

**ANNUAL FINANCIAL REPORT**  
**TIPTON COUNTY, TENNESSEE**

**FOR THE YEAR ENDED JUNE 30, 2016**



**DIVISION OF LOCAL GOVERNMENT AUDIT**



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

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

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

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

***KELSEY SCHWEITZER  
TWYLA PRATT  
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  
Tipton County, Tennessee  
For the Year Ended June 30, 2016

### ***Scope***

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

### ***Results***

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

Our audit resulted in no findings.

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# INTRODUCTORY SECTION

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Tipton County Officials  
June 30, 2016

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**Officials**

Jeff Huffman, County Executive  
Shannon Reed, Director of Public Works  
Dr. William Bibb, Jr., Director of Schools  
Kristie Maxwell, Trustee  
Rose Cousar, Assessor of Property  
Mary Gaither, County Clerk  
Mike Forbess, Circuit, General Sessions, and Juvenile Courts Clerk  
Virginia Gray, Clerk and Master  
Claudia Peeler, Register of Deeds  
Jeffrey Chumley, Sheriff  
Walter Thomas Bailey, Director of Accounts and Budget

**Board of County Commissioners**

Jeff Huffman, County Executive, Chairman	Arnold McIntyre
James Adkins	Jonathan Murphy
Sheila Barlow	Dale Smith
Steve Bringle	James Lamont Sneed
John Delancey	Mike Sterling
Thomas Dunavant	Glenn Turner
Courtney Fee	Harold Twisdale
Johnnie Jones	Robert Wilson
Carl Knight	Rusty Wooten
Jeff Mason	

**Board of Education**

Marty Burlison, Chairman	Kay Scott
Steve Clark	Phillip Grant Shipley, Jr.
Alvis Ferrell	Marjorie Taylor
Marty Haywood	Farrel Vincent
Richard Ellis Joyner	

**Audit Committee**

Dale Smith, Chairman  
Arnold McIntyre  
Robert Wilson



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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

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

To the County Executive and Board of County Commissioners:

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tipton County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tipton County, Tennessee, as of June 30, 2016, and the respective changes in financial position and the respective budgetary comparison 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., Tipton County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*; GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*; and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Our opinion is not modified with respect to these matters.

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

We draw attention to Note I.D.8. to the financial statements, which describes a prior-period adjustment decreasing the discretely presented Tipton County School Department's net position by \$327,427 on the Government-wide Statement of Activities. This adjustment was necessary because an error was made in the prior year in the calculation of compensated absences payable. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

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

Accounting principles generally accepted in the United States of America require that the schedule of changes in the county's net pension liability (asset) and related ratios, schedules of county and school contributions, schedules of school's proportionate share of the net pension asset, and schedule of funding progress - other postemployment benefits plans on pages 77-84 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 Tipton 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 Tipton 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 Tipton County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures

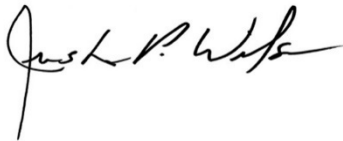
in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Tipton 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 5, 2016, on our consideration of Tipton 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 Tipton County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

December 5, 2016

JPW/yu

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

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

	Primary Government Governmental Activities	Component Unit Tipton County School Department
<u>ASSETS</u>		
Cash	\$ 31,861	\$ 0
Equity in Pooled Cash and Investments	24,398,470	17,116,809
Accounts Receivable	111,749	0
Due from Other Governments	1,136,545	909,759
Property Taxes Receivable	12,884,590	11,665,906
Allowance for Uncollectible Property Taxes	(410,589)	(371,169)
Accrued Interest Receivable	22,594	0
Net Pension Asset - Agent Plan	558,133	714,400
Net Pension Asset - Teacher Retirement Plan	0	23,824
Capital Assets Not Depreciated:		
Land	2,228,266	3,596,156
Construction in Progress	1,925,481	0
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	3,190,128	23,569,443
Infrastructure	9,151,502	115,493
Other Capital Assets	2,910,440	4,136,710
Total Assets	<u>\$ 58,139,170</u>	<u>\$ 61,477,331</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension Changes in Experience	\$ 0	\$ 368,143
Pension Other Deferrals	0	81,829
Pension Contributions after Measurement Date	898,134	4,697,986
Total Deferred Outflows of Resources	<u>\$ 898,134</u>	<u>\$ 5,147,958</u>
<u>LIABILITIES</u>		
Payroll Deductions Payable	\$ 193,868	\$ 2,469,999
Accrued Interest Payable	8,094	0
Noncurrent Liabilities:		
Due Within One Year	2,912,285	201,926
Due in More Than One Year	21,701,184	4,580,616
Total Liabilities	<u>\$ 24,815,431</u>	<u>\$ 7,252,541</u>

(Continued)

Exhibit A

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

	Primary Governmental Activities	Component Unit Tipton County School Department
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 12,270,574	\$ 11,111,150
Pension Changes in Experience	249,763	7,467,504
Pension Changes in Investment Earnings	268,939	3,303,956
Pension Other Deferrals	0	282,273
Total Deferred Inflows of Resources	<u>\$ 12,789,276</u>	<u>\$ 22,164,883</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 17,667,817	\$ 31,417,802
Restricted for:		
General Government	266,075	0
Finance	12,817	0
Administration of Justice	135,453	0
Public Safety	192,471	0
Public Health and Welfare	11,202	0
Highway/Public Works	1,684,583	0
Debt Service	8,132,885	0
Capital Projects	1,090,460	1,089,819
Other Purposes	558,133	0
Education	0	980,251
Operation of Non-instructional Services	0	2,009,733
Unrestricted	<u>(8,319,299)</u>	<u>1,710,260</u>
Total Net Position	<u>\$ 21,432,597</u>	<u>\$ 37,207,865</u>

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



Exhibit B

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Governmental Total Activities	Tipton County School Department
Primary Government: Governmental Activities:						
General Government	\$ 3,534,989	\$ 385,269	\$ 433,060	\$ 173,610	\$ (2,543,050)	\$ 0
Finance	1,508,348	1,300,126	0	0	(208,222)	0
Administration of Justice	1,645,533	1,183,309	16,973	0	(445,251)	0
Public Safety	8,035,055	574,037	91,119	144,202	(7,225,697)	0
Public Health and Welfare	1,931,903	548,156	355,979	0	(1,027,768)	0
Social, Cultural, and Recreational Services	401,976	18,826	13,790	0	(369,360)	0
Agriculture and Natural Resources	169,608	0	0	0	(169,608)	0
Highways/Public Works	4,611,823	88,503	2,131,798	679,641	(1,711,881)	0
Interest on Long-term Debt	194,333	0	0	0	(194,333)	0
<b>Total Primary Government</b>	<b>\$ 22,033,568</b>	<b>\$ 4,098,226</b>	<b>\$ 3,042,719</b>	<b>\$ 997,453</b>	<b>\$ (13,895,170)</b>	<b>\$ 0</b>
Component Unit:						
Tipton County School Department	\$ 87,192,656	\$ 2,453,876	\$ 9,740,112	\$ 1,037,290	\$ 0	\$ (73,961,378)
<b>Total Component Unit</b>	<b>\$ 87,192,656</b>	<b>\$ 2,453,876</b>	<b>\$ 9,740,112</b>	<b>\$ 1,037,290</b>	<b>\$ 0</b>	<b>\$ (73,961,378)</b>

(Continued)

Exhibit B

Tipton County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
					Government Total Governmental Activities	Tipton County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 8,824,780	\$ 11,149,879
Property Taxes Levied for Debt Service					3,491,180	0
Local Option Sales Taxes					420,303	4,768,680
Wheel Tax					3,187,976	0
Litigation Tax					233,256	0
Business Tax					209,409	190,066
Wholesale Beer Tax					169,303	0
Other Local Taxes					127,760	27,519
Grants and Contributions Not Restricted to Specific Programs					1,960,495	62,067,283
Unrestricted Investment Income					357,317	0
Miscellaneous					125,285	65,261
Total General Revenues					<u>\$ 19,107,064</u>	<u>\$ 78,268,688</u>
Change in Net Position					\$ 5,211,894	\$ 4,307,310
Net Position, July 1, 2015					16,220,703	33,227,982
Prior-period Adjustment - See Note I.D.8					<u>0</u>	<u>(327,427)</u>
Net Position, June 30, 2016					<u>\$ 21,432,597</u>	<u>\$ 37,207,865</u>

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

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>ASSETS</u>					
Cash	\$ 0	\$ 0	\$ 0	\$ 31,861	\$ 31,861
Equity in Pooled Cash and Investments	11,209,186	1,644,620	8,056,918	3,487,746	24,398,470
Accounts Receivable	18,708	0	0	93,041	111,749
Due from Other Governments	309,891	823,073	3,581	0	1,136,545
Due from Other Funds	81,421	0	0	0	81,421
Property Taxes Receivable	8,520,912	710,907	3,652,771	0	12,884,590
Allowance for Uncollectible Property Taxes	(270,979)	(22,998)	(116,612)	0	(410,589)
Accrued Interest Receivable	0	0	22,594	0	22,594
Total Assets	<u>\$ 19,869,139</u>	<u>\$ 3,155,602</u>	<u>\$ 11,619,252</u>	<u>\$ 3,612,648</u>	<u>\$ 38,256,641</u>
<u>LIABILITIES</u>					
Payroll Deductions Payable	\$ 154,992	\$ 38,876	\$ 0	\$ 0	\$ 193,868
Due to Other Funds	0	0	0	81,421	81,421
Total Liabilities	<u>\$ 154,992</u>	<u>\$ 38,876</u>	<u>\$ 0</u>	<u>\$ 81,421</u>	<u>\$ 275,289</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 8,115,970	\$ 676,331	\$ 3,478,273	\$ 0	\$ 12,270,574
Deferred Delinquent Property Taxes	84,094	7,321	36,514	0	127,929
Other Deferred/Unavailable Revenue	91,075	255,212	0	0	346,287
Total Deferred Inflows of Resources	<u>\$ 8,291,139</u>	<u>\$ 938,864</u>	<u>\$ 3,514,787</u>	<u>\$ 0</u>	<u>\$ 12,744,790</u>

(Continued)

Exhibit C-1

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Finance	\$ 12,817	\$ 0	\$ 0	\$ 0	\$ 12,817
Restricted for Administration of Justice	135,453	0	0	0	135,453
Restricted for Public Safety	41,020	0	0	151,451	192,471
Restricted for Public Health and Welfare	35,695	0	0	0	35,695
Restricted for Other Operations	262,202	0	0	0	262,202
Restricted for Highways/Public Works	0	1,515,369	0	0	1,515,369
Restricted for Debt Service	0	0	8,104,465	0	8,104,465
Restricted for Capital Projects	0	0	0	1,090,460	1,090,460
Restricted for Other Purposes	3,873	0	0	0	3,873
Committed:					
Committed for General Government	1,703,944	0	0	0	1,703,944
Committed for Public Health and Welfare	0	0	0	2,289,316	2,289,316
Committed for Highways/Public Works	0	662,493	0	0	662,493
Committed for Other Purposes	672,142	0	0	0	672,142
Assigned:					
Assigned for General Government	3,397	0	0	0	3,397
Assigned for Finance	7,780	0	0	0	7,780
Assigned for Administration of Justice	938	0	0	0	938
Assigned for Public Safety	4,414	0	0	0	4,414
Assigned for Public Health and Welfare	903,242	0	0	0	903,242
Assigned for Social, Cultural, and Recreational Services	1,152	0	0	0	1,152
Assigned for Other Operations	15,040	0	0	0	15,040
Unassigned	7,619,899	0	0	0	7,619,899
Total Fund Balances	\$ 11,423,008	\$ 2,177,862	\$ 8,104,465	\$ 3,531,227	\$ 25,236,562
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 19,869,139	\$ 3,155,602	\$ 11,619,252	\$ 3,612,648	\$ 38,256,641

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

Exhibit C-2

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

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)	\$	25,236,562
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$	2,228,266
Add: construction in progress		1,925,481
Add: buildings and improvements net of accumulated depreciation		3,190,128
Add: infrastructure net of accumulated depreciation		9,151,502
Add: other capital assets net of accumulated depreciation		<u>2,910,440</u>
		19,405,817
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other loans payable	\$	(17,087,089)
Less: bonds payable		(700,000)
Less: compensated absences payable		(591,130)
Less: landfill closure/postclosure care costs		(314,447)
Less: other postemployment benefits liability		(5,920,803)
Less: accrued interest on bonds		<u>(8,094)</u>
		(24,621,563)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as components of pension expense in future years.		
Add: deferred outflows of resources related to pensions	\$	898,134
Less: deferred inflows of resources related to pensions		<u>(518,702)</u>
		379,432
(4) Net pension assets of the agent plan are not current financial resources and therefore are not reported in the governmental funds.		558,133
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>474,216</u>
Net position of governmental activities (Exhibit A)	\$	<u><u>21,432,597</u></u>

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds	
<u>Revenues</u>					
Local Taxes	\$ 11,533,009	\$ 2,310,033	\$ 3,785,000	\$ 0	\$ 17,628,042
Licenses and Permits	163,389	0	0	0	163,389
Fines, Forfeitures, and Penalties	333,898	0	0	51,238	385,136
Charges for Current Services	196,220	2,178	0	399,174	597,572
Other Local Revenues	167,306	33,543	357,317	91,835	650,001
Fees Received From County Officials	2,336,170	0	0	0	2,336,170
State of Tennessee	1,075,671	2,688,523	0	873,233	4,637,427
Federal Government	98,306	36,204	0	56,401	190,911
Other Governments and Citizens Groups	277,081	86,325	300,000	0	663,406
<b>Total Revenues</b>	<b>\$ 16,181,050</b>	<b>\$ 5,156,806</b>	<b>\$ 4,442,317</b>	<b>\$ 1,471,881</b>	<b>\$ 27,252,054</b>
<u>Expenditures</u>					
Current:					
General Government	\$ 1,784,720	\$ 0	\$ 0	\$ 0	\$ 1,784,720
Finance	1,547,401	0	0	0	1,547,401
Administration of Justice	1,672,909	0	0	0	1,672,909
Public Safety	8,648,352	0	0	132,911	8,781,263
Public Health and Welfare	968,164	0	0	20,343	988,507
Social, Cultural, and Recreational Services	401,544	0	0	0	401,544
Agriculture and Natural Resources	175,030	0	0	0	175,030
Other Operations	1,092,375	0	0	0	1,092,375
Highways	0	4,921,018	0	984,192	5,905,210
Debt Service:					
Principal on Debt	0	0	5,886,000	0	5,886,000
Interest on Debt	0	0	232,170	0	232,170
Other Debt Service	0	0	201,820	0	201,820

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds	Total
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	Governmental Funds
<u>Expenditures (Cont.)</u>					
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 1,708,041	\$ 1,708,041
Total Expenditures	\$ 16,290,495	\$ 4,921,018	\$ 6,319,990	\$ 2,845,487	\$ 30,376,990
Excess (Deficiency) of Revenues Over Expenditures	\$ (109,445)	\$ 235,788	\$ (1,877,673)	\$ (1,373,606)	\$ (3,124,936)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 15,716	\$ 37,636	\$ 0	\$ 32,912	\$ 86,264
Total Other Financing Sources (Uses)	\$ 15,716	\$ 37,636	\$ 0	\$ 32,912	\$ 86,264
Net Change in Fund Balances	\$ (93,729)	\$ 273,424	\$ (1,877,673)	\$ (1,340,694)	\$ (3,038,672)
Fund Balance, July 1, 2015	11,516,737	1,904,438	9,982,138	4,871,921	28,275,234
Fund Balance, June 30, 2016	\$ 11,423,008	\$ 2,177,862	\$ 8,104,465	\$ 3,531,227	\$ 25,236,562

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

Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (3,038,672)
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 3,781,188	
Less: current-year depreciation expense	<u>(1,653,932)</u>	2,127,256
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.</p>		
Less: proceeds received from the disposal of capital assets		(12,604)
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2016	\$ 474,216	
Less: deferred delinquent property taxes and other deferred June 30, 2015	<u>(468,204)</u>	6,012
<p>(4) The issuance of long-term debt (e.g., other loans, bonds, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Add: principal payments on other loans	\$ 2,336,000	
Add: principal payments on bonds	<u>3,550,000</u>	5,886,000
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in accrued interest payable	\$ 37,837	
Change in compensated absences payable	(18,282)	
Change in landfill closure/postclosure care costs	16,614	
Change in other postemployment benefits liability	(356,476)	
Change in net pension asset	(114,223)	
Change in deferred outflows related to pensions	22,898	
Change in deferred inflows related to pensions	<u>655,534</u>	243,902
Change in net position of governmental activities (Exhibit B)		<u>\$ 5,211,894</u>

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



Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 11,533,009	\$ 0	\$ 0	\$ 11,533,009	\$ 10,979,130	\$ 10,979,130	\$ 553,879
Licenses and Permits	163,389	0	0	163,389	131,000	131,000	32,389
Fines, Forfeitures, and Penalties	333,898	0	0	333,898	353,785	353,785	(19,887)
Charges for Current Services	196,220	0	0	196,220	201,750	201,750	(5,530)
Other Local Revenues	167,306	0	0	167,306	120,550	120,550	46,756
Fees Received From County Officials	2,336,170	0	0	2,336,170	2,285,000	2,285,000	51,170
State of Tennessee	1,075,671	0	0	1,075,671	1,032,749	1,033,424	42,247
Federal Government	98,306	0	0	98,306	98,138	98,138	168
Other Governments and Citizens Groups	277,081	0	0	277,081	193,027	193,027	84,054
<b>Total Revenues</b>	<b>\$ 16,181,050</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 16,181,050</b>	<b>\$ 15,395,129</b>	<b>\$ 15,395,804</b>	<b>\$ 785,246</b>
<u>Expenditures</u>							
<u>General Government</u>							
County Commission	\$ 161,266	\$ (925)	\$ 1,210	\$ 161,551	\$ 195,015	\$ 195,015	\$ 33,464
Beer Board	1,292	0	0	1,292	3,380	3,380	2,088
County Mayor/Executive	238,190	0	50	238,240	328,250	328,250	90,010
Election Commission	312,214	(28)	2,078	314,264	331,784	340,384	26,120
Register of Deeds	317,128	0	0	317,128	328,171	332,671	15,543
Planning	304,583	0	0	304,583	315,985	315,985	11,402
Building	230,792	(18)	60	230,834	303,225	315,225	84,391
Codes Compliance	12,837	0	0	12,837	13,584	13,584	747
Geographical Information Systems	167,745	0	0	167,745	176,555	176,555	8,810
County Buildings	38,673	(2,340)	0	36,333	88,220	88,220	51,887
<u>Finance</u>							
Accounting and Budgeting	246,104	0	0	246,104	283,229	283,229	37,125
Property Assessor's Office	423,960	(16,265)	7,426	415,121	505,696	508,696	93,575
Reappraisal Program	26,261	0	0	26,261	43,850	43,850	17,589
County Trustee's Office	348,958	0	0	348,958	367,450	371,950	22,992
County Clerk's Office	502,118	0	354	502,472	511,605	522,105	19,633

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 694,105	\$ (378)	\$ 324	\$ 694,051	\$ 720,274	\$ 724,774	\$ 30,723
Criminal Court	41,018	0	0	41,018	53,443	53,443	12,425
General Sessions Court	306,155	0	0	306,155	318,130	324,130	17,975
Drug Court	12,459	0	0	12,459	15,000	15,000	2,541
Chancery Court	279,906	0	614	280,520	346,975	351,005	70,485
Juvenile Court	178,749	(27,949)	0	150,800	155,402	156,902	6,102
Probate Court	106,561	0	0	106,561	123,029	124,529	17,968
Other Administration of Justice	25,785	0	0	25,785	41,385	41,385	15,600
Victim Assistance Programs	28,171	0	0	28,171	45,000	45,000	16,829
<u>Public Safety</u>							
Sheriff's Department	5,077,760	(10,671)	1,360	5,068,449	5,196,663	5,211,663	143,214
Administration of the Sexual Offender Registry	3,497	0	0	3,497	8,000	8,000	4,503
Jail	2,527,014	(186)	3,053	2,529,881	2,716,093	2,716,093	186,212
Workhouse	298,992	0	0	298,992	387,579	390,579	91,587
Fire Prevention and Control	250,740	0	0	250,740	271,820	271,820	21,080
Civil Defense	231,820	0	0	231,820	267,442	267,442	35,622
Other Emergency Management	258,529	0	0	258,529	261,899	261,899	3,370
<u>Public Health and Welfare</u>							
Local Health Center	77,419	0	6	77,425	93,400	93,400	15,975
Rabies and Animal Control	312,502	0	29	312,531	331,040	337,540	25,009
Ambulance/Emergency Medical Services	134,331	0	0	134,331	131,000	135,400	1,069
Dental Health Program	302,385	0	0	302,385	353,474	353,474	51,089
General Welfare Assistance	23,163	0	0	23,163	24,163	24,163	1,000
Sanitation Management	118,364	0	92	118,456	137,355	137,355	18,899
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	62,000	0	0	62,000	62,000	62,000	0
Libraries	307,273	(12,803)	1,152	295,622	344,282	349,382	53,760
Parks and Fair Boards	22,271	0	0	22,271	27,000	27,000	4,729
Other Social, Cultural, and Recreational	10,000	0	0	10,000	10,000	10,000	0

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Add: Encumbrances 6/30/2016	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	\$ 80,995	\$ (136)	\$ 0	\$ 80,859	\$ 106,040	\$ 106,040	\$ 25,181
Soil Conservation	94,035	0	0	94,035	107,842	109,342	15,307
<u>Other Operations</u>							
Tourism	68,000	0	0	68,000	68,000	68,000	0
Industrial Development	460,752	0	0	460,752	479,527	532,527	71,775
Other Economic and Community Development	124,998	0	0	124,998	140,000	169,055	44,057
Veterans' Services	20,751	0	40	20,791	26,840	28,640	7,849
Employee Benefits	6,071	0	0	6,071	5,000	8,675	2,604
Miscellaneous	411,803	(3,950)	15,000	422,853	507,810	507,810	84,957
Total Expenditures	\$ 16,290,495	\$ (75,649)	\$ 32,848	\$ 16,247,694	\$ 17,678,906	\$ 17,862,566	\$ 1,614,872
Excess (Deficiency) of Revenues Over Expenditures							
	\$ (109,445)	\$ 75,649	\$ (32,848)	\$ (66,644)	\$ (2,283,777)	\$ (2,466,762)	\$ 2,400,118
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 15,716	\$ 0	\$ 0	\$ 15,716	\$ 0	\$ 0	\$ 15,716
Total Other Financing Sources	\$ 15,716	\$ 0	\$ 0	\$ 15,716	\$ 0	\$ 0	\$ 15,716
Net Change in Fund Balance							
Fund Balance, July 1, 2015	\$ (93,729)	\$ 75,649	\$ (32,848)	\$ (50,928)	\$ (2,283,777)	\$ (2,466,762)	\$ 2,415,834
	11,516,737	(75,649)	0	11,441,088	9,354,027	9,354,027	2,087,061
Fund Balance, June 30, 2016	\$ 11,423,008	\$ 0	\$ (32,848)	\$ 11,390,160	\$ 7,070,250	\$ 6,887,265	\$ 4,502,895

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

## Exhibit C-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,310,033	\$ 2,325,706	\$ 2,325,706	\$ (15,673)
Charges for Current Services	2,178	2,500	2,500	(322)
Other Local Revenues	33,543	43,700	43,700	(10,157)
State of Tennessee	2,688,523	2,627,000	2,627,000	61,523
Federal Government	36,204	215,000	215,000	(178,796)
Other Governments and Citizens Groups	86,325	0	86,325	0
Total Revenues	<u>\$ 5,156,806</u>	<u>\$ 5,213,906</u>	<u>\$ 5,300,231</u>	<u>\$ (143,425)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 527,239	\$ 555,079	\$ 564,229	\$ 36,990
Highway and Bridge Maintenance	2,115,302	2,255,542	2,310,028	194,726
Operation and Maintenance of Equipment	467,871	696,534	694,783	226,912
Other Charges	315,577	321,560	321,560	5,983
Employee Benefits	811,055	868,500	888,500	77,445
Capital Outlay	683,974	830,500	796,500	112,526
Total Expenditures	<u>\$ 4,921,018</u>	<u>\$ 5,527,715</u>	<u>\$ 5,575,600</u>	<u>\$ 654,582</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 235,788</u>	<u>\$ (313,809)</u>	<u>\$ (275,369)</u>	<u>\$ 511,157</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 37,636	\$ 0	\$ 0	\$ 37,636
Total Other Financing Sources	<u>\$ 37,636</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 37,636</u>
Net Change in Fund Balance	\$ 273,424	\$ (313,809)	\$ (275,369)	\$ 548,793
Fund Balance, July 1, 2015	<u>1,904,438</u>	<u>2,038,810</u>	<u>2,038,810</u>	<u>(134,372)</u>
Fund Balance, June 30, 2016	<u>\$ 2,177,862</u>	<u>\$ 1,725,001</u>	<u>\$ 1,763,441</u>	<u>\$ 414,421</u>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,740,769
Due from Other Governments	<u>730,510</u>
Total Assets	<u>\$ 3,471,279</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 730,510
Due to Litigants, Heirs, and Others	<u>2,740,769</u>
Total Liabilities	<u>\$ 3,471,279</u>

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

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## TIPTON COUNTY, TENNESSEE

### Index of Notes to the Financial Statements

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Tipton 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 Tipton County:

**A. Reporting Entity**

Tipton County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Tipton County (the primary government) and its component units. The financial statements of the Tipton County Emergency Communications District, a component unit requiring discrete presentation, were excluded from this report due to materiality calculations; therefore, the effect of this omission is not material to the aggregate discretely presented component units' opinion unit and will not affect our opinion thereon. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

The Tipton County School Department operates the public school system in the county, and the voters of Tipton 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 Tipton County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Tipton County, and the Tipton 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 Tipton County Emergency Communications District were not material to the component units' opinion unit and therefore have been omitted from this report.

The Tipton County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Tipton County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Tipton County Emergency Communications District  
220 Highway 51 North, Suite 4  
Covington, TN 38019

**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 Tipton 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 Tipton 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.

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

Separate financial statements are provided for governmental funds 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 Tipton County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. However, Tipton 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. Tipton 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.

Tipton 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, Tipton County reports the following fund types:

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

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

The discretely presented Tipton County School Department reports the following major governmental fund:

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

Additionally, the Tipton County School Department reports the following fund types:

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

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

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 Tipton County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Tipton County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at amortized cost using a Stable Net Asset Value. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

## 2. Receivables and Payables

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

Property taxes receivables are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.65 percent of total taxes levied.

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

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

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

## 3. 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 \$15,000 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
Other Capital Assets	5, 10, or 12
Infrastructure:	
Roads	10 or 20
Bridges	5, 15, or 30

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

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position. These items are for pension changes in experience, pension changes in proportionate share of contributions, as well as employer contributions made to the pension plan after the measurement date.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has items that qualify for reporting in this category. Accordingly, the items are reported in the government-wide Statement of Net Position and the governmental funds balance sheet. These items are from the following sources: current and delinquent property taxes, pension changes in experience and investment earnings, pension changes in proportionate share of contributions, 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**

It is the county's and the discretely presented School Department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Tipton County and the School Department do not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county and the School Department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

**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, landfill postclosure care costs, 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.
- d. 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, 2016, Tipton County had \$16,049,089 in outstanding debt for capital purposes for the discretely presented Tipton County School Department. The debt is a liability of Tipton County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Tipton County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

#### **8. Prior-period Adjustment**

Compensated absences payable of the discretely presented Tipton County School Department were restated (\$327,427) due to a calculation error in the prior year.

#### **E. Pension Plans**

##### **Primary Government**

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



Public Employee Retirement Plan of TCRS. Investments are reported at fair value.

**Discretely Presented Tipton County School Department**

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

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

**Primary Government**

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

**Discretely Presented Tipton 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 Tipton 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**

#### **Budgetary Information**

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

The county is required by state statute to adopt annual budgets. Annual budgets are prepared on the basis in which current available funds must be sufficient to meet current expenditures. Expenditures and encumbrances may not legally exceed appropriations authorized by the County Commission and any authorized revisions. Unencumbered appropriations lapse at the end of each fiscal year.

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

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

### IV. **DETAILED NOTES ON ALL FUNDS**

#### **A. Deposits and Investments**

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

#### **Deposits**

**Legal Provisions.** All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating

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

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

### **Investments**

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

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

### **B. Capital Assets**

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

## Primary Government

### Governmental Activities:

	Balance 7-1-15	Increases	Decreases	Balance 6-30-16
Capital Assets Not Depreciated:				
Land	\$ 2,228,266	\$ 0	\$ 0	\$ 2,228,266
Construction in Progress	1,291,023	1,736,648	(1,102,190)	1,925,481
Total Capital Assets Not Depreciated	<u>\$ 3,519,289</u>	<u>\$ 1,736,648</u>	<u>\$ (1,102,190)</u>	<u>\$ 4,153,747</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 5,892,827	\$ 1,445,684	\$ 0	\$ 7,338,511
Infrastructure	29,568,069	1,144,282	(71,375)	30,640,976
Other Capital Assets	10,709,050	556,764	(380,844)	10,884,970
Total Capital Assets Depreciated	<u>\$ 46,169,946</u>	<u>\$ 3,146,730</u>	<u>\$ (452,219)</u>	<u>\$ 48,864,457</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,888,493	\$ 259,890	\$ 0	\$ 4,148,383
Infrastructure	20,821,092	739,757	(71,375)	21,489,474
Other Capital Assets	7,688,485	654,285	(368,240)	7,974,530
Total Accumulated Depreciation	<u>\$ 32,398,070</u>	<u>\$ 1,653,932</u>	<u>\$ (439,615)</u>	<u>\$ 33,612,387</u>
Total Capital Assets Depreciated, Net	<u>\$ 13,771,876</u>	<u>\$ 1,492,798</u>	<u>\$ (12,604)</u>	<u>\$ 15,252,070</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,291,165</u>	<u>\$ 3,229,446</u>	<u>\$ (1,114,794)</u>	<u>\$ 19,405,817</u>

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

**Governmental Activities:**

General Government	\$ 145,188
Administration of Justice	57,710
Public Safety	435,521
Public Health and Welfare	6,588
Social, Cultural, and Recreational Services	3,811
Highways/Public Works	<u>1,005,114</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,653,932</u></u>

**Discretely Presented Tipton County School Department**

**Governmental Activities:**

	Balance 7-1-15	Increases	Decreases	Balance 6-30-16
Capital Assets Not Depreciated:				
Land	\$ 3,596,156	\$ 0	\$ 0	\$ 3,596,156
Construction in Progress	605,380	0	(605,380)	0
Total Capital Assets Not Depreciated	<u>\$ 4,201,536</u>	<u>\$ 0</u>	<u>\$ (605,380)</u>	<u>\$ 3,596,156</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 114,004,246	\$ 1,508,707	\$ 0	\$ 115,512,953
Infrastructure	167,075	0	0	167,075
Other Capital Assets	11,770,055	743,700	0	12,513,755
Total Capital Assets Depreciated	<u>\$ 125,941,376</u>	<u>\$ 2,252,407</u>	<u>\$ 0</u>	<u>\$ 128,193,783</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 89,295,305	\$ 2,648,205	\$ 0	\$ 91,943,510
Infrastructure	32,011	19,571	0	51,582
Other Capital Assets	7,592,204	784,841	0	8,377,045
Total Accumulated Depreciation	<u>\$ 96,919,520</u>	<u>\$ 3,452,617</u>	<u>\$ 0</u>	<u>\$ 100,372,137</u>
Total Capital Assets Depreciated, Net	<u>\$ 29,021,856</u>	<u>\$ (1,200,210)</u>	<u>\$ 0</u>	<u>\$ 27,821,646</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 33,223,392</u></u>	<u><u>\$ (1,200,210)</u></u>	<u><u>\$ (605,380)</u></u>	<u><u>\$ 31,417,802</u></u>

Depreciation expense was charged to functions of the discretely presented Tipton County School Department as follows:

**Governmental Activities:**

Instruction	\$ 2,302,048
Support Services	916,453
Operation of Non-instructional Services	<u>234,116</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 3,452,617</u></u>

**C. Construction Commitments**

At June 30, 2016, the General Capital Projects Fund had uncompleted construction contracts of approximately \$996,039 for jail expansion. Funding has been received for these future expenditures.

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

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

**Due to/from Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 81,421

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

**Interfund Transfers:**

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

**Discretely Presented Tipton County School Department**

Transfer Out	Transfer In General Purpose School Fund
Nonmajor governmental fund	\$ 31,530

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

**E. Long-term Obligations**

**Primary Government**

**General Obligation Bonds and Other Loans**

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

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

General obligation bonds and other loans outstanding as of June 30, 2016, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-16
General Obligation Bonds	2.5 to 4.625 %	4-1-22	\$ 9,000,000	\$ 700,000
Other Loans	Variable	5-25-27	30,097,089	17,087,089

During the 1998-99 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned Tipton County \$5,897,089. This loan is

repayable at a variable interest rate based on the weekly Bank of America Thursday National Non-AMT Index (BOA). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2016, the variable interest rate was .61 percent based on the BOA rate, and other fees totaled .58 percent of the outstanding loan principal.

During the 2004-05 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$5,100,000 to Tipton County for school construction. This loan is repayable at a variable interest rate based on the daily London Interbank Offer Rate (LIBOR). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2016, the variable interest rate was .58 percent based on the LIBOR rate, and other fees totaled .58 percent of the outstanding loan principal.

During the 2006-07 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$16,000,000 to Tipton County for school construction. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2016, the variable interest rate was .58 percent based on the LIBOR rate, and other fees totaled .58 percent of the outstanding loan principal.

During the 2010-11 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$3,100,000 to Tipton County for various capital projects. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2016, the variable interest rate was .41 percent based on the LIBOR rate, and other fees totaled one percent of the outstanding loan principal.

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



Year Ending June 30	Bonds		
	Principal	Interest	Total
2017	\$ 0	\$ 32,375	\$ 32,375
2018	0	32,375	32,375
2019	0	32,375	32,375
2020	0	32,375	32,375
2021	0	32,375	32,375
2022	700,000	32,375	732,375
<b>Total</b>	<b>\$ 700,000</b>	<b>\$ 194,250</b>	<b>\$ 894,250</b>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2017	\$ 2,394,000	\$ 97,020	\$ 108,837	\$ 2,599,857
2018	2,452,000	84,661	93,652	2,630,313
2019	2,412,089	72,054	78,064	2,562,207
2020	1,579,000	59,807	62,435	1,701,242
2021	1,647,000	52,760	51,874	1,751,634
2022-2026	5,423,000	128,435	131,919	5,683,354
2027	1,180,000	6,844	7,032	1,193,876
<b>Total</b>	<b>\$ 17,087,089</b>	<b>\$ 501,581</b>	<b>\$ 533,813</b>	<b>\$ 18,122,483</b>

There is \$8,104,465 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and other loans totaled \$291, based on the 2010 federal census.

#### Changes in Long-term Obligations

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

#### **Governmental Activities:**

	Bonds	Other Loans	Compensated Absences
Balance, July 1, 2015	\$ 4,250,000	\$ 19,423,089	\$ 572,848
Additions	0	0	540,018
Reductions	(3,550,000)	(2,336,000)	(521,736)
Balance, June 30, 2016	<u>\$ 700,000</u>	<u>\$ 17,087,089</u>	<u>\$ 591,130</u>
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 2,394,000</u>	<u>\$ 497,942</u>

	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2015	\$ 331,061	\$ 5,564,327
Additions	3,729	376,162
Reductions	(20,343)	(19,686)
Balance, June 30, 2016	<u>\$ 314,447</u>	<u>\$ 5,920,803</u>
Balance Due Within One Year	<u>\$ 20,343</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2016	\$ 24,613,469
Less: Balance Due Within One Year	<u>(2,912,285)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 21,701,184</u>

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

**Discretely Presented Tipton County School Department**

Changes in Long-term Obligations

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

**Governmental Activities:**

	Compensated Absences*	Other Postemployment Benefits	Net Pension Liability - Teacher Legacy Pension Plan**
Balance, July 1, 2015	\$ 509,197	\$ 3,684,153	\$ (180,723)
Additions	241,698	936,445	15,530,072
Reductions	(224,683)	(822,989)	(14,890,628)
Balance, June 30, 2016	\$ 526,212	\$ 3,797,609	\$ 458,721
Balance Due Within One Year	\$ 201,926	\$ 0	\$ 0

\* See footnote I.D.8 for prior-period adjustment.

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

**Analysis of Noncurrent Liabilities Presented on Exhibit A:**

Total Noncurrent Liabilities, June 30, 2016	\$ 4,782,542
Less: Balance Due Within One Year	<u>(201,926)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,580,616</u>

Compensated absences will be paid from the employing funds, primarily the General Purpose School and School Federal Projects funds. Other postemployment benefits and the net pension liability will be paid from the employing funds, primarily the General Purpose School Fund.

**F. On-Behalf Payments**

**Primary Government**

The State of Tennessee pays health insurance premiums for retired employees on-behalf of Tipton County. These payments are made by the state to the Medicare Supplement Plan. This plan is administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Medicare Supplement Plan for the year ended June 30, 2016, were \$675. The county has recognized these on-behalf payments as revenues and expenditures in the General Fund.

**Discretely Presented Tipton County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Tipton County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of

Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2016, were \$146,824 and \$54,250, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. **OTHER INFORMATION**

A. **Risk Management**

**Primary Government**

**Liability, Property, and Casualty**

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

**Workers' Compensation Insurance**

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

**Employee Health Insurance**

Tipton County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *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 Tipton County School Department**

### **Liability, Property, and Casualty**

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

### **Workers' Compensation Insurance**

The School Department does not provide workers' compensation insurance coverage for its employees.

### **Employee Health Insurance**

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

## **B. Accounting Changes**

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

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

GASB Statement No. 73, established accounting and reporting requirements

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

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

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

**C. Contingent Liabilities**

The attorneys for the county and School Department advised that there were no pending lawsuits, unasserted claims, or assessments that would materially affect the county or School Department's financial statements.

**D. Landfill Closure/Postclosure Care Costs**

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Tipton County closed its sanitary landfill in 1998. The \$314,447 reported as postclosure care liability at June 30, 2016, represents amounts based on what it would cost to perform all postclosure care in 2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**E. Joint Ventures**

The Twenty-fifth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-fifth Judicial District, Fayette, Lauderdale, and Tipton counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and

prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district.

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

Tipton County does not have an equity interest in any of the above-noted joint ventures. Complete financial statements for the DTF and HTL Advantage can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General  
Twenty-fifth Judicial District Drug Task Force  
121 North Main  
Ripley, TN 38063

HTL Advantage  
1469 South Main Street  
Covington, TN 38019

**F. Retirement Commitments**

**Tennessee Consolidated Retirement System (TCRS)**

**Primary Government**

**General Information About the Pension Plan**

*Plan Description.* Employees of Tipton County and non-certified employees of the discretely presented Tipton County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprised 43.86 percent and the non-certified employees of the discretely present School Department comprised 56.14

percent of the plan based on contribution data. The TCRS was created by state statute under *Tennessee Code Annotated (TCA)*, Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/tcrs](http://www.treasury.tn.gov/tcrs).

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

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

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

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	271
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	350
Active Employees	674
 Total	 <u><u>1,295</u></u>

*Contributions.* Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute five percent of salary. Tipton County makes



employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2015, the Actuarial Determined Contribution (ADC) for Tipton County was \$1,646,286 based on a rate of 9.71 percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept Tipton County's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Net Pension Liability (Asset)**

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

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

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

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

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

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

blended capital market projection established the long-term expected rate of return by weighting the expected future real rate of return by the target asset allocation percentage and by adding inflation of three percent. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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

**Changes in the Net Pension Liability (Asset)**

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance, July 1, 2014	\$ 53,794,413	\$ 55,971,731	\$ (2,177,318)
Changes for the year:			
Service Cost	\$ 1,596,507	\$ 0	\$ 1,596,507
Interest	4,075,784	0	4,075,784
Differences Between Expected and Actual Experience	(363,478)	0	(363,478)
Contributions-Employer	0	1,782,100	(1,782,100)
Contributions-Employees	0	922,605	(922,605)
Net Investment Income	0	1,733,421	(1,733,421)
Benefit Payments, Including Refunds of Employee Contributions	(2,094,273)	(2,094,273)	0
Administrative Expense	0	(34,098)	34,098
Other Changes	0	0	0
Net Changes	\$ 3,214,540	\$ 2,309,755	\$ 904,785
Balance, June 30, 2015	\$ 57,008,953	\$ 58,281,486	\$ (1,272,533)

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

		Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Primary Government	43.86%	\$ 25,004,127	\$ 25,562,260	\$ (558,133)
School Department	56.14%	32,004,826	32,719,226	(714,400)
Total		\$ 57,008,953	\$ 58,281,486	\$ (1,272,533)

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

Tipton County	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 6,134,207	\$ (1,272,533)	\$ 7,436,455

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

*Pension Expense.* For the year ended June 30, 2016, Tipton County recognized pension expense of \$66,942.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 0	\$ 569,456
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,988,857	2,602,033
Contributions Subsequent to the Measurement Date of June 30, 2014 (1)	<u>1,819,386</u>	<u>N/A</u>
Total	<u>\$ 3,808,243</u>	<u>\$ 3,171,489</u>

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Primary Government	\$ 1,770,447	\$ 1,391,015
School Department	2,037,796	1,780,474
Total	<u>\$ 3,808,243</u>	<u>\$ 3,171,489</u>

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

Year Ending June 30	Amount
2017	\$ (497,350)
2018	(497,350)
2019	(497,350)
2020	369,994
2021	(60,576)
Thereafter	0

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

**Discretely Presented Tipton County School Department**

**Non-certified Employees**

**General Information About the Pension Plan**

*Plan Description.* As noted above under the primary government, employees of Tipton County and non-certified employees of the discretely presented Tipton County School Department are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The primary government employees comprise 43.86 percent and the non-certified employees of the discretely present School Department comprise 56.14 percent of the plan based on contribution data.

## **Certified Employees**

### **Teacher Retirement Plan**

#### **General Information About the Pension Plan**

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

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

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. Per the statutory provisions governing TCRS, the employer contribution rate cannot be less than four percent, except in years when the maximum funded level, approved by the TCRS Board of Trustees, is reached. By law, employer contributions for the Teacher Retirement Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions for the year ended June 30, 2016, to the Teacher Retirement Plan were \$103,253, which is four percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

**Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liabilities (Assets).* At June 30, 2016, the Tipton County School Department reported an asset of \$23,824 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Tipton County School Department's proportion of the net pension asset was based on the Tipton County School Department's share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Tipton County School Department's proportion was .592209 percent.

*Pension Expense.* For the year ended June 30, 2016, the Tipton County School Department recognized pension expense of \$31,222.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 0	\$ 7,754
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,926	0
LEA's Contributions Subsequent to the Measurement Date of June 30, 2015	103,253	N/A
Total	<u>\$ 105,179</u>	<u>\$ 7,754</u>

The Tipton County School Department's employer contributions of \$103,253, reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase of net pension liability (asset) in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (165)
2018	(165)
2019	(165)
2020	(165)
2021	(646)
Thereafter	(4,522)

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

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



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

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustment for expected future improvement in life expectancy.

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
Net Pension Liability	\$ 4,225	\$ (23,824)	\$ (44,396)

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

### **Teacher Legacy Pension Plan**

#### **General Information About the Pension Plan**

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

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

applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest. Under the Teacher Legacy Pension Plan, benefit terms and conditions, including COLAs can be adjusted on a prospective basis. Moreover, there are defined cost controls and unfunded liability controls that provide for the adjustment of benefit terms and conditions on an automatic basis.

*Contributions.* Contributions for teachers are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Teachers contribute five percent of salary. The Local Education Agencies (LEAs) make employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. By law, employer contributions for the Teacher Legacy Pension Plan are required to be paid. The TCRS may intercept the state shared taxes of the sponsoring governmental entity of the LEA if the required employer contributions are not remitted. Employer contributions by the Tipton County School Department for the year ended June 30, 2016, to the Teacher Legacy Pension Plan were \$3,673,481, which is 9.04 percent of covered payroll. The employer rate, when combined with member contributions, is expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

### **Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Pension Liability (Assets).* At June 30, 2016, the Tipton County School Department reported a liability of \$458,721 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The Tipton County School Department's proportion of the net pension liability (asset) was based on the Tipton County School Department's long-term share of contributions to the pension plan relative to the contributions of all participating LEAs. At the measurement date of June 30, 2015, the Tipton County School Department's proportion was 1.11983 percent. The proportion measured at June 30, 2014, was 1.112178 percent

*Negative Pension Expense.* For the year ended June 30, 2016, the Tipton County School Department recognized a negative pension expense of \$427,365.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 368,143	\$ 7,140,057
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	8,283,061	11,244,706
Changes in Proportion of Net Pension Liability (Asset)	81,829	282,273
LEA's Contributions Subsequent to the Measurement Date of June 30, 2014	<u>3,673,481</u>	<u>N/A</u>
Total	<u>\$ 12,406,514</u>	<u>\$ 18,667,036</u>

The Tipton County School Department's employer contributions of \$3,673,481 reported as pension related deferred outflows of resources subsequent to the measurement date, will be recognized as an increase in net pension asset in the year ending June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2017	\$ (3,071,942)
2018	(3,071,942)
2019	(3,071,942)
2020	676,294
2021	(1,394,471)
Thereafter	0

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

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

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

Mortality rates are customized based on the June 30, 2012, actuarial experience study and some included adjustments for expected future improvement in life expectancy.

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

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

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

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

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

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

School Department's Proportionate Share of the Net Pension Liability (Asset)	1% Decrease 6.5%	Current Discount Rate 7.5%	1% Increase 8.5%
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Net Pension Liability                    \$ 31,274,037    \$ 458,721    \$ (25,052,727)

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

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

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. Tipton County makes a contribution toward the health insurance premium of the Local Government Group Plan for employees who retire with at least ten years of service and have reached age 55. The county only makes this contribution for two years or until the employee reaches age 65, whichever comes first. The School Department makes a contribution toward the health insurance premium of the Local Education



Group Plan for employees who retire with 20 years of service. This contribution continues until the employee reaches age 65 and is Medicare eligible. Retirees' contributions vary depending on the insurance options they select. During the year ended June 30, 2016, Tipton County and the School Department contributed \$19,686 and \$822,989, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 937,000	\$ 377,000
Interest on the NOPEBO	138,156	208,662
Adjustment to the ARC	(138,711)	(209,500)
Annual OPEB cost	\$ 936,445	\$ 376,162
Less: Amount of contribution	(822,989)	(19,686)
Increase/decrease in NOPEBO	\$ 113,456	\$ 356,476
Net OPEB obligation, 7-1-15	3,684,153	5,564,327
Net OPEB obligation, 6-30-16	<u>\$ 3,797,609</u>	<u>\$ 5,920,803</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-14	Local Education Group	\$ 782,781	105	% \$ 3,631,001
6-30-15	"	809,741	93	3,684,153
6-30-16	"	936,445	88	3,797,609
6-30-14	Local Government Group	526,675	2	5,055,853
6-30-15	"	546,209	7	5,564,327
6-30-16	"	376,162	5	5,920,803

### Funded Status and Funding Progress

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

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-15	7-1-15
Actuarial accrued liability (AAL)	\$ 8,247,000	\$ 2,309,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 8,247,000	\$ 2,309,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 51,976,199	\$ 8,251,964
UAAL as a % of covered payroll	16%	28%

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

### Actuarial Methods and Assumptions

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

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

## H. Purchasing Laws

### Office of County Executive

Purchasing procedures for the County Executive's Office are governed by provisions of Chapter 518, Private Acts of 1941, as amended. This act provides for the Purchasing Committee to make all purchases estimated to exceed \$10,000. Purchases estimated to be \$10,000 or less may be made by the county executive or other county officials. This act also requires that competitive bids be solicited by the Purchasing Committee through advertisement in a local newspaper on all purchases estimated to exceed \$10,000.

### Office of Director of Public Works

Purchasing procedures for the Public Works Department are governed by provisions of Chapter 114, Private Acts of 1973, as amended, and the Uniform Road Law, Section 54-7-113, *Tennessee Code Annotated (TCA)*. These statutes provide for the Public Works Committee to make all purchases, and all purchases exceeding \$10,000 are to be made on a competitive basis solicited through public advertisement.

### Office of Director of Schools

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

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

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

	<u>2014</u>	<u>2015</u>
<b>Total Pension Liability (Asset)</b>		
Service Cost	\$ 1,539,402	\$ 1,596,507
Interest	3,848,940	4,075,784
Differences Between Actual and Expected Experience	(399,838)	(363,478)
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,947,793)</u>	<u>(2,094,273)</u>
Net Change in Total Pension Liability (Asset)	\$ 3,040,711	\$ 3,214,540
Total Pension Liability (Asset), Beginning	<u>50,753,702</u>	<u>53,794,413</u>
Total Pension Liability (Asset), Ending (a)	<u>\$ 53,794,413</u>	<u>\$ 57,008,953</u>
<b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 1,771,288	\$ 1,782,100
Contributions - Employee	913,650	922,605
Net Investment Income	7,914,371	1,733,421
Benefit Payments, Including Refunds of Employee Contributions	(1,947,793)	(2,094,273)
Administrative Expense	<u>(26,438)</u>	<u>(34,098)</u>
Net Change in Plan Fiduciary Net Position	\$ 8,625,078	\$ 2,309,755
Plan Fiduciary Net Position, Beginning	<u>47,346,653</u>	<u>55,971,731</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 55,971,731</u>	<u>\$ 58,281,486</u>
Net Pension Liability (Asset), Ending (a - b)	<u>\$ (2,177,318)</u>	<u>\$ (1,272,533)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.05%	102.23%
Covered Payroll	\$ 18,241,839	\$ 18,353,247
Net Pension Liability (Asset) as a Percentage of Covered Payroll	11.94%	6.93%

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

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

Exhibit E-2

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

	2014	2015	2016
Actuarially Determined Contribution	\$ 1,771,288	\$ 1,646,286	\$ 1,819,386
Less Contributions in Relation to the Actuarially Determined Contribution	(1,771,288)	(1,782,100)	(1,819,386)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ (135,814)</u>	<u>\$ 0</u>
Covered Payroll	\$ 18,241,839	\$ 18,353,247	\$ 18,737,240
Contributions as a Percentage of Covered Payroll	9.71%	9.71%	9.71%

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

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

Exhibit E-3

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

	<u>2015</u>	<u>2016</u>
Contractually Determined Contribution	\$ 30,762	\$ 64,535
Less Contributions in Relation to the Contractually Determined Contribution	(49,218)	(103,253)
Contribution Deficiency (Excess)	<u>\$ (18,456)</u>	<u>\$ (38,718)</u>
 Covered Payroll	 \$ 1,230,461	 \$ 2,581,406
 Contributions as a Percentage of Covered Payroll	 4.00%	 4.00%

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

Exhibit E-4

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually Determined Contribution	\$ 3,876,376	\$ 3,789,647	\$ 3,673,481
Less Contributions in Relation to the Contractually Determined Contribution	(3,876,376)	(3,789,647)	(3,673,481)
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Payroll	 \$ 43,652,880	 \$ 41,920,873	 \$ 40,635,736
 Contributions as a Percentage of Covered Payroll	 8.88%	 9.04%	 9.04%

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



Exhibit E-5

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

	<u>2016</u>
School Department's Proportion of the Net Pension Asset	0.592209%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (23,824)
Covered Payroll	\$ 1,230,461
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(1.94)%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	127.46%

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

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

Exhibit E-6

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

	<u>2015</u>	<u>2016</u>
School Department's Proportion of the Net Pension Asset	1.112178%	1.119830%
School Department's Proportionate Share of the Net Pension Liability (Asset)	\$ (180,724)	\$ 458,721
Covered Payroll	\$ 43,652,880	\$ 41,920,873
School Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	(.414002)%	1.094254%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.08%	99.81%

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

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

Exhibit E-7

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

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-11	\$ 0	\$ 4,815	\$ 4,815	0%	\$ 9,543	50%
"	7-1-13	0	3,490	3,490	0	7,793	45
"	7-1-15	0	2,309	2,309	0	8,252	28
<u>DISCRETELY PRESENTED TIPTON COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-11	0	11,739	11,739	0	57,029	21
"	7-1-13	0	6,576	6,576	0	53,163	12
"	7-1-15	0	8,247	8,247	0	51,976	16

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

**TENNESSEE CONSOLIDATED RETIREMENT SYSTEM**

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

Methods and assumptions used to determine contribution rates:

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

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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 Tipton County’s garbage collection operations.

Drug Control Fund – The Drug Control Fund is used to account for revenues received from drug-related fines, forfeitures, and seizures.

Constitutional Officers - Fees Fund – The Constitutional Officers - Fees Fund is used to account for operating expenses paid directly from the fee and commission accounts of the trustee, clerks, register of deeds, and sheriff.

## Capital Projects Fund

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

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

Exhibit F-1

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

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	Total	General Capital Projects		
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 31,861	\$ 31,861	\$ 0	\$ 31,861	
Equity in Pooled Cash and Investments	2,245,835	151,451	0	2,397,286	1,090,460	3,487,746	
Accounts Receivable	43,481	0	49,560	93,041	0	93,041	
Total Assets	<u>\$ 2,289,316</u>	<u>\$ 151,451</u>	<u>\$ 81,421</u>	<u>\$ 2,522,188</u>	<u>\$ 1,090,460</u>	<u>\$ 3,612,648</u>	
<u>LIABILITIES</u>							
Due to Other Funds	\$ 0	\$ 0	\$ 81,421	\$ 81,421	\$ 0	\$ 81,421	
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 81,421</u>	<u>\$ 81,421</u>	<u>\$ 0</u>	<u>\$ 81,421</u>	
<u>FUND BALANCES</u>							
Restricted:							
Restricted for Public Safety	\$ 0	\$ 151,451	\$ 0	\$ 151,451	\$ 0	\$ 151,451	
Restricted for Capital Projects	0	0	0	0	1,090,460	1,090,460	
Committed:							
Committed for Public Health and Welfare	2,289,316	0	0	2,289,316	0	2,289,316	
Total Fund Balances	<u>\$ 2,289,316</u>	<u>\$ 151,451</u>	<u>\$ 0</u>	<u>\$ 2,440,767</u>	<u>\$ 1,090,460</u>	<u>\$ 3,531,227</u>	
Total Liabilities and Fund Balances	<u>\$ 2,289,316</u>	<u>\$ 151,451</u>	<u>\$ 81,421</u>	<u>\$ 2,522,188</u>	<u>\$ 1,090,460</u>	<u>\$ 3,612,648</u>	

Exhibit F-2

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

	Special Revenue Funds			Capital	Total
	Solid Waste / Sanitation	Drug Control	Total	Projects Fund General Capital Projects	
<u>Revenues</u>					
Fines, Forfeitures, and Penalties	\$ 0	\$ 51,238	\$ 51,238	\$ 0	\$ 51,238
Charges for Current Services	399,174	0	399,174	0	399,174
Other Local Revenues	87,298	4,537	91,835	0	91,835
State of Tennessee	873,233	0	873,233	0	873,233
Federal Government	0	42,457	42,457	13,944	56,401
Total Revenues	\$ 1,359,705	\$ 98,232	\$ 1,457,937	\$ 13,944	\$ 1,471,881
<u>Expenditures</u>					
Current:					
Public Safety	\$ 0	\$ 132,911	\$ 132,911	\$ 0	\$ 132,911
Public Health and Welfare	20,343	0	20,343	0	20,343
Highways	984,192	0	984,192	0	984,192
Capital Projects	0	0	0	1,708,041	1,708,041
Total Expenditures	\$ 1,004,535	\$ 132,911	\$ 1,137,446	\$ 1,708,041	\$ 2,845,487
Excess (Deficiency) of Revenues					
Over Expenditures	\$ 355,170	\$ (34,679)	\$ 320,491	\$ (1,694,097)	\$ (1,373,606)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 32,912	\$ 0	\$ 32,912	\$ 0	\$ 32,912
Total Other Financing Sources (Uses)	\$ 32,912	\$ 0	\$ 32,912	\$ 0	\$ 32,912
Net Change in Fund Balances					
Fund Balance, July 1, 2015	\$ 1,901,234	\$ 186,130	\$ 2,087,364	\$ 2,784,557	\$ 4,871,921
Fund Balance, June 30, 2016	\$ 2,289,316	\$ 151,451	\$ 2,440,767	\$ 1,090,460	\$ 3,531,227



Exhibit F-3

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 399,174	\$ 272,700	\$ 302,700	\$ 96,474
Other Local Revenues	87,298	100,100	100,100	(12,802)
State of Tennessee	873,233	889,917	859,917	13,316
Total Revenues	<u>\$ 1,359,705</u>	<u>\$ 1,262,717</u>	<u>\$ 1,262,717</u>	<u>\$ 96,988</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Postclosure Care Costs	\$ 20,343	\$ 50,000	\$ 23,500	\$ 3,157
<u>Highways</u>				
Litter and Trash Collection	984,192	1,060,169	1,086,669	102,477
Total Expenditures	<u>\$ 1,004,535</u>	<u>\$ 1,110,169</u>	<u>\$ 1,110,169</u>	<u>\$ 105,634</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 355,170</u>	<u>\$ 152,548</u>	<u>\$ 152,548</u>	<u>\$ 202,622</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 32,912	\$ 0	\$ 0	\$ 32,912
Total Other Financing Sources	<u>\$ 32,912</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 32,912</u>
Net Change in Fund Balance	\$ 388,082	\$ 152,548	\$ 152,548	\$ 235,534
Fund Balance, July 1, 2015	<u>1,901,234</u>	<u>1,739,044</u>	<u>1,739,044</u>	<u>162,190</u>
Fund Balance, June 30, 2016	<u><u>\$ 2,289,316</u></u>	<u><u>\$ 1,891,592</u></u>	<u><u>\$ 1,891,592</u></u>	<u><u>\$ 397,724</u></u>

Exhibit F-4

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 51,238	\$ 0	\$ 51,238	\$ 90,000	\$ 90,000	\$ (38,762)
Other Local Revenues	4,537	0	4,537	1,100	1,100	3,437
State of Tennessee	0	0	0	500	500	(500)
Federal Government	42,457	0	42,457	100,000	100,000	(57,543)
<b>Total Revenues</b>	<b>\$ 98,232</b>	<b>\$ 0</b>	<b>\$ 98,232</b>	<b>\$ 191,600</b>	<b>\$ 191,600</b>	<b>\$ (93,368)</b>
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 132,911	\$ (7,134)	\$ 125,777	\$ 242,000	\$ 242,000	\$ 116,223
<b>Total Expenditures</b>	<b>\$ 132,911</b>	<b>\$ (7,134)</b>	<b>\$ 125,777</b>	<b>\$ 242,000</b>	<b>\$ 242,000</b>	<b>\$ 116,223</b>
Excess (Deficiency) of Revenues Over Expenditures	\$ (34,679)	\$ 7,134	\$ (27,545)	\$ (50,400)	\$ (50,400)	\$ 22,855
Net Change in Fund Balance	\$ (34,679)	\$ 7,134	\$ (27,545)	\$ (50,400)	\$ (50,400)	\$ 22,855
Fund Balance, July 1, 2015	186,130	(7,134)	178,996	228,381	228,381	(49,385)
<b>Fund Balance, June 30, 2016</b>	<b>\$ 151,451</b>	<b>\$ 0</b>	<b>\$ 151,451</b>	<b>\$ 177,981</b>	<b>\$ 177,981</b>	<b>\$ (26,530)</b>

# **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

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,785,000	\$ 3,613,486	\$ 3,613,486	\$ 171,514
Other Local Revenues	357,317	250,000	250,000	107,317
Other Governments and Citizens Groups	300,000	300,000	300,000	0
Total Revenues	<u>\$ 4,442,317</u>	<u>\$ 4,163,486</u>	<u>\$ 4,163,486</u>	<u>\$ 278,831</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 300,000	\$ 300,000	\$ 300,000	\$ 0
Education	5,586,000	2,561,000	5,586,000	0
<u>Interest on Debt</u>				
General Government	2,407	101,900	80,438	78,031
Education	229,763	1,001,895	898,437	668,674
<u>Other Debt Service</u>				
General Government	97,372	117,000	138,462	41,090
Education	104,448	30,000	133,458	29,010
Total Expenditures	<u>\$ 6,319,990</u>	<u>\$ 4,111,795</u>	<u>\$ 7,136,795</u>	<u>\$ 816,805</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (1,877,673)</u>	<u>\$ 51,691</u>	<u>\$ (2,973,309)</u>	<u>\$ 1,095,636</u>
Net Change in Fund Balance	\$ (1,877,673)	\$ 51,691	\$ (2,973,309)	\$ 1,095,636
Fund Balance, July 1, 2015	<u>9,982,138</u>	<u>8,778,734</u>	<u>8,778,734</u>	<u>1,203,404</u>
Fund Balance, June 30, 2016	<u>\$ 8,104,465</u>	<u>\$ 8,830,425</u>	<u>\$ 5,805,425</u>	<u>\$ 2,299,040</u>

# Fiduciary Funds

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk; circuit, general sessions, and juvenile courts clerk; clerk and master; register of deeds; and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit H-1

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

	<u>Agency Funds</u>		
	Cities -	Constitu-	
	Sales	tional	
	Tax	Officers -	
		Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,740,769	\$ 2,740,769
Due from Other Governments	730,510	0	730,510
Total Assets	<u>\$ 730,510</u>	<u>\$ 2,740,769</u>	<u>\$ 3,471,279</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 730,510	\$ 0	\$ 730,510
Due to Litigants, Heirs, and Others	0	2,740,769	2,740,769
Total Liabilities	<u>\$ 730,510</u>	<u>\$ 2,740,769</u>	<u>\$ 3,471,279</u>

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 4,299,962	\$ 4,299,962	\$ 0
Due from Other Governments	675,424	730,510	675,424	730,510
Total Assets	<u>\$ 675,424</u>	<u>\$ 5,030,472</u>	<u>\$ 4,975,386</u>	<u>\$ 730,510</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 675,424	\$ 5,030,472	\$ 4,975,386	\$ 730,510
Total Liabilities	<u>\$ 675,424</u>	<u>\$ 5,030,472</u>	<u>\$ 4,975,386</u>	<u>\$ 730,510</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,747,426	\$ 12,846,632	\$ 12,853,289	\$ 2,740,769
Total Assets	<u>\$ 2,747,426</u>	<u>\$ 12,846,632</u>	<u>\$ 12,853,289</u>	<u>\$ 2,740,769</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,747,426	\$ 12,846,632	\$ 12,853,289	\$ 2,740,769
Total Liabilities	<u>\$ 2,747,426</u>	<u>\$ 12,846,632</u>	<u>\$ 12,853,289</u>	<u>\$ 2,740,769</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,747,426	\$ 12,846,632	\$ 12,853,289	\$ 2,740,769
Equity in Pooled Cash and Investments	0	4,299,962	4,299,962	0
Due from Other Governments	675,424	730,510	675,424	730,510
Total Assets	<u>\$ 3,422,850</u>	<u>\$ 17,877,104</u>	<u>\$ 17,828,675</u>	<u>\$ 3,471,279</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 675,424	\$ 5,030,472	\$ 4,975,386	\$ 730,510
Due to Litigants, Heirs, and Others	2,747,426	12,846,632	12,853,289	2,740,769
Total Liabilities	<u>\$ 3,422,850</u>	<u>\$ 17,877,104</u>	<u>\$ 17,828,675</u>	<u>\$ 3,471,279</u>

# Tipton County School Department

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

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

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

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

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



Exhibit I-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental Activities:					
Instruction	\$ 55,600,178	\$ 943,393	\$ 4,075,173	\$ 0	\$ (50,581,612)
Support Services	23,330,237	0	1,253,364	1,037,290	(21,039,583)
Operation of Non-instructional Services	8,262,241	1,510,483	4,411,575	0	(2,340,183)
Total Governmental Activities	<u>\$ 87,192,656</u>	<u>\$ 2,453,876</u>	<u>\$ 9,740,112</u>	<u>\$ 1,037,290</u>	<u>\$ (73,961,378)</u>
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 11,149,879
Local Option Sales Taxes					4,768,680
Business Tax					190,066
Other Local Taxes					27,519
Grants and Contributions Not Restricted to Specific Programs					62,067,283
Miscellaneous					65,261
Total General Revenues					<u>\$ 78,268,688</u>
Change in Net Position					\$ 4,307,310
Net Position, July 1, 2015					33,227,982
Prior-period Adjustment - See Note I.D.8					(327,427)
Net Position, June 30, 2016					<u>\$ 37,207,865</u>

Exhibit I-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 13,863,212	\$ 3,253,597	\$ 17,116,809
Due from Other Governments	863,804	45,955	909,759
Property Taxes Receivable	11,665,906	0	11,665,906
Allowance for Uncollectible Property Taxes	(371,169)	0	(371,169)
Total Assets	<u>\$ 26,021,753</u>	<u>\$ 3,299,552</u>	<u>\$ 29,321,305</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 2,469,999	\$ 0	\$ 2,469,999
Total Liabilities	<u>\$ 2,469,999</u>	<u>\$ 0</u>	<u>\$ 2,469,999</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 11,111,150	\$ 0	\$ 11,111,150
Deferred Delinquent Property Taxes	115,314	0	115,314
Other Deferred/Unavailable Revenue	402,385	0	402,385
Total Deferred Inflows of Resources	<u>\$ 11,628,849</u>	<u>\$ 0</u>	<u>\$ 11,628,849</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 242,027	\$ 0	\$ 242,027
Restricted for Operation of Non-instructional Services	0	2,009,733	2,009,733
Restricted for Capital Projects	0	1,089,819	1,089,819
Assigned:			
Assigned for Education	0	200,000	200,000
Unassigned	11,680,878	0	11,680,878
Total Fund Balances	<u>\$ 11,922,905</u>	<u>\$ 3,299,552</u>	<u>\$ 15,222,457</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 26,021,753</u>	<u>\$ 3,299,552</u>	<u>\$ 29,321,305</u>

Exhibit I-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$	15,222,457
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	3,596,156	
Add: buildings and improvements net of accumulated depreciation		23,569,443	
Add: infrastructure net of accumulated depreciation		115,493	
Add: other capital assets net of accumulated depreciation		<u>4,136,710</u>	31,417,802
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: compensated absences payable	\$	(526,212)	
Less: other postemployment benefits liability		(3,797,609)	
Less: net pension liability - teacher legacy pension plan		<u>(458,721)</u>	(4,782,542)
(3) Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be amortized and recognized as a component of pension expense in future years.			
Add: deferred outflows of resources related to pensions	\$	5,147,958	
Less: deferred inflows of resources related to pensions		<u>(11,053,733)</u>	(5,905,775)
(4) Net pension assets are not current financial resources and therefore are not reported in the governmental funds.			
Add: net pension asset - agent plan	\$	714,400	
Add: net pension asset - teacher retirement plan		<u>23,824</u>	738,224
(5) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>517,699</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>37,207,865</u></u>

## Exhibit I-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 16,471,976	\$ 0	\$ 16,471,976
Licenses and Permits	4,451	0	4,451
Fines, Forfeitures, and Penalties	3,448	0	3,448
Charges for Current Services	1,234,309	1,137,542	2,371,851
Other Local Revenues	140,380	10,086	150,466
State of Tennessee	60,923,579	148,184	61,071,763
Federal Government	0	11,465,698	11,465,698
Total Revenues	<u>\$ 78,778,143</u>	<u>\$ 12,761,510</u>	<u>\$ 91,539,653</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 51,775,707	\$ 4,534,235	\$ 56,309,942
Support Services	23,380,651	1,155,232	24,535,883
Operation of Non-Instructional Services	2,186,192	6,135,045	8,321,237
Capital Outlay	300,852	0	300,852
Debt Service:			
Other Debt Service	300,000	0	300,000
Capital Projects	0	849,957	849,957
Total Expenditures	<u>\$ 77,943,402</u>	<u>\$ 12,674,469</u>	<u>\$ 90,617,871</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 834,741</u>	<u>\$ 87,041</u>	<u>\$ 921,782</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 31,530	\$ 0	\$ 31,530
Transfers Out	0	(31,530)	(31,530)
Total Other Financing Sources (Uses)	<u>\$ 31,530</u>	<u>\$ (31,530)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 866,271	\$ 55,511	\$ 921,782
Fund Balance, July 1, 2015	11,056,634	3,244,041	14,300,675
Fund Balance, June 30, 2016	<u>\$ 11,922,905</u>	<u>\$ 3,299,552</u>	<u>\$ 15,222,457</u>

Exhibit I-5

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

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

Net change in fund balances - total governmental funds (Exhibit I-4)		\$ 921,782
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,675,277	
Less: current-year depreciation expense	<u>(3,452,617)</u>	(1,777,340)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(28,250)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2016	\$ 517,699	
Less: deferred delinquent property taxes and other deferred June 30, 2015	<u>(557,386)</u>	(39,687)
(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	\$ (17,015)	
Change in other postemployment benefits liability	(113,456)	
Change in net pension asset - agent plan	(790,562)	
Change in net pension asset - teacher retirement plan	23,824	
Change in net pension liability - teacher legacy pension plan	(639,444)	
Change in deferred outflows related to pensions	(36,359)	
Change in deferred inflows related to pensions	<u>6,803,817</u>	<u>5,230,805</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 4,307,310</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>			<u>Capital</u> <u>Projects Fund</u>	<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Total</u>	<u>Education</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>		<u>Capital</u>	<u>Governmental</u>
	<u>Projects</u>			<u>Projects</u>	<u>Funds</u>
<u>ASSETS</u>					
Equity in Pooled Cash and Investments	\$ 154,045	\$ 2,009,733	\$ 2,163,778	\$ 1,089,819	\$ 3,253,597
Due from Other Governments	45,955	0	45,955	0	45,955
Total Assets	<u>\$ 200,000</u>	<u>\$ 2,009,733</u>	<u>\$ 2,209,733</u>	<u>\$ 1,089,819</u>	<u>\$ 3,299,552</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Operation of Non-instructional Services	\$ 0	\$ 2,009,733	\$ 2,009,733	\$ 0	\$ 2,009,733
Restricted for Capital Projects	0	0	0	1,089,819	1,089,819
Assigned:					
Assigned for Education	200,000	0	200,000	0	200,000
Total Fund Balances	<u>\$ 200,000</u>	<u>\$ 2,009,733</u>	<u>\$ 2,209,733</u>	<u>\$ 1,089,819</u>	<u>\$ 3,299,552</u>

Exhibit I-7

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

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 1,137,542	\$ 1,137,542	\$ 0	\$ 1,137,542
Other Local Revenues	0	10,086	10,086	0	10,086
State of Tennessee	0	0	0	148,184	148,184
Federal Government	6,227,195	4,349,397	10,576,592	889,106	11,465,698
Total Revenues	<u>\$ 6,227,195</u>	<u>\$ 5,497,025</u>	<u>\$ 11,724,220</u>	<u>\$ 1,037,290</u>	<u>\$ 12,761,510</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 4,534,235	\$ 0	\$ 4,534,235	\$ 0	\$ 4,534,235
Support Services	1,155,232	0	1,155,232	0	1,155,232
Operation of Non-Instructional Services	506,199	5,628,846	6,135,045	0	6,135,045
Capital Projects	0	0	0	849,957	849,957
Total Expenditures	<u>\$ 6,195,666</u>	<u>\$ 5,628,846</u>	<u>\$ 11,824,512</u>	<u>\$ 849,957</u>	<u>\$ 12,674,469</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 31,529</u>	<u>\$ (131,821)</u>	<u>\$ (100,292)</u>	<u>\$ 187,333</u>	<u>\$ 87,041</u>
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (31,530)	\$ 0	\$ (31,530)	\$ 0	\$ (31,530)
Total Other Financing Sources (Uses)	<u>\$ (31,530)</u>	<u>\$ 0</u>	<u>\$ (31,530)</u>	<u>\$ 0</u>	<u>\$ (31,530)</u>
Net Change in Fund Balances	\$ (1)	\$ (131,821)	\$ (131,822)	\$ 187,333	\$ 55,511
Fund Balance, July 1, 2015	200,001	2,141,554	2,341,555	902,486	3,244,041
Fund Balance, June 30, 2016	<u>\$ 200,000</u>	<u>\$ 2,009,733</u>	<u>\$ 2,209,733</u>	<u>\$ 1,089,819</u>	<u>\$ 3,299,552</u>

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 16,471,976	\$ 0	\$ 16,471,976	\$ 16,530,000	\$ 16,530,000	\$ (58,024)
Licenses and Permits	4,451	0	4,451	5,000	5,000	(549)
Fines, Forfeitures, and Penalties	3,448	0	3,448	2,000	2,000	1,448
Charges for Current Services	1,234,309	0	1,234,309	1,188,000	1,188,000	46,309
Other Local Revenues	140,380	0	140,380	275,000	275,000	(134,620)
State of Tennessee	60,923,579	0	60,923,579	61,350,000	61,551,074	(627,495)
Federal Government	0	0	0	25,000	25,000	(25,000)
<b>Total Revenues</b>	<b>\$ 78,778,143</b>	<b>\$ 0</b>	<b>\$ 78,778,143</b>	<b>\$ 79,375,000</b>	<b>\$ 79,576,074</b>	<b>\$ (797,931)</b>
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 40,462,121	\$ (100,683)	\$ 40,361,438	\$ 40,966,000	\$ 41,291,500	\$ 930,062
Alternative Instruction Program	860,075	0	860,075	925,000	937,000	76,925
Special Education Program	8,149,278	0	8,149,278	8,220,000	8,295,000	145,722
Vocational Education Program	2,304,233	(353)	2,303,880	2,555,000	2,550,000	246,120
<u>Support Services</u>						
Health Services	746,492	(200)	746,292	770,000	770,000	23,708
Other Student Support	1,739,206	0	1,739,206	1,740,000	1,751,000	11,794
Regular Instruction Program	1,977,192	(35,000)	1,942,192	2,050,100	1,963,600	21,408
Special Education Program	266,366	0	266,366	285,000	285,000	18,634
Vocational Education Program	75,912	0	75,912	130,900	84,900	8,988
Other Programs	201,074	0	201,074	0	201,074	0
Board of Education	755,780	0	755,780	840,000	840,000	84,220
Director of Schools	290,172	0	290,172	295,000	295,000	4,828
Office of the Principal	5,803,133	0	5,803,133	6,000,000	6,000,000	196,867

(Continued)



Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2015	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Fiscal Services	\$ 412,667	\$ (30,117)	\$ 382,550	\$ 476,000	\$ 459,000	\$ 76,450
Operation of Plant	3,784,115	0	3,784,115	4,030,000	3,805,000	20,885
Maintenance of Plant	1,596,062	(31,234)	1,564,828	1,670,000	1,680,000	115,172
Transportation	5,732,480	(2,450)	5,730,030	6,415,000	6,111,000	380,970
<u>Operation of Non-Instructional Services</u>						
Food Service	138,940	0	138,940	180,000	180,000	41,060
Community Services	1,015,953	0	1,015,953	1,020,000	1,020,000	4,047
Early Childhood Education	1,031,299	0	1,031,299	1,032,000	1,032,000	701
<u>Capital Outlay</u>						
Regular Capital Outlay	300,852	(116,288)	184,564	0	250,000	65,436
<u>Interest on Debt</u>						
Education	0	0	0	300,000	0	0
<u>Other Debt Service</u>						
Education	300,000	0	300,000	0	300,000	0
Total Expenditures	<u>\$ 77,943,402</u>	<u>\$ (316,325)</u>	<u>\$ 77,627,077</u>	<u>\$ 79,900,000</u>	<u>\$ 80,101,074</u>	<u>\$ 2,473,997</u>
Excess (Deficiency) of Revenues						
Over Expenditures	<u>\$ 834,741</u>	<u>\$ 316,325</u>	<u>\$ 1,151,066</u>	<u>\$ (525,000)</u>	<u>\$ (525,000)</u>	<u>\$ 1,676,066</u>
<u>Other Financing Sources (Uses)</u>						
Transfers In	<u>\$ 31,530</u>	<u>\$ 0</u>	<u>\$ 31,530</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 6,530</u>
Total Other Financing Sources	<u>\$ 31,530</u>	<u>\$ 0</u>	<u>\$ 31,530</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 6,530</u>
Net Change in Fund Balance	\$ 866,271	\$ 316,325	\$ 1,182,596	\$ (500,000)	\$ (500,000)	\$ 1,682,596
Fund Balance, July 1, 2015	<u>11,056,634</u>	<u>(316,325)</u>	<u>10,740,309</u>	<u>10,080,195</u>	<u>10,080,195</u>	<u>660,114</u>
Fund Balance, June 30, 2016	<u>\$ 11,922,905</u>	<u>\$ 0</u>	<u>\$ 11,922,905</u>	<u>\$ 9,580,195</u>	<u>\$ 9,580,195</u>	<u>\$ 2,342,710</u>

Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 6,227,195	\$ 7,025,143	\$ 7,054,643	\$ (827,448)
Total Revenues	\$ 6,227,195	\$ 7,025,143	\$ 7,054,643	\$ (827,448)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 2,295,836	\$ 2,674,539	\$ 2,573,534	\$ 277,698
Special Education Program	2,141,415	2,225,506	2,261,340	119,925
Vocational Education Program	96,984	93,964	96,984	0
<u>Support Services</u>				
Health Services	188,069	227,012	192,163	4,094
Other Student Support	147,935	163,634	327,468	179,533
Regular Instruction Program	544,538	813,627	770,223	225,685
Special Education Program	156,436	181,421	173,344	16,908
Vocational Education Program	3,500	3,500	3,500	0
Office of the Principal	26,582	25,624	26,582	0
Transportation	88,172	73,782	88,223	51
<u>Operation of Non-Instructional Services</u>				
Community Services	506,199	506,167	506,199	0
Total Expenditures	\$ 6,195,666	\$ 6,988,776	\$ 7,019,560	\$ 823,894
Excess (Deficiency) of Revenues Over Expenditures	\$ 31,529	\$ 36,367	\$ 35,083	\$ (3,554)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (31,530)	\$ (36,368)	\$ (35,084)	\$ 3,554
Total Other Financing Sources	\$ (31,530)	\$ (36,368)	\$ (35,084)	\$ 3,554
Net Change in Fund Balance	\$ (1)	\$ (1)	\$ (1)	\$ 0
Fund Balance, July 1, 2015	200,001	199,139	199,139	862
Fund Balance, June 30, 2016	\$ 200,000	\$ 199,138	\$ 199,138	\$ 862

Exhibit I-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,137,542	\$ 2,200,000	\$ 2,200,000	\$ (1,062,458)
Other Local Revenues	10,086	20,000	20,000	(9,914)
Federal Government	4,349,397	3,930,000	3,930,000	419,397
Total Revenues	<u>\$ 5,497,025</u>	<u>\$ 6,150,000</u>	<u>\$ 6,150,000</u>	<u>\$ (652,975)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 5,628,846	\$ 6,150,000	\$ 6,150,000	\$ 521,154
Total Expenditures	<u>\$ 5,628,846</u>	<u>\$ 6,150,000</u>	<u>\$ 6,150,000</u>	<u>\$ 521,154</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (131,821)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (131,821)</u>
Net Change in Fund Balance	\$ (131,821)	\$ 0	\$ 0	\$ (131,821)
Fund Balance, July 1, 2015	<u>2,141,554</u>	<u>2,107,188</u>	<u>2,107,188</u>	<u>34,366</u>
Fund Balance, June 30, 2016	<u>\$ 2,009,733</u>	<u>\$ 2,107,188</u>	<u>\$ 2,107,188</u>	<u>\$ (97,455)</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-15	Paid and/or Matured During Period	Outstanding 6-30-16
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
School Construction	\$ 5,897,089	Variable	5-17-1999	5-25-19	\$ 3,897,089	\$ 1,000,000	\$ 2,897,089
School Construction	5,100,000	Variable	7-21-04	5-25-22	2,242,000	309,000	1,933,000
School Construction	16,000,000	Variable	4-30-07	5-25-27	11,246,000	727,000	10,519,000
Various Purposes	3,100,000	Variable	3-31-11	5-25-21	2,038,000	300,000	1,738,000
Total Other Loans Payable					<u>\$ 19,423,089</u>	<u>\$ 2,336,000</u>	<u>\$ 17,087,089</u>
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Elementary School	9,000,000	2.5 to 4.625 %	9-1-02	4-1-22	\$ 4,250,000	\$ 3,550,000	\$ 700,000
Total Bonds Payable					<u>\$ 4,250,000</u>	<u>\$ 3,550,000</u>	<u>\$ 700,000</u>

Exhibit J-2

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

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2017	\$ 2,394,000	\$ 97,020	\$ 108,837	\$ 2,599,857
2018	2,452,000	84,661	93,652	2,630,313
2019	2,412,089	72,054	78,064	2,562,207
2020	1,579,000	59,807	62,435	1,701,242
2021	1,647,000	52,760	51,874	1,751,634
2022	1,188,000	38,297	39,653	1,265,950
2023	990,000	31,407	32,100	1,053,507
2024	1,034,000	25,665	26,254	1,085,919
2025	1,081,000	19,668	20,148	1,120,816
2026	1,130,000	13,398	13,764	1,157,162
2027	1,180,000	6,844	7,032	1,193,876
Total	\$ 17,087,089	\$ 501,581	\$ 533,813	\$ 18,122,483

Year Ending June 30	Bonds		Total
	Principal	Interest	
2017	\$ 0	\$ 32,375	\$ 32,375
2018	0	32,375	32,375
2019	0	32,375	32,375
2020	0	32,375	32,375
2021	0	32,375	32,375
2022	700,000	32,375	732,375
Total	\$ 700,000	\$ 194,250	\$ 894,250

Exhibit J-3

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>DISCRETELY PRESENTED TIPTON COUNTY</u>			
<u>SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 31,530</u>
Total Transfers Discretely Presented Tipton County School Department			<u><u>\$ 31,530</u></u>

Exhibit J-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, <i>TCA</i>	\$ 117,623	\$ 100,000	Auto Owners Insurance Company
Director of Public Works	Section 8-24-102, <i>TCA</i> , and Public Works Committee	107,588	100,000	"
Director of Schools	State Board of Education and County Board of Education	145,000 (1)	100,000	Travelers Casualty and Surety Company of America
Trustee	Section 8-24-102, <i>TCA</i>	82,395	2,600,000	Auto Owners Insurance Company
Assessor of Property	Section 8-24-102, <i>TCA</i>	82,395	50,000	Travelers Casualty and Surety Company of America
Director of Accounts and Budgets	County Commission	69,104 (2)	100,000	Auto Owners Insurance Company
County Clerk	Section 8-24-102, <i>TCA</i>	82,395	100,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, <i>TCA</i>	82,395	100,000	"
Clerk and Master	Section 8-24-102, <i>TCA</i>	82,395	125,000	Travelers Casualty and Surety Company of America
Register of Deeds	Section 8-24-102, <i>TCA</i>	82,395	100,000	Auto Owners Insurance Company
Sheriff	Section 8-24-102, <i>TCA</i>	99,495 (3)	100,000	"
Employees Bonds:				
Public Employee Dishonesty - County Departments			150,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Department			150,000	"

(1) Includes a chief executive officer training supplement of \$1,000 and \$4,000 for serving as secretary to the Board of Education.

(2) Includes a longevity pay of \$300.

(3) Includes a law enforcement training supplement of \$1,200.



Exhibit J-5

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

	Special Revenue Funds				Debt Service
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 7,835,268	\$ 0	\$ 0	\$ 652,800	\$ 3,357,805
Trustee's Collections - Prior Year	172,588	0	0	16,638	75,348
Trustee's Collections - Bankruptcy	1,882	0	0	164	829
Circuit Clerk/Clerk and Master Collections - Prior Years	154,718	0	0	13,371	66,854
Interest and Penalty	38,001	0	0	3,477	16,387
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	1,486
Payments in-Lieu-of Taxes - Other	715,509	0	0	18,026	92,706
<u>County Local Option Taxes</u>					
Local Option Sales Tax	406,702	0	0	0	0
Hotel/Motel Tax	119,910	0	0	0	0
Wheel Tax	1,593,988	0	0	1,593,988	0
Litigation Tax - General	178,441	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	54,815
Business Tax	138,831	0	0	11,569	60,961
Mixed Drink Tax	5,167	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	0	0	0	0	57,809
Wholesale Beer Tax	169,303	0	0	0	0
Interstate Telecommunications Tax	2,701	0	0	0	0
<b>Total Local Taxes</b>	<b>\$ 11,533,009</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,310,033</b>	<b>\$ 3,785,000</b>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	\$ 62,625	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	54,040	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	\$ 2,500	\$ 0	\$ 0	\$ 0	\$ 0
Building Permits	44,224	0	0	0	0
Total Licenses and Permits	\$ 163,389	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$ 3,567	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	11,958	0	0	0	0
Drug Control Fines	7,890	0	7,097	0	0
Drug Court Fees	2,453	0	0	0	0
Jail Fees	6,540	0	0	0	0
DUI Treatment Fines	855	0	0	0	0
Data Entry Fee - Circuit Court	649	0	0	0	0
Victims Assistance Assessments	6,668	0	0	0	0
<u>Criminal Court</u>					
Fines	31,066	0	0	0	0
DUI Treatment Fines	1,045	0	0	0	0
<u>General Sessions Court</u>					
Fines	46,696	0	0	0	0
Officers Costs	61,767	0	0	0	0
Game and Fish Fines	232	0	0	0	0
Drug Control Fines	7,815	0	7,057	0	0
Drug Court Fees	9,197	0	0	0	0
Jail Fees	56,642	0	0	0	0
DUI Treatment Fines	10,976	0	0	0	0

(Continued)

Exhibit J-5

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

	General	Special Revenue Funds			Debt Service
		Solid Waste / Sanitation	Drug Control	Highway / Public Works	Fund General Debt Service
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
Data Entry Fee - General Sessions Court	\$ 4,252	\$ 0	\$ 0	\$ 0	\$ 0
Courtroom Security Fee	3,375	0	0	0	0
Victims Assistance Assessments	21,783	0	0	0	0
<u>Juvenile Court</u>					
Fines	560	0	0	0	0
Officers Costs	1,593	0	0	0	0
Data Entry Fee - Juvenile Court	124	0	0	0	0
<u>Chancery Court</u>					
Officers Costs	2,477	0	0	0	0
Data Entry Fee - Chancery Court	7,682	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property	26,036	0	37,084	0	0
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 333,898</b>	<b>\$ 0</b>	<b>\$ 51,238</b>	<b>\$ 0</b>	<b>\$ 0</b>
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Tipping Fees	\$ 0	\$ 61,399	\$ 0	\$ 0	\$ 0
Solid Waste Disposal Fee	0	2,947	0	0	0
Surcharge - Waste Tire Disposal	0	38,584	0	0	0
Other General Service Charges	64,444	0	0	0	0
<u>Fees</u>					
Library Fees	18,826	0	0	0	0
Greenbelt Late Application Fee	100	0	0	0	0
Telephone Commissions	73,574	0	0	0	0
Vending Machine Collections	100	0	0	2,178	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Data Processing Fee - Register	\$ 19,136	\$ 0	\$ 0	\$ 0	\$ 0
Data Processing Fee - Sheriff	5,429	0	0	0	0
Sexual Offender Registration Fee - Sheriff	8,950	0	0	0	0
Data Processing Fee - County Clerk	5,661	0	0	0	0
<u>Education Charges</u>					
Other Charges for Services	0	296,244	0	0	0
<b>Total Charges for Current Services</b>	<b>\$ 196,220</b>	<b>\$ 399,174</b>	<b>\$ 0</b>	<b>\$ 2,178</b>	<b>\$ 0</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 357,317
Lease/Rentals	31,407	0	0	0	0
Sale of Materials and Supplies	414	0	0	0	0
Commissary Sales	25,095	0	0	0	0
Sale of Maps	628	0	0	0	0
Sale of Recycled Materials	0	86,357	0	0	0
Retirees' Insurance Payments	0	0	0	10,403	0
Miscellaneous Refunds	32,845	50	4,537	4,437	0
Expenditure Credits	40	0	0	0	0
<u>Nonrecurring Items</u>					
Revenue from Joint Ventures	32,250	0	0	0	0
Sale of Equipment	3,862	0	0	18,703	0
Sale of Property	2,240	0	0	0	0
Damages Recovered from Individuals	2,000	891	0	0	0
Contributions and Gifts	24,173	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	Fund General Debt Service
<u>Other Local Revenues (Cont.)</u>					
<u>Other Local Revenues</u>					
Other Local Revenues	\$ 12,352	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Local Revenues	\$ 167,306	\$ 87,298	\$ 4,537	\$ 33,543	\$ 357,317
<u>Fees Received From County Officials</u>					
<u>Fees In-Lieu-of Salary</u>					
County Clerk	\$ 535,764	\$ 0	\$ 0	\$ 0	\$ 0
Circuit Court Clerk	162,653	0	0	0	0
General Sessions Court Clerk	334,014	0	0	0	0
Clerk and Master	257,534	0	0	0	0
Juvenile Court Clerk	42,597	0	0	0	0
Register	232,047	0	0	0	0
Sheriff	21,146	0	0	0	0
Trustee	750,415	0	0	0	0
Total Fees Received From County Officials	\$ 2,336,170	\$ 0	\$ 0	\$ 0	\$ 0
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0
On-behalf Contributions for OPEB	675	0	0	0	0
<u>Public Safety Grants</u>					
Law Enforcement Training Programs	30,600	0	0	0	0
Other Public Safety Grants	37,938	0	0	0	0
<u>Health and Welfare Grants</u>					
Health Department Programs	283,935	0	0	0	0
Other Health and Welfare Grants	31,336	0	0	0	0

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service
<u>State of Tennessee (Cont.)</u>					
<u>Public Works Grants</u>					
Bridge Program	\$ 0	\$ 0	\$ 0	\$ 432,436	\$ 0
State Aid Program	0	0	0	153,608	0
Litter Program	40,708	0	0	0	0
<u>Other State Revenues</u>					
Income Tax	48,184	0	0	0	0
Beer Tax	18,488	0	0	0	0
Vehicle Certificate of Title Fees	8,490	0	0	0	0
Alcoholic Beverage Tax	102,391	0	0	0	0
State Revenue Sharing - T.V.A.	0	873,233	0	0	0
Board of Jurors	7,973	0	0	0	0
Contracted Prisoner Boarding	375,638	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	2,062,079	0
Petroleum Special Tax	0	0	0	40,400	0
Registrar's Salary Supplement	15,164	0	0	0	0
Other State Revenues	65,151	0	0	0	0
Total State of Tennessee	\$ 1,075,671	\$ 873,233	\$ 0	\$ 2,688,523	\$ 0
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Civil Defense Reimbursement	34,000	0	0	0	0
Disaster Relief	0	0	0	36,204	0
Homeland Security Grants	32,138	0	0	0	0
Law Enforcement Grants	10,505	0	0	0	0

(Continued)

Exhibit J-5

Tipton 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>Federal Government (Cont.)</u>					
<u>Direct Federal Revenue</u>					
Asset Forfeiture Funds	\$ 0	\$ 0	\$ 42,457	\$ 0	\$ 0
Other Direct Federal Revenue	21,663	0	0	0	0
Total Federal Government	<u>\$ 98,306</u>	<u>\$ 0</u>	<u>\$ 42,457</u>	<u>\$ 36,204</u>	<u>\$ 0</u>
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 88,180	\$ 0	\$ 0	\$ 0	\$ 300,000
Contracted Services	173,610	0	0	86,325	0
<u>Citizens Groups</u>					
Donations	13,790	0	0	0	0
<u>Other</u>					
Other	1,501	0	0	0	0
Total Other Governments and Citizens Groups	<u>\$ 277,081</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 86,325</u>	<u>\$ 300,000</u>
Total	<u>\$ 16,181,050</u>	<u>\$ 1,359,705</u>	<u>\$ 98,232</u>	<u>\$ 5,156,806</u>	<u>\$ 4,442,317</u>

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Local Taxes</u>		
<u>County Property Taxes</u>		
Current Property Tax	\$ 0	\$ 11,845,873
Trustee's Collections - Prior Year	0	264,574
Trustee's Collections - Bankruptcy	0	2,875
Circuit Clerk/Clerk and Master Collections - Prior Years	0	234,943
Interest and Penalty	0	57,865
Payments in-Lieu-of Taxes - T.V.A.	0	1,486
Payments in-Lieu-of Taxes - Other	0	826,241
<u>County Local Option Taxes</u>		
Local Option Sales Tax	0	406,702
Hotel/Motel Tax	0	119,910
Wheel Tax	0	3,187,976
Litigation Tax - General	0	178,441
Litigation Tax - Jail, Workhouse, or Courthouse	0	54,815
Business Tax	0	211,361
Mixed Drink Tax	0	5,167
<u>Statutory Local Taxes</u>		
Bank Excise Tax	0	57,809
Wholesale Beer Tax	0	169,303
Interstate Telecommunications Tax	0	2,701
<b>Total Local Taxes</b>	<b>\$ 0</b>	<b>\$ 17,628,042</b>
<u>Licenses and Permits</u>		
<u>Licenses</u>		
Animal Registration	\$ 0	\$ 62,625
Cable TV Franchise	0	54,040

(Continued)



Exhibit J-5

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

	<u>Capital</u> <u>Projects Fund</u>		
	General	Capital	Total
	Projects	Projects	
<hr/>			
<u>Licenses and Permits (Cont.)</u>			
<u>Permits</u>			
Beer Permits	\$	0	\$ 2,500
Building Permits		0	44,224
Total Licenses and Permits	<u>\$</u>	<u>0</u>	<u>\$ 163,389</u>
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	\$	0	\$ 3,567
Officers Costs		0	11,958
Drug Control Fines		0	14,987
Drug Court Fees		0	2,453
Jail Fees		0	6,540
DUI Treatment Fines		0	855
Data Entry Fee - Circuit Court		0	649
Victims Assistance Assessments		0	6,668
<u>Criminal Court</u>			
Fines		0	31,066
DUI Treatment Fines		0	1,045
<u>General Sessions Court</u>			
Fines		0	46,696
Officers Costs		0	61,767
Game and Fish Fines		0	232
Drug Control Fines		0	14,872
Drug Court Fees		0	9,197
Jail Fees		0	56,642
DUI Treatment Fines		0	10,976

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>	
	General Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>		
<u>General Sessions Court (Cont.)</u>		
Data Entry Fee - General Sessions Court	\$ 0	\$ 4,252
Courtroom Security Fee	0	3,375
Victims Assistance Assessments	0	21,783
<u>Juvenile Court</u>		
Fines	0	560
Officers Costs	0	1,593
Data Entry Fee - Juvenile Court	0	124
<u>Chancery Court</u>		
Officers Costs	0	2,477
Data Entry Fee - Chancery Court	0	7,682
<u>Other Fines, Forfeitures, and Penalties</u>		
Proceeds from Confiscated Property	0	63,120
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 0</b>	<b>\$ 385,136</b>
<u>Charges for Current Services</u>		
<u>General Service Charges</u>		
Tipping Fees	\$ 0	\$ 61,399
Solid Waste Disposal Fee	0	2,947
Surcharge - Waste Tire Disposal	0	38,584
Other General Service Charges	0	64,444
<u>Fees</u>		
Library Fees	0	18,826
Greenbelt Late Application Fee	0	100
Telephone Commissions	0	73,574
Vending Machine Collections	0	2,278

(Continued)

Exhibit J-5

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

	<u>Capital</u> <u>Projects Fund</u>		
	General	Capital	Total
	Projects		
<hr/>			
<u>Charges for Current Services (Cont.)</u>			
<u>Fees (Cont.)</u>			
Data Processing Fee - Register	\$	0	\$ 19,136
Data Processing Fee - Sheriff		0	5,429
Sexual Offender Registration Fee - Sheriff		0	8,950
Data Processing Fee - County Clerk		0	5,661
<u>Education Charges</u>			
Other Charges for Services		0	296,244
Total Charges for Current Services	<u>\$</u>	<u>0</u>	<u>\$ 597,572</u>
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	\$	0	\$ 357,317
Lease/Rentals		0	31,407
Sale of Materials and Supplies		0	414
Commissary Sales		0	25,095
Sale of Maps		0	628
Sale of Recycled Materials		0	86,357
Retirees' Insurance Payments		0	10,403
Miscellaneous Refunds		0	41,869
Expenditure Credits		0	40
<u>Nonrecurring Items</u>			
Revenue from Joint Ventures		0	32,250
Sale of Equipment		0	22,565
Sale of Property		0	2,240
Damages Recovered from Individuals		0	2,891
Contributions and Gifts		0	24,173

(Continued)

Exhibit J-5

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

	Capital Projects Fund		Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>				
<u>Other Local Revenues</u>				
Other Local Revenues	\$	0	\$	12,352
Total Other Local Revenues	\$	0	\$	650,001
<u>Fees Received From County Officials</u>				
<u>Fees In-Lieu-of Salary</u>				
County Clerk	\$	0	\$	535,764
Circuit Court Clerk		0		162,653
General Sessions Court Clerk		0		334,014
Clerk and Master		0		257,534
Juvenile Court Clerk		0		42,597
Register		0		232,047
Sheriff		0		21,146
Trustee		0		750,415
Total Fees Received From County Officials	\$	0	\$	2,336,170
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
Juvenile Services Program	\$	0	\$	9,000
On-behalf Contributions for OPEB		0		675
<u>Public Safety Grants</u>				
Law Enforcement Training Programs		0		30,600
Other Public Safety Grants		0		37,938
<u>Health and Welfare Grants</u>				
Health Department Programs		0		283,935
Other Health and Welfare Grants		0		31,336

(Continued)

Exhibit J-5

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

	<u>Capital</u> <u>Projects Fund</u>		<u>General</u> <u>Capital</u> <u>Projects</u>	<u>Total</u>
<u>State of Tennessee (Cont.)</u>				
<u>Public Works Grants</u>				
Bridge Program	\$	0	\$	432,436
State Aid Program		0		153,608
Litter Program		0		40,708
<u>Other State Revenues</u>				
Income Tax		0		48,184
Beer Tax		0		18,488
Vehicle Certificate of Title Fees		0		8,490
Alcoholic Beverage Tax		0		102,391
State Revenue Sharing - T.V.A.		0		873,233
Board of Jurors		0		7,973
Contracted Prisoner Boarding		0		375,638
Gasoline and Motor Fuel Tax		0		2,062,079
Petroleum Special Tax		0		40,400
Registrar's Salary Supplement		0		15,164
Other State Revenues		0		65,151
Total State of Tennessee	\$	0	\$	4,637,427
<u>Federal Government</u>				
<u>Federal Through State</u>				
Community Development	\$	13,944	\$	13,944
Civil Defense Reimbursement		0		34,000
Disaster Relief		0		36,204
Homeland Security Grants		0		32,138
Law Enforcement Grants		0		10,505

(Continued)

Exhibit J-5

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

	<u>Capital Projects Fund</u>		<u>General Capital Projects</u>	<u>Total</u>
<hr/>				
<u>Federal Government (Cont.)</u>				
<u>Direct Federal Revenue</u>				
Asset Forfeiture Funds	\$	0	\$	42,457
Other Direct Federal Revenue		0		21,663
Total Federal Government	<u>\$</u>	<u>13,944</u>	<u>\$</u>	<u>190,911</u>
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$	0	\$	388,180
Contracted Services		0		259,935
<u>Citizens Groups</u>				
Donations		0		13,790
<u>Other</u>				
Other		0		1,501
Total Other Governments and Citizens Groups	<u>\$</u>	<u>0</u>	<u>\$</u>	<u>663,406</u>
Total	<u>\$</u>	<u>13,944</u>	<u>\$</u>	<u>27,252,054</u>

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 10,726,816	\$ 0	\$ 0	\$ 0	\$ 10,726,816
Trustee's Collections - Prior Year	237,853	0	0	0	237,853
Trustee's Collections - Bankruptcy	2,594	0	0	0	2,594
Circuit Clerk/Clerk and Master Collections - Prior Years	212,026	0	0	0	212,026
Interest and Penalty	52,162	0	0	0	52,162
Payments in-Lieu-of Taxes - Other	296,145	0	0	0	296,145
<u>County Local Option Taxes</u>					
Local Option Sales Tax	4,726,830	0	0	0	4,726,830
Business Tax	190,066	0	0	0	190,066
Mixed Drink Tax	22,356	0	0	0	22,356
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	5,128	0	0	0	5,128
<b>Total Local Taxes</b>	<b>\$ 16,471,976</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 16,471,976</b>
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 3,458	\$ 0	\$ 0	\$ 0	\$ 3,458
<u>Permits</u>					
Other Permits	993	0	0	0	993
<b>Total Licenses and Permits</b>	<b>\$ 4,451</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,451</b>
<u>Fines, Forfeitures, and Penalties</u>					
<u>Juvenile Court</u>					
Fines	\$ 3,448	\$ 0	\$ 0	\$ 0	\$ 3,448
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 3,448</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,448</b>

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Capital	Total
		School Federal Projects	Central Cafeteria	Projects Fund Education Capital Projects	
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Regular Day Students	\$ 20,500	\$ 0	\$ 0	\$ 0	\$ 20,500
Tuition - Summer School	517	0	0	0	517
Tuition - Other	918,928	0	0	0	918,928
Lunch Payments - Children	0	0	671,113	0	671,113
Lunch Payments - Adults	0	0	74,612	0	74,612
Income from Breakfast	0	0	82,980	0	82,980
A la Carte Sales	0	0	307,306	0	307,306
Receipts from Individual Schools	274,553	0	0	0	274,553
TBI Criminal Background Fee	19,811	0	0	0	19,811
Other Charges for Services	0	0	1,531	0	1,531
<b>Total Charges for Current Services</b>	<b>\$ 1,234,309</b>	<b>\$ 0</b>	<b>\$ 1,137,542</b>	<b>\$ 0</b>	<b>\$ 2,371,851</b>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	10,086	\$ 0	\$ 10,086
Lease/Rentals	7,180	0	0	0	7,180
E-Rate Funding	71,397	0	0	0	71,397
Miscellaneous Refunds	52,343	0	0	0	52,343
<u>Nonrecurring Items</u>					
Sale of Equipment	6,909	0	0	0	6,909
Damages Recovered from Individuals	2,551	0	0	0	2,551
<b>Total Other Local Revenues</b>	<b>\$ 140,380</b>	<b>\$ 0</b>	<b>\$ 10,086</b>	<b>\$ 0</b>	<b>\$ 150,466</b>

(Continued)



Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 201,074	\$ 0	\$ 0	\$ 0	\$ 201,074
<u>State Education Funds</u>					
Basic Education Program	58,670,000	0	0	0	58,670,000
Early Childhood Education	1,031,300	0	0	0	1,031,300
School Food Service	52,092	0	0	0	52,092
Other State Education Funds	308,542	0	0	148,184	456,726
Career Ladder Program	240,131	0	0	0	240,131
<u>Other State Revenues</u>					
Other State Grants	420,440	0	0	0	420,440
Total State of Tennessee	\$ 60,923,579	\$ 0	\$ 0	148,184	\$ 61,071,763
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	2,683,661	\$ 0	\$ 2,683,661
USDA - Commodities	0	0	282,291	0	282,291
Breakfast	0	0	939,775	0	939,775
USDA - Other	0	0	443,670	0	443,670
Vocational Education - Basic Grants to States	0	145,787	0	0	145,787
Title I Grants to Local Education Agencies	0	2,068,845	0	0	2,068,845
Special Education - Grants to States	0	2,484,929	0	0	2,484,929
Special Education Preschool Grants	0	171,566	0	0	171,566
Safe and Drug-free Schools - State Grants	0	508,800	0	0	508,800
Eisenhower Professional Development State Grants	0	366,767	0	0	366,767
Homeland Security Grants	0	0	0	889,106	889,106

(Continued)

Exhibit J-6

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

	General Purpose School	Special Revenue Funds		Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects	
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Other Federal through State	\$ 0	\$ 480,501	\$ 0	\$ 0	\$ 480,501
Total Federal Government	\$ 0	\$ 6,227,195	\$ 4,349,397	\$ 889,106	\$ 11,465,698
 Total	 \$ 78,778,143	 \$ 6,227,195	 \$ 5,497,025	 \$ 1,037,290	 \$ 91,539,653

Exhibit J-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	91,800	
Social Security		7,023	
Audit Services		18,324	
Dues and Memberships		10,993	
Legal Services		20,937	
Legal Notices, Recording, and Court Costs		8,636	
Travel		175	
Office Supplies		375	
Liability Insurance		2,721	
Workers' Compensation Insurance		282	
Total County Commission	\$		161,266

Beer Board

Board and Committee Members Fees	\$	1,200	
Social Security		92	
Total Beer Board			1,292

County Mayor/Executive

County Official/Administrative Officer	\$	117,623	
Secretary(ies)		38,799	
Longevity Pay		600	
Social Security		11,315	
Pensions		15,189	
Employee and Dependent Insurance		25,339	
Unemployment Compensation		65	
Other Fringe Benefits		3,000	
Communication		3,199	
Travel		12,139	
Other Contracted Services		1,716	
Office Supplies		2,667	
Utilities		4,083	
Other Supplies and Materials		171	
Building and Contents Insurance		550	
Liability Insurance		302	
Vehicle and Equipment Insurance		413	
Workers' Compensation Insurance		488	
Office Equipment		532	
Total County Mayor/Executive			238,190

Election Commission

County Official/Administrative Officer	\$	76,408	
Secretary(ies)		35,482	
Clerical Personnel		28,076	
Longevity Pay		4,400	
Overtime Pay		1,544	
Election Commission		10,000	
Election Workers		21,544	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Social Security	\$	11,676	
Pensions		10,864	
Employee and Dependent Insurance		26,177	
Unemployment Compensation		527	
Other Fringe Benefits		3,875	
Audit Services		8,981	
Communication		3,217	
Data Processing Services		351	
Dues and Memberships		2,375	
Janitorial Services		4,272	
Legal Notices, Recording, and Court Costs		7,284	
Maintenance and Repair Services - Buildings		8,288	
Maintenance and Repair Services - Equipment		13,281	
Pest Control		160	
Postal Charges		8,352	
Printing, Stationery, and Forms		4,595	
Rentals		650	
Travel		1,945	
Office Supplies		4,914	
Utilities		6,374	
Building and Contents Insurance		949	
Liability Insurance		453	
Workers' Compensation Insurance		416	
Other Charges		801	
Data Processing Equipment		1,606	
Office Equipment		2,377	
Total Election Commission			\$ 312,214

Register of Deeds

County Official/Administrative Officer	\$	82,395	
Clerical Personnel		114,081	
Longevity Pay		4,900	
Social Security		14,523	
Pensions		19,078	
Employee and Dependent Insurance		30,983	
Unemployment Compensation		216	
Other Fringe Benefits		4,500	
Communication		2,255	
Dues and Memberships		235	
Travel		3,373	
Other Contracted Services		4,992	
Office Supplies		2,352	
Utilities		5,957	
Building and Contents Insurance		802	
Liability Insurance		604	
Workers' Compensation Insurance		620	
Data Processing Equipment		23,617	
Office Equipment		1,645	
Total Register of Deeds			317,128

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Planning

Supervisor/Director	\$	61,813	
Clerical Personnel		37,087	
Longevity Pay		6,200	
Other Salaries and Wages		81,933	
Board and Committee Members Fees		9,000	
Social Security		14,358	
Pensions		17,559	
Employee and Dependent Insurance		27,520	
Unemployment Compensation		288	
Communication		2,831	
Maintenance and Repair Services - Vehicles		2,732	
Travel		1,986	
Tuition		1,685	
Other Contracted Services		15,628	
Gasoline		3,300	
Office Supplies		2,284	
Uniforms		490	
Utilities		3,175	
Building and Contents Insurance		951	
Liability Insurance		316	
Vehicle and Equipment Insurance		1,007	
Workers' Compensation Insurance		4,432	
Other Charges		6,544	
Data Processing Equipment		1,464	
Total Planning			\$ 304,583

Building

Salary Supplements	\$	4,301
Custodial Personnel		37,459
Maintenance Personnel		79,491
Longevity Pay		2,700
Social Security		8,867
Pensions		11,356
Employee and Dependent Insurance		23,540
Unemployment Compensation		262
Other Fringe Benefits		3,000
Communication		2,804
Contracts with Private Agencies		4,260
Janitorial Services		700
Maintenance and Repair Services - Buildings		7,817
Maintenance and Repair Services - Vehicles		2,190
Pest Control		300
Custodial Supplies		3,213
Gasoline		6,302
Small Tools		4,350
Uniforms		5,810
Utilities		6,833

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Building (Cont.)

Building and Contents Insurance	\$	523	
Liability Insurance		316	
Vehicle and Equipment Insurance		1,964	
Workers' Compensation Insurance		8,668	
Maintenance Equipment		3,766	
Total Building			\$ 230,792

Codes Compliance

Other Salaries and Wages	\$	10,609	
Social Security		812	
Pensions		1,030	
Unemployment Compensation		74	
Workers' Compensation Insurance		312	
Total Codes Compliance			12,837

Geographical Information Systems

Supervisor/Director	\$	61,813	
Part-time Personnel		22,356	
Longevity Pay		2,100	
Social Security		6,245	
Pensions		6,002	
Employee and Dependent Insurance		15,851	
Unemployment Compensation		141	
Communication		1,286	
Dues and Memberships		490	
Maintenance and Repair Services - Office Equipment		13,573	
Maintenance and Repair Services - Vehicles		152	
Travel		1,634	
Other Contracted Services		29,980	
Gasoline		867	
Office Supplies		3,744	
Liability Insurance		158	
Vehicle and Equipment Insurance		372	
Workers' Compensation Insurance		256	
Data Processing Equipment		725	
Total Geographical Information Systems			167,745

County Buildings

Communication	\$	1,022	
Contracts with Private Agencies		188	
Janitorial Services		11,503	
Maintenance and Repair Services - Buildings		18,440	
Pest Control		820	
Other Contracted Services		5,985	
Furniture and Fixtures		715	
Total County Buildings			38,673

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance

Accounting and Budgeting

Supervisor/Director	\$	68,804	
Secretary(ies)		38,799	
Clerical Personnel		38,799	
Longevity Pay		1,900	
Social Security		10,732	
Pensions		14,216	
Employee and Dependent Insurance		23,376	
Unemployment Compensation		216	
Other Fringe Benefits		4,500	
Communication		2,625	
Maintenance and Repair Services - Office Equipment		11,575	
Postal Charges		15,369	
Travel		4,924	
Office Supplies		3,956	
Utilities		3,852	
Building and Contents Insurance		519	
Liability Insurance		453	
Workers' Compensation Insurance		456	
Data Processing Equipment		376	
Office Equipment		657	
Total Accounting and Budgeting			\$ 246,104

Property Assessor's Office

County Official/Administrative Officer	\$	82,395	
Secretary(ies)		162,190	
Clerical Personnel		520	
Longevity Pay		7,100	
Other Salaries and Wages		650	
Social Security		17,817	
Pensions		23,749	
Employee and Dependent Insurance		58,805	
Unemployment Compensation		288	
Other Fringe Benefits		3,000	
Communication		2,151	
Contracts with Private Agencies		27,210	
Data Processing Services		16,824	
Dues and Memberships		1,850	
Maintenance and Repair Services - Office Equipment		3,000	
Travel		3,402	
Duplicating Supplies		950	
Office Supplies		1,921	
Utilities		7,687	
Building and Contents Insurance		1,035	
Liability Insurance		756	
Workers' Compensation Insurance		660	
Total Property Assessor's Office			423,960

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program

Other Salaries and Wages	\$	13,484	
Social Security		1,032	
Unemployment Compensation		73	
Data Processing Services		5,192	
Maintenance and Repair Services - Vehicles		590	
Postal Charges		2,408	
Gasoline		962	
Liability Insurance		302	
Vehicle and Equipment Insurance		642	
Workers' Compensation Insurance		1,376	
Other Charges		200	
Total Reappraisal Program			\$ 26,261

County Trustee's Office

County Official/Administrative Officer	\$	82,395	
Clerical Personnel		139,309	
Longevity Pay		6,300	
In-service Training		570	
Social Security		16,864	
Pensions		21,525	
Employee and Dependent Insurance		28,238	
Unemployment Compensation		288	
Other Fringe Benefits		4,500	
Advertising		496	
Communication		1,512	
Dues and Memberships		250	
Maintenance and Repair Services - Office Equipment		9,998	
Travel		3,815	
Other Contracted Services		18,496	
Office Supplies		5,183	
Utilities		6,233	
Building and Contents Insurance		838	
Liability Insurance		756	
Workers' Compensation Insurance		732	
Data Processing Equipment		660	
Total County Trustee's Office			348,958

County Clerk's Office

County Official/Administrative Officer	\$	82,395
Clerical Personnel		232,079
Longevity Pay		7,700
Social Security		23,395
Pensions		28,349
Employee and Dependent Insurance		46,200
Unemployment Compensation		503
Other Fringe Benefits		10,500
Communication		4,938

(Continued)



Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Dues and Memberships	\$	708	
Maintenance and Repair Services - Office Equipment		12,693	
Postal Charges		20,842	
Printing, Stationery, and Forms		846	
Travel		3,621	
Data Processing Supplies		5,621	
Duplicating Supplies		1,983	
Office Supplies		4,127	
Utilities		3,501	
Building and Contents Insurance		1,049	
Liability Insurance		1,210	
Workers' Compensation Insurance		988	
Data Processing Equipment		6,945	
Office Equipment		1,925	
Total County Clerk's Office			\$ 502,118

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	82,395	
Clerical Personnel		359,271	
Longevity Pay		16,000	
Other Salaries and Wages		335	
Jury and Witness Expense		27,607	
Social Security		33,341	
Pensions		40,249	
Employee and Dependent Insurance		66,295	
Unemployment Compensation		808	
Other Fringe Benefits		4,500	
Communication		3,579	
Dues and Memberships		195	
Maintenance and Repair Services - Office Equipment		15,447	
Postal Charges		17,688	
Travel		3,159	
Duplicating Supplies		562	
Office Supplies		12,161	
Utilities		1,582	
Building and Contents Insurance		1,660	
Liability Insurance		1,814	
Vehicle and Equipment Insurance		274	
Workers' Compensation Insurance		1,392	
Data Processing Equipment		2,384	
Furniture and Fixtures		957	
Office Equipment		450	
Total Circuit Court			694,105

Criminal Court

Supervisor/Director	\$	29,524	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Criminal Court (Cont.)

Longevity Pay	\$	900	
Social Security		2,219	
Pensions		2,847	
Employee and Dependent Insurance		4,856	
Unemployment Compensation		72	
Communication		385	
Office Supplies		103	
Workers' Compensation Insurance		112	
Total Criminal Court			\$ 41,018

General Sessions Court

Judge(s)	\$	170,350	
Assistant(s)		56,821	
Longevity Pay		2,300	
Social Security		14,159	
Pensions		22,058	
Employee and Dependent Insurance		22,295	
Unemployment Compensation		72	
Other Fringe Benefits		6,000	
Communication		4,023	
Dues and Memberships		580	
Transportation - Other than Students		750	
Travel		1,664	
Office Supplies		490	
Utilities		1,633	
Building and Contents Insurance		1,712	
Liability Insurance		453	
Workers' Compensation Insurance		716	
Office Equipment		79	
Total General Sessions Court			306,155

Drug Court

Remittance of Revenue Collected	\$	12,459	
Total Drug Court			12,459

Chancery Court

County Official/Administrative Officer	\$	82,395	
Clerical Personnel		105,855	
Longevity Pay		2,000	
Social Security		14,021	
Pensions		18,279	
Employee and Dependent Insurance		20,832	
Unemployment Compensation		286	
Other Fringe Benefits		3,000	
Communication		2,311	
Dues and Memberships		95	
Legal Notices, Recording, and Court Costs		3,156	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Maintenance and Repair Services - Office Equipment	\$	8,580	
Travel		640	
Office Supplies		8,043	
Utilities		1,717	
Building and Contents Insurance		1,805	
Liability Insurance		756	
Premiums on Corporate Surety Bonds		429	
Workers' Compensation Insurance		604	
Office Equipment		5,102	
Total Chancery Court			\$ 279,906

Juvenile Court

Youth Service Officer(s)	\$	48,080	
Clerical Personnel		23,165	
Part-time Personnel		11,200	
Longevity Pay		3,000	
Social Security		5,485	
Pensions		4,669	
Employee and Dependent Insurance		4,933	
Unemployment Compensation		136	
Other Fringe Benefits		1,500	
Communication		2,337	
Dues and Memberships		150	
Maintenance and Repair Services - Vehicles		134	
Printing, Stationery, and Forms		776	
Travel		660	
Other Contracted Services		33,050	
Food Supplies		135	
Gasoline		145	
Office Supplies		2,138	
Utilities		320	
Building and Contents Insurance		339	
Liability Insurance		302	
Workers' Compensation Insurance		1,896	
Data Processing Equipment		3,750	
Law Enforcement Equipment		1,547	
Motor Vehicles		27,949	
Office Equipment		953	
Total Juvenile Court			178,749

Probate Court

Probation Officer(s)	\$	47,311	
Clerical Personnel		29,051	
Longevity Pay		4,900	
Social Security		5,930	
Pensions		2,821	
Employee and Dependent Insurance		7,569	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probate Court (Cont.)

Unemployment Compensation	\$	136	
Other Fringe Benefits		1,500	
Communication		318	
Contracts with Other Public Agencies		4,800	
Maintenance and Repair Services - Office Equipment		115	
Office Supplies		786	
Utilities		320	
Building and Contents Insurance		339	
Liability Insurance		302	
Workers' Compensation Insurance		264	
Data Processing Equipment		99	
Total Probate Court			\$ 106,561

Other Administration of Justice

Communication	\$	1,113	
Janitorial Services		10,380	
Maintenance and Repair Services - Buildings		8,813	
Maintenance and Repair Services - Equipment		413	
Pest Control		540	
Utilities		3,483	
Building and Contents Insurance		1,043	
Total Other Administration of Justice			25,785

Victim Assistance Programs

Remittance of Revenue Collected	\$	28,171	
Total Victim Assistance Programs			28,171

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	98,295	
Assistant(s)		125,007	
Deputy(ies)		1,366,841	
Investigator(s)		444,501	
Captain(s)		56,821	
Lieutenant(s)		102,280	
Sergeant(s)		227,286	
Accountants/Bookkeepers		34,093	
Medical Personnel		89,040	
Salary Supplements		61,200	
Clerical Personnel		102,279	
Part-time Personnel		74,674	
Longevity Pay		45,900	
Overtime Pay		163,594	
Other Salaries and Wages		87,617	
In-service Training		37,802	
Social Security		214,681	
Pensions		267,697	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Employee and Dependent Insurance	\$	574,223	
Unemployment Compensation		4,452	
Other Fringe Benefits		28,137	
Communication		32,130	
Confidential Drug Enforcement Payments		500	
Dues and Memberships		17,322	
Evaluation and Testing		6,082	
Maintenance and Repair Services - Equipment		2,556	
Maintenance and Repair Services - Office Equipment		2,989	
Maintenance and Repair Services - Vehicles		113,031	
Transportation - Other than Students		90	
Travel		4,382	
Gasoline		118,729	
Office Supplies		15,661	
Uniforms		34,861	
Utilities		5,672	
Other Supplies and Materials		10,230	
Building and Contents Insurance		3,652	
Liability Insurance		94,329	
Vehicle and Equipment Insurance		46,375	
Workers' Compensation Insurance		137,848	
Data Processing Equipment		2,855	
Law Enforcement Equipment		25,454	
Motor Vehicles		181,372	
Office Equipment		755	
Other Equipment		14,465	
Total Sheriff's Department			\$ 5,077,760

Administration of the Sexual Offender Registry

In-service Training	\$	2,500	
Remittance of Revenue Collected		350	
Office Supplies		647	
Total Administration of the Sexual Offender Registry			3,497

Jail

Captain(s)	\$	11,033
Lieutenant(s)		45,457
Sergeant(s)		182,214
Medical Personnel		48,727
Guards		786,682
Cafeteria Personnel		102,443
Part-time Personnel		15,685
Longevity Pay		17,100
Overtime Pay		21,599
Other Salaries and Wages		73,066
In-service Training		10,596
Social Security		92,321

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Pensions	\$	107,966	
Employee and Dependent Insurance		325,340	
Unemployment Compensation		2,753	
Other Fringe Benefits		13,863	
Communication		2,985	
Dues and Memberships		5,189	
Maintenance and Repair Services - Equipment		25,564	
Maintenance and Repair Services - Office Equipment		1,190	
Medical and Dental Services		41,445	
Transportation - Other than Students		3,966	
Travel		590	
Custodial Supplies		22,817	
Drugs and Medical Supplies		87,571	
Food Supplies		149,303	
Office Supplies		9,899	
Prisoners Clothing		14,143	
Uniforms		19,001	
Utilities		160,682	
Testing		520	
Building and Contents Insurance		10,590	
Liability Insurance		41,907	
Vehicle and Equipment Insurance		1,839	
Workers' Compensation Insurance		63,960	
Data Processing Equipment		2,839	
Food Service Equipment		1,846	
Office Equipment		2,323	
Total Jail			\$ 2,527,014

Workhouse

Guards	\$	51,742	
Temporary Personnel		20,256	
Longevity Pay		5,200	
Overtime Pay		10,124	
Other Salaries and Wages		44,119	
Social Security		8,014	
Pensions		5,130	
Employee and Dependent Insurance		9,833	
Unemployment Compensation		451	
Other Fringe Benefits		3,000	
Communication		692	
Janitorial Services		22,533	
Maintenance and Repair Services - Buildings		28,515	
Maintenance and Repair Services - Equipment		80,054	
Pest Control		960	
Uniforms		1,800	
Liability Insurance		756	
Workers' Compensation Insurance		5,463	
Office Equipment		350	
Total Workhouse			298,992

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control

Salary Supplements	\$	2,500	
Communication		1,276	
Contributions		232,272	
Dues and Memberships		200	
Maintenance and Repair Services - Buildings		533	
Maintenance and Repair Services - Vehicles		109	
Gasoline		1,785	
Office Supplies		373	
Uniforms		90	
Utilities		8,561	
Building and Contents Insurance		1,111	
Liability Insurance		151	
Vehicle and Equipment Insurance		816	
Workers' Compensation Insurance		148	
Other Equipment		815	
Total Fire Prevention and Control			\$ 250,740

Civil Defense

Supervisor/Director	\$	45,540	
Clerical Personnel		6,686	
Longevity Pay		2,400	
Other Salaries and Wages		47,276	
In-service Training		656	
Social Security		7,544	
Pensions		9,012	
Employee and Dependent Insurance		12,622	
Unemployment Compensation		126	
Communication		9,858	
Consultants		6,364	
Contracts with Other Public Agencies		18,800	
Maintenance and Repair Services - Buildings		900	
Maintenance and Repair Services - Equipment		486	
Maintenance and Repair Services - Office Equipment		300	
Maintenance and Repair Services - Vehicles		2,052	
Pest Control		525	
Travel		654	
Gasoline		1,325	
Office Supplies		343	
Utilities		2,179	
Other Supplies and Materials		920	
Building and Contents Insurance		1,452	
Liability Insurance		151	
Vehicle and Equipment Insurance		3,438	
Workers' Compensation Insurance		140	
Office Equipment		17,408	
Other Equipment		32,663	
Total Civil Defense			231,820

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Communication	\$	232,684	
Utilities		24,130	
Building and Contents Insurance		1,715	
Total Other Emergency Management			\$ 258,529

Public Health and Welfare

Local Health Center

Communication	\$	3,791	
Contracts with Government Agencies		21,448	
Janitorial Services		19,485	
Maintenance and Repair Services - Buildings		8,958	
Pest Control		980	
Postal Charges		417	
Drugs and Medical Supplies		866	
Office Supplies		2,801	
Utilities		16,892	
Building and Contents Insurance		1,781	
Total Local Health Center			77,419

Rabies and Animal Control

Salary Supplements	\$	3,220
Longevity Pay		6,100
Overtime Pay		10,472
Other Salaries and Wages		165,902
Social Security		13,633
Pensions		17,085
Employee and Dependent Insurance		31,894
Unemployment Compensation		345
Other Fringe Benefits		3,000
Communication		3,075
Legal Notices, Recording, and Court Costs		169
Maintenance and Repair Services - Buildings		5,956
Maintenance and Repair Services - Equipment		394
Maintenance and Repair Services - Vehicles		2,742
Pest Control		540
Travel		808
Veterinary Services		17,779
Animal Food and Supplies		5,506
Custodial Supplies		1,998
Office Supplies		1,727
Uniforms		604
Utilities		11,325
Other Supplies and Materials		1,642
Building and Contents Insurance		307
Liability Insurance		756
Refunds		803
Vehicle and Equipment Insurance		721

(Continued)



Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Workers' Compensation Insurance	\$	3,584	
Office Equipment		415	
Total Rabies and Animal Control			\$ 312,502

Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$	134,331	
Total Ambulance/Emergency Medical Services			134,331

Dental Health Program

Medical Personnel	\$	121,334	
Clerical Personnel		101,135	
Longevity Pay		4,700	
Social Security		16,779	
Pensions		19,816	
Employee and Dependent Insurance		21,226	
Unemployment Compensation		393	
Travel		7,447	
Drugs and Medical Supplies		2,957	
Liability Insurance		2,998	
Workers' Compensation Insurance		3,600	
Total Dental Health Program			302,385

General Welfare Assistance

Bus Drivers	\$	14,000	
Dues and Memberships		9,163	
Total General Welfare Assistance			23,163

Sanitation Management

Supervisor/Director	\$	23,131	
Guards		34,093	
Part-time Personnel		139	
Longevity Pay		2,700	
Social Security		4,041	
Pensions		5,570	
Employee and Dependent Insurance		28,954	
Unemployment Compensation		136	
Advertising		4,923	
Communication		435	
Contributions		5,235	
Dues and Memberships		822	
Maintenance and Repair Services - Vehicles		16	
Postal Charges		68	
Travel		35	
Gasoline		3,387	
Office Supplies		487	
Uniforms		500	
Utilities		311	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Other Supplies and Materials	\$	2,873	
Liability Insurance		302	
Workers' Compensation Insurance		76	
Office Equipment		60	
Other Equipment		70	
Total Sanitation Management			\$ 118,364

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	48,000	
Dues and Memberships		7,000	
Other Contracted Services		7,000	
Total Senior Citizens Assistance			62,000

Libraries

Assistant(s)	\$	50,021	
Supervisor/Director		30,785	
Librarians		59,027	
Longevity Pay		500	
Overtime Pay		143	
Social Security		10,541	
Pensions		5,649	
Employee and Dependent Insurance		12,674	
Unemployment Compensation		579	
Advertising		4,285	
Communication		739	
Contributions		19,000	
Maintenance and Repair Services - Equipment		75	
Postal Charges		298	
Rentals		12,000	
Travel		1,487	
Other Contracted Services		62,500	
Duplicating Supplies		1,800	
Library Books/Media		22,472	
Office Supplies		3,396	
Building and Contents Insurance		1,224	
Liability Insurance		1,361	
Workers' Compensation Insurance		548	
Office Equipment		3,278	
Other Equipment		2,891	
Total Libraries			307,273

Parks and Fair Boards

Contributions	\$	5,000	
Maintenance Agreements		17,271	
Total Parks and Fair Boards			22,271

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational

Contributions	\$ 10,000	
Total Other Social, Cultural, and Recreational		\$ 10,000

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$ 47,768	
Other Fringe Benefits	14,234	
Communication	4,159	
Dues and Memberships	285	
Janitorial Services	4,272	
Maintenance and Repair Services - Buildings	592	
Maintenance and Repair Services - Equipment	37	
Pest Control	160	
Travel	292	
Duplicating Supplies	289	
Office Supplies	3,196	
Utilities	3,276	
Building and Contents Insurance	422	
Office Equipment	2,013	
Total Agricultural Extension Service		80,995

Soil Conservation

Secretary(ies)	\$ 35,766	
Longevity Pay	300	
Other Salaries and Wages	32,316	
Social Security	5,014	
Pensions	4,794	
Employee and Dependent Insurance	10,982	
Unemployment Compensation	136	
Other Fringe Benefits	1,500	
Dues and Memberships	1,150	
Travel	924	
Office Supplies	591	
Building and Contents Insurance	28	
Liability Insurance	302	
Workers' Compensation Insurance	232	
Total Soil Conservation		94,035

Other Operations

Tourism

Contributions	\$ 68,000	
Total Tourism		68,000

Industrial Development

Longevity Pay	\$ 700	
Other Salaries and Wages	136,080	
Social Security	9,603	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Industrial Development (Cont.)

Pensions	\$	13,213	
Employee and Dependent Insurance		12,816	
Unemployment Compensation		79	
Other Fringe Benefits		3,000	
Matching Share		148,876	
Other Contracted Services		135,424	
Liability Insurance		151	
Workers' Compensation Insurance		810	
Total Industrial Development			\$ 460,752

Other Economic and Community Development

Clerical Personnel	\$	41,714	
Longevity Pay		2,000	
Other Salaries and Wages		17,221	
Social Security		4,370	
Pensions		4,262	
Employee and Dependent Insurance		12,782	
Unemployment Compensation		159	
Communication		236	
Travel		386	
Other Contracted Services		40,470	
Liability Insurance		151	
Workers' Compensation Insurance		132	
Office Equipment		1,115	
Total Other Economic and Community Development			124,998

Veterans' Services

Clerical Personnel	\$	15,210	
Social Security		1,164	
Unemployment Compensation		113	
Communication		1,761	
Postal Charges		247	
Travel		1,425	
Office Supplies		234	
Utilities		328	
Liability Insurance		151	
Workers' Compensation Insurance		48	
Data Processing Equipment		70	
Total Veterans' Services			20,751

Employee Benefits

Employee and Dependent Insurance	\$	5,396	
On-behalf Payments to OPEB		675	
Total Employee Benefits			6,071

Miscellaneous

Salary Supplements	\$	7,020	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Miscellaneous (Cont.)

Communication	\$	521	
Contributions		49,000	
Dues and Memberships		42,000	
Maintenance and Repair Services - Buildings		9,916	
Testing		208	
Building and Contents Insurance		635	
Refunds		17,548	
Trustee's Commission		206,293	
Vehicle and Equipment Insurance		373	
Loss on Disposal of Property		3,577	
Office Equipment		25,908	
Health Equipment		48,804	
Total Miscellaneous			\$ 411,803

Total General Fund \$ 16,290,495

Solid Waste/Sanitation Fund

Public Health and Welfare

Postclosure Care Costs

Contracts for Postclosure Care Costs	\$	20,343	
Total Postclosure Care Costs			\$ 20,343

Highways

Litter and Trash Collection

Foremen	\$	44,986
Equipment Operators		160,048
Laborers		95,788
Part-time Personnel		4,000
Longevity Pay		5,300
Overtime Pay		12,260
Social Security		23,195
Pensions		25,759
Employee and Dependent Insurance		80,911
Unemployment Compensation		394
Other Fringe Benefits		1,409
Advertising		15
Communication		2,093
Dues and Memberships		600
Licenses		2,055
Maintenance and Repair Services - Equipment		12,466
Maintenance and Repair Services - Office Equipment		1,450
Printing, Stationery, and Forms		1,988
Travel		1,434
Disposal Fees		315,155
Other Contracted Services		65,506
Crushed Stone		4,356
Diesel Fuel		40,635

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Highways (Cont.)

Litter and Trash Collection (Cont.)

Electricity	\$	4,026	
Equipment and Machinery Parts		14,137	
Fertilizer, Lime, and Seed		450	
Lubricants		1,646	
Office Supplies		1,268	
Road Signs		500	
Small Tools		353	
Tires and Tubes		3,949	
Uniforms		2,939	
Water and Sewer		215	
Fencing		334	
Refunds		35	
Trustee's Commission		10,539	
Other Charges		312	
Site Development		29,250	
Solid Waste Equipment		12,436	
Total Litter and Trash Collection			<u>\$ 984,192</u>

Total Solid Waste/Sanitation Fund \$ 1,004,535

Drug Control Fund

Public Safety

Drug Enforcement

In-service Training	\$	500	
Communication		2,145	
Confidential Drug Enforcement Payments		42,000	
Maintenance and Repair Services - Office Equipment		1,265	
Maintenance and Repair Services - Vehicles		1,799	
Other Contracted Services		4,622	
Utilities		1,617	
Other Supplies and Materials		32,475	
Trustee's Commission		195	
Law Enforcement Equipment		15,021	
Other Equipment		31,272	
Total Drug Enforcement			<u>\$ 132,911</u>

Total Drug Control Fund 132,911

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	107,588
Supervisor/Director		63,600
Accountants/Bookkeepers		38,235
Secretary(ies)		43,312
Clerical Personnel		31,487
Custodial Personnel		31,483

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Temporary Personnel	\$	2,700	
Overtime Pay		7,423	
Other Salaries and Wages		89,045	
Board and Committee Members Fees		10,000	
Advertising		972	
Communication		14,021	
Confidential Drug Enforcement Payments		1,723	
Dues and Memberships		37,686	
Engineering Services		2,500	
Freight Expenses		54	
Maintenance and Repair Services - Buildings		3,285	
Maintenance and Repair Services - Equipment		1,255	
Maintenance and Repair Services - Office Equipment		11,000	
Postal Charges		820	
Printing, Stationery, and Forms		1,196	
Travel		4,849	
Other Contracted Services		1,770	
Custodial Supplies		2,131	
Electricity		10,140	
Natural Gas		2,165	
Office Supplies		4,659	
Water and Sewer		1,150	
Other Charges		990	
Total Administration			\$ 527,239

Highway and Bridge Maintenance

Foremen	\$	176,473	
Equipment Operators		103,600	
Equipment Operators - Light		324,894	
Truck Drivers		194,214	
Laborers		226,864	
Overtime Pay		24,261	
Other Contracted Services		48,823	
Asphalt - Cold Mix		20,001	
Asphalt - Hot Mix		521,685	
Concrete		1,726	
Crushed Stone		282,582	
Fertilizer, Lime, and Seed		30,411	
General Construction Materials		2,053	
Other Road Materials		38,434	
Pipe - Metal		62,772	
Road Signs		35,956	
Salt		4,909	
Small Tools		1,595	
Wood Products		754	
Gravel and Chert		11,890	
Other Supplies and Materials		1,405	
Total Highway and Bridge Maintenance			2,115,302

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Operation and Maintenance of Equipment

Foremen	\$	43,840	
Mechanic(s)		114,854	
Overtime Pay		3,509	
Maintenance and Repair Services - Buildings		683	
Maintenance and Repair Services - Equipment		78,914	
Towing Services		1,500	
Diesel Fuel		51,698	
Equipment and Machinery Parts		97,421	
Garage Supplies		4,311	
Gasoline		30,605	
Lubricants		9,195	
Small Tools		3,570	
Tires and Tubes		27,399	
Other Charges		372	
Total Operation and Maintenance of Equipment	\$		467,871

Other Charges

Building and Contents Insurance	\$	3,521	
Liability Insurance		7,866	
Trustee's Commission		54,219	
Vehicle and Equipment Insurance		30,506	
Workers' Compensation Insurance		215,466	
Fines, Assessments, and Penalties		3,999	
Total Other Charges			315,577

Employee Benefits

Longevity Pay	\$	40,900	
Social Security		119,139	
Pensions		152,761	
Employee and Dependent Insurance		474,424	
Unemployment Compensation		1,420	
Other Fringe Benefits		7,297	
Uniforms		15,114	
Total Employee Benefits			811,055

Capital Outlay

Bridge Construction	\$	360,550	
Building Improvements		1,767	
Communication Equipment		2,410	
Furniture and Fixtures		1,362	
Highway Equipment		40,922	
Motor Vehicles		23,122	
Office Equipment		4,801	
State Aid Projects		249,040	
Total Capital Outlay			683,974

Total Highway/Public Works Fund \$ 4,921,018

(Continued)



Exhibit J-7

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

<u>General Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>General Government</u>		
Principal on Other Loans	\$ 300,000	
Total General Government		\$ 300,000
<u>Education</u>		
Principal on Bonds	\$ 3,550,000	
Principal on Other Loans	<u>2,036,000</u>	
Total Education		5,586,000
<u>Interest on Debt</u>		
<u>General Government</u>		
Interest on Other Loans	\$ 2,407	
Total General Government		2,407
<u>Education</u>		
Interest on Bonds	\$ 183,725	
Interest on Other Loans	<u>46,038</u>	
Total Education		229,763
<u>Other Debt Service</u>		
<u>General Government</u>		
Trustee's Commission	\$ 75,910	
Other Debt Service	<u>21,462</u>	
Total General Government		97,372
<u>Education</u>		
Other Debt Issuance Charges	\$ 990	
Other Debt Service	<u>103,458</u>	
Total Education		<u>104,448</u>
Total General Debt Service Fund		\$ 6,319,990
<u>General Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>General Administration Projects</u>		
Building Construction	\$ 122,942	
Other Capital Outlay	<u>1,585,099</u>	
Total General Administration Projects		<u>\$ 1,708,041</u>
Total General Capital Projects Fund		<u>1,708,041</u>
Total Governmental Funds - Primary Government		<u>\$ 30,376,990</u>

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 27,304,925	
Career Ladder Program	123,785	
Career Ladder Extended Contracts	3,000	
Homebound Teachers	159,370	
Educational Assistants	957,388	
Other Salaries and Wages	14,111	
Non-certified Substitute Teachers	321,538	
Social Security	1,728,877	
Pensions	2,594,334	
Medical Insurance	4,438,096	
Unemployment Compensation	11,315	
Employer Medicare	405,125	
Travel	16,179	
Other Contracted Services	657,487	
Instructional Supplies and Materials	250,575	
Textbooks	790,280	
Other Supplies and Materials	161,708	
Fee Waivers	128,011	
Regular Instruction Equipment	396,017	
Total Regular Instruction Program		\$ 40,462,121

Alternative Instruction Program

Teachers	\$ 500,205	
Career Ladder Program	6,000	
Secretary(ies)	300	
Clerical Personnel	27,500	
Other Salaries and Wages	116,532	
Social Security	38,497	
Pensions	57,019	
Medical Insurance	91,070	
Unemployment Compensation	1,100	
Employer Medicare	9,003	
Travel	1,165	
Other Contracted Services	8,331	
Other Supplies and Materials	2,321	
Other Equipment	1,032	
Total Alternative Instruction Program		860,075

Special Education Program

Teachers	\$ 4,178,514
Career Ladder Program	20,412
Homebound Teachers	58,710
Clerical Personnel	102,089
Educational Assistants	903,322
Speech Pathologist	644,980
Other Salaries and Wages	70,878

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Non-certified Substitute Teachers	\$	53,189	
Social Security		355,733	
Pensions		532,870	
Medical Insurance		1,002,783	
Unemployment Compensation		12,967	
Employer Medicare		83,196	
Travel		3,274	
Other Contracted Services		14,765	
Instructional Supplies and Materials		82,193	
Other Charges		9,923	
Special Education Equipment		19,480	
Total Special Education Program			\$ 8,149,278

Vocational Education Program

Teachers	\$	1,554,998	
Career Ladder Program		8,000	
Other Salaries and Wages		29,910	
Non-certified Substitute Teachers		50,940	
Social Security		94,033	
Pensions		141,130	
Medical Insurance		249,097	
Unemployment Compensation		3,226	
Employer Medicare		22,389	
Travel		30,905	
Other Contracted Services		17,690	
Instructional Supplies and Materials		69,871	
Textbooks		9,873	
Vocational Instruction Equipment		22,171	
Total Vocational Education Program			2,304,233

Support Services

Health Services

Other Salaries and Wages	\$	78,310	
Social Security		4,571	
Pensions		7,601	
Medical Insurance		12,653	
Unemployment Compensation		180	
Employer Medicare		1,069	
Travel		5,040	
Other Contracted Services		604,995	
Other Supplies and Materials		28,678	
Other Charges		3,395	
Total Health Services			746,492

Other Student Support

Career Ladder Program	\$	7,000	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Guidance Personnel	\$	998,466	
Psychological Personnel		160,844	
School Resource Officer		7,308	
Other Salaries and Wages		81,089	
Non-certified Substitute Teachers		210	
Social Security		73,705	
Pensions		109,521	
Medical Insurance		134,003	
Unemployment Compensation		1,986	
Employer Medicare		17,363	
Contracts with Government Agencies		86,400	
Evaluation and Testing		50,062	
Travel		9,646	
Other Supplies and Materials		1,603	
Total Other Student Support			\$ 1,739,206

Regular Instruction Program

Supervisor/Director	\$	590,580	
Career Ladder Program		13,300	
Librarians		694,609	
Materials Supervisor		29,521	
Instructional Computer Personnel		79,560	
Clerical Personnel		47,500	
Non-certified Substitute Teachers		3,840	
Social Security		78,830	
Pensions		120,234	
Medical Insurance		163,541	
Unemployment Compensation		2,241	
Employer Medicare		20,200	
Travel		28,733	
Other Contracted Services		35,000	
Library Books/Media		49,500	
Other Supplies and Materials		9,940	
In Service/Staff Development		10,063	
Total Regular Instruction Program			1,977,192

Special Education Program

Supervisor/Director	\$	171,325	
Career Ladder Program		2,000	
Social Security		10,467	
Pensions		15,668	
Medical Insurance		15,437	
Unemployment Compensation		216	
Employer Medicare		2,448	
Travel		24,907	
In Service/Staff Development		23,280	
Other Charges		618	
Total Special Education Program			266,366

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

Supervisor/Director	\$	57,717	
Unemployment Compensation		108	
Employer Medicare		833	
Travel		2,254	
In Service/Staff Development		15,000	
Total Vocational Education Program			\$ 75,912

Other Programs

On-behalf Payments to OPEB	\$	201,074	
Total Other Programs			201,074

Board of Education

Board and Committee Members Fees	\$	15,975	
Life Insurance		20,000	
Unemployment Compensation		74	
Audit Services		44,200	
Dues and Memberships		19,208	
Legal Services		18,128	
Travel		12,977	
Liability Insurance		260,258	
Trustee's Commission		364,960	
Total Board of Education			755,780

Director of Schools

County Official/Administrative Officer	\$	140,000	
Career Ladder Program		1,000	
Secretary(ies)		39,000	
Other Salaries and Wages		4,000	
Social Security		10,249	
Pensions		16,895	
Medical Insurance		11,680	
Unemployment Compensation		216	
Employer Medicare		2,659	
Communication		47,428	
Postal Charges		6,000	
Travel		4,902	
Office Supplies		6,143	
Total Director of Schools			290,172

Office of the Principal

Principals	\$	1,114,203	
Career Ladder Program		23,000	
Assistant Principals		2,084,025	
Secretary(ies)		1,140,209	
Social Security		256,166	
Pensions		392,905	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Medical Insurance	\$	682,786	
Unemployment Compensation		8,161	
Employer Medicare		60,305	
Travel		35,048	
Other Contracted Services		1,036	
Office Supplies		3,350	
Other Supplies and Materials		1,939	
Total Office of the Principal			\$ 5,803,133

Fiscal Services

Supervisor/Director	\$	12,920	
Accountants/Bookkeepers		123,312	
Secretary(ies)		110,057	
Social Security		13,751	
Pensions		22,357	
Medical Insurance		34,443	
Unemployment Compensation		716	
Employer Medicare		3,408	
Travel		2,693	
Other Contracted Services		69,732	
Office Supplies		13,513	
Administration Equipment		5,765	
Total Fiscal Services			412,667

Operation of Plant

Laundry Service	\$	9,519	
Other Contracted Services		1,586,510	
Electricity		1,631,051	
Natural Gas		133,188	
Water and Sewer		197,959	
Building and Contents Insurance		225,888	
Total Operation of Plant			3,784,115

Maintenance of Plant

Supervisor/Director	\$	139,704	
Secretary(ies)		26,500	
Other Salaries and Wages		820,803	
Social Security		57,604	
Pensions		89,152	
Medical Insurance		155,188	
Unemployment Compensation		2,688	
Employer Medicare		13,772	
Communication		8,457	
Maintenance and Repair Services - Equipment		16,295	
Other Contracted Services		19,386	
Other Supplies and Materials		215,696	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Other Charges	\$	1,393	
Maintenance Equipment		29,424	
Total Maintenance of Plant			\$ 1,596,062

Transportation

Supervisor/Director	\$	114,131	
Mechanic(s)		428,535	
Bus Drivers		1,816,761	
Clerical Personnel		25,721	
Social Security		126,623	
Pensions		207,469	
Medical Insurance		1,024,239	
Unemployment Compensation		9,905	
Employer Medicare		30,428	
Communication		7,220	
Laundry Service		15,000	
Maintenance and Repair Services - Vehicles		80,882	
Travel		5,489	
Other Contracted Services		104,126	
Gasoline		349,015	
Lubricants		20,330	
Tires and Tubes		100,485	
Vehicle Parts		322,338	
Other Supplies and Materials		24,413	
Vehicle and Equipment Insurance		156,546	
In Service/Staff Development		477	
Other Charges		2,647	
Transportation Equipment		759,700	
Total Transportation			5,732,480

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	48,119	
Accountants/Bookkeepers		39,000	
Other Salaries and Wages		4,872	
Social Security		5,358	
Pensions		8,610	
Medical Insurance		13,367	
Unemployment Compensation		172	
Employer Medicare		1,253	
Transportation - Other than Students		15,791	
In Service/Staff Development		2,398	
Total Food Service			138,940

Community Services

Supervisor/Director	\$	73,832	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Other Salaries and Wages	\$	688,064	
Social Security		50,718	
Pensions		19,481	
Medical Insurance		24,000	
Unemployment Compensation		3,787	
Employer Medicare		10,871	
Travel		3,991	
Other Contracted Services		3,218	
Food Supplies		50,778	
Other Supplies and Materials		81,809	
Other Equipment		5,404	
Total Community Services			\$ 1,015,953

Early Childhood Education

Teachers	\$	466,262	
Educational Assistants		202,745	
Other Salaries and Wages		40,334	
Non-certified Substitute Teachers		6,150	
Social Security		41,962	
Pensions		65,026	
Medical Insurance		138,413	
Unemployment Compensation		1,726	
Employer Medicare		9,814	
Travel		203	
Instructional Supplies and Materials		8,762	
Other Charges		49,902	
Total Early Childhood Education			1,031,299

Capital Outlay

Regular Capital Outlay

Other Salaries and Wages	\$	22,082	
Social Security		1,367	
Pensions		201	
Unemployment Compensation		121	
Employer Medicare		320	
Building Improvements		276,761	
Total Regular Capital Outlay			300,852

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	300,000	
Total Education			300,000

Total General Purpose School Fund \$ 77,943,402

(Continued)



Exhibit J-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	651,081	
Educational Assistants		177,543	
Other Salaries and Wages		822,902	
Non-certified Substitute Teachers		13,202	
Social Security		98,570	
Pensions		147,449	
Medical Insurance		246,199	
Unemployment Compensation		4,492	
Employer Medicare		23,052	
Other Contracted Services		18,174	
Instructional Supplies and Materials		58,210	
Other Supplies and Materials		188	
Regular Instruction Equipment		34,774	
Total Regular Instruction Program			\$ 2,295,836

Special Education Program

Educational Assistants	\$	1,192,391	
Other Salaries and Wages		197,344	
Social Security		80,990	
Pensions		107,615	
Medical Insurance		307,043	
Unemployment Compensation		5,314	
Employer Medicare		18,942	
Instructional Supplies and Materials		58,665	
Other Charges		56,350	
Special Education Equipment		116,761	
Total Special Education Program			2,141,415

Vocational Education Program

Other Salaries and Wages	\$	36,413	
Social Security		2,215	
Pensions		2,428	
Medical Insurance		6,395	
Unemployment Compensation		142	
Employer Medicare		518	
Instructional Supplies and Materials		2,180	
Vocational Instruction Equipment		46,693	
Total Vocational Education Program			96,984

Support Services

Health Services

Other Salaries and Wages	\$	68,331	
Social Security		4,237	
Unemployment Compensation		232	
Employer Medicare		991	
Other Contracted Services		114,278	
Total Health Services			188,069

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support

Psychological Personnel	\$	24,371	
Other Salaries and Wages		51,825	
Social Security		4,518	
Pensions		6,879	
Medical Insurance		5,881	
Unemployment Compensation		185	
Employer Medicare		1,057	
Travel		28,520	
Other Contracted Services		7,000	
Other Supplies and Materials		265	
In Service/Staff Development		17,434	
Total Other Student Support	\$		147,935

Regular Instruction Program

Supervisor/Director	\$	83,240	
Secretary(ies)		25,500	
Other Salaries and Wages		194,323	
In-service Training		356	
Social Security		18,171	
Pensions		27,600	
Medical Insurance		32,628	
Unemployment Compensation		567	
Employer Medicare		4,250	
Travel		2,021	
Other Contracted Services		18,638	
Other Supplies and Materials		1,984	
In Service/Staff Development		133,486	
Other Equipment		1,774	
Total Regular Instruction Program			544,538

Special Education Program

Clerical Personnel	\$	27,680	
Social Security		1,712	
Unemployment Compensation		75	
Employer Medicare		400	
Operating Lease Payments		63,833	
Other Contracted Services		54,696	
Other Supplies and Materials		5,240	
In Service/Staff Development		2,800	
Total Special Education Program			156,436

Vocational Education Program

Travel	\$	3,500	
Total Vocational Education Program			3,500

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Assistant Principals	\$	22,705	
Social Security		1,408	
Pensions		2,053	
Unemployment Compensation		87	
Employer Medicare		329	
Total Office of the Principal			\$ 26,582

Transportation

Bus Drivers	\$	34,966	
Other Salaries and Wages		42,960	
Social Security		4,813	
Pensions		3,918	
Unemployment Compensation		389	
Employer Medicare		1,126	
Total Transportation			88,172

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	24,102	
Teachers		250,088	
Other Salaries and Wages		98,625	
Social Security		23,020	
Pensions		31,944	
Unemployment Compensation		817	
Employer Medicare		5,385	
Travel		441	
Other Contracted Services		50,751	
Instructional Supplies and Materials		4,389	
In Service/Staff Development		6,433	
Other Equipment		10,204	
Total Community Services			506,199

Total School Federal Projects Fund \$ 6,195,666

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$	1,763,877	
Other Salaries and Wages		35,615	
Social Security		103,143	
Pensions		152,837	
Medical Insurance		484,743	
Unemployment Compensation		7,717	
Employer Medicare		24,122	
Travel		8,761	
Other Contracted Services		46,189	

(Continued)

Exhibit J-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Food Service (Cont.)

Food Supplies	\$ 2,367,265	
Uniforms	5,347	
USDA - Commodities	282,291	
Other Supplies and Materials	298,405	
Trustee's Commission	101	
In Service/Staff Development	405	
Food Service Equipment	48,028	
Total Food Service		\$ 5,628,846

Total Central Cafeteria Fund \$ 5,628,846

Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$ 17,496	
Building Construction	829,082	
Building Improvements	3,379	
Total Education Capital Projects		\$ 849,957

Total Education Capital Projects Fund 849,957

Total Governmental Funds - Tipton County School Department \$ 90,617,871

Exhibit J-9

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

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
	\$ 4,299,962
Total Cash Receipts	<u>\$ 4,299,962</u>
<u>Cash Disbursements</u>	
Remittance of Revenue Collected	\$ 4,256,962
Trustee's Commission	43,000
Total Cash Disbursements	<u>\$ 4,299,962</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2015	<u>0</u>
Cash Balance, June 30, 2016	<u><u>\$ 0</u></u>

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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

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

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

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tipton County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Tipton County's basic financial statements, and have issued our report thereon dated December 5, 2016.

**Internal Control Over Financial Reporting**

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

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

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

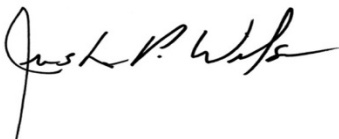
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Tipton County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tipton 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 5, 2016

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

**Independent Auditor's Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance; and Report on the Schedule of  
Expenditures of Federal Awards Required by the Uniform Guidance**

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

To the County Executive and Board of County Commissioners:

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

We have audited Tipton County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Tipton County's major federal programs for the year ended June 30, 2016. Tipton 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 Tipton County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether

noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tipton 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 Tipton County's compliance.

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

In our opinion, Tipton County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

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

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

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

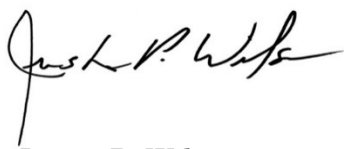
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tipton County, Tennessee, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Tipton County's basic financial statements. We issued our report thereon dated December 5, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

December 5, 2016

JPW/yu

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 939,775
National School Lunch Program	10.555	N/A	3,127,331 (4)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	<u>282,291 (4)</u>
Total U.S. Department of Agriculture			<u>\$ 4,349,397</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program (Noncash Assistance)	12.U01	N/A	<u>\$ 219,333 (5)</u>
Total U.S. Department of Defense			<u>\$ 219,333</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	(3)	<u>\$ 13,944</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 13,944</u>
U.S. Department of the Interior:			
Direct Program:			
Payments in-lieu-of Taxes	15.226	N/A	<u>\$ 280</u>
Total U.S. Department of the Interior			<u>\$ 280</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(3)	\$ 9,000
Passed through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(3)	10,505
Direct Program:			
Federal Asset Forfeiture Program	16.U01	N/A	<u>42,457</u>
Total U.S. Department of Justice			<u>\$ 61,962</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
National Highway Traffic Safety Administration (NHTSA)			
Discretionary Safety Grants	20.614	(3)	<u>\$ 37,938</u>
Total U.S. Department of Transportation			<u>\$ 37,938</u>
U.S. Department of Education:			
Passed through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 2,068,845
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,484,929
Special Education - Preschool Grants	84.173	N/A	171,566
Career and Technical Education - Basic Grants to States	84.048	N/A	145,787

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Education (Cont.):			
Passed through State Department of Education (Cont.):			
Twenty-first Century Community Learning Centers	84.287	N/A	\$ 508,800
Supporting Effective Instruction State Grant	84.367	N/A	366,767
Teacher and School Leader Incentive Grants	84.374	N/A	480,502
Total U.S. Department of Education			<u>\$ 6,227,196</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1909-DR-TN	\$ 36,204
Hazard Mitigation Grant	97.039	HMGP-1978-0001	889,106
Emergency Management Performance Grants	97.042	(3)	34,000
Homeland Security Grant Program	97.067	(3)	32,138
Total U.S. Department of Homeland Security			<u>\$ 991,448</u>
Total Expenditures of Federal Awards			<u>\$ 11,901,498</u>
<u>Contract Number</u>			
State Grants:			
Preventive Health and Human Services - State Department of Health	N/A	(3)	\$ 283,935
Litter Program - State Department of Transportation	N/A	(3)	40,708
Hazard Mitigation Grant - State Department of Military	N/A	HMGP-1978-0001	148,184
Family Resource Center - State Department of Education	N/A	(3)	59,222
Coordinated School Health - State Department of Education	N/A	(3)	129,686
ACT/EXP - State Department of Education	N/A	(3)	21,188
ConnecTenn - State Department of Education	N/A	(3)	30,071
Children in State Custody - State Department of Children's Services	N/A	(3)	343,970
Early Childhood Education - State Department of Education	N/A	(3)	1,031,300
Safe Schools - State Department of Education	N/A	(3)	65,900
Total State Grants			<u>\$ 2,154,164</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) Tipton County elected not to use the 10% de minimus cost rate permitted in the Uniform Guidance.

(3) Information not available.

(4) Total CFDA No. 10.555 is \$3,409,622.

(5) During the year ended June 30, 2016, Tipton County received excess military equipment from the U.S. Department of Defense valued at \$219,333.

Tipton County, Tennessee  
Summary Schedule of Prior-year Findings  
June 30, 2016

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

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

There were no prior-year financial statement findings to report.

***Prior-year Federal Award Findings***

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

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**TIPTON COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2016**

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

**Financial Statements:**

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

**Federal Awards:**

4. Internal Control Over Major Federal Programs:
  - \* Material weakness identified? **NO**
  - \* Significant deficiency identified? **NONE REPORTED**
5. Type of report auditor issued on compliance for major programs: **UNMODIFIED**
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? **NO**
7. Identification of major federal programs:
  - \* CFDA Numbers: 10.553 and 10.555 Nutrition Cluster: School Breakfast Program and National School Lunch Program
  - \* CFDA Number 97.039 Hazard Mitigation Grant
8. Dollar threshold used to distinguish between type A and Type B Programs: **\$750,000**
9. Auditee qualified as low-risk auditee? **YES**

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

There were no findings and recommendations, as a result of our audit of the financial statements of Tipton County, Tennessee.

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



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

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

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

The audit of Tipton County did not report any findings and recommendations. Therefore, no management responses are required by the auditee requirements within Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

## **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 Tipton County.

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

Tipton 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.