component Units	\$ 28,944,580	\$ 473,226	\$ 6,141,912	\$ 1,942,291	\$ 0	\$ 0	\$ 0	\$ (20,458,742)	\$ 71,591

(Continued)

Exhibit B

Haywood 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	
					Governmental Activities	Business- type Activities	Total	Haywood County School Department	Haywood County Utility District
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					\$ 6,694,298	\$ 0	\$ 6,694,298	\$ 3,807,251	\$ 0
Property Taxes Levied for Debt Service					904,359	0	904,359	0	0
Local Option Sales Taxes					131,852	0	131,852	1,754,799	0
Hotel/Motel Tax					54,216	0	54,216	0	0
Wheel Tax					957,296	0	957,296	275,475	0
Litigation Taxes					448,779	0	448,779	0	0
Business Tax					145,902	0	145,902	0	0
Wholesale Beer Tax					58,198	0	58,198	0	0
Other Local Taxes					73,192	0	73,192	69,872	0
Grants and Contributions Not Restricted to Specific Programs					1,332,330	15,750	1,348,080	16,790,482	0
Unrestricted Investment Income					177,561	0	177,561	0	659
Miscellaneous					27,124	0	27,124	30,125	0
Total General Revenues					\$ 11,005,107	\$ 15,750	\$ 11,020,857	\$ 22,728,004	\$ 659
Transfers					\$ (145,000)	\$ 145,000	\$ 0	\$ 0	\$ 0
Change in Net Position					\$ 2,399,930	\$ 50,680	\$ 2,450,610	\$ 2,269,262	\$ 72,250
Net Position, July 1, 2017					21,296,642	(650,541)	20,646,101	18,152,270	3,196,660
Restatement - See Note I.D.8.					0	0	0	(1,334,058)	0
Net Position, June 30, 2018					\$ 23,696,572	\$ (599,861)	\$ 23,096,711	\$ 19,087,474	\$ 3,268,910

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

Exhibit C-1

Haywood County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2018

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 50,460	\$ 50,460
Equity in Pooled Cash and Investments	3,743,654	4,375,700	2,153,564	337,531	10,610,449
Accounts Receivable	2,130,696	10,810	4,672	6,290	2,152,468
Allowance for Uncollectibles	(507,654)	0	0	0	(507,654)
Due from Other Governments	291,076	400,205	0	10,337	701,618
Due from Other Funds	10,093	0	0	0	10,093
Property Taxes Receivable	6,823,153	513,355	990,633	0	8,327,141
Allowance for Uncollectible Property Taxes	(266,924)	(20,082)	(38,754)	0	(325,760)
Total Assets	\$ 12,224,094	\$ 5,279,988	\$ 3,110,115	\$ 404,618	\$ 21,018,815
<u>LIABILITIES</u>					
Accounts Payable	\$ 316,923	\$ 2,864	\$ 0	\$ 86,714	\$ 406,501
Payroll Deductions Payable	56,250	0	0	1,414	57,664
Due to Other Funds	0	0	0	10,093	10,093
Due to Component Units	0	0	80,000	0	80,000
Due to State of Tennessee	1,554	0	0	72	1,626
Other Current Liabilities	130	0	0	0	130
Other Funds Due State	29,800	0	0	0	29,800
Total Liabilities	\$ 404,657	\$ 2,864	\$ 80,000	\$ 98,293	\$ 585,814
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,350,171	\$ 477,770	\$ 921,962	\$ 0	\$ 7,749,903
Deferred Delinquent Property Taxes	182,616	13,738	26,511	0	222,865

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Other Deferred/Unavailable Revenue	\$ 1,627,746	\$ 196,271	\$ 0	\$ 4,096	\$ 1,828,113
Total Deferred Inflows of Resources	\$ 8,160,533	\$ 687,779	\$ 948,473	\$ 4,096	\$ 9,800,881
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 91,425	\$ 0	\$ 0	\$ 0	\$ 91,425
Restricted for Finance	19,373	0	0	0	19,373
Restricted for Administration of Justice	420,263	0	0	0	420,263
Restricted for Public Safety	36,081	0	0	19,418	55,499
Restricted for Social, Cultural, and Recreational Services	12,737	0	0	0	12,737
Restricted for Highways/Public Works	0	2,010,863	0	0	2,010,863
Restricted for Capital Projects	0	0	0	51,628	51,628
Restricted for Other Purposes	43,585	0	0	3,003	46,588
Committed:					
Committed for Finance	0	0	0	39,367	39,367
Committed for Public Safety	9,823	0	0	0	9,823
Committed for Public Health and Welfare	23,541	0	0	120,787	144,328
Committed for Highways/Public Works	0	2,578,482	0	0	2,578,482
Committed for Capital Outlay	0	0	0	30,781	30,781
Committed for Debt Service	0	0	2,081,642	0	2,081,642
Committed for Capital Projects	0	0	0	37,245	37,245
Unassigned	3,002,076	0	0	0	3,002,076
Total Fund Balances	\$ 3,658,904	\$ 4,589,345	\$ 2,081,642	\$ 302,229	\$ 10,632,120
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,224,094	\$ 5,279,988	\$ 3,110,115	\$ 404,618	\$ 21,018,815

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

Exhibit C-2

Haywood 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)		\$ 10,632,120
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 4,374,111	
Add: construction in progress	323,117	
Add: buildings and improvements net of accumulated depreciation	9,302,402	
Add: infrastructure net of accumulated depreciation	8,080,364	
Add: other capital assets net of accumulated depreciation	<u>3,900,019</u>	25,980,013
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (230,000)	
Less: capital leases payable	(63,445)	
Less: other loans payable	(949,979)	
Less: bonds payable	(14,813,118)	
Less: compensated absences payable	(59,335)	
Less: accrued interest payable	(62,932)	
Add: deferred amount on refunding	189,723	
Less: other deferred revenues - premium on debt	<u>(125,433)</u>	(16,114,519)
(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	\$ 1,134,270	
Less: deferred inflows of resources related to pensions	<u>(738,564)</u>	395,706
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		752,274
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>2,050,978</u>
Net position of governmental activities (Exhibit A)		<u>\$ 23,696,572</u>

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

Exhibit C-3

Haywood 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	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>					
Local Taxes	\$ 7,854,740	\$ 636,160	\$ 1,480,827	\$ 0	\$ 9,971,727
Licenses and Permits	26,922	0	0	0	26,922
Fines, Forfeitures, and Penalties	164,252	0	0	23,529	187,781
Charges for Current Services	1,204,099	0	0	861,394	2,065,493
Other Local Revenues	84,363	191,419	496,688	31,300	803,770
Fees Received From County Officials	1,003,892	0	0	0	1,003,892
State of Tennessee	1,212,674	3,287,176	52,974	186,334	4,739,158
Federal Government	37,816	0	96,042	274,208	408,066
Other Governments and Citizens Groups	537,891	0	50,000	0	587,891
Total Revenues	\$ 12,126,649	\$ 4,114,755	\$ 2,176,531	\$ 1,376,765	\$ 19,794,700
<u>Expenditures</u>					
Current:					
General Government	\$ 1,617,847	\$ 0	\$ 0	\$ 0	\$ 1,617,847
Finance	697,435	0	0	188,307	885,742
Administration of Justice	924,375	0	0	1,681	926,056
Public Safety	4,114,809	0	0	90,639	4,205,448
Public Health and Welfare	1,807,838	0	0	522,269	2,330,107
Social, Cultural, and Recreational Services	856,823	0	0	0	856,823
Agriculture and Natural Resources	222,997	0	0	0	222,997
Other Operations	559,209	0	0	63,826	623,035
Highways	0	4,232,865	0	0	4,232,865
Debt Service:					
Principal on Debt	6,009	0	1,874,912	15,345	1,896,266
Interest on Debt	1,548	0	519,059	1,213	521,820
Other Debt Service	0	0	116,153	71,377	187,530

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Total Governmental Funds
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 2,409,698	\$ 2,409,698
Total Expenditures	\$ 10,808,890	\$ 4,232,865	\$ 2,510,124	\$ 3,364,355	\$ 20,916,234
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,317,759	\$ (118,110)	\$ (333,593)	\$ (1,987,590)	\$ (1,121,534)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 1,730,000	\$ 1,730,000
Notes Issued	0	0	80,000	245,000	325,000
Capital Leases Issued	0	0	0	51,800	51,800
Premiums on Debt Sold	0	0	0	21,925	21,925
Insurance Recovery	13,808	28,096	0	45,262	87,166
Transfers In	0	0	0	55,000	55,000
Transfers Out	0	0	(55,000)	(145,000)	(200,000)
Total Other Financing Sources (Uses)	\$ 13,808	\$ 28,096	\$ 25,000	\$ 2,003,987	\$ 2,070,891
Net Change in Fund Balances	\$ 1,331,567	\$ (90,014)	\$ (308,593)	\$ 16,397	\$ 949,357
Fund Balance, July 1, 2017	2,327,337	4,679,359	2,390,235	285,832	9,682,763
Fund Balance, June 30, 2018	\$ 3,658,904	\$ 4,589,345	\$ 2,081,642	\$ 302,229	\$ 10,632,120

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

Exhibit C-4

Haywood 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)		\$ 949,357
(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	\$ 2,989,964	
Less: current-year depreciation expense	(1,745,511)	1,244,453
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Add: assets donated and capitalized	\$ 10,603	
Less: proceeds received on sale of capital assets	(54,629)	(44,026)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2018	\$ 2,050,978	
Less: deferred delinquent property taxes and other deferred June 30, 2017	(1,807,024)	243,954
(4) The issuance of long-term debt (e.g., bonds, notes, capital leases, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Less: note proceeds	\$ (325,000)	
Less: capital lease proceeds	(51,800)	
Less: bond proceeds	(1,730,000)	
Less: change in deferred amount on refunding debt	(40,967)	
Add: principal payments on capital leases	101,942	
Add: principal payments on notes	95,000	
Add: principal payments on other loans	200,004	
Add: principal payments on bonds	1,499,320	
Less: change in premium on bond issuance	(11,534)	(263,035)
(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	\$ (12,868)	
Change in compensated absences payable	(33,329)	
Change in net pension asset - agent plan	640,286	
Change in deferred outflows related to pensions	(439,675)	
Change in deferred inflows related to pensions	114,813	269,227
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,399,930</u>

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

Exhibit C-5

Haywood County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 7,854,740	\$ 7,558,844	\$ 7,558,844	\$ 295,896
Licenses and Permits	26,922	17,950	17,950	8,972
Fines, Forfeitures, and Penalties	164,252	201,570	201,570	(37,318)
Charges for Current Services	1,204,099	1,097,170	1,097,170	106,929
Other Local Revenues	84,363	116,850	116,850	(32,487)
Fees Received From County Officials	1,003,892	1,114,500	1,114,500	(110,608)
State of Tennessee	1,212,674	923,814	923,814	288,860
Federal Government	37,816	40,000	40,000	(2,184)
Other Governments and Citizens Groups	537,891	666,000	681,000	(143,109)
Total Revenues	\$ 12,126,649	\$ 11,736,698	\$ 11,751,698	\$ 374,951
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 51,651	\$ 80,765	\$ 85,740	\$ 34,089
Beer Board	200	600	600	400
County Mayor/Executive	325,692	309,292	335,557	9,865
County Attorney	79,107	38,990	82,190	3,083
Election Commission	120,460	142,801	148,801	28,341
Register of Deeds	132,159	131,295	136,499	4,340
Development	70,057	78,524	81,174	11,117
County Buildings	838,521	684,325	877,234	38,713
<u>Finance</u>				
Accounting and Budgeting	3,550	5,250	5,250	1,700
Property Assessor's Office	273,178	292,602	296,813	23,635
Reappraisal Program	19,299	45,336	41,125	21,826
County Trustee's Office	82,737	276,099	278,799	196,062
County Clerk's Office	267,202	274,568	275,118	7,916
Data Processing	51,469	51,578	51,578	109
<u>Administration of Justice</u>				
Circuit Court	401,648	410,538	436,980	35,332
General Sessions Judge	246,527	253,624	253,824	7,297
General Sessions Court Clerk	2,693	4,000	4,000	1,307
Chancery Court	182,851	188,795	194,844	11,993
Juvenile Court	90,656	90,700	93,700	3,044
<u>Public Safety</u>				
Sheriff's Department	1,368,651	1,510,193	1,538,105	169,454
Jail	1,941,742	2,028,679	2,126,259	184,517
Workhouse	150,116	159,418	171,161	21,045
Fire Prevention and Control	377,176	359,200	387,850	10,674
Civil Defense	18,535	18,535	18,535	0
Rescue Squad	12,705	13,400	13,400	695
County Coroner/Medical Examiner	4,800	4,800	4,800	0
Other Public Safety	241,084	202,218	292,218	51,134
<u>Public Health and Welfare</u>				
Local Health Center	52,227	53,004	53,612	1,385
Rabies and Animal Control	74,355	82,240	82,240	7,885
Ambulance/Emergency Medical Services	1,534,064	1,540,380	1,648,464	114,400
Alcohol and Drug Programs	1,684	0	1,701	17

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Other Local Health Services	\$ 10,564	\$ 10,000	\$ 10,600	\$ 36
Appropriation to State	134,944	147,800	167,800	32,856
<u>Social, Cultural, and Recreational Services</u>				
Libraries	161,237	154,619	162,629	1,392
Parks and Fair Boards	695,586	733,249	740,249	44,663
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	176,358	145,368	145,368	(30,990)
Soil Conservation	46,639	0	49,355	2,716
<u>Other Operations</u>				
Industrial Development	99,004	128,500	128,500	29,496
Veterans' Services	20,720	21,764	22,464	1,744
Contributions to Other Agencies	112,294	104,680	112,180	(114)
Miscellaneous	327,191	319,575	362,575	35,384
<u>Principal on Debt</u>				
General Government	6,009	0	6,009	0
<u>Interest on Debt</u>				
General Government	1,548	0	1,548	0
Total Expenditures	<u>\$ 10,808,890</u>	<u>\$ 11,097,304</u>	<u>\$ 11,927,448</u>	<u>\$ 1,118,558</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,317,759</u>	<u>\$ 639,394</u>	<u>\$ (175,750)</u>	<u>\$ 1,493,509</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 13,808	\$ 10,000	\$ 10,000	\$ 3,808
Total Other Financing Sources	<u>\$ 13,808</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 3,808</u>
Net Change in Fund Balance	\$ 1,331,567	\$ 649,394	\$ (165,750)	\$ 1,497,317
Fund Balance, July 1, 2017	<u>2,327,337</u>	<u>2,395,632</u>	<u>2,395,632</u>	<u>(68,295)</u>
Fund Balance, June 30, 2018	<u>\$ 3,658,904</u>	<u>\$ 3,045,026</u>	<u>\$ 2,229,882</u>	<u>\$ 1,429,022</u>

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

Exhibit C-6

Haywood County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 636,160	\$ 631,409	\$ 631,409	\$ 4,751
Other Local Revenues	191,419	161,570	161,570	29,849
State of Tennessee	3,287,176	2,768,449	3,353,659	(66,483)
Total Revenues	\$ 4,114,755	\$ 3,561,428	\$ 4,146,638	\$ (31,883)
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 170,487	\$ 168,534	\$ 196,134	\$ 25,647
Highway and Bridge Maintenance	1,703,573	1,256,648	2,756,648	1,053,075
Operation and Maintenance of Equipment	526,340	538,692	538,692	12,352
Other Charges	106,387	130,850	110,850	4,463
Employee Benefits	281,388	290,275	290,275	8,887
Capital Outlay	1,444,690	1,164,500	1,473,598	28,908
Total Expenditures	\$ 4,232,865	\$ 3,549,499	\$ 5,366,197	\$ 1,133,332
Excess (Deficiency) of Revenues Over Expenditures	\$ (118,110)	\$ 11,929	\$ (1,219,559)	\$ 1,101,449
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 28,096	\$ 0	\$ 0	\$ 28,096
Total Other Financing Sources	\$ 28,096	\$ 0	\$ 0	\$ 28,096
Net Change in Fund Balance	\$ (90,014)	\$ 11,929	\$ (1,219,559)	\$ 1,129,545
Fund Balance, July 1, 2017	4,679,359	4,296,233	4,296,233	383,126
Fund Balance, June 30, 2018	\$ 4,589,345	\$ 4,308,162	\$ 3,076,674	\$ 1,512,671

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

Exhibit D-1

Haywood County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2018

	Major Fund Business-type Activities - Enterprise Fund Solid Waste Disposal Fund
<u>ASSETS</u>	
Current Assets:	
Cash with Trustee	\$ 168,747
Accounts Receivable	813,722
Allowance for Uncollectibles	(244,117)
Net Pension Asset	22,867
Total Current Assets	<u>\$ 761,219</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 235,000
Assets Net of Accumulated Depreciated:	
Buildings and Improvements	61,887
Other Capital Assets	220,952
Total Noncurrent Assets	<u>\$ 517,839</u>
Total Assets	<u>\$ 1,279,058</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension Changes in Experience	\$ 4,424
Pensions Other Deferrals	13,658
Pension Contributions After Measurement Date	14,859
Total Deferred Outflows of Resources	<u>\$ 32,941</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 59,794
Payroll Deductions Payable	1,273
Due to State of Tennessee	34
Capital Leases Payable - Current	46,219
Accrued Liability for Landfill Closure/Postclosure Care Costs - Current	41,291
Total Current Liabilities	<u>\$ 148,611</u>

(Continued)

Exhibit D-1

Haywood County, Tennessee
Statement of Net Position
Proprietary Fund (Cont.)

Major Fund
Business-type
Activities -
Enterprise Fund
Solid Waste
Disposal Fund

LIABILITIES (CONT.)

Noncurrent Liabilities:

Capital Leases Payable - Long-term	\$ 51,446
Accrued Liability for Landfill Closure/Postclosure Care Costs	1,689,353
Total Noncurrent Liabilities	<u>\$ 1,740,799</u>
Total Liabilities	<u>\$ 1,889,410</u>

DEFERRED INFLOWS OF RESOURCES

Pension Changes in Experience	\$ 22,362
Pension Changes in Investment Earnings	88
Total Deferred Inflows of Resources	<u>\$ 22,450</u>

NET POSITION

Net Investment in Capital Assets	\$ 420,174
Restricted for Pensions	22,867
Unrestricted	<u>(1,042,902)</u>
Total Net Position	<u><u>\$ (599,861)</u></u>

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

Exhibit D-2

Haywood County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2018

	Major Fund
	Business-type
	Activities -
	Enterprise Fund
	Solid Waste
	Disposal Fund
<u>Operating Revenues</u>	
Tipping Fees	\$ 673,726
Sale of Materials and Supplies	16,546
Miscellaneous Refunds	1,354
Total Operating Revenues	<u>\$ 691,626</u>
<u>Operating Expenses</u>	
Supervisor/Director	\$ 19,741
Equipment Operators	95,589
Overtime Pay	8,647
Social Security	9,872
Pensions	6,296
Employee and Dependent Insurance	14,710
Life Insurance	639
Unemployment Compensation	406
Other Fringe Benefits	5,132
Communication	2,294
Contracts with Government Agencies	4,560
Contracts with Private Agencies	425,713
Engineering Services	1,750
Licenses	6,000
Maintenance and Repair Services - Equipment	200
Maintenance and Repair Services - Office Equipment	203
Printing, Stationery, and Forms	848
Rentals	42,000
Travel	106
Crushed Stone	2,355
Diesel Fuel	11,756
Drugs and Medical Supplies	286
Electricity	6,492
Equipment and Machinery Parts	40,536
Gasoline	3,338
Lubricants	1,587

(Continued)

Exhibit D-2

Haywood County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund (Cont.)

	Major Fund
	Business-type
	Activities -
	Enterprise Fund
	Solid Waste
	Disposal Fund
<u>Operating Expenses (Cont.)</u>	
Office Supplies	\$ 674
Tires and Tubes	5,698
Other Supplies and Materials	4,047
Premiums on Corporate Surety Bonds	150
Trustee's Commission	6,862
Vehicle and Equipment Insurance	1,363
Workers' Compensation Insurance	7,837
Depreciation	44,394
Landfill Closure/Postclosure Care Costs	30,602
Other Charges	2,670
Other Construction	5,790
Total Operating Expenses	<u>\$ 821,143</u>
Operating Income (Loss)	<u>\$ (129,517)</u>
<u>Nonoperating Revenues (Expenses)</u>	
State Tire Tax	\$ 18,258
Lease/Rentals	5,000
Contributions	15,750
Interest on Capital Leases	(3,811)
Total Nonoperating Revenues (Expenses)	<u>\$ 35,197</u>
Income(Loss) Before Transfers	\$ (94,320)
Transfers In	<u>145,000</u>
Change in Net Position	\$ 50,680
Net Position, July 1, 2017	<u>(650,541)</u>
Net Position, June 30, 2018	<u><u>\$ (599,861)</u></u>

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

Exhibit D-3

Haywood County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2018

	Major Fund Business-type Activities - Enterprise Fund Solid Waste Disposal Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 671,511
Receipts from Others	17,900
Payments for Waste Collections and Disposal Activity	(825,504)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (136,093)</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Interest on Capital Leases	\$ (3,811)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (3,811)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Receipts from State Tire Tax	\$ 18,258
Receipts from Farmland Rental	5,000
Contributions	15,750
Transfers from Other Funds	145,000
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 184,008</u>
Net Increase (Decrease) in Cash	\$ 44,104
Cash, July 1, 2017	<u>124,643</u>
Cash, June 30, 2018	<u><u>\$ 168,747</u></u>
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (129,517)
Adjustments to Reconcile Net Operating Income (Loss)	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	44,393
Change in Assets and Liabilities:	
(Increase) in Accounts Receivable	(11,208)
Increase in Allowance for Uncollectibles	3,363
Decrease in Due from Other Funds	380
(Increase) in Due from Other Governments	5,251
(Increase) in Net Pension Asset - Agent Plan	(19,463)
Decrease in Deferred Outflows Related to Pensions	14,922
Increase in Accounts Payable	15,213
Increase in Payroll Deductions Payable	171
(Decrease) in Due to Other Funds	(409)
(Decrease) in Due to State of Tennessee	(95)
(Decrease) in Accrued Liability for Landfill Postclosure Care Costs	(10,691)
(Decrease) in Long-term Debt	(44,913)
(Decrease) in Deferred Inflows Related to Pensions	(3,490)
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ (136,093)</u></u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Equity in Pooled Cash and Investments	<u>\$ 168,747</u>
Cash, June 30, 2018	<u><u>\$ 168,747</u></u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 521,887
Equity in Pooled Cash and Investments	42,196
Accounts Receivable	7,856
Due from Other Governments	<u>288,498</u>
Total Assets	<u><u>\$ 860,437</u></u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 664
Payroll Deductions Payable	250
Due to Other Taxing Units	283,864
Due to Litigants, Heirs, and Others	529,743
Due to Joint Venture	<u>45,916</u>
Total Liabilities	<u><u>\$ 860,437</u></u>

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

HAYWOOD COUNTY, TENNESSEE

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Haywood 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 Haywood County:

A. Reporting Entity

Haywood County is a public municipal corporation governed by an elected 20-member board. As required by GAAP, these financial statements present Haywood County (the primary government) and its component units. The financial statements of the Haywood County Emergency Communications District, a component unit 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 Haywood County School Department operates the public school system in the county, and the voters of Haywood 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 Haywood County Utility District provides water services to customers within the district, and the Haywood County Commission appoints its three-member governing body. The district is funded primarily from charges to customers for water services and grants. Before the issuance of most debt instruments, the district must obtain the county commission's approval.

The Haywood County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Haywood County, and the Haywood 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 Haywood County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Haywood County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Haywood County Utility District and the Haywood County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Haywood County Utility District
25 North Lafayette
Brownsville, TN 38012

Haywood County Emergency Communications District
100 S. Dupree Avenue
Brownsville, TN 38012

B. Government-wide and Fund Financial Statements

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Haywood County issues all debt for the discretely presented Haywood County School Department. Net debt issues and contributions totaling \$1,733,069 were contributed by the county to the School Department during the year ended June 30, 2018.

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

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

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

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

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

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

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

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

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

Haywood 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.

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

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

Haywood County reports the following major proprietary fund:

Solid Waste Disposal Fund – This fund accounts for the county’s solid waste landfill operations.

Additionally, Haywood County reports the following fund types:

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, and for debt issued by Haywood County that is

subsequently contributed to the discretely presented Haywood County School Department for construction and renovation projects.

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

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

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

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

Additionally, the Haywood County School Department reports the following fund type:

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund, to account for the operations of the county's landfill. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's enterprise fund are tipping fees.

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes funds held by the county trustee as Equity in Pooled Cash and Investments.

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Haywood County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Haywood 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. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance, solid waste disposal, and property taxes receivable are shown with an allowance for uncollectibles. Ambulance and solid waste disposal receivables allowances for uncollectibles are based on historical collection data. The allowance for uncollectible property taxes is equal to 2.06 percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is

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

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

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

Retainage payable in the discretely presented School Department's nonmajor governmental funds represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the nonmajor governmental funds.

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and the business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$10,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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 governmental activities of the primary government and the discretely presented School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5 - 10
Infrastructure	8 - 30

Property, plant, and equipment of the Solid Waste Disposal Fund (enterprise fund) are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	30
Machinery and Equipment	5 - 30

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

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for the deferred charge on refunding, pension changes in experience and investment earnings, pension changes in proportionate share of contributions, as well as employer contributions made to the pension and OPEB 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) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience and investment earnings, pension changes in proportionate share of contributions, OPEB changes in assumptions, and various

receivables for revenues, which do not meet the availability criteria for governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. Compensated Absences

The general policy of Haywood County (with the exception of sick and vacation leave for employees of the Highway Department) does not allow employees to accumulate sick and vacation days beyond year end.

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

It is the policy of the discretely presented School Department to permit the unlimited accumulation of unused sick leave for professional personnel (teachers). Nonprofessional personnel are allowed to accumulate a limited amount of sick leave. There is no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the School Department.

6. Long-term Obligations

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type Statement of Net Position. Debt premiums and discounts are deferred and are 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 and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Position and Fund Balance

In the government-wide financial statements and the proprietary funds 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, Haywood County had \$4,644,979 in outstanding debt issued for capital purposes of the discretely presented Haywood County School Department. This debt is a liability of Haywood County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Haywood County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

Assigned Fund Balance – includes amounts that are constrained by the county's intent to be used for specific purposes but are neither restricted nor committed (excluding stabilization arrangements). The county commission has by resolution authorized the county's budget committee to make assignments for the general government. The Board of Education makes assignments for the School Department.

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

8. Restatement

In prior years, the government was 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, Haywood County has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. A restatement reducing the beginning net position of the discretely presented Haywood County School

Department by \$1,334,058 has 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 Haywood County's participation in the Public Employee Retirement Plan of the Tennessee Consolidated Retirement System (TCRS), and additions to/deductions from Haywood 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 Haywood 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) Plan

Discretely Presented Haywood 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 Haywood 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 Haywood County School Department

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

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

Primary Government

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

Discretely Presented Haywood County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees Fund (special revenue fund), which is not budgeted, and the capital projects funds, which adopt project length budgets. All annual appropriations lapse at fiscal year end.

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may

not legally exceed appropriations authorized by the county commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Beer Board, County Mayor/Executive, 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.

B. Net Position Deficit

The Solid Waste Disposal Fund had a deficit of \$1,042,902 in unrestricted net position and a total net position deficit of \$599,861 at June 30, 2018. This deficit primarily resulted from the recognition of a liability totaling \$1,730,644 for costs associated with closing the county's landfill and monitoring the landfill for 30 years after closure.

C. Appropriations Exceeded Estimated Available Funds

The budget and subsequent amendments approved by the county commission for the Solid Waste/Sanitation Fund resulted in appropriations exceeding estimated funding by \$11,315.

D. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the county commission in the following major appropriation categories (the level of control) of the General Fund:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Agricultural and Natural Resources - Agricultural Extension Service	\$ 30,990
Other Operations - Contributions to Other Agencies	114

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Investments

Legal Provisions. Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state and federal chartered banks and savings and loan associations; bonds of any state or political subdivision rated A or higher by any nationally recognized rating service; nonconvertible debt securities of certain federal government sponsored enterprises; and the county's own legally issued bonds or notes. These investments may not have a maturity greater than two years. The county may make investments with longer maturities if various restrictions set out in state law are followed. Counties are also authorized to make investments in the State Treasurer's Investment Pool and in repurchase

agreements. Repurchase agreements must be approved by the state Comptroller's Office and executed in accordance with procedures established by the State Funding Board. Securities purchased under a repurchase agreement must be obligations of the U.S. government or obligations guaranteed by the U.S. government or any of its agencies. When repurchase agreements are executed, the purchase of the securities must be priced at least two percent below the fair value of the securities on the day of purchase.

The county had no pooled and nonpooled investments as of June 30, 2018.

B. 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	\$ 4,374,111	\$ 0	\$ 0	\$ 4,374,111
Construction in Progress	0	323,117	0	323,117
Total Capital Assets Not Depreciated	\$ 4,374,111	\$ 323,117	\$ 0	\$ 4,697,228
Capital Assets Depreciated:				
Buildings and Improvements	\$ 18,810,151	\$ 137,920	\$ 0	\$ 18,948,071
Infrastructure	53,690,081	1,594,456	0	55,284,537
Other Capital Assets	12,266,975	945,074	(270,021)	12,942,028
Total Capital Assets Depreciated	\$ 84,767,207	\$ 2,677,450	\$ (270,021)	\$ 87,174,636
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 9,068,870	\$ 576,799	\$ 0	\$ 9,645,669
Infrastructure	46,620,667	583,506	0	47,204,173
Other Capital Assets	8,672,195	585,206	(215,392)	9,042,009
Total Accumulated Depreciation	\$ 64,361,732	\$ 1,745,511	\$ (215,392)	\$ 65,891,851
Total Capital Assets Depreciated, Net	\$ 20,405,475	\$ 931,939	\$ (54,629)	\$ 21,282,785
Governmental Activities Capital Assets, Net	\$ 24,779,586	\$ 1,255,056	\$ (54,629)	\$ 25,980,013

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

Governmental Activities:

General Government	\$ 163,627
Finance	28,016
Administration of Justice	56,009
Public Safety	507,957
Public Health and Welfare	142,693
Social, Cultural, and Recreational Services	53,353
Highway Department	<u>793,856</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 1,745,511</u>
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Primary Government - Business-type Activities:

	Balance 7-1-17	Increases	Balance 6-30-18
Capital Assets			
Not Depreciated:			
Land	\$ 235,000	\$ 0	\$ 235,000
Total Capital Assets			
Not Depreciated	<u>\$ 235,000</u>	<u>\$ 0</u>	<u>\$ 235,000</u>
Capital Assets			
Depreciated:			
Buildings and			
Improvements	\$ 215,300	\$ 0	\$ 215,300
Other Capital Assets	<u>819,172</u>	<u>0</u>	<u>819,172</u>
Total Capital Assets			
Depreciated	<u>\$ 1,034,472</u>	<u>\$ 0</u>	<u>\$ 1,034,472</u>
Less Accumulated			
Depreciation For:			
Buildings and			
Improvements	\$ 145,637	\$ 7,776	\$ 153,413
Other Capital Assets	<u>561,603</u>	<u>36,617</u>	<u>598,220</u>
Total Accumulated			
Depreciation	<u>\$ 707,240</u>	<u>\$ 44,393</u>	<u>\$ 751,633</u>
Total Capital Assets			
Depreciated, Net	<u>\$ 327,232</u>	<u>\$ (44,393)</u>	<u>\$ 282,839</u>
Business-type Activities			
Capital Assets, Net	<u>\$ 562,232</u>	<u>\$ (44,393)</u>	<u>\$ 517,839</u>

There were no decreases in capital assets to report during the year ended June 30, 2018.

**Discretely Presented Haywood County School Department -
Governmental Activities:**

	Balance 7-1-17	Increases	Balance 6-30-18
Capital Assets Not Depreciated:			
Land	\$ 143,868	\$ 0	\$ 143,868
Construction in Progress	0	1,733,069	1,733,069
Total Capital Assets Not Depreciated	\$ 143,868	\$ 1,733,069	\$ 1,876,937
Capital Assets Depreciated:			
Buildings and Improvements	\$ 28,233,525	\$ 12,219	\$ 28,245,744
Other Capital Assets	6,728,229	429,851	7,158,080
Total Capital Assets Depreciated	\$ 34,961,754	\$ 442,070	\$ 35,403,824
Less Accumulated Depreciated For:			
Buildings and Improvements	\$ 15,930,696	\$ 840,334	\$ 16,771,030
Other Capital Assets	5,455,638	284,773	5,740,411
Total Accumulated Depreciation	\$ 21,386,334	\$ 1,125,107	\$ 22,511,441
Total Capital Assets Depreciated, Net	\$ 13,575,420	\$ (683,037)	\$ 12,892,383
Governmental Activities Capital Assets, Net	\$ 13,719,288	\$ 1,050,032	\$ 14,769,320

There were no decreases in capital assets to report during the year ended June 30, 2018. Depreciation expense was charged to functions of the discretely presented Haywood County School Department as follows:

Governmental Activities:

Instruction	\$ 444,212
Support Services	666,387
Operation of Non-instructional Services	<u>14,508</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,125,107</u></u>

C. 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	\$ 10,093

This balance 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
Component Unit: School Department: General Purpose School	Primary Government: General Debt Service	\$ 80,000

Interfund Transfers:

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

Primary Government

Transfer Out	Transfers In		Purpose
	Solid Waste Disposal Fund	Nonmajor Governmental Fund	
Debt Service Fund	\$ 0	\$ 55,000	Capital outlay
Nonmajor governmental fund	145,000	0	Operations
Total	<u>\$ 145,000</u>	<u>\$ 55,000</u>	

Discretely Presented Haywood County School Department

Transfer Out	Transfer In	
	General Purpose School Fund	Purpose
School Federal Projects	\$ 17,657	Indirect costs

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.

D. Capital Leases**Governmental Activities**

On October 3, 2016, Haywood County entered into a five-year lease-purchase agreement for a tractor. The terms of the agreement require total lease payments of \$32,999 plus interest of 4.69 percent. Title to the equipment transfers to Haywood County at the end of the lease period. The General Fund is making the lease payments.

On July 31, 2017, Haywood County entered into a three-year lease-purchase agreement for a garbage truck. The terms of the agreement require total lease payments of \$51,800 plus 2.95 percent interest. Title to the equipment transfers to Haywood County at the end of the lease period. Payments are made from the Solid Waste/Sanitation Fund.

Business-type Activities

Terms of capital lease obligations outstanding at June 30, 2018, were as follows:

Description	Date of Lease	Length of Lease in Years	Gross Amount of Assets	Interest Rate
Tractor and Dirt Pan	9-6-13	5	\$ 57,344	3 %
Loader	9-2-14	5	83,539	2.49
Bulldozer	2-18-16	6	100,413	3.2

Title to the above-noted equipment transfers to Haywood County at the end of the lease period. The Solid Waste Disposal Fund is making the lease payments.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities	Business- type Activities
Other Capital Assets	\$ 84,799	\$ 241,296
Less: Accumulated Depreciation	(10,955)	(106,763)
Total Book Value	<u>\$ 73,844</u>	<u>\$ 134,533</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2018, were as follows:

Year Ending June 30	Governmental Activities	Business- type Activities
2019	\$ 25,620	\$ 48,725
2020	25,620	22,867
2021	9,062	18,416
2022	7,557	12,278
Total Minimum Lease Payments	<u>\$ 67,859</u>	<u>\$ 102,286</u>
Less: Amount Representing Interest	(4,414)	(4,621)
Present Value of Minimum Lease Payments	<u>\$ 63,445</u>	<u>\$ 97,665</u>

E. Long-term Obligations

Primary Government

General Obligation Bonds and Other Loans

Haywood 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, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 20 years for bonds, 7 years for the note, and 12 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. All bonds, the note, and other loans included in long-term debt as of June 30, 2018, will be retired from the General Debt Service Fund.

General obligation bonds, the capital outlay note, other loans, and capital leases 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	3 to 5.55%	3-1-38	\$ 7,605,000	\$ 7,448,118
General Obligation Bonds - Refunding	2 to 2.95	6-30-28	8,421,134	7,365,000
Other Loans Payable	0	4-1-23	2,000,000	949,979
Note Payable	2.5	6-1-24	245,000	230,000
Capital Leases	2.95 to 4.69	10-3-21	84,799	63,445

During the 2011-12 year, Haywood County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient School Initiative program. Under this agreement, the program made \$2,000,000 available for loan to Haywood County to increase energy efficiency in the Haywood County school system. This is an interest-free loan.

The annual requirements to amortize all general obligation bonds the note, and other loans outstanding as of June 30, 2018, including interest payments and other loan fees, are presented in the following tables:

Year Ending	Bonds		
	Principal	Interest	Total
2019	\$ 1,137,496	\$ 494,720	\$ 1,632,216
2020	1,147,463	474,649	1,622,112
2021	1,182,474	449,425	1,631,899
2022	1,062,530	416,311	1,478,841
2023	1,098,634	377,823	1,476,457
2024-2028	5,809,521	1,256,931	7,066,452
2029-2033	2,765,000	216,656	2,981,656
2034-2038	610,000	62,800	672,800
Total	\$ 14,813,118	\$ 3,749,315	\$ 18,562,433

Year Ending	Note		
	Principal	Interest	Total
2019	\$ 36,000	\$ 5,750	\$ 41,750
2020	37,000	4,850	41,850
2021	38,000	3,925	41,925
2022	39,000	2,975	41,975
2023	40,000	2,000	42,000
2024	40,000	1,000	41,000
Total	\$ 230,000	\$ 20,500	\$ 250,500

Year Ending	Other Loan Principal
2019	\$ 200,004
2020	200,004
2021	200,004
2022	200,004
2023	149,963
Total	\$ 949,979

There is \$2,081,642 available in the General Debt Service Fund to service long-term debt. Bonded debt per capita totaled \$788, based on the 2010 federal census. Total debt per capita, including bonds, the note, other loan, capital leases, and unamortized debt premiums, totaled \$861, 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	Other Loans	Capital Leases
Balance, July 1, 2017	\$ 14,582,438	\$ 1,149,983	\$ 113,587
Additions	1,730,000	0	51,800
Reductions	(1,499,320)	(200,004)	(101,942)
Balance, June 30, 2018	<u>\$ 14,813,118</u>	<u>\$ 949,979</u>	<u>\$ 63,445</u>
Balance Due Within One Year	<u>\$ 1,137,496</u>	<u>\$ 200,004</u>	<u>\$ 23,510</u>

	Note	Compensated Absences
Balance, July 1, 2017	\$ 0	\$ 26,006
Additions	325,000	54,079
Reductions	(95,000)	(20,750)
Balance, June 30, 2018	<u>\$ 230,000</u>	<u>\$ 59,335</u>
Balance Due Within One Year	<u>\$ 36,000</u>	<u>\$ 20,750</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 16,115,877
Less: Balance Due Within One Year	(1,417,760)
Add: Unamortized Premium on Debt	<u>125,433</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 14,823,550</u>

Compensated absences will be paid from the employing fund, the Highway/Public Works Fund.

Haywood County Solid Waste Disposal Fund (enterprise fund)

Capital Leases

The capital leases outstanding as of June 30, 2018, for business-type activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-18
Capital Leases	2.49 to 3.2 %	2-8-22	\$ 241,296	\$ 97,665

Changes in Long-term Obligations

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2018, was as follows:

Business-type Activities:

	Capital Lease	Postclosure Care Costs
Balance, July 1, 2017	\$ 142,578	\$ 1,741,335
Additions	0	30,600
Reductions	(44,913)	(41,291)
Balance, June 30, 2018	<u>\$ 97,665</u>	<u>\$ 1,730,644</u>
Balance Due Within One Year	<u>\$ 46,219</u>	<u>\$ 41,291</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 1,828,309
Less: Balance Due Within One Year	<u>(87,510)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 1,740,799</u>

Discretely Presented Haywood County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Haywood County School Department for the year ended June 30, 2018, was as follows:

Governmental Activities:

	Net OPEB Liability*
Balance, July 1, 2017	\$ 2,089,882
Additions	193,483
Reductions	<u>(215,648)</u>
Balance, June 30, 2018	<u>\$ 2,067,717</u>
Balance Due Within One Year	<u>\$ 0</u>

*Restated Balance – See Note I.D.8.

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2018	\$ 2,067,717
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 2,067,717</u>

The net OPEB liability will be paid from the employing funds, primarily the General Purpose School Fund.

F. On-Behalf Payments - Discretely Presented Haywood County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Haywood County School Department. These payments are made by the state to the Local Education Group Insurance. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan for the year ended June 30, 2018, were \$70,082. 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

Employee Health Insurance

It is the policy of the county to purchase commercial insurance for its employees' health coverage. Retirees are not allowed to continue coverage. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

Workers' Compensation Insurance

Haywood County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under the provisions of Section 29-20-401, *Tennessee Code Annotated (TCA)*, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays an annual premium to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

Liability, Property, and Casualty

Haywood County is exposed to various risks related to general liability, property, and casualty losses. The county participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services Association, an association of member counties. The county pays an annual premium to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

Discretely Presented Haywood County School Department

Employee Health Insurance

The Haywood County School Department participates in the Local Education Group Insurance Fund (LEGIF), which is 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.

Liability, Property, Casualty, and Workers' Compensation Insurance

The 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 annual premiums to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of TN-RMT provides for it to be self-sustaining through member premiums.

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

The county and School Department are involved in several pending lawsuits. Management advised that any potential claims not covered by insurance resulting from such litigation should not materially affect the county or School Department's financial statements.

D. Changes in Administration

On June 30, 2017, Greg McCarley left the Office of Chief Administrative Highway Officer and was succeeded by Perry Davis on July 17, 2017.

On June 30, 2017, Teresa Russell left the Office of Director of Schools and was succeeded by Joey Hassell on July 1, 2017.

Sheriff Melvin Bond passed away on September 11, 2017, and was succeeded by Billy Garrett, Jr. on November 13, 2017.

E. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Haywood County closed its sanitary landfill in 1998. The \$1,730,644, reported as postclosure care liability at June 30, 2018, represents amounts based on what it would cost to perform all postclosure care in 2018. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Brownsville - Haywood County Emergency Management Agency is a joint venture between Haywood County and the City of Brownsville. The agency's three-member board includes the county mayor, the mayor of the City of Brownsville, and one member who is jointly selected by the county mayor and the city mayor. The agency is jointly funded by the county and the City of Brownsville with additional revenues received from the State of Tennessee, the federal government, and private contributions. During the year ended June 30, 2018, the county provided financial assistance of \$18,535 to the agency.

The Brownsville - Haywood County Rescue Squad is a joint venture between Haywood County and the City of Brownsville. The agency's six-member board includes the county mayor, the mayor of the City of Brownsville, and four other members. The purpose of the rescue squad is to provide assistance in search and rescue, drowning, flooding, evacuations, and road clearing from storms. The agency is jointly funded by the county and the City of Brownsville with additional revenues received from the private contributions. During the year ended June 30, 2018, the county contributed \$10,000 to the rescue squad.

The HTL Advantage is a joint venture between Haywood, Tipton, and Lauderdale counties and the cities of Brownsville, Ripley, and Covington. The board comprises ten members and consists of the mayors from each of the counties and cities, and one member from the Southwest Tennessee Electric Cooperative, the Covington Electric System, Ripley Power and Light, and the Brownsville Electric System. The purpose of the board is to establish and operate an office that markets the entire defined region for economic development and to bring the region attention of prospective industrial and commercial interests, which would be beneficial for the common good of all entities involved herein. The counties, cities, and electric systems provide the funding for the board. Haywood County contributed \$50,000 to HTL Advantage during the year.

The Elma Ross Public Library is a joint venture between Haywood County and the City of Brownsville. It is operated by an appointed board. The board comprises seven members, four of whom are appointed by the Haywood County Commission. The remaining three members are appointed by the City of Brownsville. Haywood County has control over budgeting and financing the joint venture only to the extent of representation by the four board members appointed. Haywood County contributed \$75,272 to the operations of the library during the year ended June 30, 2018.

Haywood County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the Brownsville - Haywood County Emergency Management Agency, Brownsville - Haywood County Rescue Squad, HTL Advantage, and the Elma Ross Public Library can be obtained from their respective administrative offices at the following addresses:

Administrative Offices:

Brownsville – Haywood County
Emergency Management Agency
City Hall
Brownsville, TN 38012

Brownsville – Haywood County
Rescue Squad
P.O. Box 668
111 N. Washington
Brownsville, TN 38012

HTL Advantage
1469 South Main Street
Covington, TN 38019

Elma Ross Public Library
1011 East Main Street
Brownsville, TN 38012

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Primary Government

General Information About the Pension Plan

Plan Description. Employees of Haywood County and non-certified employees of the discretely presented Haywood County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 59.35 percent and the non-certified employees of the discretely presented School Department comprised 40.65 percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at www.treasury.tn.gov/tcrs.

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

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

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

Inactive Employees or Beneficiaries Currently Receiving Benefits	227
Inactive Employees Entitled to But Not Yet Receiving Benefits	309
Active Employees	<u>347</u>
Total	<u>883</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. Haywood 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 contributions for Haywood County were \$959,293 based on a rate of ten percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Haywood 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)

Haywood 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 weighting 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 three 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 four 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 Haywood 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	\$ 36,742,126	\$ 36,948,220	\$ (206,094)
Changes for the Year:			
Service Cost	\$ 748,793	\$ 0	\$ 748,793
Interest	2,755,676	0	2,755,676
Differences Between Expected and Actual Experience	(145,032)	0	(145,032)
Changes in Assumptions	975,111	0	975,111
Contributions-Employer	0	1,290,623	(1,290,623)
Contributions-Employees	0	(266)	266
Net Investment Income	0	4,173,475	(4,173,475)
Benefit Payments, Including Refunds of Employee Contributions	(1,497,132)	(1,497,132)	0
Administrative Expense	0	(29,328)	29,328
Net Changes	\$ 2,837,416	\$ 3,937,372	\$ (1,099,956)
Balance, June 30, 2017	\$ 39,579,542	\$ 40,885,592	\$ (1,306,050)

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government 59.35%	\$ 23,490,458	\$ 24,265,599	\$ (775,141)
School Department 40.65%	16,089,084	16,619,993	(530,909)
Total	\$ 39,579,542	\$ 40,885,592	\$ (1,306,050)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the net pension liability (asset) of Haywood County calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it was

calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

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

Net Pension Liability (Asset) \$ 3,749,544 \$ (1,306,050) \$ (5,535,231)

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

Pension Expense. For the year ended June 30, 2018, Haywood County recognized pension expense of \$486,662.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, Haywood County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 252,674	\$ 1,277,214
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	5,033
Changes in Assumptions	780,089	
Contributions Subsequent to the Measurement Date of June 30, 2017 (1)	959,293	N/A
Total	<u>\$ 1,992,056</u>	<u>\$ 1,282,247</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	\$ 1,167,211	\$ 761,014
School Department	<u>824,845</u>	<u>521,233</u>
Total	<u>\$ 1,992,056</u>	<u>\$ 1,282,247</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	\$ (285,138)
2020	260,910
2021	(109,027)
2022	(116,229)
2023	0
Thereafter	0

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

Discretely Presented Haywood County School Department

Non-certified Employees

General Information About the Pension Plan

Plan Description. As noted above under the primary government, employees of Haywood County and non-certified employees of the discretely presented Haywood County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 59.35 percent and the non-certified employees of the discretely presented School

Department comprised 40.65 percent of the plan based on contribution data.

Certified Employees

Teacher Retirement Plan

General Information About the Pension Plan

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members are eligible to retire with an unreduced benefit at age 65 with five years of service credit or pursuant to the rule of 90 in which the member's age and service credit total 90. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 60 or pursuant to the rule of 80. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half

percent and one percent. Members who leave employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Retirement Plan, benefit terms and conditions, including COLA, can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly or by automatic cost controls set out in law. Teachers are required to contribute five percent of their salary to the plan. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except 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 \$89,188, 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 (\$72,909) 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 .276343 percent. The proportion as of June 30, 2016, was .287174 percent.

Pension Expense. For the year ended June 30, 2018, the Haywood County School Department recognized pension expense of \$33,381.

Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2018, the Haywood County School Department

reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 2,555	\$ 5,483
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	0	3,923
Changes in Assumptions	6,405	0
Changes in proportion of Net Pension Liability (Asset)	3,975	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017	89,188	N/A
Total	<u>\$ 102,123</u>	<u>\$ 9,406</u>

The Haywood County School Department's employer contributions of \$89,188, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 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	\$ (39)
2020	(39)
2021	(263)
2022	(1,272)
2023	578
Thereafter	4,564

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 weighting 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 three 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 four 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 (Asset)	\$ 14,546	\$ (72,909)	\$ (137,058)

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

Benefits Provided. TCA, Title 8, Chapters 34-37 establish the benefit terms and can be amended only by the Tennessee General Assembly. Members of the Teacher Legacy Pension Plan are eligible to retire with an unreduced benefit at age 60 with five years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average

compensation and the member's years of service credit. A reduced early retirement benefit is available to vested members at age 55. Members are vested with five years of service credit. Service related disability benefits are provided regardless of length of service. Five years of service is required for non-service related disability eligibility. The service related and non-service related disability benefits are determined in the same manner as a service retirement benefit but are reduced ten percent and include projected service credits. A variety of death benefits is available under various eligibility criteria. Member and beneficiary annuitants are entitled to an automatic cost of living adjustment (COLA) after retirement. A COLA is granted each July for annuitants retired prior to the second of July of the previous year. The COLA is based on the change in the consumer price index (CPI) during the prior calendar year, capped at three percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

Contributions. Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers are required to contribute five percent of their salaries. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Haywood County School Department for the year ended June 30, 2018, to the Teacher Legacy Pension Plan were \$993,501, 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 an asset of (\$103,077) 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 0.315038 percent. The proportion measured at June 30, 2016, was .325054 percent.

Negative Pension Expense. For the year ended June 30, 2018, the School Department recognized negative pension expense of (\$16,024).

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	\$ 62,141	\$ 2,128,017
Changes in Assumptions	872,986	0
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	15,647	0
Changes in Proportion of Net Pension Liability (Asset)	644	99,086
LEA's Contributions Subsequent to the Measurement Date of June 30, 2017	993,501	N/A
Total	<u>\$ 1,944,919</u>	<u>\$ 2,227,103</u>

The School Department's employer contributions of \$993,501 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	\$ (754,771)
2020	299,707
2021	(282,854)
2022	(537,767)
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 asset 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 three 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 four 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 (Asset)	\$ 9,248,776	\$ (103,077)	\$ (7,832,996)

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

2. **Deferred Compensation**

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 \$111,274 and teachers contributed \$20,945 to this deferred compensation pension plan.

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

The discretely presented Haywood County School Department provides OPEB benefits to its retirees under the state administered public entity risk pool. For reporting purposes, the plan is considered a single employer defined benefit OPEB plan based on criteria in Statement No. 75 of the Governmental Accounting Standards Board (GASB). The plan is 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

Retirees of the School Department are provided healthcare benefits under the Local Education Plan (LEP) until they reach Medicare eligibility. The certified retirees of the Haywood County School Department may then join the Tennessee Plan – Medicare (TNM) which provides supplemental medical insurance for retirees with Medicare. However, the School Department does not provide any subsidy (direct or indirect) to this plan and therefore does not recognize any OPEB liability associated with the TNM.

The School Department'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	LEP - 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 below

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 Education (LEP) OPEB Plan - Discretely Presented Haywood County School Department

Plan Description. Employees of the Haywood 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 Haywood 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. The Haywood County School Department 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	21
Inactive Employees Entitled to But Not Yet Receiving Benefits	0
Active Employees	371
Total	<u><u>392</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 \$133,022 to the LEP for OPEB benefits as they came due.

Changes in the Collective Total OPEB Liability

	<u>Share of Collective Liability</u>		
	Haywood School Department 65.5729%	State of TN 34.4271%	Total OPEB Liability
Balance July 1, 2016	\$ 2,089,882	\$ 1,097,230	\$ 3,187,112
Changes for the Year:			
Service Cost	\$ 130,408	\$ 68,467	\$ 198,875
Interest	63,075	33,115	96,190
Changes in Benefit Terms	0	0	0
Difference between Expected and Actuarial Experience	0	0	0
Changes in Assumption and Other Inputs	(95,241)	(50,003)	(145,244)
Benefit Payments	(120,407)	(63,216)	(183,623)
Net Changes	<u>\$ (22,165)</u>	<u>\$ (11,637)</u>	<u>\$ (33,802)</u>
Balance June 30, 2017	<u>\$ 2,067,717</u>	<u>\$ 1,085,593</u>	<u>\$ 3,153,310</u>

The Haywood 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 Haywood 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 \$96,631 in revenue for subsidies provided by nonemployer contributing entities for benefits paid by the LEP for School Department retirees.

During the year, the Haywood County School Department's proportionate share of the collective OPEB liability was 65.5729% and the State of Tennessee's share was 34.4271%.

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 \$280,684, 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	85,811
Benefits Paid After the Measurement Date	133,022	0
Total	<u>\$ 133,022</u>	<u>\$ 85,811</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	\$ (9,430)
2020	(9,430)
2021	(9,430)
2022	(9,430)
2023	(9,430)
Thereafter	(38,661)

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	\$ 2,217,658	\$ 2,067,717	\$ 1,924,056
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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	\$ 1,827,975	\$ 2,067,717	\$ 2,354,240
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I. **Purchasing Laws**

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. This act provides for all purchases exceeding \$10,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Chief Administrative Highway Officer

Purchasing procedures for the Highway Department are governed by provisions of Chapter 24, Private Acts of 1991, as amended and Section 54-7-113, *TCA* (Uniform Road Law), which requires all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented 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

On July 10, 2018, Haywood County entered into a loan agreement with the Energy Efficient Schools Council in the amount of \$3,000,000 for energy efficiency and equipment upgrades for Haywood County schools.

On August 31, 2018, Franklin Smith left the Office of County Mayor and was succeeded by David Livingston on September 1, 2018.

VI. OTHER NOTES – DISCRETELY PRESENTED HAYWOOD COUNTY UTILITY DISTRICT

A. Summary of Significant Accounting Policies

1. Reporting Entity

The Haywood County Utility District was incorporated pursuant to a resolution of the Haywood County Commission dated July 17, 1997, and pursuant to Section 7-82-101, *Tennessee Code Annotated*, also known as “The Utility District Law of 1937.” The district is considered a component unit of Haywood County, Tennessee, because the three-member board is appointed by the county. The district was constructed with grants received through the county and is held accountable to the county.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting

indicates the timing of transactions or events for recognition in the financial statements.

The district's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The accounting policies of the district conform to applicable accounting principles generally accepted in the United States of America for governmental units as defined by the Governmental Accounting Standards Board (GASB).

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the district are charges for sales to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

3. Assets, Liabilities, and Equity

a. Deposits and Investments

The district's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the district to invest in certificates of deposit, obligations of the U.S. Treasury, agencies and instrumentalities, obligations guaranteed by the U.S. government or its agencies, repurchase agreements, and the state's investment pool.

b. Accounts Receivable

Trade receivables result from unpaid billings for water service to customers. The billings and collections for the district are prepared and collected by Brownsville Energy Authority. Brownsville Energy Authority remits to the district the entire amount of the billings on a monthly basis. Therefore, an allowance for uncollectible accounts receivable is considered unnecessary at this time as the risk of loss is entirely with Brownsville Energy Authority.

c. **Capital Assets**

Capital assets, which include property, plant, equipment, and construction in process, are defined by the district as assets with an initial, individual cost of more than \$100 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Assets acquired through contributions from developers or other customers are capitalized at their estimated fair market value at the date of donation.

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

Property, plant, and equipment of the district are depreciated using the straight-line method over the following useful lives:

<u>Assets</u>	<u>Years</u>
Distribution Plant	33-50

d. **Compensated Absences**

The district does not have any employees on staff. The district pays a set monthly fee to Brownsville Energy Authority for the use of their employees. Therefore, no compensated absences are recorded.

e. **Long-term Obligations**

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds are reported net of the applicable bond premium or discount. The district will continue to report bond cost as an asset and amortize those over the life of the bonds instead of expensing those costs in the current year in accordance with certain provisions included in GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This regulatory option as part of GASB Statement No. 65 is available due to the above-mentioned cost being used for rate setting by the district.

f. Net Position

Equity is classified as net position and displayed in the following two components:

- 1.) Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds that are attributable to the acquisition, construction, or improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination.
- 2.) Unrestricted – All other net position that does not meet the description of the above category.

g. Net Position Flow Assumption

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

B. Stewardship, Compliance, and Accountability

Budgetary Information

The district does not adopt a formal budget.

C. Detailed Notes

1. Deposits and Investments

Custodial Credit Risk – The district's policies limit deposits and investments to those instruments allowed by applicable state laws and are described below. State statute requires that all deposits with financial institutions be collateralized by securities whose market value is equal to 105 percent of the value of uninsured deposits. The deposits must be collateralized by federal depository insurance or the Tennessee Bank Collateral Pool, by collateral held by the district's agent in the district's name, or by the Federal Reserve Banks acting as third-party agents. State statutes also authorize the district to invest in bonds, notes, or treasury bills of the United States or any of its agencies, certificated of deposit at Tennessee state chartered banks and savings and loan associations and federally chartered banks and savings and loan associations, repurchase agreements utilizing obligations of the

United States or its agencies as the underlying securities, and the state pooled investment fund. Statutes also require that securities underlying repurchase agreements must have a market value at least equal to the amount of funds invested in the repurchase transaction. As of June 30, 2018, the district had no risk exposure.

2. Receivables

Receivables as of June 30, 2018, consisted of the following:

	<u>Balance 6-30-18</u>
Billed Services for Utility Customers	\$39,664

3. Capital Assets

Capital assets activity during the year was as follows:

Description	Balance 7-1-17	Additions	Balance 6-30-18
Capital Assets, Not Depreciated	\$ 18,401	\$ 0	\$ 18,401
Capital Assets, Depreciated	\$ 5,220,215	\$ 0	\$ 5,220,215
Less Accumulated Depreciation	\$ 2,126,347	\$ 122,028	\$ 2,248,375
Total Capital Assets, Depreciated, Net	\$ 3,093,868	\$ (122,028)	\$ 2,971,840
Total Capital Assets, Net	\$ 3,112,269	\$ (122,028)	\$ 2,990,241

4. Long-term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2018.

	<u>Bonds</u>
Balance, July 1, 2017	\$ 410,750
Reductions	<u>(410,750)</u>
Balance, June 30, 2018	<u>\$ 0</u>
Balance Due Within One Year	<u>\$</u>

5. Net Position

Net position represents the difference between assets and liabilities and deferred outflows/inflows of resources (if present). The net position amounts were as follows:

	<u>Balance 6-30-18</u>
Net Investment in Capital Assets:	
Net Property, Plant and Equipment in Services	\$ 2,990,241
Unrestricted	<u>278,669</u>
Total Net Position	<u>\$ 3,268,910</u>

D. Other Information

1. Risk Management

The district is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2018, the district did not purchase any insurance. The district contracts with Brownsville Energy Authority for services necessary to operate and maintain the district. No settled claims have been incurred in any of the above-mentioned risk categories during the past three years, and there has been no significant reduction in the coverage provided.

2. Credit Risk

The district provided water services for residents and commercial customers in a portion of Haywood County, Tennessee.

REQUIRED SUPPLEMENTARY INFORMATION

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

	2014	2015	2016	2017
Total Pension Liability				
Service Cost	\$ 737,120	\$ 773,505	\$ 763,961	\$ 748,793
Interest	2,403,909	2,526,922	2,728,270	2,755,676
Differences Between Actual and Expected Experience	(400,316)	631,682	(1,712,912)	(145,032)
Changes in Assumptions	0	0	0	975,111
Benefit Payments, Including Refunds of Employee Contributions	(1,098,340)	(1,175,533)	(1,300,318)	(1,497,132)
Net Change in Total Pension Liability	\$ 1,642,373	\$ 2,756,576	\$ 479,001	\$ 2,837,416
Total Pension Liability, Beginning	31,864,176	33,506,549	36,263,125	36,742,126
Total Pension Liability, Ending (a)	\$ 33,506,549	\$ 36,263,125	\$ 36,742,126	\$ 39,579,542
Plan Fiduciary Net Position				
Contributions - Employer	\$ 1,106,526	\$ 1,148,081	\$ 1,148,661	\$ 1,290,623
Contributions - Employee	365	4,712	266	(266)
Net Investment Income	4,990,442	1,081,152	956,934	4,173,475
Benefit Payments, Including Refunds of Employee Contributions	(1,098,340)	(1,175,533)	(1,300,318)	(1,497,132)
Administrative Expense	(14,541)	(17,390)	(21,797)	(29,328)
Net Change in Plan Fiduciary Net Position	\$ 4,984,452	\$ 1,041,022	\$ 783,746	\$ 3,937,372
Plan Fiduciary Net Position, Beginning	30,139,000	35,123,452	36,164,474	36,948,220
Plan Fiduciary Net Position, Ending (b)	\$ 35,123,452	\$ 36,164,474	\$ 36,948,220	\$ 40,885,592
Net Pension Liability (Asset), Ending (a - b)	\$ (1,616,903)	\$ 98,651	\$ (206,094)	\$ (1,306,050)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.83%	99.73%	100.56%	103.30%
Covered Payroll	\$ 9,228,853	\$ 9,363,104	\$ 9,369,174	\$ 10,316,731
Net Pension Liability (Asset) as a Percentage of Covered Payroll	(17.52)%	1.05%	(2.2)%	(12.66)%

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.

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

	2014	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 1,106,526	\$ 1,148,081	\$ 1,148,661	\$ 1,264,831	\$ 929,555
Less Contributions in Relation to the Actuarially Determined Contribution	(1,106,526)	(1,148,081)	(1,148,661)	(1,290,623)	(959,293)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ (25,792)	\$ (29,738)
Covered Payroll	\$ 9,228,853	\$ 9,363,104	\$ 9,369,174	\$ 10,316,731	\$ 9,592,930
Contributions as a Percentage of Covered Payroll	11.99%	12.26%	12.26%	12.51%	10.00%

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 F-3

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

	2015	2016	2017	2018
Contractually Required Contribution	\$ 33,533	\$ 50,543	\$ 72,550	\$ 89,188
Less Contributions in Relation to the Contractually Required Contribution	(33,533)	(50,543)	(72,550)	(89,188)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 838,318	\$ 1,263,579	\$ 1,813,746	\$ 2,229,730
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 F-4

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

	2014	2015	2016	2017	2018
Contractually Required Contribution	\$ 1,152,098	\$ 1,118,964	\$ 1,060,737	\$ 1,006,734	\$ 993,501
Less Contributions in Relation to the Contractually Required Contribution	(1,152,098)	(1,118,964)	(1,060,737)	(1,006,734)	(993,501)
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 12,974,081	\$ 12,377,932	\$ 11,733,832	\$ 11,136,453	\$ 10,941,670
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.

Exhibit F-5

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

	2016	2017	2018
School Department's Proportion of the Net Pension Liability (Asset)	0.395149%	0.287174%	0.276343%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (16,232)	\$ (29,896)	\$ (72,909)
Covered Payroll	\$ 838,318	\$ 1,263,579	\$ 1,813,746
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 F-6

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

	2015	2016	2017	2018
School Department's Proportion of the Net Pension Liability (Asset)	0.330551%	0.330651%	0.325054%	0.315038%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (53,713)	\$ 135,446	\$ 2,031,410	\$ (103,077)
Covered Payroll	\$ 12,974,081	\$ 12,377,932	\$ 11,733,832	\$ 11,136,453
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 F-7

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

	<u>2017</u>
Total OPEB Liability	
Service Cost	\$ 198,875
Interest	96,190
Changes in Benefit Terms	0
Differences Between Actual and Expected Experience	0
Changes in Assumptions or Other Inputs	(145,244)
Benefit Payments	<u>(183,623)</u>
Net Change in Total OPEB Liability	\$ (33,802)
Total OPEB Liability, Beginning	<u>3,187,112</u>
 Total OPEB Liability, Ending	 <u><u>\$ 3,153,310</u></u>
 Nonemployer Contributing Entity Proportionate Share of the Total OPEB Liability	 \$ 1,085,593
Employer Proportionate Share of the Total OPEB Liability	2,067,717
 Covered Employee Payroll	 \$ 17,220,920
Net OPEB Liability as a Percentage of Covered Employee Payroll	12.01%

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.

HAYWOOD 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 Adjustments	2.5 percent

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Haywood County's garbage collection operations.

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.

Nonmajor Governmental Funds (cont.)

Capital Projects Funds

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

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

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for revenues received from public works grants provided for community development projects.

HUD Grant Projects Fund – The HUD Grant Projects Fund is used to account for revenues received from grants provided for housing projects.

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

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for revenues provided for an industrial park project.

Exhibit G-1

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

	Special Revenue Funds				Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
<u>ASSETS</u>						
Cash	\$ 1,000	\$ 0	\$ 49,460	\$ 50,460	\$ 0	\$ 0
Equity in Pooled Cash and Investments	129,319	85,570	0	214,889	77,904	8,470
Accounts Receivable	6,275	0	0	6,275	0	0
Due from Other Governments	10,337	0	0	10,337	0	0
Total Assets	<u>\$ 146,931</u>	<u>\$ 85,570</u>	<u>\$ 49,460</u>	<u>\$ 281,961</u>	<u>\$ 77,904</u>	<u>\$ 8,470</u>
<u>LIABILITIES</u>						
Accounts Payable	\$ 20,562	\$ 66,152	\$ 0	\$ 86,714	\$ 0	\$ 0
Payroll Deductions Payable	1,414	0	0	1,414	0	0
Due to Other Funds	0	0	10,093	10,093	0	0
Due to State of Tennessee	72	0	0	72	0	0
Total Liabilities	<u>\$ 22,048</u>	<u>\$ 66,152</u>	<u>\$ 10,093</u>	<u>\$ 98,293</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Other Deferred/Unavailable Revenue	\$ 4,096	\$ 0	\$ 0	\$ 4,096	\$ 0	\$ 0
Total Deferred Inflows of Resources	<u>\$ 4,096</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,096</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>FUND BALANCES</u>						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 19,418	\$ 0	\$ 19,418	\$ 0	\$ 0

(Continued)

Exhibit G-1

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

	Special Revenue Funds				Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
<u>FUND BALANCES (Cont.)</u>						
Restricted (Cont.):						
Restricted for Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 43,158	\$ 8,470
Restricted for Other Purposes	0	0	0	0	0	0
Committed:						
Committed for Finance	0	0	39,367	39,367	0	0
Committed for Public Health and Welfare	120,787	0	0	120,787	0	0
Committed for Capital Outlay	0	0	0	0	0	0
Committed for Capital Projects	0	0	0	0	34,746	0
Total Fund Balances	<u>\$ 120,787</u>	<u>\$ 19,418</u>	<u>\$ 39,367</u>	<u>\$ 179,572</u>	<u>\$ 77,904</u>	<u>\$ 8,470</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 146,931</u>	<u>\$ 85,570</u>	<u>\$ 49,460</u>	<u>\$ 281,961</u>	<u>\$ 77,904</u>	<u>\$ 8,470</u>

(Continued)

Exhibit G-1

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Total	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,460
Equity in Pooled Cash and Investments	3,003	2,484	30,781	122,642	337,531
Accounts Receivable	0	15	0	15	6,290
Due from Other Governments	0	0	0	0	10,337
Total Assets	\$ 3,003	\$ 2,499	\$ 30,781	\$ 122,657	\$ 404,618
<u>LIABILITIES</u>					
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 86,714
Payroll Deductions Payable	0	0	0	0	1,414
Due to Other Funds	0	0	0	0	10,093
Due to State of Tennessee	0	0	0	0	72
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 98,293
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Other Deferred/Unavailable Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,096
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,096
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Public Safety	\$ 0	\$ 0	\$ 0	\$ 0	\$ 19,418

(Continued)

Exhibit G-1

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Total	
<u>FUND BALANCES (Cont.)</u>					
Restricted (Cont.):					
Restricted for Capital Projects	\$ 0	\$ 0	\$ 0	\$ 51,628	\$ 51,628
Restricted for Other Purposes	3,003	0	0	3,003	3,003
Committed:					
Committed for Finance	0	0	0	0	39,367
Committed for Public Health and Welfare	0	0	0	0	120,787
Committed for Capital Outlay	0	0	30,781	30,781	30,781
Committed for Capital Projects	0	2,499	0	37,245	37,245
Total Fund Balances	<u>\$ 3,003</u>	<u>\$ 2,499</u>	<u>\$ 30,781</u>	<u>\$ 122,657</u>	<u>\$ 302,229</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,003</u>	<u>\$ 2,499</u>	<u>\$ 30,781</u>	<u>\$ 122,657</u>	<u>\$ 404,618</u>

Exhibit G-2

Haywood 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				Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 0	\$ 23,529	\$ 0	\$ 23,529	\$ 0	\$ 0
Charges for Current Services	667,512	0	193,882	861,394	0	0
Other Local Revenues	80	4,000	0	4,080	0	0
State of Tennessee	40,830	0	0	40,830	145,504	0
Federal Government	0	0	0	0	0	271,208
Total Revenues	\$ 708,422	\$ 27,529	\$ 193,882	\$ 929,833	\$ 145,504	\$ 271,208
<u>Expenditures</u>						
Current:						
Finance	\$ 0	\$ 0	\$ 188,307	\$ 188,307	\$ 0	\$ 0
Administration of Justice	0	0	1,681	1,681	0	0
Public Safety	0	90,639	0	90,639	0	0
Public Health and Welfare	522,269	0	0	522,269	0	0
Other Operations	63,826	0	0	63,826	0	0
Debt Service:						
Principal on Debt	15,345	0	0	15,345	0	0
Interest on Debt	1,213	0	0	1,213	0	0
Other Debt Service	0	0	0	0	0	0
Capital Projects	0	0	0	0	363,117	300,187
Total Expenditures	\$ 602,653	\$ 90,639	\$ 189,988	\$ 883,280	\$ 363,117	\$ 300,187
Excess (Deficiency) of Revenues Over Expenditures	\$ 105,769	\$ (63,110)	\$ 3,894	\$ 46,553	\$ (217,613)	\$ (28,979)

(Continued)

Exhibit G-2

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

	Special Revenue Funds				Capital Projects Funds	
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects	Community Development/ Industrial Park
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Notes Issued	0	0	0	0	245,000	0
Capital Leases Issued	51,800	0	0	51,800	0	0
Premiums on Debt Sold	0	0	0	0	0	0
Insurance Recovery	45,262	0	0	45,262	0	0
Transfers In	0	0	0	0	0	0
Transfers Out	(145,000)	0	0	(145,000)	0	0
Total Other Financing Sources (Uses)	\$ (47,938)	\$ 0	\$ 0	\$ (47,938)	\$ 245,000	\$ 0
Net Change in Fund Balances	\$ 57,831	\$ (63,110)	\$ 3,894	\$ (1,385)	\$ 27,387	\$ (28,979)
Fund Balance, July 1, 2017	62,956	82,528	35,473	180,957	50,517	37,449
Fund Balance, June 30, 2018	\$ 120,787	\$ 19,418	\$ 39,367	\$ 179,572	\$ 77,904	\$ 8,470

(Continued)

Exhibit G-2

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Total	
<u>Revenues</u>					
Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,529
Charges for Current Services	0	0	0	0	861,394
Other Local Revenues	0	20	27,200	27,220	31,300
State of Tennessee	0	0	0	145,504	186,334
Federal Government	3,000	0	0	274,208	274,208
Total Revenues	\$ 3,000	\$ 20	\$ 27,200	\$ 446,932	\$ 1,376,765
<u>Expenditures</u>					
Current:					
Finance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 188,307
Administration of Justice	0	0	0	0	1,681
Public Safety	0	0	0	0	90,639
Public Health and Welfare	0	0	0	0	522,269
Other Operations	0	0	0	0	63,826
Debt Service:					
Principal on Debt	0	0	0	0	15,345
Interest on Debt	0	0	0	0	1,213
Other Debt Service	0	71,377	0	71,377	71,377
Capital Projects	3,000	1,733,069	10,325	2,409,698	2,409,698
Total Expenditures	\$ 3,000	\$ 1,804,446	\$ 10,325	\$ 2,481,075	\$ 3,364,355
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ (1,804,426)	\$ 16,875	\$ (2,034,143)	\$ (1,987,590)

(Continued)

Exhibit G-2

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	HUD Grant Projects	Education Capital Projects	Other Capital Projects	Total	
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 1,730,000	\$ 0	\$ 1,730,000	\$ 1,730,000
Notes Issued	0	0	0	245,000	245,000
Capital Leases Issued	0	0	0	0	51,800
Premiums on Debt Sold	0	21,925	0	21,925	21,925
Insurance Recovery	0	0	0	0	45,262
Transfers In	0	55,000	0	55,000	55,000
Transfers Out	0	0	0	0	(145,000)
Total Other Financing Sources (Uses)	\$ 0	\$ 1,806,925	\$ 0	\$ 2,051,925	\$ 2,003,987
Net Change in Fund Balances	\$ 0	\$ 2,499	\$ 16,875	\$ 17,782	\$ 16,397
Fund Balance, July 1, 2017	3,003	0	13,906	104,875	285,832
Fund Balance, June 30, 2018	\$ 3,003	\$ 2,499	\$ 30,781	\$ 122,657	\$ 302,229

Exhibit G-3

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation 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	\$ 667,512	\$ 640,000	\$ 640,000	\$ 27,512
Other Local Revenues	80	0	0	80
State of Tennessee	40,830	35,100	35,100	5,730
Total Revenues	\$ 708,422	\$ 675,100	\$ 675,100	\$ 33,322
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Waste Pickup	\$ 522,269	\$ 324,397	\$ 529,394	\$ 7,125
<u>Other Operations</u>				
Other Charges	20,078	20,377	21,777	1,699
Employee Benefits	43,748	55,594	55,594	11,846
<u>Principal on Debt</u>				
General Government	15,345	0	15,345	0
<u>Interest on Debt</u>				
General Government	1,213	0	1,213	0
Total Expenditures	\$ 602,653	\$ 400,368	\$ 623,323	\$ 20,670
Excess (Deficiency) of Revenues Over Expenditures	\$ 105,769	\$ 274,732	\$ 51,777	\$ 53,992
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 51,800	\$ 0	\$ 51,800	\$ 0
Insurance Recovery	45,262	0	0	45,262
Transfers Out	(145,000)	(230,000)	(230,000)	85,000
Total Other Financing Sources	\$ (47,938)	\$ (230,000)	\$ (178,200)	\$ 130,262
Net Change in Fund Balance	\$ 57,831	\$ 44,732	\$ (126,423)	\$ 184,254
Fund Balance, July 1, 2017	62,956	115,108	115,108	(52,152)
Fund Balance, June 30, 2018	\$ 120,787	\$ 159,840	\$ (11,315)	\$ 132,102

Exhibit G-4

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2018

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 23,529	\$ 10,000	\$ 24,000	\$ (471)
Other Local Revenues	4,000	0	0	4,000
Total Revenues	<u>\$ 27,529</u>	<u>\$ 10,000</u>	<u>\$ 24,000</u>	<u>\$ 3,529</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 90,639	\$ 10,000	\$ 99,200	\$ 8,561
Total Expenditures	<u>\$ 90,639</u>	<u>\$ 10,000</u>	<u>\$ 99,200</u>	<u>\$ 8,561</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (63,110)</u>	<u>\$ 0</u>	<u>\$ (75,200)</u>	<u>\$ 12,090</u>
Net Change in Fund Balance	\$ (63,110)	\$ 0	\$ (75,200)	\$ 12,090
Fund Balance, July 1, 2017	<u>82,528</u>	<u>82,761</u>	<u>82,761</u>	<u>(233)</u>
Fund Balance, June 30, 2018	<u>\$ 19,418</u>	<u>\$ 82,761</u>	<u>\$ 7,561</u>	<u>\$ 11,857</u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Haywood 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	\$ 1,480,827	\$ 1,431,910	\$ 1,431,910	\$ 48,917
Other Local Revenues	496,688	92,525	92,525	404,163
State of Tennessee	52,974	60,000	60,000	(7,026)
Federal Government	96,042	95,425	95,425	617
Other Governments and Citizens Groups	50,000	50,000	50,000	0
Total Revenues	\$ 2,176,531	\$ 1,729,860	\$ 1,729,860	\$ 446,671
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 1,501,908	\$ 1,461,610	\$ 1,568,633	\$ 66,725
Education	373,004	0	373,004	0
<u>Interest on Debt</u>				
General Government	486,360	524,980	496,268	9,908
Education	32,699	0	32,736	37
<u>Other Debt Service</u>				
General Government	35,838	33,900	38,514	2,676
Education	80,315	0	80,800	485
Total Expenditures	\$ 2,510,124	\$ 2,020,490	\$ 2,589,955	\$ 79,831
Excess (Deficiency) of Revenues Over Expenditures	\$ (333,593)	\$ (290,630)	\$ (860,095)	\$ 526,502
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 80,000	0	0	80,000
Transfers Out	(55,000)	0	(300,000)	245,000
Total Other Financing Sources	\$ 25,000	0	(300,000)	325,000
Net Change in Fund Balance	\$ (308,593)	\$ (290,630)	\$ (1,160,095)	\$ 851,502
Fund Balance, July 1, 2017	2,390,235	2,360,790	2,360,790	29,445
Fund Balance, June 30, 2018	\$ 2,081,642	\$ 2,070,160	\$ 1,200,695	\$ 880,947

Fiduciary Funds

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

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

Joint Venture Fund – The Joint Venture Fund is used to account for funding received primarily from Haywood County and the City of Brownsville for an emergency management agency.

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.

Exhibit I-1

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

	Agency Funds			
	Cities - Sales Tax	Joint Venture	Constitu - tional Officers - Agency	Total
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 521,887	\$ 521,887
Equity in Pooled Cash and Investments	0	42,196	0	42,196
Accounts Receivable	0	0	7,856	7,856
Due from Other Governments	283,864	4,634	0	288,498
Total Assets	<u>\$ 283,864</u>	<u>\$ 46,830</u>	<u>\$ 529,743</u>	<u>\$ 860,437</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 0	\$ 664	\$ 0	\$ 664
Payroll Deductions Payable	0	250	0	250
Due to Other Taxing Units	283,864	0	0	283,864
Due to Litigants, Heirs, and Others	0	0	529,743	529,743
Due to Joint Ventures	0	45,916	0	45,916
Total Liabilities	<u>\$ 283,864</u>	<u>\$ 46,830</u>	<u>\$ 529,743</u>	<u>\$ 860,437</u>

Exhibit I-2

Haywood County, TennesseeCombining Statement of Changes in Assets and Liabilities - All Agency FundsFor 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	\$ 1,625,692	\$ 1,625,692	\$ 0
Due from Other Governments	286,608	283,864	286,608	283,864
Total Assets	\$ 286,608	\$ 1,909,556	\$ 1,912,300	\$ 283,864
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 286,608	\$ 1,909,556	\$ 1,912,300	\$ 283,864
Total Liabilities	\$ 286,608	\$ 1,909,556	\$ 1,912,300	\$ 283,864
<u>Joint Venture Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 30,503	\$ 117,495	\$ 105,802	\$ 42,196
Due from Other Governments	4,652	4,634	4,652	4,634
Total Assets	\$ 35,155	\$ 122,129	\$ 110,454	\$ 46,830
<u>Liabilities</u>				
Accounts Payable	\$ 3,394	\$ 664	\$ 3,394	\$ 664
Payroll Deductions Payable	282	250	282	250
Due to Joint Venture	31,479	121,215	106,778	45,916
Total Liabilities	\$ 35,155	\$ 122,129	\$ 110,454	\$ 46,830
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 452,697	\$ 5,250,936	\$ 5,181,746	\$ 521,887
Accounts Receivable	7,521	7,856	7,521	7,856
Total Assets	\$ 460,218	\$ 5,258,792	\$ 5,189,267	\$ 529,743
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 460,218	\$ 5,258,792	\$ 5,189,267	\$ 529,743
Total Liabilities	\$ 460,218	\$ 5,258,792	\$ 5,189,267	\$ 529,743

(Continued)

Exhibit I-2

Haywood County, TennesseeCombining Statement of Changes in Assets and Liabilities - All Agency Funds (Cont.)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 452,697	\$ 5,250,936	\$ 5,181,746	\$ 521,887
Equity in Pooled Cash and Investments	30,503	1,743,187	1,731,494	42,196
Accounts Receivable	7,521	7,856	7,521	7,856
Due from Other Governments	291,260	288,498	291,260	288,498
Total Assets	<u>\$ 781,981</u>	<u>\$ 7,290,477</u>	<u>\$ 7,212,021</u>	<u>\$ 860,437</u>
<u>Liabilities</u>				
Accounts Payable	\$ 3,394	\$ 664	\$ 3,394	\$ 664
Payroll Deductions Payable	282	250	282	250
Due to Other Taxing Units	286,608	1,909,556	1,912,300	283,864
Due to Litigants, Heirs, and Others	460,218	5,258,792	5,189,267	529,743
Due to Joint Ventures	31,479	121,215	106,778	45,916
Total Liabilities	<u>\$ 781,981</u>	<u>\$ 7,290,477</u>	<u>\$ 7,212,021</u>	<u>\$ 860,437</u>

Haywood County School Department

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

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

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

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

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

Exhibit J-1

Haywood County, Tennessee
Statement of Activities
Discretely Presented Haywood County School Department
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	
					Total Governmental Activities
Governmental Activities:					
Instruction	\$ 15,526,800	\$ 17,993	\$ 2,443,714	\$ 1,498,346	\$ (11,566,747)
Support Services	10,194,186	0	840,460	374,622	(8,979,104)
Operation of Non-instructional Services	2,873,956	34,004	2,857,738	69,323	87,109
Total Governmental Activities	\$ 28,594,942	\$ 51,997	\$ 6,141,912	\$ 1,942,291	\$ (20,458,742)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,807,251
Local Option Sales Taxes					1,754,799
Wheel Tax					275,475
Other Local Taxes					69,872
Grants and Contributions Not Restricted to Specific Programs					16,790,482
Miscellaneous					30,125
Total General Revenues					\$ 22,728,004
Change in Net Position					\$ 2,269,262
Net Position, July 1, 2017					18,152,270
Restatement - See Note I.D.8.					(1,334,058)
Net Position, June 30, 2018					\$ 19,087,474

Exhibit J-2

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

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>				
Equity in Pooled Cash and Investments	\$ 4,131,826	\$ 43,552	\$ 622,317	\$ 4,797,695
Accounts Receivable	13,944	0	0	13,944
Due from Other Governments	998,376	196,534	69,440	1,264,350
Due from Primary Government	80,000	0	0	80,000
Property Taxes Receivable	4,169,874	0	0	4,169,874
Allowance for Uncollectible Property Taxes	(163,128)	0	0	(163,128)
Total Assets	<u>\$ 9,230,892</u>	<u>\$ 240,086</u>	<u>\$ 691,757</u>	<u>\$ 10,162,735</u>
<u>LIABILITIES</u>				
Accounts Payable	\$ 136,593	\$ 0	\$ 0	\$ 136,593
Payroll Deductions Payable	494,811	40,086	5,741	540,638
Retainage Payable	0	0	87,067	87,067
Total Liabilities	<u>\$ 631,404</u>	<u>\$ 40,086</u>	<u>\$ 92,808</u>	<u>\$ 764,298</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Deferred Current Property Taxes	\$ 3,880,817	\$ 0	\$ 0	\$ 3,880,817
Deferred Delinquent Property Taxes	111,594	0	0	111,594
Other Deferred/Unavailable Revenue	162,974	0	0	162,974
Total Deferred Inflows of Resources	<u>\$ 4,155,385</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,155,385</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Education	\$ 818,896	\$ 0	\$ 0	\$ 818,896

(Continued)

Exhibit J-2

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

	<u>Major Funds</u>		<u>Nonmajor Funds</u>	
	<u>General Purpose School</u>	<u>School Federal Projects</u>	<u>Other Govern- mental Funds</u>	<u>Total Governmental Funds</u>
<u>FUND BALANCES (Cont.)</u>				
Restricted (Cont.):				
Restricted for Operation of Non-instructional Services	\$ 0	\$ 0	\$ 598,949	\$ 598,949
Committed:				
Committed for Education	850,565	0	0	850,565
Assigned:				
Assigned for Education	29,459	200,000	0	229,459
Assigned for Support Services	3,448	0	0	3,448
Unassigned	2,741,735	0	0	2,741,735
Total Fund Balances	<u>\$ 4,444,103</u>	<u>\$ 200,000</u>	<u>\$ 598,949</u>	<u>\$ 5,243,052</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,230,892</u>	<u>\$ 240,086</u>	<u>\$ 691,757</u>	<u>\$ 10,162,735</u>

Exhibit J-3

Haywood County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Discretely Presented Haywood 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 J-2)		\$	5,243,052
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	143,868	
Add: construction in progress		1,733,069	
Add: buildings and improvements net of accumulated depreciation		11,474,714	
Add: other capital assets net of accumulated depreciation		<u>1,417,669</u>	14,769,320
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: net OPEB liability			(2,067,717)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be amortized and recognized as components of pension and OPEB expense in future years.			
Add: deferred outflows of resources related to pensions	\$	2,871,887	
Less: deferred inflows of resources related to pensions		(2,757,742)	
Add: deferred outflows of resources related to OPEB		133,022	
Less: deferred inflows of resources related to OPEB		<u>(85,811)</u>	161,356
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	530,909	
Add: net pension asset - teacher retirement plan		72,909	
Add: net pension asset - teacher legacy pension plan		<u>103,077</u>	706,895
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>274,568</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>19,087,474</u></u>

Exhibit J-4

Haywood County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Haywood County School Department
For the Year Ended June 30, 2018

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>				
Local Taxes	\$ 6,130,633	\$ 0	\$ 0	\$ 6,130,633
Licenses and Permits	931	0	0	931
Charges for Current Services	17,993	0	34,004	51,997
Other Local Revenues	138,376	38	3,332	141,746
State of Tennessee	17,683,585	0	18,668	17,702,253
Federal Government	173,526	3,134,371	1,811,618	5,119,515
Other Governments and Citizens Groups	80,000	0	1,733,069	1,813,069
Total Revenues	\$ 24,225,044	\$ 3,134,409	\$ 3,600,691	\$ 30,960,144
<u>Expenditures</u>				
Current:				
Instruction	\$ 13,542,521	\$ 2,085,087	\$ 0	\$ 15,627,608
Support Services	9,929,738	652,245	0	10,581,983
Operation of Non-Instructional Services	618,537	382,344	1,898,325	2,899,206
Debt Service:				
Other Debt Service	50,000	0	0	50,000
Capital Projects	0	0	1,733,069	1,733,069
Total Expenditures	\$ 24,140,796	\$ 3,119,676	\$ 3,631,394	\$ 30,891,866
Excess (Deficiency) of Revenues Over Expenditures	\$ 84,248	\$ 14,733	\$ (30,703)	\$ 68,278
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 17,657	\$ 0	\$ 0	\$ 17,657
Transfers Out	0	(17,657)	0	(17,657)
Total Other Financing Sources (Uses)	\$ 17,657	\$ (17,657)	\$ 0	\$ 0

(Continued)

Exhibit J-4

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

	Major Funds		Nonmajor Funds	
	General Purpose School	School Federal Projects	Other Govern- mental Funds	Total Governmental Funds
Net Change in Fund Balances	\$ 101,905	\$ (2,924)	\$ (30,703)	\$ 68,278
Fund Balance, July 1, 2017	4,342,198	202,924	629,652	5,174,774
Fund Balance, June 30, 2018	<u>\$ 4,444,103</u>	<u>\$ 200,000</u>	<u>\$ 598,949</u>	<u>\$ 5,243,052</u>

Exhibit J-5

Haywood County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Haywood 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 J-4)		\$	68,278
(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	\$	2,175,139	
Less: current-year depreciation expense		<u>(1,125,107)</u>	1,050,032
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2018	\$	274,568	
Less: deferred delinquent property taxes and other deferred June 30, 2017		<u>(370,508)</u>	(95,940)
(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 net pension asset - agent plan	\$	440,207	
Change in net pension asset - teacher retirement plan		43,013	
Change in net pension asset - teacher legacy pension plan		2,134,487	
Change in deferred outflows related to pensions		(1,775,063)	
Change in deferred inflows related to pensions		455,279	
Change in net OPEB liability (net of restatement)		22,165	
Change in deferred outflows related to OPEB (net of restatement)		12,615	
Change in deferred inflows related to OPEB		<u>(85,811)</u>	1,246,892
Change in net position of governmental activities (Exhibit B)			<u>\$ 2,269,262</u>

Exhibit J-6

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

	Special Revenue Fund	Capital Projects Fund Education Capital Projects	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 535,250	\$ 87,067	\$ 622,317
Due from Other Governments	69,440	0	69,440
Total Assets	<u>\$ 604,690</u>	<u>\$ 87,067</u>	<u>\$ 691,757</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 5,741	\$ 0	\$ 5,741
Retainage Payable	0	87,067	87,067
Total Liabilities	<u>\$ 5,741</u>	<u>\$ 87,067</u>	<u>\$ 92,808</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Operation of Non-instructional Services	\$ 598,949	\$ 0	\$ 598,949
Total Fund Balances	<u>\$ 598,949</u>	<u>\$ 0</u>	<u>\$ 598,949</u>
Total Liabilities and Fund Balances	<u>\$ 604,690</u>	<u>\$ 87,067</u>	<u>\$ 691,757</u>

Exhibit J-7

Haywood County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Haywood County School Department
For the Year Ended June 30, 2018

	Special Revenue Fund	Capital Projects Fund Education Capital Projects	Total Nonmajor Governmental Funds
	Central Cafeteria		
<u>Revenues</u>			
Charges for Current Services	\$ 34,004	\$ 0	\$ 34,004
Other Local Revenues	3,332	0	3,332
State of Tennessee	18,668	0	18,668
Federal Government	1,811,618	0	1,811,618
Other Governments and Citizens Groups	0	1,733,069	1,733,069
Total Revenues	<u>\$ 1,867,622</u>	<u>\$ 1,733,069</u>	<u>\$ 3,600,691</u>
<u>Expenditures</u>			
Current:			
Operation of Non-Instructional Services	\$ 1,898,325	\$ 0	\$ 1,898,325
Capital Projects	0	1,733,069	1,733,069
Total Expenditures	<u>\$ 1,898,325</u>	<u>\$ 1,733,069</u>	<u>\$ 3,631,394</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (30,703)</u>	<u>\$ 0</u>	<u>\$ (30,703)</u>
Net Change in Fund Balances	\$ (30,703)	\$ 0	\$ (30,703)
Fund Balance, July 1, 2017	629,652	0	629,652
Fund Balance, June 30, 2018	<u>\$ 598,949</u>	<u>\$ 0</u>	<u>\$ 598,949</u>

Exhibit J-8

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Haywood 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	\$ 6,130,633	\$ 0	\$ 0	\$ 6,130,633	\$ 6,014,236	\$ 6,073,961	\$ 56,672
Licenses and Permits	931	0	0	931	941	941	(10)
Charges for Current Services	17,993	0	0	17,993	34,603	34,603	(16,610)
Other Local Revenues	138,376	0	0	138,376	94,791	196,148	(57,772)
State of Tennessee	17,683,585	0	0	17,683,585	17,484,678	17,809,999	(126,414)
Federal Government	173,526	0	0	173,526	82,805	82,805	90,721
Other Governments and Citizens Groups	80,000	0	0	80,000	80,000	80,000	0
Total Revenues	\$ 24,225,044	\$ 0	\$ 0	\$ 24,225,044	\$ 23,792,054	\$ 24,278,457	\$ (53,413)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 10,216,205	\$ (400)	\$ 7,155	\$ 10,222,960	\$ 10,454,659	\$ 10,343,577	\$ 120,617
Alternative Instruction Program	638,276	0	0	638,276	580,917	640,922	2,646
Special Education Program	1,871,429	(23,896)	1,446	1,848,979	1,850,386	1,915,871	66,892
Career and Technical Education Program	816,611	0	1,170	817,781	659,875	819,097	1,316
<u>Support Services</u>							
Attendance	124,382	(589)	0	123,793	131,605	131,605	7,812
Health Services	194,996	0	0	194,996	196,518	196,517	1,521
Other Student Support	675,166	0	0	675,166	692,348	798,969	123,803
Regular Instruction Program	997,487	0	0	997,487	1,040,087	1,042,013	44,526
Alternative Instruction Program	16,585	0	0	16,585	16,500	16,600	15
Special Education Program	352,966	0	0	352,966	379,581	379,581	26,615
Career and Technical Education Program	128,712	0	0	128,712	134,850	134,850	6,138
Technology	286,301	(4,400)	2,121	284,022	315,250	315,250	31,228
Other Programs	70,082	0	0	70,082	0	70,082	0
Board of Education	515,565	0	600	516,165	529,967	529,967	13,802
Director of Schools	336,155	0	0	336,155	322,415	339,707	3,552
Office of the Principal	1,433,671	0	0	1,433,671	1,415,502	1,446,502	12,831
Fiscal Services	320,167	0	0	320,167	340,950	340,950	20,783

(Continued)

Exhibit J-8

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Haywood 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>							
Operation of Plant	\$ 1,514,631	\$ 0	\$ 0	\$ 1,514,631	\$ 1,524,700	\$ 1,524,700	\$ 10,069
Maintenance of Plant	834,141	(7,467)	16,967	843,641	824,609	863,363	19,722
Transportation	2,128,731	(9,476)	0	2,119,255	2,137,121	2,154,774	35,519
<u>Operation of Non-Instructional Services</u>							
Food Service	0	0	0	0	250	0	0
Community Services	29,612	0	0	29,612	0	29,612	0
Early Childhood Education	588,925	(444)	0	588,481	589,008	588,481	0
<u>Principal on Debt</u>							
Education	0	0	0	0	50,000	0	0
<u>Other Debt Service</u>							
Education	50,000	0	0	50,000	0	50,000	0
Total Expenditures	\$ 24,140,796	\$ (46,672)	\$ 29,459	\$ 24,123,583	\$ 24,187,098	\$ 24,672,990	\$ 549,407
Excess (Deficiency) of Revenues Over Expenditures	\$ 84,248	\$ 46,672	\$ (29,459)	\$ 101,461	\$ (395,044)	\$ (394,533)	\$ 495,994
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 17,657	\$ 0	\$ 0	\$ 17,657	\$ 86,530	\$ 86,530	\$ (68,873)
Transfers Out	0	0	0	0	(21,093)	(21,527)	21,527
Total Other Financing Sources	\$ 17,657	\$ 0	\$ 0	\$ 17,657	\$ 65,437	\$ 65,003	\$ (47,346)
Net Change in Fund Balance	\$ 101,905	\$ 46,672	\$ (29,459)	\$ 119,118	\$ (329,607)	\$ (329,530)	\$ 448,648
Fund Balance, July 1, 2017	4,342,198	(46,672)	0	4,295,526	4,205,315	4,205,315	90,211
Fund Balance, June 30, 2018	\$ 4,444,103	\$ 0	\$ (29,459)	\$ 4,414,644	\$ 3,875,708	\$ 3,875,785	\$ 538,859

Exhibit J-9

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Haywood County School Department
School Federal Projects 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>						
Other Local Revenues	\$ 38	\$ 0	\$ 38	\$ 0	\$ 0	\$ 38
Federal Government	3,134,371	0	3,134,371	3,134,345	3,460,697	(326,326)
Total Revenues	\$ 3,134,409	\$ 0	\$ 3,134,409	\$ 3,134,345	\$ 3,460,697	\$ (326,288)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,441,581	\$ 0	\$ 1,441,581	\$ 1,527,669	\$ 1,664,322	\$ 222,741
Special Education Program	604,930	0	604,930	616,172	606,546	1,616
Career and Technical Education Program	38,576	0	38,576	0	38,576	0
<u>Support Services</u>						
Other Student Support	181,270	0	181,270	154,832	198,748	17,478
Regular Instruction Program	363,732	0	363,732	325,750	422,124	58,392
Special Education Program	104,084	(2,489)	101,595	106,888	127,532	25,937
Career and Technical Education Program	3,159	0	3,159	3,500	3,159	0
Board of Education	0	0	0	0	163	163
<u>Operation of Non-Instructional Services</u>						
Community Services	382,344	0	382,344	386,162	382,344	0
Total Expenditures	\$ 3,119,676	\$ (2,489)	\$ 3,117,187	\$ 3,120,973	\$ 3,443,514	\$ 326,327
Excess (Deficiency) of Revenues Over Expenditures	\$ 14,733	\$ 2,489	\$ 17,222	\$ 13,372	\$ 17,183	\$ 39
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (17,657)	\$ 0	\$ (17,657)	\$ (13,837)	\$ (17,657)	\$ 0
Total Other Financing Sources	\$ (17,657)	\$ 0	\$ (17,657)	\$ (13,837)	\$ (17,657)	\$ 0

(Continued)

Exhibit J-9

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Haywood County School Department
School Federal Projects 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	\$ (2,924)	\$ 2,489	\$ (435)	\$ (465)	\$ (474)	\$ 39
Fund Balance, July 1, 2017	202,924	(2,489)	200,435	200,000	200,000	435
Fund Balance, June 30, 2018	\$ 200,000	\$ 0	\$ 200,000	\$ 199,535	\$ 199,526	\$ 474

Exhibit J-10

Haywood County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Haywood 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	\$ 34,004	\$ 240,500	\$ 240,500	\$ (206,496)
Other Local Revenues	3,332	900	900	2,432
State of Tennessee	18,668	24,000	24,000	(5,332)
Federal Government	1,811,618	1,760,307	1,760,307	51,311
Total Revenues	\$ 1,867,622	\$ 2,025,707	\$ 2,025,707	\$ (158,085)
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,898,325	\$ 2,025,707	\$ 2,025,707	\$ 127,382
Total Expenditures	\$ 1,898,325	\$ 2,025,707	\$ 2,025,707	\$ 127,382
Excess (Deficiency) of Revenues Over Expenditures	\$ (30,703)	\$ 0	\$ 0	\$ (30,703)
Net Change in Fund Balance	\$ (30,703)	\$ 0	\$ 0	\$ (30,703)
Fund Balance, July 1, 2017	629,652	252,863	252,863	376,789
Fund Balance, June 30, 2018	\$ 598,949	\$ 252,863	\$ 252,863	\$ 346,086

MISCELLANEOUS SCHEDULES

Exhibit K-1

Haywood County, Tennessee
Schedule of Changes in Long-term Notes, Capital Leases, Other Loans, and Bonds
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	Outstanding 6-30-18
GOVERNMENTAL ACTIVITIES								
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
School Bus	\$ 80,000	6 %	8-22-17	8-23-17	\$ 0	\$ 80,000	\$ 80,000	\$ 0
General Obligation Capital Outlay Notes, Series 2017	245,000	2.5	10-13-17	6-1-24	0	245,000	15,000	230,000
Total Notes Payable					<u>\$ 0</u>	<u>\$ 325,000</u>	<u>\$ 95,000</u>	<u>\$ 230,000</u>
CAPITAL LEASES PAYABLE								
<u>Payable through General Fund</u>								
Tractor	32,999	4.69	10-3-16	10-3-21	\$ 32,999	\$ 0	\$ 6,009	\$ 26,990
<u>Payable through Solid Waste/Sanitation Fund</u>								
Garbage Truck	51,800	2.95	7-31-17	7-31-20	0	51,800	15,345	36,455
<u>Payable through General Debt Service Fund</u>								
Ambulance and Defibrillators	241,726	4.05	12-9-15	12-15-17	80,588	0	80,588	0
Total Capital Leases Payable					<u>\$ 113,587</u>	<u>\$ 51,800</u>	<u>\$ 101,942</u>	<u>\$ 63,445</u>
OTHER LOANS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Energy Efficient School Initiative	2,000,000	0	9-8-11	4-1-23	\$ 1,149,983	\$ 0	\$ 200,004	\$ 949,979
Total Other Loans Payable					<u>\$ 1,149,983</u>	<u>\$ 0</u>	<u>\$ 200,004</u>	<u>\$ 949,979</u>
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Waterline (USDA Rural Development)	560,000	4.875	2-5-1998	7-31-17	\$ 410,750	\$ 0	\$ 410,750	\$ 0
General Obligation Bonds, Series 2008	4,425,000	3.625 to 4.3	12-23-08	6-1-18	575,000	0	575,000	0
General Obligation Bonds, Series 2009	300,000	4.5	6-30-09	6-28-24	163,688	0	20,570	143,118
General Obligation Bonds, Series 2010	5,575,000	4.75 to 5.55	3-10-10	6-1-30	5,575,000	0	0	5,575,000
General Obligation Refunding Bonds, Series 2015	7,225,000	2 to 2.65	5-29-15	6-30-28	6,750,000	0	400,000	6,350,000
School Refunding Bonds, Series 2016	1,196,134	2.95	12-14-16	6-1-27	1,108,000	0	93,000	1,015,000
General Obligation Bonds, Series 2018	1,730,000	3 to 4	3-29-18	3-1-38	0	1,730,000	0	1,730,000
Total Bonds Payable					<u>\$ 14,582,438</u>	<u>\$ 1,730,000</u>	<u>\$ 1,499,320</u>	<u>\$ 14,813,118</u>
BUSINESS-TYPE ACTIVITIES								
CAPITAL LEASES PAYABLE								
<u>Payable through Solid Waste Disposal Fund</u>								
Tractor and Dirt Pan	57,344	3	9-6-13	9-5-18	\$ 23,960	\$ 0	\$ 11,803	\$ 12,157
Caterpillar Loader	83,539	2.49	9-2-14	9-29-19	38,885	0	17,011	21,874
Caterpillar Bulldozer	100,413	3.2	2-18-16	2-18-22	79,733	0	16,099	63,634
Total Capital Leases Payable					<u>\$ 142,578</u>	<u>\$ 0</u>	<u>\$ 44,913</u>	<u>\$ 97,665</u>

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Notes Payable		
	Principal	Interest	Total
2019	\$ 36,000	\$ 5,750	\$ 41,750
2020	37,000	4,850	41,850
2021	38,000	3,925	41,925
2022	39,000	2,975	41,975
2023	40,000	2,000	42,000
2024	40,000	1,000	41,000
Total	\$ 230,000	\$ 20,500	\$ 250,500

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2019	\$ 23,510	\$ 2,110	\$ 25,620
2020	24,320	1,300	25,620
2021	8,397	665	9,062
2022	7,218	339	7,557
Total	\$ 63,445	\$ 4,414	\$ 67,859

Year Ending June 30	Other Loans	
	Principal	Total
2019	\$ 200,004	\$ 200,004
2020	200,004	200,004
2021	200,004	200,004
2022	200,004	200,004
2023	149,963	149,963
Total	\$ 949,979	\$ 949,979

(Continued)

Exhibit K-2

Haywood County, Tennessee

Schedule of Long-term Debt Requirements by Year (Cont.)

GOVERNMENTAL ACTIVITIES (CONT.)

Year Ending June 30	Bonds		
	Principal	Interest	Total
2019	\$ 1,137,496	\$ 494,720	\$ 1,632,216
2020	1,147,463	474,649	1,622,112
2021	1,182,474	449,425	1,631,899
2022	1,062,530	416,311	1,478,841
2023	1,098,634	377,823	1,476,457
2024	1,132,521	336,723	1,469,244
2025	1,141,000	295,766	1,436,766
2026	1,185,000	253,234	1,438,234
2027	1,216,000	207,889	1,423,889
2028	1,135,000	163,319	1,298,319
2029	1,195,000	100,518	1,295,518
2030	1,250,000	33,844	1,283,844
2031	105,000	30,844	135,844
2032	105,000	27,431	132,431
2033	110,000	24,019	134,019
2034	115,000	20,444	135,444
2035	120,000	16,706	136,706
2036	120,000	12,656	132,656
2037	125,000	8,606	133,606
2038	130,000	4,388	134,388
Total	\$ 14,813,118	\$ 3,749,315	\$ 18,562,433

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2019	\$ 46,219	\$ 2,506	\$ 48,725
2020	21,595	1,272	22,867
2021	17,719	697	18,416
2022	12,132	146	12,278
Total	\$ 97,665	\$ 4,621	\$ 102,286

Exhibit K-3

Haywood County, TennesseeSchedule of TransfersPrimary Government and Discretely Presented Haywood County School DepartmentFor the Year Ended June 30, 2018

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Solid Waste/Sanitation	Solid Waste Disposal	Operations	\$ 145,000
Debt Service Fund	Education Capital Projects Fund	Capital outlay	<u>55,000</u>
Total Transfers Primary Government			<u>\$ 200,000</u>
<u>DISCRETELY PRESENTED HAYWOOD COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 17,657</u>
Total Transfers Discretely Presented Haywood County School Department			<u>\$ 17,657</u>

Exhibit K-4

Haywood County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Haywood 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> , and County Commission	\$ 81,846 (1)	\$ 100,000	RLI Insurance Company
Chief Administrative Highway Officer	Section 8-24-102, <i>TCA</i>	72,644	400,000	Local Government Property and Casualty Fund
Director of Schools	State Board of Education and County Board of Education	106,000 (2)	100,000	RLI Insurance Company
Trustee	Section 8-24-102, <i>TCA</i> , and County Commission	71,202 (1)	938,755	"
Assessor of Property:	Section 8-24-102, <i>TCA</i> , and County Commission	71,202 (1)	100,000	Western Surety Company
County Clerk	Section 8-24-102, <i>TCA</i> , and County Commission	71,202 (1)	100,000	RLI Insurance Company
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i> , and County Commission	71,202 (1)	100,000	Western Surety Company
Clerk and Master	Section 8-24-102, <i>TCA</i> , County Commission, and Chancery Court Judge	71,202 (1, 3)	100,000	RLI Insurance Company
Register of Deeds	Section 8-24-102, <i>TCA</i> , and County Commission	71,202 (1)	100,000	"
Sheriff:				
Melvin Bond (7-1-17 through 9-11-17)	Section 8-24-102, <i>TCA</i> , and County Commission	17,420 (1)	100,000	"
Billy Garrett, Jr. (11-13-17 through 6-30-18)	Section 8-24-102, <i>TCA</i>	48,091	400,000	Local Government Property and Casualty Fund
Employee Blanket Bonds:				
Office of County Mayor and Highway Department:				
All Employees			400,000	Local Government Property and Casualty Fund
Office of Director of Schools:				
All Employees			400,000	Tennessee Risk Management Trust

(1) Includes a certified public administrator supplement of \$2,520.

(2) Includes a career ladder supplement of \$1,000 and \$4,913 paid from the School Federal Projects Fund.

(3) Does not include special commissioner fees of \$1,681.

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 6,089,043	\$ 0	\$ 0	\$ 0	\$ 458,096	\$ 884,008
Discount on Property Taxes	(67,174)	0	0	0	(5,054)	(9,753)
Trustee's Collections - Prior Year	182,493	0	0	0	16,099	31,018
Trustee's Collections - Bankruptcy	2,048	0	0	0	198	383
Circuit Clerk/Clerk and Master Collections - Prior Years	120,854	0	0	0	10,614	20,482
Interest and Penalty	30,762	0	0	0	2,630	5,054
Payments in-Lieu-of Taxes - T.V.A.	190,936	0	0	0	15,783	27,722
Payments in-Lieu-of Taxes - Local Utilities	48,946	0	0	0	57	110
<u>County Local Option Taxes</u>						
Local Option Sales Tax	128,772	0	0	0	0	0
Hotel/Motel Tax	54,216	0	0	0	0	0
Wheel Tax	544,059	0	0	0	137,737	275,500
Litigation Tax - General	199,308	0	0	0	0	0
Litigation Tax - Special Purpose	3,168	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	246,303
Litigation Tax - Courthouse Security	66,981	0	0	0	0	0
Business Tax	151,961	0	0	0	0	0
Mixed Drink Tax	3,047	0	0	0	0	0
Other County Local Option Taxes	28,246	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	18,876	0	0	0	0	0
Wholesale Beer Tax	58,198	0	0	0	0	0
Total Local Taxes	\$ 7,854,740	\$ 0	\$ 0	\$ 0	\$ 636,160	\$ 1,480,827

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 830	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	2,368	0	0	0	0	0
<u>Permits</u>						
Beer Permits	855	0	0	0	0	0
Building Permits	20,874	0	0	0	0	0
Other Permits	1,995	0	0	0	0	0
Total Licenses and Permits	\$ 26,922	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 4	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Entry Fee - Circuit Court	424	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	21,878	0	0	0	0	0
Fines for Littering	48	0	0	0	0	0
Officers Costs	32,443	0	0	0	0	0
Game and Fish Fines	227	0	0	0	0	0
Drug Control Fines	0	0	475	0	0	0
Drug Court Fees	0	0	797	0	0	0
Jail Fees	44,271	0	0	0	0	0
DUI Treatment Fines	5,337	0	0	0	0	0
Data Entry Fee - General Sessions Court	25,569	0	0	0	0	0
Courtroom Security Fee	994	0	0	0	0	0
Victims Assistance Assessments	25,116	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 1,188	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	1,040	0	0	0	0	0
Data Entry Fee - Juvenile Court	296	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	810	0	0	0	0	0
Data Entry Fee - Chancery Court	2,376	0	0	0	0	0
Courtroom Security Fee	1,231	0	0	0	0	0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	22,257	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Other Fines, Forfeitures, and Penalties	1,000	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 164,252	\$ 0	\$ 23,529	\$ 0	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Residential Waste Collection Charge	\$ 0	\$ 667,512	\$ 0	\$ 0	\$ 0	\$ 0
Patient Charges	979,532	0	0	0	0	0
Health Department Collections	125,352	0	0	0	0	0
<u>Fees</u>						
Recreation Fees	36,626	0	0	0	0	0
Copy Fees	1,548	0	0	0	0	0
Greenbelt Late Application Fee	200	0	0	0	0	0
Telephone Commissions	46,468	0	0	0	0	0
Vending Machine Collections	3,290	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	193,882	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - Register	\$ 5,622	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - Sheriff	1,891	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,800	0	0	0	0	0
Data Processing Fee - County Clerk	1,730	0	0	0	0	0
Vehicle Insurance Coverage and Reinstatement Fees	40	0	0	0	0	0
Total Charges for Current Services	\$ 1,204,099	\$ 667,512	\$ 0	\$ 193,882	\$ 0	\$ 0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 81,499
Lease/Rentals	4,050	0	0	0	570	0
Sale of Materials and Supplies	39,178	0	0	0	5,250	0
Commissary Sales	22,133	0	0	0	0	0
Sale of Gasoline	0	0	0	0	180,086	0
Miscellaneous Refunds	12,354	80	0	0	13	0
<u>Nonrecurring Items</u>						
Sale of Equipment	5,177	0	0	0	5,500	0
Sale of Property	0	0	4,000	0	0	0
<u>Other Local Revenues</u>						
Other Local Revenues	1,471	0	0	0	0	415,189
Total Other Local Revenues	\$ 84,363	\$ 80	\$ 4,000	\$ 0	\$ 191,419	\$ 496,688
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
Trustee	\$ 201,010	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 211,303	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	31,309	0	0	0	0	0
General Sessions Court Clerk	375,494	0	0	0	0	0
Clerk and Master	69,747	0	0	0	0	0
Juvenile Court Clerk	39,881	0	0	0	0	0
Register	65,508	0	0	0	0	0
Sheriff	9,640	0	0	0	0	0
Total Fees Received From County Officials	\$ 1,003,892	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 13,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	8,400	0	0	0	0	0
Drug Control Grants	1,919	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	11,369	0	0	0	0	0
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	53,559	0
State Aid Program	0	0	0	0	968,539	0
Litter Program	0	40,830	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	12,347	0	0	0	0	0
Beer Tax	17,840	0	0	0	0	0
Vehicle Certificate of Title Fees	6,290	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Alcoholic Beverage Tax	\$ 60,561	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
State Revenue Sharing - T.V.A.	364,862	0	0	0	27,451	52,974
State Revenue Sharing - Telecommunications	4,145	0	0	0	0	0
Contracted Prisoner Boarding	693,127	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	2,224,071	0
Petroleum Special Tax	0	0	0	0	13,556	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	0	0	0	0	0	0
Other State Revenues	3,150	0	0	0	0	0
Total State of Tennessee	<u>\$ 1,212,674</u>	<u>\$ 40,830</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,287,176</u>	<u>\$ 52,974</u>
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Direct Federal Revenue</u>						
Forest Service	37,816	0	0	0	0	0
Tax Credit Bond Rebate	0	0	0	0	0	96,042
Total Federal Government	<u>\$ 37,816</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 96,042</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 54,247	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions	380,717	0	0	0	0	50,000
Contracted Services	94,269	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service
<u>Other Governments and Citizens Groups (Cont.)</u>						
<u>Citizens Groups</u>						
Donations	\$ 8,358	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Other</u>						
Other	300	0	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 537,891</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 50,000</u>
Total	<u>\$ 12,126,649</u>	<u>\$ 708,422</u>	<u>\$ 27,529</u>	<u>\$ 193,882</u>	<u>\$ 4,114,755</u>	<u>\$ 2,176,531</u>

(Continued)

Exhibit K-5

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

	Capital Projects Funds					Total
	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Other Capital Projects	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,431,147
Discount on Property Taxes	0	0	0	0	0	(81,981)
Trustee's Collections - Prior Year	0	0	0	0	0	229,610
Trustee's Collections - Bankruptcy	0	0	0	0	0	2,629
Circuit Clerk/Clerk and Master Collections - Prior Years	0	0	0	0	0	151,950
Interest and Penalty	0	0	0	0	0	38,446
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	234,441
Payments in-Lieu-of Taxes - Local Utilities	0	0	0	0	0	49,113
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	0	0	0	128,772
Hotel/Motel Tax	0	0	0	0	0	54,216
Wheel Tax	0	0	0	0	0	957,296
Litigation Tax - General	0	0	0	0	0	199,308
Litigation Tax - Special Purpose	0	0	0	0	0	3,168
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	246,303
Litigation Tax - Courthouse Security	0	0	0	0	0	66,981
Business Tax	0	0	0	0	0	151,961
Mixed Drink Tax	0	0	0	0	0	3,047
Other County Local Option Taxes	0	0	0	0	0	28,246
<u>Statutory Local Taxes</u>						
Bank Excise Tax	0	0	0	0	0	18,876
Wholesale Beer Tax	0	0	0	0	0	58,198
Total Local Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,971,727

(Continued)

Exhibit K-5

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

	Capital Projects Funds					Total
	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Other Capital Projects	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Animal Registration	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	830
Cable TV Franchise	0	0	0	0	0	2,368
<u>Permits</u>						
Beer Permits	0	0	0	0	0	855
Building Permits	0	0	0	0	0	20,874
Other Permits	0	0	0	0	0	1,995
Total Licenses and Permits	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	26,922
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4
Data Entry Fee - Circuit Court	0	0	0	0	0	424
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	21,878
Fines for Littering	0	0	0	0	0	48
Officers Costs	0	0	0	0	0	32,443
Game and Fish Fines	0	0	0	0	0	227
Drug Control Fines	0	0	0	0	0	475
Drug Court Fees	0	0	0	0	0	797
Jail Fees	0	0	0	0	0	44,271
DUI Treatment Fines	0	0	0	0	0	5,337
Data Entry Fee - General Sessions Court	0	0	0	0	0	25,569
Courtroom Security Fee	0	0	0	0	0	994
Victims Assistance Assessments	0	0	0	0	0	25,116

(Continued)

Exhibit K-5

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

	Capital Projects Funds					Total
	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Other Capital Projects	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,188
Officers Costs	0	0	0	0	0	1,040
Data Entry Fee - Juvenile Court	0	0	0	0	0	296
<u>Chancery Court</u>						
Officers Costs	0	0	0	0	0	810
Data Entry Fee - Chancery Court	0	0	0	0	0	2,376
Courtroom Security Fee	0	0	0	0	0	1,231
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	0	0	22,257
<u>Other Fines, Forfeitures, and Penalties</u>						
Other Fines, Forfeitures, and Penalties	0	0	0	0	0	1,000
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	187,781
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Residential Waste Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	667,512
Patient Charges	0	0	0	0	0	979,532
Health Department Collections	0	0	0	0	0	125,352
<u>Fees</u>						
Recreation Fees	0	0	0	0	0	36,626
Copy Fees	0	0	0	0	0	1,548
Greenbelt Late Application Fee	0	0	0	0	0	200
Telephone Commissions	0	0	0	0	0	46,468
Vending Machine Collections	0	0	0	0	0	3,290
Constitutional Officers' Fees and Commissions	0	0	0	0	0	193,882

(Continued)

Exhibit K-5

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

	Capital Projects Funds					Total
	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Other Capital Projects	
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - Register	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	5,622
Data Processing Fee - Sheriff	0	0	0	0	0	1,891
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	1,800
Data Processing Fee - County Clerk	0	0	0	0	0	1,730
Vehicle Insurance Coverage and Reinstatement Fees	0	0	0	0	0	40
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,065,493
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	20	\$ 0	81,519
Lease/Rentals	0	0	0	0	27,200	31,820
Sale of Materials and Supplies	0	0	0	0	0	44,428
Commissary Sales	0	0	0	0	0	22,133
Sale of Gasoline	0	0	0	0	0	180,086
Miscellaneous Refunds	0	0	0	0	0	12,447
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	10,677
Sale of Property	0	0	0	0	0	4,000
<u>Other Local Revenues</u>						
Other Local Revenues	0	0	0	0	0	416,660
Total Other Local Revenues	\$ 0	\$ 0	\$ 0	20	\$ 27,200	\$ 803,770
<u>Fees Received From County Officials</u>						
<u>Excess Fees</u>						
Trustee	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	201,010

(Continued)

Exhibit K-5

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

	Capital Projects Funds					Total
	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Other Capital Projects	
<u>Fees Received From County Officials (Cont.)</u>						
<u>Fees In-Lieu-of Salary</u>						
County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	211,303
Circuit Court Clerk	0	0	0	0	0	31,309
General Sessions Court Clerk	0	0	0	0	0	375,494
Clerk and Master	0	0	0	0	0	69,747
Juvenile Court Clerk	0	0	0	0	0	39,881
Register	0	0	0	0	0	65,508
Sheriff	0	0	0	0	0	9,640
Total Fees Received From County Officials	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,003,892
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	13,500
<u>Public Safety Grants</u>						
Law Enforcement Training Programs	0	0	0	0	0	8,400
Drug Control Grants	0	0	0	0	0	1,919
<u>Health and Welfare Grants</u>						
Other Health and Welfare Grants	0	0	0	0	0	11,369
<u>Public Works Grants</u>						
Bridge Program	0	0	0	0	0	53,559
State Aid Program	0	0	0	0	0	968,539
Litter Program	0	0	0	0	0	40,830
<u>Other State Revenues</u>						
Income Tax	0	0	0	0	0	12,347
Beer Tax	0	0	0	0	0	17,840
Vehicle Certificate of Title Fees	0	0	0	0	0	6,290

(Continued)

Exhibit K-5

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

	Capital Projects Funds					Total
	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Other Capital Projects	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues (Cont.)</u>						
Alcoholic Beverage Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 60,561
State Revenue Sharing - T.V.A.	0	0	0	0	0	445,287
State Revenue Sharing - Telecommunications	0	0	0	0	0	4,145
Contracted Prisoner Boarding	0	0	0	0	0	693,127
Gasoline and Motor Fuel Tax	0	0	0	0	0	2,224,071
Petroleum Special Tax	0	0	0	0	0	13,556
Registrar's Salary Supplement	0	0	0	0	0	15,164
Other State Grants	145,504	0	0	0	0	145,504
Other State Revenues	0	0	0	0	0	3,150
Total State of Tennessee	\$ 145,504	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,739,158
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 271,208	\$ 3,000	\$ 0	\$ 0	\$ 274,208
<u>Direct Federal Revenue</u>						
Forest Service	0	0	0	0	0	37,816
Tax Credit Bond Rebate	0	0	0	0	0	96,042
Total Federal Government	\$ 0	\$ 271,208	\$ 3,000	\$ 0	\$ 0	\$ 408,066
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Prisoner Board	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 54,247
Contributions	0	0	0	0	0	430,717
Contracted Services	0	0	0	0	0	94,269

(Continued)

Exhibit K-5

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

	Capital Projects Funds					Total
	General Capital Projects	Community Development/ Industrial Park	HUD Grant Projects	Education Capital Projects	Other Capital Projects	
<u>Other Governments and Citizens Groups (Cont.)</u>						
<u>Citizens Groups</u>						
Donations	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	8,358
<u>Other</u>						
Other	0	0	0	0	0	300
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	587,891
Total	\$ 145,504	\$ 271,208	\$ 3,000	\$ 20	\$ 27,200	\$ 19,794,700

Exhibit K-6

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

	Special Revenue Funds			Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 3,721,037	\$ 0	\$ 0	\$ 0	\$ 3,721,037
Discount on Property Taxes	(41,052)	0	0	0	(41,052)
Trustee's Collections - Prior Year	130,653	0	0	0	130,653
Trustee's Collections - Bankruptcy	1,585	0	0	0	1,585
Circuit Clerk/Clerk and Master Collections - Prior Years	86,217	0	0	0	86,217
Interest and Penalty	21,344	0	0	0	21,344
Payments in-Lieu-of Taxes - T.V.A.	127,296	0	0	0	127,296
Payments in-Lieu-of Taxes - Local Utilities	464	0	0	0	464
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,737,756	0	0	0	1,737,756
Wheel Tax	275,475	0	0	0	275,475
Mixed Drink Tax	3,047	0	0	0	3,047
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	31,311	0	0	0	31,311
Other Statutory Local Taxes	35,500	0	0	0	35,500
Total Local Taxes	\$ 6,130,633	\$ 0	\$ 0	\$ 0	\$ 6,130,633
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 931	\$ 0	\$ 0	\$ 0	\$ 931
Total Licenses and Permits	\$ 931	\$ 0	\$ 0	\$ 0	\$ 931

(Continued)

Exhibit K-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u> <u>Projects Fund</u>	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Lunch Payments - Adults	\$ 0	\$ 0	\$ 13,256	\$ 0	\$ 13,256
A la Carte Sales	0	0	18,820	0	18,820
Receipts from Individual Schools	17,993	0	0	0	17,993
Other Charges for Services	0	0	1,928	0	1,928
Total Charges for Current Services	\$ 17,993	\$ 0	\$ 34,004	\$ 0	\$ 51,997
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 866	\$ 0	\$ 866
Lease/Rentals	640	0	0	0	640
Miscellaneous Refunds	11,527	0	0	0	11,527
<u>Nonrecurring Items</u>					
Sale of Equipment	17,958	0	0	0	17,958
Contributions and Gifts	500	0	0	0	500
<u>Other Local Revenues</u>					
Other Local Revenues	107,751	38	2,466	0	110,255
Total Other Local Revenues	\$ 138,376	\$ 38	\$ 3,332	\$ 0	\$ 141,746
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 70,082	\$ 0	\$ 0	\$ 0	\$ 70,082
<u>State Education Funds</u>					
Basic Education Program	16,438,774	0	0	0	16,438,774
Early Childhood Education	610,008	0	0	0	610,008

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Capital Projects Fund	
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
School Food Service	\$ 0	\$ 0	\$ 18,668	\$ 0	\$ 18,668
Driver Education	4,595	0	0	0	4,595
Other State Education Funds	141,648	0	0	0	141,648
Career Ladder Program	49,705	0	0	0	49,705
Vocational Equipment	129,222	0	0	0	129,222
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	222,981	0	0	0	222,981
Other State Grants	16,570	0	0	0	16,570
Total State of Tennessee	\$ 17,683,585	\$ 0	\$ 18,668	\$ 0	\$ 17,702,253
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,165,908	\$ 0	\$ 1,165,908
USDA - Commodities	0	0	119,222	0	119,222
Breakfast	0	0	488,794	0	488,794
USDA - Other	0	0	37,694	0	37,694
Vocational Education - Basic Grants to States	0	57,798	0	0	57,798
Title I Grants to Local Education Agencies	0	961,013	0	0	961,013
Special Education - Grants to States	11,083	659,358	0	0	670,441
Special Education Preschool Grants	0	47,166	0	0	47,166
English Language Acquisition Grants	0	6,563	0	0	6,563
Safe and Drug-free Schools - State Grants	0	395,000	0	0	395,000
Rural Education	0	48,909	0	0	48,909
Eisenhower Professional Development State Grants	0	120,993	0	0	120,993
Other Federal through State	63,761	837,571	0	0	901,332

(Continued)

Exhibit K-6

Haywood County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Haywood 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>Direct Federal Revenue</u>					
ROTC Reimbursement	\$ 98,682	\$ 0	\$ 0	\$ 0	\$ 98,682
Total Federal Government	\$ 173,526	\$ 3,134,371	\$ 1,811,618	\$ 0	\$ 5,119,515
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 80,000	\$ 0	\$ 0	\$ 1,733,069	\$ 1,813,069
Total Other Governments and Citizens Groups	\$ 80,000	\$ 0	\$ 0	\$ 1,733,069	\$ 1,813,069
Total	\$ 24,225,044	\$ 3,134,409	\$ 1,867,622	\$ 1,733,069	\$ 30,960,144

Exhibit K-7

Haywood 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	\$	12,250	
Social Security		1,385	
Pensions		57	
Life Insurance		1,102	
Audit Services		6,951	
Dues and Memberships		4,148	
Maintenance Agreements		2,016	
Travel		373	
Other Contracted Services		15,000	
Food Supplies		5,049	
Other Charges		3,320	
Total County Commission			\$ 51,651

Beer Board

Secretary to Board	\$	50	
Board and Committee Members Fees		150	
Total Beer Board			200

County Mayor/Executive

County Official/Administrative Officer	\$	79,326	
Accountants/Bookkeepers		85,405	
Secretary(ies)		22,400	
Part-time Personnel		15,404	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		15,352	
Pensions		19,641	
Employee and Dependent Insurance		19,480	
Life Insurance		903	
Unemployment Compensation		316	
Other Fringe Benefits		3,570	
Communication		4,433	
Data Processing Services		9,706	
Dues and Memberships		2,635	
Maintenance and Repair Services - Office Equipment		368	
Maintenance and Repair Services - Vehicles		1,159	
Postal Charges		1,978	
Travel		2,261	
Tuition		1,099	
Gasoline		1,264	
Library Books/Media		1,323	
Office Supplies		2,353	
Premiums on Corporate Surety Bonds		197	
Workers' Compensation Insurance		361	
Other Charges		31,798	
Office Equipment		440	
Total County Mayor/Executive			325,692

(Continued)

Exhibit K-7

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

General Fund (Cont.)General Government (Cont.)County Attorney

County Official/Administrative Officer	\$	4,800	
Social Security		367	
Pensions		489	
Operating Lease Payments		1,786	
Legal Services		50,467	
Duplicating Supplies		195	
Library Books/Media		4,794	
Workers' Compensation Insurance		9	
Other Charges		16,200	
Total County Attorney			\$ 79,107

Election Commission

County Official/Administrative Officer	\$	61,633	
Part-time Personnel		2,490	
Election Commission		4,800	
Social Security		4,694	
Pensions		6,237	
Employee and Dependent Insurance		6,690	
Life Insurance		209	
Unemployment Compensation		95	
Communication		4,123	
Data Processing Services		14,110	
Dues and Memberships		150	
Legal Notices, Recording, and Court Costs		105	
Maintenance Agreements		4,556	
Postal Charges		914	
Printing, Stationery, and Forms		174	
Travel		181	
Office Supplies		883	
Liability Insurance		1,857	
Workers' Compensation Insurance		144	
Other Charges		30	
Voting Machines		6,385	
Total Election Commission			120,460

Register of Deeds

County Official/Administrative Officer	\$	68,682	
Deputy(ies)		28,200	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		7,679	
Pensions		10,213	
Employee and Dependent Insurance		944	
Life Insurance		391	
Unemployment Compensation		70	
Other Fringe Benefits		1,260	
Communication		1,747	
Dues and Memberships		732	

(Continued)

Exhibit K-7

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

General Fund (Cont.)General Government (Cont.)Register of Deeds (Cont.)

Postal Charges	\$	216	
Printing, Stationery, and Forms		1,891	
Rentals		1,170	
Travel		649	
Duplicating Supplies		135	
Office Supplies		75	
Premiums on Corporate Surety Bonds		197	
Workers' Compensation Insurance		184	
Data Processing Equipment		5,204	
Total Register of Deeds			\$ 132,159

Development

Supervisor/Director	\$	32,600	
Secretary(ies)		1,200	
Social Security		2,616	
Pensions		3,486	
Employee and Dependent Insurance		10,973	
Life Insurance		200	
Unemployment Compensation		73	
Other Fringe Benefits		420	
Communication		1,663	
Contracts with Government Agencies		9,393	
Data Processing Services		1,307	
Dues and Memberships		370	
Legal Notices, Recording, and Court Costs		15	
Maintenance and Repair Services - Vehicles		534	
Postal Charges		30	
Travel		1,920	
Gasoline		1,692	
Office Supplies		630	
Vehicle and Equipment Insurance		368	
Workers' Compensation Insurance		567	
Total Development			70,057

County Buildings

Supervisor/Director	\$	69,701	
Guards		52,939	
Custodial Personnel		101,263	
Overtime Pay		281	
Other Salaries and Wages		20,509	
Social Security		19,417	
Pensions		17,071	
Employee and Dependent Insurance		19,055	
Life Insurance		934	
Unemployment Compensation		1,028	
Other Fringe Benefits		10,710	
Communication		19,672	

(Continued)

Exhibit K-7

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

General Fund (Cont.)General Government (Cont.)County Buildings (Cont.)

Maintenance Agreements	\$	54,032	
Maintenance and Repair Services - Vehicles		1,183	
Rentals		2,400	
Travel		1,773	
Custodial Supplies		4,186	
Duplicating Supplies		2,285	
Gasoline		6,071	
Utilities		218,161	
Other Supplies and Materials		105,804	
Vehicle and Equipment Insurance		1,761	
Workers' Compensation Insurance		6,933	
Other Charges		2,482	
Building Improvements		98,870	
Total County Buildings			\$ 838,521

FinanceAccounting and Budgeting

Board and Committee Members Fees	\$	3,550	
Total Accounting and Budgeting			3,550

Property Assessor's Office

County Official/Administrative Officer	\$	68,682	
Deputy(ies)		78,700	
Educational Incentive - Official/Admin Officer		2,520	
Board and Committee Members Fees		880	
Social Security		11,421	
Pensions		15,571	
Employee and Dependent Insurance		15,525	
Life Insurance		350	
Unemployment Compensation		210	
Other Fringe Benefits		2,100	
Communication		2,793	
Contracts with Private Agencies		10,999	
Data Processing Services		18,405	
Dues and Memberships		1,600	
Postal Charges		1,500	
Rentals		7,200	
Travel		3,701	
Other Contracted Services		16,211	
Duplicating Supplies		673	
Office Supplies		1,381	
Utilities		4,593	
Workers' Compensation Insurance		1,370	
Other Charges		150	
Data Processing Equipment		1,968	
Office Equipment		4,675	
Total Property Assessor's Office			273,178

(Continued)

Exhibit K-7

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

General Fund (Cont.)Finance (Cont.)Reappraisal Program

Other Salaries and Wages	\$	9,000	
Social Security		612	
Pensions		600	
Employee and Dependent Insurance		1,382	
Unemployment Compensation		36	
Other Contracted Services		7,600	
Office Supplies		25	
Workers' Compensation Insurance		44	
Total Reappraisal Program			\$ 19,299

County Trustee's Office

Social Security	\$	13,784	
Pensions		17,085	
Employee and Dependent Insurance		23,496	
Life Insurance		700	
Unemployment Compensation		280	
Communication		5,756	
Data Processing Services		8,200	
Dues and Memberships		587	
Maintenance Agreements		2,000	
Maintenance and Repair Services - Office Equipment		205	
Postal Charges		2,824	
Printing, Stationery, and Forms		1,761	
Office Supplies		2,623	
Premiums on Corporate Surety Bonds		2,781	
Workers' Compensation Insurance		343	
Other Charges		312	
Total County Trustee's Office			82,737

County Clerk's Office

County Official/Administrative Officer	\$	68,682	
Deputy(ies)		104,067	
Part-time Personnel		1,352	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		13,892	
Pensions		18,934	
Employee and Dependent Insurance		19,860	
Life Insurance		784	
Unemployment Compensation		293	
Other Fringe Benefits		7,140	
Communication		2,495	
Dues and Memberships		817	
Operating Lease Payments		1,260	
Maintenance Agreements		18,172	
Postal Charges		2,532	
Printing, Stationery, and Forms		657	
Travel		799	

(Continued)

Exhibit K-7

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

General Fund (Cont.)Finance (Cont.)County Clerk's Office (Cont.)

Office Supplies	\$	2,336	
Premiums on Corporate Surety Bonds		197	
Workers' Compensation Insurance		333	
Office Equipment		80	
Total County Clerk's Office			\$ 267,202

Data Processing

Data Processing Services	\$	51,469	
Total Data Processing			51,469

Administration of JusticeCircuit Court

County Official/Administrative Officer	\$	68,682	
Deputy(ies)		182,793	
Educational Incentive - Official/Admin Officer		2,520	
Jury and Witness Expense		9,128	
Social Security		19,942	
Pensions		27,019	
Employee and Dependent Insurance		38,870	
Life Insurance		1,578	
Unemployment Compensation		518	
Other Fringe Benefits		13,860	
Communication		1,903	
Data Processing Services		20,332	
Dues and Memberships		1,077	
Maintenance and Repair Services - Office Equipment		271	
Postal Charges		1,644	
Printing, Stationery, and Forms		1,019	
Rentals		3,830	
Travel		933	
Office Supplies		1,268	
Premiums on Corporate Surety Bonds		500	
Workers' Compensation Insurance		502	
Other Charges		290	
Office Equipment		3,169	
Total Circuit Court			401,648

General Sessions Judge

Judge(s)	\$	172,737	
Secretary(ies)		29,413	
Social Security		12,854	
Pensions		20,867	
Employee and Dependent Insurance		2,418	
Life Insurance		615	
Unemployment Compensation		70	
Other Fringe Benefits		2,940	
Communication		1,807	

(Continued)

Exhibit K-7

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

General Fund (Cont.)Administration of Justice (Cont.)General Sessions Judge (Cont.)

Dues and Memberships	\$	350	
Travel		355	
Library Books/Media		612	
Office Supplies		349	
Workers' Compensation Insurance		373	
Office Equipment		767	
Total General Sessions Judge			\$ 246,527

General Sessions Court Clerk

Postal Charges	\$	500	
Printing, Stationery, and Forms		579	
Office Supplies		1,614	
Total General Sessions Court Clerk			2,693

Chancery Court

County Official/Administrative Officer	\$	68,682	
Deputy(ies)		56,563	
Temporary Personnel		81	
Educational Incentive - Official/Admin Officer		2,520	
Social Security		9,253	
Pensions		12,469	
Employee and Dependent Insurance		17,406	
Life Insurance		590	
Unemployment Compensation		245	
Other Fringe Benefits		2,940	
Communication		1,798	
Dues and Memberships		1,243	
Legal Notices, Recording, and Court Costs		676	
Postal Charges		673	
Printing, Stationery, and Forms		480	
Travel		210	
Office Supplies		746	
Workers' Compensation Insurance		242	
Data Processing Equipment		5,841	
Office Equipment		193	
Total Chancery Court			182,851

Juvenile Court

Youth Service Officer(s)	\$	58,305	
Social Security		4,764	
Pensions		6,360	
Employee and Dependent Insurance		1,615	
Life Insurance		345	
Unemployment Compensation		140	
Other Fringe Benefits		4,200	
Communication		2,184	
Dues and Memberships		145	

(Continued)

Exhibit K-7

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

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

Legal Services	\$	10,611	
Postal Charges		80	
Travel		374	
Office Supplies		920	
Workers' Compensation Insurance		113	
Other Charges		500	
Total Juvenile Court			\$ 90,656

Public SafetySheriff's Department

County Official/Administrative Officer	\$	62,991
Supervisor/Director		17,547
Deputy(ies)		263,543
Lieutenant(s)		185,513
Sergeant(s)		140,000
Secretary(ies)		60,423
Educational Incentive - Official/Admin Officer		2,520
Overtime Pay		68,955
Other Salaries and Wages		15,725
In-service Training		9,000
Social Security		78,124
Pensions		93,913
Employee and Dependent Insurance		132,014
Life Insurance		2,985
Unemployment Compensation		1,756
Other Fringe Benefits		28,980
Communication		20,724
Consultants		3,000
Dues and Memberships		1,672
Maintenance Agreements		4,740
Maintenance and Repair Services - Equipment		5,569
Maintenance and Repair Services - Office Equipment		345
Maintenance and Repair Services - Vehicles		29,968
Medical and Dental Services		865
Postal Charges		1,155
Travel		1,322
Tuition		6,600
Gasoline		42,593
Law Enforcement Supplies		11,367
Library Books/Media		160
Office Supplies		2,973
Tires and Tubes		6,176
Uniforms		8,020
Other Supplies and Materials		1,988
Premiums on Corporate Surety Bonds		926
Vehicle and Equipment Insurance		9,635
Workers' Compensation Insurance		24,543

(Continued)

Exhibit K-7

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

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

Other Charges	\$	1,034	
Data Processing Equipment		876	
Law Enforcement Equipment		18,411	
Total Sheriff's Department			\$ 1,368,651

Jail

Assistant(s)	\$	37,385	
Supervisor/Director		41,285	
Deputy(ies)		460,372	
Secretary(ies)		30,000	
Cafeteria Personnel		75,000	
Overtime Pay		102,117	
Other Salaries and Wages		16,309	
Social Security		74,121	
Pensions		82,332	
Employee and Dependent Insurance		95,624	
Life Insurance		3,151	
Unemployment Compensation		1,911	
Other Fringe Benefits		31,710	
Communication		2,674	
Maintenance Agreements		21,212	
Maintenance and Repair Services - Equipment		21,006	
Maintenance and Repair Services - Office Equipment		2,804	
Medical and Dental Services		565,668	
Postal Charges		631	
Printing, Stationery, and Forms		1,477	
Travel		1,483	
Remittance of Revenue Collected		400	
Custodial Supplies		15,880	
Drugs and Medical Supplies		30,435	
Food Supplies		176,367	
Gasoline		747	
Library Books/Media		200	
Office Supplies		2,933	
Prisoners Clothing		8,999	
Uniforms		6,654	
Other Supplies and Materials		2,355	
Vehicle and Equipment Insurance		720	
Workers' Compensation Insurance		22,592	
Other Charges		1,808	
Food Service Equipment		1,935	
Office Equipment		1,445	
Total Jail			1,941,742

Workhouse

County Official/Administrative Officer	\$	12,138
Assistant(s)		24,498

(Continued)

Exhibit K-7

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

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

Laborers	\$	14,794	
Overtime Pay		912	
Social Security		3,521	
Pensions		5,668	
Employee and Dependent Insurance		21,396	
Life Insurance		362	
Unemployment Compensation		139	
Other Fringe Benefits		2,520	
Communication		1,853	
Maintenance and Repair Services - Buildings		167	
Maintenance and Repair Services - Equipment		29,168	
Pauper Burials		100	
Other Contracted Services		219	
Diesel Fuel		6,699	
Fertilizer, Lime, and Seed		7,574	
Gasoline		4,009	
Tires and Tubes		131	
Utilities		4,459	
Vehicle and Equipment Insurance		982	
Workers' Compensation Insurance		1,047	
Other Charges		898	
Building Improvements		362	
Other Equipment		6,500	
Total Workhouse			\$ 150,116

Fire Prevention and Control

Other Per Diem and Fees	\$	20,398	
Social Security		1,142	
Pensions		1,521	
Life Insurance		131	
Unemployment Compensation		75	
Contracts with Government Agencies		279,953	
Maintenance and Repair Services - Equipment		10,018	
Maintenance and Repair Services - Vehicles		9,611	
Diesel Fuel		6,176	
Gasoline		2,029	
Liability Insurance		845	
Vehicle and Equipment Insurance		39,135	
Workers' Compensation Insurance		6,142	
Total Fire Prevention and Control			377,176

Civil Defense

Contributions	\$	18,535	
Total Civil Defense			18,535

Rescue Squad

Contributions	\$	10,000	
Vehicle and Equipment Insurance		2,705	
Total Rescue Squad			12,705

(Continued)

Exhibit K-7

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

General Fund (Cont.)Public Safety (Cont.)County Coroner/Medical Examiner

Medical Personnel	\$	4,800	
Total County Coroner/Medical Examiner			\$ 4,800

Other Public Safety

Contracts with Government Agencies	\$	241,084	
Total Other Public Safety			241,084

Public Health and WelfareLocal Health Center

Custodial Personnel	\$	16,800	
Communication		3,113	
Contracts with Government Agencies		16,484	
Maintenance and Repair Services - Buildings		5,435	
Custodial Supplies		168	
Drugs and Medical Supplies		683	
Office Supplies		1,446	
Utilities		8,098	
Total Local Health Center			52,227

Rabies and Animal Control

Contracts with Government Agencies	\$	74,355	
Total Rabies and Animal Control			74,355

Ambulance/Emergency Medical Services

Supervisor/Director	\$	64,528	
Medical Personnel		2,000	
Materials Supervisor		9,025	
Paraprofessionals		336,322	
Secretary(ies)		31,178	
Attendants		336,830	
Part-time Personnel		45,739	
Overtime Pay		56,786	
Other Salaries and Wages		25,833	
In-service Training		4,694	
Social Security		70,990	
Pensions		89,558	
Employee and Dependent Insurance		77,413	
Life Insurance		3,610	
Unemployment Compensation		2,533	
Other Fringe Benefits		27,510	
Communication		5,818	
Contracts with Government Agencies		18,480	
Contracts with Private Agencies		25,035	
Data Processing Services		3,171	
Dues and Memberships		300	
Licenses		2,150	
Maintenance Agreements		6,745	

(Continued)

Exhibit K-7

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

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

Maintenance and Repair Services - Buildings	\$	5,200	
Maintenance and Repair Services - Vehicles		50,308	
Postal Charges		151	
Travel		584	
Custodial Supplies		2,179	
Diesel Fuel		38,837	
Drugs and Medical Supplies		52,243	
Gasoline		1,974	
Office Supplies		6,119	
Uniforms		7,763	
Utilities		8,722	
Other Supplies and Materials		1,810	
Liability Insurance		18,628	
Refunds		1,815	
Vehicle and Equipment Insurance		17,638	
Workers' Compensation Insurance		73,845	
Total Ambulance/Emergency Medical Services			\$ 1,534,064

Alcohol and Drug Programs

Other Supplies and Materials	\$	1,684	
Total Alcohol and Drug Programs			1,684

Other Local Health Services

Other Supplies and Materials	\$	10,564	
Total Other Local Health Services			10,564

Appropriation to State

Paraprofessionals	\$	37,489	
Clerical Personnel		45,151	
Social Security		6,365	
Pensions		6,530	
Employee and Dependent Insurance		11,680	
Life Insurance		343	
Unemployment Compensation		296	
Other Fringe Benefits		3,288	
Travel		2,152	
Other Supplies and Materials		19,725	
Workers' Compensation Insurance		1,925	
Total Appropriation to State			134,944

Social, Cultural, and Recreational ServicesLibraries

Librarians	\$	53,403	
Social Security		3,509	
Pensions		5,624	
Employee and Dependent Insurance		17,953	
Life Insurance		337	

(Continued)

Exhibit K-7

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

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

Unemployment Compensation	\$	140	
Other Fringe Benefits		4,900	
Contributions		75,272	
Workers' Compensation Insurance		99	
Total Libraries			\$ 161,237

Parks and Fair Boards

County Official/Administrative Officer	\$	21,177	
Supervisor/Director		21,272	
Foremen		30,035	
Laborers		115,744	
Secretary(ies)		31,950	
Temporary Personnel		53,477	
Overtime Pay		1,727	
Social Security		20,423	
Pensions		24,251	
Employee and Dependent Insurance		53,463	
Life Insurance		1,657	
Unemployment Compensation		1,142	
Other Fringe Benefits		13,650	
Communication		6,179	
Contributions		5,888	
Dues and Memberships		1,025	
Maintenance and Repair Services - Buildings		30,682	
Maintenance and Repair Services - Equipment		6,539	
Maintenance and Repair Services - Vehicles		3,212	
Pest Control		1,288	
Postal Charges		203	
Travel		753	
Custodial Supplies		8,201	
Fertilizer, Lime, and Seed		24,828	
Gasoline		10,044	
Office Supplies		5,696	
Utilities		84,808	
Other Supplies and Materials		28,624	
Refunds		15,250	
Vehicle and Equipment Insurance		3,154	
Workers' Compensation Insurance		9,905	
Other Charges		8,282	
Building Improvements		30,090	
Heating and Air Conditioning Equipment		14,007	
Maintenance Equipment		6,960	
Total Parks and Fair Boards			695,586

Agriculture and Natural ResourcesAgricultural Extension Service

Salary Supplements	\$	136,853	
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(Continued)

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Employee and Dependent Insurance	\$	27,959	
Communication		7,234	
Licenses		150	
Travel		2,348	
Custodial Supplies		629	
Other Supplies and Materials		1,140	
Other Charges		45	
Total Agricultural Extension Service			\$ 176,358

Soil Conservation

Secretary(ies)	\$	25,283	
Social Security		2,161	
Pensions		3,596	
Employee and Dependent Insurance		11,319	
Life Insurance		364	
Unemployment Compensation		70	
Other Fringe Benefits		3,780	
Workers' Compensation Insurance		66	
Total Soil Conservation			46,639

Other Operations

Industrial Development

Other Contracted Services	\$	90,739	
Other Charges		8,265	
Total Industrial Development			99,004

Veterans' Services

Other Salaries and Wages	\$	13,104	
Social Security		1,023	
Unemployment Compensation		67	
Communication		2,292	
Maintenance Agreements		399	
Postal Charges		107	
Rentals		600	
Travel		972	
Office Supplies		103	
Workers' Compensation Insurance		24	
Office Equipment		2,029	
Total Veterans' Services			20,720

Contributions to Other Agencies

Contributions	\$	87,178	
Remittance of Revenue Collected		25,116	
Total Contributions to Other Agencies			112,294

Miscellaneous

Pensions	\$	1,747	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)Other Operations (Cont.)Miscellaneous (Cont.)

Building and Contents Insurance	\$	70,244	
Liability Insurance		81,401	
Trustee's Commission		159,511	
Other Charges		14,288	
Total Miscellaneous			\$ 327,191

Principal on DebtGeneral Government

Principal on Capital Leases	\$	6,009	
Total General Government			6,009

Interest on DebtGeneral Government

Interest on Capital Leases	\$	1,548	
Total General Government			1,548

Total General Fund \$ 10,808,890

Solid Waste/Sanitation FundPublic Health and WelfareWaste Pickup

Supervisor/Director	\$	21,001
Equipment Operators		94,445
Secretary(ies)		32,235
Educational Assistants		158
Part-time Personnel		3,835
Overtime Pay		1,756
Employee and Dependent Insurance		432
Life Insurance		391
Unemployment Compensation		484
Other Fringe Benefits		6,335
Communication		300
Data Processing Services		32,456
Legal Notices, Recording, and Court Costs		300
Maintenance and Repair Services - Equipment		200
Maintenance and Repair Services - Office Equipment		471
Postal Charges		16,534
Printing, Stationery, and Forms		636
Crushed Stone		9,548
Diesel Fuel		39,568
Electricity		5,060
Equipment and Machinery Parts		151,272
Gasoline		7,334
Instructional Supplies and Materials		10,125
Lubricants		3,471
Tires and Tubes		15,016
Other Supplies and Materials		6,547

(Continued)

Exhibit K-7

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

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

Other Charges	\$	1,347	
Maintenance Equipment		9,212	
Motor Vehicles		51,800	
Total Waste Pickup			\$ 522,269

Other OperationsOther Charges

Trustee's Commission	\$	6,647	
Vehicle and Equipment Insurance		5,676	
Workers' Compensation Insurance		7,755	
Total Other Charges			20,078

Employee Benefits

Social Security	\$	12,166	
Pensions		13,034	
Employee and Dependent Insurance		18,548	
Total Employee Benefits			43,748

Principal on DebtGeneral Government

Principal on Capital Leases	\$	15,345	
Total General Government			15,345

Interest on DebtGeneral Government

Interest on Capital Leases	\$	1,213	
Total General Government			1,213

Total Solid Waste/Sanitation Fund \$ 602,653

Drug Control FundPublic SafetyDrug Enforcement

Instructional Supplies and Materials	\$	157	
Law Enforcement Supplies		19,314	
Trustee's Commission		235	
Law Enforcement Equipment		4,781	
Motor Vehicles		66,152	
Total Drug Enforcement			\$ 90,639

Total Drug Control Fund 90,639

Constitutional Officers - Fees FundFinanceCounty Trustee's Office

Constitutional Officers' Operating Expenses	\$	188,307	
Total County Trustee's Office			\$ 188,307

(Continued)

Exhibit K-7

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

Constitutional Officers - Fees Fund (Cont.)Administration of JusticeChancery Court

Constitutional Officers' Operating Expenses	\$ 1,681	
Total Chancery Court		\$ 1,681

Total Constitutional Officers - Fees Fund \$ 189,988

Highway/Public Works FundHighwaysAdministration

County Official/Administrative Officer	\$ 72,644	
Accountants/Bookkeepers	45,463	
Longevity Pay	1,470	
Board and Committee Members Fees	13,200	
Communication	5,637	
Data Processing Services	9,067	
Dues and Memberships	3,338	
Legal Notices, Recording, and Court Costs	1,315	
Maintenance and Repair Services - Office Equipment	45	
Postal Charges	602	
Printing, Stationery, and Forms	83	
Travel	1,591	
Drugs and Medical Supplies	422	
Electricity	12,153	
Office Supplies	818	
Other Charges	2,639	
Total Administration		\$ 170,487

Highway and Bridge Maintenance

Laborers	\$ 464,760	
Asphalt - Hot Mix	628,043	
Asphalt - Liquid	285,138	
Crushed Stone	152,425	
Fertilizer, Lime, and Seed	82,920	
Other Road Materials	11,129	
Pipe	62,092	
Road Signs	3,406	
Salt	12,818	
Wood Products	842	
Total Highway and Bridge Maintenance		1,703,573

Operation and Maintenance of Equipment

Laborers	\$ 86,158	
Diesel Fuel	177,057	
Equipment and Machinery Parts	118,686	
Gasoline	122,860	
Lubricants	2,810	
Tires and Tubes	18,769	
Total Operation and Maintenance of Equipment		526,340

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)Highways (Cont.)Other Charges

Premiums on Corporate Surety Bonds	\$	669	
Trustee's Commission		33,364	
Vehicle and Equipment Insurance		35,391	
Workers' Compensation Insurance		36,963	
Total Other Charges			\$ 106,387

Employee Benefits

Social Security	\$	50,035	
Pensions		59,596	
Employee and Dependent Insurance		168,930	
Unemployment Compensation		361	
Other Fringe Benefits		2,466	
Total Employee Benefits			281,388

Capital Outlay

Engineering Services	\$	55,535	
Bridge Construction		19,790	
Highway Equipment		490,159	
State Aid Projects		877,235	
Other Capital Outlay		1,971	
Total Capital Outlay			<u>1,444,690</u>

Total Highway/Public Works Fund \$ 4,232,865

General Debt Service FundPrincipal on DebtGeneral Government

Principal on Bonds	\$	1,406,320	
Principal on Notes		15,000	
Principal on Capital Leases		80,588	
Total General Government			\$ 1,501,908

Education

Principal on Bonds	\$	93,000	
Principal on Notes		80,000	
Principal on Other Loans		200,004	
Total Education			373,004

Interest on DebtGeneral Government

Interest on Bonds	\$	479,217	
Interest on Notes		3,879	
Interest on Capital Leases		3,264	
Total General Government			486,360

Education

Interest on Bonds	\$	32,686	
Interest on Notes		13	
Total Education			32,699

(Continued)

Exhibit K-7

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

General Debt Service Fund (Cont.)Other Debt ServiceGeneral Government

Trustee's Commission	\$	25,129	
Other Debt Issuance Charges		8,614	
Other Debt Service		<u>2,095</u>	
Total General Government			\$ 35,838

Education

Contributions	\$	80,000	
Other Debt Issuance Charges		<u>315</u>	
Total Education			<u>80,315</u>

Total General Debt Service Fund \$ 2,510,124

General Capital Projects FundCapital ProjectsGeneral Administration Projects

Building Improvements	\$	148,730	
Heating and Air Conditioning Equipment		<u>174,387</u>	
Total General Administration Projects			\$ 323,117

Other General Government Projects

Building Improvements	\$	40,000	
Total Other General Government Projects			<u>40,000</u>

Total General Capital Projects Fund 363,117

Community Development/Industrial Park FundCapital ProjectsPublic Safety Projects

Contracts with Private Agencies	\$	6,500	
Engineering Services		<u>2,800</u>	
Total Public Safety Projects			\$ 9,300

Public Health and Welfare Projects

Contracts with Private Agencies	\$	4,500	
Motor Vehicles		263,926	
Health Equipment		<u>22,461</u>	
Total Public Health and Welfare Projects			<u>290,887</u>

Total Community Development/Industrial Park Fund 300,187

HUD Grant Projects FundCapital ProjectsOther General Government Projects

Consultants	\$	3,000	
Total Other General Government Projects			<u>\$ 3,000</u>

Total HUD Grant Projects Fund 3,000

(Continued)

Exhibit K-7

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

Education Capital Projects Fund

Other Debt Service

Education

Underwriter's Discount	\$ 26,427	
Other Debt Issuance Charges	<u>44,950</u>	
Total Education		\$ 71,377

Capital Projects

Education Capital Projects

Contributions	\$ 1,733,069	
Total Education Capital Projects		<u>1,733,069</u>

Total Education Capital Projects Fund \$ 1,804,446

Other Capital Projects Fund

Capital Projects

General Administration Projects

Building Improvements	\$ 7,355	
Total General Administration Projects		\$ 7,355

Other General Government Projects

Engineering Services	\$ 1,670	
Other Construction	<u>1,300</u>	
Total Other General Government Projects		<u>2,970</u>

Total Other Capital Projects Fund 10,325

Total Governmental Funds - Primary Government \$ 20,916,234

Exhibit K-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 6,795,920	
Career Ladder Program	33,003	
Career Ladder Extended Contracts	4,946	
Educational Assistants	637,683	
Other Salaries and Wages	42,891	
Certified Substitute Teachers	28,175	
Non-certified Substitute Teachers	70,420	
Social Security	432,959	
Pensions	673,476	
Medical Insurance	1,018,246	
Dental Insurance	34,656	
Employer Medicare	103,287	
Travel	624	
Other Contracted Services	52,260	
Instructional Supplies and Materials	180,349	
Textbooks - Bound	46,372	
Other Supplies and Materials	10,497	
In Service/Staff Development	352	
Other Charges	33,002	
Regular Instruction Equipment	17,087	
Total Regular Instruction Program		\$ 10,216,205

Alternative Instruction Program

Teachers	\$ 427,498	
Career Ladder Program	1,625	
Other Salaries and Wages	64,958	
Non-certified Substitute Teachers	5,067	
Social Security	27,467	
Pensions	42,833	
Medical Insurance	59,189	
Dental Insurance	2,176	
Employer Medicare	6,843	
Instructional Supplies and Materials	81	
Other Equipment	539	
Total Alternative Instruction Program		638,276

Special Education Program

Teachers	\$ 1,163,112	
Career Ladder Program	3,000	
Homebound Teachers	28,889	
Educational Assistants	158,944	
Other Salaries and Wages	51,275	
Certified Substitute Teachers	8,257	
Non-certified Substitute Teachers	11,134	
Social Security	83,388	
Pensions	125,577	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Medical Insurance	\$	152,027	
Dental Insurance		6,752	
Employer Medicare		19,681	
Other Contracted Services		12,421	
Instructional Supplies and Materials		8,369	
Other Supplies and Materials		32,979	
Special Education Equipment		5,624	
Total Special Education Program			\$ 1,871,429

Career and Technical Education Program

Teachers	\$	487,686	
Certified Substitute Teachers		1,322	
Non-certified Substitute Teachers		11,668	
Social Security		29,052	
Pensions		44,266	
Medical Insurance		68,524	
Dental Insurance		1,841	
Employer Medicare		6,814	
Maintenance and Repair Services - Equipment		1,238	
Other Contracted Services		2,470	
Instructional Supplies and Materials		8,746	
T&I Construction Materials		4,474	
Textbooks - Bound		11,806	
Other Supplies and Materials		1,449	
Vocational Instruction Equipment		135,255	
Total Career and Technical Education Program			816,611

Support Services

Attendance

Supervisor/Director	\$	69,112	
Career Ladder Program		1,000	
Other Salaries and Wages		5,769	
Social Security		4,379	
Pensions		6,913	
Medical Insurance		14,072	
Dental Insurance		560	
Employer Medicare		1,024	
Travel		190	
Other Contracted Services		16,601	
Other Supplies and Materials		951	
In Service/Staff Development		3,222	
Other Charges		589	
Total Attendance			124,382

Health Services

Supervisor/Director	\$	56,572	
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(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Career Ladder Program	\$	2,000	
Medical Personnel		77,551	
Certified Substitute Teachers		420	
Social Security		8,232	
Pensions		12,623	
Medical Insurance		4,733	
Dental Insurance		530	
Employer Medicare		1,925	
Travel		3,351	
Other Contracted Services		6,868	
Drugs and Medical Supplies		2,493	
Other Supplies and Materials		10,152	
In Service/Staff Development		2,247	
Other Charges		5,299	
Total Health Services			\$ 194,996

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		260,367	
Other Salaries and Wages		76,250	
Social Security		19,547	
Pensions		30,270	
Medical Insurance		44,362	
Dental Insurance		1,522	
Employer Medicare		4,571	
Contracts with Government Agencies		130,288	
Contracts with Other School Systems		59,562	
Evaluation and Testing		19,343	
Travel		1,037	
Other Contracted Services		350	
Other Supplies and Materials		4,505	
In Service/Staff Development		1,758	
Other Charges		19,434	
Other Equipment		1,000	
Total Other Student Support			675,166

Regular Instruction Program

Supervisor/Director	\$	378,193	
Career Ladder Program		8,001	
Librarians		231,000	
Instructional Computer Personnel		110,090	
Social Security		42,285	
Pensions		66,008	
Medical Insurance		95,366	
Dental Insurance		3,439	
Employer Medicare		9,889	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Travel	\$	8,064	
Other Contracted Services		6,819	
Library Books/Media		17,209	
Other Supplies and Materials		410	
In Service/Staff Development		13,781	
Other Equipment		6,933	
Total Regular Instruction Program			\$ 997,487

Alternative Instruction Program

Travel	\$	2,748	
Other Contracted Services		13,837	
Total Alternative Instruction Program			16,585

Special Education Program

Supervisor/Director	\$	136,378	
Career Ladder Program		2,000	
Psychological Personnel		92,408	
Clerical Personnel		31,291	
Social Security		15,759	
Pensions		21,823	
Medical Insurance		13,550	
Dental Insurance		776	
Employer Medicare		3,686	
Travel		7,439	
Other Contracted Services		21,036	
Other Supplies and Materials		3,488	
In Service/Staff Development		3,332	
Total Special Education Program			352,966

Career and Technical Education Program

Supervisor/Director	\$	61,133	
Secretary(ies)		38,711	
Social Security		5,956	
Pensions		8,501	
Medical Insurance		4,945	
Dental Insurance		265	
Employer Medicare		1,393	
Travel		1,338	
Other Contracted Services		70	
Other Supplies and Materials		3,622	
In Service/Staff Development		2,778	
Total Career and Technical Education Program			128,712

Technology

Supervisor/Director	\$	16,502	
Data Processing Personnel		97,168	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Technology (Cont.)

Social Security	\$	6,664	
Pensions		11,215	
Medical Insurance		10,394	
Employer Medicare		1,558	
Data Processing Services		53,180	
Internet Connectivity		35,820	
Travel		4,574	
Other Contracted Services		3,806	
Data Processing Supplies		4,250	
Office Supplies		96	
Cabling		8,607	
Software		13,090	
Other Supplies and Materials		18	
In Service/Staff Development		7,056	
Data Processing Equipment		10,289	
Other Equipment		2,014	
Total Technology			\$ 286,301

Other Programs

On-behalf Payments to OPEB	\$	70,082	
Total Other Programs			70,082

Board of Education

Secretary to Board	\$	3,041	
Board and Committee Members Fees		4,800	
Social Security		456	
Pensions		304	
Medical Insurance		905	
Unemployment Compensation		14,462	
Employer Medicare		107	
Audit Services		11,500	
Dues and Memberships		7,930	
Legal Services		7,789	
Travel		17,877	
Other Contracted Services		44,000	
Other Supplies and Materials		619	
Liability Insurance		36,974	
Premiums on Corporate Surety Bonds		700	
Trustee's Commission		149,197	
Workers' Compensation Insurance		205,749	
In Service/Staff Development		3,325	
Refund to Applicant for Criminal Investigation		1,140	
Other Charges		4,690	
Total Board of Education			515,565

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools

County Official/Administrative Officer	\$	100,087	
Career Ladder Program		1,000	
Clerical Personnel		95,456	
Social Security		11,110	
Pensions		18,724	
Medical Insurance		35,115	
Dental Insurance		268	
Employer Medicare		2,598	
Communication		34,350	
Dues and Memberships		2,912	
Postal Charges		4,443	
Travel		10,396	
Other Contracted Services		5,890	
Office Supplies		9,997	
Other Supplies and Materials		248	
In Service/Staff Development		420	
Other Charges		2,582	
Administration Equipment		559	
Total Director of Schools			\$ 336,155

Office of the Principal

Principals	\$	306,053	
Career Ladder Program		2,500	
Accountants/Bookkeepers		62,372	
Assistant Principals		480,415	
Secretary(ies)		205,726	
Social Security		61,723	
Pensions		98,313	
Medical Insurance		125,920	
Dental Insurance		3,045	
Employer Medicare		14,435	
Communication		35,679	
Travel		1,425	
Other Contracted Services		34,727	
Other Supplies and Materials		328	
In Service/Staff Development		500	
Other Charges		180	
Administration Equipment		330	
Total Office of the Principal			1,433,671

Fiscal Services

Supervisor/Director	\$	72,901	
Accountants/Bookkeepers		100,789	
Clerical Personnel		57,782	
Social Security		13,390	
Pensions		19,643	

(Continued)

Exhibit K-8

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

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

Medical Insurance	\$	31,209	
Employer Medicare		3,131	
Travel		1,025	
Other Contracted Services		14,316	
Data Processing Supplies		2,284	
Other Supplies and Materials		442	
In Service/Staff Development		400	
Other Charges		50	
Administration Equipment		2,805	
Total Fiscal Services			\$ 320,167

Operation of Plant

Other Salaries and Wages	\$	1,600	
Social Security		99	
Employer Medicare		23	
Other Contracted Services		621,262	
Electricity		560,689	
Natural Gas		108,272	
Water and Sewer		65,757	
Boiler Insurance		8,165	
Building and Contents Insurance		148,764	
Total Operation of Plant			1,514,631

Maintenance of Plant

Supervisor/Director	\$	103,303	
Maintenance Personnel		213,554	
Social Security		18,815	
Pensions		30,691	
Medical Insurance		34,530	
Dental Insurance		137	
Employer Medicare		4,400	
Laundry Service		920	
Maintenance and Repair Services - Buildings		155,661	
Maintenance and Repair Services - Equipment		5,491	
Other Contracted Services		119,557	
Other Supplies and Materials		126,520	
In Service/Staff Development		254	
Other Charges		1,893	
Administration Equipment		13,949	
Maintenance Equipment		4,466	
Total Maintenance of Plant			834,141

Transportation

Supervisor/Director	\$	95,266	
Mechanic(s)		152,355	
Bus Drivers		586,593	

(Continued)

Exhibit K-8

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

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

Other Salaries and Wages	\$	164,083	
Social Security		60,900	
Pensions		84,685	
Medical Insurance		36,490	
Dental Insurance		341	
Employer Medicare		14,243	
Communication		25,038	
Contracts with Parents		8,118	
Laundry Service		4,511	
Maintenance and Repair Services - Vehicles		12,676	
Medical and Dental Services		14,564	
Travel		2,593	
Other Contracted Services		33,410	
Diesel Fuel		151,114	
Gasoline		11,653	
Lubricants		12,088	
Tires and Tubes		17,877	
Vehicle Parts		176,518	
Other Supplies and Materials		39,637	
Vehicle and Equipment Insurance		45,931	
In Service/Staff Development		1,216	
Other Charges		3,125	
Administration Equipment		1,504	
Transportation Equipment		<u>372,202</u>	
Total Transportation	\$		2,128,731

Operation of Non-Instructional ServicesCommunity Services

Other Salaries and Wages	\$	1,687	
Social Security		105	
Pensions		169	
Employer Medicare		24	
Other Supplies and Materials		<u>27,627</u>	
Total Community Services			29,612

Early Childhood Education

Supervisor/Director	\$	29,894	
Teachers		289,997	
Educational Assistants		101,433	
Other Salaries and Wages		15,283	
Certified Substitute Teachers		1,568	
Non-certified Substitute Teachers		2,671	
Social Security		25,507	
Pensions		40,703	
Medical Insurance		64,540	
Dental Insurance		1,528	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)Operation of Non-Instructional Services (Cont.)Early Childhood Education (Cont.)

Employer Medicare	\$	5,983	
Other Contracted Services		300	
Instructional Supplies and Materials		5,890	
In Service/Staff Development		941	
Other Charges		2,687	
Total Early Childhood Education			\$ 588,925

Other Debt ServiceEducation

Debt Service Contribution to Primary Government	\$	50,000	
Total Education			50,000

Total General Purpose School Fund \$ 24,140,796

School Federal Projects FundInstructionRegular Instruction Program

Supervisor/Director	\$	1,600	
Teachers		902,551	
Educational Assistants		187,273	
Other Salaries and Wages		15,411	
Certified Substitute Teachers		1,845	
Non-certified Substitute Teachers		5,080	
Social Security		65,809	
Pensions		99,556	
Medical Insurance		76,380	
Dental Insurance		2,683	
Employer Medicare		15,582	
Instructional Supplies and Materials		67,811	
Total Regular Instruction Program			\$ 1,441,581

Special Education Program

Teachers	\$	36,855	
Educational Assistants		417,568	
Social Security		26,405	
Pensions		43,175	
Medical Insurance		73,832	
Dental Insurance		265	
Employer Medicare		6,175	
Instructional Supplies and Materials		655	
Total Special Education Program			604,930

Career and Technical Education Program

Instructional Supplies and Materials	\$	9,499	
Vocational Instruction Equipment		29,077	
Total Career and Technical Education Program			38,576

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services

Other Student Support

Other Salaries and Wages	\$	62,908	
Social Security		3,792	
Pensions		5,712	
Medical Insurance		5,237	
Dental Insurance		268	
Employer Medicare		887	
Travel		10,705	
Instructional Supplies and Materials		38,500	
Other Supplies and Materials		21,580	
In Service/Staff Development		26,246	
Other Charges		5,435	
Total Other Student Support			\$ 181,270

Regular Instruction Program

Supervisor/Director	\$	31,072	
Instructional Computer Personnel		28,503	
Other Salaries and Wages		111,846	
Social Security		10,628	
Pensions		15,888	
Employer Medicare		2,447	
Travel		1,425	
Food Supplies		206	
Other Supplies and Materials		50,793	
In Service/Staff Development		110,924	
Total Regular Instruction Program			363,732

Special Education Program

Assessment Personnel	\$	54,000	
Social Security		3,215	
Pensions		4,903	
Medical Insurance		4,733	
Dental Insurance		265	
Employer Medicare		752	
Travel		2,001	
Other Contracted Services		17,351	
Other Supplies and Materials		7,021	
In Service/Staff Development		9,843	
Total Special Education Program			104,084

Career and Technical Education Program

Travel	\$	2,197	
In Service/Staff Development		962	
Total Career and Technical Education Program			3,159

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	37,532	
Teachers		214,862	
Clerical Personnel		1,567	
Educational Assistants		12,960	
Other Salaries and Wages		35,687	
Social Security		18,635	
Pensions		27,945	
Medical Insurance		5,278	
Employer Medicare		4,358	
Travel		1,134	
Instructional Supplies and Materials		4,501	
Other Supplies and Materials		101	
In Service/Staff Development		2,859	
Other Charges		14,925	
Total Community Services			\$ 382,344

Total School Federal Projects Fund \$ 3,119,676

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	52,909	
Accountants/Bookkeepers		35,529	
Clerical Personnel		30,807	
Cafeteria Personnel		537,617	
Social Security		39,066	
Pensions		65,126	
Medical Insurance		40,789	
Dental Insurance		273	
Unemployment Compensation		1,258	
Employer Medicare		9,136	
Other Fringe Benefits		19,422	
Maintenance and Repair Services - Equipment		8,334	
Transportation - Other than Students		7,376	
Travel		4,934	
Other Contracted Services		11,504	
Food Preparation Supplies		53,685	
Food Supplies		810,865	
Office Supplies		5,426	
Uniforms		3,802	
USDA - Commodities		119,222	
Other Supplies and Materials		25,811	
In Service/Staff Development		7,796	
Other Charges		2,040	
Food Service Equipment		5,598	
Total Food Service			\$ 1,898,325

Total Central Cafeteria Fund 1,898,325

(Continued)

Exhibit K-8

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

<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Other Capital Outlay	\$	1,733,069	
Total Education Capital Projects			\$ 1,733,069
Total Education Capital Projects Fund			\$ 1,733,069
Total Governmental Funds - Haywood County School Department			\$ 30,891,866

Exhibit K-9

Haywood County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2018

	Cities - Sales Tax Fund
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 1,625,692
Total Cash Receipts	<u>\$ 1,625,692</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,609,435
Trustee's Commission	16,257
Total Cash Disbursements	<u>\$ 1,625,692</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2017	<u>0</u>
Cash Balance, June 30, 2018	<u>\$ 0</u>

SINGLE AUDIT SECTION



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

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Haywood County's basic financial statements, and have issued our report thereon dated February 19, 2019. Our report includes a reference to other auditors who audited the financial statements of the Haywood County Utility District, as described in our report on Haywood County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies: 2018-001, 2018-002 and 2018-004.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Haywood 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2018-003.

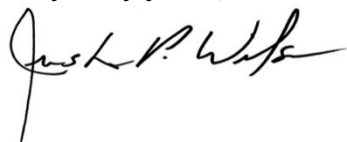
Haywood County's Responses to the Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Haywood 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 19, 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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Haywood 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 Haywood County's major federal programs for the year ended June 30, 2018. Haywood 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 Haywood 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 Haywood 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 Haywood County's compliance.

Opinion on Each Major Federal Program

In our opinion, Haywood 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 Haywood 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 Haywood 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 Haywood County's internal control over compliance.

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

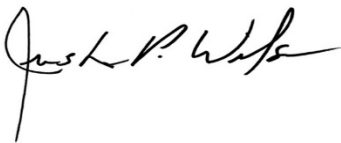
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Haywood County, Tennessee, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Haywood County's basic financial statements. We issued our report thereon dated February 19, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 19, 2019

JPW/kp

Haywood County, Tennessee, and the Haywood 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	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster: (3)			
School Breakfast Program	10.553	N/A	\$ 488,794
National School Lunch Program	10.555	N/A	1,165,908 (5)
Summer Food Service Program for Children	10.559	N/A	37,694
Passed-through State Department of Agriculture:			
Child Nutrition Cluster: (3)			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	119,222 (5)
Total U.S. Department of Agriculture			<u>\$ 1,811,618</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	34817	\$ 271,208
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnerships Programs	14.239	N/A	3,000
Total U.S. Department of Housing and Urban Development			<u>\$ 274,208</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(4)	\$ 13,500
Total U.S. Department of Justice			<u>\$ 13,500</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 961,085
Special Education Cluster: (3)			
Special Education - Grants to States	84.027	N/A	672,936
Special Education - Preschool Grants	84.173	N/A	47,166
Career and Technical Education - Basic Grants to States	84.048	N/A	58,193
Twenty-first Century Community Learning Centers	84.287	N/A	395,000
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A	134,560
Rural Education	84.358	N/A	48,909
Improving Teacher Quality State Grants	84.367	N/A	120,993
Teacher Incentive Fund	84.374	N/A	674,104
Passed-through State Department of Human Services:			
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	Z18-54018	63,761
Passed-through Lauderdale County Board of Education:			
English Language Acquisition State Grants	84.365	N/A	6,563
Total U.S. Department of Education			<u>\$ 3,183,270</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Human Services:			
CCDF Cluster:			
Child Care and Development Block Grant	93.575	N/A	\$ 39,057
Total U.S. Department of Health and Human Services			<u>\$ 39,057</u>

(Continued)

Haywood County, Tennessee, and the Haywood 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	Pass-through Entity Identifying Number	Expenditures
Executive Office of the President: Passed-through Thirtieth Judicial District Drug Task Force: High Intensity Drug Trafficking Areas Program	95.001	(4)	\$ 1,919
Total Executive Office of the President			<u>\$ 1,919</u>
Total Expenditures of Federal Awards			<u><u>\$ 5,323,572</u></u>

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Innovative Healthful Behavioral Services - State Department of Health	N/A	34360-75417	\$ 11,369
Clean Tennessee Energy - State Department of Environment and Conservation	N/A	(4)	145,504
Litter Grant - State Department of Transportation	N/A	(4)	40,830
Early Childhood Education - State Department of Education	N/A	(4)	610,008
ConnecTenn - State Department of Education	N/A	(4)	7,438
Family Resource Center - State Department of Education	N/A	(4)	29,612
Coordinated School Health - State Department of Education	N/A	(4)	90,000
Safe Schools - State Department of Education	N/A	(4)	16,570
CTE Equipment Grant - State Department of Education	N/A	(4)	<u>129,222</u>
Total State Grants			<u><u>\$ 1,080,553</u></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) Haywood County elected not to use the 10% de minimis cost rate permitted in the Uniform Guidance.

(3) Child Nutrition Cluster total is \$1,811,618; Special Education Cluster total is \$720,102.

(4) Information not available.

(5) Total for CFDA No. 10.555 is \$1,285,130.

Haywood 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 Haywood 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
<u>OFFICE OF COUNTY MAYOR</u>					
2017	194	2017-001	The Solid Waste Disposal Fund had a Deficit in Unrestricted Net Position	N/A	Not Corrected - See Explanation on Corrective Action Plan
2017	194	2017-002	The Office had Deficiencies in Purchasing Procedures	N/A	Corrected
2017	195	2017-003	County Officials did not Adequately Control Access to the Courthouse Offices	N/A	Not Corrected - See Explanation on Corrective Action Plan
2017	196	2017-004	The Office Used a Signature Stamp for Some Vendor and Payroll Checks	N/A	Corrected
2017	196	2017-005	The Office had Deficiencies in Budget Operations	N/A	Not Corrected - See Explanation on Corrective Action Plan
<u>OFFICE OF CHIEF ADMINISTRATIVE HIGHWAY OFFICER</u>					
2017	197	2017-006	The Highway Department did not Maintain a System to Account for Materials Used on Some Types of Road Projects	N/A	Corrected
2017	198	2017-007	Duties were not Segregated Adequately	N/A	Corrected
<u>OFFICE OF DIRECTOR OF SCHOOLS</u>					
2017	199	2017-008	Funds were Transferred from the General Purpose School Fund to the School Federal Projects Fund with County Commission and Board of Education Approval	N/A	Corrected

Prior-year Federal Awards Findings

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

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

PART I, SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

1. Our report on the financial statements of Haywood County is unmodified.
2. Internal Control Over Financial Reporting:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **YES**
3. Noncompliance material to the financial statements noted? **NO**

Federal Awards:

4. Internal Control Over Major Federal Programs:
 - * Material weakness identified? **NO**
 - * Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs. **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of Major Federal Programs:
 - * CFDA Numbers 10.533, 10.555, and 10.559 Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children
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

Findings and recommendations, as a result of our audit, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. Written responses for all findings are paraphrased and presented following each finding and recommendation. Management's corrective action plans, whether related to the financial statements or federal awards, are presented separately in the Management's Corrective Action Plan in the Single Audit Section of this report. Findings relating specifically to the audit of federal awards, if any, are separately presented under Part III, Findings and Questioned Costs for Federal Awards.

OFFICE OF COUNTY MAYOR

FINDING 2018-001

THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN UNRESTRICTED NET POSITION

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

The Solid Waste Disposal Fund had a deficit in unrestricted net position of \$1,042,902 at June 30, 2018. This deficit resulted from the recognition of a liability totaling \$1,730,644 in the financial statements for costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency exists because management failed to correct the finding noted in prior-year audit reports and failed to provide adequate financing to fund the liability.

RECOMMENDATION

County officials should develop and implement a plan that would fund the deficit in unrestricted net position.

MANAGEMENT'S RESPONSE – FRANKLIN SMITH, FORMER COUNTY MAYOR

I concur with this finding. The liability for costs associated with closing the Haywood County Landfill in 1998 and monitoring the landfill for 30 years after its closure will be complete at the end of the postclosure term in 2028. In the event of a problem arising from the closed landfill, the county will use all available funds to correct the problem.

FINDING 2018-002

COUNTY OFFICIALS DID NOT ADEQUATELY CONTROL ACCESS TO THE COURTHOUSE OFFICES

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

Our examination disclosed that county officials did not adequately control access to the courthouse offices. One key will open multiple doors in the courthouse: at least one exterior door to the courthouse, a conference room, and the Offices of the Trustee, County Mayor, and Budget Director. Individuals who are not office employees could potentially enter one of the

offices unsupervised. Sound business practices dictate that unsupervised access to offices weakens internal controls over assets. This deficiency is the result of management's decision, management's failure to correct the finding noted in the prior-year audit report, and management's failure to implement their corrective action plan.

RECOMMENDATION

County officials should control access to the courthouse offices.

MANAGEMENT'S RESPONSE – FRANKLIN SMITH, FORMER COUNTY MAYOR

I concur with this finding.

FINDING 2018-003

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

(Noncompliance Under *Government Auditing Standards*)

Our examination revealed the following deficiencies in budget operations of the office. These deficiencies exist because management failed to hold spending to the limits authorized by the county commission, which resulted in unauthorized expenditures, and management failed to provide sufficient oversight. These deficiencies also exist because management failed to correct the finding noted in the prior-year audit report and failed to implement their corrective action plan.

- A. Expenditures exceeded appropriations approved by the county commission in two of 43 major appropriation categories (the legal level of control) of the General Fund. These over expenditures are reflected in the following table:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Agricultural and Natural Resources - Agricultural Extension Service	\$ 30,990
Other Operations - Contributions to Other Agencies	114

- B. The budget and subsequent amendments approved by the county commission for the Solid Waste/Sanitation Fund resulted in appropriations exceeding estimated available funding by \$11,315. Sound budgetary principles dictate that appropriations be held within estimated available funding.

Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies."

RECOMMENDATION

Expenditures should be held within appropriations approved by the county commission. Appropriations that exceed estimated available funding should not be submitted to the county commission, and the county commission should not approve such appropriations.

MANAGEMENT'S RESPONSE – FRANKLIN SMITH, FORMER COUNTY MAYOR

I concur with this finding.

FINDING 2018-004

GENERAL LEDGER PAYROLL DEDUCTION ACCOUNTS WERE NOT RECONCILED WITH PAYROLL REPORTS AND PAYMENTS IN THE GENERAL FUND

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

General ledger payroll deduction accounts were not reconciled with payroll reports and payments in the General Fund. Sound business practices dictate that these reconciliations be performed monthly. The failure to regularly reconcile payroll deduction accounts allows errors to remain undiscovered and uncorrected. This deficiency exists due to a lack of management oversight.

RECOMMENDATION

General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors should be corrected promptly.

MANAGEMENT'S RESPONSE – FRANKLIN SMITH, FORMER COUNTY MAYOR

I concur with this finding.

PART III, FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

There were no findings and questioned costs related to federal awards for the year ended June 30, 2018.

Haywood County, Tennessee
Management's Corrective Action Plan
For the Year Ended June 30, 2018

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

Finding Number	Title of Finding	Corrective Action Plan Page Number
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OFFICE OF COUNTY MAYOR

2018-001	The Solid Waste Disposal Fund had a Deficit in Unrestricted Net Position	211
2018-002	County Officials did not Adequately Control Access to the Courthouse Offices	211
2018-003	The Office had Deficiencies in Budget Operations	211
2018-004	General Ledger Payroll Deduction Accounts were not Reconciled with Payroll Reports and Payments in the General Fund	212

HAYWOOD COUNTY

TELEPHONE (731) 772-1432



OFFICE OF
COUNTY MAYOR

COURTHOUSE

1 NORTH WASHINGTON • BROWNSVILLE, TN 38012

February 13, 2019

Greg Howell
Division of Local Government
225 Martin Luther King Drive
Tower A, Suite #405
Jackson, Tennessee 38301

RE: Haywood County Government Audit findings for the fiscal year June 30, 2018.

Dear Sirs,

Please be advised that I concur with the following findings, to wit:

- A. The Solid Waste Disposal Fund had a deficiency in unrestricted net position.*
- B. County Officials did not adequately control access to the courthouse offices.*
- C. The Office had deficiencies in budget operations.*
- D. The General Ledger Payroll Deduction accounts were not reconciled with payroll reports and payments in the General Fund.*
- E. Haywood County should adopt a Centralized System of Accounting, Budgeting, and Purchasing.*

Sincerely


David M. Livingston
Haywood County Mayor

HAYWOOD COUNTY

TELEPHONE (731) 772-1432



OFFICE OF
COUNTY MAYOR

COURTHOUSE

1 NORTH WASHINGTON • BROWNSVILLE, TN 38012

February 13, 2019

Greg Howell
Division of Local Government
225 Martin Luther King Drive
Tower A, Suite #405
Jackson, Tennessee 38301

RE: Haywood County Government Audit findings for the fiscal year, June 30, 2018.

Dear Sirs,

Having concurred with the findings of the above listed audit, the following corrective action regarding thereto are purposed, to wit:

In all regards, the response and corrective Action Plan was prepared by David M. Livingston, County Mayor of Haywood County, Tennessee.

The person responsible for implementation of the corrective action is David M. Livingston, County Mayor of Haywood County, Tennessee.

The anticipated completion date for Curative or Corrective Action shall be June 30, 2019.

The detailed narrative regarding corrective action is as follows, to wit:

1. Solid Waste Disposal Funds deficiency:

Adequate Funds are not available to satisfy the potential liability which is diminished over time. The County shall develop a plan to continue to diminish the liability and appropriate necessary funds when funds become available.

2. Adequate control to the Courthouse:

Develop and implement a comprehensive security plan to limit the access to the listed offices of County Mayor, Trustee, County Clerk, Register of Deeds, Budget Director, and Conference Room to those employees working in those particular offices only. After hours janitorial work shall be limited to common areas only.

3. Deficiencies in Budget Operations

Stop spending unauthorized expenditures and obtain required authority to expend such funds by way of budget amendment prior to expenditure.

HAYWOOD COUNTY

TELEPHONE (731) 772-1432



OFFICE OF
COUNTY MAYOR

COURTHOUSE

1 NORTH WASHINGTON • BROWNSVILLE, TN 38012

4. General Ledger Payroll Deductions reconcile with payments monthly.

Develop a system of reconciling monthly payroll deductions with payments by way of reassigning personal and training to satisfy the directives for a more accurate and complete accounting system.

5. (Recommendation) Centralize Accounting, Budget and Purchasing. Management concerns that centralized accounting, Budgeting and purchasing would possible be more efficient, less costly, and more accurate.

Management will develop a more accurate system to diminish the short comings of our system and shall politically support the adoption of more effective less costly methods of the listed services.

Please note that all findings are repeat findings and the corrective action was attempted but failed to satisfy the directive and allowed the findings to recur.

Summary

In conclusion, management concurs that the curative actions shall aid in the more cost effective, transparent government which will assist in the Haywood County Government being better stewards of the public money.

Sincerely


David M. Livingston
Haywood County Mayor

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 Haywood County.

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

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