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# ANNUAL FINANCIAL REPORT CROCKETT COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2014



**ANNUAL FINANCIAL REPORT**  
**CROCKETT COUNTY, TENNESSEE**  
**FOR THE YEAR ENDED JUNE 30, 2014**

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

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

***JAN PAGE, CPA, CFE***  
***Audit Manager***

***HORACE B. WISEMAN***  
***Auditor 4***

***B. KEITH RICE, CGFM***  
***ELISHA CROWELL, CISA, CFE***  
***State Auditors***

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

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# ***Summary of Audit Findings***

Annual Financial Report  
Crockett County, Tennessee  
For the Year Ended June 30, 2014

## ***Scope***

We have audited the basic financial statements of Crockett County as of and for the year ended June 30, 2014.

## ***Results***

Our report on the financial statements of Crockett County is unmodified.

Our audit resulted in 13 findings and recommendations, which we have reviewed with Crockett County management. Detailed findings and recommendations are included in the Single Audit section of this report.

## ***Findings***

The following are summaries of the audit findings:

### **OFFICE OF COUNTY MAYOR**

- ◆ A formal purchase order system had not been established.
  - ◆ Expenditures exceeded appropriations.
  - ◆ The Community Development/Industrial Park Fund had a deficit in unassigned fund balance at June 30, 2014.
  - ◆ Amounts withheld from contractor payments were not deposited into an escrow account.
- 

### **OFFICE OF ROAD SUPERVISOR**

- ◆ Purchase orders were not issued in some instances.
- 

### **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ The School Federal Projects Fund had a cash overdraft of \$94,869 at June 30, 2014.
  - ◆ Purchase orders were not properly issued in some instances.
  - ◆ Expenditures exceeded appropriations.
-

## **OFFICE OF ASSESSOR OF PROPERTY**

- ◆ Assessment records were improperly changed during the year as property transfers were made.
- 

## **OFFICE OF REGISTER OF DEEDS**

- ◆ Users processed transactions utilizing the same username.
- 

## **OFFICE OF SHERIFF**

- ◆ Fees were not reported and paid to the county in compliance with state statute.
- 

## **AMBULANCE SERVICE AND OFFICES OF COUNTY MAYOR; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; REGISTER OF DEEDS; AND SHERIFF**

- ◆ Duties were not segregated adequately.
- 

## **OFFICES OF GENERAL SESSIONS AND JUVENILE COURTS CLERK, CLERK AND MASTER, AND REGISTER OF DEEDS**

- ◆ Multiple employees operated from the same cash drawer.

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# INTRODUCTORY SECTION

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Crockett County Officials  
June 30, 2014

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**Officials**

Gary Reasons, County Mayor  
Milton Legions, Road Supervisor  
Robert Mullins, Director of Schools  
Gary Spraggins, Trustee  
Walter Yearwood, Assessor of Property  
Ernest Bushart, County Clerk  
Kim Kail, Circuit, General Sessions, and Juvenile Courts Clerk  
James Stephenson, Clerk and Master  
Alan Castellaw, Register of Deeds  
Troy Klyce, Sheriff

**Board of County Commissioners**

Gary Reasons, County Mayor, Chairman  
Pat Branch  
Nixon Brasfield  
Harold Craig  
Flynold Gregory  
Lee Hickman  
Ashley Jordan  
Jerrel Little  
Darrell Lowery  
Carolyn Nance  
Cayce Nanney  
Harold Park  
Donald Prescott

Hope Riley  
John Schwerdt  
Jane Smith  
Edwin Tritt  
Gaylon Turnage  
Richard Walker  
Charles Paul Ward  
Jimmy Webb  
Cartha Williams  
Gary Williams  
Joe Williams  
Alpha Worrell

**Road Commission**

Thomas Haynes, Chairman  
William Beaird  
Andy Edwards

**Board of Education**

Jasper Taylor, IV, Chairman  
John Cole  
Keith Curl  
Tony Emison  
Henry King  
Will Spence  
Kyle Utley

**Audit Committee**

Donnie Bates  
Charley Jerman  
Gary Williams

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## FINANCIAL SECTION

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of June 30, 2014, and the respective changes in financial position 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., Crockett County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. 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 schedules of funding progress – pension plan and other postemployment benefit plans on pages 64 - 66 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 Crockett County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Crockett County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

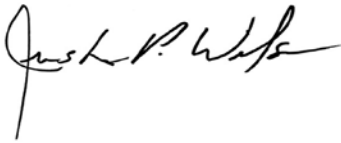
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Crockett County School Department (a discretely presented component unit), and miscellaneous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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2014, on our consideration of Crockett County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crockett County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke at the end.

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

December 8, 2014

JPW/yu

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

Crockett County, Tennessee  
Statement of Net Position  
June 30, 2014

	Primary Government Governmental Activities	Component Unit Crockett County School Department
<u>ASSETS</u>		
Cash	\$ 3,998	\$ 0
Equity in Pooled Cash and Investments	4,040,765	823,881
Accounts Receivable	1,584,931	34,833
Allowance for Uncollectibles	(888,789)	0
Due from Other Governments	835,696	416,646
Property Taxes Receivable	4,142,494	1,392,842
Allowance for Uncollectible Property Taxes	(195,118)	(65,605)
Capital Assets:		
Assets Not Depreciated:		
Land	889,130	830,805
Construction in Progress	225,217	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	2,305,081	12,440,911
Infrastructure	1,527,830	214,574
Other Capital Assets	570,308	462,138
Total Assets	<u>\$ 15,041,543</u>	<u>\$ 16,551,025</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 112,002	\$ 0
Total Deferred Outflows of Resources	<u>\$ 112,002</u>	<u>\$ 0</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 22,211
Payroll Deductions Payable	0	42
Cash Overdraft	0	94,869
Contracts Payable	382,980	0
Retainage Payable	6,165	0
Accrued Interest Payable	56,540	0
Noncurrent Liabilities:		
Due Within One Year	1,381,015	0
Due in More Than One Year (net of unamortized premium on debt)	14,823,566	351,767
Total Liabilities	<u>\$ 16,650,266</u>	<u>\$ 468,889</u>

(Continued)



Exhibit A

Crockett County, Tennessee  
Statement of Net Position (Continued)

	Primary Government <u>Governmental Activities</u>	Component Unit <u>Crockett County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 3,791,824	\$ 1,274,935
Total Deferred Inflows of Resources	<u>\$ 3,791,824</u>	<u>\$ 1,274,935</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 3,551,971	\$ 13,948,428
Restricted for:		
General Government	25,522	0
Finance	1,282	0
Administration of Justice	3,300	0
Public Safety	34,548	0
Highways/Public Works	1,457,153	0
Debt Service	62,800	0
Capital Projects	248	0
Education	0	11,758
Support Services	0	17,524
Operation of Non-instructional Services	0	30,313
Unrestricted	<u>(10,425,369)</u>	<u>799,178</u>
Total Net Position	<u>\$ (5,288,545)</u>	<u>\$ 14,807,201</u>

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

Exhibit B

Crockett County, Tennessee  
Statement of Activities  
For the Year Ended June 30, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Total Governmental Activities	Crockett County School Department	
Primary Government:							
Governmental Activities:							
General Government	\$ 729,993	\$ 85,888	\$ 57,338	\$ 0	\$ (586,767)	\$ 0	0
Finance	498,526	351,405	0	0	(147,121)	0	0
Administration of Justice	657,211	296,986	76,147	0	(284,078)	0	0
Public Safety	2,654,472	441,205	90,052	176,527	(1,946,688)	0	0
Public Health and Welfare	1,707,980	472,431	163,627	0	(1,071,922)	0	0
Social, Cultural, and Recreational Services	551,603	3,207	249,643	0	(298,753)	0	0
Agriculture and Natural Resources	184,379	0	0	0	(184,379)	0	0
Highway/Public Works	2,125,553	1,240	1,388,718	284,478	(451,117)	0	0
Interest on Long-term Debt	448,965	0	487,512	0	38,547	0	0
Total Primary Government	\$ 9,558,682	\$ 1,652,362	\$ 2,513,037	\$ 461,005	\$ (4,932,278)	\$ 0	0
Component Unit:							
Crockett County School Department	\$ 16,280,445	\$ 274,461	\$ 2,446,328	\$ 0	0	\$ (13,559,656)	
Total Component Unit	\$ 16,280,445	\$ 274,461	\$ 2,446,328	\$ 0	0	\$ (13,559,656)	

(Continued)

Exhibit B

Crockett County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component
				Government Total	Unit
	Expenses	Governmental Activities	Crockett County School Department		
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 3,489,282	\$ 1,304,936
Property Taxes Levied for Debt Service				388,046	0
Local Option Sales Tax				763,837	410,051
Wheel Tax				711,131	134,766
Business Tax				114,539	0
Wholesale Beer Tax				96,467	0
Other Local Taxes				89,689	1,288
Grants and Contributions Not Restricted to Specific Programs				414,891	10,933,047
Unrestricted Investment Income				44,150	7,007
Miscellaneous				27,848	166,006
Total General Revenues				\$ 6,139,880	\$ 12,957,101
Change in Net Position				\$ 1,207,602	\$ (602,555)
Net Position, July 1, 2013				(6,496,147)	15,409,756
Net Position, June 30, 2014				\$ (5,288,545)	\$ 14,807,201

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

Crockett County, Tennessee  
Balance Sheet  
Governmental Funds  
June 30, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other		
				Governmental Funds	Other	
\$	0	0	0	0	3,998	\$ 3,998
	943,497	1,536,072	1,420,541		140,655	4,040,765
	1,584,058	873	0	0	0	1,584,931
	(888,789)	0	0	0	0	(888,789)
	113,677	484,827	109,153	128,039	0	835,696
	3,998	0	0	0	0	3,998
	4,024,613	0	117,881	0	0	4,142,494
	(188,614)	0	(6,504)	0	0	(195,118)
	\$ 5,592,440	\$ 2,021,772	\$ 1,641,071	\$ 272,692	\$ 9,527,975	

ASSETS

Cash	
Equity in Pooled Cash and Investments	
Accounts Receivable	
Allowance for Uncollectibles	
Due from Other Governments	
Due from Other Funds	
Property Taxes Receivable	
Allowance for Uncollectible Property Taxes	
Total Assets	

LIABILITIES

Contracts Payable						
Retainage Payable						
Due to Other Funds						
Total Liabilities						

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes						
Deferred Delinquent Property Taxes						
Other Deferred/Unavailable Revenue						
Total Deferred Inflows of Resources						

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Governmental Funds	
\$	25,522	0	0	0	0	25,522
Restricted for General Government	1,282	0	0	0	0	1,282
Restricted for Finance	3,300	0	0	0	0	3,300
Restricted for Administration of Justice	0	0	0	34,548	0	34,548
Restricted for Public Safety	0	1,413,281	0	0	0	1,413,281
Restricted for Highways/Public Works	0	0	0	248	0	248
Restricted for Capital Projects						
Committed:						
Committed for Public Health and Welfare	0	0	0	127,830	0	127,830
Committed for Highways/Public Works	0	192,942	0	0	0	192,942
Committed for Debt Service	0	0	1,478,064	0	0	1,478,064
Unassigned	1,093,671	0	0	(6,164)	0	1,087,507
Total Fund Balances	<u>1,123,775</u>	<u>1,606,223</u>	<u>1,478,064</u>	<u>156,462</u>	<u>\$</u>	<u>4,364,524</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,592,440</u>	<u>\$ 2,021,772</u>	<u>\$ 1,641,071</u>	<u>\$ 272,692</u>	<u>\$</u>	<u>9,527,975</u>

FUND BALANCES

Restricted:

- Restricted for General Government
- Restricted for Finance
- Restricted for Administration of Justice
- Restricted for Public Safety
- Restricted for Highways/Public Works
- Restricted for Capital Projects

Committed:

- Committed for Public Health and Welfare
- Committed for Highways/Public Works
- Committed for Debt Service

Unassigned

Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

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

Crockett County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Position  
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 4,364,524
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 889,130	
Add: construction in progress	225,217	
Add: buildings and improvements net of accumulated depreciation	2,305,081	
Add: infrastructure net of accumulated depreciation	1,527,830	
Add: other capital assets net of accumulated depreciation	<u>570,308</u>	5,517,566
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		978,484
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: notes payable	\$ (1,064,767)	
Less: other loan payable	(1,716,646)	
Less: capital leases payable	(67,207)	
Less: bonds payable	(12,954,386)	
Less: other deferred revenue - premium on debt	(119,888)	
Add: deferred amount on refunding	112,002	
Less: compensated absences payable	(80,635)	
Less: other postemployment benefits liability	(201,052)	
Less: accrued interest on note, capital leases, and bonds	<u>(56,540)</u>	<u>(16,149,119)</u>
Net position of governmental activities (Exhibit A)		<u>\$ (5,288,545)</u>

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

Crockett County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works		Other Governmental Funds	Governmental Funds	
		General	Debt Service			
<u>Revenues</u>						
Local Taxes	\$ 3,710,701	\$ 395,760	\$ 1,327,844	\$ 255,466	\$ 5,689,771	
Licenses and Permits	33,903	0	0	0	33,903	
Fines, Forfeitures, and Penalties	74,554	0	0	9,190	83,744	
Charges for Current Services	636,719	0	0	11,656	648,375	
Other Local Revenues	53,991	7,218	91,500	0	152,709	
Fees Received from County Officials	616,713	0	0	0	616,713	
State of Tennessee	1,307,176	1,643,498	0	58,167	3,008,841	
Federal Government	40,459	34,529	0	176,527	251,515	
Other Governments and Citizens Groups	7,010	1,240	487,512	0	495,762	
Total Revenues	\$ 6,481,226	\$ 2,082,245	\$ 1,906,856	\$ 511,006	\$ 10,981,333	
<u>Expenditures</u>						
Current:						
General Government	\$ 680,633	\$ 0	\$ 0	\$ 0	\$ 680,633	
Finance	425,273	0	0	0	425,273	
Administration of Justice	519,431	0	0	0	519,431	
Public Safety	2,023,844	0	0	3,915	2,027,759	
Public Health and Welfare	1,071,748	0	0	310,048	1,381,796	
Social, Cultural, and Recreational Services	438,907	0	0	0	438,907	
Agriculture and Natural Resources	165,743	0	0	0	165,743	
Other Operations	1,026,083	0	0	0	1,026,083	
Highways	0	1,951,170	0	0	1,951,170	
Debt Service:						
Principal on Debt	60,279	0	1,315,348	0	1,375,627	
Interest on Debt	4,744	0	435,443	0	440,187	
Other Debt Service	0	0	19,364	0	19,364	

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds		
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 182,691	\$ 182,691	\$ 182,691
Total Expenditures	\$ 6,416,685	\$ 1,951,170	\$ 1,770,155	\$ 496,654	\$ 10,634,664	\$ 10,634,664
Excess (Deficiency) of Revenues Over Expenditures	\$ 64,541	\$ 131,075	\$ 136,701	\$ 14,352	\$ 346,669	\$ 346,669
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 49,307	\$ 0	\$ 0	\$ 0	\$ 49,307	\$ 49,307
Insurance Recovery	19,145	0	0	0	19,145	19,145
Total Other Financing Sources (Uses)	\$ 68,452	\$ 0	\$ 0	\$ 0	\$ 68,452	\$ 68,452
Net Change in Fund Balances	\$ 132,993	\$ 131,075	\$ 136,701	\$ 14,352	\$ 415,121	\$ 415,121
Fund Balance, July 1, 2013	990,782	1,475,148	1,341,363	142,110	3,949,403	3,949,403
Fund Balance, June 30, 2014	\$ 1,123,775	\$ 1,606,223	\$ 1,478,064	\$ 156,462	\$ 4,364,524	\$ 4,364,524

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



Exhibit C-4

Crockett 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, 2014

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)		\$	415,121
(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		\$	307,554
Less: current-year depreciation expense			<u>(600,361)</u>
			(292,807)
(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, 2014		\$	978,484
Less: deferred delinquent property taxes and other deferred June 30, 2013			<u>(1,224,450)</u>
			(245,966)
(3) The issuance of long-term debt (e.g., leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.			
Less: capital lease proceeds		\$	(49,307)
Add: principal payments on notes			168,408
Add: principal payments on other loans			200,004
Add: principal payments on capital leases			60,279
Add: principal payments on bonds			946,936
Less: change in deferred amount on refunding debt			(15,027)
Add: change in premium on debt issuances			<u>30,917</u>
			1,342,210
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in compensated absences payable		\$	(7,344)
Change in other postemployment benefits liability			(9,861)
Change in accrued interest payable			<u>6,249</u>
			(10,956)
Change in net position of governmental activities (Exhibit B)		\$	<u><u>1,207,602</u></u>

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

Exhibit C-5

Crockett County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,710,701	\$ 3,683,799	\$ 3,683,799	\$ 26,902
Licenses and Permits	33,903	36,100	36,100	(2,197)
Fines, Forfeitures, and Penalties	74,554	74,935	74,935	(381)
Charges for Current Services	636,719	754,850	756,901	(120,182)
Other Local Revenues	53,991	45,100	45,100	8,891
Fees Received from County Officials	616,713	572,000	572,000	44,713
State of Tennessee	1,307,176	1,189,102	1,275,331	31,845
Federal Government	40,459	55,200	66,200	(25,741)
Other Governments and Citizens Groups	7,010	7,500	8,029	(1,019)
<b>Total Revenues</b>	<b>\$ 6,481,226</b>	<b>\$ 6,418,586</b>	<b>\$ 6,518,395</b>	<b>\$ (37,169)</b>
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 15,015	\$ 15,015	\$ 15,015	\$ 0
Board of Equalization	170	420	420	250
Beer Board	0	200	200	200
County Mayor/Executive	155,826	159,034	159,034	3,208
County Attorney	1,400	2,000	2,000	600
Election Commission	131,940	120,193	154,867	22,927
Register of Deeds	92,131	93,188	93,188	1,057
County Buildings	284,151	302,866	310,366	26,215
<u>Finance</u>				
Accounting and Budgeting	4,944	5,600	5,600	656
Property Assessor's Office	128,253	129,319	129,319	1,066
County Trustee's Office	131,797	132,244	132,244	447
County Clerk's Office	160,279	161,512	161,512	1,233
<u>Administration of Justice</u>				
Circuit Court	191,028	199,374	199,374	8,346
General Sessions Judge	94,272	94,508	94,508	236
Drug Court	67,682	73,000	73,000	5,318
Chancery Court	96,323	97,465	97,465	1,142
Juvenile Court	61,741	66,026	66,026	4,285
Other Administration of Justice	8,385	9,000	9,000	615
<u>Public Safety</u>				
Sheriff's Department	1,022,000	1,035,433	1,038,708	16,708
Jail	842,975	883,101	883,100	40,125
Juvenile Services	328	500	500	172
Fire Prevention and Control	60,082	60,100	60,100	18
Civil Defense	65,291	63,717	63,717	(1,574)
Rescue Squad	10,000	10,000	10,000	0
Other Emergency Management	10,891	0	11,000	109
County Coroner/Medical Examiner	8,848	9,000	9,000	152
Other Public Safety	3,429	3,429	3,429	0
<u>Public Health and Welfare</u>				
Local Health Center	126,044	154,135	154,135	28,091
Rabies and Animal Control	29,064	33,450	33,450	4,386
Ambulance/Emergency Medical Services	814,518	854,905	843,914	29,396
Maternal and Child Health Services	4,000	4,000	4,000	0
Alcohol and Drug Programs	10,165	10,165	10,165	0

(Continued)

## Exhibit C-5

Crockett 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>				
Crippled Children Services	\$ 1,650	\$ 1,650	\$ 1,650	\$ 0
Other Local Health Services	3,189	2,000	3,189	0
Appropriation to State	49,900	51,900	51,900	2,000
Other Local Welfare Services	1,200	1,200	1,200	0
Waste Pickup	32,018	0	33,699	1,681
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	335,054	374,074	374,074	39,020
Libraries	94,382	94,719	98,464	4,082
Parks and Fair Boards	9,471	10,075	10,075	604
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	58,435	60,822	60,822	2,387
Soil Conservation	96,591	96,942	96,942	351
Flood Control	10,717	10,717	10,717	0
Other Agriculture and Natural Resources	0	12,000	12,000	12,000
<u>Other Operations</u>				
Veterans' Services	12,526	17,215	17,215	4,689
Other Charges	263,827	269,048	269,048	5,221
Contributions to Other Agencies	42,300	42,300	42,300	0
Employee Benefits	650,222	675,000	675,000	24,778
Miscellaneous	57,208	73,050	77,371	20,163
<u>Principal on Debt</u>				
General Government	60,279	0	60,279	0
<u>Interest on Debt</u>				
General Government	4,744	0	4,744	0
Total Expenditures	\$ 6,416,685	\$ 6,575,611	\$ 6,729,045	\$ 312,360
Excess (Deficiency) of Revenues Over Expenditures	\$ 64,541	\$ (157,025)	\$ (210,650)	\$ 275,191
<u>Other Financing Sources (Uses)</u>				
Capital Leases Issued	\$ 49,307	\$ 0	\$ 49,307	\$ 0
Insurance Recovery	19,145	5,000	5,000	14,145
Total Other Financing Sources	\$ 68,452	\$ 5,000	\$ 54,307	\$ 14,145
Net Change in Fund Balance	\$ 132,993	\$ (152,025)	\$ (156,343)	\$ 289,336
Fund Balance, July 1, 2013	990,782	976,574	980,892	9,890
Fund Balance, June 30, 2014	\$ 1,123,775	\$ 824,549	\$ 824,549	\$ 299,226

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

Exhibit C-6

Crockett County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 395,760	\$ 0	\$ 0	\$ 395,760	\$ 376,711	\$ 376,711	\$ 19,049
Other Local Revenues	7,218	0	0	7,218	7,000	7,000	218
State of Tennessee	1,643,498	0	0	1,643,498	3,096,270	3,096,270	(1,452,772)
Federal Government	34,529	0	0	34,529	42,478	42,478	(7,949)
Other Governments and Citizens Groups	1,240	0	0	1,240	5,000	5,000	(3,760)
Total Revenues	\$ 2,082,245	\$ 0	\$ 0	\$ 2,082,245	\$ 3,527,459	\$ 3,527,459	\$ (1,445,214)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 176,970	\$ 0	\$ 0	\$ 176,970	\$ 195,033	\$ 195,033	\$ 18,063
Highway and Bridge Maintenance	709,056	0	0	709,056	1,222,317	1,222,317	513,261
Operation and Maintenance of Equipment	332,997	0	0	332,997	431,341	431,341	98,344
Other Charges	125,795	0	0	125,795	132,609	132,609	6,814
Employee Benefits	219,146	0	0	219,146	243,442	243,442	24,296
Capital Outlay	387,206	(34,205)	486,227	839,228	2,295,140	2,295,140	1,455,912
Total Expenditures	\$ 1,951,170	\$ (34,205)	\$ 486,227	\$ 2,403,192	\$ 4,519,882	\$ 4,519,882	\$ 2,116,690
Excess (Deficiency) of Revenues Over Expenditures	\$ 131,075	\$ 34,205	\$ (486,227)	\$ (320,947)	\$ (992,423)	\$ (992,423)	\$ 671,476
Net Change in Fund Balance	\$ 131,075	\$ 34,205	\$ (486,227)	\$ (320,947)	\$ (992,423)	\$ (992,423)	\$ 671,476
Fund Balance, July 1, 2013	1,475,148	(34,205)	0	1,440,943	1,516,272	1,516,272	(75,329)
Fund Balance, June 30, 2014	\$ 1,606,223	\$ 0	\$ (486,227)	\$ 1,119,996	\$ 523,849	\$ 523,849	\$ 596,147

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

Exhibit D

Crockett County, Tennessee  
Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 488,755
Equity in Pooled Cash and Investments	2,093
Accounts Receivable	4,303
Due from Other Governments	113,645
Property Taxes Receivable	540,322
Allowance for Uncollectible Property Taxes	(25,449)
Cash Shortage	<u>598</u>
Total Assets	<u>\$ 1,124,267</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 630,611
Due to Litigants, Heirs, and Others	<u>493,656</u>
Total Liabilities	<u>\$ 1,124,267</u>

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

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## CROCKETT COUNTY, TENNESSEE

### Index of Notes to the Financial Statements

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**CROCKETT COUNTY, TENNESSEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2014**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Crockett 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 Crockett County:

**A. Reporting Entity**

Crockett County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Crockett County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Crockett County School Department operates the public school system in the county, and the voters of Crockett 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 Crockett County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Crockett County, and the Crockett 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 Crockett County Emergency Communications District were not available from other auditors in time for inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

The Crockett County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of

contents. Although required by GAAP, the financial statements of the Crockett County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Crockett County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Crockett County Emergency Communications District  
22 South Court Street  
Alamo, TN 38001

**B. Government-wide and Fund Financial Statements**

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

Crockett County issues all debt for the discretely presented Crockett County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2014.

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



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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary 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 Crockett County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary; however, Crockett County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

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

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.

Crockett 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.

Additionally, Crockett County reports the following fund types:

**Agency Funds** – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Crockett County, and the city school systems’ shares of educational revenues. 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.

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

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

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

**School Transportation Fund** – This special revenue fund is used to account for transportation operations of the School Department. Local taxes are the foundational revenues of this fund.

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

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

**1. Deposits and Investments**

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Crockett 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 and General Purpose School funds. Crockett County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value.

**2. Receivables and Payables**

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.51 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 primary government's nonmajor governmental funds represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts have not been currently funded and have resulted in a negative unassigned fund balance as explained in Note III.B.

### **3. Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an

estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25 - 50
Other Capital Assets	3 - 20
Infrastructure:	
Roads	8 - 20
Bridges	15 - 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. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

funds balance sheet. These revenues are from the following sources: current and delinquent property taxes and various receivables for revenues, which do not meet the availability criteria in governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**5. Compensated Absences**

The policy of Crockett County (with the exception of the Highway Department) does not provide for employees to receive compensation for unused accumulated vacation or sick leave days. The Highway Department permits its employees to accumulate a limited amount of earned but unused sick leave benefits, which will be paid to employees upon death or retirement from county service. A liability for sick leave benefits is reported in governmental funds only if amounts have matured, for example, as a result of employee retirements.

There is no liability for unpaid accumulated vacation leave for employees of the discretely presented Crockett County School Department since those benefits do not vest or accumulate and must be used within the year or lost. There is also 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 government.

**6. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources 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, 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, 2014, Crockett County had \$13,846,026 in outstanding debt for capital purposes for the discretely presented Crockett County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Alamo and City of Bells school systems) based on average daily attendance proration. This debt is a liability of Crockett County, but the capital assets acquired are reported in the financial statements of the School Department and the City of Alamo and the City of Bells school systems. Therefore, Crockett County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

## 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 Crockett County School Department**

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

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

### **Primary Government**

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

### **Discretely Presented Crockett County School Department**

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

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

### **A. Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds except the Constitutional Officers - Fees 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, Board of Equalization, Beer Board, County Mayor/Executive, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2014, Crockett County reported the following significant encumbrances:

Fund	Description	Amount
Major Fund:		
Highway/Public Works	Bridge Construction	\$ 411,384
"	Office Building	74,843

**B. Fund Deficit**

The Community Development/Industrial Park Fund had a deficit in unassigned fund balance of \$6,164 at June 30, 2014. This deficit resulted from the recognition of a retainage payable liability for which funding had not yet been provided. This deficit is expected to be liquidated by federal grants, which will be received as the project progresses.

**C. Cash Shortages**

The Office of County Clerk had a theft of cash and checks totaling \$4,324 on October 16, 2013. A janitorial employee at the courthouse pled guilty to the theft in October 2014 and was ordered to pay restitution of \$4,324. No restitution has been paid as of the date of this report. The county has recovered \$3,726 of the cash shortage. The actual missing checks (\$1,999) that were stolen were not located; however, the county clerk recovered all but \$98 of these checks by contacting individual payors and having them reissue their checks to the county. In addition, the county's bonding company made a payment of \$1,825 to reimburse the county for the missing cash (\$2,325) less a \$500 deductible. The remaining \$598 cash shortage is outstanding.

The director of schools has filed a fraud reporting form with our office advising of a potential problem with computer purchases. The state Comptroller's Division of Investigation is currently reviewing this matter and their findings, if any, will be reported in subsequent communications.

**D. Cash Overdraft**

The discretely presented School Federal Projects Fund had a cash overdraft of \$94,869 at June 30, 2014. This cash overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2014.

**E. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the County Commission in the Civil Defense major appropriation category (the legal level of control) of the General Fund by \$1,574. Expenditures and other uses exceeded total appropriations approved by the County Commission by \$2,152 in the discretely presented School Department's School Transportation Fund. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balances.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

Crockett County and the Crockett 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.

**Investment Balances.** As of June 30, 2014, Crockett County had the following investments carried at fair value. All investments are in the county trustee’s investment pool. Separate disclosures concerning pooled investments cannot be made for Crockett County and the discretely presented Crockett County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Fair Value
State Treasurer's Investment Pool	109	\$ 2,465

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

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Crockett County has no investment policy that would further limit its investment choices. As of June 30, 2014, Crockett County's investment in the State Treasurer's Investment Pool was unrated.

**B. Capital Assets**

Capital assets activity for the year ended June 30, 2014, was as follows:

**Primary Government - Governmental Activities:**

	Balance 7-1-13	Increases	Balance 6-30-14
Capital Assets			
Not Depreciated:			
Land	\$ 889,130	\$ 0	\$ 889,130
Construction in Progress	0	225,217	225,217
Total Capital Assets			
Not Depreciated	<u>\$ 889,130</u>	<u>\$ 225,217</u>	<u>\$ 1,114,347</u>
Capital Assets Depreciated:			
Buildings and			
Improvements	\$ 5,480,169	\$ 0	\$ 5,480,169
Infrastructure	1,996,835	0	1,996,835
Other Capital Assets	3,783,603	82,337	3,865,940
Total Capital Assets			
Depreciated	<u>\$ 11,260,607</u>	<u>\$ 82,337</u>	<u>\$ 11,342,944</u>
Less Accumulated			
Depreciation For:			
Buildings and			
Improvements	\$ 2,996,409	\$ 178,679	\$ 3,175,088
Infrastructure	402,444	66,561	469,005
Other Capital Assets	2,940,511	355,121	3,295,632
Total Accumulated			
Depreciation	<u>\$ 6,339,364</u>	<u>\$ 600,361</u>	<u>\$ 6,939,725</u>
Total Capital Assets			
Depreciated, Net	<u>\$ 4,921,243</u>	<u>\$ (518,024)</u>	<u>\$ 4,403,219</u>
Governmental Activities			
Capital Assets, Net	<u>\$ 5,810,373</u>	<u>\$ (292,807)</u>	<u>\$ 5,517,566</u>

There were no decreases in capital assets to report during the year ended June 30, 2014. Depreciation expense was charged to functions of the primary government as follows:

**Governmental Activities:**

General Government	\$ 68,022
Finance	1,800
Administration of Justice	880
Public Safety	127,133
Public Health and Welfare	169,001
Social, Cultural, and Recreational Services	23,960
Highway/Public Works	<u>209,565</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 600,361</u></u>

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

	Balance 7-1-13	Increases	Balance 6-30-14
Capital Assets Not Depreciated:			
Land	\$ 830,805	\$ 0	\$ 830,805
Total Capital Assets Not Depreciated	<u>\$ 830,805</u>	<u>\$ 0</u>	<u>\$ 830,805</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 20,145,310	\$ 0	\$ 20,145,310
Infrastructure	497,553	0	497,553
Other Capital Assets	3,063,312	93,499	3,156,811
Total Capital Assets Depreciated	<u>\$ 23,706,175</u>	<u>\$ 93,499</u>	<u>\$ 23,799,674</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 7,268,828	\$ 435,571	\$ 7,704,399
Infrastructure	259,783	23,196	282,979
Other Capital Assets	2,587,429	107,244	2,694,673
Total Accumulated Depreciation	<u>\$ 10,116,040</u>	<u>\$ 566,011</u>	<u>\$ 10,682,051</u>
Total Capital Assets Depreciated, Net	<u>\$ 13,590,135</u>	<u>\$ (472,512)</u>	<u>\$ 13,117,623</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 14,420,940</u></u>	<u><u>\$ (472,512)</u></u>	<u><u>\$ 13,948,428</u></u>

There were no decreases in capital assets to report during the year ended June 30, 2014. Depreciation expense was charged to functions of the discretely presented Crockett County School Department as follows:

**Governmental Activities:**

Instruction	\$ 364,386
Support Services	162,089
Operation of Non-instructional Services	<u>39,536</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 566,011</u></u>

**C. Construction Commitments**

At June 30, 2014, the Highway Department had uncompleted construction contracts of approximately \$411,384 for the construction of two bridges and \$74,843 for the construction of an office building. Funding for these future expenditures is expected to be received from federal and state grants for the bridge construction. Funding has already been received for the building construction.

At June 30, 2014, the Community Development/Industrial Park Fund had uncompleted construction contracts of approximately \$391,551 for the construction of an addition to the emergency operations center. Funding for these future expenditures is expected to be received from federal grants.

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

The composition of interfund balances as of June 30, 2014, was as follows:

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 3,998
Discretely Presented School Department:		
General Purpose School	Nonmajor governmental	78,970

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

The receivable in the General Purpose School Fund totaling \$48,483 was in transit from the School Federal Projects Fund at June 30, 2014.

**Interfund Transfers:**

Interfund transfers for the year ended June 30, 2014, consisted of the following amounts:

**Discretely Presented Crockett County School Department**

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 6,420
School Transportation Fund	324,013	0
Total	<u>\$ 324,013</u>	<u>\$ 6,420</u>

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

**E. Operating Leases**

On August 12, 2013, the Crockett County School Department entered into a three-year operating lease for 210 laptop computers for teachers. The terms of the lease agreement require total lease payments of \$173,275. The expenditures for the year ended June 30, 2014, were \$57,758.

Also on August 12, 2013, the Crockett County School Department entered into a three-year operating lease for 600 laptop computers for students. The terms of the lease agreement require total lease payments of \$347,425. The expenditures for the year ended June 30, 2014, were \$115,808.

On September 5, 2013, the Crockett County School Department entered into a five-year operating lease for eight copy machines. The terms of the lease agreement require total lease payments of \$74,940. The expenditures for the year ended June 30, 2014, were \$11,241.

The future minimum lease payments for these leases are as follows:



Year Ending June 30	Amount
2015	\$ 188,555
2016	188,555
2017	14,988
2018	14,988
2019	<u>3,747</u>
Total	<u>\$ 410,833</u>

**F. Capital Leases**

On October 24, 2012, Crockett County entered into a two-year lease-purchase agreement for three patrol cars. The terms of the agreement require total lease payments of \$75,269 plus interest payments of six percent. Title to the patrol cars transfers to Crockett County at the end of the lease period. The lease payments are made from the General Fund.

On November 2, 2012, Crockett County entered into a two-year lease-purchase agreement for an Ambulance Service vehicle. The terms of the agreement require total lease payments of \$31,001 plus interest payments of 6.5 percent. Title to the vehicle transfers to Crockett County at the end of the lease period. The lease payments are made from the General Fund.

On February 4, 2014, Crockett County entered into a two-year lease-purchase agreement for two Sheriff's Department vehicles. The terms of the agreement require total lease payments of \$49,307 plus interest payments of 6.5 percent. Title to the vehicles transfers to Crockett County at the end of the lease period. The lease payments are made from the General Fund.

The assets acquired through capital leases are as follows:

<u>Assets</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 155,577
Less: Accumulated Depreciation	<u>(72,459)</u>
Total Book Value	<u>\$ 83,118</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

Year Ending June 30	Governmental Funds
2015	\$ 55,036
2016	<u>17,481</u>
Total Minimum Lease Payments	\$ 72,517
Less: Amount Representing Interest	<u>(5,310)</u>
 Present Value of Minimum Lease Payments	 <u>\$ 67,207</u>

**G. Long-term Obligations**

**Primary Government**

**General Obligation Bonds, Notes, and Other Loan**

Crockett 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 40 years for bonds, up to 12 years for notes, and up to ten years for the other loan. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and the other loan included in long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, the other loan, and capital leases outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds	5%	1-1-19	\$ 350,000	\$ 59,386
General Obligation Bonds - Refunding	2 to 4	4-1-25	15,085,000	12,895,000
Capital Outlay Notes	0 to 2.95	6-1-24	1,444,000	1,064,767
Other Loan	0	10-1-22	2,000,000	1,716,646
Capital Leases	6 to 6.5	2-4-16	155,577	67,207

During 2011-12, Crockett County entered into an agreement with the Tennessee Energy Efficient Schools Council to receive funding from the Energy Efficient Schools Initiative program. Under this agreement, the program loaned Crockett County \$2,000,000 to fund a project to increase energy efficiency in the Crockett County school system. The loan is interest free.

The annual requirements to amortize all general obligation bonds, notes, and the other loan outstanding as of June 30, 2014, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 957,785	\$ 408,219	\$ 1,366,004
2016	973,672	387,680	1,361,352
2017	992,642	367,022	1,359,664
2018	1,082,700	345,139	1,427,839
2019	1,132,587	301,804	1,434,391
2020-2024	6,385,000	934,750	7,319,750
2025	1,430,000	51,838	1,481,838
Total	\$ 12,954,386	\$ 2,796,452	\$ 15,750,838

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 168,400	\$ 7,006	\$ 175,406
2016	168,400	6,343	174,743
2017	168,400	5,679	174,079
2018	160,000	5,015	165,015
2019	160,000	4,351	164,351
2020-2024	239,567	11,062	250,629
Total	\$ 1,064,767	\$ 39,456	\$ 1,104,223

Year Ending June 30	Other Loan	
	Principal	Total
2015	\$ 200,004	\$ 200,004
2016	200,004	200,004
2017	200,004	200,004
2018	200,004	200,004
2019	200,004	200,004
2020-2023	716,626	716,626
Total	\$ 1,716,646	\$ 1,716,646

There is \$1,478,064 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, other loans, and capital leases totaled \$1,083, based on the 2010 federal census.

#### Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2014, was as follows:

Governmental Activities:

	Bonds	Notes	Other Loan
Balance, July 1, 2013	\$ 13,901,322	\$ 1,233,175	\$ 1,916,650
Reductions	(946,936)	(168,408)	(200,004)
Balance, June 30, 2014	<u>\$ 12,954,386</u>	<u>\$ 1,064,767</u>	<u>\$ 1,716,646</u>
Balance Due Within One Year	<u>\$ 957,785</u>	<u>\$ 168,400</u>	<u>\$ 200,004</u>

	Capital Leases	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	\$ 78,179	\$ 73,291	\$ 191,191
Additions	49,307	29,179	13,197
Reductions	(60,279)	(21,835)	(3,336)
Balance, June 30, 2014	<u>\$ 67,207</u>	<u>\$ 80,635</u>	<u>\$ 201,052</u>
Balance Due Within One Year	<u>\$ 50,793</u>	<u>\$ 4,033</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 16,084,693
Less: Balance Due Within One Year	(1,381,015)
Add: Unamortized Premium on Debt	<u>119,888</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 14,823,566</u>

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

**Discretely Presented Crockett County School Department**

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Crockett County School Department for the year ended June 30, 2014, was as follows:

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2013	\$ 365,455
Additions	72,376
Reductions	<u>(86,064)</u>
Balance, June 30, 2014	<u>\$ 351,767</u>
Balance Due Within One Year	<u>\$ 0</u>

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

**H. On-Behalf Payments – Discretely Presented Crockett County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Crockett County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state’s Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2014, were \$26,308 and \$10,848, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**V. OTHER INFORMATION**

**A. Risk Management**

**Employee Health Insurance**

**Primary Government**

Crockett County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-201, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for

losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

### **Discretely Presented Crockett County School Department**

The discretely presented Crockett County School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In accordance with Section 8-27-301, *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**

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

## **B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees* became effective for the year ended June 30, 2014.

GASB Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts or equivalent arrangements.

GASB Statement No. 70 relates to accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees.

## **C. Subsequent Events**

On October 29, 2014, Crockett County issued a \$23,997 capital lease for the purchase of a Sheriff's Department vehicle. On December 5, 2014, Crockett County issued capital outlay notes totaling \$105,000 and contributed these funds to the School Department for the purchase of land.

**D. Contingent Liabilities**

The county attorney advised us of one pending lawsuit involving Crockett County. Any potential claims against the county not covered by insurance resulting from such litigation should not materially affect the county's financial statements.

**E. Retirement Commitments**

**Plan Description**

Employees of Crockett County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Crockett County participate in the TCRS as individual entities and are liable for all costs associated with the operation and administration of their plan. Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the PSPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor Andrew, Jackson Building, Nashville, TN 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

**Funding Policy**

Crockett County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 6.72 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.



**Annual Pension Cost**

For the year ending June 30, 2014, the county’s annual pension cost of \$352,898 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was five years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

**Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	\$352,898	100%	\$0
6-30-13	346,311	100	0
6-30-12	325,414	100	0

**Funded Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the plan was 95.39 percent funded. The actuarial accrued liability for benefits was \$14.04 million, and the actuarial value of assets was \$13.4 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.65 million. The covered payroll (annual payroll of active employees covered by the plan) was \$3.75 million, and the ratio of the UAAL to the covered payroll was 17.26 percent.

The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## **SCHOOL TEACHERS**

### **Plan Description**

Crockett County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs/Schools](http://www.tn.gov/treasury/tcrs/Schools).

### **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2014, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2014, 2013, and 2012, were \$641,175, \$610,466, and \$610,447, respectively, equal to the required contributions for each year.

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

Plan Description

Crockett County and the Crockett County School Department participate in the state-administered Local Government Group Insurance Plan and the Local Education Group Insurance Plan for healthcare benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-207, *Tennessee Code Annotated (TCA)*, for local governments and Section 8-27-302, *TCA*, for local education employees. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. Retirees' contributions vary depending on the insurance options they select. During the year ended June 30, 2014, Crockett County and the School Department contributed \$3,336 and \$86,064, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 72,000	\$ 13,000
Interest on the NOPEBO	14,618	7,648
Adjustment to the ARC	(14,242)	(7,451)
Annual OPEB cost	\$ 72,376	\$ 13,197
Less: Amount of contribution	(86,064)	(3,336)
Increase/decrease in NOPEBO	\$ (13,688)	\$ 9,861
Net OPEB obligation, 7-1-13	365,455	191,191
Net OPEB obligation, 6-30-14	\$ 351,767	\$ 201,052

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Education Group	\$ 139,431	51 %	\$ 299,365
6-30-13	"	140,264	53	365,455
6-30-14	"	72,376	119	351,767
6-30-12	Local Government Group	36,694	9	157,834
6-30-13	"	36,611	9	191,191
6-30-14	"	13,197	25	201,052

Funded Status and Funding Progress

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

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 641,000	\$ 78,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 641,000	\$ 78,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 5,790,850	\$ 2,188,017
UAAL as a % of covered payroll	11%	4%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2013, actuarial valuation for the Local Government Group and the Local Education Group plans, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.5 percent for fiscal year 2014. The trend will decrease to seven percent in fiscal year 2015 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

### **G. Purchasing Laws**

#### Office of County Mayor

Purchasing procedures for the Office of County Mayor 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 Road Supervisor

Purchasing procedures for the Highway Department are governed by provisions of Chapter 26, Private Acts of 1933, as amended, and the Uniform Road Law, Section 54-7-113, *TCA*. These statutes place purchasing responsibilities with the County Road Commission and require 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 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.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Crockett County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Crockett County School Department  
June 30, 2014

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-13	\$ 13,396	\$ 14,043	\$ 647	95.39 %	\$ 3,748	17.26 %
7-1-11	12,189	12,727	538	95.77	3,894	13.82
7-1-09	9,912	10,754	843	92.16	3,094	27.23



Exhibit E-2

Crockett County, Tennessee  
 Schedule of Funding Progress – Other Postemployment Benefits Plans  
Primary Government and Discretely Presented Crockett County School Department  
June 30, 2014

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-10	\$ 0	\$ 619	\$ 619	0 %	\$ 1,856	33 %
"	7-1-11	0	266	266	0	2,065	13
"	7-1-13	0	78	78	0	2,188	4
<u>DISCRETELY PRESENTED CROCKETT COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-10	0	903	903	0	5,028	18
"	7-1-11	0	1,171	1,171	0	5,125	23
"	7-1-13	0	641	641	0	5,791	11

**CROCKETT COUNTY, TENNESSEE**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2014**

NONE

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Crockett County’s convenience center 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.

## Capital Projects Funds

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

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General Capital Projects Fund – The General Capital Projects Fund is used to account for funds for the construction of an adult education technology center.

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for grant funds to be used for the construction of an emergency management building addition.

Crockett County, Tennessee  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2014

	Special Revenue Funds				Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	
\$	0 \$	0 \$	3,998 \$	3,998 \$	0
	102,859	34,548	0	137,407	248
	39,100	0	0	39,100	0
\$	141,959 \$	34,548 \$	3,998 \$	180,505 \$	248

ASSETS

Cash  
 Equity in Pooled Cash and Investments  
 Due from Other Governments

Total Assets

LIABILITIES

Contracts Payable  
 Retainage Payable  
 Due to Other Funds  
 Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Other Deferred/Unavailable Revenue  
 Total Deferred Inflows of Resources

FUND BALANCES

Restricted:  
 Restricted for Public Safety  
 Restricted for Capital Projects  
 Committed:  
 Committed for Public Health and Welfare

(Continued)

Exhibit F-1

Crockett 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	
Unassigned	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Fund Balances	\$ 127,830	\$ 34,548	\$ 0	\$ 162,378	\$ 248
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 141,959	\$ 34,548	\$ 3,998	\$ 180,505	\$ 248

FUND BALANCES (Cont.)

(Continued)



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

<u>Capital Projects Funds (Cont.)</u>		
Community Development/ Industrial Park	Total	Total Nonmajor Governmental Funds
\$ (6,164) \$	(6,164) \$	(6,164)
\$ (6,164) \$	(5,916) \$	156,462
\$ 91,939 \$	92,187 \$	272,692

FUND BALANCES (Cont.)

Unassigned
Total Fund Balances
Total Liabilities, Deferred Inflows of Resources, and Fund Balances



Crockett County, Tennessee  
 Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2014

	Special Revenue Funds			Total	Capital Projects Funds
	Solid Waste / Sanitation	Drug Control	General Capital Projects		
<u>Revenues</u>					
Local Taxes	\$ 255,466	\$ 0	\$ 0	\$ 255,466	\$ 0
Fines, Forfeitures, and Penalties	0	9,190	0	9,190	0
Charges for Current Services	11,656	0	0	11,656	0
State of Tennessee	58,167	0	0	58,167	0
Federal Government	0	0	0	0	0
Total Revenues	\$ 325,289	\$ 9,190	\$ 0	\$ 334,479	\$ 0
<u>Expenditures</u>					
Current:					
Public Safety	0	3,915	0	3,915	0
Public Health and Welfare	310,048	0	0	310,048	0
Capital Projects	0	0	0	0	0
Total Expenditures	\$ 310,048	\$ 3,915	\$ 0	\$ 313,963	\$ 0
Excess (Deficiency) of Revenues Over Expenditures	\$ 15,241	\$ 5,275	\$ 0	\$ 20,516	\$ 0
Net Change in Fund Balances	\$ 15,241	\$ 5,275	\$ 0	\$ 20,516	\$ 0
Fund Balance, July 1, 2013	112,589	29,273	0	141,862	248
Fund Balance, June 30, 2014	\$ 127,830	\$ 34,548	\$ 0	\$ 162,378	\$ 248

(Continued)

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

	Capital Projects Funds (Cont.)			Total Nonmajor Governmental Funds
	Community Development/ Industrial Park	Total		
<u>Revenues</u>				
Local Taxes	\$ 0	\$ 0	\$ 0	255,466
Fines, Forfeitures, and Penalties	0	0	0	9,190
Charges for Current Services	0	0	0	11,656
State of Tennessee	0	0	0	58,167
Federal Government	176,527	176,527	176,527	176,527
Total Revenues	\$ 176,527	\$ 176,527	\$ 176,527	\$ 511,006
<u>Expenditures</u>				
Current:				
Public Safety	0	0	0	3,915
Public Health and Welfare	0	0	0	310,048
Capital Projects	182,691	182,691	182,691	182,691
Total Expenditures	\$ 182,691	\$ 182,691	\$ 182,691	\$ 496,654
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,164)	\$ (6,164)	\$ (6,164)	14,352
Net Change in Fund Balances Fund Balance, July 1, 2013	\$ (6,164)	\$ (6,164)	\$ (6,164)	14,352
	0	248	248	142,110
Fund Balance, June 30, 2014	\$ (6,164)	\$ (5,916)	\$ (5,916)	156,462

Exhibit F-3

Crockett County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Solid Waste/Sanitation Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 255,466	\$ 220,350	\$ 220,350	\$ 35,116
Charges for Current Services	11,656	8,500	8,500	3,156
State of Tennessee	58,167	48,600	48,600	9,567
Total Revenues	<u>\$ 325,289</u>	<u>\$ 277,450</u>	<u>\$ 277,450</u>	<u>\$ 47,839</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 310,048	\$ 317,095	\$ 317,095	\$ 7,047
Total Expenditures	<u>\$ 310,048</u>	<u>\$ 317,095</u>	<u>\$ 317,095</u>	<u>\$ 7,047</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 15,241</u>	<u>\$ (39,645)</u>	<u>\$ (39,645)</u>	<u>\$ 54,886</u>
Net Change in Fund Balance	\$ 15,241	\$ (39,645)	\$ (39,645)	\$ 54,886
Fund Balance, July 1, 2013	112,589	112,952	112,952	(363)
Fund Balance, June 30, 2014	<u>\$ 127,830</u>	<u>\$ 73,307</u>	<u>\$ 73,307</u>	<u>\$ 54,523</u>

Exhibit F-4

Crockett County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Drug Control Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 9,190	\$ 4,400	\$ 4,400	\$ 4,790
Total Revenues	\$ 9,190	\$ 4,400	\$ 4,400	\$ 4,790
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 3,915	\$ 16,150	\$ 16,150	\$ 12,235
Total Expenditures	\$ 3,915	\$ 16,150	\$ 16,150	\$ 12,235
Excess (Deficiency) of Revenues Over Expenditures	\$ 5,275	\$ (11,750)	\$ (11,750)	\$ 17,025
Net Change in Fund Balance	\$ 5,275	\$ (11,750)	\$ (11,750)	\$ 17,025
Fund Balance, July 1, 2013	29,273	21,114	21,114	8,159
Fund Balance, June 30, 2014	\$ 34,548	\$ 9,364	\$ 9,364	\$ 25,184

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit G

Crockett County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Debt Service Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,327,844	\$ 1,269,987	\$ 1,269,987	\$ 57,857
Other Local Revenues	91,500	94,000	94,000	(2,500)
Other Governments and Citizens Groups	487,512	487,512	487,512	0
<b>Total Revenues</b>	<b>\$ 1,906,856</b>	<b>\$ 1,851,499</b>	<b>\$ 1,851,499</b>	<b>\$ 55,357</b>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 261,345	\$ 420,336	\$ 261,354	\$ 9
Education	1,054,003	895,004	1,054,003	0
<u>Interest on Debt</u>				
General Government	36,097	27,298	39,913	3,816
Education	399,346	408,038	399,346	0
<u>Other Debt Service</u>				
General Government	18,101	19,530	19,066	965
Education	1,263	60	1,263	0
<b>Total Expenditures</b>	<b>\$ 1,770,155</b>	<b>\$ 1,770,266</b>	<b>\$ 1,774,945</b>	<b>\$ 4,790</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ 136,701	\$ 81,233	\$ 76,554	\$ 60,147
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 17,500	\$ 17,500	\$ (17,500)
<b>Total Other Financing Sources</b>	<b>\$ 0</b>	<b>\$ 17,500</b>	<b>\$ 17,500</b>	<b>\$ (17,500)</b>
Net Change in Fund Balance	\$ 136,701	\$ 98,733	\$ 94,054	\$ 42,647
Fund Balance, July 1, 2013	1,341,363	1,342,148	1,342,148	(785)
<b>Fund Balance, June 30, 2014</b>	<b>\$ 1,478,064</b>	<b>\$ 1,440,881</b>	<b>\$ 1,436,202</b>	<b>\$ 41,862</b>

# Fiduciary Funds

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

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

City School ADA - Alamo Fund and City School ADA - Bells Fund – These two funds are used to account for the city school systems' shares of education revenues collected by the county that must be apportioned between the various school systems on an average daily attendance basis. These collections are remitted to the city school systems on a monthly basis.

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

Crockett County, Tennessee  
Combining Statement of Fiduciary Assets and Liabilities  
Fiduciary Funds  
June 30, 2014

	<u>Agency Funds</u>						Total
	Cities - Sales Tax	City School ADA - Alamo	City School ADA - Bells	Constitu- tional Officers - Agency	City School ADA - Bells	Constitu- tional Officers - Agency	
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 0	\$ 488,755	\$ 0	\$ 488,755	\$ 488,755
Equity in Pooled Cash and Investments	0	1,258	835	0	0	2,093	2,093
Accounts Receivable	0	0	0	4,303	0	4,303	4,303
Due from Other Governments	78,371	21,201	14,073	0	0	113,645	113,645
Property Taxes Receivable	0	324,756	215,566	0	0	540,322	540,322
Allowance for Uncollectible Property Taxes	0	(15,296)	(10,153)	0	0	(25,449)	(25,449)
Cash Shortage	0	0	0	598	0	598	598
Total Assets	\$ 78,371	\$ 331,919	\$ 220,321	\$ 493,656	\$ 1,124,267	\$ 1,124,267	\$ 1,124,267
<u>LIABILITIES</u>							
Due to Other Taxing Units	\$ 78,371	\$ 331,919	\$ 220,321	\$ 0	\$ 0	\$ 630,611	\$ 630,611
Due to Litigants, Heirs, and Others	0	0	0	493,656	0	493,656	493,656
Total Liabilities	\$ 78,371	\$ 331,919	\$ 220,321	\$ 493,656	\$ 1,124,267	\$ 1,124,267	\$ 1,124,267



Exhibit H-2

Crockett County, Tennessee  
Combining Statement of Changes in Assets and Liabilities - All Agency Funds  
For the Year Ended June 30, 2014

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 438,952	\$ 438,952	\$ 0
Due from Other Governments	73,149	78,371	73,149	78,371
<b>Total Assets</b>	<b>\$ 73,149</b>	<b>\$ 517,323</b>	<b>\$ 512,101</b>	<b>\$ 78,371</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 73,149	\$ 517,323	\$ 512,101	\$ 78,371
<b>Total Liabilities</b>	<b>\$ 73,149</b>	<b>\$ 517,323</b>	<b>\$ 512,101</b>	<b>\$ 78,371</b>
<u>City School ADA - Alamo Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 1,618	\$ 431,459	\$ 431,819	\$ 1,258
Due from Other Governments	20,246	21,201	20,246	21,201
Taxes Receivable	335,607	324,756	335,607	324,756
Allowance for Uncollectible Property Taxes	(15,737)	(15,296)	(15,737)	(15,296)
<b>Total Assets</b>	<b>\$ 341,734</b>	<b>\$ 762,120</b>	<b>\$ 771,935</b>	<b>\$ 331,919</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 341,734	\$ 762,120	\$ 771,935	\$ 331,919
<b>Total Liabilities</b>	<b>\$ 341,734</b>	<b>\$ 762,120</b>	<b>\$ 771,935</b>	<b>\$ 331,919</b>
<u>City School ADA - Bells Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 1,068	\$ 286,400	\$ 286,633	\$ 835
Due from Other Governments	13,362	14,073	13,362	14,073
Taxes Receivable	221,099	215,566	221,099	215,566
Allowance for Uncollectible Property Taxes	(10,237)	(10,153)	(10,237)	(10,153)
<b>Total Assets</b>	<b>\$ 225,292</b>	<b>\$ 505,886</b>	<b>\$ 510,857</b>	<b>\$ 220,321</b>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 225,292	\$ 505,886	\$ 510,857	\$ 220,321
<b>Total Liabilities</b>	<b>\$ 225,292</b>	<b>\$ 505,886</b>	<b>\$ 510,857</b>	<b>\$ 220,321</b>

(Continued)

Exhibit H-2

Crockett County, Tennessee

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 407,226	\$ 3,274,612	\$ 3,193,083	\$ 488,755
Accounts Receivable	0	4,303	0	4,303
Cash Shortage	0	598	0	598
Total Assets	<u>\$ 407,226</u>	<u>\$ 3,279,513</u>	<u>\$ 3,193,083</u>	<u>\$ 493,656</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 407,226	\$ 3,279,513	\$ 3,193,083	\$ 493,656
Total Liabilities	<u>\$ 407,226</u>	<u>\$ 3,279,513</u>	<u>\$ 3,193,083</u>	<u>\$ 493,656</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 407,226	\$ 3,274,612	\$ 3,193,083	\$ 488,755
Equity in Pooled Cash and Investments	2,686	1,156,811	1,157,404	2,093
Accounts Receivable	0	4,303	0	4,303
Due from Other Governments	106,757	113,645	106,757	113,645
Property Taxes Receivable	556,706	540,322	556,706	540,322
Allowance for Uncollectible Property Taxes	(25,974)	(25,449)	(25,974)	(25,449)
Cash Shortage	0	598	0	598
Total Assets	<u>\$ 1,047,401</u>	<u>\$ 5,064,842</u>	<u>\$ 4,987,976</u>	<u>\$ 1,124,267</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 640,175	\$ 1,785,329	\$ 1,794,893	\$ 630,611
Due to Litigants, Heirs, and Others	407,226	3,279,513	3,193,083	493,656
Total Liabilities	<u>\$ 1,047,401</u>	<u>\$ 5,064,842</u>	<u>\$ 4,987,976</u>	<u>\$ 1,124,267</u>

# Crockett County School Department

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

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

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

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

School Transportation Fund – The School Transportation Fund is used to account for a local tax levy to fund the transportation of all students in the county.

Exhibit I-1

Crockett County, Tennessee  
Statement of Activities  
Discretely Presented Crockett County School Department  
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Total Governmental Activities	
Governmental Activities:					
Instruction	\$ 9,557,821	\$ 0	\$ 774,188	\$ (8,783,633)	
Support Services	5,112,999	61,782	492,818	(4,558,399)	
Operation of Non-instructional Services	1,609,625	212,679	1,179,322	(217,624)	
<b>Total Governmental Activities</b>	<b>\$ 16,280,445</b>	<b>\$ 274,461</b>	<b>\$ 2,446,328</b>	<b>\$ (13,559,656)</b>	
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$ 1,304,936	
Local Option Sales Taxes				410,051	
Wheel Tax				134,766	
Other Local Taxes				1,288	
Grants and Contributions Not Restricted to Specific Programs				10,933,047	
Unrestricted Investment Income				7,007	
Miscellaneous				166,006	
<b>Total General Revenues</b>				<b>\$ 12,957,101</b>	
Change in Net Position				\$ (602,555)	
Net Position, July 1, 2013				15,409,756	
Net Position, June 30, 2014				<u>\$ 14,807,201</u>	

Crockett County, Tennessee  
Balance Sheet - Governmental Funds  
Discretely Presented Crockett County School Department  
June 30, 2014

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Purpose School	School Transportation	Other	Governmental Funds	
\$	747,935	8,018	19,445	\$	775,398
	34,833	0	0		34,833
	258,573	0	158,073		416,646
	78,970	0	0		78,970
	1,139,690	253,152	0		1,392,842
	(53,681)	(11,924)	0		(65,605)
\$	2,206,320	249,246	177,518	\$	2,633,084

ASSETS

Equity in Pooled Cash and Investments	
Accounts Receivable	
Due from Other Governments	
Due from Other Funds	
Property Taxes Receivable	
Allowance for Uncollectible Property Taxes	
Total Assets	

LIABILITIES

Accounts Payable	
Payroll Deductions Payable	
Cash Overdraft	
Due to Other Funds	
Total Liabilities	

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	
Deferred Delinquent Property Taxes	
Other Deferred/Unavailable Revenue	
Total Deferred Inflows of Resources	

(Continued)

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

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Purpose School	School Transportation	Other	Governmental Funds	
\$	9,951	0	1,807	0	11,758
	0	8,667	0	0	8,667
	0	0	30,313	0	30,313
	0	0	20,000	0	20,000
	1,055,175	0	0	0	1,055,175
\$	1,065,126	8,667	52,120	0	1,125,913
\$	2,206,320	249,246	177,518	0	2,633,084

FUND BALANCES

Restricted:  
 Restricted for Education  
 Restricted for Support Services  
 Restricted for Operation of Non-instructional Services  
 Assigned:  
 Assigned for Education  
 Unassigned  
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Exhibit I-3

Crockett County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
Discretely Presented Crockett County School Department  
June 30, 2014

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)	\$	1,125,913
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$	830,805
Add: buildings and improvements net of accumulated depreciation		12,440,911
Add: infrastructure net of accumulated depreciation		214,574
Add: other capital assets net of accumulated depreciation		<u>462,138</u>
		13,948,428
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		
		84,627
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability		<u>(351,767)</u>
Net position of governmental activities (Exhibit A)	\$	<u><u>14,807,201</u></u>

Exhibit I-4

Crockett County, Tennessee  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Governmental Funds  
Discretely Presented Crockett County School Department  
For the Year Ended June 30, 2014

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Purpose School	School Transportation		Other Governmental Funds		
<u>Revenues</u>						
Local Taxes	\$ 1,517,159	\$ 329,252	\$ 0	\$ 0	\$ 0	\$ 1,846,411
Licenses and Permits	762	0	0	0	0	762
Charges for Current Services	37,033	0	0	237,428	0	274,461
Other Local Revenues	213,061	0	0	2,634	0	215,695
State of Tennessee	11,216,445	0	0	9,539	0	11,225,984
Federal Government	106,230	0	0	1,901,717	0	2,007,947
Other Governments and Citizens Groups	101,923	0	0	0	0	101,923
Total Revenues	\$ 13,192,613	\$ 329,252	\$ 2,151,318	\$ 2,151,318	\$ 15,673,183	
<u>Expenditures</u>						
Current:						
Instruction	\$ 7,898,321	\$ 0	\$ 0	\$ 884,378	\$ 0	\$ 8,782,699
Support Services	5,010,783	5,645	0	96,106	0	5,112,534
Operation of Non-instructional Services	399,803	0	0	1,209,700	0	1,609,503
Capital Outlay	9,950	0	0	0	0	9,950
Debt Service:						
Other Debt Service	350,004	0	0	0	0	350,004
Total Expenditures	\$ 13,668,861	\$ 5,645	\$ 2,190,184	\$ 2,190,184	\$ 15,864,690	
Excess (Deficiency) of Revenues Over Expenditures	\$ (476,248)	\$ 323,607	\$ (38,866)	\$ (38,866)	\$ (191,507)	
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 43,069	\$ 0	\$ 0	\$ 0	\$ 0	\$ 43,069
Transfers In	324,013	0	0	6,420	0	330,433

(Continued)



Exhibit I-4

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

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Purpose School	School Transportation	Other Governmental Funds		
<u>Other Financing Sources (Uses) (Cont.)</u>					
Transfers Out	\$ (6,420) \$	(324,013) \$	0 \$		(330,433)
Total Other Financing Sources (Uses)	\$ 360,662 \$	(324,013) \$	6,420 \$		43,069
Net Change in Fund Balances	\$ (115,586) \$	(406) \$	(32,446) \$		(148,438)
Fund Balance, July 1, 2013	1,180,712	9,073	84,566		1,274,351
Fund Balance, June 30, 2014	\$ 1,065,126 \$	8,667 \$	52,120 \$		1,125,913

Exhibit I-5

Crockett County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Crockett County School Department  
For the Year Ended June 30, 2014

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ (148,438)
(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	\$ 93,499	
Less: current-year depreciation expense	<u>(566,011)</u>	(472,512)
(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 tax and other deferred June 30, 2014	\$ 84,627	
Less: deferred delinquent property tax and other deferred June 30, 2013	<u>(79,920)</u>	4,707
(3) Other postemployment benefits liability 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 other postemployment benefits liability		<u>13,688</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (602,555)</u>

Exhibit I-6

Crockett County, Tennessee  
Combining Balance Sheet - Nonmajor Governmental Funds  
Discretely Presented Crockett County School Department  
June 30, 2014

	<u>Special Revenue Funds</u>		Total
	School		Nonmajor
	Federal	Central	Governmental
	Projects	Cafeteria	Funds
	<hr/>		
<b><u>ASSETS</u></b>			
Equity in Pooled Cash and Investments	\$ 0	\$ 19,445	\$ 19,445
Due from Other Governments	147,205	10,868	158,073
	<hr/>		
Total Assets	<u>\$ 147,205</u>	<u>\$ 30,313</u>	<u>\$ 177,518</u>
<b><u>LIABILITIES</u></b>			
Payroll Deductions Payable	\$ 42	\$ 0	\$ 42
Cash Overdraft	94,869	0	94,869
Due to Other Funds	30,487	0	30,487
Total Liabilities	<u>\$ 125,398</u>	<u>\$ 0</u>	<u>\$ 125,398</u>
<b><u>FUND BALANCES</u></b>			
Restricted:			
Restricted for Education	\$ 1,807	\$ 0	\$ 1,807
Restricted for Operation of Non-instructional Services	0	30,313	30,313
Assigned:			
Assigned for Education	20,000	0	20,000
Total Fund Balances	<u>\$ 21,807</u>	<u>\$ 30,313</u>	<u>\$ 52,120</u>
Total Liabilities and Fund Balances	<u>\$ 147,205</u>	<u>\$ 30,313</u>	<u>\$ 177,518</u>

Exhibit I-7

Crockett County, Tennessee  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances -  
Nonmajor Governmental Funds  
Discretely Presented Crockett County School Department  
For the Year Ended June 30, 2014

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 237,428	\$ 237,428
Other Local Revenues	0	2,634	2,634
State of Tennessee	0	9,539	9,539
Federal Government	946,635	955,082	1,901,717
Total Revenues	<u>\$ 946,635</u>	<u>\$ 1,204,683</u>	<u>\$ 2,151,318</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 884,378	\$ 0	\$ 884,378
Support Services	96,106	0	96,106
Operation of Non-instructional Services	0	1,209,700	1,209,700
Total Expenditures	<u>\$ 980,484</u>	<u>\$ 1,209,700</u>	<u>\$ 2,190,184</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (33,849)</u>	<u>\$ (5,017)</u>	<u>\$ (38,866)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 6,420	\$ 0	\$ 6,420
Total Other Financing Sources (Uses)	<u>\$ 6,420</u>	<u>\$ 0</u>	<u>\$ 6,420</u>
Net Change in Fund Balances	\$ (27,429)	\$ (5,017)	\$ (32,446)
Fund Balance, July 1, 2013	49,236	35,330	84,566
Fund Balance, June 30, 2014	<u>\$ 21,807</u>	<u>\$ 30,313</u>	<u>\$ 52,120</u>

Exhibit I-8

Crockett County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Crockett County School Department  
General Purpose School Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,517,159	\$ 1,463,022	\$ 1,463,022	\$ 54,137
Licenses and Permits	762	750	750	12
Charges for Current Services	37,033	26,650	26,650	10,383
Other Local Revenues	213,061	79,850	171,353	41,708
State of Tennessee	11,216,445	10,909,209	10,966,365	250,080
Federal Government	106,230	40,000	72,666	33,564
Other Governments and Citizens Groups	101,923	166,123	176,123	(74,200)
<b>Total Revenues</b>	<b>\$ 13,192,613</b>	<b>\$ 12,685,604</b>	<b>\$ 12,876,929</b>	<b>\$ 315,684</b>
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 6,280,496	\$ 6,245,813	\$ 6,303,313	\$ 22,817
Alternative Instruction Program	160,379	134,968	161,468	1,089
Special Education Program	621,286	596,500	627,166	5,880
Vocational Education Program	825,725	796,400	826,220	495
Adult Education Program	10,435	12,112	12,112	1,677
<u>Support Services</u>				
Attendance	60,397	45,050	60,892	495
Health Services	152,643	151,282	154,103	1,460
Other Student Support	480,559	563,350	511,350	30,791
Regular Instruction Program	353,071	421,082	386,082	33,011
Special Education Program	165,993	124,420	166,683	690
Other Programs	37,156	0	37,156	0
Board of Education	257,930	274,647	259,647	1,717
Director of Schools	212,615	214,372	214,371	1,756
Office of the Principal	986,590	1,009,400	1,009,399	22,809
Fiscal Services	128,342	137,933	137,933	9,591
Operation of Plant	987,139	1,063,354	1,004,354	17,215
Maintenance of Plant	500,517	373,690	505,311	4,794
Transportation	687,831	718,464	717,464	29,633
<u>Operation of Non-instructional Services</u>				
Community Services	182,340	190,134	210,134	27,794
Early Childhood Education	217,463	214,727	218,991	1,528
<u>Capital Outlay</u>				
Regular Capital Outlay	9,950	40,000	28,100	18,150
<u>Other Debt Service</u>				
Education	350,004	351,000	351,000	996
<b>Total Expenditures</b>	<b>\$ 13,668,861</b>	<b>\$ 13,678,698</b>	<b>\$ 13,903,249</b>	<b>\$ 234,388</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (476,248)	\$ (993,094)	\$ (1,026,320)	\$ 550,072
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 43,069	\$ 0	\$ 0	\$ 43,069
Transfers In	324,013	320,000	320,000	4,013
Transfers Out	(6,420)	0	(6,420)	0
<b>Total Other Financing Sources</b>	<b>\$ 360,662</b>	<b>\$ 320,000</b>	<b>\$ 313,580</b>	<b>\$ 47,082</b>

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
Net Change in Fund Balance	\$ (115,586)	\$ (673,094)	\$ (712,740)	\$ 597,154
Fund Balance, July 1, 2013	1,180,712	1,301,051	1,340,697	(159,985)
Fund Balance, June 30, 2014	\$ 1,065,126	\$ 627,957	\$ 627,957	\$ 437,169

Exhibit I-9

Crockett County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Crockett County School Department  
School Federal Projects Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 946,635	\$ 1,036,053	\$ 1,036,212	\$ (89,577)
Total Revenues	\$ 946,635	\$ 1,036,053	\$ 1,036,212	\$ (89,577)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 471,460	\$ 459,240	\$ 485,307	\$ 13,847
Special Education Program	392,151	468,487	426,102	33,951
Vocational Education Program	20,767	17,048	20,812	45
<u>Support Services</u>				
Other Student Support	14,841	21,039	17,139	2,298
Regular Instruction Program	63,924	48,510	65,192	1,268
Special Education Program	5,715	7,546	7,546	1,831
Vocational Education Program	1,226	1,897	1,828	602
Transportation	10,400	12,286	12,286	1,886
Total Expenditures	\$ 980,484	\$ 1,036,053	\$ 1,036,212	\$ 55,728
Excess (Deficiency) of Revenues Over Expenditures	\$ (33,849)	\$ 0	\$ 0	\$ (33,849)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 6,420	\$ 0	\$ 0	\$ 6,420
Total Other Financing Sources	\$ 6,420	\$ 0	\$ 0	\$ 6,420
Net Change in Fund Balance	\$ (27,429)	\$ 0	\$ 0	\$ (27,429)
Fund Balance, July 1, 2013	49,236	0	0	49,236
Fund Balance, June 30, 2014	\$ 21,807	\$ 0	\$ 0	\$ 21,807

Exhibit I-10

Crockett County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Crockett County School Department  
Central Cafeteria Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 237,428	\$ 258,200	\$ 237,270	\$ 158
Other Local Revenues	2,634	2,763	2,629	5
State of Tennessee	9,539	9,507	9,539	0
Federal Government	955,082	969,847	942,499	12,583
<b>Total Revenues</b>	<b>\$ 1,204,683</b>	<b>\$ 1,240,317</b>	<b>\$ 1,191,937</b>	<b>\$ 12,746</b>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 1,209,700	\$ 1,231,195	\$ 1,210,062	\$ 362
<b>Total Expenditures</b>	<b>\$ 1,209,700</b>	<b>\$ 1,231,195</b>	<b>\$ 1,210,062</b>	<b>\$ 362</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (5,017)	\$ 9,122	\$ (18,125)	\$ 13,108
Net Change in Fund Balance	\$ (5,017)	\$ 9,122	\$ (18,125)	\$ 13,108
Fund Balance, July 1, 2013	35,330	59,007	59,007	(23,677)
<b>Fund Balance, June 30, 2014</b>	<b>\$ 30,313</b>	<b>\$ 68,129</b>	<b>\$ 40,882</b>	<b>\$ (10,569)</b>



Exhibit I-11

Crockett County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Crockett County School Department  
School Transportation Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 329,252	\$ 327,506	\$ 327,506	\$ 1,746
Total Revenues	\$ 329,252	\$ 327,506	\$ 327,506	\$ 1,746
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 5,645	\$ 5,500	\$ 5,500	\$ (145)
Total Expenditures	\$ 5,645	\$ 5,500	\$ 5,500	\$ (145)
Excess (Deficiency) of Revenues Over Expenditures	\$ 323,607	\$ 322,006	\$ 322,006	\$ 1,601
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (324,013)	\$ (322,006)	\$ (322,006)	\$ (2,007)
Total Other Financing Sources	\$ (324,013)	\$ (322,006)	\$ (322,006)	\$ (2,007)
Net Change in Fund Balance	\$ (406)	\$ 0	\$ 0	\$ (406)
Fund Balance, July 1, 2013	9,073	0	0	9,073
Fund Balance, June 30, 2014	\$ 8,667	\$ 0	\$ 0	\$ 8,667

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

Crockett County, Tennessee  
Schedule of Changes in Long-term Notes, Other Loan, Capital Leases, and Bonds  
For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-14
<u>NOTES PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Emergency Management Building	\$ 84,000	0 %	6-30-07	2-17-17	\$ 33,600	\$ 0	\$ 8,400	\$ 25,200
Adult Education Technology Center	1,100,000	0	5-27-10	4-1-20	939,575	0	137,508	802,067
Public Works Projects	260,000	2.95	11-20-12	6-1-24	260,000	0	22,500	237,500
Total Notes Payable					\$ 1,233,175	\$ 0	\$ 168,408	\$ 1,064,767
<u>OTHER LOAN PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Energy Efficient Schools Initiative	2,000,000	0	2-2-12	10-1-22	\$ 1,916,650	\$ 0	\$ 200,004	\$ 1,716,646
Total Other Loan Payable					\$ 1,916,650	\$ 0	\$ 200,004	\$ 1,716,646
<u>CAPITAL LEASES PAYABLE</u>								
<u>Payable through General Fund</u>								
Sheriff Department Vehicle	28,423	5.5	12-9-11	12-9-13	\$ 9,465	\$ 0	\$ 9,465	\$ 0
Sheriff's Patrol Cars	75,269	6	10-24-12	10-24-14	48,704	0	23,643	25,061
Ambulance Service Vehicle	31,001	6.5	11-2-12	11-2-14	20,010	0	9,690	10,320
Sheriff Department Vehicles	49,307	6.5	2-4-14	2-4-16	0	49,307	17,481	31,826
Total Capital Leases Payable					\$ 78,179	\$ 49,307	\$ 60,279	\$ 67,207
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Nursing Home	300,000	5	10-26-1977	1-1-17	\$ 61,457	\$ 0	\$ 14,714	\$ 46,743
Nursing Home	50,000	5	2-9-1979	1-1-19	14,865	0	2,222	12,643
General Obligation Refunding 2010 Series	11,235,000	2 to 4	5-20-10	4-1-25	10,690,000	0	220,000	10,470,000
General Obligation Refunding 2012 Series	3,850,000	2	3-1-12	4-1-17	3,135,000	0	710,000	2,425,000
Total Bonds Payable					\$ 13,901,322	\$ 0	\$ 946,936	\$ 12,954,386

Exhibit J-2

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

Year Ending June 30	Notes		Total
	Principal	Interest	
2015	\$ 168,400	\$ 7,006	\$ 175,406
2016	168,400	6,343	174,743
2017	168,400	5,679	174,079
2018	160,000	5,015	165,015
2019	160,000	4,351	164,351
2020	139,567	3,688	143,255
2021	25,000	2,950	27,950
2022	25,000	2,212	27,212
2023	25,000	1,475	26,475
2024	25,000	737	25,737
Total	\$ 1,064,767	\$ 39,456	\$ 1,104,223

Year Ending June 30	Other Loan Payable	
	Principal	Total
2015	\$ 200,004	\$ 200,004
2016	200,004	200,004
2017	200,004	200,004
2018	200,004	200,004
2019	200,004	200,004
2020	200,004	200,004
2021	200,004	200,004
2022	200,004	200,004
2023	116,614	116,614
Total	\$ 1,716,646	\$ 1,716,646

Year Ending June 30	Capital Leases		Total
	Principal	Interest	
2015	\$ 50,793	\$ 4,243	\$ 55,036
2016	16,414	1,067	17,481
Total	\$ 67,207	\$ 5,310	\$ 72,517

(Continued)

Exhibit J-2

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
2015	\$ 957,785	\$ 408,219	\$ 1,366,004
2016	973,672	387,680	1,361,352
2017	992,642	367,022	1,359,664
2018	1,082,700	345,139	1,427,839
2019	1,132,587	301,804	1,434,391
2020	1,190,000	267,775	1,457,775
2021	1,230,000	230,588	1,460,588
2022	1,275,000	190,613	1,465,613
2023	1,320,000	145,987	1,465,987
2024	1,370,000	99,787	1,469,787
2025	1,430,000	51,838	1,481,838
Total	\$ 12,954,386	\$ 2,796,452	\$ 15,750,838

Exhibit J-3

Crockett County, Tennessee  
Schedule of Transfers  
Discretely Presented Crockett County School Department  
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General Purpose School	School Federal Projects	Federal program reimbursements	\$ 6,420
School Transportation	General Purpose School	School transportation	<u>324,013</u>
Total Transfers Discretely Presented Crockett County School Department			<u><u>\$ 330,433</u></u>

Exhibit J-4

Crockett County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented Crockett County School Department  
For the Year Ended June 30, 2014

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 71,184	\$ 50,000	Auto Owners Insurance Company
Road Supervisor	Section 8-24-102, TCA	67,795	100,000	"
Director of Schools	State Board of Education and County Board of Education	113,000 (1)	150,000	Tennessee Risk Management Trust
Trustee	Section 8-24-102, TCA	61,632	702,000	Auto Owners Insurance Company
Assessor of Property	Section 8-24-102, TCA	61,632	50,000	"
County Clerk	Section 8-24-102, TCA	61,632	25,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	61,632	25,000	"
Clerk and Master	Section 8-24-102, TCA	61,632	30,000	"
Register of Deeds	Section 8-24-102, TCA	61,632	15,000	"
Sheriff	Section 8-24-102, TCA	67,795 (2)	25,000	"
Employee Bonds:				
General Fund Employees			150,000	Tennessee Risk Management Trust
Road Department Employees			150,000	"
School Department Employees			150,000	"

(1) Includes a chief executive officer training supplement of \$1,000 and a performance bonus of \$4,838.

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

Exhibit J-5

Crockett County, Tennessee  
 Schedule of Detailed Revenues -  
 All Governmental Fund Types  
 For the Year Ended June 30, 2014

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 3,255,259	\$ 0	\$ 0	\$ 0	\$ 0	384,513
Discount on Property Taxes	(27,161)	0	0	0	0	(3,204)
Trustee's Collections - Prior Year	129,335	0	0	0	0	3,226
Trustee's Collections - Bankruptcy	1,949	0	0	0	0	61
Circuit/Clerk and Master Collections - Prior Years	94,858	0	0	0	0	2,936
Interest and Penalty	23,466	0	0	0	0	979
Payments in-Lieu-of Taxes - T.V.A.	96	0	0	0	0	7
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	158,597	0	0	0	602,122
Hotel/Motel Tax	7,945	0	0	0	0	0
Wheel Tax	0	0	0	395,760	0	315,371
Litigation Tax - General	59,508	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	21,833
Business Tax	114,132	0	0	0	0	0
<u>Statutory Local Taxes</u>						
Bank Excise Tax	51,314	0	0	0	0	0
Wholesale Beer Tax	0	96,467	0	0	0	0
Interstate Telecommunications Tax	0	402	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 3,710,701</b>	<b>\$ 255,466</b>	<b>\$ 0</b>	<b>\$ 395,760</b>	<b>\$ 0</b>	<b>1,327,844</b>
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 7,378	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>						
Beer Permits	760	0	0	0	0	0

(Continued)



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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<u>Licenses and Permits (Cont.)</u>						
<u>Permits (Cont.)</u>						
Building Permits	25,765	0	0	0	0	0
Total Licenses and Permits	\$ 33,903	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	2,448	0	0	0	0	0
Officers Costs	2,587	0	0	0	0	0
Game and Fish Fines	10	0	0	0	0	0
Drug Control Fines	2,806	0	2,850	0	0	0
Drug Court Fees	320	0	0	0	0	0
Jail Fees	7,069	0	0	0	0	0
DUI Treatment Fines	665	0	0	0	0	0
Data Entry Fee - Circuit Court	350	0	0	0	0	0
Courtroom Security Fee	4	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	12,255	0	0	0	0	0
Officers Costs	20,341	0	0	0	0	0
Game and Fish Fines	331	0	0	0	0	0
Drug Control Fines	3,379	0	2,210	0	0	0
Drug Court Fees	1,951	0	0	0	0	0
Jail Fees	3,257	0	0	0	0	0
DUI Treatment Fines	3,682	0	0	0	0	0
Data Entry Fee - General Sessions Court	8,230	0	0	0	0	0
Courtroom Security Fee	133	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 147	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	474	0	0	0	0	0
Data Entry Fee - Juvenile Court	160	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	1,007	0	0	0	0	0
Data Entry Fee - Chancery Court	2,178	0	0	0	0	0
Courtroom Security Fee	770	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	4,130	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 74,554	\$ 0	\$ 9,190	\$ 0	\$ 0	0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 11,656	\$ 0	\$ 0	\$ 0	0
Patient Charges	608,750	0	0	0	0	0
<u>Fees</u>						
Library Fees	3,207	0	0	0	0	0
Telephone Commissions	16,417	0	0	0	0	0
Data Processing Fee - Register	4,293	0	0	0	0	0
Data Processing Fee - Sheriff	1,450	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,400	0	0	0	0	0
Data Processing Fee - County Clerk	1,202	0	0	0	0	0
Total Charges for Current Services	\$ 636,719	\$ 11,656	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	13,233
Lease/Rentals	27,072	0	0	0	0	78,267
Commissary Sales	5,339	0	0	0	0	0
Miscellaneous Refunds	20,630	0	0	7,218	0	0
<u>Nonrecurring Items</u>						
Sale of Property	950	0	0	0	0	0
<b>Total Other Local Revenues</b>	<b>\$ 53,991</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 7,218</b>	<b>\$ 0</b>	<b>\$ 91,500</b>
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 158,761	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	20,281	0	0	0	0	0
General Sessions Court Clerk	126,016	0	0	0	0	0
Clerk and Master	63,163	0	0	0	0	0
Juvenile Court Clerk	3,782	0	0	0	0	0
Register	47,692	0	0	0	0	0
Sheriff	5,576	0	0	0	0	0
Trustee	191,442	0	0	0	0	0
<b>Total Fees Received from County Officials</b>	<b>\$ 616,713</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,774	\$ 0	\$ 0	\$ 0	\$ 0	0
Aging Programs	243,462	0	0	0	0	0
Solid Waste Grants	0	1,746	0	0	0	0
Other General Government Grants	34,674	0	0	0	0	0

(Continued)

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	
<u>State of Tennessee (Cont.)</u>						
Public Safety Grants						
Law Enforcement Training Programs	7,800 \$	0 \$	0 \$	0 \$	0 \$	0
Other Public Safety Grants	9,193	0	0	0	0	0
Health and Welfare Grants						
Health Department Programs	112,251	0	0	0	0	0
Other Health and Welfare Grants	15,930	0	0	0	0	0
Public Works Grants						
Bridge Program	0	0	0	30,563	0	0
State Aid Program	0	0	0	219,386	0	0
Litter Program	33,700	0	0	0	0	0
Other State Revenues						
Income Tax	9,009	0	0	0	0	0
Beer Tax	0	17,806	0	0	0	0
Alcoholic Beverage Tax	0	38,615	0	0	0	0
Mixed Drink Tax	1,241	0	0	0	0	0
State Revenue Sharing - T.V.A.	296,771	0	0	0	0	0
Contracted Prisoner Boarding	407,444	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	1,383,025	0	0
Petroleum Special Tax	0	0	0	10,524	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	108,273	0	0	0	0	0
Other State Revenues	2,490	0	0	0	0	0
Total State of Tennessee	\$ 1,307,176 \$	58,167 \$	0 \$	1,643,498 \$	0 \$	0

(Continued)

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

	Special Revenue Funds					Debt Service Fund
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General	
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	0	0	0	34,529	0	0
Civil Defense Reimbursement	10,559	0	0	0	0	0
Homeland Security Grants	29,500	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Other Direct Federal Revenue	400	0	0	0	0	0
Total Federal Government	\$ 40,459	\$ 0	\$ 0	\$ 34,529	\$ 0	\$ 0
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	1,732	0	0	0	0	350,004
Contracted Services	2,229	0	0	1,240	0	0
<u>Citizens Groups</u>						
Donations	3,049	0	0	0	0	137,508
Total Other Governments and Citizens Groups	\$ 7,010	\$ 0	\$ 0	\$ 1,240	\$ 0	\$ 487,512
Total	\$ 6,481,226	\$ 325,289	\$ 9,190	\$ 2,082,245	\$ 1,906,856	\$ 1,906,856

(Continued)

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	0 \$	3,639,772
Discount on Property Taxes	0	(30,365)
Trustee's Collections - Prior Year	0	132,561
Trustee's Collections - Bankruptcy	0	2,010
Circuit/Clerk and Master Collections - Prior Years	0	97,794
Interest and Penalty	0	24,445
Payments in-Lieu-of Taxes - T.V.A.	0	103
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	760,719
Hotel/Motel Tax	0	7,945
Wheel Tax	0	711,131
Litigation Tax - General	0	59,508
Litigation Tax - Jail, Workhouse, or Courthouse	0	21,833
Business Tax	0	114,132
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	51,314
Wholesale Beer Tax	0	96,467
Interstate Telecommunications Tax	0	402
Total Local Taxes	<u>0 \$</u>	<u>5,689,771</u>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Cable TV Franchise	0 \$	7,378
<u>Permits</u>		
Beer Permits	0	760

(Continued)

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>Licenses and Permits (Cont.)</u>		
<u>Permits (Cont.)</u>		
Building Permits	0 \$	25,765
Total Licenses and Permits	0 \$	33,903
<u>Fines, Forfeitures, and Penalties</u>		
<u>Circuit Court</u>		
Fines	0 \$	2,448
Officers Costs	0	2,587
Game and Fish Fines	0	10
Drug Control Fines	0	5,656
Drug Court Fees	0	320
Jail Fees	0	7,069
DUI Treatment Fines	0	665
Data Entry Fee - Circuit Court	0	350
Courtroom Security Fee	0	4
<u>General Sessions Court</u>		
Fines	0	12,255
Officers Costs	0	20,341
Game and Fish Fines	0	331
Drug Control Fines	0	5,589
Drug Court Fees	0	1,951
Jail Fees	0	3,257
DUI Treatment Fines	0	3,682
Data Entry Fee - General Sessions Court	0	8,230
Courtroom Security Fee	0	133

(Continued)

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>Juvenile Court</u>		
Fines	0 \$	147
Officers Costs	0	474
Data Entry Fee - Juvenile Court	0	160
<u>Chancery Court</u>		
Officers Costs	0	1,007
Data Entry Fee - Chancery Court	0	2,178
Courtroom Security Fee	0	770
<u>Other Fines, Forfeitures, and Penalties</u>		
Proceeds from Confiscated Property	0	4,130
Total Fines, Forfeitures, and Penalties	<u>0 \$</u>	<u>83,744</u>
<u>Charges for Current Services</u>		
<u>General Service Charges</u>		
Convenience Waste Centers Collection Charge	0 \$	11,656
Patient Charges	0	608,750
<u>Fees</u>		
Library Fees	0	3,207
Telephone Commissions	0	16,417
Data Processing Fee - Register	0	4,293
Data Processing Fee - Sheriff	0	1,450
Sexual Offender Registration Fee - Sheriff	0	1,400
Data Processing Fee - County Clerk	0	1,202
Total Charges for Current Services	<u>0 \$</u>	<u>648,375</u>

(Continued)



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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>Other Local Revenues</u>		
<u>Recurring Items</u>		
Investment Income	0 \$	13,233
Lease/Rentals	0	105,339
Commissary Sales	0	5,339
Miscellaneous Refunds	0	27,848
<u>Nonrecurring Items</u>		
Sale of Property	0	950
<u>Total Other Local Revenues</u>	<u>0 \$</u>	<u>152,709</u>
<u>Fees Received from County Officials</u>		
<u>Fees in-Lieu-of Salary</u>		
County Clerk	0 \$	158,761
Circuit Court Clerk	0	20,281
General Sessions Court Clerk	0	126,016
Clerk and Master	0	63,163
Juvenile Court Clerk	0	3,782
Register	0	47,692
Sheriff	0	5,576
Trustee	0	191,442
<u>Total Fees Received from County Officials</u>	<u>0 \$</u>	<u>616,713</u>
<u>State of Tennessee</u>		
<u>General Government Grants</u>		
Juvenile Services Program	0 \$	9,774
Aging Programs	0	243,462
Solid Waste Grants	0	1,746
Other General Government Grants	0	34,674

(Continued)

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>State of Tennessee (Cont.)</u>		
<u>Public Safety Grants</u>		
Law Enforcement Training Programs	0 \$	7,800
Other Public Safety Grants	0	9,193
<u>Health and Welfare Grants</u>		
Health Department Programs	0	112,251
Other Health and Welfare Grants	0	15,930
<u>Public Works Grants</u>		
Bridge Program	0	30,563
State Aid Program	0	219,386
Litter Program	0	33,700
<u>Other State Revenues</u>		
Income Tax	0	9,009
Beer Tax	0	17,806
Alcoholic Beverage Tax	0	38,615
Mixed Drink Tax	0	1,241
State Revenue Sharing - T.V.A.	0	296,771
Contracted Prisoner Boarding	0	407,444
Gasoline and Motor Fuel Tax	0	1,383,025
Petroleum Special Tax	0	10,524
Registrar's Salary Supplement	0	15,164
Other State Grants	0	108,273
Other State Revenues	0	2,490
Total State of Tennessee	<u>0 \$</u>	<u>3,008,841</u>

(Continued)

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

	Capital Projects Fund Community Development/ Industrial Park	Total
<u>Federal Government</u>		
<u>Federal Through State</u>		
Community Development	\$ 176,527	\$ 211,056
Civil Defense Reimbursement	0	10,559
Homeland Security Grants	0	29,500
<u>Direct Federal Revenue</u>		
Other Direct Federal Revenue	0	400
<u>Total Federal Government</u>	<u>\$ 176,527</u>	<u>\$ 251,515</u>
<u>Other Governments and Citizens Groups</u>		
<u>Other Governments</u>		
Contributions	0	\$ 351,736
Contracted Services	0	3,469
<u>Citizens Groups</u>		
Donations	0	140,557
<u>Total Other Governments and Citizens Groups</u>	<u>\$ 0</u>	<u>\$ 495,762</u>
<u>Total</u>	<u>\$ 176,527</u>	<u>\$ 10,981,333</u>

Crockett County, Tennessee  
Schedule of Detailed Revenues -  
All Governmental Fund Types  
Discretely Presented Crockett County School Department  
For the Year Ended June 30, 2014

	General Purpose School	Special Revenue Funds				Total
		School Federal Projects	Central Cafeteria	School Transportation		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 1,002,211	\$ 0	\$ 0	\$ 222,621	\$ 1,224,832	
Discount on Property Taxes	(8,354)	0	0	(1,857)	(10,211)	
Trustee's Collections - Prior Year	36,683	0	0	8,129	44,812	
Trustee's Collections - Bankruptcy	558	0	0	123	681	
Circuit/Clerk and Master Collections - Prior Years	26,941	0	0	5,976	32,917	
Interest and Penalty	6,731	0	0	1,494	8,225	
Payments in-Lieu-of Taxes - T.V.A.	45	0	0	10	55	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	409,052	0	0	0	409,052	
Wheel Tax	42,010	0	0	92,756	134,766	
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	1,282	0	0	0	1,282	
Total Local Taxes	\$ 1,517,159	\$ 0	\$ 0	\$ 329,252	\$ 1,846,411	
<u>Licenses and Permits</u>						
Licenses	762	0	0	0	762	
Marriage Licenses	762	0	0	0	762	
Total Licenses and Permits	\$ 1,517,921	\$ 0	\$ 0	\$ 0	\$ 1,517,921	
<u>Charges for Current Services</u>						
Fees						
Vending Machine Collections	39	0	0	0	39	
Education Charges						
Lunch Payments - Children	0	0	128,692	0	128,692	

(Continued)

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

	General Purpose School	Special Revenue Funds				Total
		School Federal Projects	Central Cafeteria	School Transportation		
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
Lunch Payments - Adults	\$ 0	\$ 0	\$ 18,242	\$ 0	\$ 18,242	
Income from Breakfast	0	0	2,622	0	2,622	
A la carte Sales	0	0	63,084	0	63,084	
Transportation - Other State Systems	13,305	0	0	0	13,305	
Receipts from Individual Schools	23,689	0	0	0	23,689	
<u>Other Charges for Services</u>						
Other Charges for Services	0	0	24,788	0	24,788	
Total Charges for Current Services	\$ 37,033	\$ 0	\$ 237,428	\$ 0	\$ 274,461	
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 6,836	\$ 0	\$ 171	\$ 0	\$ 7,007	
Lease/Rentals	17,578	0	0	0	17,578	
E-Rate Funding	36,564	0	2,463	0	39,027	
Miscellaneous Refunds	148,141	0	0	0	148,141	
<u>Nonrecurring Items</u>						
Damages Recovered from Individuals	287	0	0	0	287	
Contributions and Gifts	3,500	0	0	0	3,500	
<u>Other Local Revenues</u>						
Other Local Revenues	155	0	0	0	155	
Total Other Local Revenues	\$ 213,061	\$ 0	\$ 2,634	\$ 0	\$ 215,695	

(Continued)

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

	General Purpose School	Special Revenue Funds				Total
		School Federal Projects	Central Cafeteria	School Transportation		
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 37,156	\$ 0	\$ 0	\$ 0	\$ 37,156	
<u>State Education Funds</u>						
Basic Education Program	10,407,000	0	0	0	10,407,000	
Early Childhood Education	214,701	0	0	0	214,701	
School Food Service	0	0	9,539	0	9,539	
Energy Efficient School Initiative	10,000	0	0	0	10,000	
Driver Education	5,590	0	0	0	5,590	
Other State Education Funds	341,470	0	0	0	341,470	
Career Ladder Program	41,981	0	0	0	41,981	
Career Ladder - Extended Contract	20,095	0	0	0	20,095	
<u>Other State Revenues</u>						
Mixed Drink Tax	843	0	0	0	843	
State Revenue Sharing - T.V.A.	50,000	0	0	0	50,000	
Other State Grants	87,609	0	0	0	87,609	
Total State of Tennessee	\$ 11,216,445	\$ 0	\$ 9,539	\$ 0	\$ 11,225,984	
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 583,414	\$ 0	\$ 583,414	
USDA - Commodities	0	0	45,165	0	45,165	
Breakfast	0	0	319,161	0	319,161	
USDA - Other	0	0	7,342	0	7,342	
Adult Education State Grant Program	1,231	0	0	0	1,231	
Vocational Education - Basic Grants to States	0	36,550	0	0	36,550	

(Continued)

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

	General Purpose School	Special Revenue Funds				Total
		School Federal Projects	Central Cafeteria	School Transportation		
Federal Government (Cont.)						
Federal Through State (Cont.)						
Title I Grants to Local Education Agencies	\$ 0	\$ 368,942	\$ 0	\$ 0	\$ 368,942	
Special Education - Grants to States	56,515	318,733	0	0	375,248	
Special Education Preschool Grants	48,484	74,660	0	0	123,144	
English Language Acquisition Grants	0	15,393	0	0	15,393	
Rural Education	0	31,709	0	0	31,709	
Eisenhower Professional Development State Grants	0	64,453	0	0	64,453	
Race-to-the-Top - ARRA	0	36,195	0	0	36,195	
Total Federal Government	\$ 106,230	\$ 946,635	\$ 955,082	\$ 0	\$ 2,007,947	
Other Governments and Citizens Groups						
Other	\$ 101,923	\$ 0	\$ 0	\$ 0	\$ 101,923	
Total Other Governments and Citizens Groups	\$ 101,923	\$ 0	\$ 0	\$ 0	\$ 101,923	
Total	\$ 13,192,613	\$ 946,635	\$ 1,204,683	\$ 329,252	\$ 15,673,183	

Exhibit J-7

Crockett County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
For the Year Ended June 30, 2014

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	13,715	
Dues and Memberships		1,300	
Total County Commission			\$ 15,015

Board of Equalization

Board and Committee Members Fees	\$	170	
Total Board of Equalization			170

County Mayor/Executive

County Official/Administrative Officer	\$	71,184	
Accountants/Bookkeepers		35,855	
Secretary(ies)		20,353	
Longevity Pay		850	
Contracts with Private Agencies		6,892	
Dues and Memberships		2,165	
Postal Charges		1,085	
Printing, Stationery, and Forms		430	
Travel		5,554	
Other Contracted Services		5,000	
Office Supplies		2,257	
Office Equipment		4,201	
Total County Mayor/Executive			155,826

County Attorney

County Official/Administrative Officer	\$	1,400	
Total County Attorney			1,400

Election Commission

County Official/Administrative Officer	\$	55,468	
Temporary Personnel		12,691	
Election Commission		900	
Election Workers		6,120	
Contracts with Private Agencies		13,545	
Data Processing Services		1,398	
Dues and Memberships		475	
Legal Notices, Recording, and Court Costs		636	
Postal Charges		1,119	
Printing, Stationery, and Forms		703	
Travel		1,187	
Office Supplies		1,383	
Office Equipment		1,641	
Other Equipment		34,674	
Total Election Commission			131,940

Register of Deeds

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		23,886	

(Continued)



Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Longevity Pay	\$	450	
Data Processing Services		3,055	
Dues and Memberships		407	
Operating Lease Payments		699	
Postal Charges		144	
Printing, Stationery, and Forms		155	
Office Supplies		1,161	
Office Equipment		542	
Total Register of Deeds			\$ 92,131

County Buildings

Custodial Personnel	\$	7,565	
Maintenance Personnel		15,120	
Communication		38,652	
Maintenance and Repair Services - Buildings		128,178	
Maintenance and Repair Services - Equipment		3,459	
Maintenance and Repair Services - Vehicles		438	
Pest Control		4,465	
Custodial Supplies		14,332	
Electricity		25,128	
Gasoline		1,201	
Natural Gas		10,678	
Water and Sewer		7,261	
Building and Contents Insurance		24,266	
Other Equipment		3,408	
Total County Buildings			284,151

Finance

Accounting and Budgeting

Accounting Services	\$	568	
Audit Services		4,376	
Total Accounting and Budgeting			4,944

Property Assessor's Office

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		42,547	
Longevity Pay		450	
Contracts with Private Agencies		8,318	
Data Processing Services		7,992	
Dues and Memberships		1,402	
Legal Notices, Recording, and Court Costs		220	
Postal Charges		426	
Printing, Stationery, and Forms		314	
Travel		2,980	
Office Supplies		340	
Office Equipment		1,557	
Other Equipment		75	
Total Property Assessor's Office			128,253

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		53,356	
Longevity Pay		1,950	
Data Processing Services		4,830	
Dues and Memberships		507	
Maintenance Agreements		2,370	
Postal Charges		3,026	
Printing, Stationery, and Forms		588	
Travel		1,228	
Other Contracted Services		1,140	
Office Supplies		1,045	
Office Equipment		125	
Total County Trustee's Office	\$		131,797

County Clerk's Office

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		66,772	
Longevity Pay		1,200	
Dues and Memberships		702	
Postal Charges		3,731	
Printing, Stationery, and Forms		310	
Travel		711	
Other Contracted Services		11,072	
Office Supplies		3,458	
Office Equipment		1,216	
Other Equipment		9,475	
Total County Clerk's Office			160,279

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		103,662	
Longevity Pay		1,350	
Jury and Witness Expense		5,306	
Data Processing Services		9,343	
Dues and Memberships		472	
Postal Charges		2,081	
Printing, Stationery, and Forms		316	
Other Contracted Services		1,823	
Office Supplies		4,938	
Other Charges		105	
Total Circuit Court			191,028

General Sessions Judge

Judge(s)	\$	88,128	
Dues and Memberships		140	
Travel		1,514	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Judge (Cont.)

Other Contracted Services	\$	4,465	
Office Supplies		25	
Total General Sessions Judge			\$ 94,272

Drug Court

Assistant(s)	\$	24,000	
Supervisor/Director		24,000	
Social Security		4,588	
Communication		2,422	
Travel		5,900	
Drug Treatment		1,310	
Office Supplies		3,964	
Office Equipment		1,498	
Total Drug Court			67,682

Chancery Court

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		24,871	
Longevity Pay		300	
Dues and Memberships		552	
Maintenance Agreements		3,387	
Postal Charges		2,419	
Printing, Stationery, and Forms		101	
Other Contracted Services		1,612	
Office Supplies		287	
Other Equipment		1,162	
Total Chancery Court			96,323

Juvenile Court

Supervisor/Director	\$	29,312	
Probation Officer(s)		17,114	
Longevity Pay		1,250	
In-service Training		1,229	
Communication		917	
Maintenance and Repair Services - Vehicles		2,727	
Travel		255	
Other Contracted Services		1,180	
Gasoline		2,176	
Office Supplies		74	
Other Charges		4,105	
Office Equipment		1,402	
Total Juvenile Court			61,741

Other Administration of Justice

Other Salaries and Wages	\$	7,747	
In-service Training		350	
Other Charges		288	
Total Other Administration of Justice			8,385

(Continued)

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	67,795	
Assistant(s)		39,284	
Deputy(ies)		441,030	
Data Processing Personnel		29,488	
Guards		24,149	
Secretary(ies)		24,962	
Longevity Pay		6,350	
Other Salaries and Wages		61,938	
In-service Training		12,925	
Communication		25,362	
Data Processing Services		12,070	
Dues and Memberships		2,744	
Evaluation and Testing		969	
Maintenance and Repair Services - Vehicles		36,958	
Postal Charges		4,545	
Travel		11,212	
Gasoline		71,977	
Law Enforcement Supplies		12,278	
Office Supplies		11,599	
Tires and Tubes		9,480	
Uniforms		7,203	
Vehicle Parts		8,914	
Other Supplies and Materials		1,218	
Other Charges		4,512	
Law Enforcement Equipment		6,428	
Motor Vehicles		50,987	
Office Equipment		2,623	
Other Equipment		33,000	
Total Sheriff's Department			\$ 1,022,000

Jail

Assistant(s)	\$	40,598	
Dispatchers/Radio Operators		124,731	
Guards		229,461	
Cafeteria Personnel		19,153	
Part-time Personnel		40,175	
Longevity Pay		5,150	
Other Salaries and Wages		50,948	
In-service Training		200	
Data Processing Services		8,179	
Evaluation and Testing		1,330	
Medical and Dental Services		124,834	
Travel		1,887	
Custodial Supplies		9,301	
Drugs and Medical Supplies		17,659	
Electricity		35,886	
Food Supplies		100,272	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Natural Gas	\$	12,119	
Uniforms		8,488	
Water and Sewer		11,053	
Other Supplies and Materials		734	
Other Charges		298	
Office Equipment		519	
Total Jail			\$ 842,975

Juvenile Services

Other Charges	\$	328	
Total Juvenile Services			328

Fire Prevention and Control

Medical Insurance	\$	4,082	
Contributions		56,000	
Total Fire Prevention and Control			60,082

Civil Defense

Assistant(s)	\$	12,852	
Supervisor/Director		16,802	
Other Salaries and Wages		2,856	
Communication		4,920	
Dues and Memberships		615	
Operating Lease Payments		935	
Maintenance and Repair Services - Vehicles		10,593	
Postal Charges		92	
Travel		2,372	
Electricity		6,790	
Gasoline		4,107	
Office Supplies		596	
Utilities		533	
Other Supplies and Materials		1,088	
Office Equipment		140	
Total Civil Defense			65,291

Rescue Squad

Contributions	\$	10,000	
Total Rescue Squad			10,000

Other Emergency Management

Other Supplies and Materials	\$	10,891	
Total Other Emergency Management			10,891

County Coroner/Medical Examiner

Other Per Diem and Fees	\$	1,500	
Contracts with Government Agencies		6,240	
Transportation - Other than Students		1,108	
Total County Coroner/Medical Examiner			8,848

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety

Other Salaries and Wages	\$ 3,429	
Total Other Public Safety		\$ 3,429

Public Health and Welfare

Local Health Center

Data Processing Personnel	\$ 22,260	
Social Workers	4,161	
Medical Personnel	28,428	
Secretary(ies)	22,583	
Custodial Personnel	10,833	
Longevity Pay	250	
Social Security	4,445	
State Retirement	4,941	
Employee and Dependent Insurance	8,796	
Unemployment Compensation	312	
Employer Medicare	1,039	
Communication	4,243	
Postal Charges	170	
Travel	937	
Custodial Supplies	122	
Drugs and Medical Supplies	758	
Office Supplies	662	
Utilities	8,474	
Other Charges	2,630	
Total Local Health Center		126,044

Rabies and Animal Control

Supervisor/Director	\$ 17,500	
Communication	585	
Travel	3,284	
Other Contracted Services	3,153	
Other Supplies and Materials	4,542	
Total Rabies and Animal Control		29,064

Ambulance/Emergency Medical Services

Assistant(s)	\$ 40,943	
Supervisor/Director	48,084	
Medical Personnel	473,389	
Part-time Personnel	7,476	
Longevity Pay	7,800	
Other Salaries and Wages	79,784	
In-service Training	808	
Communication	5,482	
Contracts with Private Agencies	8,002	
Dues and Memberships	300	
Evaluation and Testing	412	
Licenses	2,401	

(Continued)

Exhibit J-7

Crockett 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 - Vehicles	\$	20,604	
Postal Charges		1,848	
Travel		1,664	
Other Contracted Services		500	
Diesel Fuel		50,485	
Drugs and Medical Supplies		41,256	
Office Supplies		1,937	
Uniforms		3,686	
Other Supplies and Materials		3,487	
Office Equipment		166	
Other Equipment		14,004	
Total Ambulance/Emergency Medical Services	\$		814,518

Maternal and Child Health Services

Contributions	\$	4,000	
Total Maternal and Child Health Services			4,000

Alcohol and Drug Programs

Contributions	\$	10,165	
Total Alcohol and Drug Programs			10,165

Crippled Children Services

Contributions	\$	1,650	
Total Crippled Children Services			1,650

Other Local Health Services

Contributions	\$	2,000	
Other Supplies and Materials		1,189	
Total Other Local Health Services			3,189

Appropriation to State

Contracts with Government Agencies	\$	41,900	
Contracts with Other Public Agencies		6,000	
Contributions		2,000	
Total Appropriation to State			49,900

Other Local Welfare Services

Other Charges	\$	1,200	
Total Other Local Welfare Services			1,200

Waste Pickup

Other Salaries and Wages	\$	6,008	
Travel		1,700	
Other Contracted Services		2,026	
Instructional Supplies and Materials		3,046	
Other Supplies and Materials		18,302	
Other Charges		936	
Total Waste Pickup			32,018

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services

Adult Activities

Assistant(s)	\$	15,538	
Supervisor/Director		34,822	
Social Workers		20,483	
Medical Personnel		118,917	
Bus Drivers		24,274	
Clerical Personnel		13,395	
Educational Assistants		14,875	
Cafeteria Personnel		13,467	
Maintenance Personnel		8,403	
Temporary Personnel		581	
Part-time Personnel		8,493	
Longevity Pay		3,800	
In-service Training		1,554	
Communication		4,798	
Data Processing Services		2,303	
Dues and Memberships		217	
Licenses		2,050	
Maintenance and Repair Services - Buildings		1,139	
Maintenance and Repair Services - Vehicles		7,363	
Postal Charges		1,394	
Travel		4,106	
Other Contracted Services		9,098	
Custodial Supplies		1,683	
Food Supplies		2,996	
Gasoline		6,401	
Instructional Supplies and Materials		1,031	
Office Supplies		2,316	
Utilities		6,924	
Other Supplies and Materials		818	
Criminal Investigation of Applicants - TBI		208	
Other Charges		50	
Office Equipment		1,557	
Total Adult Activities			\$ 335,054

Libraries

Librarians	\$	26,780	
Custodial Personnel		1,200	
Longevity Pay		450	
Other Salaries and Wages		34,267	
Communication		2,156	
Postal Charges		285	
Data Processing Supplies		11,802	
Library Books/Media		6,095	
Office Supplies		1,221	
Utilities		7,876	
Other Charges		383	
Data Processing Equipment		1,100	
Office Equipment		767	
Total Libraries			94,382

(Continued)



Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Parks and Fair Boards

Contributions	\$	3,000	
Other Contracted Services		2,400	
Electricity		2,936	
Other Charges		1,135	
Total Parks and Fair Boards			\$ 9,471

Agriculture and Natural Resources

Agricultural Extension Service

County Official/Administrative Officer	\$	16,258	
Assistant(s)		13,440	
Supervisor/Director		10,910	
Clerical Personnel		8,849	
Communication		3,793	
Dues and Memberships		360	
Travel		1,276	
Office Supplies		800	
Maintenance Equipment		2,749	
Total Agricultural Extension Service			58,435

Soil Conservation

Supervisor/Director	\$	33,774	
Secretary(ies)		25,459	
Longevity Pay		3,950	
Other Salaries and Wages		28,408	
Other Charges		5,000	
Total Soil Conservation			96,591

Flood Control

Dues and Memberships	\$	10,717	
Total Flood Control			10,717

Other Operations

Veterans' Services

Supervisor/Director	\$	11,615	
Postal Charges		16	
Travel		569	
Office Supplies		326	
Total Veterans' Services			12,526

Other Charges

Legal Services	\$	2,164	
Liability Insurance		53,200	
Trustee's Commission		85,250	
Vehicle and Equipment Insurance		34,971	
Workers' Compensation Insurance		86,417	
Liability Claims		1,825	
Total Other Charges			263,827

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Contributions to Other Agencies

Contributions	\$ 42,300	
Total Contributions to Other Agencies		\$ 42,300

Employee Benefits

Social Security	\$ 254,054	
State Retirement	197,359	
Employee and Dependent Insurance	2,807	
Medical Insurance	186,044	
Unemployment Compensation	9,958	
Total Employee Benefits		650,222

Miscellaneous

Contracts with Government Agencies	\$ 4,625	
Evaluation and Testing	12,200	
Legal Notices, Recording, and Court Costs	3,229	
Postal Charges	590	
Other Contracted Services	15,022	
Instructional Supplies and Materials	1,377	
Office Supplies	3,845	
Other Supplies and Materials	1,752	
Judgments	4,321	
Premiums on Corporate Surety Bonds	112	
Other Charges	9,579	
Office Equipment	556	
Total Miscellaneous		57,208

Principal on Debt

General Government

Principal on Capital Leases	\$ 60,279	
Total General Government		60,279

Interest on Debt

General Government

Interest on Capital Leases	\$ 4,744	
Total General Government		4,744

Total General Fund \$ 6,416,685

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Supervisor/Director	\$ 7,218
Attendants	41,095
Maintenance Personnel	4,292
Part-time Personnel	155
Social Security	3,484
Communication	2,854

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Contracts with Private Agencies	\$	235,944	
Maintenance and Repair Services - Equipment		594	
Maintenance and Repair Services - Vehicles		385	
Other Contracted Services		2,956	
Gasoline		3,700	
Utilities		4,338	
Trustee's Commission		3,033	
Total Convenience Centers			\$ 310,048

Total Solid Waste/Sanitation Fund \$ 310,048

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	300	
Law Enforcement Supplies		3,442	
Trustee's Commission		51	
Other Charges		122	
Total Drug Enforcement			\$ 3,915

Total Drug Control Fund 3,915

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	67,795	
Accountants/Bookkeepers		66,016	
Board and Committee Members Fees		14,220	
Communication		3,090	
Data Processing Services		5,413	
Dues and Memberships		2,747	
Legal Notices, Recording, and Court Costs		1,211	
Maintenance and Repair Services - Buildings		694	
Maintenance and Repair Services - Office Equipment		150	
Postal Charges		430	
Printing, Stationery, and Forms		594	
Travel		1,357	
Custodial Supplies		588	
Drugs and Medical Supplies		318	
Electricity		5,185	
Natural Gas		700	
Office Supplies		1,096	
Water and Sewer		1,546	
Other Charges		3,820	
Total Administration			\$ 176,970

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance

Foremen	\$	68,216	
Equipment Operators		34,848	
Truck Drivers		64,210	
Laborers		204,430	
Engineering Services		31,005	
Asphalt - Cold Mix		5,015	
Asphalt - Hot Mix		46,939	
Concrete		55	
Crushed Stone		82,423	
Fertilizer, Lime, and Seed		885	
Pipe		146,458	
Road Signs		3,838	
Sand		20	
Wood Products		19,496	
Other Supplies and Materials		1,218	
Total Highway and Bridge Maintenance			\$ 709,056

Operation and Maintenance of Equipment

Mechanic(s)	\$	31,358	
Laborers		52,090	
Laundry Service		2,356	
Maintenance and Repair Services - Equipment		7,022	
Diesel Fuel		140,172	
Equipment and Machinery Parts		38,278	
Garage Supplies		1,615	
Gasoline		23,817	
Lubricants		5,835	
Propane Gas		42	
Small Tools		1,611	
Tires and Tubes		28,361	
Other Supplies and Materials		440	
Total Operation and Maintenance of Equipment			332,997

Other Charges

Premiums on Corporate Surety Bonds	\$	100	
Trustee's Commission		17,812	
Vehicle and Equipment Insurance		43,745	
Workers' Compensation Insurance		64,138	
Total Other Charges			125,795

Employee Benefits

Social Security	\$	37,397	
State Retirement		36,962	
Employee and Dependent Insurance		130,668	
Unemployment Compensation		5,373	
Employer Medicare		8,746	
Total Employee Benefits			219,146

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay

Bridge Construction	\$	30,048	
Building Construction		42,526	
Highway Equipment		15,800	
Office Equipment		1,188	
State Aid Projects		297,644	
Total Capital Outlay			\$ 387,206

Total Highway/Public Works Fund

\$ 1,951,170

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	92,937	
Principal on Notes		168,408	
Total General Government			\$ 261,345

Education

Principal on Bonds	\$	853,999	
Principal on Other Loans		200,004	
Total Education			1,054,003

Interest on Debt

General Government

Interest on Bonds	\$	28,320	
Interest on Notes		7,777	
Total General Government			36,097

Education

Interest on Bonds	\$	399,346	
Total Education			399,346

Other Debt Service

General Government

Fiscal Agent Charges	\$	96	
Trustee's Commission		18,005	
Total General Government			18,101

Education

Fiscal Agent Charges	\$	1,263	
Total Education			1,263

Total General Debt Service Fund

1,770,155

Community Development/Industrial Park Fund

Capital Projects

Public Health and Welfare Projects

Contracts with Private Agencies	\$	10,648	
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(Continued)

Exhibit J-7

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

<u>Community Development/Industrial Park Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Public Health and Welfare Projects (Cont.)</u>		
Engineering Services	\$ 48,749	
Building Construction	<u>123,294</u>	
Total Public Health and Welfare Projects		<u>\$ 182,691</u>
Total Community Development/Industrial Park Fund		<u>\$ 182,691</u>
Total Governmental Funds - Primary Government		<u>\$ 10,634,664</u>

Exhibit J-8

Crockett County, Tennessee  
Schedule of Detailed Expenditures -  
All Governmental Fund Types  
Discretely Presented Crockett County School Department  
For the Year Ended June 30, 2014

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	4,305,108	
Career Ladder Program		25,900	
Career Ladder Extended Contracts		16,476	
Homebound Teachers		9,231	
Educational Assistants		120,792	
Other Salaries and Wages		37,310	
Certified Substitute Teachers		29,985	
Non-certified Substitute Teachers		74,502	
Social Security		261,928	
State Retirement		385,776	
Medical Insurance		419,264	
Unemployment Compensation		18,283	
Employer Medicare		62,057	
Maintenance and Repair Services - Equipment		25,304	
Other Contracted Services		5,848	
Instructional Supplies and Materials		112,073	
Textbooks		37,499	
Other Charges		7,400	
Regular Instruction Equipment		325,760	
Total Regular Instruction Program			\$ 6,280,496

Alternative Instruction Program

Teachers	\$	96,185	
Educational Assistants		20,300	
Social Security		6,003	
State Retirement		9,905	
Medical Insurance		26,402	
Unemployment Compensation		180	
Employer Medicare		1,404	
Total Alternative Instruction Program			160,379

Special Education Program

Teachers	\$	286,916	
Educational Assistants		159,139	
Social Security		24,671	
State Retirement		34,822	
Medical Insurance		63,151	
Unemployment Compensation		1,000	
Employer Medicare		5,770	
Other Contracted Services		34,169	
Instructional Supplies and Materials		3,505	
Other Supplies and Materials		2,878	
Special Education Equipment		5,265	
Total Special Education Program			621,286

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

Detective(s)	\$	343	
Teachers		590,685	
Career Ladder Program		2,000	
Clerical Personnel		21,849	
Certified Substitute Teachers		1,200	
Non-certified Substitute Teachers		6,900	
Social Security		34,551	
State Retirement		54,099	
Medical Insurance		84,072	
Unemployment Compensation		1,100	
Employer Medicare		8,080	
Maintenance and Repair Services - Equipment		1,025	
Instructional Supplies and Materials		17,594	
Other Supplies and Materials		2,074	
Other Charges		153	
Total Vocational Education Program			\$ 825,725

Adult Education Program

Other Supplies and Materials	\$	10,435	
Total Adult Education Program			10,435

Support Services

Attendance

Supervisor/Director	\$	30,808	
Social Security		1,596	
State Retirement		2,070	
Unemployment Compensation		65	
Employer Medicare		373	
Data Processing Services		23,342	
Travel		1,500	
In Service/Staff Development		643	
Total Attendance			60,397

Health Services

Medical Personnel	\$	44,100	
Other Salaries and Wages		71,844	
Social Security		6,681	
State Retirement		9,892	
Medical Insurance		9,943	
Unemployment Compensation		195	
Employer Medicare		1,562	
Communication		99	
Travel		2,257	
Other Supplies and Materials		911	
Other Charges		5,159	
Total Health Services			152,643

(Continued)



Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Guidance Personnel	\$	182,170	
Career Ladder Extended Contracts		2,880	
Guards		2,300	
Secretary(ies)		40,280	
Other Salaries and Wages		68,772	
Social Security		18,396	
State Retirement		30,750	
Medical Insurance		19,437	
Unemployment Compensation		600	
Employer Medicare		4,106	
Evaluation and Testing		5,402	
Travel		404	
Other Contracted Services		102,249	
Other Charges		2,813	
Total Other Student Support			\$ 480,559

Regular Instruction Program

Supervisor/Director	\$	61,448	
Career Ladder Program		1,000	
Librarians		99,139	
Other Salaries and Wages		71,052	
Social Security		13,151	
State Retirement		18,934	
Medical Insurance		27,221	
Unemployment Compensation		700	
Employer Medicare		3,076	
Travel		7,031	
Library Books/Media		28,763	
In Service/Staff Development		21,556	
Total Regular Instruction Program			353,071

Special Education Program

Supervisor/Director	\$	60,449	
Psychological Personnel		42,898	
Speech Pathologist		10,000	
Social Security		5,992	
State Retirement		9,221	
Medical Insurance		9,052	
Unemployment Compensation		260	
Employer Medicare		1,401	
Travel		4,414	
Other Contracted Services		18,938	
Other Supplies and Materials		218	
In Service/Staff Development		3,150	
Total Special Education Program			165,993

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Programs

On-behalf Payments to OPEB	\$ 37,156	
Total Other Programs		\$ 37,156

Board of Education

Board and Committee Members Fees	\$ 4,150	
Social Security	257	
Unemployment Compensation	40	
Employer Medicare	60	
Audit Services	4,950	
Dues and Memberships	10,318	
Travel	292	
Other Contracted Services	5,741	
Liability Insurance	15,828	
Premiums on Corporate Surety Bonds	112	
Trustee's Commission	45,021	
Workers' Compensation Insurance	109,614	
Refund to Applicant for Criminal Investigation	2,310	
Other Charges	59,237	
Total Board of Education		257,930

Director of Schools

County Official/Administrative Officer	\$ 107,162	
Secretary(ies)	34,396	
Bonus Payments	5,838	
Other Salaries and Wages	1,000	
Social Security	8,368	
State Retirement	12,435	
Medical Insurance	17,322	
Unemployment Compensation	130	
Employer Medicare	1,957	
Communication	10,443	
Dues and Memberships	55	
Postal Charges	1,257	
Travel	6,581	
Other Contracted Services	3,608	
In Service/Staff Development	535	
Other Charges	1,528	
Total Director of Schools		212,615

Office of the Principal

Principals	\$ 320,416	
Career Ladder Program	8,500	
Accountants/Bookkeepers	26,600	
Career Ladder Extended Contracts	4,000	
Assistant Principals	252,252	
Secretary(ies)	98,883	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Bonus Payments	\$	15,675	
Social Security		41,404	
State Retirement		61,531	
Medical Insurance		72,038	
Unemployment Compensation		700	
Employer Medicare		9,683	
Communication		30,448	
Dues and Memberships		789	
Postal Charges		4,580	
Travel		4,208	
Other Contracted Services		29,023	
Office Supplies		5,860	
Total Office of the Principal			\$ 986,590

Fiscal Services

Supervisor/Director	\$	48,090	
Clerical Personnel		51,726	
Social Security		4,598	
State Retirement		5,190	
Unemployment Compensation		185	
Employer Medicare		1,386	
Data Processing Services		13,182	
Travel		50	
Office Supplies		3,935	
Total Fiscal Services			128,342

Operation of Plant

Custodial Personnel	\$	239,447	
Social Security		12,658	
State Retirement		13,483	
Medical Insurance		45,154	
Unemployment Compensation		700	
Employer Medicare		2,960	
Other Contracted Services		43,063	
Electricity		310,048	
Natural Gas		121,213	
Water and Sewer		33,732	
Other Supplies and Materials		53,629	
Boiler Insurance		5,065	
Building and Contents Insurance		89,114	
Other Charges		4,898	
Plant Operation Equipment		11,975	
Total Operation of Plant			987,139

Maintenance of Plant

Maintenance Personnel	\$	136,328	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Social Security	\$	7,571	
State Retirement		8,222	
Medical Insurance		21,421	
Unemployment Compensation		300	
Employer Medicare		1,771	
Communication		3,549	
Maintenance and Repair Services - Buildings		64,104	
Maintenance and Repair Services - Equipment		90,837	
Maintenance and Repair Services - Vehicles		2,410	
Other Supplies and Materials		141,009	
Other Charges		16,095	
Maintenance Equipment		6,900	
Total Maintenance of Plant			\$ 500,517

Transportation

Supervisor/Director	\$	86,381	
Teachers		200	
Mechanic(s)		39,378	
Bus Drivers		165,175	
Other Salaries and Wages		30,939	
Social Security		18,980	
State Retirement		14,812	
Medical Insurance		19,797	
Unemployment Compensation		1,500	
Employer Medicare		4,462	
Communication		362	
Maintenance and Repair Services - Vehicles		2,819	
Medical and Dental Services		4,835	
Travel		1,065	
Diesel Fuel		120,118	
Equipment and Machinery Parts		791	
Gasoline		23,462	
Lubricants		3,325	
Tires and Tubes		8,879	
Vehicle Parts		9,863	
Other Supplies and Materials		3,732	
Vehicle and Equipment Insurance		28,491	
Other Charges		4,966	
Transportation Equipment		93,499	
Total Transportation			687,831

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$	1,000	
Teachers		82,266	
Clerical Personnel		2,000	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Community Services (Cont.)

Educational Assistants	\$	38,220	
Other Salaries and Wages		25,098	
Social Security		8,904	
State Retirement		11,400	
Unemployment Compensation		400	
Employer Medicare		2,068	
Travel		4,230	
Instructional Supplies and Materials		1,054	
Other Supplies and Materials		5,700	
Total Community Services			\$ 182,340

Early Childhood Education

Supervisor/Director	\$	28,393	
Teachers		74,466	
Educational Assistants		33,180	
Social Security		7,211	
State Retirement		11,364	
Medical Insurance		25,117	
Unemployment Compensation		400	
Employer Medicare		1,686	
Travel		5,292	
Instructional Supplies and Materials		18,077	
Other Supplies and Materials		5,027	
Other Equipment		7,250	
Total Early Childhood Education			217,463

Capital Outlay

Regular Capital Outlay

Other Capital Outlay	\$	9,950	
Total Regular Capital Outlay			9,950

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	350,004	
Total Education			350,004

Total General Purpose School Fund \$ 13,668,861

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	305,239	
Educational Assistants		31,480	
Social Security		17,793	
State Retirement		26,614	
Medical Insurance		26,940	

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Regular Instruction Program (Cont.)

Employer Medicare	\$	4,533	
Instructional Supplies and Materials		48,250	
Regular Instruction Equipment		10,611	
Total Regular Instruction Program			\$ 471,460

Special Education Program

Teachers	\$	157,816	
Educational Assistants		86,775	
Social Security		12,693	
State Retirement		19,845	
Medical Insurance		49,053	
Employer Medicare		2,969	
Other Contracted Services		30,038	
Instructional Supplies and Materials		13,320	
Other Supplies and Materials		3,633	
Special Education Equipment		16,009	
Total Special Education Program			392,151

Vocational Education Program

Instructional Supplies and Materials	\$	2,464	
Vocational Instruction Equipment		18,303	
Total Vocational Education Program			20,767

Support Services

Other Student Support

Travel	\$	14,841	
Total Other Student Support			14,841

Regular Instruction Program

Supervisor/Director	\$	28,010	
Clerical Personnel		9,000	
Social Security		2,155	
State Retirement		3,092	
Employer Medicare		504	
Travel		2,005	
In Service/Staff Development		19,158	
Total Regular Instruction Program			63,924

Special Education Program

Travel	\$	3,715	
In Service/Staff Development		2,000	
Total Special Education Program			5,715

Vocational Education Program

Travel	\$	1,226	
Total Vocational Education Program			1,226

(Continued)

Exhibit J-8

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

<u>School Federal Projects Fund (Cont.)</u>			
<u>Support Services (Cont.)</u>			
<u>Transportation</u>			
Bus Drivers	\$	7,344	
Social Security		455	
State Retirement		494	
Employer Medicare		107	
Diesel Fuel		2,000	
Total Transportation			\$ 10,400
Total School Federal Projects Fund			\$ 980,484
 <u>Central Cafeteria Fund</u>			
<u>Operation of Non-instructional Services</u>			
<u>Food Service</u>			
Supervisor/Director	\$	45,600	
Teachers		74	
Accountants/Bookkeepers		30,440	
Cafeteria Personnel		377,742	
Social Security		25,572	
State Retirement		25,914	
Medical Insurance		49,332	
Employer Medicare		5,980	
Communication		3,563	
Maintenance and Repair Services - Equipment		8,734	
Postal Charges		351	
Travel		5,871	
Other Contracted Services		11,360	
Food Supplies		518,465	
Office Supplies		2,398	
Uniforms		189	
USDA - Commodities		45,165	
Other Supplies and Materials		35,696	
Trustee's Commission		2	
In Service/Staff Development		821	
Other Charges		16,431	
Total Food Service			\$ 1,209,700
Total Central Cafeteria Fund			1,209,700
 <u>School Transportation Fund</u>			
<u>Support Services</u>			
<u>Board of Education</u>			
Trustee's Commission	\$	5,645	
Total Board of Education			\$ 5,645
Total School Transportation Fund			5,645
Total Governmental Funds - Crockett County School Department			<u>\$ 15,864,690</u>

Exhibit J-9

Crockett County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balances - City Agency Funds  
For the Year Ended June 30, 2014

	Cities - Sales Tax Fund	City School ADA - Alamo Fund	City School ADA - Bells Fund	Total
<u>Cash Receipts</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 284,907	\$ 189,116	\$ 474,023
Discount on Property Taxes	0	(2,381)	(1,580)	(3,961)
Trustee's Collections - Prior Years	0	11,754	7,802	19,556
Trustee's Collections - Bankruptcy Circuit/Clerk and Master Collections - Prior Years	0	53	35	88
Interest and Penalty	0	7,644	5,076	12,720
Payments in-Lieu-of Taxes - T.V.A.	0	1,961	1,302	3,263
Local Option Sales Tax	0	13	9	22
Wheel Tax	438,952	114,778	76,187	629,917
Interstate Telecommunications Tax	0	11,915	7,913	19,828
Marriage Licenses	0	362	240	602
Mixed Drink Tax	0	216	143	359
Mixed Drink Tax	0	237	157	394
<b>Total Cash Receipts</b>	<b>\$ 438,952</b>	<b>\$ 431,459</b>	<b>\$ 286,400</b>	<b>\$ 1,156,811</b>
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 434,562	\$ 424,467	\$ 281,753	\$ 1,140,782
Trustee's Commission	4,390	7,352	4,880	16,622
<b>Total Cash Disbursements</b>	<b>\$ 438,952</b>	<b>\$ 431,819</b>	<b>\$ 286,633</b>	<b>\$ 1,157,404</b>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ (360)	\$ (233)	\$ (593)
Cash Balance, July 1, 2013	0	1,618	1,068	2,686
<b>Cash Balance, June 30, 2014</b>	<b>\$ 0</b>	<b>\$ 1,258</b>	<b>\$ 835</b>	<b>\$ 2,093</b>



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# SINGLE AUDIT SECTION

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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Crockett County's basic financial statements, and have issued our report thereon dated December 8, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Crockett 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 Crockett County's internal control. Accordingly, we do not express an opinion on the effectiveness of Crockett 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: 2014-001, 2014-003, 2014-005, 2014-006, 2014-007, 2014-010, 2014-012, and 2014-013.

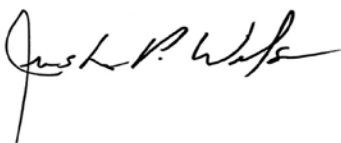
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Crockett County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned as items 2014-002, 2014-004, 2014-008, 2014-009, and 2014-011.

### **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 Crockett 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

December 8, 2014

JPW/yu



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

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

We have audited Crockett County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Crockett County's major federal programs for the year ended June 30, 2014. Crockett County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

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

In our opinion, Crockett 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, 2014.

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

Management of Crockett 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 Crockett County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Crockett County's internal control over compliance.

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

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

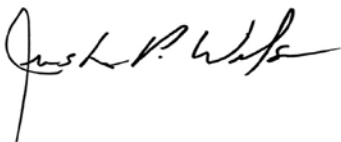
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Crockett County's basic financial statements. We issued our report thereon dated December 8, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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

December 8, 2014

JPW/yu

Crockett County, Tennessee  
Schedule of Expenditures of Federal Awards and State Grants (1)  
For the Year Ended June 30, 2014

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 319,161
National School Lunch Program	10.555	N/A	590,756 (5)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	45,165 (5)
Total U.S. Department of Agriculture			<u>\$ 955,082</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	GG-35503	\$ 211,056
Total U.S. Department of Housing and Urban Development			<u>\$ 211,056</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	31601-23606	\$ 774
Total U.S. Department of Justice			<u>\$ 774</u>
U.S. Department of Labor:			
Passed-through Dyersburg State Community College:			
WIA Youth Activities	17.259	N/A	\$ 9,082
Total U.S. Department of Labor			<u>\$ 9,082</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(2)	\$ 9,193
Total U.S. Department of Transportation			<u>\$ 9,193</u>
U.S. Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(3)	\$ 1,400
Total U.S. Institute of Museum and Library Services			<u>\$ 1,400</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(3)	\$ 1,231
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	368,431
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	390,013
Special Education - Preschool Grants	84.173	N/A	123,001
Special Education - Grants to States, Recovery Act	84.391	N/A	250
Career and Technical Education - Basic Grants to States	84.048	N/A	36,550
Rural Education	84.358	N/A	31,709
English Language Acquisition State Grants	84.365	N/A	15,394
Improving Teacher Quality State Grants	84.367	N/A	64,453
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	55,682
Total U.S. Department of Education			<u>\$ 1,086,714</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	30510-00213-47	\$ 33,134
Total U.S. Election Assistance Commission			<u>\$ 33,134</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(3)	\$ 76,081
Medical Assistance Program	93.778	(3)	144,287
Passed-through State Department of Health:			
Grants to States for Operation of Offices of Rural Health	93.913	(3)	<u>112,251</u>
Total U.S. Department of Health and Human Services			<u>\$ 332,619</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(4)	\$ 40,059
Total U.S. Department of Homeland Security			<u>\$ 40,059</u>
Total Federal Awards			<u>\$ 2,679,113</u>
		<u>Contract Number</u>	
<u>State Grants</u>			
State Supplement Juvenile Court Improvement Funds - State Commission on Children and Youth	N/A	N/A	\$ 9,000
Litter Grant - State Department of Transportation	N/A	Z14LIUT017	33,700
Homemaker and Personal Care Services - Northwest Tennessee Development District	N/A	(3)	19,263
Three Star Program - State Department of Economic and Community Development	N/A	33007-16913	7,500
Waste Tire Option Grant - State Department of Environment and Conservation	N/A	(3)	1,746
LiveScan Fingerprint Machine - State Department of Finance and Administration	N/A	31701-06174	33,000
Drug Court Grant - State Department of Mental Health and Substance Abuse Services	N/A	(3)	66,373
Safe Schools - State Department of Education	N/A	(3)	63,611
Adult Education - State Department of Labor and Workforce Development	N/A	(3)	1,291
Connect Tennessee - State Department of Education	N/A	(3)	5,388
Coordinated School Health - State Department of Education	N/A	(3)	38,508
Family Resource - State Department of Education	N/A	(3)	26,532
Lottery for Education: After School Programs - State Department of Education	N/A	(3)	29,533
Early Childhood Education - State Department of Education	N/A	(3)	214,701
Crockett Academy - State Department of Children's Services	N/A	(3)	<u>87,609</u>
Total State Grants			<u>\$ 637,755</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) Z13GHS078: \$4,493; Z14GHS083: \$4,700.

(3) Information not available.

(4) 34101-07914: \$29,500; 34101-16514: \$1,463; 34101-17313: \$8,331; 34101-18612: \$765.

(5) Total for CFDA No. 10.555 is \$635,921.



Crockett County, Tennessee  
Schedule of Audit Findings Not Corrected  
June 30, 2014

*Government Auditing Standards* require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Crockett County, Tennessee, for the year ended June 30, 2013, which have not been corrected.

**OFFICE OF COUNTY MAYOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-001	139	A formal purchase order system had not been established
2013-002	139	Expenditures exceeded appropriations

**OFFICE OF DIRECTOR OF SCHOOLS**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-007	142	The School Federal Projects Fund had a cash overdraft
2013-008	142	Expenditures exceeded appropriations
2013-009	143	The office had deficiencies in purchasing procedures

**OFFICE OF REGISTER OF DEEDS**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-012	145	Users processed transactions utilizing the same username

**AMBULANCE SERVICE AND OFFICES OF COUNTY MAYOR; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; REGISTER OF DEEDS; AND SHERIFF**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-013	146	Duties were not segregated adequately

**OFFICES OF GENERAL SESSIONS AND JUVENILE COURTS CLERK, CLERK AND MASTER, AND REGISTER OF DEEDS**

Finding Number	Page Number	Subject
2013-014	146	Multiple employees operated from the same cash drawer

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**CROCKETT COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2014**

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

1. Our report on the financial statements of Crockett County is unmodified.
2. The audit of the financial statements of Crockett County disclosed significant deficiencies in internal control. None of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Crockett County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Title I Grants to Local Educational Agencies (CFDA No. 84.010), and the Special Education Cluster: Special Education – Grants to States, Special Education – Preschool Grants, and Special Education – Grants to States, Recovery Act (CFDA Nos. 84.027, 84.173, and 84.391) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Crockett County did not qualify as a low-risk auditee.

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination and the annual monitoring of assessors of property by the state Division of Property Assessments, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response; however, management did not provide responses for inclusion in this report.

### OFFICE OF COUNTY MAYOR

FINDING 2014-001                    **A FORMAL PURCHASE ORDER SYSTEM HAD NOT BEEN ESTABLISHED**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

### RECOMMENDATION

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

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FINDING 2014-002                    **EXPENDITURES EXCEEDED APPROPRIATIONS**  
(Noncompliance Under *Government Auditing Standards*)

We noted the following deficiencies in budget operations of the General Fund:

- A. Expenditures exceeded appropriations approved by the County Commission in one of 51 major appropriation categories: Civil Defense by \$1,574.
- B. Salaries in two of 90 line-items exceeded appropriations by \$1,054 and \$2,625. The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county shall not exceed expenditures that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

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 of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.” 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 correct the finding noted in the prior-year audit report.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission.

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FINDING 2014-003

**THE COMMUNITY DEVELOPMENT/INDUSTRIAL PARK FUND HAD A DEFICIT IN UNASSIGNED FUND BALANCE AT JUNE 30, 2014**

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

The Community Development/Industrial Park Fund had a deficit in unassigned fund balance of \$6,164 at June 30, 2014. This deficit resulted from the recognition of retainage payable for which funding had not yet been provided. This deficit is expected to be liquidated by federal grants, which will be received as the project progresses.

RECOMMENDATION

County officials should ensure that the deficit in unassigned fund balance is liquidated.

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FINDING 2014-004

**AMOUNTS WITHHELD FROM CONTRACTOR PAYMENTS WERE NOT DEPOSITED INTO AN ESCROW ACCOUNT**

(Noncompliance Under *Government Auditing Standards*)

The county did not deposit amounts withheld from contractor payments into an escrow account related to a \$508,594 construction contract for a new emergency operations center building. Section 66-34-104, *Tennessee Code Annotated*, requires that funds withheld from contractor payments be deposited into an escrow account with a third party for contracts of \$500,000 or more. This deficiency was the result of a lack of management oversight that could result in the loss of interest earnings for the contractor.

RECOMMENDATION

Amounts withheld from contractor payments on contracts of \$500,000 or more should be deposited into an escrow account in compliance with state statute.

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**OFFICE OF ROAD SUPERVISOR**

**FINDING 2014-005**

**PURCHASE ORDERS WERE NOT ISSUED IN SOME INSTANCES**

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

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 43 disbursements totaling \$66,116 from a population of 569 vendor checks totaling \$1,230,825. Our sample revealed that purchase orders were not issued in 12 of 28 applicable purchases. Purchase orders are necessary to control who has purchasing authority for the county and to document purchase commitments. The failure to issue purchase orders increases the risks of unauthorized purchases.

**RECOMMENDATION**

The Highway Department should issue purchase orders for all applicable purchases to strengthen internal controls over purchasing procedures and to document purchasing commitments.

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**OFFICE OF DIRECTOR OF SCHOOLS**

**FINDING 2014-006**

**THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT OF \$94,869 AT JUNE 30, 2014**

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

The School Federal Projects Fund had a cash overdraft of \$94,869 at June 30, 2014. This overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. Sound business practices dictate that expenditures be held within available funds. The cash overdraft was liquidated subsequent to June 30, 2014.

**RECOMMENDATION**

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

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**FINDING 2014-007**

**PURCHASE ORDERS WERE NOT PROPERLY ISSUED IN SOME INSTANCES**

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

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 44 disbursements totaling \$586,174 from a

population of 2,622 vendor checks totaling \$9,131,350. Our examination revealed the following deficiencies, which are the result of a lack of management oversight and management's failure to correct the deficiencies noted in the prior-year audit report.

- A. Our sample revealed that purchase orders were not issued in five of 21 applicable purchases. Purchase orders are necessary to control who has purchasing authority for the department and to document purchase commitments. The failure to issue purchase orders increases the risks of unauthorized purchases.
- B. In two of 21 applicable instances, purchase orders were issued after the purchases were made. This practice defeats the purpose of the purchase order and makes it an approval of payment rather than approval of the purchase.

**RECOMMENDATION**

The School Department should issue purchase orders for all applicable purchases before purchases are made to strengthen internal controls over purchasing procedures and to document purchasing commitments.

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**FINDING 2014-008**

**EXPENDITURES EXCEEDED APPROPRIATIONS**  
(Noncompliance Under *Government Auditing Standards*)

Expenditures and other uses exceeded total appropriations approved by the County Commission in the School Transportation Fund by \$2,152. 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." This deficiency exists because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures, and management failed to correct the finding noted in the prior-year audit report.

**RECOMMENDATION**

Expenditures should be held within appropriations approved by the County Commission.

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**OFFICE OF ASSESSOR OF PROPERTY**

**FINDING 2014-009**            **ASSESSMENT RECORDS WERE IMPROPERLY  
CHANGED DURING THE YEAR AS PROPERTY  
TRANSFERS WERE MADE**  
(Noncompliance Under *Government Auditing Standards*)

The assessor updated assessment records as property transfers were made during the year to reflect the current property owners. Section 67-5-502(a)(1), *Tennessee Code Annotated*, requires all property to be assessed to the person or persons owning or claiming to own the same on January 1 for the year the assessment is made. This deficiency results in inaccurate ownership records when assessment rolls are turned over to the county trustee. This deficiency can be attributed to the failure of management to comply with state statute.

**RECOMMENDATION**

Property should be assessed to the person or persons owning the property as of January 1 in compliance with state statute.

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**OFFICE OF REGISTER OF DEEDS**

**FINDING 2014-010**            **USERS PROCESSED TRANSACTIONS UTILIZING THE  
SAME USERNAME**  
(Internal Control – Significant Deficiency Under *Government  
Auditing Standards*)

Although each employee had been assigned a unique username for accessing the office’s accounting software, all employees often processed transactions using the username logged into the workstation at the start of the day. If inappropriate activity were to occur, the employee responsible for this activity would not be easily identified because employees shared user accounts. Sound business practices dictate that each transaction be identified to the individual creating the transaction. This deficiency was the result of a lack of management oversight and management’s failure to correct the finding noted in the prior-year audit report.

**RECOMMENDATION**

Each employee should access the application using his or her unique username and password to ensure that transactions are properly identified to that employee.

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**OFFICE OF SHERIFF**

**FINDING 2014-011**

**FEES WERE NOT REPORTED AND PAID TO THE COUNTY IN COMPLIANCE WITH STATE STATUTE**  
(Noncompliance Under *Government Auditing Standards*)

The sheriff did not report and pay fees to the county in compliance with Section 8-24-103, *Tennessee Code Annotated*. This statute requires fees to be reported and paid to the county monthly. During the year, the office paid fees to the county only once in December 2013. Unreported fees on hand at June 30, 2014, were \$3,291. This deficiency can be attributed to the failure of management to properly oversee the reporting of fees to the county.

**RECOMMENDATION**

The sheriff should report and pay all fees to the county monthly in compliance with state statute.

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**AMBULANCE SERVICE AND OFFICES OF COUNTY MAYOR; CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; CLERK AND MASTER; REGISTER OF DEEDS; AND SHERIFF**

**FINDING 2014-012**

**DUTIES WERE NOT SEGREGATED ADEQUATELY**  
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among officials and employees in the Ambulance Service and in the Offices of County Mayor; Circuit, General Sessions, and Juvenile Courts Clerk; Clerk and Master; Register of Deeds; and Sheriff. Officials and employees responsible for maintaining the accounting records in these offices were also involved in issuing receipts, preparing bank deposits, taking deposits to the bank, posting receipts to the cash journal, and/or reconciling bank statements. These same employees also performed the daily reconciliation of receipts with cash. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

**RECOMMENDATION**

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

**OFFICES OF GENERAL SESSIONS AND JUVENILE COURTS CLERK, CLERK AND MASTER, AND REGISTER OF DEEDS**

**FINDING 2014-013**

**MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**

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

Multiple employees operated from the same cash drawer in the Offices of General Sessions and Juvenile Courts Clerk, Clerk and Master, and Register of Deeds. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but the beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision by the officials resulting in a loss of control over assets. Also, this deficiency is the result of the failure of management to correct the finding noted in the prior-year audit report.

**RECOMMENDATION**

Officials should assign each employee their own cash drawer.

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

There were no findings and questioned costs for federal awards.

## **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 Crockett County.

### **CROCKETT COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Crockett 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.

**CROCKETT COUNTY, TENNESSEE**  
**AUDITEE REPORTING RESPONSIBILITIES**  
**For the Year Ended June 30, 2014**

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