



**ANNUAL FINANCIAL REPORT
TIPTON COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2013



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FOR THE YEAR ENDED JUNE 30, 2013**

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

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

TIPTON COUNTY, TENNESSEE

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

Scope

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

Results

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

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

Findings and Best Practice

The following is a summary of the audit findings and best practice:

OFFICE OF COUNTY EXECUTIVE

- ◆ Purchase orders were not always issued.
-

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The office had deficiencies in budget operations.
-

BEST PRACTICE

Tipton 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 Tipton County.

INTRODUCTORY SECTION

Tipton County Officials

June 30, 2013

Officials

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

Board of County Commissioners

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

Board of Education

Marty Burlison, Chairman	Kay Scott
Alvis Ferrell	Phillip Grant Shipley, Jr.
Chris Fisher	Thomas Taylor
Marty Haywood	Farrel Vincent
Richard Ellis Joyner	

Audit Committee

Arnold McIntyre, Chairman
Quincy Barlow
Robert Wilson

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

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

To the County Executive and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tipton County, Tennessee, as of and for the year ended June 30, 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 Tipton County, Tennessee, as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparison for the General and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

We draw attention to Note I.D.8 in the financial statements, which describes a restatement to the beginning balances of the primary government's and the discretely presented Tipton County School Department's governmental activities net positions totaling \$3,993,049 and \$36,384, respectively. These restatements were necessary because in prior years primary government capital assets had been omitted and discretely presented School Department capital assets had been incorrectly added.

As described in Note V.B., Tipton County has adopted the 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*, which became effective for the year ended June 30, 2013. Tipton 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 schedule of funding progress – pension plan and other postemployment benefit plans on pages 65-67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

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

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

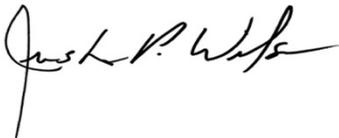
in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2013, on our consideration of Tipton County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tipton County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 27, 2013

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government <u>Governmental</u> <u>Activities</u>	Component Unit <u>Tipton</u> <u>County</u> <u>School</u> <u>Department</u>
<u>ASSETS</u>		
Cash	\$ 31,630	\$ 0
Equity in Pooled Cash and Investments	26,239,168	15,734,484
Accounts Receivable	80,238	0
Due from Other Governments	1,461,466	850,369
Due from Component Units	159,163	0
Property Taxes Receivable	12,700,743	11,461,647
Allowance for Uncollectible Property Taxes	(470,645)	(424,729)
Accrued Interest Receivable	45,995	0
Capital Assets Not Depreciated:		
Land	2,228,266	3,596,156
Construction in Progress	0	28,250
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	2,315,198	29,944,625
Infrastructure	7,724,922	88,450
Other Capital Assets	2,547,076	4,039,344
Total Assets	<u>\$ 55,063,220</u>	<u>\$ 65,318,596</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 380	\$ 74,492
Payroll Deductions Payable	198,794	2,483,462
Contracts Payable	69,704	0
Accrued Interest Payable	57,014	0
Due to Primary Government	0	4,500
Due to State of Tennessee	2,217	0
Noncurrent Liabilities:		
Due Within One Year	4,376,078	263,720
Due in More Than One Year	31,249,391	4,000,504
Total Liabilities	<u>\$ 35,953,578</u>	<u>\$ 6,826,678</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	<u>\$ 11,861,533</u>	<u>\$ 10,704,311</u>
Total Deferred Inflows of Resources	<u>\$ 11,861,533</u>	<u>\$ 10,704,311</u>

(Continued)

Exhibit A

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

	Primary Government <u>Governmental Activities</u>	<u>Component Unit</u> Tipton County School Department
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 12,220,462	\$ 37,696,825
Restricted for:		
General Government	18,898	0
Administration of Justice	190,851	0
Public Safety	175,367	0
Other Operations	87,290	0
Highway/Public Works	2,577,008	0
Debt Service	9,357,799	0
Capital Projects	1,962,371	1,301,749
Education	0	539,528
Operation of Non-Instructional Services	0	2,089,856
Unrestricted	<u>(19,341,937)</u>	<u>6,159,649</u>
Total Net Position	<u>\$ 7,248,109</u>	<u>\$ 47,787,607</u>

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

Exhibit B

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government		
				Capital Grants and Contributions	Governmental Activities	
				Component Unit	Tipton County School Department	
Primary Government:						
Governmental Activities:						
General Government	\$ 2,614,244	\$ 399,604	\$ 15,164	\$ 0	\$ (2,199,476)	\$ 0
Finance	1,336,762	1,233,953	750	0	(102,059)	0
Administration of Justice	1,652,570	1,250,325	21,608	0	(380,637)	0
Public Safety	7,938,716	652,777	122,013	232,676	(6,931,250)	0
Public Health and Welfare	1,858,469	425,820	356,778	0	(1,075,871)	0
Social, Cultural, and Recreational Services	3,320,022	26,426	85,000	0	(3,208,596)	0
Agriculture and Natural Resources	174,439	0	0	0	(174,439)	0
Other Operations	788,530	15,254	0	167,140	(606,136)	0
Highways/Public Works	6,391,284	2,424	1,941,362	2,620,329	(1,827,169)	0
Interest on Long-term Debt	330,708	0	0	0	(330,708)	0
Other Debt Service	229,360	0	600,000	0	370,640	0
Total Primary Government	\$ 26,635,104	\$ 4,006,583	\$ 3,142,675	\$ 3,020,145	\$ (16,465,701)	\$ 0
Component Unit:						
Tipton County School Department	\$ 94,309,011	\$ 2,731,724	\$ 11,106,642	\$ 72,428	\$ 0	\$ (80,398,217)
Total Component Unit	\$ 94,309,011	\$ 2,731,724	\$ 11,106,642	\$ 72,428	\$ 0	\$ (80,398,217)

(Continued)

Exhibit B

Tipton County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
				Government Total	Tipton County School Department
	Expenses	Contributions	Governmental Activities		
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes			\$ 8,674,865	\$	10,944,546
Property Taxes Levied for Debt Service			3,452,869		0
Local Option Sales Taxes			407,508		4,079,883
Wheel Tax			3,200,644		0
Litigation Tax			214,848		0
Business Tax			200,011		181,794
Wholesale Beer Tax			162,863		0
Other Local Taxes			93,426		1,332
Grants and Contributions Not Restricted to Specific Programs			1,594,330		61,091,398
Unrestricted Investment Income			336,601		0
Miscellaneous			150,950		117,712
Total General Revenues			\$ 18,488,915	\$	76,416,665
Change in Net Position			\$ 2,023,214	\$	(3,981,552)
Net Position, July 1, 2012			1,371,237		51,805,543
Accounting Change - See Note V.B.			(139,391)		0
Prior-period Adjustment			3,993,049		(36,384)
Net Position, June 30, 2013			\$ 7,248,109	\$	47,787,607

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

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds		
ASSETS							
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 31,630	\$ 31,630	\$ 31,630
Equity in Pooled Cash and Investments	10,438,445	1,768,674	10,090,353	1,962,371	1,979,325	26,239,168	26,239,168
Accounts Receivable	37,001	52	0	0	43,185	80,238	80,238
Due from Other Governments	310,550	1,147,507	3,409	0	0	1,461,466	1,461,466
Due from Other Funds	67,510	0	0	0	0	67,510	67,510
Due from Component Units	4,500	154,663	0	0	0	159,163	159,163
Property Taxes Receivable	8,363,905	722,806	3,614,032	0	0	12,700,743	12,700,743
Allowance for Uncollectible Property Taxes	(309,937)	(26,785)	(133,923)	0	0	(470,645)	(470,645)
Accrued Interest Receivable	0	0	45,995	0	0	45,995	45,995
Total Assets	\$ 18,911,974	\$ 3,766,917	\$ 13,619,866	\$ 1,962,371	\$ 2,054,140	\$ 40,315,268	\$ 40,315,268

LIABILITIES

Accounts Payable	\$ 380	\$ 0	\$ 0	\$ 0	\$ 0	\$ 380	\$ 380
Payroll Deductions Payable	149,796	43,471	0	0	5,627	198,794	198,794
Contracts Payable	0	69,704	0	0	0	69,704	69,704
Due to Other Funds	0	0	0	0	67,510	67,510	67,510
Due to State of Tennessee	2,217	0	0	0	2,217	2,217	2,217
Accrued Interest Payable	0	0	2,404	0	0	2,404	2,404
Total Liabilities	\$ 152,393	\$ 113,175	\$ 2,404	\$ 0	\$ 73,037	\$ 341,009	\$ 341,009

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	\$ 7,811,254	\$ 675,046	\$ 3,375,233	\$ 0	\$ 0	\$ 11,861,533	\$ 11,861,533
Deferred Delinquent Property Taxes	188,904	16,445	81,151	0	0	286,500	286,500
Other Deferred/Unavailable Revenue	76,395	158,673	0	0	0	235,068	235,068
Total Deferred Inflows of Resources	\$ 8,076,553	\$ 850,164	\$ 3,456,384	\$ 0	\$ 0	\$ 12,383,101	\$ 12,383,101

FUND BALANCES

Restricted:							
Restricted for General Government	\$ 18,898	\$ 0	\$ 0	\$ 0	\$ 0	\$ 18,898	\$ 18,898
Restricted for Administration of Justice	190,851	0	0	0	0	190,851	190,851
Restricted for Public Safety	28,824	0	0	0	146,543	175,367	175,367
Restricted for Other Operations	87,290	0	0	0	0	87,290	87,290
Restricted for Highways/Public Works	0	2,503,899	0	0	0	2,503,899	2,503,899
Restricted for Debt Service	0	0	9,331,258	0	0	9,331,258	9,331,258
Restricted for Capital Projects	0	0	0	1,962,371	0	1,962,371	1,962,371

(Continued)

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

FUND BALANCES (Cont.)

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	General Capital Projects	Other Governmental Funds		
Committed:							
Committed for Public Health and Welfare	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,834,560	\$ 1,834,560	
Committed for Highways/Public Works	0	299,679	0	0	0	299,679	
Committed for Debt Service	0	0	829,820	0	0	829,820	
Committed for Other Purposes	37,088	0	0	0	0	37,088	
Assigned:							
Assigned for General Government	16,824	0	0	0	0	16,824	
Assigned for Finance	5,106	0	0	0	0	5,106	
Assigned for Administration of Justice	1,347	0	0	0	0	1,347	
Assigned for Public Safety	58,065	0	0	0	0	58,065	
Assigned for Public Health and Welfare	903,967	0	0	0	0	903,967	
Assigned for Social, Cultural, and Recreational Services	1,289	0	0	0	0	1,289	
Assigned for Agriculture and Natural Resources	6	0	0	0	0	6	
Assigned for Other Operations	108	0	0	0	0	108	
Unassigned	9,333,365	0	0	0	0	9,333,365	
Total Fund Balances	\$ 10,683,028	\$ 2,803,578	\$ 10,161,078	\$ 1,962,371	\$ 1,981,103	\$ 27,591,158	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,911,974	\$ 3,766,917	\$ 13,619,866	\$ 1,962,371	\$ 2,054,140	\$ 40,315,268	

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

Exhibit C-2

Tipton County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 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)		\$	27,591,158
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,228,266	
Add: buildings and improvements net of accumulated depreciation		2,315,198	
Add: infrastructure net of accumulated depreciation		7,724,922	
Add: other capital assets net of accumulated depreciation		<u>2,547,076</u>	14,815,462
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other loans payable	\$	(24,911,489)	
Less: bonds payable		(5,250,000)	
Less: compensated absences payable		(544,499)	
Less: landfill closure/postclosure care costs		(382,374)	
Less: other postemployment benefits liability		(4,537,107)	
Less: accrued interest on bonds		(57,014)	
Add: accrued interest on bonds paid late at fund level		<u>2,404</u>	(35,680,079)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>521,568</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>7,248,109</u></u>

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

Tipton 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	General Capital Projects	Other Governmental Funds	Governmental Funds	
Revenues							
Local Taxes	\$ 10,995,947	\$ 2,333,690	\$ 3,753,715	\$ 0	\$ 0	\$ 0	\$ 17,083,352
Licenses and Permits	146,446	0	0	0	0	0	146,446
Fines, Forfeitures, and Penalties	344,946	0	0	0	63,447	0	408,393
Charges for Current Services	204,182	2,424	0	0	303,278	0	509,884
Other Local Revenues	151,415	79,275	336,601	0	97,642	0	664,933
Fees Received from County Officials	2,279,388	0	0	0	0	0	2,279,388
State of Tennessee	894,551	2,711,902	0	0	876,021	0	4,482,474
Federal Government	239,304	1,359,056	0	757,961	34,640	0	2,370,961
Other Governments and Citizens Groups	273,742	154,663	600,000	0	0	0	1,028,405
Total Revenues	\$ 15,529,921	\$ 6,641,010	\$ 4,690,316	\$ 757,961	\$ 1,375,028	\$ 0	\$ 28,974,236
Expenditures							
Current:							
General Government	\$ 1,790,372	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,790,372
Finance	1,313,584	0	0	0	0	0	1,313,584
Administration of Justice	1,550,348	0	0	0	34,575	0	1,584,923
Public Safety	7,772,274	0	0	0	112,993	0	7,885,267
Public Health and Welfare	919,711	0	0	0	35,490	0	955,201
Social, Cultural, and Recreational Services	294,411	0	0	0	0	0	294,411
Agriculture and Natural Resources	180,650	0	0	0	0	0	180,650
Other Operations	976,714	0	0	0	0	0	976,714
Highways	0	6,467,832	0	0	891,847	0	7,359,679
Debt Service:							
Principal on Debt	0	0	3,818,750	0	0	0	3,818,750
Interest on Debt	0	0	335,147	0	0	0	335,147
Other Debt Service	0	0	229,360	0	0	0	229,360
Capital Projects	0	0	0	3,684,437	0	0	3,684,437
Total Expenditures	\$ 14,798,064	\$ 6,467,832	\$ 4,383,257	\$ 3,684,437	\$ 1,074,905	\$ 0	\$ 30,408,495
Excess (Deficiency) of Revenues Over Expenditures	\$ 731,857	\$ 173,178	\$ 307,059	\$ (2,946,476)	\$ 300,123	\$ (1,434,259)	
Other Financing Sources (Uses)							
Other Loans Issued	\$ 0	\$ 0	\$ 0	\$ 1,500,000	\$ 0	\$ 0	\$ 1,500,000
Insurance Recovery	500	0	0	0	0	0	500
Transfers In	0	0	0	2,000,000	0	0	2,000,000
Transfers Out	0	0	(2,000,000)	0	0	0	(2,000,000)
Total Other Financing Sources (Uses)	\$ 500	\$ 0	\$ (2,000,000)	\$ 3,500,000	\$ 0	\$ 0	\$ 1,500,000

(Continued)

Exhibit C-3

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Highway/ Public Works	General Debt Service	General Capital Projects	Other Governmental Funds	Governmental Funds	
Net Change in Fund Balances	\$ 732,357	\$ 173,178	\$ (1,692,941)	\$ 553,524	\$ 300,123	\$ 66,241	
Fund Balance, July 1, 2012	9,950,671	2,630,400	11,854,019	1,408,847	1,680,980	27,524,917	
Fund Balance, June 30, 2013	\$ 10,683,028	\$ 2,803,578	\$ 10,161,078	\$ 1,962,371	\$ 1,981,103	\$ 27,591,158	

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

Exhibit C-4

Tipton County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 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)		\$ 66,241
<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	\$ 2,267,438	
Less: current-year depreciation expense	<u>(1,721,827)</u>	545,611
<p>(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.</p>		
Add: assets donated and capitalized		15,000
<p>(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2013	\$ 521,568	
Less: deferred delinquent property taxes and other deferred June 30, 2012	<u>(852,486)</u>	(330,918)
<p>(4) The issuance of long-term debt (e.g., notes, other loans, bonds, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p>		
Less: other loan proceeds	\$ (1,500,000)	
Add: principal payments on note	12,450	
Add: principal payments on other loans	3,306,300	
Add: principal payments on bonds	<u>500,000</u>	2,318,750
<p>(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in accrued interest payable	\$ 4,439	
Change in compensated absences payable	66,109	
Change in landfill closure/postclosure care costs	28,360	
Change in other postemployment benefits liability	<u>(690,378)</u>	<u>(591,470)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 2,023,214</u>

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

Exhibit C-5

Tipton County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2013

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 10,995,947	\$ 0	\$ 0	\$ 10,995,947	\$ 10,415,703	\$ 10,415,703	\$ 580,244
Licenses and Permits	146,446	0	0	146,446	125,000	125,000	21,446
Fines, Forfeitures, and Penalties	344,946	0	0	344,946	351,785	351,785	(6,839)
Charges for Current Services	204,182	0	0	204,182	156,150	156,150	48,032
Other Local Revenues	151,415	0	0	151,415	140,800	140,800	10,615
Fees Received from County Officials	2,279,388	0	0	2,279,388	2,186,972	2,186,972	92,416
State of Tennessee	894,551	0	0	894,551	957,213	957,213	(62,662)
Federal Government	239,304	0	0	239,304	193,500	173,744	65,560
Other Governments and Citizens Groups	273,742	0	0	273,742	169,207	270,963	2,779
Total Revenues	\$ 15,529,921	\$ 0	\$ 0	\$ 15,529,921	\$ 14,696,330	\$ 14,778,330	\$ 751,591
Expenditures							
General Government							
County Commission	\$ 122,210	\$ 0	\$ 5,167	\$ 127,377	\$ 159,200	\$ 159,200	\$ 31,823
Beer Board	2,045	0	0	2,045	3,380	3,380	1,335
County Mayor/Executive	271,215	0	0	271,215	309,890	309,890	38,675
Election Commission	354,267	(6,833)	361	347,795	385,572	385,572	37,777
Register of Deeds	281,557	0	10,498	292,055	305,001	305,001	12,946
Planning	270,840	0	332	271,172	276,068	276,068	4,896
Building	297,553	(1,023)	287	296,817	333,603	333,603	36,786
Codes Compliance	5,726	0	0	5,726	6,679	6,679	953
Geographical Information Systems	136,413	0	0	136,413	138,908	138,908	2,495
County Buildings	48,546	0	180	48,726	77,120	77,120	28,394
Finance							
Accounting and Budgeting	172,202	0	0	172,202	229,953	229,953	57,751
Property Assessor's Office	371,013	0	106	371,119	460,858	460,858	89,739
Reappraisal Program	35,408	0	0	35,408	47,015	47,015	11,607
County Trustee's Office	286,077	0	5,000	291,077	316,843	316,843	25,766
County Clerk's Office	448,884	0	0	448,884	464,222	464,222	15,338

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
\$	611,561	0	1,025	612,586	660,078	660,078	\$ 47,492
<u>Administration of Justice</u>	44,835	0	0	44,835	48,387	48,387	3,552
Circuit Court	292,742	(135)	0	292,607	297,745	297,745	5,138
Criminal Court	12,218	0	0	12,218	15,000	15,000	2,782
General Sessions Court	312,294	0	117	312,411	338,225	338,225	25,814
Drug Court	111,297	0	104	111,401	140,698	140,698	29,297
Chancery Court	98,530	0	0	98,530	110,479	110,479	11,949
Juvenile Court	40,712	(105)	100	40,707	59,999	59,999	19,292
Probate Court	26,159	0	0	26,159	39,400	39,400	13,241
Other Administration of Justice							
Victims Assistance Programs							
<u>Public Safety</u>	4,500,143	(112,013)	31,347	4,419,477	4,494,858	4,494,858	75,381
Sheriff's Department	5,452	0	0	5,452	8,000	8,000	2,548
Administration of the Sexual Offender Registry	2,445,384	(108)	3,500	2,448,776	2,568,638	2,568,638	119,862
Jail	143,149	(955)	491	142,685	218,942	218,942	76,257
Workhouse	249,985	0	22,727	272,712	294,357	294,357	21,645
Fire Prevention and Control	232,337	0	0	232,337	245,510	245,510	13,173
Civil Defense	195,824	0	0	195,824	187,880	196,880	1,056
Other Emergency Management							
<u>Public Health and Welfare</u>	82,967	0	315	83,282	98,112	98,112	14,830
Local Health Center	285,496	0	0	285,496	320,820	320,820	35,324
Rabies and Animal Control	113,665	0	0	113,665	141,000	141,000	27,335
Ambulance/Emergency Medical Services	287,627	0	273	287,900	327,738	327,738	39,838
Dental Health Program	33,902	0	0	33,902	34,903	34,903	1,001
General Welfare Assistance	116,054	0	264	116,318	139,489	139,489	23,171
Sanitation Management							
<u>Social, Cultural, and Recreational Services</u>	62,000	0	0	62,000	62,000	62,000	0
Senior Citizens Assistance	210,982	(479)	1,289	211,792	272,439	272,439	60,647
Libraries	17,929	0	0	17,929	33,500	33,500	15,571
Parks and Fair Boards							

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Social, Cultural, and Recreational Services (Cont.)</u>							
Other Social, Cultural, and Recreational Agriculture and Natural Resources	\$ 3,500 \$	0 \$	0 \$	3,500 \$	3,500 \$	3,500 \$	0
Agriculture Extension Service	89,276	0	6	89,282	101,413	101,413	12,131
Soil Conservation	91,374	0	0	91,374	100,819	100,819	9,445
<u>Other Operations</u>							
Tourism	71,000	0	0	71,000	71,000	71,000	0
Industrial Development	290,214	0	108	290,322	484,207	460,207	169,885
Veterans' Services	17,214	0	0	17,214	17,707	17,707	493
Employee Benefits	13,525	0	0	13,525	0	15,000	1,475
Miscellaneous	584,761	0	0	584,761	635,667	635,667	50,906
Total Expenditures	\$ 14,798,064 \$	(121,651) \$	83,597 \$	14,760,010 \$	16,086,822 \$	16,086,822 \$	1,326,812
Excess (Deficiency) of Revenues Over Expenditures	\$ 731,857 \$	121,651 \$	(83,597) \$	769,911 \$	(1,390,492) \$	(1,308,492) \$	2,078,403
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	500 \$	0 \$	0 \$	500 \$	0 \$	0 \$	500
Transfers In	0	0	0	0	82,000	0	0
Total Other Financing Sources	\$ 500 \$	0 \$	0 \$	500 \$	82,000 \$	0 \$	500
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 732,357 \$	121,651 \$	(83,597) \$	770,411 \$	(1,308,492) \$	(1,308,492) \$	2,078,903
Fund Balance, June 30, 2013	9,950,671	(121,651)	0	9,829,020	8,791,639	8,791,639	1,037,381
Fund Balance, June 30, 2013	\$ 10,683,028 \$	0 \$	(83,597) \$	10,599,431 \$	7,483,147 \$	7,483,147 \$	3,116,284

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

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 2,333,690	\$ 0	\$ 0	\$ 2,333,690	\$ 2,287,489	\$ 2,294,489	\$ 39,201
Licenses and Permits	0	0	0	0	10	10	(10)
Charges for Current Services	2,424	0	0	2,424	3,500	3,500	(1,076)
Other Local Revenues	79,275	0	0	79,275	30,100	70,330	8,945
State of Tennessee	2,711,902	0	0	2,711,902	2,694,608	2,694,608	17,294
Federal Government	1,359,056	0	0	1,359,056	2,433,016	2,433,016	(1,073,960)
Other Governments and Citizens Groups	154,663	0	0	154,663	0	0	154,663
Total Revenues	\$ 6,641,010	\$ 0	\$ 0	\$ 6,641,010	\$ 7,448,723	\$ 7,495,953	\$ (854,943)
Expenditures							
Highways							
Administration	\$ 474,422	\$ 0	\$ 0	\$ 474,422	\$ 536,600	\$ 551,400	\$ 76,978
Highway and Bridge Maintenance	1,942,582	(2,498)	17,000	1,957,084	2,170,000	2,194,700	237,616
Operation and Maintenance of Equipment	622,722	0	0	622,722	684,600	687,100	64,378
Other Charges	1,292,933	(2,500)	0	1,290,433	2,253,500	2,231,605	941,172
Employee Benefits	805,964	0	0	805,964	868,535	869,535	63,571
Capital Outlay	1,329,209	(253,915)	22,832	1,098,126	1,151,500	1,200,625	102,499
Total Expenditures	\$ 6,467,832	\$ (258,913)	\$ 39,832	\$ 6,248,751	\$ 7,664,735	\$ 7,734,965	\$ 1,486,214
Excess (Deficiency) of Revenues Over Expenditures	\$ 173,178	\$ 258,913	\$ (39,832)	\$ 392,259	\$ (216,012)	\$ (239,012)	\$ 631,271
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 173,178	\$ 258,913	\$ (39,832)	\$ 392,259	\$ (216,012)	\$ (239,012)	\$ 631,271
Fund Balance, June 30, 2013	\$ 2,630,400	\$ (258,913)	\$ 0	\$ 2,371,487	\$ 1,897,255	\$ 1,897,255	\$ 474,232
Fund Balance, June 30, 2013	\$ 2,803,578	\$ 0	\$ (39,832)	\$ 2,763,746	\$ 1,681,243	\$ 1,658,243	\$ 1,105,503

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,354,663
Due from Other Governments	<u>615,825</u>
Total Assets	<u>\$ 2,970,488</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 615,825
Due to Litigants, Heirs, and Others	<u>2,354,663</u>
Total Liabilities	<u>\$ 2,970,488</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

Tipton County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Tipton County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

The Tipton County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Tipton County, and the Tipton County Commission appoints its governing body. The district is funded primarily through a service charge levied on telephone services. Before the issuance of most debt instruments, the district must obtain the County Commission's approval. The financial statements of the Tipton County Emergency Communications District were not 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 Tipton County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of

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

Administrative Office:

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

B. Government-wide and Fund Financial Statements

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

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

Tipton County issues all debt for the discretely presented Tipton County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 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 Tipton County are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary, and fiduciary. However, Tipton County has no proprietary funds to report. An emphasis is placed on major funds within the governmental category.

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

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

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

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

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

Tipton County reports the following major governmental funds:

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

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

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

General Capital Projects Fund – This fund accounts for general capital expenditures of the county.

Additionally, Tipton County reports the following fund type:

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

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

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

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

Special Revenue Funds – These funds account for and report the proceeds of specific revenue sources that are restricted or committed

to expenditure for specified purposes other than debt service or capital projects.

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

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds, and the discretely presented Tipton County School Department. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Most income from these pooled investments is assigned to the General Debt Service Fund. Tipton County and the School Department have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at 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. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

Property taxes receivables are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.95 percent of total taxes levied.

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

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

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

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as

assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5, 10, or 12
Infrastructure:	
Roads	10 or 20
Bridges	5, 15, or 30

4. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

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 three sources: current and delinquent property taxes and other deferred/unavailable revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. Compensated Absences

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

6. Long-term Obligations

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

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, landfill postclosure care costs, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Position and Fund Balance

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

- a. Net Investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- 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, Tipton County had \$27,566,489 in outstanding debt for capital purposes for the discretely presented Tipton County School Department. The debt is a liability of Tipton County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Tipton County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

8. Prior-period Adjustments

Capital assets were restated \$3,993,049 from the prior year because several paved roads had been omitted. The discretely presented Tipton County School Department’s capital assets were also restated \$36,384 because assets were incorrectly added in prior periods.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Tipton County School Department

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

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

Primary Government

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

Discretely Presented Tipton County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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, Beer Board, County Mayor/Executive, Election Commission, etc.). Management may make revisions within major categories, but only the

County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. Expenditures Exceeded Appropriations

Expenditures in the discretely presented School Department's General Purpose School Fund exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control):

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Instruction:	
Regular Instruction Program	\$ 11,852
Vocational Education Program	26,903
Support Services:	
Regular Instruction Program	16,384

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

Legal Provisions. All deposits with financial institutions must be secured by one of two methods. One method involves financial institutions that participate in the bank collateral pool administered by the state treasurer. Participating banks determine the aggregate balance of their public fund accounts for the State of Tennessee and its political subdivisions. The

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

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

Investments

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

The county had no pooled and nonpooled investments as of June 30, 2013.

B. Capital Assets

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

Primary Government

Governmental Activities:

	*Restated			
	Balance			Balance
	7-1-12	Increases	Decreases	6-30-13
Capital Assets Not Depreciated:				
Land	\$ 2,228,266	\$ 0	\$ 0	\$ 2,228,266
Construction in Progress	125,903	0	(125,903)	0
Total Capital Assets Not Depreciated	<u>\$ 2,354,169</u>	<u>\$ 0</u>	<u>\$ (125,903)</u>	<u>\$ 2,228,266</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 5,803,637	\$ 0	\$ 0	\$ 5,803,637
Infrastructure	25,431,448	1,684,925	(1,038)	27,115,335
Other Capital Assets	8,908,627	723,416	(200,336)	9,431,707
Total Capital Assets Depreciated	<u>\$ 40,143,712</u>	<u>\$ 2,408,341</u>	<u>\$ (201,374)</u>	<u>\$ 42,350,679</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,289,943	\$ 198,496	\$ 0	\$ 3,488,439
Infrastructure	18,346,303	1,045,148	(1,038)	19,390,413
Other Capital Assets	6,606,784	478,183	(200,336)	6,884,631
Total Accumulated Depreciation	<u>\$ 28,243,030</u>	<u>\$ 1,721,827</u>	<u>\$ (201,374)</u>	<u>\$ 29,763,483</u>
Total Capital Assets Depreciated, Net	<u>\$ 11,900,682</u>	<u>\$ 686,514</u>	<u>\$ 0</u>	<u>\$ 12,587,196</u>
Governmental Activities Capital Assets, Net	<u>\$ 14,254,851</u>	<u>\$ 686,514</u>	<u>\$ (125,903)</u>	<u>\$ 14,815,462</u>

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

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

Governmental Activities:

General Government	\$ 143,871
Finance	3,809
Administration of Justice	52,586
Public Safety	313,551
Public Health and Welfare	13,718
Social, Cultural, and Recreational Services	20,500
Other Operations	4,444
Highways/Public Works	<u>1,169,348</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 1,721,827</u>

Discretely Presented Tipton County School Department

Governmental Activities:

	*Restated Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 3,596,156	\$ 0	\$ 0	\$ 3,596,156
Construction in Progress	28,250	0	0	28,250
Total Capital Assets Not Depreciated	<u>\$ 3,624,406</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,624,406</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 113,826,794	\$ 154,547	\$ 0	\$ 113,981,341
Infrastructure	92,296	0	0	92,296
Other Capital Assets	10,861,759	648,741	(515,683)	10,994,817
Total Capital Assets Depreciated	<u>\$ 124,780,849</u>	<u>\$ 803,288</u>	<u>\$ (515,683)</u>	<u>\$ 125,068,454</u>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 81,189,757	\$ 2,846,959	\$ 0	\$ 84,036,716
Infrastructure	3,846	0	0	3,846
Other Capital Assets	6,601,495	869,661	(515,683)	6,955,473
Total Accumulated Depreciation	<u>\$ 87,795,098</u>	<u>\$ 3,716,620</u>	<u>\$ (515,683)</u>	<u>\$ 90,996,035</u>

Governmental Activities (Cont.):

	*Restated			
	Balance			Balance
	7-1-12	Increases	Decreases	6-30-13
Total Capital Assets				
Depreciated, Net	\$ 36,985,751	\$ (2,913,332)	\$ 0	\$ 34,072,419
Governmental Activities				
Capital Assets, Net	\$ 40,610,157	\$ (2,913,332)	\$ 0	\$ 37,696,825

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

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

Governmental Activities:

Instruction	\$ 2,446,256
Support Services	1,021,283
Operation of Non-Instructional Services	<u>249,081</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 3,716,620</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>
General	Nonmajor governmental	\$ 67,510

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

Due to/from Primary Government and Component Unit:

Receivable Fund	Payable Fund	Amount
Primary Government: General	Component Unit: General Purpose School	\$ 4,500
Highway/Public Works	"	154,663

The receivable in the Highway/Public Works Fund totaling \$154,663 was in transit from the General Purpose School Fund at June 30, 2013.

Interfund Transfers:

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

Primary Government

Transfer Out	<u>Transfer In</u> General Capital Projects Fund
General Debt Service Fund	\$ 2,000,000

Discretely Presented Tipton County School Department

Transfer Out	<u>Transfer In</u> General Purpose School Fund
Nonmajor governmental	\$ 36,767

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. Long-term Obligations

Primary Government

General Obligation Bonds and Other Loans

Tipton County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. 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 and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 20 years for bonds and up to 20 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds and other loans included in long-term debt as of June 30, 2013, will be retired from the General Debt Service Fund.

General obligation bonds and other loans 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	2.5 to 4.625 %	4-1-22	\$ 9,000,000	\$ 5,250,000
Other Loans	Variable	5-25-27	41,325,689	24,911,489

During the 1998-99 year, Tipton County entered into two loan agreements with the Montgomery County Public Building Authority. Under these two loan agreements, the authority loaned Tipton County a total of \$10,897,089. These loans are repayable at a variable interest rate based on the weekly Bank of America Thursday National Non-AMT Index (BOA). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with these loans. At June 30, 2013, the variable interest rates were .31 and .33 percent based on the BOA rate, and other fees totaled .58 percent of the outstanding loan principal.

During the 2004-05 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$5,100,000 to Tipton County for school construction. This loan is repayable at a variable interest rate based on the daily London Interbank Offer Rate (LIBOR). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2013, the variable interest rate was .33 percent based

on the LIBOR rate, and other fees totaled .58 percent of the outstanding loan principal.

During the 2006-07 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$16,000,000 to Tipton County for school construction. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2013, the variable interest rate was .33 percent based on the LIBOR rate, and other fees totaled .58 percent of the outstanding loan principal.

During the 2008-09 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$6,228,600 to Tipton County for refinancing debt. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2013, the variable interest rate was .33 percent based on the LIBOR rate, and other fees totaled .58 percent of the outstanding loan principal.

During the 2010-11 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$3,100,000 to Tipton County for various capital projects. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2013, the variable interest rate was .08 percent based on the LIBOR rate, and other fees totaled one percent of the outstanding loan principal.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	\$ 500,000	\$ 221,475	\$ 721,475
2015	500,000	202,975	702,975
2016	525,000	183,725	708,725
2017	550,000	162,725	712,725
2018	575,000	140,175	715,175
2019-2022	2,600,000	300,250	2,900,250
Total	\$ 5,250,000	\$ 1,211,325	\$ 6,461,325

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2014	\$ 3,441,300	\$ 75,798	\$ 160,594	\$ 3,677,692
2015	2,047,100	65,469	139,139	2,251,708
2016	2,336,000	59,654	125,077	2,520,731
2017	2,394,000	52,935	108,837	2,555,772
2018	2,452,000	46,074	93,652	2,591,726
2019-2023	7,816,089	139,237	264,126	8,219,452
2024-2027	4,425,000	37,310	67,198	4,529,508
Total	\$ 24,911,489	\$ 476,477	\$ 958,623	\$ 26,346,589

There is \$10,161,078 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and other loans totaled \$494, based on the 2010 federal census.

Changes in Long-term Obligations

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

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2012	\$ 5,750,000	\$ 12,450	\$ 26,717,789
Additions	0	0	1,500,000
Reductions	(500,000)	(12,450)	(3,306,300)
Balance, June 30, 2013	<u>\$ 5,250,000</u>	<u>\$ 0</u>	<u>\$ 24,911,489</u>
Balance Due Within One Year	<u>\$ 500,000</u>	<u>\$ 0</u>	<u>\$ 3,441,300</u>

	Compensated Absences	Landfill Postclosure Care Costs
Balance, July 1, 2012	\$ 610,608	\$ 410,734
Additions	381,102	7,130
Reductions	(447,211)	(35,490)
Balance, June 30, 2013	<u>\$ 544,499</u>	<u>\$ 382,374</u>
Balance Due Within One Year	<u>\$ 399,288</u>	<u>\$ 35,490</u>

	<u>Other Postemployment Benefits</u>
Balance, July 1, 2012	\$ 3,846,729
Additions	710,540
Reductions	<u>(20,162)</u>
Balance, June 30, 2013	<u>\$ 4,537,107</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 35,625,469
Less: Balance Due Within One Year	<u>(4,376,078)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 31,249,391</u>

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

Discretely Presented Tipton County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	<u>Compensated Absences</u>	<u>Other Postemployment Benefits</u>
Balance, July 1, 2012	\$ 615,420	\$ 2,873,832
Additions	243,736	1,464,932
Reductions	<u>(263,720)</u>	<u>(669,976)</u>
Balance, June 30, 2013	<u>\$ 595,436</u>	<u>\$ 3,668,788</u>
Balance Due Within One Year	<u>\$ 263,720</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 4,264,224
Less: Balance Due Within One Year	<u>(263,720)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,000,504</u>

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

E. On-Behalf Payments

Discretely Presented Tipton County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Tipton County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2013, were \$141,677 and \$50,030, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Primary Government

Liability, Property, and Casualty

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

Workers' Compensation Insurance

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

Employee Health Insurance

Tipton County participates in the Local Government Group Insurance Fund (LGGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local governments and quasi-governmental entities that was established for the primary purpose of providing services for or on behalf of state and local governments. In accordance with Section 8-27-207, *TCA*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Tipton County School Department

Liability, Property, and Casualty

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

Workers' Compensation Insurance

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

Employee Health Insurance

The School Department participates in the Local Education Group Insurance Fund (LEGIF), a public entity risk pool established to provide a program of health insurance coverage for employees of local education agencies. In

accordance with Section 8-27-301, *TCA*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

B. Accounting Changes

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 \$139,391 has been recognized for accumulated debt issuance costs on the government-wide financial statements.

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. Tipton 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 reclassify, 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 limited 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 modified guidance on operating lease payments, purchased loans, and servicing fees related to mortgage loans.

C. Contingent Liabilities

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

D. Changes in Administration

Assessor of Property Bill Stimpson died on July 6, 2011. The office remained vacant until September 1, 2012, when Rose Cousar became assessor of property.

Clerk and Master Judy Barkelew Billings retired on December 31, 2012, and was succeeded by Virginia Gray.

E. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for

30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Tipton County closed its sanitary landfill in 1998. The \$382,374 reported as postclosure care liability at June 30, 2013, represents amounts based on what it would cost to perform all postclosure care in 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

F. Joint Ventures

The Twenty-fifth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-fifth Judicial District, Fayette, Hardeman, Lauderdale, McNairy and Tipton counties, and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district.

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

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

Administrative Offices:

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

HTL Advantage
1469 South Main Street
Covington, TN 38019

G. Retirement Commitments

Information for this footnote for the year ended June 30, 2013, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented below is for the fiscal year ended June 30, 2012.

Plan Description

Employees of Tipton 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 Tipton 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

Tipton 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, 2012, was 9.65 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 ended June 30, 2012, the county’s annual pension cost of \$1,706,481 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2009, 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, 2009, was 13 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
6-30-12	\$1,706,481	100%	\$0
6-30-11	1,738,124	100	0
6-30-10	1,797,982	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 91.74 percent funded. The actuarial accrued liability for benefits was \$46.55 million, and the actuarial value of assets was \$42.7 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.84 million. The covered payroll (annual payroll of active employees covered by the plan) was \$18.18 million, and the ratio of the UAAL to the covered payroll was 21.15 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

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

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

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, 2012, was 9.05 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, 2012, 2011, and 2010, were \$3,869,804, \$3,992,167, and \$2,659,253, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution for retired county employees varies depending on the insurance option they select. The required contribution rate for retired teachers is \$78 for single coverage and \$130 for family coverage. This contribution continues until retirees reach age 65 and are Medicare eligible. During the year ended June 30, 2013, Tipton County and the School Department contributed \$20,162 and \$669,976, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 1,472,000	\$ 720,000
Interest on the NOPEBO	114,953	153,869
Adjustment to the ARC	(122,021)	(163,329)
Annual OPEB cost	<u>\$ 1,464,932</u>	<u>\$ 710,540</u>
Less: Amount of contribution	(669,976)	(20,162)
Increase/decrease in NOPEBO	<u>\$ 794,956</u>	<u>\$ 690,378</u>
Net OPEB obligation, 7-1-12	<u>2,873,832</u>	<u>3,846,729</u>
Net OPEB obligation, 6-30-13	<u>\$ 3,668,788</u>	<u>\$ 4,537,107</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	\$ 1,165,861	66%	\$ 2,023,452
6-30-12	"	1,453,024	41	2,873,832
6-30-13	"	1,464,932	46	3,668,788
6-30-11	Local Government Group	890,486	4	3,160,066
6-30-12	"	706,229	3	3,846,729
6-30-13	"	710,540	3	4,537,107

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)	\$ 11,739,000	\$ 4,815,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 11,739,000	\$ 4,815,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 57,029,482	\$ 9,543,811
UAAL as a % of covered payroll	21%	50%

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.

I. Purchasing Laws

Office of County Executive

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

Office of Director of Public Works

Purchasing procedures for the Public Works Department are governed by provisions of Chapter 114, Private Acts of 1973, as amended, and the Uniform Road Law, Section 54-7-113, *Tennessee Code Annotated (TCA)*. These statutes provide for the Public Works Committee to make all

purchases, and all purchases exceeding \$10,000 are to be made on a competitive basis solicited through public advertisement.

Office of Director of Schools

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

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

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) 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	\$ 42,702	\$ 46,549	\$ 3,845	91.74%	\$ 18,177	21.15%
7-1-09	32,648	36,401	3,752	89.69	17,153	21.87
7-1-07	28,313	32,389	4,076	87.42	14,950	27.26

Information for this exhibit for the year ended June 30, 2013, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented above is for the fiscal year ended June 30, 2012.

Exhibit E-2

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

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-09	\$ 0	\$ 6,586	\$ 6,586	0%	\$ 7,584	87%
"	7-1-10	0	6,577	6,577	0	7,965	82
"	7-1-11	0	4,815	4,815	0	9,543	50
<u>DISCRETELY PRESENTED TIPTON COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-09	0	9,252	9,252	0	48,677	19
"	7-1-10	0	9,544	9,544	0	52,433	18
"	7-1-11	0	11,739	11,739	0	57,029	21

TIPTON 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 Tipton County’s garbage collection operations.

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

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

Exhibit F-1

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

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	
<u>ASSETS</u>				
Cash	\$ 0	\$ 0	\$ 31,630	\$ 31,630
Equity in Pooled Cash and Investments	1,832,782	146,543	0	1,979,325
Accounts Receivable	7,305	0	35,880	43,185
Total Assets	<u>\$ 1,840,087</u>	<u>\$ 146,543</u>	<u>\$ 67,510</u>	<u>\$ 2,054,140</u>
<u>LIABILITIES</u>				
Payroll Deductions Payable	\$ 5,527	\$ 0	\$ 0	\$ 5,527
Due to Other Funds	0	0	67,510	67,510
Total Liabilities	<u>\$ 5,527</u>	<u>\$ 0</u>	<u>\$ 67,510</u>	<u>\$ 73,037</u>
<u>FUND BALANCES</u>				
Restricted:				
Restricted for Public Safety	\$ 0	\$ 146,543	\$ 0	\$ 146,543
Committed:				
Committed for Public Health and Welfare	1,834,560	0	0	1,834,560
Total Fund Balances	<u>\$ 1,834,560</u>	<u>\$ 146,543</u>	<u>\$ 0</u>	<u>\$ 1,981,103</u>
Total Liabilities and Fund Balances	<u>\$ 1,840,087</u>	<u>\$ 146,543</u>	<u>\$ 67,510</u>	<u>\$ 2,054,140</u>

Exhibit F-2

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

	<u>Special Revenue Funds</u>			Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitu - tional Officers - Fees	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 0	\$ 63,447	\$ 0	\$ 63,447
Charges for Current Services	268,703	0	34,575	303,278
Other Local Revenues	97,642	0	0	97,642
State of Tennessee	876,021	0	0	876,021
Federal Government	0	34,640	0	34,640
Total Revenues	<u>\$ 1,242,366</u>	<u>\$ 98,087</u>	<u>\$ 34,575</u>	<u>\$ 1,375,028</u>
<u>Expenditures</u>				
Current:				
Administration of Justice	\$ 0	\$ 0	\$ 34,575	\$ 34,575
Public Safety	0	112,993	0	112,993
Public Health and Welfare	35,490	0	0	35,490
Highways	891,847	0	0	891,847
Total Expenditures	<u>\$ 927,337</u>	<u>\$ 112,993</u>	<u>\$ 34,575</u>	<u>\$ 1,074,905</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 315,029</u>	<u>\$ (14,906)</u>	<u>\$ 0</u>	<u>\$ 300,123</u>
Net Change in Fund Balances	\$ 315,029	\$ (14,906)	\$ 0	\$ 300,123
Fund Balance, July 1, 2012	<u>1,519,531</u>	<u>161,449</u>	<u>0</u>	<u>1,680,980</u>
Fund Balance, June 30, 2013	<u>\$ 1,834,560</u>	<u>\$ 146,543</u>	<u>\$ 0</u>	<u>\$ 1,981,103</u>

Exhibit F-3

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 268,703 \$	0 \$	268,703 \$	286,400 \$	286,400 \$	(17,697)
Other Local Revenues	97,642	0	97,642	100,120	100,120	(2,478)
State of Tennessee	876,021	0	876,021	730,000	730,000	146,021
Total Revenues	\$ 1,242,366 \$	0 \$	1,242,366 \$	1,116,520 \$	1,116,520 \$	125,846
<u>Expenditures</u>						
<u>Public Health and Welfare</u>						
Postclosure Care Costs	\$ 35,490 \$	0 \$	35,490 \$	50,000 \$	50,000 \$	14,510
Highways	891,847	(4,899)	886,948	1,059,807	1,059,807	172,859
Litter and Trash Collection	927,337 \$	(4,899) \$	922,438 \$	1,109,807 \$	1,109,807 \$	187,369
Total Expenditures	\$ 315,029 \$	4,899 \$	319,928 \$	6,713 \$	6,713 \$	313,215
Excess (Deficiency) of Revenues Over Expenditures	\$ 0 \$	0 \$	0 \$	100 \$	100 \$	(100)
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 0 \$	0 \$	0 \$	100 \$	100 \$	(100)
Total Other Financing Sources	\$ 0 \$	0 \$	0 \$	100 \$	100 \$	(100)
Net Change in Fund Balance	\$ 315,029 \$	4,899 \$	319,928 \$	6,813 \$	6,813 \$	313,115
Fund Balance, July 1, 2012	1,519,531	(4,899)	1,514,632	1,279,781	1,279,781	234,851
Fund Balance, June 30, 2013	\$ 1,834,560 \$	0 \$	1,834,560 \$	1,286,594 \$	1,286,594 \$	547,966

Exhibit F-4

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 63,447	\$ 0	\$ 63,447	\$ 90,000	\$ 90,000	\$ (26,553)
Other Local Revenues	0	0	0	1,100	1,100	(1,100)
State of Tennessee	0	0	0	500	500	(500)
Federal Government	34,640	0	34,640	100,000	100,000	(65,360)
Total Revenues	\$ 98,087	\$ 0	\$ 98,087	\$ 191,600	\$ 191,600	\$ (93,513)
<u>Expenditures</u>						
<u>Public Safety</u>						
Drug Enforcement	\$ 112,993	\$ 399	\$ 113,392	\$ 172,800	\$ 172,800	\$ 59,408
Total Expenditures	\$ 112,993	\$ 399	\$ 113,392	\$ 172,800	\$ 172,800	\$ 59,408
Excess (Deficiency) of Revenues Over Expenditures	\$ (14,906)	\$ (399)	\$ (15,305)	\$ 18,800	\$ 18,800	\$ (34,105)
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ (14,906)	\$ (399)	\$ (15,305)	\$ 18,800	\$ 18,800	\$ (34,105)
	161,449	0	161,449	167,057	167,057	(5,608)
Fund Balance, June 30, 2013	\$ 146,543	\$ (399)	\$ 146,144	\$ 185,857	\$ 185,857	\$ (39,713)

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

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,753,715	\$ 3,645,680	\$ 3,645,680	\$ 108,035
Other Local Revenues	336,601	430,000	430,000	(93,399)
Other Governments and Citizens Groups	600,000	600,000	600,000	0
Total Revenues	<u>\$ 4,690,316</u>	<u>\$ 4,675,680</u>	<u>\$ 4,675,680</u>	<u>\$ 14,636</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 271,450	\$ 271,450	\$ 271,450	\$ 0
Education	3,547,300	3,547,300	3,547,300	0
<u>Interest on Debt</u>				
General Government	3,473	142,700	116,983	113,510
Education	331,674	1,436,062	1,308,151	976,477
<u>Other Debt Service</u>				
General Government	100,549	115,338	141,055	40,506
Education	128,811	30,000	157,911	29,100
Total Expenditures	<u>\$ 4,383,257</u>	<u>\$ 5,542,850</u>	<u>\$ 5,542,850</u>	<u>\$ 1,159,593</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 307,059</u>	<u>\$ (867,170)</u>	<u>\$ (867,170)</u>	<u>\$ 1,174,229</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	<u>\$ (2,000,000)</u>	<u>\$ (4,000,000)</u>	<u>\$ (4,000,000)</u>	<u>\$ 2,000,000</u>
Total Other Financing Sources	<u>\$ (2,000,000)</u>	<u>\$ (4,000,000)</u>	<u>\$ (4,000,000)</u>	<u>\$ 2,000,000</u>
Net Change in Fund Balance	\$ (1,692,941)	\$ (4,867,170)	\$ (4,867,170)	\$ 3,174,229
Fund Balance, July 1, 2012	<u>11,854,019</u>	<u>9,948,388</u>	<u>9,948,388</u>	<u>1,905,631</u>
Fund Balance, June 30, 2013	<u>\$ 10,161,078</u>	<u>\$ 5,081,218</u>	<u>\$ 5,081,218</u>	<u>\$ 5,079,860</u>

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.

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.

Exhibit H-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,354,663	\$ 2,354,663
Due from Other Governments	615,825	0	615,825
Total Assets	<u>\$ 615,825</u>	<u>\$ 2,354,663</u>	<u>\$ 2,970,488</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 615,825	\$ 0	\$ 615,825
Due to Litigants, Heirs, and Others	0	2,354,663	2,354,663
Total Liabilities	<u>\$ 615,825</u>	<u>\$ 2,354,663</u>	<u>\$ 2,970,488</u>

Exhibit H-2

Tipton 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	\$ 3,667,386	\$ 3,667,386	\$ 0
Due from Other Governments	603,815	615,825	603,815	615,825
Total Assets	<u>\$ 603,815</u>	<u>\$ 4,283,211</u>	<u>\$ 4,271,201</u>	<u>\$ 615,825</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 603,815	\$ 4,283,211	\$ 4,271,201	\$ 615,825
Total Liabilities	<u>\$ 603,815</u>	<u>\$ 4,283,211</u>	<u>\$ 4,271,201</u>	<u>\$ 615,825</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,840,461	\$ 12,339,225	\$ 12,825,023	\$ 2,354,663
Total Assets	<u>\$ 2,840,461</u>	<u>\$ 12,339,225</u>	<u>\$ 12,825,023</u>	<u>\$ 2,354,663</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,840,461	\$ 12,339,225	\$ 12,825,023	\$ 2,354,663
Total Liabilities	<u>\$ 2,840,461</u>	<u>\$ 12,339,225</u>	<u>\$ 12,825,023</u>	<u>\$ 2,354,663</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,840,461	\$ 12,339,225	\$ 12,825,023	\$ 2,354,663
Equity in Pooled Cash and Investments	0	3,667,386	3,667,386	0
Due from Other Governments	603,815	615,825	603,815	615,825
Total Assets	<u>\$ 3,444,276</u>	<u>\$ 16,622,436</u>	<u>\$ 17,096,224</u>	<u>\$ 2,970,488</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 603,815	\$ 4,283,211	\$ 4,271,201	\$ 615,825
Due to Litigants, Heirs, and Others	2,840,461	12,339,225	12,825,023	2,354,663
Total Liabilities	<u>\$ 3,444,276</u>	<u>\$ 16,622,436</u>	<u>\$ 17,096,224</u>	<u>\$ 2,970,488</u>

Tipton County School Department

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

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

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

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

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

Exhibit I-1

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

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Position
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental Activities:					
Instruction	\$ 60,682,478	\$ 971,059	\$ 4,293,876	\$ 0	\$ (55,417,543)
Support Services	24,934,802	0	2,412,395	72,428	(22,449,979)
Operation of Non-Instructional Services	8,091,731	1,760,665	4,400,371	0	(1,930,695)
Other Debt Service	600,000	0	0	0	(600,000)
Total Governmental Activities	\$ 94,309,011	\$ 2,731,724	\$ 11,106,642	\$ 72,428	\$ (80,398,217)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 10,944,546
Local Option Sales Taxes					4,079,883
Business Tax					181,794
Other Local Taxes					1,332
Grants and Contributions Not Restricted to Specific Programs					61,091,398
Miscellaneous					117,712
Total General Revenues					\$ 76,416,665
Change in Net Position					\$ (3,981,552)
Net Position, July 1, 2012					51,805,543
Prior-period Adjustment					(36,384)
Net Position, June 30, 2013					\$ 47,787,607

Exhibit I-2

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
	School	Funds	Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 12,342,879	\$ 3,391,605	\$ 15,734,484
Due from Other Governments	742,371	107,998	850,369
Property Taxes Receivable	11,461,647	0	11,461,647
Allowance for Uncollectible Property Taxes	(424,729)	0	(424,729)
Total Assets	<u>\$ 24,122,168</u>	<u>\$ 3,499,603</u>	<u>\$ 27,621,771</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 74,492	\$ 0	\$ 74,492
Payroll Deductions Payable	2,483,462	0	2,483,462
Due to Primary Government	4,500	0	4,500
Total Liabilities	<u>\$ 2,562,454</u>	<u>\$ 0</u>	<u>\$ 2,562,454</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 10,704,311	\$ 0	\$ 10,704,311
Deferred Delinquent Property Taxes	257,407	0	257,407
Other Deferred/Unavailable Revenue	341,400	0	341,400
Total Deferred Inflows of Resources	<u>\$ 11,303,118</u>	<u>\$ 0</u>	<u>\$ 11,303,118</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 431,530	\$ 107,998	\$ 539,528
Restricted for Operation of Non-Instructional Services	0	2,089,856	2,089,856
Restricted for Capital Projects	0	1,301,749	1,301,749
Assigned:			
Assigned for Instruction	2,733	0	2,733
Assigned for Support Services	15,561	0	15,561
Assigned for Capital Outlay	76,870	0	76,870
Unassigned	9,729,902	0	9,729,902
Total Fund Balances	<u>\$ 10,256,596</u>	<u>\$ 3,499,603</u>	<u>\$ 13,756,199</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,122,168</u>	<u>\$ 3,499,603</u>	<u>\$ 27,621,771</u>

Exhibit I-3

Tipton County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Tipton County School Department
June 30, 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)		\$ 13,756,199
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 3,596,156	
Add: construction in progress	28,250	
Add: buildings and improvements net of accumulated depreciation	29,944,625	
Add: infrastructure net of accumulated depreciation	88,450	
Add: other capital assets net of accumulated depreciation	<u>4,039,344</u>	37,696,825
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (595,436)	
Less: other postemployment benefits liability	<u>(3,668,788)</u>	(4,264,224)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>598,807</u>
Net position of governmental activities (Exhibit A)		<u>\$ 47,787,607</u>

Exhibit I-4

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 15,709,159	\$ 0	\$ 15,709,159
Licenses and Permits	4,609	0	4,609
Fines, Forfeitures, and Penalties	3,444	0	3,444
Charges for Current Services	1,125,651	1,424,364	2,550,015
Other Local Revenues	292,300	8,904	301,204
State of Tennessee	60,092,506	0	60,092,506
Federal Government	125,799	11,646,546	11,772,345
Total Revenues	<u>\$ 77,353,468</u>	<u>\$ 13,079,814</u>	<u>\$ 90,433,282</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 51,136,288	\$ 5,912,245	\$ 57,048,533
Support Services	23,163,551	1,336,925	24,500,476
Operation of Non-Instructional Services	2,087,935	5,753,541	7,841,476
Capital Outlay	549,471	0	549,471
Debt Service:			
Other Debt Service	600,000	0	600,000
Capital Projects	0	80,751	80,751
Total Expenditures	<u>\$ 77,537,245</u>	<u>\$ 13,083,462</u>	<u>\$ 90,620,707</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (183,777)</u>	<u>\$ (3,648)</u>	<u>\$ (187,425)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 36,767	\$ 0	\$ 36,767
Transfers Out	0	(36,767)	(36,767)
Total Other Financing Sources (Uses)	<u>\$ 36,767</u>	<u>\$ (36,767)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (147,010)	\$ (40,415)	\$ (187,425)
Fund Balance, July 1, 2012	10,403,606	3,540,018	13,943,624
Fund Balance, June 30, 2013	<u>\$ 10,256,596</u>	<u>\$ 3,499,603</u>	<u>\$ 13,756,199</u>

Exhibit I-5

Tipton County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Tipton County School Department
For the Year Ended June 30, 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)		\$	(187,425)
(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	\$	803,288	
Less: current-year depreciation expense		<u>(3,716,620)</u>	(2,913,332)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2013	\$	598,807	
Less: deferred delinquent property taxes and other deferred June 30, 2012		<u>(704,630)</u>	(105,823)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in compensated absences payable	\$	19,984	
Change in other postemployment benefits liability		<u>(794,956)</u>	<u>(774,972)</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ (3,981,552)</u>

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

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects		
\$	0	2,089,856	\$ 2,089,856	\$ 1,301,749	\$	3,391,605
	107,998	0	107,998	0		107,998
	107,998	2,089,856	2,197,854	1,301,749		3,499,603

ASSETS

Equity in Pooled Cash and Investments
 Due from Other Governments

Total Assets

FUND BALANCES

Restricted:

Restricted for Education
 Restricted for Operation of Non-Instructional Services
 Restricted for Capital Projects

Total Fund Balances

\$	107,998	\$	0	\$	107,998	\$	0	\$	107,998
	0	2,089,856	2,089,856	0	0	2,089,856	0	0	2,089,856
	0	0	0	1,301,749	1,301,749	1,301,749	1,301,749	1,301,749	1,301,749
\$	107,998	\$	2,089,856	\$	2,197,854	\$	1,301,749	\$	3,499,603

Exhibit I-7

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

	Special Revenue Funds			Capital Projects Fund	Total
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects	Nonmajor Governmental Funds
<u>Revenues</u>					
Charges for Current Services	\$ 0	\$ 1,424,364	\$ 1,424,364	\$ 0	\$ 1,424,364
Other Local Revenues	0	8,904	8,904	0	8,904
Federal Government	7,382,588	4,263,958	11,646,546	0	11,646,546
Total Revenues	<u>\$ 7,382,588</u>	<u>\$ 5,697,226</u>	<u>\$ 13,079,814</u>	<u>\$ 0</u>	<u>\$ 13,079,814</u>
<u>Expenditures</u>					
Current:					
Instruction	\$ 5,912,245	\$ 0	\$ 5,912,245	\$ 0	\$ 5,912,245
Support Services	1,336,925	0	1,336,925	0	1,336,925
Operation of Non-Instructional Services	0	5,753,541	5,753,541	0	5,753,541
Capital Projects	0	0	0	80,751	80,751
Total Expenditures	<u>\$ 7,249,170</u>	<u>\$ 5,753,541</u>	<u>\$ 13,002,711</u>	<u>\$ 80,751</u>	<u>\$ 13,083,462</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 133,418</u>	<u>\$ (56,315)</u>	<u>\$ 77,103</u>	<u>\$ (80,751)</u>	<u>\$ (3,648)</u>
<u>Other Financing Sources (Uses)</u>					
Transfers Out	\$ (36,767)	\$ 0	\$ (36,767)	\$ 0	\$ (36,767)
Total Other Financing Sources (Uses)	<u>\$ (36,767)</u>	<u>\$ 0</u>	<u>\$ (36,767)</u>	<u>\$ 0</u>	<u>\$ (36,767)</u>
Net Change in Fund Balances	\$ 96,651	\$ (56,315)	\$ 40,336	\$ (80,751)	\$ (40,415)
Fund Balance, July 1, 2012	11,347	2,146,171	2,157,518	1,382,500	3,540,018
Fund Balance, June 30, 2013	<u>\$ 107,998</u>	<u>\$ 2,089,856</u>	<u>\$ 2,197,854</u>	<u>\$ 1,301,749</u>	<u>\$ 3,499,603</u>

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 15,709,159	\$ 0	\$ 0	\$ 15,709,159	\$ 15,455,000	\$ 15,555,000	\$ 154,159
Licenses and Permits	4,609	0	0	4,609	5,000	5,000	(391)
Fines, Forfeitures, and Penalties	3,444	0	0	3,444	2,000	2,000	1,444
Charges for Current Services	1,125,651	0	0	1,125,651	955,000	1,055,000	70,651
Other Local Revenues	292,300	0	0	292,300	275,000	275,000	17,300
State of Tennessee	60,092,506	0	0	60,092,506	60,157,999	60,449,710	(357,204)
Federal Government	125,799	0	0	125,799	125,000	125,000	799
Total Revenues	\$ 77,353,468	\$ 0	\$ 0	\$ 77,353,468	\$ 76,974,999	\$ 77,466,710	\$ (113,242)
Expenditures							
Instruction							
Regular Instruction Program	\$ 39,853,794	\$ (3,566)	\$ 2,624	\$ 39,852,852	\$ 39,542,499	\$ 39,841,000	\$ (11,852)
Alternative Instruction Program	834,542	0	0	834,542	806,500	842,000	7,458
Special Education Program	7,989,034	0	0	7,989,034	8,196,000	7,991,000	1,966
Vocational Education Program	2,428,726	(1,933)	110	2,426,903	2,400,000	2,400,000	(26,903)
Adult Education Program	30,192	0	0	30,192	40,000	54,000	23,808
Support Services							
Health Services	708,849	0	0	708,849	725,000	725,000	16,151
Other Student Support	1,706,379	0	56	1,706,435	1,709,000	1,709,000	2,565
Regular Instruction Program	1,773,384	0	0	1,773,384	1,757,000	1,757,000	(16,384)
Special Education Program	274,932	0	0	274,932	278,000	278,000	3,068
Vocational Education Program	126,811	0	0	126,811	127,000	127,000	189
Adult Programs	69,008	0	0	69,008	100,000	86,000	16,992
Other Programs	191,707	0	0	191,707	0	191,707	0
Board of Education	757,064	0	0	757,064	830,000	830,000	72,936
Director of Schools	251,943	0	0	251,943	273,000	273,000	21,057
Office of the Principal	5,739,447	0	0	5,739,447	5,707,000	5,740,000	553
Fiscal Services	466,790	(47)	2,102	468,845	475,000	475,000	6,155

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Add: Encumbrances 6/30/2013	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Operation of Plant	\$ 3,685,215	\$ 0	\$ 0	\$ 3,685,215	\$ 3,961,000	\$ 3,875,000	\$ 189,785
Maintenance of Plant	1,542,469	(45,858)	13,152	1,509,763	1,550,000	1,550,000	40,237
Transportation	5,869,553	0	250	5,869,803	5,930,000	6,045,000	175,197
<u>Operation of Non-Instructional Services</u>							
Food Service	158,777	0	0	158,777	170,000	170,000	11,223
Community Services	897,861	(900)	0	896,961	800,000	900,000	3,039
Early Childhood Education	1,031,297	0	0	1,031,297	1,023,000	1,032,000	703
<u>Capital Outlay</u>							
Regular Capital Outlay	549,471	(222,675)	76,870	403,666	0	500,000	96,334
<u>Other Debt Service</u>							
Education	600,000	0	0	600,000	600,000	600,000	0
<u>Total Expenditures</u>	<u>\$ 77,537,245</u>	<u>\$ (274,979)</u>	<u>\$ 95,164</u>	<u>\$ 77,357,430</u>	<u>\$ 76,999,999</u>	<u>\$ 77,991,707</u>	<u>\$ 634,277</u>
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	<u>\$ (183,777)</u>	<u>\$ 274,979</u>	<u>\$ (95,164)</u>	<u>\$ (3,962)</u>	<u>\$ (25,000)</u>	<u>\$ (524,997)</u>	<u>\$ 521,035</u>
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 36,767	\$ 0	\$ 0	\$ 36,767	\$ 25,000	\$ 25,000	\$ 11,767
<u>Total Other Financing Sources</u>	<u>\$ 36,767</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 36,767</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 11,767</u>
<u>Net Change in Fund Balance</u> <u>Fund Balance, July 1, 2012</u>	<u>\$ (147,010)</u>	<u>\$ 274,979</u>	<u>\$ (95,164)</u>	<u>\$ 32,805</u>	<u>\$ 0</u>	<u>\$ (499,997)</u>	<u>\$ 532,802</u>
	<u>10,403,606</u>	<u>(274,979)</u>	<u>0</u>	<u>10,128,627</u>	<u>10,403,606</u>	<u>10,403,606</u>	<u>(274,979)</u>
<u>Fund Balance, June 30, 2013</u>	<u>\$ 10,256,596</u>	<u>\$ 0</u>	<u>\$ (95,164)</u>	<u>\$ 10,161,432</u>	<u>\$ 10,403,606</u>	<u>\$ 9,903,609</u>	<u>\$ 257,823</u>

Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 7,382,588	\$ 5,270,820	\$ 9,628,763	\$ (2,246,175)
Total Revenues	\$ 7,382,588	\$ 5,270,820	\$ 9,628,763	\$ (2,246,175)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,634,529	\$ 1,777,053	\$ 4,788,399	\$ 1,153,870
Special Education Program	2,182,416	2,336,384	2,263,482	81,066
Vocational Education Program	95,300	98,926	95,300	0
<u>Support Services</u>				
Health Services	179,966	206,973	222,986	43,020
Other Student Support	52,596	47,563	59,949	7,353
Regular Instruction Program	960,857	636,077	1,900,607	939,750
Special Education Program	62,113	97,508	97,591	35,478
Vocational Education Program	3,171	0	3,171	0
Office of the Principal	31,934	37,915	31,934	0
Transportation	46,288	0	114,417	68,129
Total Expenditures	\$ 7,249,170	\$ 5,238,399	\$ 9,577,836	\$ 2,328,666
Excess (Deficiency) of Revenues Over Expenditures	\$ 133,418	\$ 32,421	\$ 50,927	\$ 82,491
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (36,767)	\$ (32,421)	\$ (47,166)	\$ 10,399
Total Other Financing Sources	\$ (36,767)	\$ (32,421)	\$ (47,166)	\$ 10,399
Net Change in Fund Balance	\$ 96,651	\$ 0	\$ 3,761	\$ 92,890
Fund Balance, July 1, 2012	11,347	149,042	149,042	(137,695)
Fund Balance, June 30, 2013	\$ 107,998	\$ 149,042	\$ 152,803	\$ (44,805)

Exhibit I-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 1,424,364	\$ 2,140,000	\$ 2,140,000	\$ (715,636)
Other Local Revenues	8,904	20,000	20,000	(11,096)
Federal Government	4,263,958	3,740,000	3,740,000	523,958
Total Revenues	<u>\$ 5,697,226</u>	<u>\$ 5,900,000</u>	<u>\$ 5,900,000</u>	<u>\$ (202,774)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 5,753,541	\$ 5,900,000	\$ 5,900,000	\$ 146,459
Total Expenditures	<u>\$ 5,753,541</u>	<u>\$ 5,900,000</u>	<u>\$ 5,900,000</u>	<u>\$ 146,459</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (56,315)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (56,315)</u>
Net Change in Fund Balance	\$ (56,315)	\$ 0	\$ 0	\$ (56,315)
Fund Balance, July 1, 2012	<u>2,146,171</u>	<u>2,146,171</u>	<u>2,146,171</u>	<u>0</u>
Fund Balance, June 30, 2013	<u>\$ 2,089,856</u>	<u>\$ 2,146,171</u>	<u>\$ 2,146,171</u>	<u>\$ (56,315)</u>

MISCELLANEOUS SCHEDULES

Exhibit J-1

Tipton County, Tennessee
 Schedule of Changes in Long-term Note, Other Loans, 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
NOTE PAYABLE								
Payable through General Debt Service Fund								
Energy Efficiency	\$ 87,150	0 %	7-10-06	6-30-13	\$ 12,450	0 \$	12,450 \$	0
Total Note Payable					\$ 12,450	0 \$	12,450 \$	0
OTHER LOANS PAYABLE								
Payable through General Debt Service Fund								
School Construction	5,000,000	Variable	9-8-1998	5-25-14	\$ 1,300,000	0 \$	650,000 \$	650,000
School Construction	5,897,089	Variable	5-17-1999	5-25-19	4,947,089	0	250,000	4,697,089
School Construction	5,100,000	Variable	7-21-04	5-25-22	3,117,000	0	283,000	2,834,000
School Construction	16,000,000	Variable	4-30-07	5-25-27	13,246,000	0	638,000	12,608,000
School Refunding	6,228,600	Variable	7-9-08	5-25-15	2,753,700	0	1,226,300	1,527,400
Various Purposes	3,100,000	Variable	3-31-11	5-25-21	1,354,000	1,500,000	259,000	2,595,000
Total Other Loans Payable					\$ 26,717,789	\$ 1,500,000	\$ 3,306,300	\$ 24,911,489
BONDS PAYABLE								
Payable through General Debt Service Fund								
Elementary School	9,000,000	2.5 to 4.625	9-1-02	4-1-22	\$ 5,750,000	0 \$	500,000 \$	5,250,000
Total Bonds Payable					\$ 5,750,000	0 \$	500,000 \$	5,250,000

Exhibit J-2

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

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2014	\$ 3,441,300	\$ 75,798	\$ 160,594	\$ 3,677,692
2015	2,047,100	65,469	139,139	2,251,708
2016	2,336,000	59,654	125,077	2,520,731
2017	2,394,000	52,935	108,837	2,555,772
2018	2,452,000	46,074	93,652	2,591,726
2019	2,412,089	39,072	78,064	2,529,225
2020	1,579,000	32,257	62,435	1,673,692
2021	1,647,000	28,248	51,874	1,727,122
2022	1,188,000	21,790	39,653	1,249,443
2023	990,000	17,870	32,100	1,039,970
2024	1,034,000	14,603	26,254	1,074,857
2025	1,081,000	11,190	20,148	1,112,338
2026	1,130,000	7,623	13,764	1,151,387
2027	1,180,000	3,894	7,032	1,190,926
Total	\$ 24,911,489	\$ 476,477	\$ 958,623	\$ 26,346,589

Year Ending June 30	Bonds		Total
	Principal	Interest	
2014	\$ 500,000	\$ 221,475	\$ 721,475
2015	500,000	202,975	702,975
2016	525,000	183,725	708,725
2017	550,000	162,725	712,725
2018	575,000	140,175	715,175
2019	600,000	116,025	716,025
2020	650,000	90,225	740,225
2021	650,000	61,625	711,625
2022	700,000	32,375	732,375
Total	\$ 5,250,000	\$ 1,211,325	\$ 6,461,325

Exhibit J-3

Tipton County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Tipton County School Department
For the Year Ended June 30, 2013

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
General Debt Service	General Capital Projects	Jail expansion	\$ 2,000,000
Total Transfers Primary Government			<u>\$ 2,000,000</u>
<u>DISCRETELY PRESENTED TIPTON COUNTY</u>			
<u>SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ 36,767
Total Transfers Discretely Presented Tipton County School Department			<u>\$ 36,767</u>

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Executive	Section 8-24-102, TCA	\$ 104,817 (1)	\$ 50,000	Travelers Casualty and Surety Company of America
Director of Public Works	Section 8-24-102, TCA, and Public Works Committee	90,177 (2)	100,000	"
Director of Schools	State Board of Education and County Board of Education	124,936 (3)	100,000	"
Trustee	Section 8-24-102, TCA	76,918 (4)	2,396,200	"
Assessor of Property:				
Rose Cousar (9-1-12 through 6-30-13)	Section 8-24-102, TCA	64,471 (4)	50,000	"
Director of Accounts and Budgets	County Commission	57,876 (6)	10,000	"
County Clerk	Section 8-24-102, TCA	76,918 (4)	50,000	"
	Section 8-24-102, TCA	76,918 (4)	50,000	"
Clerk and Master:				
Judy Barkelew Billings (7-1-12 through 12-31-12)	Section 8-24-102, TCA, and Chancery Court Judge	39,579 (4)	75,000	"
Virginia Gray (1-1-13 through 6-30-13)	Section 8-24-102, TCA, and Chancery Court Judge	38,394 (8)	75,000	"
Register of Deeds	Section 8-24-102, TCA	76,918 (4)	25,000	"
Sheriff	Section 8-24-102, TCA	85,809 (10)	50,000	"
Employees Bonds:				
Public Employee Dishonesty - County Departments			150,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - School Department			150,000	"

- (1) Includes a one-time bonus of \$3,053.
- (2) Includes a one-time bonus of \$2,627.
- (3) Includes a chief executive officer training supplement of \$1,000 and \$4,000 for serving as secretary to the Board of Education.
- (4) Includes a one-time bonus of \$2,240.
- (5) The prior assessor of property died on July 6, 2011. The office was vacant until September 1, 2012.
- (6) Includes a one-time bonus of \$1,686.
- (7) Does not include \$31,825 for special commissioner fees.
- (8) Includes a one-time bonus of \$1,055.
- (9) Does not include \$2,750 for special commissioner fees.
- (10) Includes a one-time bonus of \$2,464 and a law enforcement training supplement of \$1,200.

Tipton 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	Constitutional Officers - Fees		Highway / Public Works	General Debt Service	General Capital Projects	
				General	Highway / Public Works				
<u>Local Taxes</u>									
<u>County Property Taxes</u>									
Current Property Tax	\$ 7,543,724	\$ 0	\$ 0	\$ 0	\$ 651,941	\$ 3,259,643	\$ 0	\$ 0	\$ 11,455,308
Trustee's Collections - Prior Year	272,615	0	0	0	23,464	118,596	0	0	414,675
Trustee's Collections - Bankruptcy	2,320	0	0	0	210	1,169	0	0	3,699
Circuit/Clerk & Master Collections - Prior Years	197,415	0	0	0	17,188	87,414	0	0	302,017
Interest and Penalty	47,878	0	0	0	4,134	20,768	0	0	72,780
Payments in-Lieu-of Taxes - T.V.A.	0	0	0	0	0	1,486	0	0	1,486
Payments in-Lieu-of Taxes - Other	380,478	0	0	0	24,966	124,830	0	0	530,274
<u>County Local Option Taxes</u>									
Local Option Sales Tax	399,445	0	0	0	0	0	0	0	399,445
Hotel/Motel Tax	90,626	0	0	0	0	0	0	0	90,626
Wheel Tax	1,600,322	0	0	0	1,600,322	0	0	0	3,200,644
Litigation Tax - General	162,858	0	0	0	0	0	0	0	162,858
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0	51,990	0	0	51,990
Business Tax	132,660	0	0	0	11,465	57,323	0	0	201,448
<u>Statutory Local Taxes</u>									
Bank Excise Tax	0	0	0	0	0	30,496	0	0	30,496
Wholesale Beer Tax	162,863	0	0	0	0	0	0	0	162,863
Interstate Telecommunications Tax	2,743	0	0	0	0	0	0	0	2,743
Total Local Taxes	\$ 10,995,947	\$ 0	\$ 0	\$ 0	\$ 2,333,690	\$ 3,753,715	\$ 0	\$ 0	\$ 17,083,352
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Animal Registration	\$ 59,568	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 59,568
Cable TV Franchise	39,070	0	0	0	0	0	0	0	39,070
<u>Permits</u>									
Beer Permits	3,840	0	0	0	0	0	0	0	3,840
Building Permits	43,968	0	0	0	0	0	0	0	43,968
Total Licenses and Permits	\$ 146,446	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 146,446
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	\$ 9,767	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,767
Officers Costs	12,036	0	0	0	0	0	0	0	12,036
Drug Control Fines	2,199	0	3,940	0	0	0	0	0	6,139
Drug Court Fees	1,424	0	0	0	0	0	0	0	1,424
Jail Fees	5,213	0	0	0	0	0	0	0	5,213

(Continued)

Tipton 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	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects		
Fines, Forfeitures, and Penalties (Cont.)									
<u>Circuit Court (Cont.)</u>									
DUI Treatment Fines	1,520	0	0	0	0	0	0	0	1,520
Data Entry Fee - Circuit Court	645	0	0	0	0	0	0	0	645
Victims Assistance Assessments	4,948	0	0	0	0	0	0	0	4,948
<u>Criminal Court</u>									
Fines	35,573	0	0	0	0	0	0	0	35,573
DUI Treatment Fines	522	0	0	0	0	0	0	0	522
<u>General Sessions Court</u>									
Fines	46,612	0	0	0	0	0	0	0	46,612
Officers Costs	61,586	0	0	0	0	0	0	0	61,586
Game and Fish Fines	527	0	0	0	0	0	0	0	527
Drug Control Fines	9,932	0	10,292	0	0	0	0	0	20,224
Drug Court Fees	7,489	0	0	0	0	0	0	0	7,489
Jail Fees	82,846	0	0	0	0	0	0	0	82,846
DUI Treatment Fines	9,640	0	0	0	0	0	0	0	9,640
Data Entry Fee - General Sessions Court	4,373	0	0	0	0	0	0	0	4,373
Courtroom Security Fee	1,985	0	0	0	0	0	0	0	1,985
Victims Assistance Assessments	22,257	0	0	0	0	0	0	0	22,257
<u>Juvenile Court</u>									
Fines	204	0	0	0	0	0	0	0	204
Officers Costs	2,824	0	0	0	0	0	0	0	2,824
Data Entry Fee - Juvenile Court	283	0	0	0	0	0	0	0	283
<u>Chancery Court</u>									
Officers Costs	2,509	0	0	0	0	0	0	0	2,509
Data Entry Fee - Chancery Court	8,294	0	0	0	0	0	0	0	8,294
Other Fines, Forfeitures, and Penalties									
Proceeds from Confiscated Property	9,738	0	49,215	0	0	0	0	0	58,953
Total Fines, Forfeitures, and Penalties	344,946	0	63,447	0	0	0	0	0	408,393
Charges for Current Services									
<u>General Service Charges</u>									
Tipping Fees	0	20,590	0	0	0	0	0	0	20,590
Solid Waste Disposal Fees	0	3,603	0	0	0	0	0	0	3,603
Other General Service Charges	69,738	0	0	0	0	0	0	0	69,738
<u>Fees</u>									
Copy Fees	218	0	0	0	0	0	0	0	218
Library Fees	26,426	0	0	0	0	0	0	0	26,426

(Continued)

Tipton 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	Constitutional Officers - Fees		Highway / Public Works	General Debt Service	General Capital Projects		
				Highway / Public Works	Constitutional Officers - Fees					
Charges for Current Services (Cont.)										
Fees (Cont.)										
Greenbelt Late Application Fee	\$ 200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200
Telephone Commissions	59,251	0	0	0	0	0	0	0	0	59,251
Vending Machine Collections	180	0	0	0	2,424	0	0	0	0	2,604
Constitutional Officers' Fees and Commissions	9,900	0	0	34,575	0	0	0	0	0	44,475
Data Processing Fee - Register	20,118	0	0	0	0	0	0	0	0	20,118
Data Processing Fee - Sheriff	5,277	0	0	0	0	0	0	0	0	5,277
Sexual Offender Registration Fees - Sheriff	9,000	0	0	0	0	0	0	0	0	9,000
Data Processing Fee - County Clerk	3,874	0	0	0	0	0	0	0	0	3,874
Other Charges for Services										
Other Charges for Services	0	244,510	0	0	0	0	0	0	0	244,510
Total Charges for Current Services	\$ 204,182	\$ 268,703	\$ 0	\$ 34,575	\$ 2,424	\$ 0	\$ 0	\$ 0	\$ 0	\$ 509,884
Other Local Revenues										
Recurring Items										
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 336,601	\$ 0	\$ 0	\$ 336,601
Lease/Rentals	24,008	0	0	0	0	0	0	0	0	24,008
Sale of Materials and Supplies	356	0	0	0	0	0	0	0	0	356
Commissary Sales	29,159	0	0	0	0	0	0	0	0	29,159
Sale of Gasoline	13,408	0	0	0	0	0	0	0	0	13,408
Sale of Maps	5,434	0	0	0	0	0	0	0	0	5,434
Sale of Recycled Materials	200	97,549	0	0	0	0	0	0	0	97,749
Retirees' Insurance Payments	257	0	0	0	7,223	0	0	0	0	7,480
Miscellaneous Refunds	30,090	93	0	0	22,827	0	0	0	0	53,110
Nonrecurring Items										
Revenue from Joint Ventures	27,500	0	0	0	0	0	0	0	0	27,500
Sale of Equipment	400	0	0	0	49,125	0	0	0	0	49,525
Damages Recovered from Individuals	285	0	0	0	0	0	0	0	0	285
Contributions and Gifts	7,268	0	0	0	0	0	0	0	0	7,268
Other Local Revenues										
Other Local Revenues	13,050	0	0	0	0	0	0	0	0	13,050
Total Other Local Revenues	\$ 151,415	\$ 97,642	\$ 0	\$ 0	\$ 79,275	\$ 0	\$ 336,601	\$ 0	\$ 0	\$ 664,933
Fees Received from County Officials										
Fees in-Lieu-of Salary										
County Clerk	\$ 458,142	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 458,142
Circuit Court Clerk	143,100	0	0	0	0	0	0	0	0	143,100

(Continued)

Tipton 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	Constitutional Officers - Fees		Highway / Public Works	General Debt Service	General Capital Projects		
Fees Received from County Officials (Cont.)										
Fees in-Lieu-of Salary (Cont.)										
General Sessions Court Clerk	\$ 320,438	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 320,438
Clerk and Master	282,795	0	0	0	0	0	0	0	0	282,795
Juvenile Court Clerk	49,724	0	0	0	0	0	0	0	0	49,724
Register	267,664	0	0	0	0	0	0	0	0	267,664
Sheriff	29,720	0	0	0	0	0	0	0	0	29,720
Trustee	727,805	0	0	0	0	0	0	0	0	727,805
Total Fees Received from County Officials	\$ 2,279,388	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,279,388
State of Tennessee										
General Government Grants										
Juvenile Services Program	\$ 13,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,500
Solid Waste Grants	0	33,475	0	0	0	0	0	0	0	33,475
Public Safety Grants										
Law Enforcement Training Programs	24,600	0	0	0	0	0	0	0	0	24,600
Other Public Safety Grants	21,389	0	0	0	0	0	0	0	0	21,389
Health and Welfare Grants										
Health Department Programs	277,219	0	0	0	0	0	0	0	0	277,219
Public Works Grants										
Bridge Program	0	0	0	0	0	561,816	0	0	0	561,816
State Aid Program	0	0	0	0	0	187,231	0	0	0	187,231
Litter Program	46,084	0	0	0	0	0	0	0	0	46,084
Other State Revenues										
Income Tax	73,899	0	0	0	0	0	0	0	0	73,899
Beer Tax	18,586	0	0	0	0	0	0	0	0	18,586
Alcoholic Beverage Tax	87,453	0	0	0	0	0	0	0	0	87,453
Mixed Drink Tax	2,322	0	0	0	0	0	0	0	0	2,322
State Revenue Sharing - T.V.A.	0	842,546	0	0	0	0	0	0	0	842,546
Board of Jurors	8,108	0	0	0	0	0	0	0	0	8,108
Contracted Prisoner Boarding	289,747	0	0	0	0	0	0	0	0	289,747
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,918,783	0	0	0	1,918,783
Petroleum Special Tax	0	0	0	0	0	44,072	0	0	0	44,072
Reappraisal Program Reimbursement	750	0	0	0	0	0	0	0	0	750
Registrar's Salary Supplement	15,164	0	0	0	0	0	0	0	0	15,164
Other State Revenues	15,730	0	0	0	0	0	0	0	0	15,730
Total State of Tennessee	\$ 894,551	\$ 876,021	\$ 0	\$ 0	\$ 2,711,902	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,482,474

(Continued)

Tipton 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	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects			
Federal Government										
<u>Federal Through State</u>										
Civil Defense Reimbursement	\$ 30,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,000
Disaster Relief	0	0	0	0	1,359,056	0	737,961	0	0	2,097,017
Homeland Security Grants	137,394	0	0	0	0	0	0	0	0	137,394
Law Enforcement Grants	56,268	0	0	0	0	0	0	0	0	56,268
<u>Direct Federal Revenue</u>										
Asset Forfeiture Funds	0	0	34,640	0	0	0	0	0	0	34,640
Other Direct Federal Revenue	15,642	0	0	0	0	0	0	0	0	15,642
Total Federal Government	\$ 293,304	\$ 0	\$ 34,640	\$ 0	\$ 1,359,056	\$ 0	\$ 737,961	\$ 0	\$ 0	\$ 2,370,961
Other Governments and Citizens Groups										
<u>Other Governments</u>										
Paving and Maintenance Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 154,663	\$ 0	\$ 0	\$ 0	\$ 0	\$ 154,663
Contracted Services	104,756	0	0	0	0	600,000	0	0	0	704,756
Other	167,140	0	0	0	0	0	0	0	0	167,140
<u>Other</u>	1,846	0	0	0	0	0	0	0	0	1,846
Total Other Governments and Citizens Groups	\$ 273,742	\$ 0	\$ 0	\$ 0	\$ 154,663	\$ 600,000	\$ 0	\$ 0	\$ 0	\$ 1,028,405
Total	\$ 15,529,921	\$ 1,242,366	\$ 98,087	\$ 34,575	\$ 6,641,010	\$ 4,690,316	\$ 737,961	\$ 0	\$ 28,974,236	

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 10,407,720	\$ 0	\$ 0	\$ 10,407,720
Trustee's Collections - Prior Year	305,452	0	0	305,452
Trustee's Collections - Bankruptcy	3,361	0	0	3,361
Circuit/Clerk & Master Collections - Prior Years	272,552	0	0	272,552
Interest and Penalty	65,567	0	0	65,567
Payments in-Lieu-of Taxes - Other	395,888	0	0	395,888
<u>County Local Option Taxes</u>				
Local Option Sales Tax	4,071,617	0	0	4,071,617
Business Tax	181,794	0	0	181,794
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	5,208	0	0	5,208
Total Local Taxes	<u>\$ 15,709,159</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,709,159</u>
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 3,677	\$ 0	\$ 0	\$ 3,677
<u>Permits</u>				
Other Permits	932	0	0	932
Total Licenses and Permits	<u>\$ 4,609</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,609</u>
<u>Fines, Forfeitures, and Penalties</u>				
<u>Juvenile Court</u>				
Fines	\$ 3,444	\$ 0	\$ 0	\$ 3,444
Total Fines, Forfeitures, and Penalties	<u>\$ 3,444</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,444</u>
<u>Charges for Current Services</u>				
<u>Fees</u>				
Vending Machine Collections	\$ 37	\$ 0	\$ 0	\$ 37
<u>Education Charges</u>				
Tuition - Regular Day Students	19,500	0	0	19,500
Tuition - Summer School	1,345	0	0	1,345
Tuition - Other	944,946	0	0	944,946
Lunch Payments - Children	0	0	921,813	921,813
Lunch Payments - Adults	0	0	124,614	124,614
Income from Breakfast	0	0	103,298	103,298
A la carte Sales	0	0	272,202	272,202
Receipts from Individual Schools	155,147	0	0	155,147
TBI Criminal Background Fees	4,676	0	0	4,676
<u>Other Charges for Services</u>				
Other Charges for Services	0	0	2,437	2,437
Total Charges for Current Services	<u>\$ 1,125,651</u>	<u>\$ 0</u>	<u>\$ 1,424,364</u>	<u>\$ 2,550,015</u>
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 8,904	\$ 8,904
Lease/Rentals	20,215	0	0	20,215
Refund of Telecommunication & Internet Fees (E-Rate)	156,226	0	0	156,226
Miscellaneous Refunds	99,040	0	0	99,040
<u>Nonrecurring Items</u>				
Sale of Equipment	14,995	0	0	14,995
Damages Recovered from Individuals	1,824	0	0	1,824
Total Other Local Revenues	<u>\$ 292,300</u>	<u>\$ 0</u>	<u>\$ 8,904</u>	<u>\$ 301,204</u>

(Continued)

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

	<u>Special Revenue Funds</u>			
	General Purpose School	School Federal Projects	Central Cafeteria	Total
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 191,707	\$ 0	\$ 0	\$ 191,707
<u>State Education Funds</u>				
Basic Education Program	57,407,708	0	0	57,407,708
Early Childhood Education	1,030,462	0	0	1,030,462
School Food Service	59,516	0	0	59,516
Energy Efficient School Initiative	72,428	0	0	72,428
Other State Education Funds	304,370	0	0	304,370
Career Ladder Program	320,446	0	0	320,446
Career Ladder - Extended Contract	80,600	0	0	80,600
<u>Other State Revenues</u>				
Mixed Drink Tax	15,459	0	0	15,459
Other State Grants	609,810	0	0	609,810
Total State of Tennessee	<u>\$ 60,092,506</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 60,092,506</u>
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 2,675,400	\$ 2,675,400
USDA - Commodities	0	0	290,527	290,527
Breakfast	0	0	941,146	941,146
USDA - Other	0	0	356,885	356,885
Adult Education State Grant Program	99,200	0	0	99,200
Vocational Education - Basic Grants to States	0	146,489	0	146,489
Title I Grants to Local Education Agencies	0	2,241,056	0	2,241,056
Special Education - Grants to States	26,369	2,474,152	0	2,500,521
Special Education Preschool Grants	0	138,588	0	138,588
Safe and Drug-Free Schools - State Grants	0	553,650	0	553,650
Eisenhower Professional Development State Grants	0	608,619	0	608,619
Disaster Relief	230	0	0	230
Race-to-the-Top - ARRA	0	461,703	0	461,703
Other Federal through State	0	758,331	0	758,331
Total Federal Government	<u>\$ 125,799</u>	<u>\$ 7,382,588</u>	<u>\$ 4,263,958</u>	<u>\$ 11,772,345</u>
Total	<u>\$ 77,353,468</u>	<u>\$ 7,382,588</u>	<u>\$ 5,697,226</u>	<u>\$ 90,433,282</u>

Exhibit J-7

Tipton 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	\$	67,800	
Social Security		5,187	
Unemployment Compensation		28	
Audit Services		19,821	
Consultants		449	
Dues and Memberships		11,322	
Legal Services		8,043	
Legal Notices, Recording, and Court Costs		2,687	
Travel		3,936	
Liability Insurance		2,937	
Total County Commission			\$ 122,210

Beer Board

Board and Committee Members Fees	\$	1,900	
Social Security		145	
Total Beer Board			2,045

County Mayor/Executive

County Official/Administrative Officer	\$	101,764	
Accountants/Bookkeepers		35,165	
Secretary(ies)		35,165	
Part-time Personnel		1,591	
Longevity Pay		1,000	
Social Security		12,331	
State Retirement		16,710	
Employee and Dependent Insurance		42,685	
Unemployment Compensation		186	
Communication		2,705	
Printing, Stationery, and Forms		12	
Travel		7,868	
Other Contracted Services		1,987	
Office Supplies		2,940	
Utilities		4,150	
Other Supplies and Materials		300	
Building and Contents Insurance		716	
Liability Insurance		816	
Vehicle and Equipment Insurance		513	
Workers' Compensation Insurance		1,188	
Other Charges		103	
Office Equipment		1,320	
Total County Mayor/Executive			271,215

Election Commission

County Official/Administrative Officer	\$	65,415	
Secretary(ies)		35,443	
Clerical Personnel		17,876	
Part-time Personnel		11,814	
Longevity Pay		1,850	
Overtime Pay		5,304	
Election Commission		16,900	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Election Workers	\$	61,485	
Social Security		12,181	
State Retirement		10,149	
Employee and Dependent Insurance		28,916	
Unemployment Compensation		724	
Audit Services		16,045	
Communication		2,786	
Dues and Memberships		2,825	
Janitorial Services		4,000	
Legal Notices, Recording, and Court Costs		9,044	
Maintenance and Repair Services - Buildings		1,746	
Maintenance and Repair Services - Equipment		12,216	
Pest Control		120	
Postal Charges		7,046	
Printing, Stationery, and Forms		712	
Rentals		1,000	
Travel		3,663	
Custodial Supplies		705	
Duplicating Supplies		910	
Office Supplies		7,205	
Utilities		6,926	
Building and Contents Insurance		573	
Liability Insurance		1,469	
Workers' Compensation Insurance		588	
Other Charges		1,436	
Data Processing Equipment		4,127	
Furniture and Fixtures		514	
Office Equipment		554	
Total Election Commission	\$		354,267

Register of Deeds

County Official/Administrative Officer	\$	74,678	
Clerical Personnel		102,108	
Longevity Pay		2,000	
Social Security		12,793	
State Retirement		17,166	
Employee and Dependent Insurance		36,752	
Unemployment Compensation		270	
Communication		1,549	
Dues and Memberships		135	
Travel		2,445	
Office Supplies		1,162	
Utilities		6,055	
Building and Contents Insurance		647	
Liability Insurance		652	
Workers' Compensation Insurance		736	
Data Processing Equipment		21,709	
Office Equipment		700	
Total Register of Deeds			281,557

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Planning

Supervisor/Director	\$	56,024	
Clerical Personnel		33,614	
Longevity Pay		2,500	
Other Salaries and Wages		74,259	
Board and Committee Members Fees		8,700	
Social Security		12,806	
State Retirement		15,914	
Employee and Dependent Insurance		27,703	
Unemployment Compensation		360	
Communication		2,362	
Maintenance and Repair Services - Buildings		259	
Maintenance and Repair Services - Vehicles		1,359	
Travel		1,918	
Tuition		2,174	
Other Contracted Services		12,877	
Gasoline		6,047	
Office Supplies		2,579	
Utilities		3,348	
Building and Contents Insurance		765	
Liability Insurance		359	
Vehicle and Equipment Insurance		1,147	
Workers' Compensation Insurance		2,692	
Data Processing Equipment		1,074	
Total Planning			\$ 270,840

Building

Custodial Personnel	\$	54,206	
Maintenance Personnel		68,916	
Longevity Pay		2,650	
Social Security		9,701	
State Retirement		12,246	
Employee and Dependent Insurance		24,518	
Unemployment Compensation		360	
Communication		3,045	
Contracts with Private Agencies		8,155	
Janitorial Services		12,420	
Maintenance and Repair Services - Buildings		7,742	
Maintenance and Repair Services - Vehicles		5,610	
Pest Control		350	
Custodial Supplies		5,536	
Gasoline		11,071	
Small Tools		5,036	
Uniforms		6,812	
Utilities		11,797	
Building and Contents Insurance		451	
Liability Insurance		287	
Vehicle and Equipment Insurance		1,186	
Workers' Compensation Insurance		7,116	
Building Improvements		560	
Maintenance Equipment		2,906	
Motor Vehicles		34,876	
Total Building			297,553

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance

Other Salaries and Wages	\$	4,838	
Social Security		370	
State Retirement		470	
Unemployment Compensation		48	
Total Codes Compliance			\$ 5,726

Geographical Information Systems

Supervisor/Director	\$	50,790	
Longevity Pay		400	
Social Security		3,641	
State Retirement		4,932	
Employee and Dependent Insurance		14,970	
Unemployment Compensation		90	
Communication		1,239	
Dues and Memberships		555	
Maintenance and Repair Services - Office Equipment		9,530	
Maintenance and Repair Services - Vehicles		196	
Travel		1,688	
Gasoline		1,270	
Office Supplies		3,580	
Liability Insurance		72	
Vehicle and Equipment Insurance		433	
Workers' Compensation Insurance		192	
Data Processing Equipment		2,868	
Other Equipment		39,967	
Total Geographical Information Systems			136,413

County Buildings

Communication	\$	1,099	
Contracts with Private Agencies		166	
Janitorial Services		13,474	
Maintenance and Repair Services - Buildings		21,847	
Pest Control		820	
Other Contracted Services		6,860	
Custodial Supplies		2,539	
Utilities		438	
Building Improvements		642	
Furniture and Fixtures		661	
Total County Buildings			48,546

Finance

Accounting and Budgeting

Supervisor/Director	\$	56,190	
Clerical Personnel		35,165	
Longevity Pay		650	
Social Security		6,946	
State Retirement		8,266	
Employee and Dependent Insurance		5,989	
Unemployment Compensation		180	
Communication		2,838	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Accounting and Budgeting (Cont.)

Maintenance and Repair Services - Office Equipment	\$	10,322	
Postal Charges		30,598	
Travel		3,121	
Office Supplies		4,759	
Utilities		3,915	
Building and Contents Insurance		691	
Liability Insurance		490	
Workers' Compensation Insurance		504	
Data Processing Equipment		653	
Office Equipment		925	
Total Accounting and Budgeting			\$ 172,202

Property Assessor's Office

County Official/Administrative Officer	\$	62,231	
Secretary(ies)		120,613	
Clerical Personnel		34,357	
Longevity Pay		3,100	
Other Salaries and Wages		1,300	
Social Security		15,877	
State Retirement		20,389	
Employee and Dependent Insurance		46,875	
Unemployment Compensation		357	
Communication		2,474	
Contracts with Private Agencies		25,790	
Data Processing Services		17,689	
Dues and Memberships		429	
Maintenance and Repair Services - Office Equipment		2,801	
Travel		348	
Duplicating Supplies		892	
Office Supplies		2,612	
Utilities		7,814	
Building and Contents Insurance		835	
Liability Insurance		979	
Premiums on Corporate Surety Bonds		569	
Workers' Compensation Insurance		1,052	
Data Processing Equipment		437	
Office Equipment		1,193	
Total Property Assessor's Office			371,013

Reappraisal Program

Longevity Pay	\$	1,050	
Other Salaries and Wages		23,593	
Social Security		1,885	
Unemployment Compensation		192	
Communication		241	
Data Processing Services		5,189	
Maintenance and Repair Services - Vehicles		138	
Gasoline		1,818	
Liability Insurance		327	
Vehicle and Equipment Insurance		723	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Workers' Compensation Insurance	\$	208	
Other Charges		44	
Total Reappraisal Program			\$ 35,408

County Trustee's Office

County Official/Administrative Officer	\$	74,678	
Clerical Personnel		119,185	
Longevity Pay		2,550	
In-Service Training		50	
Social Security		14,370	
State Retirement		18,812	
Employee and Dependent Insurance		31,117	
Unemployment Compensation		360	
Advertising		264	
Communication		1,340	
Dues and Memberships		250	
Maintenance and Repair Services - Office Equipment		6,830	
Travel		3,373	
Office Supplies		3,214	
Utilities		6,335	
Building and Contents Insurance		677	
Liability Insurance		816	
Workers' Compensation Insurance		856	
Data Processing Equipment		983	
Office Equipment		17	
Total County Trustee's Office			286,077

County Clerk's Office

County Official/Administrative Officer	\$	74,678	
Clerical Personnel		213,206	
Longevity Pay		3,700	
Overtime Pay		132	
Social Security		21,233	
State Retirement		26,559	
Employee and Dependent Insurance		52,545	
Unemployment Compensation		685	
Communication		3,116	
Dues and Memberships		445	
Maintenance and Repair Services - Office Equipment		12,172	
Postal Charges		11,907	
Printing, Stationery, and Forms		2,022	
Travel		4,941	
Duplicating Supplies		1,427	
Office Supplies		5,529	
Utilities		3,692	
Building and Contents Insurance		843	
Liability Insurance		1,806	
Workers' Compensation Insurance		1,216	
Data Processing Equipment		4,490	
Office Equipment		2,540	
Total County Clerk's Office			448,884

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	74,678	
Clerical Personnel		315,131	
Longevity Pay		7,100	
Other Salaries and Wages		625	
Jury and Witness Expense		22,629	
Social Security		28,751	
State Retirement		34,274	
Employee and Dependent Insurance		68,180	
Unemployment Compensation		1,055	
Communication		4,460	
Dues and Memberships		255	
Maintenance and Repair Services - Office Equipment		15,347	
Postal Charges		16,808	
Travel		4,373	
Office Supplies		8,171	
Utilities		1,559	
Building and Contents Insurance		1,758	
Liability Insurance		1,958	
Vehicle and Equipment Insurance		297	
Workers' Compensation Insurance		1,664	
Furniture and Fixtures		2,488	
Total Circuit Court			\$ 611,561

Criminal Court

Supervisor/Director	\$	32,136	
Longevity Pay		300	
Social Security		2,300	
State Retirement		3,120	
Employee and Dependent Insurance		6,229	
Unemployment Compensation		90	
Communication		528	
Workers' Compensation Insurance		132	
Total Criminal Court			44,835

General Sessions Court

Judge(s)	\$	161,808	
Assistant(s)		51,500	
Longevity Pay		1,000	
Social Security		13,252	
State Retirement		20,712	
Employee and Dependent Insurance		30,265	
Unemployment Compensation		90	
Communication		5,033	
Dues and Memberships		872	
Travel		1,430	
Office Supplies		531	
Utilities		1,604	
Building and Contents Insurance		1,813	
Liability Insurance		490	
Workers' Compensation Insurance		824	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court (Cont.)

Data Processing Equipment	\$	765	
Office Equipment		753	
Total General Sessions Court			\$ 292,742

Drug Court

Remittance of Revenue Collected	\$	12,218	
Total Drug Court			12,218

Chancery Court

County Official/Administrative Officer	\$	74,678	
Clerical Personnel		129,931	
Longevity Pay		3,050	
Social Security		14,947	
State Retirement		18,685	
Employee and Dependent Insurance		36,523	
Unemployment Compensation		429	
Communication		2,154	
Dues and Memberships		475	
Legal Notices, Recording, and Court Costs		3,108	
Maintenance and Repair Services - Office Equipment		6,620	
Travel		1,250	
Office Supplies		10,221	
Utilities		1,697	
Building and Contents Insurance		1,911	
Liability Insurance		816	
Premiums on Corporate Surety Bonds		2,613	
Workers' Compensation Insurance		876	
Furniture and Fixtures		2,310	
Total Chancery Court			312,294

Juvenile Court

Youth Service Officer(s)	\$	41,200	
Clerical Personnel		10,587	
Part-time Personnel		6,800	
Longevity Pay		1,200	
Social Security		3,811	
State Retirement		4,001	
Employee and Dependent Insurance		5,887	
Unemployment Compensation		180	
Communication		3,026	
Dues and Memberships		304	
Maintenance and Repair Services - Office Equipment		2,155	
Maintenance and Repair Services - Vehicles		596	
Printing, Stationery, and Forms		1,916	
Travel		1,434	
Other Contracted Services		17,451	
Food Supplies		69	
Gasoline		83	
Office Supplies		2,687	
Utilities		324	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Building and Contents Insurance	\$	359	
Liability Insurance		327	
Workers' Compensation Insurance		222	
Data Processing Equipment		4,000	
Law Enforcement Equipment		2,529	
Office Equipment		149	
Total Juvenile Court			\$ 111,297

Probate Court

Probation Officer(s)	\$	42,880	
Clerical Personnel		26,447	
Longevity Pay		2,150	
Social Security		5,125	
State Retirement		2,568	
Employee and Dependent Insurance		11,833	
Unemployment Compensation		180	
Communication		439	
Contracts with Other Public Agencies		3,600	
Maintenance and Repair Services - Office Equipment		55	
Office Supplies		1,870	
Utilities		307	
Building and Contents Insurance		359	
Liability Insurance		327	
Workers' Compensation Insurance		316	
Data Processing Equipment		74	
Total Probate Court			98,530

Other Administration of Justice

Communication	\$	1,321	
Janitorial Services		17,760	
Maintenance and Repair Services - Buildings		13,185	
Maintenance and Repair Services - Equipment		1,267	
Pest Control		480	
Custodial Supplies		2,186	
Utilities		3,674	
Building and Contents Insurance		839	
Total Other Administration of Justice			40,712

Victims Assistance Programs

Remittance of Revenue Collected	\$	26,159	
Total Victims Assistance Programs			26,159

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	82,145	
Assistant(s)		113,300	
Deputy(ies)		1,110,164	
Investigator(s)		322,072	
Captain(s)		85,173	
Lieutenant(s)		46,350	

(Continued)

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Sergeant(s)	\$	165,013	
Accountants/Bookkeepers		30,900	
Medical Personnel		115,763	
Salary Supplements		49,200	
Clerical Personnel		122,162	
Part-time Personnel		59,260	
Longevity Pay		21,450	
Overtime Pay		176,639	
Other Salaries and Wages		90,099	
In-Service Training		27,656	
Social Security		177,795	
State Retirement		213,523	
Employee and Dependent Insurance		496,756	
Unemployment Compensation		5,739	
Communication		28,275	
Confidential Drug Enforcement Payments		1,000	
Dues and Memberships		7,164	
Evaluation and Testing		5,349	
Maintenance and Repair Services - Equipment		3,792	
Maintenance and Repair Services - Office Equipment		2,156	
Maintenance and Repair Services - Vehicles		84,805	
Transportation - Other than Students		110	
Travel		1,869	
Gasoline		225,000	
Office Supplies		16,960	
Uniforms		41,481	
Utilities		3,601	
Other Supplies and Materials		7,588	
Building and Contents Insurance		4,134	
Liability Insurance		63,729	
Vehicle and Equipment Insurance		30,374	
Workers' Compensation Insurance		115,052	
Data Processing Equipment		7,111	
Law Enforcement Equipment		28,225	
Motor Vehicles		288,800	
Office Equipment		1,284	
Other Equipment		21,125	
Total Sheriff's Department	\$		4,500,143

Administration of the Sexual Offender Registry

In-Service Training	\$	2,004	
Remittance of Revenue Collected		2,850	
Office Supplies		598	
Total Administration of the Sexual Offender Registry			5,452

Jail

Captain(s)	\$	10,010	
Lieutenant(s)		41,200	
Sergeant(s)		170,543	
Medical Personnel		40,982	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Guards	\$	763,477	
Cafeteria Personnel		82,400	
Part-time Personnel		7,764	
Longevity Pay		7,200	
Overtime Pay		16,337	
Other Salaries and Wages		68,121	
In-Service Training		8,855	
Social Security		86,399	
State Retirement		109,070	
Employee and Dependent Insurance		295,814	
Unemployment Compensation		3,473	
Communication		3,166	
Dues and Memberships		5,920	
Evaluation and Testing		539	
Maintenance and Repair Services - Equipment		20,305	
Maintenance and Repair Services - Office Equipment		469	
Transportation - Other than Students		3,092	
Travel		81	
Custodial Supplies		22,597	
Drugs and Medical Supplies		214,090	
Food Supplies		148,475	
Office Supplies		7,424	
Prisoners Clothing		10,303	
Uniforms		17,135	
Utilities		158,332	
Building and Contents Insurance		4,075	
Liability Insurance		41,238	
Vehicle and Equipment Insurance		2,211	
Workers' Compensation Insurance		61,259	
Data Processing Equipment		1,871	
Food Service Equipment		4,983	
Office Equipment		6,174	
Total Jail	\$		2,445,384

Workhouse

Guards	\$	54,395	
Longevity Pay		1,300	
Social Security		3,566	
Employee and Dependent Insurance		3,556	
Unemployment Compensation		397	
Communication		4,401	
Janitorial Services		34,720	
Maintenance and Repair Services - Buildings		22,599	
Maintenance and Repair Services - Equipment		8,717	
Pest Control		1,280	
Custodial Supplies		2,954	
Uniforms		1,800	
Liability Insurance		652	
Workers' Compensation Insurance		2,812	
Total Workhouse			143,149

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control

Salary Supplements	\$	2,400	
Communication		1,049	
Contributions		220,907	
Maintenance and Repair Services - Buildings		4,864	
Maintenance and Repair Services - Vehicles		3,167	
Travel		1,184	
Gasoline		3,289	
Office Supplies		440	
Uniforms		90	
Utilities		7,913	
Building and Contents Insurance		542	
Liability Insurance		163	
Vehicle and Equipment Insurance		968	
Workers' Compensation Insurance		1,336	
Data Processing Equipment		1,430	
Other Equipment		243	
Total Fire Prevention and Control	\$		249,985

Civil Defense

Supervisor/Director	\$	31,200	
Clerical Personnel		11,610	
Longevity Pay		750	
Other Salaries and Wages		42,848	
In-Service Training		185	
Social Security		6,385	
State Retirement		7,190	
Employee and Dependent Insurance		11,833	
Unemployment Compensation		179	
Communication		4,694	
Contracts with Other Public Agencies		3,800	
Dues and Memberships		30	
Maintenance and Repair Services - Equipment		1,630	
Maintenance and Repair Services - Office Equipment		300	
Maintenance and Repair Services - Vehicles		4,168	
Pest Control		300	
Travel		712	
Gasoline		3,233	
Office Supplies		112	
Other Supplies and Materials		60	
Liability Insurance		327	
Vehicle and Equipment Insurance		4,015	
Workers' Compensation Insurance		192	
Other Equipment		96,584	
Total Civil Defense			232,337

Other Emergency Management

Communication	\$	169,000	
Utilities		25,444	
Building and Contents Insurance		1,380	
Total Other Emergency Management			195,824

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Communication	\$	2,812	
Contracts with Government Agencies		10,667	
Janitorial Services		22,370	
Maintenance and Repair Services - Buildings		22,802	
Pest Control		42	
Postal Charges		206	
Drugs and Medical Supplies		1,788	
Office Supplies		1,924	
Utilities		18,859	
Building and Contents Insurance		1,497	
Total Local Health Center			\$ 82,967

Rabies and Animal Control

Clerical Personnel	\$	985	
Longevity Pay		3,300	
Overtime Pay		4,522	
Other Salaries and Wages		149,052	
In-Service Training		525	
Social Security		11,069	
State Retirement		15,008	
Employee and Dependent Insurance		49,497	
Unemployment Compensation		450	
Communication		654	
Maintenance and Repair Services - Buildings		2,184	
Maintenance and Repair Services - Equipment		114	
Maintenance and Repair Services - Vehicles		1,237	
Pest Control		585	
Travel		2,089	
Veterinary Services		14,950	
Animal Food and Supplies		2,071	
Custodial Supplies		404	
Gasoline		240	
Office Supplies		2,401	
Uniforms		1,895	
Utilities		9,777	
Other Supplies and Materials		751	
Building and Contents Insurance		263	
Liability Insurance		1,306	
Refunds		1,665	
Vehicle and Equipment Insurance		415	
Workers' Compensation Insurance		5,156	
Building Improvements		2,606	
Office Equipment		325	
Total Rabies and Animal Control			285,496

Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$	113,665	
Total Ambulance/Emergency Medical Services			113,665

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Dental Health Program

Medical Personnel	\$	113,250	
Clerical Personnel		107,985	
Longevity Pay		1,400	
Social Security		16,438	
State Retirement		18,444	
Employee and Dependent Insurance		13,885	
Unemployment Compensation		568	
Travel		6,531	
Drugs and Medical Supplies		4,911	
Liability Insurance		2,919	
Workers' Compensation Insurance		1,296	
Total Dental Health Program	\$		287,627

General Welfare Assistance

Bus Drivers	\$	14,000	
Contracts with Government Agencies		10,740	
Dues and Memberships		9,162	
Total General Welfare Assistance			33,902

Sanitation Management

Supervisor/Director	\$	20,970	
Guards		30,900	
Part-time Personnel		193	
Longevity Pay		1,050	
Social Security		3,564	
State Retirement		5,055	
Employee and Dependent Insurance		26,783	
Unemployment Compensation		180	
Advertising		5,394	
Communication		508	
Contributions		5,117	
Dues and Memberships		832	
Maintenance and Repair Services - Vehicles		621	
Postal Charges		56	
Transportation - Other than Students		124	
Gasoline		6,139	
Office Supplies		699	
Uniforms		500	
Utilities		378	
Other Supplies and Materials		2,845	
Liability Insurance		490	
Vehicle and Equipment Insurance		297	
Workers' Compensation Insurance		3,169	
Office Equipment		190	
Total Sanitation Management			116,054

Social, Cultural, and Recreational Services

Senior Citizens Assistance

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

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Assistant(s)	\$	28,867	
Supervisor/Director		24,813	
Accountants/Bookkeepers		5,270	
Librarians		58,559	
Custodial Personnel		3,640	
Overtime Pay		1,434	
Social Security		9,288	
State Retirement		2,861	
Employee and Dependent Insurance		6,179	
Unemployment Compensation		664	
Communication		1,515	
Contributions		19,000	
Maintenance and Repair Services - Buildings		1,483	
Maintenance and Repair Services - Equipment		1,844	
Postal Charges		956	
Rentals		7,000	
Travel		328	
Duplicating Supplies		1,650	
Library Books/Media		18,126	
Office Supplies		2,745	
Utilities		9,035	
Building and Contents Insurance		1,492	
Liability Insurance		1,795	
Workers' Compensation Insurance		732	
Office Equipment		1,556	
Other Equipment		150	
Total Libraries			\$ 210,982

Parks and Fair Boards

Contributions	\$	5,800	
Maintenance Agreements		12,129	
Total Parks and Fair Boards			17,929

Other Social, Cultural, and Recreational

Contributions	\$	3,500	
Total Other Social, Cultural, and Recreational			3,500

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	58,891	
Social Security		612	
Unemployment Compensation		80	
Other Fringe Benefits		11,563	
Communication		1,993	
Dues and Memberships		1,493	
Janitorial Services		4,040	
Maintenance and Repair Services - Buildings		248	
Pest Control		120	
Custodial Supplies		94	
Office Supplies		4,686	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Utilities	\$	4,330	
Building and Contents Insurance		355	
Liability Insurance		163	
Office Equipment		608	
Total Agriculture Extension Service			\$ 89,276

Soil Conservation

Secretary(ies)	\$	30,180	
Longevity Pay		350	
Other Salaries and Wages		35,619	
Social Security		4,896	
State Retirement		4,427	
Employee and Dependent Insurance		11,340	
Unemployment Compensation		246	
Dues and Memberships		1,185	
Travel		1,640	
Office Supplies		67	
Building and Contents Insurance		29	
Liability Insurance		327	
Workers' Compensation Insurance		284	
Office Equipment		784	
Total Soil Conservation			91,374

Other Operations

Tourism

Contributions	\$	71,000	
Total Tourism			71,000

Industrial Development

Longevity Pay	\$	200	
Other Salaries and Wages		120,819	
Social Security		8,501	
State Retirement		11,731	
Employee and Dependent Insurance		14,970	
Unemployment Compensation		90	
Contributions		8,000	
Matching Share		54,500	
Other Contracted Services		70,746	
Liability Insurance		163	
Workers' Compensation Insurance		494	
Total Industrial Development			290,214

Veterans' Services

Clerical Personnel	\$	12,000	
Social Security		878	
Unemployment Compensation		90	
Advertising		338	
Communication		827	
Dues and Memberships		85	
Maintenance and Repair Services - Buildings		1,422	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Travel	\$	635	
Office Supplies		340	
Utilities		40	
Liability Insurance		160	
Data Processing Equipment		399	
Total Veterans' Services			\$ 17,214

Employee Benefits

Employee and Dependent Insurance	\$	13,525	
Total Employee Benefits			13,525

Miscellaneous

Bonus Payments	\$	188,625	
Social Security		13,843	
Communication		1,234	
Contributions		59,800	
Dues and Memberships		40,000	
Maintenance and Repair Services - Buildings		285	
Pest Control		1,279	
Gasoline		13,440	
Testing		364	
Refunds		40,599	
Trustee's Commission		197,908	
Office Equipment		27,384	
Total Miscellaneous			584,761

Total General Fund \$ 14,798,064

Solid Waste/Sanitation Fund

Public Health and Welfare

Postclosure Care Costs

Contracts for Postclosure Care Costs	\$	35,490	
Total Postclosure Care Costs			\$ 35,490

Highways

Litter and Trash Collection

Foremen	\$	39,418	
Equipment Operators		158,099	
Laborers		69,171	
Part-time Personnel		4,000	
Longevity Pay		2,900	
Overtime Pay		5,502	
Bonus Payments		6,830	
Social Security		20,639	
State Retirement		22,349	
Employee and Dependent Insurance		65,124	
Unemployment Compensation		615	
Other Fringe Benefits		1,523	
Communication		947	
Dues and Memberships		300	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Highways (Cont.)

Litter and Trash Collection (Cont.)

Licenses	\$	300	
Maintenance and Repair Services - Equipment		23,820	
Maintenance and Repair Services - Office Equipment		315	
Printing, Stationery, and Forms		1,973	
Towing Services		300	
Travel		617	
Disposal Fees		277,267	
Other Contracted Services		56,282	
Crushed Stone		4,365	
Diesel Fuel		55,582	
Electricity		2,934	
Equipment and Machinery Parts		14,691	
Fertilizer, Lime, and Seed		402	
Lubricants		1,486	
Office Supplies		1,251	
Road Signs		23	
Small Tools		500	
Tires and Tubes		13,654	
Uniforms		3,705	
Water and Sewer		257	
Trustee's Commission		9,680	
Other Charges		745	
Site Development		14,950	
Solid Waste Equipment		9,331	
Total Litter and Trash Collection			\$ 891,847
Total Solid Waste/Sanitation Fund			\$ 927,337

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	2,265	
Confidential Drug Enforcement Payments		26,000	
Maintenance and Repair Services - Vehicles		92	
Other Contracted Services		76,645	
Utilities		1,862	
Other Supplies and Materials		6,000	
Trustee's Commission		129	
Total Drug Enforcement			\$ 112,993
Total Drug Control Fund			112,993

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$	34,575	
Total Chancery Court			\$ 34,575
Total Constitutional Officers - Fees Fund			34,575

(Continued)

Exhibit J-7

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	87,550	
Supervisor/Director		52,000	
Accountants/Bookkeepers		35,400	
Secretary(ies)		35,800	
Clerical Personnel		31,630	
Custodial Personnel		26,706	
Temporary Personnel		3,550	
Overtime Pay		7,996	
Other Salaries and Wages		77,153	
Board and Committee Members Fees		9,900	
Advertising		2,638	
Communication		22,385	
Confidential Drug Enforcement Payments		2,186	
Dues and Memberships		39,548	
Freight Expenses		96	
Maintenance and Repair Services - Buildings		1,975	
Maintenance and Repair Services - Equipment		1,186	
Maintenance and Repair Services - Office Equipment		9,860	
Postal Charges		168	
Printing, Stationery, and Forms		1,353	
Rentals		35	
Travel		3,354	
Other Contracted Services		2,408	
Custodial Supplies		1,740	
Electricity		9,001	
Natural Gas		2,471	
Office Supplies		4,864	
Water and Sewer		603	
Other Charges		866	
Total Administration			\$ 474,422

Highway and Bridge Maintenance

Foremen	\$	182,075
Equipment Operators		111,139
Equipment Operators - Light		262,368
Truck Drivers		162,480
Laborers		202,697
Overtime Pay		33,742
Other Contracted Services		47,117
Asphalt - Cold Mix		8,144
Asphalt - Hot Mix		531,489
Concrete		4,794
Crushed Stone		228,155
Fertilizer, Lime, and Seed		31,320
General Construction Materials		2,682
Other Road Supplies		5,394
Pipe - Metal		64,941
Road Signs		30,000
Small Tools		1,887
Wood Products		9,752

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Gravel and Chert	\$	20,650	
Other Supplies and Materials		1,756	
Total Highway and Bridge Maintenance			\$ 1,942,582

Operation and Maintenance of Equipment

Foremen	\$	29,025	
Mechanic(s)		128,153	
Overtime Pay		4,517	
Licenses		90	
Maintenance and Repair Services - Buildings		1,848	
Maintenance and Repair Services - Equipment		77,863	
Towing Services		1,000	
Diesel Fuel		184,042	
Equipment and Machinery Parts		77,097	
Garage Supplies		4,920	
Gasoline		59,501	
Lubricants		10,000	
Small Tools		3,692	
Tires and Tubes		39,996	
Other Charges		978	
Total Operation and Maintenance of Equipment			622,722

Other Charges

Other Contracted Services	\$	1,034,373	
Building and Contents Insurance		2,954	
Liability Insurance		5,120	
Trustee's Commission		53,517	
Vehicle and Equipment Insurance		24,608	
Workers' Compensation Insurance		167,543	
Fines, Assessments, and Penalties		4,818	
Total Other Charges			1,292,933

Employee Benefits

Longevity Pay	\$	23,200	
Bonus Payments		47,867	
Social Security		109,944	
State Retirement		135,865	
Employee and Dependent Insurance		458,374	
Unemployment Compensation		2,615	
Other Fringe Benefits		8,355	
Uniforms		19,744	
Total Employee Benefits			805,964

Capital Outlay

Bridge Construction	\$	669,705	
Building Improvements		1,700	
Communication Equipment		846	
Furniture and Fixtures		1,363	
Highway Equipment		306,350	
Maintenance Equipment		15,000	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay (Cont.)

Motor Vehicles	\$	49,341	
Office Equipment		15,327	
State Aid Projects		269,577	
Total Capital Outlay			\$ 1,329,209

Total Highway/Public Works Fund \$ 6,467,832

General Debt Service Fund

Principal on Debt

General Government

Principal on Notes	\$	12,450	
Principal on Other Loans		259,000	
Total General Government			\$ 271,450

Education

Principal on Bonds	\$	500,000	
Principal on Other Loans		3,047,300	
Total Education			3,547,300

Interest on Debt

General Government

Interest on Other Loans	\$	3,473	
Total General Government			3,473

Education

Interest on Bonds	\$	239,475	
Interest on Other Loans		92,199	
Total Education			331,674

Other Debt Service

General Government

Trustee's Commission	\$	74,832	
Other Debt Service		25,717	
Total General Government			100,549

Education

Other Debt Issuance Charges	\$	900	
Other Debt Service		127,911	
Total Education			128,811

Total General Debt Service Fund 4,383,257

General Capital Projects Fund

Capital Projects

General Administration Projects

Other Construction	\$	612,058	
Other Capital Outlay		72,379	
Total General Administration Projects			\$ 684,437

Social, Cultural, and Recreation Projects

Contributions	\$	3,000,000	
Total Social, Cultural, and Recreation Projects			3,000,000

Total General Capital Projects Fund 3,684,437

Total Governmental Funds - Primary Government \$ 30,408,495

Exhibit J-8

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

General Purpose School FundInstructionRegular Instruction Program

Teachers	\$	27,192,886	
Career Ladder Program		151,752	
Career Ladder Extended Contracts		35,000	
Homebound Teachers		159,238	
Educational Assistants		922,947	
Other Salaries and Wages		29,279	
Non-certified Substitute Teachers		330,030	
Social Security		1,800,657	
State Retirement		2,556,807	
Medical Insurance		3,955,258	
Unemployment Compensation		36,921	
Employer Medicare		416,780	
Travel		20,053	
Other Contracted Services		443,773	
Instructional Supplies and Materials		252,506	
Textbooks		692,239	
Other Supplies and Materials		146,197	
Fee Waivers		146,743	
Other Charges		3,200	
Regular Instruction Equipment		561,528	
Total Regular Instruction Program			\$ 39,853,794

Alternative Instruction Program

Teachers	\$	516,573	
Career Ladder Program		7,200	
Clerical Personnel		27,070	
Other Salaries and Wages		93,229	
Social Security		38,337	
State Retirement		57,262	
Medical Insurance		69,150	
Unemployment Compensation		666	
Employer Medicare		9,051	
Travel		646	
Other Contracted Services		10,261	
Other Supplies and Materials		3,628	
Other Equipment		1,469	
Total Alternative Instruction Program			834,542

Special Education Program

Teachers	\$	4,198,531	
Career Ladder Program		30,240	
Homebound Teachers		49,143	
Clerical Personnel		64,580	
Educational Assistants		879,438	
Speech Pathologist		659,833	
Other Salaries and Wages		30,981	
Non-certified Substitute Teachers		39,680	
Social Security		351,708	
State Retirement		515,495	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Medical Insurance	\$	833,164	
Unemployment Compensation		9,078	
Employer Medicare		84,593	
Travel		2,239	
Other Contracted Services		92,809	
Instructional Supplies and Materials		108,492	
Other Charges		9,361	
Special Education Equipment		29,669	
Total Special Education Program			\$ 7,989,034

Vocational Education Program

Teachers	\$	1,649,935	
Career Ladder Program		9,000	
Other Salaries and Wages		25,947	
Non-certified Substitute Teachers		32,850	
Social Security		100,145	
State Retirement		147,073	
Medical Insurance		241,653	
Unemployment Compensation		2,094	
Employer Medicare		23,758	
Travel		31,418	
Other Contracted Services		27,350	
Instructional Supplies and Materials		65,203	
Textbooks		10,890	
Other Supplies and Materials		1,027	
In Service/Staff Development		599	
Vocational Instruction Equipment		59,784	
Total Vocational Education Program			2,428,726

Adult Education Program

Teachers	\$	24,178	
Social Security		1,199	
State Retirement		588	
Unemployment Compensation		116	
Employer Medicare		351	
Other Supplies and Materials		3,760	
Total Adult Education Program			30,192

Support Services

Health Services

Other Salaries and Wages	\$	90,004	
Social Security		5,337	
State Retirement		7,283	
Medical Insurance		11,934	
Unemployment Compensation		163	
Employer Medicare		1,248	
Travel		6,455	
Other Contracted Services		549,460	
Other Supplies and Materials		26,216	
Other Charges		10,749	
Total Health Services			708,849

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Career Ladder Program	\$	13,835	
Guidance Personnel		1,001,484	
Psychological Personnel		112,930	
School Resource Officer		9,600	
Other Salaries and Wages		105,526	
Social Security		74,839	
State Retirement		107,594	
Medical Insurance		100,464	
Unemployment Compensation		1,300	
Employer Medicare		17,544	
Contracts with Government Agencies		86,400	
Evaluation and Testing		43,539	
Travel		8,191	
Other Contracted Services		14,508	
Other Supplies and Materials		2,000	
Other Equipment		6,625	
Total Other Student Support			\$ 1,706,379

Regular Instruction Program

Supervisor/Director	\$	419,245	
Career Ladder Program		19,000	
Career Ladder Extended Contracts		12,000	
Librarians		659,181	
Materials Supervisor		23,158	
Instructional Computer Personnel		75,360	
Clerical Personnel		36,900	
Other Salaries and Wages		46,578	
Social Security		75,702	
State Retirement		113,636	
Medical Insurance		131,433	
Unemployment Compensation		1,282	
Employer Medicare		18,178	
Communication		500	
Travel		29,439	
Other Contracted Services		10,374	
Library Books/Media		49,700	
Other Supplies and Materials		13,185	
In Service/Staff Development		19,453	
Other Equipment		19,080	
Total Regular Instruction Program			1,773,384

Special Education Program

Supervisor/Director	\$	165,480
Career Ladder Program		2,000
Social Security		10,115
State Retirement		14,872
Medical Insurance		19,639
Unemployment Compensation		108
Employer Medicare		2,366

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Travel	\$	30,814	
In Service/Staff Development		28,625	
Other Charges		913	
Total Special Education Program			\$ 274,932

Vocational Education Program

Supervisor/Director	\$	75,024	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		4,000	
Social Security		4,921	
State Retirement		7,284	
Medical Insurance		13,236	
Unemployment Compensation		54	
Employer Medicare		1,151	
Travel		2,679	
In Service/Staff Development		15,462	
Total Vocational Education Program			126,811

Adult Programs

Supervisor/Director	\$	40,800	
Other Salaries and Wages		13,658	
Social Security		3,351	
State Retirement		3,623	
Medical Insurance		3,745	
Unemployment Compensation		112	
Employer Medicare		784	
Travel		2,935	
Total Adult Programs			69,008

Other Programs

On-Behalf Payments to OPEB	\$	191,707	
Total Other Programs			191,707

Board of Education

Board and Committee Members Fees	\$	16,800	
Life Insurance		30,000	
Audit Services		35,700	
Dues and Memberships		23,937	
Legal Services		50,673	
Travel		17,206	
Liability Insurance		227,495	
Trustee's Commission		355,145	
Other Charges		108	
Total Board of Education			757,064

Director of Schools

County Official/Administrative Officer	\$	119,936	
Career Ladder Program		1,000	
Secretary(ies)		36,900	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Other Salaries and Wages	\$	4,000	
Social Security		9,171	
State Retirement		14,677	
Medical Insurance		5,390	
Unemployment Compensation		108	
Employer Medicare		2,338	
Communication		42,075	
Dues and Memberships		100	
Postal Charges		8,000	
Travel		2,280	
Office Supplies		5,968	
Total Director of Schools			\$ 251,943

Office of the Principal

Principals	\$	1,099,635	
Career Ladder Program		37,822	
Career Ladder Extended Contracts		21,200	
Assistant Principals		2,114,309	
Secretary(ies)		1,114,964	
Social Security		262,108	
State Retirement		392,947	
Medical Insurance		580,126	
Unemployment Compensation		5,045	
Employer Medicare		61,300	
Travel		32,977	
Other Contracted Services		7,742	
Office Supplies		2,963	
Other Supplies and Materials		2,914	
In Service/Staff Development		200	
Other Charges		3,195	
Total Office of the Principal			5,739,447

Fiscal Services

Supervisor/Director	\$	50,750	
Accountants/Bookkeepers		113,212	
Secretary(ies)		166,351	
Social Security		19,074	
State Retirement		30,152	
Medical Insurance		35,686	
Unemployment Compensation		442	
Employer Medicare		4,498	
Travel		7,987	
Other Contracted Services		14,100	
Office Supplies		13,676	
Administration Equipment		10,862	
Total Fiscal Services			466,790

Operation of Plant

Laundry Service	\$	8,383	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Other Contracted Services	\$	1,508,082	
Electricity		1,584,890	
Natural Gas		192,570	
Water and Sewer		196,730	
Other Supplies and Materials		13	
Building and Contents Insurance		194,547	
Total Operation of Plant			\$ 3,685,215

Maintenance of Plant

Supervisor/Director	\$	140,396	
Secretary(ies)		32,290	
Other Salaries and Wages		789,426	
Social Security		56,825	
State Retirement		92,003	
Medical Insurance		170,388	
Unemployment Compensation		1,417	
Employer Medicare		13,290	
Communication		8,530	
Maintenance and Repair Services - Equipment		16,396	
Other Contracted Services		17,441	
Other Supplies and Materials		166,297	
Other Charges		3,417	
Maintenance Equipment		34,353	
Total Maintenance of Plant			1,542,469

Transportation

Supervisor/Director	\$	108,612	
Mechanic(s)		410,864	
Bus Drivers		1,746,347	
Clerical Personnel		24,815	
Social Security		124,719	
State Retirement		203,342	
Medical Insurance		870,801	
Unemployment Compensation		12,775	
Employer Medicare		29,669	
Communication		7,324	
Laundry Service		10,241	
Maintenance and Repair Services - Vehicles		104,832	
Travel		6,122	
Other Contracted Services		57,896	
Gasoline		922,316	
Lubricants		21,920	
Tires and Tubes		105,421	
Vehicle Parts		289,719	
Other Supplies and Materials		21,403	
Vehicle and Equipment Insurance		128,407	
In Service/Staff Development		2,218	
Transportation Equipment		659,790	
Total Transportation			5,869,553

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	46,280	
Accountants/Bookkeepers		36,900	
Other Salaries and Wages		4,800	
Social Security		5,114	
State Retirement		8,159	
Medical Insurance		16,607	
Unemployment Compensation		89	
Employer Medicare		1,196	
Transportation - Other than Students		35,340	
Other Supplies and Materials		934	
In Service/Staff Development		3,358	
Total Food Service			\$ 158,777

Community Services

Supervisor/Director	\$	64,848	
Other Salaries and Wages		624,041	
Social Security		42,193	
State Retirement		9,214	
Medical Insurance		21,085	
Unemployment Compensation		3,108	
Employer Medicare		9,867	
Travel		1,511	
Other Contracted Services		2,490	
Food Supplies		49,519	
Other Supplies and Materials		60,076	
Other Equipment		9,909	
Total Community Services			897,861

Early Childhood Education

Teachers	\$	462,743	
Educational Assistants		194,742	
Other Salaries and Wages		37,691	
Non-certified Substitute Teachers		9,240	
Social Security		41,147	
State Retirement		61,032	
Medical Insurance		139,923	
Unemployment Compensation		1,310	
Employer Medicare		9,623	
Travel		2,205	
Other Contracted Services		5,032	
Instructional Supplies and Materials		4,312	
Other Supplies and Materials		3,270	
Other Charges		35,014	
Other Equipment		24,013	
Total Early Childhood Education			1,031,297

Capital Outlay

Regular Capital Outlay

Other Salaries and Wages	\$	25,152	
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(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Capital Outlay (Cont.)

Regular Capital Outlay (Cont.)

Social Security	\$	1,559	
Unemployment Compensation		101	
Employer Medicare		365	
Engineering Services		770	
Building Construction		5,280	
Building Improvements		516,244	
Total Regular Capital Outlay			\$ 549,471

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	600,000	
Total Education			600,000

Total General Purpose School Fund \$ 77,537,245

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	1,777,062	
Educational Assistants		188,340	
Other Salaries and Wages		661,010	
Non-certified Substitute Teachers		24,486	
Social Security		158,760	
State Retirement		226,621	
Medical Insurance		216,651	
Unemployment Compensation		4,913	
Employer Medicare		37,287	
Other Contracted Services		73,697	
Instructional Supplies and Materials		153,069	
Other Supplies and Materials		18,781	
Regular Instruction Equipment		93,852	
Total Regular Instruction Program			\$ 3,634,529

Special Education Program

Clerical Personnel	\$	26,494	
Educational Assistants		1,247,152	
Social Security		73,186	
State Retirement		113,071	
Medical Insurance		308,073	
Unemployment Compensation		3,968	
Employer Medicare		17,117	
Operating Lease Payments		78,096	
Other Contracted Services		247,837	
Instructional Supplies and Materials		19,827	
Special Education Equipment		47,595	
Total Special Education Program			2,182,416

Vocational Education Program

Other Salaries and Wages	\$	42,554	
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(Continued)

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Social Security	\$	2,557	
State Retirement		4,132	
Medical Insurance		5,390	
Unemployment Compensation		124	
Employer Medicare		598	
Instructional Supplies and Materials		30,001	
Vocational Instruction Equipment		9,944	
Total Vocational Education Program			\$ 95,300

Support Services

Health Services

Other Salaries and Wages	\$	36,946	
Social Security		2,291	
Unemployment Compensation		54	
Employer Medicare		536	
Other Contracted Services		140,139	
Total Health Services			179,966

Other Student Support

Travel	\$	29,123	
Other Contracted Services		2,092	
Other Supplies and Materials		928	
In Service/Staff Development		18,893	
Other Equipment		1,560	
Total Other Student Support			52,596

Regular Instruction Program

Supervisor/Director	\$	116,997	
Secretary(ies)		24,218	
Educational Assistants		18,400	
Other Salaries and Wages		428,535	
Social Security		35,905	
State Retirement		52,582	
Medical Insurance		26,889	
Unemployment Compensation		1,920	
Employer Medicare		8,398	
Travel		21,992	
Other Contracted Services		45,632	
Other Supplies and Materials		4,707	
In Service/Staff Development		157,404	
Other Charges		17,278	
Total Regular Instruction Program			960,857

Special Education Program

Operating Lease Payments	\$	62,029	
Other Supplies and Materials		84	
Total Special Education Program			62,113

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Vocational Education Program

In Service/Staff Development	\$ 3,171	
Total Vocational Education Program		\$ 3,171

Office of the Principal

Assistant Principals	\$ 23,600	
Social Security	1,373	
State Retirement	2,096	
Medical Insurance	4,490	
Unemployment Compensation	54	
Employer Medicare	321	
Total Office of the Principal		31,934

Transportation

Other Contracted Services	\$ 46,288	
Total Transportation		46,288

Total School Federal Projects Fund		\$ 7,249,170
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Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Cafeteria Personnel	\$ 1,909,297	
Other Salaries and Wages	29,964	
Social Security	112,101	
State Retirement	161,813	
Medical Insurance	490,132	
Unemployment Compensation	6,100	
Employer Medicare	26,217	
Travel	7,112	
Other Contracted Services	108,533	
Food Supplies	2,247,078	
Uniforms	17,716	
USDA - Commodities	290,527	
Other Supplies and Materials	277,703	
Trustee's Commission	89	
In Service/Staff Development	3,521	
Food Service Equipment	65,638	
Total Food Service		\$ 5,753,541

Total Central Cafeteria Fund		5,753,541
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Education Capital Projects Fund

Capital Projects

Education Capital Projects

Architects	\$ 75,000	
Engineering Services	2,129	
Building Construction	3,372	
Building Improvements	250	
Total Education Capital Projects		\$ 80,751

Total Education Capital Projects Fund		80,751
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Total Governmental Funds - Tipton County School Department		\$ 90,620,707
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Exhibit J-9

Tipton County, Tennessee
Schedule of Detailed Receipts, Disbursements,
and Changes in Cash Balance - City Agency Fund
For the Year Ended June 30, 2013

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,667,386
Total Cash Receipts	<u>\$ 3,667,386</u>
<u>Cash Disbursements</u>	
Remittance of Revenue Collected	\$ 3,630,712
Trustee's Commission	36,674
Total Cash Disbursements	<u>\$ 3,667,386</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2012	<u>0</u>
Cash Balance, June 30, 2013	<u><u>\$ 0</u></u>

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

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

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tipton County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Tipton County's basic financial statements, and have issued our report thereon dated September 27, 2013.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements

will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2013-001 and 2013-002(B).

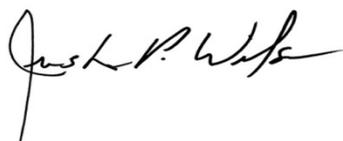
Compliance and Other Matters

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

Purpose of this Report

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

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

September 27, 2013

JPW/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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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

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

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Tipton County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Tipton County's major federal programs for the year ended

June 30, 2013. Tipton County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Tipton County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 Tipton County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Tipton County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Tipton County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 Tipton County's internal control over compliance.

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

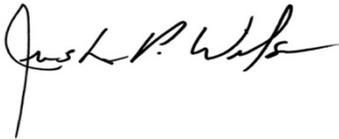
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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 Tipton County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Tipton County's basic financial statements. We issued our report thereon dated September 27, 2013, 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

September 27, 2013

JPW/yu

Tipton 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	\$ 941,146
National School Lunch Program	10.555	N/A	3,032,285 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	290,527 (3)
Total U.S. Department of Agriculture			\$ 4,263,958
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 90
Total U.S. Department of the Interior			\$ 90
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	\$ 13,500
Passed through State Office of Criminal Justice Programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	(2)	56,268
Direct Program:			
Federal Asset Forfeiture Program	16.xxx	(2)	34,640
Total U.S. Department of Justice			\$ 104,408
U.S. Department of Labor:			
Passed-through Dyersburg State Community College:			
WIA Youth Activities	17.259	(2)	\$ 33,697
Total U.S. Department of Labor			\$ 33,697
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	(2)	\$ 3,984
National Highway Traffic Safety Administration (NHTSA):			
Discretionary Safety Grants	20.614	(2)	17,405
Total U.S. Department of Transportation			\$ 21,389
U.S. Department of Education:			
Passed through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	N/A	\$ 99,200
Passed through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	2,239,103
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,442,445
Special Education - Preschool Grants	84.173	N/A	101,965

(Continued)

Tipton 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 Education (Cont.):			
Passed through State Department of Education (Cont.):			
Career and Technical Education - Basic Grants to States	84.048	N/A	\$ 146,489
Twenty-first Century Community Learning Centers	84.287	N/A	553,650
Educational Technology State Grants	84.318	5318X100042	11,990
Improving Teacher Quality State Grants	84.367	5367A120040	596,629
Teacher Incentive Fund	84.374	N/A	758,331
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	461,703
Total U.S. Department of Education			\$ 7,411,505
U.S. Department of Health and Human Services:			
Passed-through Methodist LeBonheur Healthcare Community Outreach:			
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	(2)	\$ 10,335
Total U.S. Department of Health and Human Services			\$ 10,335
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 2,097,247
Emergency Management Performance Grants	97.042	(2)	30,000
Homeland Security Grant Program	97.067	(2)	137,394
Total U.S. Department of Homeland Security			\$ 2,264,641
Total Expenditures of Federal Awards			\$ 14,110,023

		Contract Number	
State Grants:			
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	N/A	\$ 33,475
Preventive Health and Human Services - State Department of Health	N/A	(2)	277,219
Litter Program - State Department of Transportation	N/A	(2)	46,084
Family Resource Centers - State Department of Education	N/A	(2)	59,223
Coordinated School Health - State Department of Education	N/A	(2)	128,011
ACT/EXP - State Department of Education	N/A	(2)	13,904
ConnecTenn - State Department of Education	N/A	(2)	38,332
Safe Schools - State Department of Education	N/A	(2)	64,900
Children in State Custody - State Department of Children's Services	N/A	(2)	343,970
Agriculture Livestock Pavilion - State Department of Agriculture	N/A	(2)	135,000
Energy Grant - State Department of Education	N/A	(2)	72,428
Early Childhood Education - State Department of Education	N/A	(2)	1,030,462
Total State Grants			\$ 2,243,008

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 CFDA 10.555 is \$3,322,812.

Tipton 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 Tipton County, Tennessee, for the year ended June 30, 2012, which have not been corrected.

OFFICE OF COUNTY EXECUTIVE

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.01	160	The office had deficiencies in purchasing procedures

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
12.09	167	The office had deficiencies in budget operations

TIPTON 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 Tipton County is unmodified.
2. The audit of the financial statements of Tipton County disclosed significant deficiencies in internal control. None 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 Tipton 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), the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), Twenty-first Century Community Learning Centers (CFDA No. 84.287), Teacher Incentive Fund (CFDA No. 84.374), and State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$423,301 threshold was used to distinguish between Type A and Type B federal programs.
9. Tipton County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

The findings and recommendations, as a result of our examination, are presented below. We reviewed these finding and recommendations with management to provide an opportunity for their response; however, management did not provide responses for inclusion in this report.

OFFICE OF COUNTY EXECUTIVE

FINDING 2013-001

PURCHASE ORDERS WERE NOT ALWAYS ISSUED

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

As part of our audit procedures for determining whether the purchasing process was operating as designed, we selected a sample of 33 disbursements totaling \$173,149 from a population of 4,057 vendor checks totaling \$24,724,961. Our sample revealed that purchase orders were not issued in four of 17 applicable instances. Purchase orders are necessary to control who has purchasing authority for the county and to document purchasing commitments. The failure to issue purchase orders in all required instances increases the risks of unauthorized purchases. This deficiency is the result of a lack of management oversight and management's failure to correct the deficiency noted in the prior-year audit report.

RECOMMENDATION

To strengthen internal controls over purchasing procedures and to document purchasing commitments, the office should issue purchase orders for all applicable purchases.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2013-002

THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS

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

The following deficiencies were noted in budget operations:

- A. Expenditures exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control) of the General Purpose School Fund:

<u>Major Appropriation Category</u>	<u>Amount Overspent</u>
Instruction:	
Regular Instruction Program	\$ 11,852
Vocational Education Program	26,903
Support Services:	
Regular Instruction Program	16,384

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 stay within the spending limits authorized by the County Commission, which resulted in unauthorized expenditures, and failed to correct the finding noted in the prior-year audit report.

- B. The bookkeeper inappropriately posted several general journal entries to line-items at year-end in an attempt to keep expenditures from exceeding appropriations in the General Purpose School Fund instead of submitting budget amendments to the County Commission. These journal entries totaled \$271,050. Many of these journal entries resulted in expenditures being coded to accounts that did not reflect the true nature of the expenditure. Sound budgetary principles require expenditures to be coded to accounts that reflect the true nature of the expenditures. Misclassifying expenditures diminishes the usefulness of the accounting records as a management tool.

RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission. When necessary, budget amendments should be submitted to the County Commission for their consideration. Expenditures should be coded to accounts that most appropriately reflect the true nature of the transactions.

BEST PRACTICE

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

Tipton County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some

duplication of effort. 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 Tipton 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.

TIPTON 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.