
ANNUAL FINANCIAL REPORT CROCKETT COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2013



ANNUAL FINANCIAL REPORT
CROCKETT COUNTY, TENNESSEE
FOR THE YEAR ENDED JUNE 30, 2013

COMPTROLLER OF THE TREASURY
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This financial report is available at www.comptroller.tn.gov

CROCKETT COUNTY, TENNESSEE

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Audit Highlights
Annual Financial Report
Crockett County, Tennessee
For the Year Ended June 30, 2013

Scope

We have audited the basic financial statements of Crockett County as of and for the year ended June 30, 2013.

Results

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

Our audit resulted in 16 findings and recommendations, which we have reviewed with Crockett County management. Detailed findings, recommendations, and management's response are included in the Single Audit section of this report.

Findings and Best Practice

The following are summaries of the audit findings and best practice:

OFFICE OF COUNTY MAYOR

- ◆ A formal purchase order system had not been established.
 - ◆ Expenditures exceeded appropriations.
 - ◆ Accounting records were not maintained currently.
 - ◆ The Ambulance Service had deficiencies in computer system backup procedures.
 - ◆ The Ambulance Service did not implement adequate controls to protect its information resources.
-

OFFICE OF ROAD SUPERVISOR

- ◆ The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The School Federal Projects Fund had a cash overdraft of \$58,636 at June 30, 2013.
 - ◆ Expenditures exceeded appropriations.
 - ◆ The office had deficiencies in purchasing procedures.
-

OFFICE OF COUNTY CLERK

- ◆ Cash and checks totaling \$4,324 were stolen from the office.
-

OFFICE OF CIRCUIT, GENERAL SESSIONS AND JUVENILE COURTS CLERK

- ◆ The office did not implement adequate controls to protect its information resources.
-

OFFICE OF REGISTER OF DEEDS

- ◆ Users processed transactions utilizing the same username.
-

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

- ◆ Duties were not segregated adequately.
-

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

- ◆ Multiple employees operated from the same cash drawer.
-

CROCKETT COUNTY

- ◆ Crockett County has a material recurring audit finding.
-

CROCKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT

- ◆ A former employee misappropriated at least \$88,764 from the district.
-

BEST PRACTICE

Crockett County does not have a central system of accounting, budgeting, and purchasing. The Division of Local Government Audit strongly believes that a central system of accounting, budgeting, and purchasing is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Crockett County.

INTRODUCTORY SECTION

Crockett County Officials
June 30, 2013

Officials

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

Board of County Commissioners

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

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

Road Commission

Thomas Haynes, Chairman
William Beaird
Andy Edwards

Board of Education

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

Audit Committee

Donnie Bates
Charley Jerman
Gary Williams

FINANCIAL SECTION



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
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Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the county's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparisons for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note I.D.8. in the financial statements, which describes a restatement to the beginning balance of the government-wide financial statements totaling \$314,100. This restatement was necessary because prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, debt issuance costs become period costs.

As described in Note V.B., Crockett County has adopted the provisions of GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position*, which became effective for the year ended June 30, 2013. Crockett County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedules of funding progress – pension plan and other postemployment benefits plans on pages 64 - 66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Crockett County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Crockett County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Crockett County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures

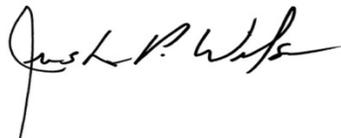
in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Crockett County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2014, on our consideration of Crockett County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crockett County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 30, 2014

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

Crockett County, Tennessee
Statement of Net Position
June 30, 2013

	Primary Government Governmental Activities	Component Unit Crockett County School Department
<u>ASSETS</u>		
Cash	\$ 2,988	\$ 0
Equity in Pooled Cash and Investments	3,624,662	1,059,463
Accounts Receivable	1,212,204	16,595
Allowance for Uncollectibles	(263,712)	0
Due from Other Governments	485,503	519,211
Property Taxes Receivable	4,110,003	1,361,296
Allowance for Uncollectible Property Taxes	(190,640)	(62,992)
Capital Assets:		
Assets Not Depreciated:		
Land	889,130	830,805
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	2,483,760	12,876,482
Infrastructure	1,594,391	237,770
Other Capital Assets	843,092	475,883
Total Assets	<u>\$ 14,791,381</u>	<u>\$ 17,314,513</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	\$ 127,029	\$ 0
Total Deferred Outflows of Resources	<u>\$ 127,029</u>	<u>\$ 0</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 46,683
Payroll Deductions Payable	2,888	3,737
Cash Overdraft	0	58,636
Contracts Payable	37,944	182,590
Due to State of Tennessee	671	0
Accrued Interest Payable	62,789	0
Noncurrent Liabilities:		
Due Within One Year	1,364,301	0
Due in More Than One Year (net of unamortized premium on debt)	16,180,312	365,455
Total Liabilities	<u>\$ 17,648,905</u>	<u>\$ 657,101</u>

(Continued)

Exhibit A

Crockett County, Tennessee
Statement of Net Position (Continued)

	Primary Government <u>Governmental Activities</u>	Component Unit <u>Crockett County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 3,765,652	\$ 1,247,656
Total Deferred Inflows of Resources	<u>\$ 3,765,652</u>	<u>\$ 1,247,656</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 3,698,595	\$ 14,420,940
Restricted for:		
General Government	24,460	0
Finance	1,282	0
Administration of Justice	3,879	0
Public Safety	31,655	0
Highways/Public Works	1,420,314	0
Debt Service	216,868	0
Capital Projects	248	0
Education	0	46,309
Instruction	0	1,367
Support Services	0	17,433
Operation of Non-Instructional Services	0	35,330
Unrestricted	<u>(11,893,448)</u>	<u>888,377</u>
Total Net Position	<u>\$ (6,496,147)</u>	<u>\$ 15,409,756</u>

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

Exhibit B

Crockett County, Tennessee
Statement of Activities
For the Year Ended June 30, 2013

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position		Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Total	Component		
						Governmental Activities	Crockett County School Department	
Primary Government:								
Governmental Activities:								
General Government	\$ 748,135	\$ 85,461	\$ 17,475	\$ 0	\$ (645,199)	\$ 0	0	0
Finance	468,947	342,123	0	0	(126,824)	0	0	0
Administration of Justice	646,806	289,066	63,994	0	(293,746)	0	0	0
Public Safety	2,480,013	384,713	47,038	0	(2,048,262)	0	0	0
Public Health and Welfare	1,659,870	1,227,005	100,829	0	(332,036)	0	0	0
Social, Cultural, and Recreational Services	572,304	1,522	286,237	0	(284,545)	0	0	0
Agriculture and Natural Resources	197,238	0	26,592	0	(170,646)	0	0	0
Other Operations	164,419	0	3,315	0	(161,104)	0	0	0
Education	200,000	0	0	0	(200,000)	0	0	0
Highway/Public Works	2,038,492	6,390	1,384,454	131,567	(516,081)	0	0	0
Interest on Long-term Debt	456,579	0	370,858	0	(85,721)	0	0	0
Other Debt Service	27,739	0	0	0	(27,739)	0	0	0
Total Primary Government	\$ 9,660,542	\$ 2,336,280	\$ 2,300,792	\$ 131,567	\$ (4,891,903)	\$ 0	0	0
Component Unit:								
Crockett County School Department	\$ 15,435,101	\$ 281,526	\$ 2,455,353	\$ 200,000	\$ 0	\$ (12,498,222)	0	0
Total Component Unit	\$ 15,435,101	\$ 281,526	\$ 2,455,353	\$ 200,000	\$ 0	\$ (12,498,222)	0	0

(Continued)

Exhibit B

Crockett County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Component Unit
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
				Total Governmental Activities	Crockett County School Department	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes				\$ 3,719,421	\$	1,268,479
Property Taxes Levied for Debt Service				109,654		0
Local Option Sales Tax				709,381		374,202
Wheel Tax				697,912		131,490
Business Tax				126,492		0
Wholesale Beer Tax				94,277		0
Other Local Taxes				71,256		1,105
Grants and Contributions Not Restricted to Specific Programs				407,713		10,256,545
Unrestricted Investment Income				44,013		8,612
Miscellaneous				37,670		56,123
Total General Revenues				\$ 6,017,789	\$	12,096,556
Change in Net Position				\$ 1,125,886	\$	(401,666)
Net Position, July 1, 2012				(7,307,933)		15,811,422
Restatement - See Note I.D.8.				(314,100)		0
Net Position, June 30, 2013				\$ (6,496,147)	\$	15,409,756

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

Exhibit C-1

Crockett County, Tennessee
Balance Sheet
Governmental Funds
June 30, 2013

	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	\$ 2,988	\$ 2,988
Equity in Pooled Cash and Investments	818,676	1,389,214	1,292,697	124,075	3,624,662
Accounts Receivable	1,204,728	2,340	36	5,100	1,212,204
Allowance for Uncollectibles	(263,712)	0	0	0	(263,712)
Due from Other Governments	107,205	250,876	100,254	27,168	485,503
Due from Other Funds	2,988	0	0	0	2,988
Property Taxes Receivable	3,993,072	0	116,931	0	4,110,003
Allowance for Uncollectible Property Taxes	(184,289)	0	(6,351)	0	(190,640)
Total Assets	<u>\$ 5,678,668</u>	<u>\$ 1,642,430</u>	<u>\$ 1,503,567</u>	<u>\$ 159,331</u>	<u>\$ 8,983,996</u>
<u>LIABILITIES</u>					
Payroll Deductions Payable	\$ 2,888	\$ 0	\$ 0	\$ 0	\$ 2,888
Contracts Payable	0	37,944	0	0	37,944
Due to Other Funds	0	0	0	2,988	2,988
Due to State of Tennessee	671	0	0	0	671
Total Liabilities	<u>\$ 3,559</u>	<u>\$ 37,944</u>	<u>\$ 0</u>	<u>\$ 2,988</u>	<u>\$ 44,491</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 3,661,050	\$ 0	\$ 104,602	\$ 0	\$ 3,765,652
Deferred Delinquent Property Taxes	131,306	0	5,509	0	136,815
Other Deferred/Unavailable Revenue	891,971	129,338	52,093	14,233	1,087,635
Total Deferred Inflows of Resources	<u>\$ 4,684,327</u>	<u>\$ 129,338</u>	<u>\$ 162,204</u>	<u>\$ 14,233</u>	<u>\$ 4,990,102</u>
<u>FUND BALANCES</u>					
Restricted:					
Restricted for General Government	\$ 24,460	\$ 0	\$ 0	\$ 0	\$ 24,460
Restricted for Finance	1,282	0	0	0	1,282
Restricted for Administration of Justice	3,879	0	0	0	3,879
Restricted for Public Safety	2,382	0	0	29,273	31,655
Restricted for Highways/Public Works	0	1,364,267	0	0	1,364,267
Restricted for Debt Service	0	0	91,365	0	91,365
Restricted for Capital Projects	0	0	0	248	248
Committed:					
Committed for Public Health and Welfare	0	0	0	112,589	112,589
Committed for Highways/Public Works	0	110,881	0	0	110,881
Committed for Debt Service	0	0	1,249,998	0	1,249,998
Unassigned	958,779	0	0	0	958,779
Total Fund Balances	<u>\$ 990,782</u>	<u>\$ 1,475,148</u>	<u>\$ 1,341,363</u>	<u>\$ 142,110</u>	<u>\$ 3,949,403</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,678,668</u>	<u>\$ 1,642,430</u>	<u>\$ 1,503,567</u>	<u>\$ 159,331</u>	<u>\$ 8,983,996</u>

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

Exhibit C-2

Crockett County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2013

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)		\$	3,949,403
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	889,130	
Add: buildings and improvements net of accumulated depreciation		2,483,760	
Add: infrastructure net of accumulated depreciation		1,594,391	
Add: other capital assets net of accumulated depreciation		<u>843,092</u>	5,810,373
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(1,233,175)	
Less: other loan payable		(1,916,650)	
Less: capital leases payable		(78,179)	
Less: bonds payable		(13,901,322)	
Less: other deferred revenue - premium on debt		(150,805)	
Add: deferred amount on refunding		127,029	
Less: compensated absences payable		(73,291)	
Less: other postemployment benefits liability		(191,191)	
Less: accrued interest on note, capital leases, and bonds		<u>(62,789)</u>	(17,480,373)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>1,224,450</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>(6,496,147)</u></u>

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

Exhibit C-3

Crockett County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2013

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Govern- mental Funds	
Revenues					
Local Taxes	\$ 3,951,289	\$ 388,403	\$ 994,189	\$ 241,618	\$ 5,575,499
Licenses and Permits	39,150	0	0	0	39,150
Fines, Forfeitures, and Penalties	84,066	0	0	24,536	108,602
Charges for Current Services	724,354	0	0	8,293	732,647
Other Local Revenues	56,294	14,660	94,586	0	165,540
Fees Received from County Officials	576,220	0	0	0	576,220
State of Tennessee	1,139,416	1,507,605	0	49,860	2,696,881
Federal Government	64,190	0	0	0	64,190
Other Governments and Citizens Groups	11,574	6,390	370,858	147	388,969
Total Revenues	\$ 6,646,553	\$ 1,917,058	\$ 1,459,633	\$ 324,454	\$ 10,347,698
Expenditures					
Current:					
General Government	\$ 659,416	\$ 0	\$ 0	\$ 0	\$ 659,416
Finance	402,140	0	0	0	402,140
Administration of Justice	503,107	0	0	0	503,107
Public Safety	2,031,216	0	0	10,509	2,041,725
Public Health and Welfare	1,048,301	0	0	305,906	1,354,207
Social, Cultural, and Recreational Services	474,193	0	0	0	474,193
Agriculture and Natural Resources	177,382	0	0	0	177,382
Other Operations	1,295,117	0	0	0	1,295,117
Highways	0	1,912,150	0	0	1,912,150
Debt Service:					
Principal on Debt	96,953	0	1,070,386	0	1,167,339
Interest on Debt	3,906	0	455,503	0	459,409
Other Debt Service	0	0	12,620	0	12,620
Capital Projects	0	0	0	200,000	200,000
Total Expenditures	\$ 6,691,731	\$ 1,912,150	\$ 1,538,509	\$ 516,415	\$ 10,658,805
Excess (Deficiency) of Revenues Over Expenditures	\$ (45,178)	\$ 4,908	\$ (78,876)	\$ (191,961)	\$ (311,107)
Other Financing Sources (Uses)					
Notes Issued	\$ 260,000	\$ 0	\$ 0	\$ 0	\$ 260,000
Capital Leases Issued	106,270	0	0	0	106,270
Other Loans Issued	0	0	0	200,000	200,000
Insurance Recovery	22,919	0	0	0	22,919
Total Other Financing Sources (Uses)	\$ 389,189	\$ 0	\$ 0	\$ 200,000	\$ 589,189
Net Change in Fund Balances	\$ 344,011	\$ 4,908	\$ (78,876)	\$ 8,039	\$ 278,082
Fund Balance, July 1, 2012	646,771	1,470,240	1,420,239	134,071	3,671,321
Fund Balance, June 30, 2013	\$ 990,782	\$ 1,475,148	\$ 1,341,363	\$ 142,110	\$ 3,949,403

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

Exhibit C-4

Crockett County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2013

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)		\$	278,082
<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	\$	280,090	
Less: current-year depreciation expense		<u>(673,899)</u>	(393,809)
<p>(2) 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, 2013	\$	1,224,450	
Less: deferred delinquent property taxes and other deferred June 30, 2012		<u>(816,637)</u>	407,813
<p>(3) The issuance of long-term debt (e.g., notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the effect of these differences in the treatment of long-term debt and related items.</p>			
Less: note proceeds	\$	(260,000)	
Less: other loan proceeds		(200,000)	
Less: capital lease proceeds		(106,270)	
Add: principal payments on notes		145,908	
Add: principal payments on other loans		83,350	
Add: principal payments on capital leases		96,953	
Add: principal payments on bonds		841,128	
Less: change in deferred amount on refunding debt		(15,119)	
Add: change in premium on debt issuances		<u>30,917</u>	616,867
<p>(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.</p>			
Change in compensated absences payable	\$	(13,163)	
Change in other postemployment benefits liability		(33,357)	
Change in judgment payable		260,623	
Change in accrued interest payable		<u>2,830</u>	<u>216,933</u>
Change in net position of governmental activities (Exhibit B)		\$	<u><u>1,125,886</u></u>

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

Exhibit C-5

Crockett County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,951,289	\$ 3,964,729	\$ 3,964,729	\$ (13,440)
Licenses and Permits	39,150	15,750	15,750	23,400
Fines, Forfeitures, and Penalties	84,066	70,325	70,325	13,741
Charges for Current Services	724,354	766,950	766,950	(42,596)
Other Local Revenues	56,294	51,600	51,600	4,694
Fees Received from County Officials	576,220	568,000	568,000	8,220
State of Tennessee	1,139,416	1,029,400	1,029,400	110,016
Federal Government	64,190	97,100	97,100	(32,910)
Other Governments and Citizens Groups	11,574	7,000	7,000	4,574
Total Revenues	\$ 6,646,553	\$ 6,570,854	\$ 6,570,854	\$ 75,699
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 14,824	\$ 15,015	\$ 15,015	\$ 191
Board of Equalization	170	420	420	250
Beer Board	125	200	200	75
County Mayor/Executive	146,332	150,331	150,331	3,999
County Attorney	840	2,000	2,000	1,160
Election Commission	124,497	130,397	132,997	8,500
Register of Deeds	89,344	90,245	90,245	901
County Buildings	283,284	279,566	311,299	28,015
<u>Finance</u>				
Accounting and Budgeting	4,944	5,600	5,600	656
Property Assessor's Office	125,495	129,536	129,536	4,041
County Trustee's Office	126,502	128,096	128,096	1,594
County Clerk's Office	145,199	148,666	148,666	3,467
<u>Administration of Justice</u>				
Circuit Court	193,556	202,557	203,107	9,551
General Sessions Judge	92,436	92,596	92,596	160
Drug Court	52,597	53,710	53,710	1,113
Chancery Court	94,256	94,612	94,612	356
Juvenile Court	62,069	65,576	65,576	3,507
Other Administration of Justice	8,193	9,000	9,000	807
<u>Public Safety</u>				
Sheriff's Department	1,021,325	999,390	1,022,119	794
Jail	865,107	861,301	911,201	46,094
Juvenile Services	458	500	500	42
Fire Prevention and Control	60,082	60,100	60,100	18
Civil Defense	59,027	65,887	65,887	6,860
Rescue Squad	11,888	10,000	11,889	1
Other Emergency Management	6,125	20,000	20,000	13,875
County Coroner/Medical Examiner	3,775	9,000	9,000	5,225
Other Public Safety	3,429	3,429	3,429	0
<u>Public Health and Welfare</u>				
Local Health Center	106,030	158,135	158,135	52,105
Rabies and Animal Control	36,285	41,181	41,181	4,896
Ambulance/Emergency Medical Services	835,115	797,327	873,597	38,482

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Maternal and Child Health Services	\$ 4,000	\$ 4,000	\$ 4,000	\$ 0
Alcohol and Drug Programs	10,165	10,165	10,165	0
Crippled Children Services	1,650	1,650	1,650	0
Other Local Health Services	2,000	2,000	2,000	0
Appropriation to State	51,900	51,900	51,900	0
Other Local Welfare Services	1,156	1,200	1,200	44
<u>Social, Cultural, and Recreational Services</u>				
Adult Activities	363,821	362,149	376,614	12,793
Libraries	101,068	94,669	102,859	1,791
Parks and Fair Boards	9,304	10,075	10,075	771
<u>Agriculture and Natural Resources</u>				
Agriculture Extension Service	59,691	60,607	60,607	916
Soil Conservation	96,441	96,942	96,942	501
Flood Control	10,717	10,717	10,717	0
Other Agriculture and Natural Resources	10,533	12,000	12,000	1,467
<u>Other Operations</u>				
Veterans' Services	16,807	12,215	17,215	408
Other Charges	531,089	516,553	534,821	3,732
Contributions to Other Agencies	42,300	42,300	42,300	0
Employee Benefits	638,961	665,000	665,050	26,089
Miscellaneous	65,960	61,050	66,165	205
<u>Principal on Debt</u>				
General Government	96,953	106,620	106,620	9,667
<u>Interest on Debt</u>				
General Government	3,906	0	3,906	0
Total Expenditures	\$ 6,691,731	\$ 6,746,185	\$ 6,986,850	\$ 295,119
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (45,178)	\$ (175,331)	\$ (415,996)	\$ 370,818
<u>Other Financing Sources (Uses)</u>				
Notes Issued	\$ 260,000	\$ 260,000	\$ 260,000	\$ 0
Capital Leases Issued	106,270	106,620	107,045	(775)
Insurance Recovery	22,919	5,000	5,000	17,919
Total Other Financing Sources	\$ 389,189	\$ 371,620	\$ 372,045	\$ 17,144
Net Change in Fund Balance	\$ 344,011	\$ 196,289	\$ (43,951)	\$ 387,962
Fund Balance, July 1, 2012	646,771	721,776	721,776	(75,005)
Fund Balance, June 30, 2013	\$ 990,782	\$ 918,065	\$ 677,825	\$ 312,957

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

Exhibit C-6

Crockett County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Highway/Public Works Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Local Taxes	\$ 388,403	\$ 0	\$ 388,403	\$ 372,519	\$ 372,519	\$ 15,884
Other Local Revenues	14,660	0	14,660	13,000	13,000	1,660
State of Tennessee	1,507,605	0	1,507,605	2,455,745	2,455,745	(948,140)
Federal Government	0	0	0	42,478	42,478	(42,478)
Other Governments and Citizens Groups	6,390	0	6,390	5,000	5,000	1,390
Total Revenues	\$ 1,917,058	\$ 0	\$ 1,917,058	\$ 2,888,742	\$ 2,888,742	\$ (971,684)
Expenditures						
<u>Highways</u>						
Administration	\$ 173,205	\$ 0	\$ 173,205	\$ 190,021	\$ 190,021	\$ 16,816
Highway and Bridge Maintenance	661,867	0	661,867	1,219,986	1,219,986	558,119
Operation and Maintenance of Equipment	378,878	0	378,878	471,957	471,957	93,079
Other Charges	118,689	0	118,689	122,395	122,395	3,706
Employee Benefits	222,012	0	222,012	258,750	258,750	36,738
Capital Outlay	357,499	34,205	391,704	1,594,985	1,594,985	1,203,281
Total Expenditures	\$ 1,912,150	\$ 34,205	\$ 1,946,355	\$ 3,858,094	\$ 3,858,094	\$ 1,911,739
Excess (Deficiency) of Revenues Over Expenditures	\$ 4,908	\$ (34,205)	\$ (29,297)	\$ (969,352)	\$ (969,352)	\$ 940,055
Net Change in Fund Balance	\$ 4,908	\$ (34,205)	\$ (29,297)	\$ (969,352)	\$ (969,352)	\$ 940,055
Fund Balance, July 1, 2012	1,470,240	0	1,470,240	1,477,234	1,477,234	(6,994)
Fund Balance, June 30, 2013	\$ 1,475,148	\$ (34,205)	\$ 1,440,943	\$ 507,882	\$ 507,882	\$ 933,061

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

Exhibit D

Crockett County, Tennessee
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 407,226
Equity in Pooled Cash and Investments	2,686
Due from Other Governments	106,757
Taxes Receivable	556,706
Allowance for Uncollectible Property Taxes	<u>(25,974)</u>
Total Assets	<u>\$ 1,047,401</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 640,175
Due to Litigants, Heirs, and Others	<u>407,226</u>
Total Liabilities	<u>\$ 1,047,401</u>

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

CROCKETT COUNTY, TENNESSEE
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CROCKETT COUNTY, TENNESSEE
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2013

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Crockett County's financial statements are presented in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments.

The following are the more significant accounting policies of Crockett County:

A. Reporting Entity

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

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

The Crockett County School Department operates the public school system in the county, and the voters of Crockett County elect its board. The School Department is fiscally dependent on the county because it may not issue debt, and its budget and property tax levy are subject to the County Commission's approval. The School Department's taxes are levied under the taxing authority of the county and are included as part of the county's total tax levy.

The Crockett County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Crockett County, and the Crockett County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Crockett County Emergency Communications District were not available from other auditors in time for inclusion in this report; however, in our opinion, this omission is not material to the component units' opinion unit.

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

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

Administrative Office:

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

B. Government-wide and Fund Financial Statements

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

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

Crockett County issues all debt for the discretely presented Crockett County School Department. Net debt issues totaling \$200,000 were contributed by the county to the School Department during the year ended June 30, 2013.

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

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

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

Fund financial statements of Crockett County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred 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, Crockett County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the county considers revenues other than grants to be available if they are collected within 30 days after year-end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met and the revenues are available. Crockett County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not

measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

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

Crockett County reports the following major governmental funds:

General Fund – This is the county’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

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

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

Additionally, Crockett County reports the following fund types:

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

Capital Projects Funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and for the receipt of debt issued by Crockett County that is subsequently contributed to the discretely presented Crockett County School Department for building construction and renovations.

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

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

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

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

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

1. Deposits and Investments

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

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

2. Receivables and Payables

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.5 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 \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded

at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25 - 50
Other Capital Assets	3 - 20
Infrastructure:	
Roads	8 - 20
Bridges	15 - 30

4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

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

5. Compensated Absences

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

There is no liability for unpaid accumulated vacation leave for employees of the discretely presented Crockett County School Department since those benefits do not vest or accumulate and must be used within the year or lost. There is also no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the government.

6. Long-term Obligations

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

In the fund financial statements, governmental funds recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized

as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Position and Fund Balance

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2013, Crockett County had \$15,028,765 in outstanding debt for capital purposes for the discretely presented Crockett County School Department. In accordance with state statutes, certain county school debt proceeds must be shared with other public school systems in the county (City of Alamo and City of Bells school systems) based on average daily attendance proration. This debt is a liability of Crockett County, but the capital assets acquired are reported in the financial statements of the School Department and the City of Alamo and the City of Bells school systems. Therefore, Crockett County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

8. Restatement

Prior to July 1, 2012, debt issuance costs were deferred and amortized over the life of the debt; however, with the implementation of GASB Statement No. 65, debt issuance costs become period costs. An adjustment to beginning net position totaling \$314,100 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Crockett County School Department

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

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

Primary Government

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

Discretely Presented Crockett County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

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

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

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

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

B. Cash Overdraft

The discretely presented School Federal Projects Fund had a cash overdraft of \$58,636 at June 30, 2013. This cash overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2013.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Principal on Debt - Education major appropriation category (the legal level of control) of the General Debt Service Fund by \$33,332.

Total expenditures and other uses of the discretely presented School Department's Central Cafeteria and School Transportation funds exceeded total appropriations approved by the County Commission by \$27,789, and \$6,828, respectively. Also, expenditures exceeded appropriations approved by the County Commission in several major appropriation categories (the legal level of control) of the General Purpose School and School Federal Projects funds, as reflected in the following table:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General Purpose School:	
Support Services - Board of Education	\$ 453
Support Services - Maintenance of Plant	8,769
Other Debt Service - Education	83,350
School Federal Projects:	
Instruction - Special Education Program	4,344
Support Services - Other Student Support	434
Support Services - Special Education Program	2,512
Support Services - Vocational Education Program	20
Transfers Out	87,698

Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balances and greater than anticipated revenues.

D. Cash Shortages

The Office of County Clerk had a theft of \$4,324 from the office on October 16, 2013. A janitorial employee at the courthouse has been indicted by the Crockett County Grand Jury for this theft, and management has taken action to recover \$3,824 of the shortage leaving an unpaid cash shortage of \$500 as of the date of this report. Details of this shortage are discussed in the Schedule of Findings and Questioned Cost section of this report.

An employee of the Crockett County Emergency Communications District, a discretely presented component unit, misappropriated at least \$88,764 from the district for the period July 1, 2009, through September 30, 2013. The district's former assistant director was indicted for this theft by the Crockett County Grand Jury. Details of this shortage are discussed in the Schedule of Findings and Questioned Cost section of this report and in a special report issued by the Comptroller's Office, which is available at www.comptroller.tn.gov.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

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

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

Investments

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

Investment Balances. As of June 30, 2013, Crockett County had the following investments carried at fair value. All investments are in the county trustee's investment pool. Separate disclosures concerning pooled investments cannot be made for Crockett County and the discretely presented Crockett County School Department since both pool their deposits and investments through the county trustee.

Investment	Weighted Average Maturity (days)	Fair Value
State Treasurer's Investment Pool	11 to 138	\$ 2,462

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the ratings of certain investments as previously explained. Crockett County has no investment policy that would further limit its investment choices. As of June 30, 2013, Crockett County's investment in the State Treasurer's Investment Pool was unrated.

B. Capital Assets

Capital assets activity for the year ended June 30, 2013, was as follows:

Primary Government

Governmental Activities:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets				
Not Depreciated:				
Land	\$ 889,130	\$ 0	\$ 0	\$ 889,130
Total Capital Assets Not Depreciated	<u>\$ 889,130</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 889,130</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 5,480,169	\$ 0	\$ 0	\$ 5,480,169
Infrastructure	1,996,835	0	0	1,996,835
Other Capital Assets	3,685,728	280,090	182,215	3,783,603
Total Capital Assets Depreciated	<u>\$ 11,162,732</u>	<u>\$ 280,090</u>	<u>\$ 182,215</u>	<u>\$ 11,260,607</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 2,817,731	\$ 178,678	\$ 0	\$ 2,996,409
Infrastructure	335,883	66,561	0	402,444
Other Capital Assets	2,694,066	428,660	182,215	2,940,511
Total Accumulated Depreciation	<u>\$ 5,847,680</u>	<u>\$ 673,899</u>	<u>\$ 182,215</u>	<u>\$ 6,339,364</u>
Total Capital Assets Depreciated, Net	<u>\$ 5,315,052</u>	<u>\$ (393,809)</u>	<u>\$ 0</u>	<u>\$ 4,921,243</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 6,204,182</u></u>	<u><u>\$ (393,809)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 5,810,373</u></u>

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

Governmental Activities:

General Government	\$ 64,805
Finance	1,800
Administration of Justice	880
Public Safety	127,607
Public Health and Welfare	196,114
Social, Cultural, and Recreational Services	27,014
Highway/Public Works	<u>255,679</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 673,899</u></u>

Discretely Presented Crockett County School Department

Governmental Activities:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 830,805	\$ 0	\$ 0	\$ 830,805
Total Capital Assets Not Depreciated	\$ 830,805	\$ 0	\$ 0	\$ 830,805
Capital Assets Depreciated:				
Buildings and Improvements	\$ 20,145,310	\$ 0	\$ 0	\$ 20,145,310
Infrastructure	497,553	0	0	497,553
Other Capital Assets	3,033,837	42,683	13,208	3,063,312
Total Capital Assets Depreciated	\$ 23,676,700	\$ 42,683	\$ 13,208	\$ 23,706,175
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 6,832,631	\$ 436,197	\$ 0	\$ 7,268,828
Infrastructure	234,905	24,878	0	259,783
Other Capital Assets	2,474,815	119,218	6,604	2,587,429
Total Accumulated Depreciation	\$ 9,542,351	\$ 580,293	\$ 6,604	\$ 10,116,040
Total Capital Assets Depreciated, Net	\$ 14,134,349	\$ (537,610)	\$ 6,604	\$ 13,590,135
Governmental Activities Capital Assets, Net	\$ 14,965,154	\$ (537,610)	\$ 6,604	\$ 14,420,940

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

Governmental Activities:

Instruction	\$ 366,575
Support Services	173,181
Operation of Non-Instructional Services	<u>40,537</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 580,293</u>

C. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2013, was as follows:

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government:		
General	Nonmajor governmental	\$ 2,988
Discretely Presented		
School Department:		
General Purpose School	Nonmajor governmental	37,535

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

Interfund Transfers:

Interfund transfers for the year ended June 30, 2013, consisted of the following amounts:

Discretely Presented Crockett County School Department

<u>Transfers Out</u>	<u>Transfers In</u>
	General Purpose School Fund
School Transportation Fund	\$ 319,846
Nonmajor governmental fund	<u>97,698</u>
Total	<u>\$ 417,544</u>

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

D. Operating Lease

On July 18, 2011, the Crockett County School Department entered into a three-year operating lease for the use and support of reading software. The terms of the lease agreement require total lease payments of \$79,500. The

expenditures for the year ended June 30, 2013, were \$26,500. The future minimum lease payment for this lease is as follows:

Year Ending June 30	Amount
2014	\$ 26,500

E. Capital Leases

On December 9, 2011, Crockett County entered into a two-year lease-purchase agreement for a Sheriff's Department vehicle. The terms of the agreement require total lease payments of \$28,423 plus interest payments of 5.5 percent. Title to the vehicle transfers to Crockett County at the end of the lease period. The lease payments are made from the General Fund.

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

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

The assets acquired through capital leases are as follows:

<u>Assets</u>	<u>Governmental Activities</u>
Machinery and Equipment	\$ 134,693
Less: Accumulated Depreciation	<u>(42,212)</u>
Total Book Value	<u>\$ 92,481</u>

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2013, were as follows:

Year Ending June 30	Governmental Funds
2014	\$ 47,541
2015	<u>37,556</u>
Total Minimum Lease Payments	\$ 85,097
Less: Amount Representing Interest	<u>(6,918)</u>
 Present Value of Minimum Lease Payments	 <u>\$ 78,179</u>

F. Long-term Obligations

Primary Government

General Obligation Bonds, Notes and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 40 years for bonds, up to 12 years for notes and up to ten years for 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, notes, and other loans included in long-term debt as of June 30, 2013, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, the other loan, and capital leases outstanding as of June 30, 2013, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-13
General Obligation Bonds	5%	1-1-19	\$ 350,000	\$ 76,322
General Obligation Bonds - Refunding	2 to 4	4-1-25	15,085,000	13,825,000
Capital Outlay Notes	0 to 2.95	6-1-24	1,444,000	1,233,175
Other Loan	0	10-1-22	2,000,000	1,916,650
Capital Leases	5.5 to 6.5	11-2-14	134,693	78,179

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

The annual requirements to amortize all general obligation bonds, notes, and the other loan outstanding as of June 30, 2013, including interest payments, are presented in the following tables:

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	\$ 946,937	\$ 427,665	\$ 1,374,602
2015	957,783	408,219	1,366,002
2016	973,672	387,680	1,361,352
2017	992,642	367,022	1,359,664
2018	1,082,701	345,140	1,427,841
2019-2023	6,147,587	1,136,768	7,284,355
2024-2025	2,800,000	151,624	2,951,624
Total	\$ 13,901,322	\$ 3,224,118	\$ 17,125,440

Year Ending June 30	Notes		
	Principal	Principal	Total
2014	\$ 168,400	\$ 7,670	\$ 176,070
2015	168,400	7,006	175,406
2016	168,400	6,343	174,743
2017	168,400	5,679	174,079
2018	160,000	5,015	165,015
2019-2023	374,575	14,676	389,251
2024	25,000	737	25,737
Total	<u>\$ 1,233,175</u>	<u>\$ 47,126</u>	<u>\$ 1,280,301</u>

Year Ending June 30	Other Loan	
	Principal	Total
2014	\$ 200,004	\$ 200,004
2015	200,004	200,004
2016	200,004	200,004
2017	200,004	200,004
2018	200,004	200,004
2019-2023	916,630	916,630
Total	<u>\$ 1,916,650</u>	<u>\$ 1,916,650</u>

There is \$1,341,363 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, other loans, and capital leases totaled \$1,174, based on the 2010 federal census.

Changes in Long-term Obligations

Long-term obligations activity for the year ended June 30, 2013, was as follows:

Governmental Activities:

	Bonds	Notes	Other Loan
Balance, July 1, 2012	\$ 14,742,450	\$ 1,119,083	\$ 1,800,000
Additions	0	260,000	200,000
Reductions	(841,128)	(145,908)	(83,350)
Balance, June 30, 2013	<u>\$ 13,901,322</u>	<u>\$ 1,233,175</u>	<u>\$ 1,916,650</u>
Balance Due Within One Year	<u>\$ 946,937</u>	<u>\$ 168,400</u>	<u>\$ 200,004</u>

	Capital Leases	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2012	\$ 68,862	\$ 60,128	\$ 157,834
Additions	106,270	34,259	36,611
Reductions	(96,953)	(21,096)	(3,254)
Balance, June 30, 2013	<u>\$ 78,179</u>	<u>\$ 73,291</u>	<u>\$ 191,191</u>
Balance Due Within One Year	<u>\$ 42,798</u>	<u>\$ 3,663</u>	<u>\$ 0</u>

	Claims and Judgments
Balance, July 1, 2012	\$ 260,623
Reductions	(260,623)
Balance, June 30, 2013	<u>\$ 0</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 17,393,808
Less: Balance Due Within One Year	(1,364,301)
Add: Unamortized Premium on Debt	<u>150,805</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 16,180,312</u>

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

Discretely Presented Crockett County School Department

Changes in Long-term Obligations

Long-term obligations activity for the discretely presented Crockett County School Department for the year ended June 30, 2013, was as follows:

Governmental Activities:

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2012	\$ 299,365
Additions	140,264
Reductions	<u>(74,174)</u>
Balance, June 30, 2013	<u>\$ 365,455</u>
Balance Due Within One Year	<u>\$ 0</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Crockett County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state’s Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2013, were \$41,322 and \$10,849, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. **OTHER INFORMATION**

A. **Risk Management**

Employee Health Insurance

Primary Government

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

Discretely Presented Crockett County School Department

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

Liability, Property, Casualty, and Workers' Compensation Insurance

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position* became effective for the year ended June 30, 2013. Crockett County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

GASB Statement No. 60 provides accounting and financial reporting guidance related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The standard establishes criteria for determining whether a SCA exists, how to account for SCAs, and requires certain disclosures associated with a SCA.

GASB Statement No. 61 amends Statements No. 14 and No. 34 and modifies certain requirements for inclusion of component units in the financial reporting entity to ensure that the reporting entity includes only organizations for which the elected officials are financially accountable or that are determined by the government to be misleading to exclude. Statement No. 61 also clarifies the criteria for blending component units and presenting business-type component units.

GASB Statement No. 62 incorporates into GASB's literature the provisions in Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' Committee on Accounting Procedure issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements. The option to use subsequent FASB guidance has been removed.

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources that were introduced and defined by Concepts Statement No. 4, *Elements of Financial Statements*. Previous financial reporting standards did not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. In addition, the previous Statement of Net Assets was renamed to a Statement of Financial Position.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassifies, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets

and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

GASB Statement No. 66 resolves conflicting guidance by removing the provision that limits fund based reporting of an entity's risk financing activities to the General Fund and the internal service fund type. Under Statement No. 66 decisions about fund type classifications are based on the nature of the activity to be reported as required by Statements No. 54 and No. 34. This statement also modifies guidance on operating lease payments, purchased loans, and servicing fees related to mortgage loans.

C. Contingent Liabilities

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

D. Changes in Administration

On August 31, 2012, Johnna Slayton left the Office of Assessor of Property and was succeeded by Walter Yearwood.

On December 31, 2012, Nancy Evans left the Office of Clerk and Master and was succeeded by James Stephenson.

E. Retirement Commitments

Plan Description

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

Benefit improvements are not applicable to a political subdivision unless approved by the chief governing body.

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

Funding Policy

Crockett County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 6.72 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ending June 30, 2013, the county's annual pension cost of \$346,311 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was five years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	\$346,311	100%	\$0
6-30-12	325,414	100	0
6-30-11	312,761	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 95.77 percent funded. The actuarial accrued liability for benefits was \$12.73 million, and the actuarial value of assets was \$12.19 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.54 million. The covered payroll (annual payroll of active employees covered by the plan) was \$3.89 million, and the ratio of the UAAL to the covered payroll was 13.82 percent.

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

SCHOOL TEACHERS

Plan Description

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

Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2013, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2013, 2012, and 2011, were \$610,466, \$610,447, and \$582,035, respectively, equal to the required contributions for each year.

F. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. Retirees' contributions vary depending on the insurance options they select. During the year ended June 30, 2013, Crockett County and the School Department contributed \$3,254 and \$74,174, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 141,000	\$ 37,000
Interest on the NOPEBO	11,975	6,313
Adjustment to the ARC	(12,711)	(6,702)
Annual OPEB cost	<u>\$ 140,264</u>	<u>\$ 36,611</u>
Less: Amount of contribution	(74,174)	(3,254)
Increase/decrease in NOPEBO	\$ 66,090	\$ 33,357
Net OPEB obligation, 7-1-12	<u>299,365</u>	<u>157,834</u>
Net OPEB obligation, 6-30-13	<u><u>\$ 365,455</u></u>	<u><u>\$ 191,191</u></u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-11	Local Education Group	\$ 105,484	74 %	\$ 231,183
6-30-12	"	139,431	51	299,365
6-30-13	"	140,264	53	365,455
6-30-11	Local Government Group	61,166	11	124,613
6-30-12	"	36,694	9	157,834
6-30-13	"	36,611	9	191,191

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2011, was as follows:

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-11	7-1-11
Actuarial accrued liability (AAL)	\$ 1,171,000	\$ 266,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 1,171,000	\$ 266,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 5,125,271	\$ 2,065,456
UAAL as a % of covered payroll	23%	13%

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, 2011, actuarial valuation for the Local Government Group and the Local Education Group plans, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.75 percent for fiscal year 2013. The trend will decrease to 8.25 percent in fiscal year 2014 and then be reduced by decrements to an ultimate rate of five percent by fiscal year 2021. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

G. Purchasing Laws

Office of County Mayor

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

Office of Road Supervisor

Purchasing procedures for the Highway Department are governed by provisions of Chapter 26, Private Acts of 1933, as amended, and the Uniform Road Law, Section 54-7-113, *TCA*. These statutes place purchasing responsibilities with the County Road Commission and require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

Crockett County, Tennessee
Schedule of Funding Progress – Pension Plan
Primary Government and Discretely Presented Crockett County School Department
June 30, 2013

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	\$ 12,189	\$ 12,727	\$ 538	95.77 %	\$ 3,894	13.82 %
7-1-09	9,912	10,754	843	92.16	3,094	27.23
7-1-07	9,580	10,474	894	91.46	3,111	28.74

Exhibit E-2

Crockett County, Tennessee
 Schedule of Funding Progress – Other Postemployment Benefits Plans
Primary Government and Discretely Presented Crockett County School Department
June 30, 2013

(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	7-1-09	\$ 0	\$ 592	\$ 592	0 %	\$ 1,759	34 %
"	7-1-10	0	619	619	0	1,856	33
"	7-1-11	0	266	266	0	2,065	13
<u>DISCRETELY PRESENTED CROCKETT COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-09	0	873	873	0	5,037	17
"	7-1-10	0	903	903	0	5,028	18
"	7-1-11	0	1,171	1,171	0	5,125	23

CROCKETT COUNTY, TENNESSEE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2013

BUDGETARY INFORMATION

In prior years, the budgetary statements for the General Fund and major special revenue funds were presented as required supplementary information in the financial statements of its external financial report. Effective for the year ended June 30, 2013, these budgetary statements are presented as part of the basic financial statements. This change in presentation was done to be consistent in the presentation of the information for both municipal and county governments in Tennessee.

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

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

Capital Projects Funds

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

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

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

Crockett County, Tennessee
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2013

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	General Capital Projects	General Capital Projects	
	\$ 0 \$	0 \$	2,988 \$	2,988 \$	0 \$	2,988
Cash	99,654	24,173	0	123,827	248	124,075
Equity in Pooled Cash and Investments	0	5,100	0	5,100	0	5,100
Accounts Receivable	27,168	0	0	27,168	0	27,168
Due from Other Governments						
Total Assets	\$ 126,822 \$	29,273 \$	2,988 \$	159,083 \$	248 \$	159,331
LIABILITIES						
Due to Other Funds	0 \$	0 \$	2,988 \$	2,988 \$	0 \$	2,988
Total Liabilities	0 \$	0 \$	2,988 \$	2,988 \$	0 \$	2,988
DEFERRED INFLOWS OF RESOURCES						
Other Deferred/Unavailable Revenue	14,233 \$	0 \$	0 \$	14,233 \$	0 \$	14,233
Total Deferred Inflows of Resources	14,233 \$	0 \$	0 \$	14,233 \$	0 \$	14,233
FUND BALANCES						
Restricted:	0 \$	29,273 \$	0 \$	29,273 \$	0 \$	29,273
Restricted for Public Safety	0	0	0	0	248	248
Restricted for Capital Projects						
Committed:	112,589	0	0	112,589	0	112,589
Committed for Public Health and Welfare	112,589	29,273	0	141,862	248	142,110
Total Fund Balances	126,822 \$	29,273 \$	2,988 \$	159,083 \$	248 \$	159,331
Total Liabilities, Deferred Inflows of Resources, and Fund Balances						

Exhibit F-2

Crockett County, Tennessee
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2013

	Special Revenue Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Total	General Capital Projects	Education Capital Projects	Total	
<u>Revenues</u>							
Local Taxes	\$ 241,618	\$ 0	\$ 241,618	\$ 0	\$ 0	\$ 241,618	\$ 241,618
Fines, Forfeitures, and Penalties	0	24,536	24,536	0	0	24,536	24,536
Charges for Current Services	8,293	0	8,293	0	0	8,293	8,293
State of Tennessee	49,860	0	49,860	0	0	49,860	49,860
Other Governments and Citizens Groups	0	0	0	147	0	147	147
Total Revenues	\$ 299,771	\$ 24,536	\$ 324,307	\$ 147	\$ 0	\$ 324,454	\$ 324,454
<u>Expenditures</u>							
Current:							
Public Safety	\$ 0	\$ 10,509	\$ 10,509	\$ 0	\$ 0	\$ 10,509	\$ 10,509
Public Health and Welfare	305,906	0	305,906	0	0	305,906	305,906
Capital Projects	0	0	0	0	200,000	200,000	200,000
Total Expenditures	\$ 305,906	\$ 10,509	\$ 316,415	\$ 0	\$ 200,000	\$ 516,415	\$ 516,415
Excess (Deficiency) of Revenues Over Expenditures	\$ (6,135)	\$ 14,027	\$ 7,892	\$ 147	\$ (200,000)	\$ (191,961)	\$ (191,961)
<u>Other Financing Sources (Uses)</u>							
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,000	\$ 200,000	\$ 200,000
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,000	\$ 200,000	\$ 200,000
Net Change in Fund Balances Fund Balance, July 1, 2012	\$ (6,135)	\$ 14,027	\$ 7,892	\$ 147	\$ 0	\$ 147	\$ 8,039
Fund Balance, July 1, 2012	118,724	15,246	133,970	101	0	101	134,071
Fund Balance, June 30, 2013	\$ 112,589	\$ 29,273	\$ 141,862	\$ 248	\$ 0	\$ 248	\$ 142,110

Exhibit F-3

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Solid Waste/Sanitation Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 241,618	\$ 192,250	\$ 192,250	\$ 49,368
Charges for Current Services	8,293	12,000	12,000	(3,707)
State of Tennessee	49,860	51,000	51,000	(1,140)
Total Revenues	<u>\$ 299,771</u>	<u>\$ 255,250</u>	<u>\$ 255,250</u>	<u>\$ 44,521</u>
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Convenience Centers	\$ 305,906	\$ 322,152	\$ 322,152	\$ 16,246
Total Expenditures	<u>\$ 305,906</u>	<u>\$ 322,152</u>	<u>\$ 322,152</u>	<u>\$ 16,246</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (6,135)</u>	<u>\$ (66,902)</u>	<u>\$ (66,902)</u>	<u>\$ 60,767</u>
Net Change in Fund Balance	\$ (6,135)	\$ (66,902)	\$ (66,902)	\$ 60,767
Fund Balance, July 1, 2012	<u>118,724</u>	<u>103,403</u>	<u>103,403</u>	<u>15,321</u>
Fund Balance, June 30, 2013	<u>\$ 112,589</u>	<u>\$ 36,501</u>	<u>\$ 36,501</u>	<u>\$ 76,088</u>

Exhibit F-4

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Drug Control Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 24,536	\$ 2,750	\$ 2,750	\$ 21,786
Total Revenues	\$ 24,536	\$ 2,750	\$ 2,750	\$ 21,786
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 10,509	\$ 16,185	\$ 16,185	\$ 5,676
Total Expenditures	\$ 10,509	\$ 16,185	\$ 16,185	\$ 5,676
Excess (Deficiency) of Revenues Over Expenditures	\$ 14,027	\$ (13,435)	\$ (13,435)	\$ 27,462
Net Change in Fund Balance	\$ 14,027	\$ (13,435)	\$ (13,435)	\$ 27,462
Fund Balance, July 1, 2012	15,246	15,246	15,246	0
Fund Balance, June 30, 2013	\$ 29,273	\$ 1,811	\$ 1,811	\$ 27,462

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
General Debt Service Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 994,189	\$ 974,235	\$ 991,735	\$ 2,454
Other Local Revenues	94,586	112,500	112,500	(17,914)
Other Governments and Citizens Groups	370,858	404,169	404,169	(33,311)
Total Revenues	\$ 1,459,633	\$ 1,490,904	\$ 1,508,404	\$ (48,771)
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 397,036	\$ 453,699	\$ 459,569	\$ 62,533
Education	673,350	650,000	640,018	(33,332)
<u>Interest on Debt</u>				
General Government	29,832	12,207	29,832	0
Education	425,671	439,183	425,671	0
<u>Other Debt Service</u>				
General Government	12,568	15,530	15,640	3,072
Education	52	800	690	638
Total Expenditures	\$ 1,538,509	\$ 1,571,419	\$ 1,571,420	\$ 32,911
Excess (Deficiency) of Revenues Over Expenditures	\$ (78,876)	\$ (80,515)	\$ (63,016)	\$ (15,860)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 17,500	\$ 0	\$ 0
Total Other Financing Sources	\$ 0	\$ 17,500	\$ 0	\$ 0
Net Change in Fund Balance	\$ (78,876)	\$ (63,015)	\$ (63,016)	\$ (15,860)
Fund Balance, July 1, 2012	1,420,239	1,420,237	1,420,237	2
Fund Balance, June 30, 2013	\$ 1,341,363	\$ 1,357,222	\$ 1,357,221	\$ (15,858)

Fiduciary Funds

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

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

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

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

Crockett County, Tennessee
Combining Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2013

	Agency Funds						Total
	Cities - Sales Tax	City School ADA - Alamo	City School ADA - Bells	City School ADA - Bells	Constitu- tional Officers - Agency		
<u>ASSETS</u>							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 407,226	\$ 407,226	\$ 407,226
Equity in Pooled Cash and Investments	0	1,618	1,068	0	0	2,686	2,686
Due from Other Governments	73,149	20,246	13,362	0	0	106,757	106,757
Taxes Receivable	0	335,607	221,099	0	0	556,706	556,706
Allowance for Uncollectible Property Taxes	0	(15,737)	(10,237)	0	0	(25,974)	(25,974)
Total Assets	\$ 73,149	\$ 341,734	\$ 225,292	\$ 407,226	\$ 1,047,401		
<u>LIABILITIES</u>							
Due to Other Taxing Units	\$ 73,149	\$ 341,734	\$ 225,292	\$ 0	\$ 640,175		
Due to Litigants, Heirs, and Others	0	0	0	407,226	407,226		
Total Liabilities	\$ 73,149	\$ 341,734	\$ 225,292	\$ 407,226	\$ 1,047,401		

Exhibit H-2

Crockett County, Tennessee
Combining Statement of Changes in Assets and Liabilities - All Agency Funds
For the Year Ended June 30, 2013

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 333,337	\$ 333,337	\$ 0
Due from Other Governments	62,325	73,149	62,325	73,149
Total Assets	\$ 62,325	\$ 406,486	\$ 395,662	\$ 73,149
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 62,325	\$ 406,486	\$ 395,662	\$ 73,149
Total Liabilities	\$ 62,325	\$ 406,486	\$ 395,662	\$ 73,149
<u>City School ADA - Alamo Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 1,451	\$ 97,360	\$ 97,193	\$ 1,618
Due from Other Governments	19,154	20,246	19,154	20,246
Taxes Receivable	343,139	335,607	343,139	335,607
Allowance for Uncollectible Taxes	(13,990)	(15,737)	(13,990)	(15,737)
Total Assets	\$ 349,754	\$ 437,476	\$ 445,496	\$ 341,734
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 349,754	\$ 437,476	\$ 445,496	\$ 341,734
Total Liabilities	\$ 349,754	\$ 437,476	\$ 445,496	\$ 341,734
<u>City School ADA - Bells Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 930	\$ 64,529	\$ 64,391	\$ 1,068
Due from Other Governments	12,190	13,362	12,190	13,362
Taxes Receivable	219,998	221,099	219,998	221,099
Allowance for Uncollectible Taxes	(8,970)	(10,237)	(8,970)	(10,237)
Total Assets	\$ 224,148	\$ 288,753	\$ 287,609	\$ 225,292
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 224,148	\$ 288,753	\$ 287,609	\$ 225,292
Total Liabilities	\$ 224,148	\$ 288,753	\$ 287,609	\$ 225,292

(Continued)

Exhibit H-2

Crockett County, Tennessee

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 835,496	\$ 2,974,536	\$ 3,402,806	\$ 407,226
Total Assets	<u>\$ 835,496</u>	<u>\$ 2,974,536</u>	<u>\$ 3,402,806</u>	<u>\$ 407,226</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 835,496	\$ 2,974,536	\$ 3,402,806	\$ 407,226
Total Liabilities	<u>\$ 835,496</u>	<u>\$ 2,974,536</u>	<u>\$ 3,402,806</u>	<u>\$ 407,226</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 835,496	\$ 2,974,536	\$ 3,402,806	\$ 407,226
Equity in Pooled Cash and Investments	2,381	495,226	494,921	2,686
Due from Other Governments	93,669	106,757	93,669	106,757
Taxes Receivable	563,137	556,706	563,137	556,706
Allowance for Uncollectible Taxes	(22,960)	(25,974)	(22,960)	(25,974)
Total Assets	<u>\$ 1,471,723</u>	<u>\$ 4,107,251</u>	<u>\$ 4,531,573</u>	<u>\$ 1,047,401</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 636,227	\$ 1,132,715	\$ 1,128,767	\$ 640,175
Due to Litigants, Heirs, and Others	835,496	2,974,536	3,402,806	407,226
Total Liabilities	<u>\$ 1,471,723</u>	<u>\$ 4,107,251</u>	<u>\$ 4,531,573</u>	<u>\$ 1,047,401</u>

Crockett County School Department

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

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

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

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

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

Exhibit I-1

Crockett County, Tennessee
 Statement of Activities
Discretely Presented Crockett County School Department
For the Year Ended June 30, 2013

Functions/Programs	Program Revenues			Charges for Services	Expenses	Net (Expense) Revenue and Changes in Net Position
	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities			
Governmental Activities:						
Instruction	\$ 8,534,226	\$ 0	\$ 1,057,258	\$ 200,000	\$ (7,276,968)	
Support Services	5,003,253	57,066	239,157	0	(4,707,030)	
Operation of Non-Instructional Services	1,664,272	224,460	1,158,938	0	(280,874)	
Other Debt Service	233,350	0	0	0	(233,350)	
Total Governmental Activities	\$ 15,435,101	\$ 281,526	\$ 2,455,353	\$ 200,000	\$ (12,498,222)	
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 1,268,479	
Local Option Sales Taxes					374,202	
Wheel Tax					131,490	
Other Local Taxes					1,105	
Grants and Contributions Not Restricted to Specific Programs					10,256,545	
Unrestricted Investment Income					8,612	
Miscellaneous					56,123	
Total General Revenues					\$ 12,096,556	
Change in Net Position					\$ (401,666)	
Net Position, July 1, 2012					15,811,422	
Net Position, June 30, 2013					\$ 15,409,756	

Exhibit I-2

Crockett County, Tennessee
Balance Sheet - Governmental Funds
Discretely Presented Crockett County School Department
June 30, 2013

	Major Funds		Nonmajor	Total
	General	School	Funds	
	Purpose	Transpor -	Other	
	School	tation	Governmental	Governmental
			Funds	Funds
ASSETS				
Equity in Pooled Cash and Investments	\$ 1,036,235	\$ 7,962	\$ 15,266	\$ 1,059,463
Accounts Receivable	16,355	78	162	16,595
Due from Other Governments	307,118	0	212,093	519,211
Due from Other Funds	37,535	0	0	37,535
Property Taxes Receivable	1,110,129	251,167	0	1,361,296
Allowance for Uncollectible Property Taxes	(51,341)	(11,651)	0	(62,992)
Total Assets	<u>\$ 2,456,031</u>	<u>\$ 247,556</u>	<u>\$ 227,521</u>	<u>\$ 2,931,108</u>
LIABILITIES				
Accounts Payable	\$ 0	\$ 0	\$ 46,683	\$ 46,683
Payroll Deductions Payable	3,636	0	101	3,737
Cash Overdraft	0	0	58,636	58,636
Contracts Payable	182,590	0	0	182,590
Due to Other Funds	0	0	37,535	37,535
Total Liabilities	<u>\$ 186,226</u>	<u>\$ 0</u>	<u>\$ 142,955</u>	<u>\$ 329,181</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Current Property Taxes	\$ 1,017,533	\$ 230,123	\$ 0	\$ 1,247,656
Deferred Delinquent Property Taxes	36,690	8,360	0	45,050
Other Deferred/Unavailable Revenue	34,870	0	0	34,870
Total Deferred Inflows of Resources	<u>\$ 1,089,093</u>	<u>\$ 238,483</u>	<u>\$ 0</u>	<u>\$ 1,327,576</u>
FUND BALANCES				
Restricted:				
Restricted for Education	\$ 17,073	\$ 0	\$ 29,236	\$ 46,309
Restricted for Instruction	1,367	0	0	1,367
Restricted for Support Services	0	9,073	0	9,073
Restricted for Operation of Non-Instructional Services	0	0	35,330	35,330
Assigned:				
Assigned for Education	0	0	20,000	20,000
Unassigned	1,162,272	0	0	1,162,272
Total Fund Balances	<u>\$ 1,180,712</u>	<u>\$ 9,073</u>	<u>\$ 84,566</u>	<u>\$ 1,274,351</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,456,031</u>	<u>\$ 247,556</u>	<u>\$ 227,521</u>	<u>\$ 2,931,108</u>

Exhibit I-3

Crockett County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Crockett County School Department
June 30, 2013

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)	\$	1,274,351
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$	830,805
Add: buildings and improvements net of accumulated depreciation		12,876,482
Add: infrastructure net of accumulated depreciation		237,770
Add: other capital assets net of accumulated depreciation		<u>475,883</u>
		14,420,940
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: other postemployment benefits liability		(365,455)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		
		<u>79,920</u>
Net position of governmental activities (Exhibit A)	\$	<u><u>15,409,756</u></u>

Exhibit I-4

Crockett County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Governmental Funds
Discretely Presented Crockett County School Department
For the Year Ended June 30, 2013

	Major Funds		Nonmajor	Total
	General Purpose School	School Transportation	Funds Other Governmental Funds	
<u>Revenues</u>				
Local Taxes	\$ 1,451,363	\$ 326,092	\$ 0	\$ 1,777,455
Licenses and Permits	956	0	0	956
Charges for Current Services	31,356	0	250,170	281,526
Other Local Revenues	112,151	0	2,612	114,763
State of Tennessee	10,276,346	0	9,464	10,285,810
Federal Government	95,841	0	2,119,938	2,215,779
Other Governments and Citizens Groups	359,324	0	0	359,324
Total Revenues	\$ 12,327,337	\$ 326,092	\$ 2,382,184	\$ 15,035,613
<u>Expenditures</u>				
Current:				
Instruction	\$ 7,095,336	\$ 0	\$ 941,371	\$ 8,036,707
Support Services	4,764,639	5,569	152,610	4,922,818
Operation of Non-Instructional Services	370,907	0	1,249,384	1,620,291
Capital Outlay	20,354	0	0	20,354
Debt Service:				
Other Debt Service	233,350	0	0	233,350
Total Expenditures	\$ 12,484,586	\$ 5,569	\$ 2,343,365	\$ 14,833,520
Excess (Deficiency) of Revenues				
Over Expenditures	\$ (157,249)	\$ 320,523	\$ 38,819	\$ 202,093
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 8,723	\$ 0	\$ 0	\$ 8,723
Transfers In	417,544	0	0	417,544
Transfers Out	0	(319,846)	(97,698)	(417,544)
Total Other Financing Sources (Uses)	\$ 426,267	\$ (319,846)	\$ (97,698)	\$ 8,723
Net Change in Fund Balances				
Fund Balance, July 1, 2012	\$ 269,018	\$ 677	\$ (58,879)	\$ 210,816
Fund Balance, July 1, 2012	911,694	8,396	143,445	1,063,535
Fund Balance, June 30, 2013	\$ 1,180,712	\$ 9,073	\$ 84,566	\$ 1,274,351

Exhibit I-5

Crockett County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Crockett County School Department
For the Year Ended June 30, 2013

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)		\$ 210,816
(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	\$ 42,683	
Less: current-year depreciation expense	<u>(580,293)</u>	(537,610)
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: loss on disposal of capital assets		(6,604)
(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 tax and other deferred June 30, 2013	\$ 79,920	
Less: deferred delinquent property tax and other deferred June 30, 2012	<u>(82,098)</u>	(2,178)
(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 other postemployment benefits liability		<u>(66,090)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (401,666)</u>

Crockett County, Tennessee
Combining Balance Sheet - Nonmajor Governmental Funds
Discretely Presented Crockett County School Department
June 30, 2013

	Special Revenue Funds		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 0	\$ 15,266	\$ 15,266
Accounts Receivable	0	162	162
Due from Other Governments	145,508	66,585	212,093
Total Assets	\$ 145,508	\$ 82,013	\$ 227,521
<u>LIABILITIES</u>			
Accounts Payable	\$ 0	\$ 46,683	\$ 46,683
Payroll Deductions Payable	101	0	101
Cash Overdraft	58,636	0	58,636
Due to Other Funds	37,535	0	37,535
Total Liabilities	\$ 96,272	\$ 46,683	\$ 142,955
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 29,236	\$ 0	\$ 29,236
Restricted for Operation of Non-Instructional Services	0	35,330	35,330
Assigned:			
Assigned for Education	20,000	0	20,000
Total Fund Balances	\$ 49,236	\$ 35,330	\$ 84,566
Total Liabilities and Fund Balances	\$ 145,508	\$ 82,013	\$ 227,521

Exhibit I-7

Crockett County, Tennessee
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances -
Nonmajor Governmental Funds
Discretely Presented Crockett County School Department
For the Year Ended June 30, 2013

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 250,170	\$ 250,170
Other Local Revenues	0	2,612	2,612
State of Tennessee	0	9,464	9,464
Federal Government	1,166,739	953,199	2,119,938
Total Revenues	<u>\$ 1,166,739</u>	<u>\$ 1,215,445</u>	<u>\$ 2,382,184</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 941,371	\$ 0	\$ 941,371
Support Services	152,610	0	152,610
Operation of Non-Instructional Services	0	1,249,384	1,249,384
Total Expenditures	<u>\$ 1,093,981</u>	<u>\$ 1,249,384</u>	<u>\$ 2,343,365</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 72,758</u>	<u>\$ (33,939)</u>	<u>\$ 38,819</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	<u>\$ (97,698)</u>	<u>\$ 0</u>	<u>\$ (97,698)</u>
Total Other Financing Sources (Uses)	<u>\$ (97,698)</u>	<u>\$ 0</u>	<u>\$ (97,698)</u>
Net Change in Fund Balances	\$ (24,940)	\$ (33,939)	\$ (58,879)
Fund Balance, July 1, 2012	<u>74,176</u>	<u>69,269</u>	<u>143,445</u>
Fund Balance, June 30, 2013	<u>\$ 49,236</u>	<u>\$ 35,330</u>	<u>\$ 84,566</u>

Exhibit I-8

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Crockett County School Department
General Purpose School Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,451,363	\$ 1,419,426	\$ 1,419,426	\$ 31,937
Licenses and Permits	956	0	0	956
Charges for Current Services	31,356	23,500	23,500	7,856
Other Local Revenues	112,151	77,550	77,550	34,601
State of Tennessee	10,276,346	10,250,657	10,302,828	(26,482)
Federal Government	95,841	136,376	136,376	(40,535)
Other Governments and Citizens Groups	359,324	170,523	170,523	188,801
Total Revenues	\$ 12,327,337	\$ 12,078,032	\$ 12,130,203	\$ 197,134
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 5,579,693	\$ 5,807,751	\$ 5,807,752	\$ 228,059
Alternative Instruction Program	101,417	77,569	107,569	6,152
Special Education Program	619,873	631,633	642,434	22,561
Vocational Education Program	753,884	791,692	791,692	37,808
Adult Education Program	40,469	55,285	55,285	14,816
<u>Support Services</u>				
Attendance	40,922	39,480	41,981	1,059
Health Services	147,193	148,207	153,207	6,014
Other Student Support	523,623	532,139	532,139	8,516
Regular Instruction Program	356,692	364,463	369,463	12,771
Special Education Program	94,720	81,580	101,314	6,594
Adult Programs	71,490	67,919	79,919	8,429
Other Programs	52,171	0	52,171	0
Board of Education	240,917	240,464	240,464	(453)
Director of Schools	209,142	209,826	212,827	3,685
Office of the Principal	960,452	995,054	995,053	34,601
Fiscal Services	135,828	141,553	141,553	5,725
Operation of Plant	938,248	1,056,632	1,056,632	118,384
Maintenance of Plant	363,730	354,962	354,961	(8,769)
Transportation	629,511	633,660	633,661	4,150
<u>Operation of Non-Instructional Services</u>				
Community Services	174,632	186,158	196,159	21,527
Early Childhood Education	196,275	214,727	214,727	18,452
<u>Capital Outlay</u>				
Regular Capital Outlay	20,354	147,000	147,000	126,646
<u>Principal on Debt</u>				
Education	0	351,000	108,500	108,500
<u>Other Debt Service</u>				
Education	233,350	0	150,000	(83,350)
Total Expenditures	\$ 12,484,586	\$ 13,128,754	\$ 13,186,463	\$ 701,877
Excess (Deficiency) of Revenues Over Expenditures	\$ (157,249)	\$ (1,050,722)	\$ (1,056,260)	\$ 899,011

(Continued)

Exhibit I-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 8,723	\$ 0	\$ 0	\$ 8,723
Transfers In	417,544	300,000	300,000	117,544
Total Other Financing Sources	<u>\$ 426,267</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 126,267</u>
Net Change in Fund Balance	\$ 269,018	\$ (750,722)	\$ (756,260)	\$ 1,025,278
Fund Balance, July 1, 2012	911,694	1,288,754	1,288,754	(377,060)
Fund Balance, June 30, 2013	<u>\$ 1,180,712</u>	<u>\$ 538,032</u>	<u>\$ 532,494</u>	<u>\$ 648,218</u>

Exhibit I-9

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Crockett County School Department
School Federal Projects Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,166,739	\$ 1,001,990	\$ 1,080,823	\$ 85,916
Total Revenues	\$ 1,166,739	\$ 1,001,990	\$ 1,080,823	\$ 85,916
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 566,558	\$ 494,275	\$ 575,508	\$ 8,950
Special Education Program	349,909	345,565	345,565	(4,344)
Vocational Education Program	24,904	25,365	25,365	461
<u>Support Services</u>				
Other Student Support	13,434	13,000	13,000	(434)
Regular Instruction Program	104,964	131,856	129,456	24,492
Special Education Program	22,380	19,868	19,868	(2,512)
Vocational Education Program	2,039	2,019	2,019	(20)
Transportation	9,793	10,762	10,762	969
Total Expenditures	\$ 1,093,981	\$ 1,042,710	\$ 1,121,543	\$ 27,562
Excess (Deficiency) of Revenues Over Expenditures	\$ 72,758	\$ (40,720)	\$ (40,720)	\$ 113,478
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (97,698)	\$ (10,000)	\$ (10,000)	\$ (87,698)
Total Other Financing Sources	\$ (97,698)	\$ (10,000)	\$ (10,000)	\$ (87,698)
Net Change in Fund Balance	\$ (24,940)	\$ (50,720)	\$ (50,720)	\$ 25,780
Fund Balance, July 1, 2012	74,176	74,176	124,897	(50,721)
Fund Balance, June 30, 2013	\$ 49,236	\$ 23,456	\$ 74,177	\$ (24,941)

Exhibit I-10

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Crockett County School Department
Central Cafeteria Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 250,170	\$ 256,258	\$ 250,004	\$ 166
Other Local Revenues	2,612	2,500	2,639	(27)
State of Tennessee	9,464	9,090	9,464	0
Federal Government	953,199	889,597	949,226	3,973
Total Revenues	<u>\$ 1,215,445</u>	<u>\$ 1,157,445</u>	<u>\$ 1,211,333</u>	<u>\$ 4,112</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,249,384	\$ 1,137,356	\$ 1,221,595	\$ (27,789)
Total Expenditures	<u>\$ 1,249,384</u>	<u>\$ 1,137,356</u>	<u>\$ 1,221,595</u>	<u>\$ (27,789)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (33,939)</u>	<u>\$ 20,089</u>	<u>\$ (10,262)</u>	<u>\$ (23,677)</u>
Net Change in Fund Balance	\$ (33,939)	\$ 20,089	\$ (10,262)	\$ (23,677)
Fund Balance, July 1, 2012	<u>69,269</u>	<u>68,681</u>	<u>68,681</u>	<u>588</u>
Fund Balance, June 30, 2013	<u>\$ 35,330</u>	<u>\$ 88,770</u>	<u>\$ 58,419</u>	<u>\$ (23,089)</u>

Exhibit I-11

Crockett County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Crockett County School Department
School Transportation Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 326,092	\$ 318,587	\$ 318,587	\$ 7,505
Total Revenues	\$ 326,092	\$ 318,587	\$ 318,587	\$ 7,505
<u>Expenditures</u>				
<u>Support Services</u>				
Board of Education	\$ 5,569	\$ 5,500	\$ 5,500	\$ (69)
Total Expenditures	\$ 5,569	\$ 5,500	\$ 5,500	\$ (69)
Excess (Deficiency) of Revenues Over Expenditures	\$ 320,523	\$ 313,087	\$ 313,087	\$ 7,436
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (319,846)	\$ (313,087)	\$ (313,087)	\$ (6,759)
Total Other Financing Sources	\$ (319,846)	\$ (313,087)	\$ (313,087)	\$ (6,759)
Net Change in Fund Balance	\$ 677	\$ 0	\$ 0	\$ 677
Fund Balance, July 1, 2012	8,396	8,101	8,101	295
Fund Balance, June 30, 2013	\$ 9,073	\$ 8,101	\$ 8,101	\$ 972

MISCELLANEOUS SCHEDULES

Exhibit J-1

Crockett County, Tennessee
Schedule of Changes in Long-term Notes, Other Loan, Capital Leases, and Bonds
For the Year Ended June 30, 2013

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-12	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-13
NOTES PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Emergency Management Building	\$ 84,000	0%	6-30-07	2-17-17	\$ 42,000	\$ 0	8,400	\$ 33,600
Adult Education Technology Center	1,100,000	0	5-27-10	4-1-20	1,077,083	0	137,508	939,575
Public Works Projects	260,000	2.95	11-20-12	6-1-24	0	260,000	0	260,000
Total Notes Payable					\$ 1,119,083	\$ 260,000	\$ 145,908	\$ 1,233,175
OTHER LOAN PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Energy Efficient Schools Initiative	2,000,000	0	2-2-12	10-1-22	\$ 1,800,000	\$ 200,000	\$ 83,350	\$ 1,916,650
Total Loan Payable					\$ 1,800,000	\$ 200,000	\$ 83,350	\$ 1,916,650
CAPITAL LEASES PAYABLE								
<u>Payable through General Fund</u>								
Sheriff's Patrol Cars	49,015	6.75	8-30-10	8-30-12	\$ 16,315	\$ 0	\$ 16,315	\$ 0
Ambulance	102,420	5.25	3-29-11	3-29-13	34,110	0	34,110	0
Sheriff Department Vehicle	28,423	5.5	12-9-11	12-9-13	18,437	0	8,972	9,465
Sheriff's Patrol Cars	75,269	6	10-24-12	10-24-14	0	75,269	26,565	48,704
Sheriff Department Vehicle	31,001	6.5	11-2-12	11-2-14	0	31,001	10,991	20,010
Total Capital Leases Payable					\$ 68,862	\$ 106,270	\$ 96,953	\$ 78,179
BONDS PAYABLE								
<u>Payable through General Debt Service Fund</u>								
Nursing Home	300,000	5	10-26-1977	1-1-17	\$ 75,470	\$ 0	\$ 14,013	\$ 61,457
Nursing Home	50,000	5	2-9-1979	1-1-19	16,980	0	2,115	14,865
General Obligation Refunding 2010 Series	11,235,000	2 to 4	5-20-10	4-1-25	10,800,000	0	110,000	10,690,000
General Obligation Refunding 2012 Series	3,850,000	2	3-1-12	4-1-17	3,850,000	0	715,000	3,135,000
Total Bonds Payable					\$ 14,742,450	\$ 0	\$ 841,128	\$ 13,901,322

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	\$ 168,400	\$ 7,670	\$ 176,070
2015	168,400	7,006	175,406
2016	168,400	6,343	174,743
2017	168,400	5,679	174,079
2018	160,000	5,015	165,015
2019	160,000	4,351	164,351
2020	139,575	3,688	143,263
2021	25,000	2,950	27,950
2022	25,000	2,212	27,212
2023	25,000	1,475	26,475
2024	25,000	737	25,737
Total	\$ 1,233,175	\$ 47,126	\$ 1,280,301

Year Ending June 30	Other Loan Payable	
	Principal	Total
2014	\$ 200,004	\$ 200,004
2015	200,004	200,004
2016	200,004	200,004
2017	200,004	200,004
2018	200,004	200,004
2019	200,004	200,004
2020	200,004	200,004
2021	200,004	200,004
2022	200,004	200,004
2023	116,614	116,614
Total	\$ 1,916,650	\$ 1,916,650

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2014	\$ 42,798	\$ 4,743	\$ 47,541
2015	35,381	2,175	37,556
Total	\$ 78,179	\$ 6,918	\$ 85,097

(Continued)

Exhibit J-2

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

Year Ending June 30	Bonds		Total
	Principal	Interest	
2014	\$ 946,937	\$ 427,665	\$ 1,374,602
2015	957,783	408,219	1,366,002
2016	973,672	387,680	1,361,352
2017	992,642	367,022	1,359,664
2018	1,082,701	345,140	1,427,841
2019	1,132,587	301,805	1,434,392
2020	1,190,000	267,775	1,457,775
2021	1,230,000	230,588	1,460,588
2022	1,275,000	190,613	1,465,613
2023	1,320,000	145,987	1,465,987
2024	1,370,000	99,787	1,469,787
2025	1,430,000	51,837	1,481,837
Total	\$ 13,901,322	\$ 3,224,118	\$ 17,125,440

Exhibit J-3

Crockett County, Tennessee
Schedule of Transfers
Discretely Presented Crockett County School Department
For the Year Ended June 30, 2013

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Federal program reimbursements	\$ 97,698
School Transportation	"	School transportation	<u>319,846</u>
Total Transfers Discretely Presented Crockett County School Department			<u>\$ 417,544</u>

Exhibit J-4

Crockett County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Crockett County School Department
For the Year Ended June 30, 2013

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 67,843	\$ 50,000	Auto Owners Insurance Company
Road Supervisor	Section 8-24-102, TCA	64,613	100,000	"
Director of Schools	State Board of Education and County Board of Education	113,379 (1)	150,000	Tennessee Risk Management Trust
Trustee	Section 8-24-102, TCA	58,739	702,000	Auto Owners Insurance Company
Assessor of Property				
Johnna Slayton (7-1-12 through 8-31-12)	Section 8-24-102, TCA	9,790	10,000	"
Walter Yearwood (9-1-12 through 6-30-13)	Section 8-24-102, TCA	48,949	50,000	"
County Clerk	Section 8-24-102, TCA	58,739	25,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	58,739	25,000	"
Clerk and Master:				
Nancy Evans (7-1-12 through 12-31-12)	Section 8-24-102, TCA	29,370	30,000	"
James Stephenson (1-1-13 through 6-30-13)	Section 8-24-102, TCA	29,369	30,000	"
Register of Deeds	Section 8-24-102, TCA	58,739	15,000	"
Sheriff	Section 8-24-102, TCA	64,613 (2)	25,000	"
Employee Bonds:				
General Fund Employees			150,000	Tennessee Risk Management Trust
Road Department Employees			150,000	"
School Department Employees			150,000	"

(1) Includes a chief executive officer training supplement of \$2,000 and a performance bonus of \$4,600.

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

Crockett County, Tennessee
 Schedule of Detailed Revenues -
 All Governmental Fund Types
 For the Year Ended June 30, 2013

	Special Revenue Funds					Debt Service Fund		Capital Projects Fund		Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	General Debt Service	Capital Projects			
							General Capital Projects	General Capital Projects		
Local Taxes										
<u>County Property Taxes</u>										
Current Property Tax	\$ 3,507,366	\$ 0	\$ 0	\$ 0	\$ 99,736	\$ 0	\$ 0	\$ 0	\$ 3,607,002	
Discount on Property Taxes	(28,478)	0	0	0	(814)	0	0	0	(29,292)	
Trustee's Collections - Prior Year	131,269	0	0	0	6,337	0	0	0	137,606	
Trustee's Collections - Bankruptcy	247	0	0	0	7	0	0	0	254	
Circuit/Clerk & Master Collections - Prior Years	95,497	0	0	0	3,781	0	0	0	99,278	
Interest and Penalty	25,714	0	0	0	982	0	0	0	26,696	
Payments in-Lieu-of Taxes - T.V.A.	96	0	0	0	7	0	0	0	103	
Payments in-Lieu-of Taxes - Other	2,376	0	0	0	0	0	0	0	2,376	
<u>County Local Option Taxes</u>										
Local Option Sales Tax	0	147,005	0	0	557,584	0	0	0	704,589	
Hotel/Motel Tax	6,792	0	0	0	0	0	0	0	6,792	
Wheel Tax	0	0	0	388,403	309,509	0	0	0	697,912	
Litigation Tax - General	47,049	0	0	0	0	0	0	0	47,049	
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	17,060	0	0	0	17,060	
Business Tax	127,382	0	0	0	0	0	0	0	127,382	
<u>Statutory Local Taxes</u>										
Bank Excise Tax	36,079	0	0	0	0	0	0	0	36,079	
Wholesale Beer Tax	0	94,277	0	0	0	0	0	0	94,277	
Interstate Telecommunications Tax	0	336	0	0	0	0	0	0	336	
Total Local Taxes	\$ 3,951,289	\$ 241,618	\$ 0	\$ 388,403	\$ 994,189	\$ 0	\$ 0	\$ 0	\$ 5,575,499	
<u>Licenses and Permits</u>										
Animal Registration	\$ 1,901	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,901	
Animal Vaccination	7,856	0	0	0	0	0	0	0	7,856	
Cable TV Franchise	7,023	0	0	0	0	0	0	0	7,023	
<u>Permits</u>										
Beer Permits	570	0	0	0	0	0	0	0	570	
Building Permits	21,800	0	0	0	0	0	0	0	21,800	
Total Licenses and Permits	\$ 39,150	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,150	
<u>Fines, Forfeitures, and Penalties</u>										
<u>Circuit Court</u>										
Fines	\$ 13,710	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,710	
Officers Costs	2,788	0	0	0	0	0	0	0	2,788	
Drug Control Fines	0	0	2,612	0	0	0	0	0	2,612	

(Continued)

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

	Special Revenue Funds					Debt Service Fund		Capital Projects Fund		Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	General Debt Service	General Capital Projects			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>										
<u>Circuit Court (Cont.)</u>										
Drug Court Fees	\$ 4,181	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,181	
Jail Fees	9,021	0	0	0	0	0	0	0	9,021	
DUI Treatment Fines	0	0	0	0	0	0	0	0	0	950
Data Entry Fee - Circuit Court	360	0	0	0	0	0	0	0	360	
Courtroom Security Fee	15	0	0	0	0	0	0	0	15	
<u>General Sessions Court</u>										
Fines	11,447	0	0	0	0	0	0	0	11,447	
Fines for Littering	24	0	0	0	0	0	0	0	24	
Officers Costs	17,299	0	0	0	0	0	0	0	17,299	
Game and Fish Fines	364	0	0	0	0	0	0	0	364	
Drug Control Fines	3,177	0	2,045	0	0	0	0	0	5,222	
Drug Court Fees	2,126	0	0	0	0	0	0	0	2,126	
Jail Fees	3,041	0	0	0	0	0	0	0	3,041	
DUI Treatment Fines	4,666	0	0	0	0	0	0	0	4,666	
Data Entry Fee - General Sessions Court	5,395	0	0	0	0	0	0	0	5,395	
Courtroom Security Fee	138	0	0	0	0	0	0	0	138	
<u>Juvenile Court</u>										
Fines	940	0	0	0	0	0	0	0	940	
Officers Costs	1,432	0	0	0	0	0	0	0	1,432	
Data Entry Fee - Juvenile Court	262	0	0	0	0	0	0	0	262	
<u>Chancery Court</u>										
Officers Costs	420	0	0	0	0	0	0	0	420	
Data Entry Fee - Chancery Court	1,396	0	0	0	0	0	0	0	1,396	
<u>Judicial District Drug Program</u>										
Courtroom Security Fee	609	0	0	0	0	0	0	0	609	
<u>Other Fines, Forfeitures, and Penalties</u>										
Proceeds from Confiscated Property	305	0	19,879	0	0	0	0	0	20,184	
Total Fines, Forfeitures, and Penalties	\$ 84,066	\$ 0	\$ 24,536	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 108,602	
<u>Charges for Current Services</u>										
<u>General Service Charges</u>										
Convenience Waste Centers Collection Charge	\$ 0	\$ 8,293	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,293	
Patient Charges	692,721	0	0	0	0	0	0	0	692,721	
<u>Fees</u>										
Library Fees	1,522	0	0	0	0	0	0	0	1,522	
Telephone Commissions	21,340	0	0	0	0	0	0	0	21,340	

(Continued)

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Fund		Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	General Capital Projects		
<u>Charges for Current Services (Cont.)</u>									
<u>Fees (Cont.)</u>									
Data Processing Fee - Register	\$ 4,604	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	4,604
Data Processing Fee - Sheriff	1,407	0	0	0	0	0	0	0	1,407
Sexual Offender Registration Fees - Sheriff	1,800	0	0	0	0	0	0	0	1,800
Data Processing Fee - County Clerk	960	0	0	0	0	0	0	0	960
Total Charges for Current Services	\$ 724,354	\$ 8,293	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 732,647
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	\$ 40	\$ 0	\$ 0	\$ 0	\$ 13,056	\$ 0	\$ 0	\$ 0	13,096
Lease/Rentals	26,772	0	0	0	81,530	0	0	0	108,302
Sale of Materials and Supplies	805	0	0	12,471	0	0	0	0	13,276
Commissary Sales	5,047	0	0	0	0	0	0	0	5,047
Miscellaneous Refunds	18,107	0	0	2,189	0	0	0	0	20,296
<u>Nonrecurring Items</u>									
Sale of Equipment	200	0	0	0	0	0	0	0	200
Sale of Property	3,898	0	0	0	0	0	0	0	3,898
Performance Bond Forfeitures	1,425	0	0	0	0	0	0	0	1,425
Total Other Local Revenues	\$ 56,294	\$ 0	\$ 0	\$ 14,660	\$ 94,586	\$ 0	\$ 0	\$ 0	\$ 165,540
<u>Fees Received from County Officials</u>									
<u>Fees in-Lieu-of Salary</u>									
County Clerk	\$ 148,845	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	148,845
Circuit Court Clerk	25,313	0	0	0	0	0	0	0	25,313
General Sessions Court Clerk	98,182	0	0	0	0	0	0	0	98,182
Clerk and Master	51,011	0	0	0	0	0	0	0	51,011
Juvenile Court Clerk	5,958	0	0	0	0	0	0	0	5,958
Register	51,464	0	0	0	0	0	0	0	51,464
Sheriff	5,312	0	0	0	0	0	0	0	5,312
Trustee	190,135	0	0	0	0	0	0	0	190,135
Total Fees Received from County Officials	\$ 576,220	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 576,220
<u>State of Tennessee</u>									
<u>General Government Grants</u>									
Juvenile Services Program	\$ 9,627	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	9,627
Aging Programs	279,529	0	0	0	0	0	0	0	279,529
Solid Waste Grants	0	2,150	0	0	0	0	0	0	2,150

(Continued)

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

	Special Revenue Funds				Debt Service Fund		Capital Projects Fund		Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects			
<u>State of Tennessee (Cont.)</u>									
<u>Public Safety Grants</u>									
Law Enforcement Training Programs	\$ 7,800	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,800
Other Public Safety Grants	6,155	0	0	0	0	0	0	0	6,155
<u>Health and Welfare Grants</u>									
Health Department Programs	85,136	0	0	0	0	0	0	0	85,136
Other Health and Welfare Grants	10,406	0	0	0	0	0	0	0	10,406
<u>Public Works Grants</u>									
State Aid Program	0	0	0	131,567	0	0	0	0	131,567
<u>Other State Revenues</u>									
Income Tax	13,224	0	0	0	0	0	0	0	13,224
Beer Tax	0	18,586	0	0	0	0	0	0	18,586
Alcoholic Beverage Tax	0	29,124	0	0	0	0	0	0	29,124
Mixed Drink Tax	1,158	0	0	0	0	0	0	0	1,158
State Revenue Sharing - T. V. A.	307,050	0	0	0	0	0	0	0	307,050
Contracted Prisoner Boarding	343,393	0	0	0	0	0	0	0	343,393
Gasoline and Motor Fuel Tax	0	0	0	1,365,513	0	0	0	0	1,365,513
Petroleum Special Tax	0	0	0	10,525	0	0	0	0	10,525
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0	15,164
Other State Grants	58,591	0	0	0	0	0	0	0	58,591
Other State Revenues	2,183	0	0	0	0	0	0	0	2,183
<u>Total State of Tennessee</u>	<u>\$ 1,139,416</u>	<u>\$ 49,860</u>	<u>\$ 0</u>	<u>\$ 1,507,605</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,696,881</u>
<u>Federal Government</u>									
<u>Federal Through State</u>									
USDA - Other	26,592	0	0	0	0	0	0	0	26,592
Community Development	3,315	0	0	0	0	0	0	0	3,315
Civil Defense Reimbursement	29,500	0	0	0	0	0	0	0	29,500
Homeland Security Grants	3,583	0	0	0	0	0	0	0	3,583
<u>Direct Federal Revenue</u>									
Other Direct Federal Revenue	1,200	0	0	0	0	0	0	0	1,200
<u>Total Federal Government</u>	<u>\$ 64,190</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 64,190</u>
<u>Other Governments and Citizens Groups</u>									
<u>Other Governments</u>									
Contributions	2,125	0	0	0	0	233,350	0	0	235,475
Contracted Services	3,789	0	0	6,390	0	0	0	0	10,179

(Continued)

Exhibit J-5

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

	Special Revenue Funds			Debt Service Fund		Capital Projects Fund		Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt Service	General Capital Projects	General Capital Projects	
Other Governments and Citizens Groups (Cont.)								
<u>Citizens Groups</u>								
Donations	\$ 3,496	\$ 0	\$ 0	\$ 0	\$ 137,508	\$ 147	\$ 141,151	
Other	2,164	0	0	0	0	0	2,164	
Total Other Governments and Citizens Groups	\$ 11,574	\$ 0	\$ 0	\$ 6,390	\$ 370,858	\$ 147	\$ 388,969	
Total	\$ 6,646,553	\$ 299,771	\$ 24,536	\$ 1,917,058	\$ 1,459,633	\$ 147	\$ 10,347,698	

Crockett County, Tennessee
Schedule of Detailed Revenues -
All Governmental Fund Types
Discretely Presented Crockett County School Department
For the Year Ended June 30, 2013

	Special Revenue Funds				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transportation	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 974,777	\$ 0	\$ 0	\$ 220,460	\$ 1,195,237
Discount on Property Taxes	(7,915)	0	0	(1,791)	(9,706)
Trustee's Collections - Prior Year	37,133	0	0	8,670	45,803
Trustee's Collections - Bankruptcy	78	0	0	19	97
Circuit/Clerk & Master Collections - Prior Years	26,831	0	0	6,067	32,898
Interest and Penalty	7,186	0	0	1,625	8,811
Payments in-Lieu-of Taxes - T.V.A.	45	0	0	10	55
<u>County Local Option Taxes</u>					
Local Option Sales Tax	371,717	0	0	0	371,717
Wheel Tax	40,458	0	0	91,032	131,490
<u>Statutory Local Taxes</u>					
Interstate Telecommunications Tax	1,053	0	0	0	1,053
Total Local Taxes	\$ 1,451,363	\$ 0	\$ 0	\$ 326,092	\$ 1,777,455
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	\$ 956	\$ 0	\$ 0	\$ 0	\$ 956
Total Licenses and Permits	\$ 956	\$ 0	\$ 0	\$ 0	\$ 956
<u>Charges for Current Services</u>					
<u>Fees</u>					
Vending Machine Collections	\$ 156	\$ 0	\$ 0	\$ 0	\$ 156
<u>Education Charges</u>					
Lunch Payments - Children	0	0	132,032	0	132,032
Lunch Payments - Adults	0	0	20,235	0	20,235
Income from Breakfast	0	0	2,991	0	2,991
A la carte Sales	0	0	69,046	0	69,046
Transportation - Other State Systems	10,572	0	0	0	10,572
Receipts from Individual Schools	20,628	0	0	0	20,628
<u>Other Charges for Services</u>					
Other Charges for Services	0	0	25,866	0	25,866
Total Charges for Current Services	\$ 31,356	\$ 0	\$ 250,170	\$ 0	\$ 281,526
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 8,363	\$ 0	\$ 249	\$ 0	\$ 8,612
Lease/Rentals	14,811	0	0	0	14,811
Refund of Telecommunication & Internet Fees (E-Rate)	42,041	0	2,363	0	44,404
Miscellaneous Refunds	35,554	0	0	0	35,554
<u>Nonrecurring Items</u>					
Sale of Equipment	5,417	0	0	0	5,417
Damages Recovered from Individuals	341	0	0	0	341
Contributions and Gifts	5,500	0	0	0	5,500
<u>Other Local Revenues</u>					
Other Local Revenues	124	0	0	0	124
Total Other Local Revenues	\$ 112,151	\$ 0	\$ 2,612	\$ 0	\$ 114,763
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-Behalf Contributions for OPEB	\$ 52,171	\$ 0	\$ 0	\$ 0	\$ 52,171
<u>State Education Funds</u>					
Basic Education Program	9,607,229	0	0	0	9,607,229
Early Childhood Education	196,275	0	0	0	196,275
School Food Service	0	0	9,464	0	9,464
Driver Education	4,623	0	0	0	4,623

(Continued)

Exhibit J-6

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

	<u>Special Revenue Funds</u>				Total
	General Purpose School	School Federal Projects	Central Cafeteria	School Transpor - tation	
<u>State of Tennessee (Cont.)</u>					
<u>State Education Funds (Cont.)</u>					
Other State Education Funds	\$ 240,941	\$ 0	\$ 0	\$ 0	\$ 240,941
Career Ladder Program	47,504	0	0	0	47,504
Career Ladder - Extended Contract	25,500	0	0	0	25,500
<u>Other State Revenues</u>					
Mixed Drink Tax	772	0	0	0	772
State Revenue Sharing - T.V.A.	50,000	0	0	0	50,000
Other State Grants	49,431	0	0	0	49,431
Other State Revenues	1,900	0	0	0	1,900
Total State of Tennessee	\$ 10,276,346	\$ 0	\$ 9,464	\$ 0	\$ 10,285,810
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0	\$ 0	\$ 580,049	\$ 0	\$ 580,049
USDA - Commodities	0	0	33,502	0	33,502
Breakfast	0	0	335,323	0	335,323
USDA - Other	0	0	4,325	0	4,325
Adult Education State Grant Program	63,526	0	0	0	63,526
Vocational Education - Basic Grants to States	0	34,799	0	0	34,799
Title I Grants to Local Education Agencies	0	432,763	0	0	432,763
Special Education - Grants to States	32,315	475,371	0	0	507,686
Special Education Preschool Grants	0	8,833	0	0	8,833
English Language Acquisition Grants	0	5,187	0	0	5,187
Rural Education	0	35,145	0	0	35,145
Eisenhower Professional Development State Grants	0	80,495	0	0	80,495
Race-to-the-Top - ARRA	0	51,117	0	0	51,117
Other Federal through State	0	43,029	0	0	43,029
Total Federal Government	\$ 95,841	\$ 1,166,739	\$ 953,199	\$ 0	\$ 2,215,779
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 200,000	\$ 0	\$ 0	\$ 0	\$ 200,000
<u>Other</u>					
Other	159,324	0	0	0	159,324
Total Other Governments and Citizens Groups	\$ 359,324	\$ 0	\$ 0	\$ 0	\$ 359,324
Total	\$ 12,327,337	\$ 1,166,739	\$ 1,215,445	\$ 326,092	\$ 15,035,613

Exhibit J-7

Crockett County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
For the Year Ended June 30, 2013

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	13,524	
Dues and Memberships		<u>1,300</u>	
Total County Commission			\$ 14,824

Board of Equalization

Board and Committee Members Fees	\$	<u>170</u>	
Total Board of Equalization			170

Beer Board

Board and Committee Members Fees	\$	<u>125</u>	
Total Beer Board			125

County Mayor/Executive

County Official/Administrative Officer	\$	67,843	
Accountants/Bookkeepers		30,855	
Secretary(ies)		20,353	
Longevity Pay		750	
Other Salaries and Wages		5,000	
Contracts with Private Agencies		6,548	
Dues and Memberships		2,000	
Postal Charges		1,310	
Printing, Stationery, and Forms		1,500	
Travel		4,572	
Office Supplies		1,012	
Other Charges		255	
Office Equipment		<u>4,334</u>	
Total County Mayor/Executive			146,332

County Attorney

County Official/Administrative Officer	\$	<u>840</u>	
Total County Attorney			840

Election Commission

County Official/Administrative Officer	\$	52,865	
Temporary Personnel		11,446	
Election Commission		1,850	
Election Workers		20,416	
Contracts with Private Agencies		8,052	
Data Processing Services		20,256	
Dues and Memberships		475	
Legal Notices, Recording, and Court Costs		3,780	
Postal Charges		1,542	
Printing, Stationery, and Forms		1,236	
Travel		819	
Office Supplies		1,386	
Office Equipment		<u>374</u>	
Total Election Commission			124,497

Register of Deeds

County Official/Administrative Officer	\$	58,739	
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(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Register of Deeds (Cont.)

Deputy(ies)	\$	23,886	
Longevity Pay		400	
Data Processing Services		3,897	
Dues and Memberships		400	
Operating Lease Payments		825	
Postal Charges		135	
Printing, Stationery, and Forms		63	
Other Contracted Services		107	
Office Supplies		892	
Total Register of Deeds			\$ 89,344

County Buildings

Custodial Personnel	\$	14,432	
Other Salaries and Wages		270	
Communication		34,155	
Maintenance and Repair Services - Buildings		112,935	
Maintenance and Repair Services - Equipment		4,594	
Pest Control		3,885	
Custodial Supplies		10,777	
Electricity		30,941	
Natural Gas		8,204	
Water and Sewer		9,892	
Building and Contents Insurance		21,529	
Other Equipment		31,670	
Total County Buildings			283,284

Finance

Accounting and Budgeting

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

Property Assessor's Office

County Official/Administrative Officer	\$	58,739	
Deputy(ies)		42,037	
Longevity Pay		450	
Contracts with Private Agencies		7,505	
Data Processing Services		8,797	
Dues and Memberships		1,300	
Legal Notices, Recording, and Court Costs		135	
Postal Charges		282	
Printing, Stationery, and Forms		95	
Travel		2,118	
Office Supplies		825	
Premiums on Corporate Surety Bonds		584	
Office Equipment		1,781	
Other Equipment		847	
Total Property Assessor's Office			125,495

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Trustee's Office

County Official/Administrative Officer	\$	58,739	
Deputy(ies)		51,355	
Longevity Pay		1,850	
Data Processing Services		4,638	
Dues and Memberships		500	
Maintenance Agreements		3,563	
Postal Charges		2,643	
Printing, Stationery, and Forms		215	
Travel		896	
Other Contracted Services		1,097	
Office Supplies		1,006	
Total County Trustee's Office			\$ 126,502

County Clerk's Office

County Official/Administrative Officer	\$	58,739	
Deputy(ies)		66,772	
Longevity Pay		1,050	
Dues and Memberships		507	
Postal Charges		3,270	
Printing, Stationery, and Forms		460	
Travel		881	
Other Contracted Services		10,062	
Office Supplies		2,259	
Office Equipment		1,199	
Total County Clerk's Office			145,199

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	58,739	
Deputy(ies)		106,730	
Longevity Pay		1,850	
Jury and Witness Expense		6,834	
Data Processing Services		8,460	
Dues and Memberships		290	
Postal Charges		1,492	
Printing, Stationery, and Forms		281	
Travel		8	
Other Contracted Services		1,995	
Office Supplies		5,980	
Other Charges		510	
Other Equipment		387	
Total Circuit Court			193,556

General Sessions Judge

Judge(s)	\$	86,316	
Dues and Memberships		500	
Travel		1,354	
Other Contracted Services		4,266	
Total General Sessions Judge			92,436

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Drug Court

Assistant(s)	\$	21,630	
Supervisor/Director		14,160	
Social Security		3,667	
Communication		2,347	
Travel		3,854	
Drug Treatment		2,994	
Office Supplies		2,499	
Office Equipment		1,446	
Total Drug Court			\$ 52,597

Chancery Court

County Official/Administrative Officer	\$	58,739	
Deputy(ies)		24,871	
Longevity Pay		250	
Dues and Memberships		477	
Maintenance Agreements		3,252	
Postal Charges		3,516	
Printing, Stationery, and Forms		421	
Other Contracted Services		1,502	
Office Supplies		828	
Office Equipment		400	
Total Chancery Court			94,256

Juvenile Court

Supervisor/Director	\$	29,312	
Probation Officer(s)		17,117	
Longevity Pay		1,400	
In-Service Training		665	
Communication		971	
Maintenance and Repair Services - Vehicles		1,056	
Travel		11	
Other Contracted Services		960	
Gasoline		2,546	
Office Supplies		363	
Other Charges		5,221	
Office Equipment		2,447	
Total Juvenile Court			62,069

Other Administration of Justice

Other Salaries and Wages	\$	7,743	
In-Service Training		450	
Total Other Administration of Justice			8,193

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	64,613	
Assistant(s)		39,091	
Deputy(ies)		451,657	
Data Processing Personnel		29,428	
Guards		24,175	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Secretary(ies)	\$	24,954	
Longevity Pay		6,250	
Other Salaries and Wages		64,998	
In-Service Training		12,505	
Communication		23,849	
Data Processing Services		2,632	
Dues and Memberships		2,670	
Evaluation and Testing		1,455	
Legal Notices, Recording, and Court Costs		204	
Maintenance and Repair Services - Buildings		5,001	
Maintenance and Repair Services - Vehicles		34,897	
Postal Charges		4,017	
Travel		7,962	
Gasoline		67,689	
Law Enforcement Supplies		7,861	
Office Supplies		9,114	
Tires and Tubes		4,861	
Uniforms		7,588	
Vehicle Parts		12,382	
Other Supplies and Materials		3,661	
Other Charges		3,395	
Law Enforcement Equipment		16,284	
Maintenance Equipment		40	
Motor Vehicles		75,747	
Office Equipment		2,379	
Other Equipment		9,966	
Total Sheriff's Department			\$ 1,021,325

Jail

Assistant(s)	\$	40,598
Dispatchers/Radio Operators		125,311
Guards		248,447
Cafeteria Personnel		19,153
Part-time Personnel		23,121
Longevity Pay		4,700
Other Salaries and Wages		46,792
In-Service Training		400
Contracts with Public Carriers		650
Data Processing Services		7,940
Evaluation and Testing		2,055
Medical and Dental Services		122,402
Travel		3,463
Custodial Supplies		13,539
Drugs and Medical Supplies		27,790
Electricity		28,649
Food Supplies		118,130
Natural Gas		10,280
Uniforms		7,303
Water and Sewer		9,000
Other Supplies and Materials		4,298

(Continued)

Exhibit J-7

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

<u>General Fund (Cont.)</u>		
<u>Public Safety (Cont.)</u>		
<u>Jail (Cont.)</u>		
Other Charges	\$ 303	
Data Processing Equipment	648	
Office Equipment	65	
Other Equipment	70	
Total Jail		\$ 865,107
<u>Juvenile Services</u>		
Other Charges	\$ 458	
Total Juvenile Services		458
<u>Fire Prevention and Control</u>		
Medical Insurance	\$ 4,082	
Contributions	56,000	
Total Fire Prevention and Control		60,082
<u>Civil Defense</u>		
Assistant(s)	\$ 12,856	
Supervisor/Director	16,802	
Other Salaries and Wages	3,470	
Communication	4,741	
Dues and Memberships	260	
Operating Lease Payments	1,020	
Maintenance and Repair Services - Equipment	650	
Maintenance and Repair Services - Vehicles	2,918	
Postal Charges	45	
Travel	2,271	
Electricity	3,536	
Gasoline	5,312	
Office Supplies	305	
Uniforms	369	
Utilities	3,342	
Other Supplies and Materials	1,130	
Total Civil Defense		59,027
<u>Rescue Squad</u>		
Contributions	\$ 10,000	
Maintenance and Repair Services - Vehicles	1,888	
Total Rescue Squad		11,888
<u>Other Emergency Management</u>		
Other Supplies and Materials	\$ 6,125	
Total Other Emergency Management		6,125
<u>County Coroner/Medical Examiner</u>		
Other Per Diem and Fees	\$ 2,000	
Contracts with Government Agencies	1,500	
Transportation - Other than Students	275	
Total County Coroner/Medical Examiner		3,775

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Public Safety

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

Public Health and Welfare

Local Health Center

Data Processing Personnel	\$ 20,940	
Social Workers	3,699	
Medical Personnel	23,027	
Secretary(ies)	21,234	
Custodial Personnel	7,740	
Longevity Pay	100	
Social Security	3,310	
State Retirement	7,142	
Unemployment Compensation	310	
Employer Medicare	925	
Communication	4,120	
Travel	707	
Custodial Supplies	639	
Drugs and Medical Supplies	1,051	
Office Supplies	1,245	
Utilities	8,779	
Other Charges	1,062	
Total Local Health Center		106,030

Rabies and Animal Control

Supervisor/Director	\$ 19,873	
Longevity Pay	1,200	
Communication	650	
Travel	4,247	
Other Contracted Services	2,183	
Other Supplies and Materials	8,132	
Total Rabies and Animal Control		36,285

Ambulance/Emergency Medical Services

Assistant(s)	\$ 38,384
Supervisor/Director	50,174
Medical Personnel	436,798
Secretary(ies)	24,632
Part-time Personnel	16,950
Longevity Pay	8,050
Other Salaries and Wages	83,431
In-Service Training	1,261
Communication	5,107
Contracts with Other Public Agencies	4,250
Contracts with Private Agencies	6,572
Dues and Memberships	690
Evaluation and Testing	180
Licenses	2,385
Maintenance and Repair Services - Vehicles	17,950
Postal Charges	857

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Travel	\$	1,307	
Other Contracted Services		11,825	
Diesel Fuel		48,902	
Drugs and Medical Supplies		29,008	
Office Supplies		2,499	
Uniforms		3,499	
Vehicle Parts		2,909	
Other Supplies and Materials		3,379	
Motor Vehicles		30,594	
Other Equipment		3,522	
Total Ambulance/Emergency Medical Services			\$ 835,115

Maternal and Child Health Services

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

Alcohol and Drug Programs

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

Crippled Children Services

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

Other Local Health Services

Contributions	\$	2,000	
Total Other Local Health Services			2,000

Appropriation to State

Contracts with Government Agencies	\$	43,900	
Contracts with Other Public Agencies		6,000	
Contributions		2,000	
Total Appropriation to State			51,900

Other Local Welfare Services

Other Charges	\$	1,156	
Total Other Local Welfare Services			1,156

Social, Cultural, and Recreational Services

Adult Activities

Assistant(s)	\$	19,425	
Supervisor/Director		34,822	
Social Workers		20,483	
Medical Personnel		132,500	
Bus Drivers		27,529	
Clerical Personnel		13,470	
Educational Assistants		16,713	
Cafeteria Personnel		15,652	
Maintenance Personnel		8,497	
Temporary Personnel		3,500	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Adult Activities (Cont.)

Part-time Personnel	\$	8,792	
Longevity Pay		3,450	
Audit Services		1,100	
Communication		5,202	
Data Processing Services		300	
Dues and Memberships		315	
Licenses		2,030	
Maintenance and Repair Services - Buildings		2,530	
Maintenance and Repair Services - Vehicles		2,370	
Postal Charges		1,317	
Travel		6,400	
Other Contracted Services		9,760	
Custodial Supplies		2,200	
Food Supplies		2,975	
Gasoline		7,478	
Instructional Supplies and Materials		782	
Office Supplies		2,348	
Utilities		7,034	
Other Supplies and Materials		1,724	
Criminal Investigation of Applicants - TBI		250	
Other Charges		863	
Office Equipment		2,010	
Total Adult Activities			\$ 363,821

Libraries

Librarians	\$	26,780	
Custodial Personnel		1,216	
Longevity Pay		400	
Other Salaries and Wages		43,698	
Communication		2,176	
Maintenance and Repair Services - Buildings		1,800	
Postal Charges		180	
Travel		472	
Data Processing Supplies		4,105	
Library Books/Media		4,461	
Office Supplies		1,762	
Utilities		8,235	
Other Supplies and Materials		851	
Other Charges		457	
Data Processing Equipment		1,287	
Office Equipment		1,978	
Other Equipment		1,210	
Total Libraries			101,068

Parks and Fair Boards

Contributions	\$	3,000	
Other Contracted Services		2,400	
Electricity		2,620	
Other Charges		1,284	
Total Parks and Fair Boards			9,304

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources

Agriculture Extension Service

County Official/Administrative Officer	\$	16,258	
Assistant(s)		13,440	
Supervisor/Director		10,910	
Clerical Personnel		8,811	
Communication		4,398	
Dues and Memberships		365	
Travel		903	
Office Supplies		883	
Maintenance Equipment		3,723	
Total Agriculture Extension Service			\$ 59,691

Soil Conservation

Supervisor/Director	\$	33,774	
Secretary(ies)		25,459	
Longevity Pay		3,800	
Other Salaries and Wages		28,408	
Other Charges		5,000	
Total Soil Conservation			96,441

Flood Control

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

Other Agriculture and Natural Resources

Part-time Personnel	\$	7,353	
Travel		722	
Other Supplies and Materials		2,458	
Total Other Agriculture and Natural Resources			10,533

Other Operations

Veterans' Services

Supervisor/Director	\$	11,615	
Travel		200	
Other Charges		4,992	
Total Veterans' Services			16,807

Other Charges

Legal Services	\$	10,000	
Liability Insurance		47,420	
Trustee's Commission		91,451	
Vehicle and Equipment Insurance		27,980	
Workers' Compensation Insurance		82,470	
Liability Claims		271,768	
Total Other Charges			531,089

Contributions to Other Agencies

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

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits

Social Security	\$	254,757	
State Retirement		196,831	
Medical Insurance		176,224	
Unemployment Compensation		11,149	
Total Employee Benefits			\$ 638,961

Miscellaneous

Contracts with Government Agencies	\$	9,500	
Evaluation and Testing		11,725	
Legal Notices, Recording, and Court Costs		2,964	
Pauper Burials		500	
Postal Charges		557	
Other Contracted Services		5,147	
Instructional Supplies and Materials		10,297	
Office Supplies		2,065	
Other Supplies and Materials		1,793	
Premiums on Corporate Surety Bonds		663	
Other Charges		16,236	
Office Equipment		622	
Other Equipment		3,891	
Total Miscellaneous			65,960

Principal on Debt

General Government

Principal on Capital Leases	\$	96,953	
Total General Government			96,953

Interest on Debt

General Government

Interest on Capital Leases	\$	3,906	
Total General Government			3,906

Total General Fund \$ 6,691,731

Solid Waste/Sanitation Fund

Public Health and Welfare

Convenience Centers

Supervisor/Director	\$	7,009	
Attendants		40,780	
Maintenance Personnel		10,300	
Other Salaries and Wages		290	
Social Security		3,930	
Communication		2,131	
Contracts with Private Agencies		225,372	
Maintenance and Repair Services - Vehicles		1,843	
Other Contracted Services		2,582	
Gasoline		4,136	
Utilities		4,060	
Trustee's Commission		3,013	
Other Charges		460	
Total Convenience Centers			\$ 305,906

Total Solid Waste/Sanitation Fund 305,906

(Continued)

Exhibit J-7

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

Drug Control Fund

Public Safety

Drug Enforcement

In-Service Training	\$	3,745	
Confidential Drug Enforcement Payments		2,000	
Maintenance and Repair Services - Vehicles		2,191	
Animal Food and Supplies		234	
Instructional Supplies and Materials		277	
Law Enforcement Supplies		1,950	
Trustee's Commission		46	
Other Charges		66	
Total Drug Enforcement			\$ 10,509

Total Drug Control Fund \$ 10,509

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	64,613	
Accountants/Bookkeepers		65,865	
Board and Committee Members Fees		14,220	
Communication		3,036	
Data Processing Services		5,230	
Dues and Memberships		2,747	
Legal Notices, Recording, and Court Costs		212	
Maintenance and Repair Services - Buildings		749	
Maintenance and Repair Services - Office Equipment		930	
Postal Charges		406	
Printing, Stationery, and Forms		99	
Travel		1,687	
Custodial Supplies		567	
Data Processing Supplies		557	
Drugs and Medical Supplies		287	
Electricity		4,918	
Natural Gas		308	
Office Supplies		1,351	
Water and Sewer		1,350	
Other Charges		4,073	
Total Administration			\$ 173,205

Highway and Bridge Maintenance

Foremen	\$	67,131	
Equipment Operators		32,553	
Truck Drivers		53,114	
Laborers		180,970	
Asphalt - Cold Mix		8,574	
Asphalt - Hot Mix		19,402	
Asphalt - Liquid		28,237	
Concrete		54	
Crushed Stone		107,190	
Fertilizer, Lime, and Seed		636	
Pipe		71,411	
Road Signs		5,962	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Wood Products	\$	84,938	
Other Supplies and Materials		<u>1,695</u>	
Total Highway and Bridge Maintenance			\$ 661,867

Operation and Maintenance of Equipment

Mechanic(s)	\$	62,488	
Laborers		61,379	
Laundry Service		2,202	
Maintenance and Repair Services - Equipment		16,742	
Diesel Fuel		139,707	
Equipment and Machinery Parts		43,700	
Garage Supplies		1,408	
Gasoline		17,876	
Lubricants		6,956	
Propane Gas		50	
Small Tools		2,823	
Tires and Tubes		23,523	
Other Supplies and Materials		<u>24</u>	
Total Operation and Maintenance of Equipment			378,878

Other Charges

Premiums on Corporate Surety Bonds	\$	100	
Trustee's Commission		17,645	
Vehicle and Equipment Insurance		40,888	
Workers' Compensation Insurance		57,681	
Other Charges		<u>2,375</u>	
Total Other Charges			118,689

Employee Benefits

Social Security	\$	37,345	
State Retirement		37,619	
Employee and Dependent Insurance		132,648	
Unemployment Compensation		5,666	
Employer Medicare		<u>8,734</u>	
Total Employee Benefits			222,012

Capital Outlay

Bridge Construction	\$	40,794	
Highway Equipment		120,000	
Maintenance Equipment		17,000	
Office Equipment		1,320	
State Aid Projects		<u>178,385</u>	
Total Capital Outlay			<u>357,499</u>

Total Highway/Public Works Fund \$ 1,912,150

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	251,128	
Principal on Notes		<u>145,908</u>	
Total General Government			\$ 397,036

(Continued)

Exhibit J-7

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

<u>General Debt Service Fund (Cont.)</u>			
<u>Principal on Debt (Cont.)</u>			
<u>Education</u>			
Principal on Bonds	\$	590,000	
Principal on Other Loans		<u>83,350</u>	
Total Education			\$ 673,350
<u>Interest on Debt</u>			
<u>General Government</u>			
Interest on Bonds	\$	25,720	
Interest on Notes		<u>4,112</u>	
Total General Government			29,832
<u>Education</u>			
Interest on Bonds	\$	425,671	
Total Education			425,671
<u>Other Debt Service</u>			
<u>General Government</u>			
Fiscal Agent Charges	\$	640	
Trustee's Commission		<u>11,928</u>	
Total General Government			12,568
<u>Education</u>			
Fiscal Agent Charges	\$	<u>52</u>	
Total Education			<u>52</u>
Total General Debt Service Fund			\$ 1,538,509
<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contributions	\$	<u>200,000</u>	
Total Education Capital Projects			\$ <u>200,000</u>
Total Education Capital Projects Fund			<u>200,000</u>
Total Governmental Funds - Primary Government			<u>\$ 10,658,805</u>

Exhibit J-8

Crockett County, Tennessee
Schedule of Detailed Expenditures -
All Governmental Fund Types
Discretely Presented Crockett County School Department
For the Year Ended June 30, 2013

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	3,963,286	
Career Ladder Program		26,200	
Career Ladder Extended Contracts		12,840	
Homebound Teachers		10,325	
Educational Assistants		108,357	
Other Salaries and Wages		40,632	
Certified Substitute Teachers		30,352	
Non-certified Substitute Teachers		75,318	
Social Security		242,283	
State Retirement		361,436	
Medical Insurance		375,409	
Unemployment Compensation		17,086	
Employer Medicare		57,438	
Maintenance and Repair Services - Equipment		22,835	
Other Contracted Services		3,213	
Instructional Supplies and Materials		101,265	
Textbooks		42,926	
Other Charges		4,427	
Regular Instruction Equipment		84,065	
Total Regular Instruction Program			\$ 5,579,693

Alternative Instruction Program

Teachers	\$	46,702	
Educational Assistants		25,459	
Social Security		3,661	
State Retirement		5,859	
Medical Insurance		18,700	
Unemployment Compensation		180	
Employer Medicare		856	
Total Alternative Instruction Program			101,417

Special Education Program

Teachers	\$	328,258	
Career Ladder Program		600	
Educational Assistants		142,523	
Other Salaries and Wages		157	
Social Security		24,217	
State Retirement		35,294	
Medical Insurance		62,331	
Unemployment Compensation		920	
Employer Medicare		6,132	
Instructional Supplies and Materials		2,313	
Other Supplies and Materials		489	
Special Education Equipment		16,639	
Total Special Education Program			619,873

Vocational Education Program

Teachers	\$	533,701	
Career Ladder Program		2,000	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Clerical Personnel	\$	12,265	
Certified Substitute Teachers		1,050	
Non-certified Substitute Teachers		14,580	
Social Security		31,344	
State Retirement		48,338	
Medical Insurance		73,348	
Unemployment Compensation		900	
Employer Medicare		7,331	
Maintenance and Repair Services - Equipment		1,219	
Instructional Supplies and Materials		23,294	
Other Supplies and Materials		4,127	
Other Charges		387	
Total Vocational Education Program			\$ 753,884

Adult Education Program

Teachers	\$	23,173	
Other Salaries and Wages		3,510	
Social Security		1,654	
State Retirement		1,286	
Unemployment Compensation		120	
Employer Medicare		387	
Travel		140	
Instructional Supplies and Materials		700	
Other Supplies and Materials		9,499	
Total Adult Education Program			40,469

Support Services

Attendance

Supervisor/Director	\$	30,318	
Social Security		1,578	
State Retirement		2,037	
Unemployment Compensation		60	
Employer Medicare		369	
Data Processing Services		4,856	
Travel		1,539	
In Service/Staff Development		165	
Total Attendance			40,922

Health Services

Medical Personnel	\$	44,100	
Other Salaries and Wages		65,342	
Social Security		6,306	
State Retirement		9,377	
Medical Insurance		9,316	
Unemployment Compensation		180	
Employer Medicare		1,475	
Travel		3,263	
Other Supplies and Materials		1,472	
Other Charges		6,362	
Total Health Services			147,193

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Guidance Personnel	\$	228,591	
Guards		2,300	
Secretary(ies)		45,060	
Other Salaries and Wages		65,096	
Social Security		20,094	
State Retirement		23,523	
Medical Insurance		20,800	
Unemployment Compensation		600	
Employer Medicare		4,733	
Evaluation and Testing		9,305	
Other Contracted Services		102,099	
Other Supplies and Materials		745	
Other Charges		677	
Total Other Student Support			\$ 523,623

Regular Instruction Program

Supervisor/Director	\$	59,995	
Career Ladder Program		1,000	
Librarians		97,735	
Other Salaries and Wages		63,885	
Social Security		12,321	
State Retirement		18,396	
Medical Insurance		34,751	
Unemployment Compensation		500	
Employer Medicare		2,881	
Travel		8,429	
Library Books/Media		37,353	
In Service/Staff Development		19,446	
Total Regular Instruction Program			356,692

Special Education Program

Supervisor/Director	\$	29,921	
Psychological Personnel		19,016	
Speech Pathologist		10,000	
Social Security		3,345	
State Retirement		5,274	
Medical Insurance		5,467	
Unemployment Compensation		17	
Employer Medicare		782	
Travel		5,247	
Other Contracted Services		15,526	
In Service/Staff Development		125	
Total Special Education Program			94,720

Adult Programs

Supervisor/Director	\$	49,874	
Other Salaries and Wages		5,943	
Social Security		3,053	
State Retirement		4,430	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs (Cont.)

Medical Insurance	\$	3,250	
Unemployment Compensation		120	
Employer Medicare		714	
Travel		137	
Other Supplies and Materials		1,504	
In Service/Staff Development		2,465	
Total Adult Programs			\$ 71,490

Other Programs

On-Behalf Payments to OPEB	\$	52,171	
Total Other Programs			52,171

Board of Education

Board and Committee Members Fees	\$	4,350	
Social Security		270	
Unemployment Compensation		40	
Employer Medicare		63	
Audit Services		4,520	
Dues and Memberships		9,196	
Travel		1,241	
Other Contracted Services		2,000	
Liability Insurance		14,557	
Premiums on Corporate Surety Bonds		112	
Trustee's Commission		44,032	
Workers' Compensation Insurance		110,244	
Refund to Applicant for Criminal Investigation		1,656	
Other Charges		48,636	
Total Board of Education			240,917

Director of Schools

County Official/Administrative Officer	\$	106,779	
Secretary(ies)		34,005	
Bonus Payments		6,600	
Social Security		8,417	
State Retirement		12,445	
Medical Insurance		16,186	
Unemployment Compensation		120	
Employer Medicare		1,969	
Communication		8,462	
Postal Charges		1,555	
Travel		4,806	
Other Contracted Services		5,345	
In Service/Staff Development		317	
Other Charges		868	
Administration Equipment		1,268	
Total Director of Schools			209,142

Office of the Principal

Principals	\$	305,067	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Career Ladder Program	\$	9,660	
Accountants/Bookkeepers		12,265	
Career Ladder Extended Contracts		6,824	
Assistant Principals		249,555	
Secretary(ies)		98,475	
Bonus Payments		14,200	
Social Security		39,668	
State Retirement		59,364	
Medical Insurance		68,796	
Unemployment Compensation		660	
Employer Medicare		9,277	
Communication		33,138	
Dues and Memberships		1,581	
Postal Charges		5,357	
Travel		4,418	
Other Contracted Services		37,351	
Office Supplies		4,796	
Total Office of the Principal			\$ 960,452

Fiscal Services

Supervisor/Director	\$	48,090	
Clerical Personnel		52,585	
Social Security		4,556	
State Retirement		5,080	
Medical Insurance		563	
Unemployment Compensation		160	
Employer Medicare		1,402	
Data Processing Services		15,669	
Travel		1,461	
Office Supplies		5,112	
Administration Equipment		1,150	
Total Fiscal Services			135,828

Operation of Plant

Custodial Personnel	\$	222,046	
Social Security		12,064	
State Retirement		12,792	
Medical Insurance		34,131	
Unemployment Compensation		650	
Employer Medicare		2,821	
Other Contracted Services		38,627	
Electricity		322,504	
Natural Gas		97,578	
Water and Sewer		27,868	
Other Supplies and Materials		60,846	
Boiler Insurance		5,658	
Building and Contents Insurance		82,955	
Other Charges		4,808	
Plant Operation Equipment		12,900	
Total Operation of Plant			938,248

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

Maintenance Personnel	\$	126,975	
Social Security		6,885	
State Retirement		8,533	
Medical Insurance		23,122	
Unemployment Compensation		250	
Employer Medicare		1,610	
Communication		2,836	
Maintenance and Repair Services - Buildings		105,783	
Maintenance and Repair Services - Equipment		46,294	
Maintenance and Repair Services - Vehicles		5,208	
Travel		251	
Other Supplies and Materials		30,385	
Other Charges		3,098	
Maintenance Equipment		2,500	
Total Maintenance of Plant			\$ 363,730

Transportation

Supervisor/Director	\$	85,998	
Mechanic(s)		38,978	
Bus Drivers		169,732	
Other Salaries and Wages		28,511	
Social Security		18,982	
State Retirement		14,165	
Medical Insurance		18,681	
Unemployment Compensation		1,300	
Employer Medicare		4,496	
Communication		571	
Maintenance and Repair Services - Vehicles		10,126	
Medical and Dental Services		3,945	
Travel		1,887	
Diesel Fuel		124,855	
Equipment and Machinery Parts		1,657	
Gasoline		23,491	
Lubricants		6,205	
Tires and Tubes		9,175	
Vehicle Parts		8,238	
Other Supplies and Materials		4,262	
Vehicle and Equipment Insurance		27,135	
Other Charges		5,838	
Transportation Equipment		21,283	
Total Transportation			629,511

Operation of Non-Instructional Services

Community Services

Supervisor/Director	\$	500	
Teachers		70,791	
Clerical Personnel		2,000	
Educational Assistants		37,547	
Other Salaries and Wages		28,760	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services (Cont.)

Community Services (Cont.)

Social Security	\$	8,258	
State Retirement		7,855	
Medical Insurance		7,207	
Unemployment Compensation		300	
Employer Medicare		1,931	
Travel		1,733	
Instructional Supplies and Materials		1,761	
Other Supplies and Materials		5,217	
Other Charges		772	
Total Community Services			\$ 174,632

Early Childhood Education

Supervisor/Director	\$	14,737	
Teachers		65,591	
Educational Assistants		32,880	
Social Security		6,139	
State Retirement		9,344	
Medical Insurance		18,424	
Unemployment Compensation		390	
Employer Medicare		1,436	
Travel		5,303	
Instructional Supplies and Materials		26,461	
Other Supplies and Materials		3,036	
Other Equipment		12,534	
Total Early Childhood Education			196,275

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	20,354	
Total Regular Capital Outlay			20,354

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	233,350	
Total Education			233,350

Total General Purpose School Fund \$ 12,484,586

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	348,713	
Educational Assistants		31,280	
Social Security		20,370	
State Retirement		26,840	
Medical Insurance		28,430	
Employer Medicare		5,136	
Instructional Supplies and Materials		19,906	
Other Supplies and Materials		500	
Regular Instruction Equipment		85,383	
Total Regular Instruction Program			\$ 566,558

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program

Teachers	\$	151,000	
Educational Assistants		96,727	
Social Security		14,617	
State Retirement		19,348	
Medical Insurance		55,068	
Employer Medicare		3,050	
Other Contracted Services		2,234	
Instructional Supplies and Materials		5,237	
Other Supplies and Materials		1,000	
Special Education Equipment		1,628	
Total Special Education Program			\$ 349,909

Vocational Education Program

Instructional Supplies and Materials	\$	4,904	
Vocational Instruction Equipment		20,000	
Total Vocational Education Program			24,904

Support Services

Other Student Support

Travel	\$	13,434	
Total Other Student Support			13,434

Regular Instruction Program

Supervisor/Director	\$	12,405	
Clerical Personnel		9,000	
Other Salaries and Wages		46,730	
Social Security		3,794	
State Retirement		5,872	
Medical Insurance		10,667	
Employer Medicare		887	
Travel		5,008	
Other Supplies and Materials		60	
In Service/Staff Development		414	
Other Equipment		10,127	
Total Regular Instruction Program			104,964

Special Education Program

Psychological Personnel	\$	12,468	
Social Security		773	
State Retirement		1,107	
Medical Insurance		1,066	
Unemployment Compensation		103	
Employer Medicare		181	
Postal Charges		337	
Travel		4,512	
Other Contracted Services		1,833	
Total Special Education Program			22,380

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

Travel	\$ 2,039	
Total Vocational Education Program		\$ 2,039

Transportation

Bus Drivers	\$ 7,832	
Social Security	486	
State Retirement	526	
Employer Medicare	114	
Diesel Fuel	835	
Total Transportation		<u>9,793</u>

Total School Federal Projects Fund		\$ 1,093,981
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Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$ 45,600	
Accountants/Bookkeepers	30,179	
Cafeteria Personnel	384,025	
Social Security	26,852	
State Retirement	26,178	
Medical Insurance	30,013	
Employer Medicare	6,280	
Communication	3,079	
Maintenance and Repair Services - Equipment	14,124	
Postal Charges	725	
Travel	6,559	
Other Contracted Services	10,206	
Food Supplies	564,011	
Office Supplies	3,056	
Uniforms	806	
USDA - Commodities	33,502	
Other Supplies and Materials	43,112	
In Service/Staff Development	1,758	
Other Charges	17,230	
Food Service Equipment	2,089	
Total Food Service		<u>\$ 1,249,384</u>

Total Central Cafeteria Fund		1,249,384
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School Transportation Fund

Support Services

Board of Education

Trustee's Commission	\$ 5,569	
Total Board of Education		<u>\$ 5,569</u>

Total School Transportation Fund		<u>5,569</u>
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Total Governmental Funds - Crockett County School Department		<u>\$ 14,833,520</u>
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Exhibit J-9

Crockett County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balances - City Agency Funds
For the Year Ended June 30, 2013

	Cities - Sales Tax Fund	City School ADA - Alamo Fund	City School ADA - Bells Fund	Total
<u>Cash Receipts</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 0	\$ 292,754	\$ 193,213	\$ 485,967
Discount on Property Taxes	0	(2,388)	(1,576)	(3,964)
Trustee's Collections - Prior Years	0	12,101	7,986	20,087
Trustee's Collections - Bankruptcy Circuit/Clerk and Master Collections - Prior Years	0	24	16	40
Interest and Penalty	0	8,087	5,344	13,431
Payments in-Lieu-of Taxes - T.V.A.	0	2,133	1,408	3,541
Local Option Sales Tax	0	13	9	22
Wheel Tax	406,486	111,755	73,755	591,996
Interstate Telecommunications Tax	0	12,175	8,055	20,230
Marriage Licenses	0	303	200	503
Mixed Drink Tax	0	287	190	477
	0	232	153	385
Total Cash Receipts	\$ 406,486	\$ 437,476	\$ 288,753	\$ 1,132,715
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 402,421	\$ 429,849	\$ 283,691	\$ 1,115,961
Trustee's Commission	4,065	7,460	4,924	16,449
Total Cash Disbursements	\$ 406,486	\$ 437,309	\$ 288,615	\$ 1,132,410
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 167	\$ 138	\$ 305
Cash Balance, July 1, 2012	0	1,451	930	2,381
Cash Balance, June 30, 2013	\$ 0	\$ 1,618	\$ 1,068	\$ 2,686

SINGLE AUDIT SECTION



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Crockett County's basic financial statements, and have issued our report thereon dated January 30, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Crockett County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Crockett County's internal control. Accordingly, we do not express an opinion on the effectiveness of Crockett County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 2013-006 and 2013-015.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2013-001, 2013-003, 2013-005, 2013-007, 2013-009(A,B), 2013-011, 2013-012, 2013-013, and 2013-014.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crockett County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2013-002, 2013-004, 2013-008, 2013-009(C), 2013-010, and 2013-016.

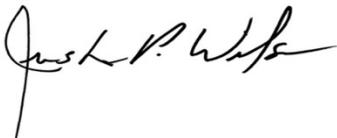
Crockett County's Response to Findings

Crockett County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Crockett County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 30, 2014

JPW/kp



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Crockett County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Crockett County's major federal programs for the year ended June 30, 2013. Crockett County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Crockett County's compliance.

Opinion on Each Major Federal Program

In our opinion, Crockett County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

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

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

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

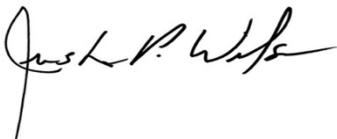
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Crockett County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Crockett County's basic financial statements. We issued our report thereon dated January 30, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

January 30, 2014

JPW/kp

Crockett County, Tennessee
Schedule of Expenditures of Federal Awards and State Grants (1)
For the Year Ended June 30, 2013

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	\$ 335,323
National School Lunch Program	10.555	N/A	580,049 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	4,325
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	33,502 (3)
Soil and Water Conservation	10.902	(2)	26,592
Total U.S. Department of Agriculture			<u>\$ 979,791</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	GG-11-34504-00	\$ 3,315
Total U.S. Department of Housing and Urban Development			<u>\$ 3,315</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	Z13GHS078	\$ 6,155
Total U.S. Department of Transportation			<u>\$ 6,155</u>
U.S. Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	30504-01213-26	\$ 1,087
Total U.S. Institute of Museum and Library Services			<u>\$ 1,087</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 63,526
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	453,587
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	503,263
Special Education - Preschool Grants	84.173	N/A	8,833
Career and Technical Education - Basic Grants to States	84.048	N/A	76,293
English Language Acquisition State Grants	84.365	N/A	5,186
Improving Teacher Quality State Grants	84.367	N/A	80,478
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	45,632
Education Jobs Fund	84.410	N/A	50,721
Total U.S. Department of Education			<u>\$ 1,287,519</u>
U.S. Department of Health and Human Services:			
Passed-through Northwest Tennessee Development District:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	(2)	\$ 279,529
Passed-through State Department of Health:			
Grants to States for Operation of Offices of Rural Health	93.913	GG1338764	46,980
Total U.S. Department of Health and Human Services			<u>\$ 326,509</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	34101-07914	\$ 29,500
Homeland Security Grant Program	97.067	(2)	3,583
Total U.S. Department of Homeland Security			\$ 33,083
Total Federal Awards			\$ 2,637,459
		<u>Contract Number</u>	
<u>State Grants</u>			
State Supplement Juvenile Court Improvement Funds - State Commission on Children and Youth	N/A	N/A	\$ 9,627
Preventive Health and Human Services - State Department of Health	N/A	GG1338764	38,156
Project Diabetes Initiative Services - State Department of Health	N/A	GG133421200	3,137
Waste Tire Option Grant - State Department of Environment and Conservation	N/A	(2)	2,150
Drug Court Grant - State Office of Criminal Justice Programs	N/A	(2)	54,367
Star Student Management System - State Department of Education	N/A	(2)	9,737
Family Resource - State Department of Education	N/A	(2)	29,586
High Schools That Work - State Department of Education	N/A	(2)	10,900
ACT/EXP - Internet Connectivity - State Department of Education	N/A	(2)	3,261
Early Childhood Education - State Department of Education	N/A	(2)	196,275
Lottery for Education: After School Programs - State Department of Education	N/A	(2)	73,966
Coordinated School Health - State Department of Education	N/A	(2)	86,213
Connect Tennessee - State Department of Education	N/A	(2)	6,103
Safe Schools - State Department of Education	N/A	(2)	21,175
Total State Grants			\$ 544,653

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) Information not available.
(3) Total for CFDA No. 10.555 is \$613,551.

Crockett County, Tennessee
Schedule of Audit Findings Not Corrected
June 30, 2013

Government Auditing Standards require auditors to report the status of uncorrected findings from prior audits. Presented below are findings from the Annual Financial Report for Crockett County, Tennessee, for the year ended June 30, 2012, which have not been corrected.

OFFICE OF COUNTY MAYOR

Finding Number	Page Number	Subject
12.02	146	A formal purchase order system had not been established

OFFICE OF DIRECTOR OF SCHOOLS

Finding Number	Page Number	Subject
12.03	146	The office had deficiencies in budget operations

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

Finding Number	Page Number	Subject
12.10	152	Duties were not segregated adequately

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

Finding Number	Page Number	Subject
12.11	152	Multiple employees operated from the same cash drawer

CROCKETT COUNTY

Finding Number	Page Number	Subject
12.12	153	Crockett County has a material recurring audit finding

CROCKETT COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Crockett County is unmodified.
2. The audit of the financial statements of Crockett County disclosed significant deficiencies in internal control. Two of these deficiencies were considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Crockett County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Title I Grants to Local Educational Agencies (CFDA No. 84.010), and the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Crockett County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

Findings and recommendations, as a result of our examination, are presented below. We reviewed these findings and recommendations with management to provide an opportunity for their response. The county clerk provided a written response to one finding, which is paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF COUNTY MAYOR

FINDING 2013-001 **A FORMAL PURCHASE ORDER SYSTEM HAD NOT BEEN ESTABLISHED**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

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

RECOMMENDATION

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

FINDING 2013-002 **EXPENDITURES EXCEEDED APPROPRIATIONS**
(Noncompliance Under *Government Auditing Standards*)

Expenditures exceeded appropriations approved by the County Commission in one of six major appropriation categories (the legal level of control) of the General Debt Service Fund: Principal on Debt - Education by \$33,332. Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.” This deficiency exists because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

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

FINDING 2013-003

ACCOUNTING RECORDS WERE NOT MAINTAINED CURRENTLY

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

Accounting records were not maintained on a current basis. Records were maintained as many as six months behind throughout the audit period. Records for the year ended June 30, 2013, were not closed and available for audit until October 29, 2013. Monthly records have not been closed since the June 30, 2013, report. Consequently, no financial statements have been presented to the county mayor and County Commission to be used as a tool for financial decisions. The failure to maintain accounting records on a current basis diminishes the usefulness of the financial records as a management tool and results in a loss of budgetary and accounting control. This deficiency can be attributed to the failure of management to take proper responsibility for the accounting records.

RECOMMENDATION

The Office of County Mayor should maintain accounting records on a current basis and provide the County Commission with financial statements each month.

FINDING 2013-004

THE AMBULANCE SERVICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES

(Noncompliance Under *Government Auditing Standards*)

System backups were stored off-site monthly instead of weekly. Section 10-7-121, *Tennessee Code Annotated*, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system be copied to storage media daily, and media more than one week old be stored at an off-site location. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process.

RECOMMENDATION

Backups should be rotated off-site on a weekly basis. Some possibilities for an off-site storage location would be another county office building with a fireproof vault or a safe-deposit box at a local bank.

FINDING 2013-005

THE AMBULANCE SERVICE DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES

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

The Ambulance Service did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Sound business practices dictate that proper controls be implemented. Without these controls, unauthorized system activity could occur. This deficiency was corrected after it was brought to management's attention in February 2013.

RECOMMENDATION

Management should continue to ensure that adequate controls over its information systems and the resources associated with those systems are implemented.

OFFICE OF ROAD SUPERVISOR

FINDING 2013-006

THE HIGHWAY/PUBLIC WORKS FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION

(Internal Control – Material Weakness Under *Government Auditing Standards*)

At June 30, 2013, certain general ledger account balances in the Highway/Public Works Fund were not materially correct, and audit adjustments totaling \$452,597 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the Highway Department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the department's financial reporting system did not prevent, detect or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

The Highway Department should have appropriate processes in place to ensure that its general ledgers are materially correct.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2013-007

THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT OF \$58,636 AT JUNE 30, 2013

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

The School Federal Projects Fund had a cash overdraft of \$58,636 at June 30, 2013. This overdraft resulted from the issuance of warrants exceeding cash on deposit with the county trustee. Sound business practices dictate that expenditures be held within available funds. The cash overdraft was liquidated subsequent to June 30, 2013.

RECOMMENDATION

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

FINDING 2013-008

EXPENDITURES EXCEEDED APPROPRIATIONS

(Noncompliance Under *Government Auditing Standards*)

We noted the following deficiencies in the budget operations of the office:

- A. Total expenditures and other uses of the Central Cafeteria and School Transportation funds exceeded total appropriations approved by the County Commission by \$27,789, and \$6,828, respectively.
- B. Expenditures exceeded appropriations approved by the County Commission in three of 24 major appropriation categories (the legal level of control) of the General Purpose School Fund and in five of nine major appropriation categories of the School Federal Projects Fund. These amounts are reflected in the following table:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General Purpose School:	
Support Services - Board of Education	\$ 453
Support Services - Maintenance of Plant	8,769
Other Debt Service - Education	83,350
School Federal Projects:	
Instruction - Special Education Program	4,344
Support Services - Other Student Support	434
Support Services - Special Education Program	2,512
Support Services - Vocational Education Program	20
Transfers Out	87,698

- C. Salaries exceeded appropriations in five of the 77 salary line-items of the General Purpose School, School Federal Projects and Central Cafeteria funds by amounts ranging from \$157 to \$31,142. The budget resolution approved by the County Commission states that the salary, wages, or enumeration of each official, employee, or agent of the county will not exceed appropriations that accompany this resolution. Therefore, the salaries that exceeded line-item appropriations were expenditures not approved by the County Commission.

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.” These deficiencies exist because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures, and management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

FINDING 2013-009

THE OFFICE HAD DEFICIENCIES IN PURCHASING PROCEDURES

(A. and B. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; C. – Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 55 disbursements totaling \$143,153 from a population of nearly 3,000 vendor checks totaling \$8,689,097. Our examination revealed the following deficiencies, which are the result of a lack of management oversight.

- A. Our sample revealed that purchase orders were not issued in two of 55 applicable purchases. Purchase orders are necessary to control who has purchasing authority for the county and to document purchase commitments. The failure to issue purchase orders increases the risks of unauthorized purchases.
- B. In six of 55 applicable instances, purchase orders were issued after the purchases were made. This practice defeats the purpose of the purchase order and makes it an approval of payment rather than approval of the purchase.
- C. Our sample revealed that one of three applicable purchases was not competitively bid. Competitive bids were not solicited for the purchase of classroom desks (\$11,080). Section 49-2-203, *Tennessee Code Annotated*, requires competitive bids to be solicited through public advertisement for purchases exceeding \$10,000. We were unable to determine if the county

received the most competitive price for these desks. The failure to solicit competitive bids could result in the department paying more than the most competitive price.

RECOMMENDATION

The School Department should issue purchase orders for all applicable purchases before purchases are made to strengthen internal controls over purchasing procedures and to document purchasing commitments. Purchases exceeding \$10,000 should be competitively bid as required by state statute.

OFFICE OF COUNTY CLERK

FINDING 2013-010

CASH AND CHECKS TOTALING \$4,324 WERE STOLEN FROM THE OFFICE

(Noncompliance Under *Government Auditing Standards*)

On October 16, 2013, the county clerk discovered that cash and checks totaling \$4,324 were missing from the office. As a result, on October 18, 2013, our office was informed of this cash shortage and a Fraud Reporting Form was filed. On December 16, 2013, a janitorial employee at the county courthouse was indicted by the Crockett County Grand Jury for the theft of these funds.

The following internal control deficiencies provided opportunity for these funds to be misappropriated:

- A. Monies held for deposit were placed in a cabinet that was left unlocked during the day and overnight in the clerk's office. The office door was locked at night; however, all employees had a key to the office.
- B. Numerous other individuals, as well as county employees, had access to the area where the unlocked cabinet was located.

The county has recovered \$3,824 of the cash shortage. The actual missing checks (\$1,998.75) that were stolen were not located. However, the county clerk recovered this amount by contacting individual payors and having them reissue their checks to the county. In addition, the county's bonding company made a payment of \$1,825.25 to the county to cover the missing cash (\$2,325.25) less a \$500 deductible. The remaining \$500 cash shortage is unpaid.

RECOMMENDATION

Officials should seek restitution for the remaining \$500 cash shortage. Management should review its internal control procedures related to security and maintenance of office collections. Cash should not be left in an unlocked cabinet or in an area accessible to the general public.

MANAGEMENT'S RESPONSE – COUNTY CLERK

The deposits had been kept in a file cabinet with a broken lock in the back office. I have now installed a latch with a lock on the cabinet.

OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 2013-011

THE OFFICE DID NOT IMPLEMENT ADEQUATE CONTROLS TO PROTECT ITS INFORMATION RESOURCES

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

The office did not implement adequate controls to protect its information resources. This finding does not identify specific vulnerabilities that could allow someone to exploit the office's information system or misuse county funds. Disclosing those vulnerabilities could present a potential security risk by providing the readers with information that might be confidential pursuant to Section 10-7-504(i), *Tennessee Code Annotated*. Sound business practices dictate that proper controls be implemented. Without these controls, unauthorized system activity could occur.

RECOMMENDATION

The office should ensure that adequate controls over its information systems and the resources associated with those systems are implemented.

OFFICE OF REGISTER OF DEEDS

FINDING 2013-012

USERS PROCESSED TRANSACTIONS UTILIZING THE SAME USERNAME

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

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

RECOMMENDATION

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

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

FINDING 2013-013

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

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

RECOMMENDATION

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

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

FINDING 2013-014

MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER

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

Multiple employees operated from the same cash drawer in the Offices of General Sessions and Juvenile Courts Clerk, Clerk and Master, and Register of Deeds. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but the beginning amount at the end of the day. This amount should be verified to the employee’s receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be

detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision by the officials resulting in a loss of control over assets. Also, this deficiency is the result of the failure of management to correct the finding noted in the prior-year audit report.

RECOMMENDATION

Officials should assign each employee their own cash drawer.

CROCKETT COUNTY

FINDING 2013-015

**CROCKETT COUNTY HAS A MATERIAL RECURRING
AUDIT FINDING**

(Internal Control – Material Weakness Under *Government Auditing Standards*)

Crockett County has a material audit finding that has been reported in its Annual Financial Reports for three or more consecutive years. This recurring material finding is listed below:

<u>Finding Numbers</u>	<u>Description</u>
2013-006, 12.01, 11.01	Several funds required material audit adjustments for proper financial statement presentation

The recurring nature of the above-noted finding indicates that management is either unwilling or unable to address the deficiency. Crockett County has established an Audit Committee to address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.

RECOMMENDATION

Crockett County should work with its Audit Committee to correct the above-noted material weakness in internal control.

CROCKETT COUNTY EMERGENCY COMMUNICATIONS DISTRICT

FINDING 2013-016

A FORMER EMPLOYEE MISAPPROPRIATED AT LEAST \$88,764 FROM THE DISTRICT

(Noncompliance Under *Government Auditing Standards*)

On December 19, 2013, our office issued a special report on the Crockett County Emergency Communications District for the period July 1, 2009, through September 30, 2013. This report disclosed that a former assistant director misappropriated at least \$88,764 from the district by issuing unauthorized payroll checks and retaining the proceeds for her personal benefit. This report is available at www.comptroller.tn.gov. The former assistant director was indicted by the Crockett County Grand Jury on December 16, 2013, for theft over \$60,000, forgery, and official misconduct.

BEST PRACTICE

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

Crockett County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. The Division of Local Government Audit strongly believes that the adoption of a central system of accounting, budgeting, and purchasing is a best practice that would significantly improve accountability and the quality of services provided to the citizens of Crockett County. Therefore, we recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

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

There were no findings and questioned costs for federal awards.

CROCKETT COUNTY, TENNESSEE
AUDITEE REPORTING RESPONSIBILITIES
For the Year Ended June 30, 2013

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