



**ANNUAL FINANCIAL REPORT
HUMPHREYS COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2013



**ANNUAL FINANCIAL REPORT
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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

HUMPHREYS COUNTY, TENNESSEE
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Audit Highlights
Annual Financial Report
Humphreys County, Tennessee
For the Year Ended June 30, 2013

Scope

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

Results

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

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

Findings and Best Practice

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

OFFICE OF COUNTY EXECUTIVE

- ◆ A formal purchase order system had not been established.

OFFICES OF COUNTY EXECUTIVE, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, AND CLERK AND MASTER

- ◆ Duties were not segregated adequately.

HUMPHREYS COUNTY

- ◆ The county used a questionable method of funding workers' compensation expenses, employees' dental insurance, general liability insurance, officials' corporate surety bonds, and employees' dishonesty bonds.
 - ◆ Humphreys County has a material recurring audit finding.
-

BEST PRACTICE

Humphreys 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 Humphreys County.

INTRODUCTORY SECTION

Humphreys County Officials

June 30, 2013

Officials

Jessie Wallace, County Executive
Randy Woods, Road Supervisor
James Long, Director of Schools
Leigh Ann Waggoner, Trustee
Vickie Cowell, Assessor of Property
Betty Etheridge, County Clerk
Elaine Choate, Circuit and General Sessions Courts Clerk
Michael Bullion, Clerk and Master
Jan Crowell, Register of Deeds
Chris Davis, Sheriff

Board of County Commissioners

Jessie Wallace, County Executive, Chairman	Ronald Hughes
Terry Coleman	John E. Hunt
Tim Daniel	John Hurt
Reed Dreaden	Larry Mayberry
James Graham	John S. McCaw
Taylor Hall	Edward Rochelle
Kay Hampton	Merideth Spencer
Ricky Hooper	

Board of Education

Gene Trotter, Chairman
Billy Daniel
J.D. Painter
Dwayne Ross
James Simmons
Kenneth Wallace
Johnny Whitfield

Audit Committee

Ronald Hughes, Chairman
Tim Daniel
Reed Dreaden
Taylor Hall
Ricky Hooper
Larry Mayberry
John S. McCaw

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

Humphreys County Executive and
Board of County Commissioners
Humphreys 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Humphreys 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 did not audit the financial statements of the Humphreys County Emergency Communications District, which represent 6.7 percent, 11.6 percent, and 3.1 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the

Humphreys County Emergency Communications District, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Humphreys County, Tennessee, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Solid Waste/Sanitation, 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

As described in Note V.B., Humphreys 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. Humphreys County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedules of funding progress – pension plans and other postemployment benefits plans on pages 76-79 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 Humphreys 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 Humphreys 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 Humphreys 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 Humphreys 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 November 18, 2013, on our consideration of Humphreys 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 Humphreys County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 18, 2013

JPW/sb

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component Units	
	Governmental Activities	Business- type Activities	Total	Humphreys	Emergency
				County School Department	Communications District
<u>ASSETS</u>					
Cash	\$ 40,063	\$ 0	\$ 40,063	\$ 0	\$ 54,035
Equity in Pooled Cash and Investments	10,375,259	216,638	10,591,897	1,356,375	0
Investments	0	0	0	0	626,988
Accounts Receivable	11,084	8,768	19,852	274	10,362
Due from Other Governments	708,005	0	708,005	428,396	7,771
Due from Component Units	15,000	0	15,000	0	0
Property Taxes Receivable	6,135,277	0	6,135,277	3,238,063	0
Allowance for Uncollectible Property Taxes	(220,394)	0	(220,394)	(116,319)	0
Prepaid Items	0	0	0	0	26,347
Other Current Assets	0	0	0	0	1,358
Restricted Assets:					
Other Restricted Assets	0	113,276	113,276	0	0
Notes Receivable - Long-term	86,900	0	86,900	0	0
Capital Assets Not Depreciated:					
Land	1,498,084	12,000	1,510,084	141,175	0
Assets Net of Accumulated Depreciation:					
Buildings and Improvements	4,946,966	105,616	5,052,582	8,417,803	0
Infrastructure	19,365,582	618,716	19,984,298	42,784	0
Other Capital Assets	1,310,519	49,510	1,360,029	1,457,251	356,191
Total Assets	\$ 44,272,345	\$ 1,124,524	\$ 45,396,869	\$ 14,965,802	\$ 1,083,052
<u>LIABILITIES</u>					
Accounts Payable	\$ 55,646	\$ 4,376	\$ 60,022	\$ 26,848	\$ 311
Payroll Deductions Payable	0	0	0	0	101
Accrued Leave	0	0	0	0	6,458
Contracts Payable	135,552	0	135,552	0	0
Due to Primary Government	0	0	0	15,000	0
Accrued Interest Payable	10,181	0	10,181	0	0
Customer Deposits Payable	0	113,276	113,276	0	0
Noncurrent Liabilities:					
Due Within One Year	914,095	0	914,095	0	0
Due in More Than One Year	4,430,652	0	4,430,652	3,703,480	0
Total Liabilities	\$ 5,546,126	\$ 117,652	\$ 5,663,778	\$ 3,745,328	\$ 6,870
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 5,793,105	\$ 0	\$ 5,793,105	\$ 3,057,471	\$ 0
Total Deferred Inflows of Resources	\$ 5,793,105	\$ 0	\$ 5,793,105	\$ 3,057,471	\$ 0
<u>NET POSITION</u>					
Net Investment in Capital Assets	\$ 26,211,851	\$ 0	\$ 26,211,851	\$ 0	\$ 0
Investment in Capital Assets	0	785,842	0	10,059,013	356,191
Restricted for:					
Public Safety	627,555	0	627,555	0	0
Public Health and Welfare	948,099	0	948,099	0	0
Other Operations	152,431	0	152,431	0	0
Highways/Public Works	2,161,189	0	2,161,189	0	0
Education	0	0	0	8,301	0
Operation of Non-Instructional Services	0	0	0	188,146	0
Debt Service	1,854,900	0	1,854,900	0	0
Capital Projects	807,731	0	807,731	0	0
Other Purposes	117,429	0	117,429	0	0
Unrestricted	51,929	221,030	272,959	(2,092,457)	719,991
Total Net Position	\$ 32,933,114	\$ 1,006,872	\$ 33,939,986	\$ 8,163,003	\$ 1,076,182

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues					Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Governmental Activities	Business-type Activities	Total	Humphreys County School Department	Emergency Communications District
Primary Government:										
Governmental Activities:										
General Government	\$ 901,362	\$ 89,644	\$ 15,164	\$ 218,965	\$ (577,589)	\$ 0	\$ (577,589)	\$ 0	\$ 0	0
Finance	739,709	568,464	0	0	(171,245)	0	(171,245)	0	0	0
Administration of Justice	798,324	305,923	9,225	0	(483,176)	0	(483,176)	0	0	0
Public Safety	2,928,639	300,938	107,828	0	(2,519,873)	0	(2,519,873)	0	0	0
Public Health and Welfare	1,264,426	30,282	119,583	0	(1,114,561)	0	(1,114,561)	0	0	0
Social, Cultural, and Recreational Services	304,513	0	2,203	0	(302,310)	0	(302,310)	0	0	0
Agriculture and Natural Resources	243,501	0	19,000	0	(224,501)	0	(224,501)	0	0	0
Other Operations	936,206	226,532	240,506	142,670	(326,498)	0	(326,498)	0	0	0
Highways/Public Works	5,752,356	175,340	1,796,785	378,072	(3,402,159)	0	(3,402,159)	0	0	0
Education	245,035	0	0	0	(245,035)	0	(245,035)	0	0	0
Interest on Long-term Debt	51,098	0	0	0	(51,098)	0	(51,098)	0	0	0
Other Debt Service	62,158	0	0	0	(62,158)	0	(62,158)	0	0	0
Total Governmental Activities	\$ 14,227,327	\$ 1,697,123	\$ 2,310,294	\$ 739,707	\$ (9,480,203)	\$ 0	\$ (9,480,203)	\$ 0	\$ 0	0
Business-type Activities:										
Public Utility	\$ 149,254	\$ 101,850	\$ 0	\$ 0	\$ (47,404)	\$ (47,404)	\$ (47,404)	\$ 0	\$ 0	0
Total Primary Government	\$ 14,376,581	\$ 1,798,973	\$ 2,310,294	\$ 739,707	\$ (9,480,203)	\$ (47,404)	\$ (9,527,607)	\$ 0	\$ 0	0
Component Units:										
Humphreys County School Department	\$ 25,237,297	\$ 723,550	\$ 3,471,361	\$ 0	\$ 0	\$ 0	\$ 0	\$ (21,042,386)	\$ 0	0
Emergency Communications District	709,934	183,660	499,097	86,291	0	0	0	0	59,114	59,114
Total Component Units	\$ 25,947,231	\$ 907,210	\$ 3,970,458	\$ 86,291	\$ 0	\$ 0	\$ 0	\$ (21,042,386)	\$ 59,114	59,114

(Continued)

Exhibit B

Humphreys 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	Expenses	Primary Government		Component Units	
					Governmental Activities	Business-type Activities	Humphreys County School Department	Emergency Communications District
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes				\$ 4,713,499	\$ 0	\$ 4,713,499	\$ 3,132,844	\$ 0
Property Taxes Levied for Debt Service				1,154,195	0	1,154,195	0	0
Local Option Sales Tax				702,028	0	702,028	2,204,214	0
Hotel/Motel Tax				96,589	0	96,589	0	0
Litigation Taxes				139,312	0	139,312	0	0
Business Tax				149,728	0	149,728	0	0
Wholesale Beer Tax				79,666	0	79,666	0	0
Other Local Taxes				1,734	0	1,734	1,657	0
Grants and Contributions Not Restricted to Specific Programs				1,897,879	0	1,897,879	14,566,417	0
Unrestricted Investment Income				24,032	0	24,032	0	806
Miscellaneous				120,506	269	120,775	84,491	6,500
Total General Revenues				\$ 9,079,168	\$ 269	\$ 9,079,437	\$ 19,989,623	\$ 7,306
Change in Net Position				\$ (401,035)	\$ (47,135)	\$ (448,170)	\$ (1,052,763)	\$ 66,420
Net Position, July 1, 2012				33,334,149	1,054,007	34,388,156	9,215,766	1,009,762
Net Position, June 30, 2013				\$ 32,933,114	\$ 1,006,872	\$ 33,939,986	\$ 8,163,003	\$ 1,076,182

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

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds		
ASSETS							
Cash	\$ 19,826	\$ 0	\$ 0	\$ 0	\$ 20,237	\$ 40,063	
Equity in Pooled Cash and Investments	4,325,066	939,984	1,966,259	1,754,502	1,389,448	10,375,259	
Accounts Receivable	0	760	10,324	0	0	11,084	
Due from Other Governments	340,520	2,536	310,747	0	54,202	708,005	
Due from Other Funds	20,237	0	3,860	0	0	24,097	
Property Taxes Receivable	3,067,638	852,122	724,303	1,192,971	298,243	6,135,277	
Allowance for Uncollectible Property Taxes	(110,197)	(30,610)	(26,019)	(42,855)	(10,713)	(220,394)	
Notes Receivable - Long-term	0	0	0	86,900	0	86,900	
Total Assets	\$ 7,663,090	\$ 1,764,792	\$ 2,989,474	\$ 2,991,518	\$ 1,751,417	\$ 17,160,291	

LIABILITIES

Accounts Payable	\$ 36,054	\$ 18,253	\$ 0	\$ 0	\$ 1,339	\$ 55,646
Contracts Payable	0	0	81,350	0	54,202	135,552
Due to Other Funds	715	2,885	0	0	20,497	24,097
Total Liabilities	\$ 36,769	\$ 21,138	\$ 81,350	\$ 0	\$ 76,038	\$ 215,295

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	\$ 2,896,552	\$ 804,598	\$ 683,908	\$ 1,126,437	\$ 281,610	\$ 5,793,105
Deferred Delinquent Property Taxes	44,502	12,362	10,507	17,306	4,648	89,325
Other Deferred/Unavailable Revenue	118,474	0	160,203	0	54,202	332,879
Total Deferred Inflows of Resources	\$ 3,059,528	\$ 816,960	\$ 854,618	\$ 1,143,743	\$ 340,460	\$ 6,215,309

FUND BALANCES

Restricted:	\$ 2,487	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,487
Restricted for Finance	56,020	0	0	0	0	56,020
Restricted for Administration of Justice	100,439	0	0	0	523,704	624,143
Restricted for Public Safety	86,139	849,598	0	0	0	935,737
Restricted for Public Health and Welfare	152,431	0	0	0	0	152,431
Restricted for Other Operations	0	0	2,053,506	0	0	2,053,506
Restricted for Highways/Public Works	0	0	0	1,847,775	0	1,847,775
Restricted for Debt Service	0	0	0	0	752,293	752,293
Restricted for Capital Projects	0	0	0	0	58,922	58,922
Restricted for Other Purposes	0	0	0	0	0	0

(Continued)

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other Governmental Funds		
\$	397,209	0	0	0	0	0	397,209
	0	77,096	0	0	0	0	77,096
	3,772,068	0	0	0	0	0	3,772,068
\$	4,566,793	926,694	2,053,506	1,847,775	1,334,919	0	10,729,687
\$	7,663,090	1,764,792	2,989,474	2,991,518	1,751,417	0	17,160,291

FUND BALANCES (CONT.)

Committed:
 Committed for Public Safety
 Committed for Public Health and Welfare
 Unassigned
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

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

Exhibit C-2

Humphreys 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)		\$ 10,729,687	
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$ 1,498,084		
Add: buildings and improvements net of accumulated depreciation	4,946,966		
Add: infrastructure net of accumulated depreciation	19,365,582		
Add: other capital assets net of accumulated depreciation	<u>1,310,519</u>	27,121,151	
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$ (740,000)		
Add: due from component unit for debt retirement	15,000		
Less: other loans payable	(3,434,000)		
Less: bonds payable	(54,300)		
Less: compensated absences payable	(129,526)		
Less: landfill closure/postclosure care costs	(867,734)		
Less: other postemployment benefits liability	(119,187)		
Less: accrued interest on notes	<u>(10,181)</u>	(5,339,928)	
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>422,204</u>
Net position of governmental activities (Exhibit A)			<u>\$ 32,933,114</u>

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

Exhibit C-3

Humphreys 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	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other		
					Governmental Funds	Governmental Funds	
Revenues							
Local Taxes	\$ 4,190,351	\$ 833,167	\$ 710,370	\$ 1,164,011	\$ 224,016	\$ 7,121,915	
Licenses and Permits	475	0	0	0	0	475	
Fines, Forfeitures, and Penalties	56,581	0	0	0	166,128	222,709	
Charges for Current Services	11,849	22,180	0	0	12	34,041	
Other Local Revenues	226,272	8,102	245,614	24,032	48,456	552,476	
Fees Received from County Officials	872,657	0	0	0	0	872,657	
State of Tennessee	2,326,949	7,405	2,083,868	0	1,200	4,419,422	
Federal Government	259,215	0	87,572	0	142,670	489,457	
Other Governments and Citizens Groups	91,026	0	0	8,515	0	99,541	
Total Revenues	\$ 8,035,375	\$ 870,854	\$ 3,127,424	\$ 1,196,558	\$ 582,482	\$ 13,812,693	
Expenditures							
Current:							
General Government	\$ 861,960	\$ 0	\$ 0	\$ 0	\$ 0	\$ 861,960	
Finance	539,509	0	0	0	12	539,521	
Administration of Justice	611,654	0	0	0	0	611,654	
Public Safety	1,978,137	0	0	0	381,407	2,359,544	
Public Health and Welfare	447,853	679,738	0	0	0	1,127,591	
Social, Cultural, and Recreational Services	165,943	0	0	0	0	165,943	
Agriculture and Natural Resources	191,934	0	0	0	0	191,934	
Other Operations	2,175,439	74,509	0	0	26,607	2,276,555	
Highways	0	0	4,530,668	0	0	4,530,668	
Debt Service:							
Principal on Debt	0	0	0	833,400	0	833,400	
Interest on Debt	0	0	0	54,407	0	54,407	
Other Debt Service	0	0	0	62,158	0	62,158	
Capital Projects	45,910	0	0	0	486,415	532,325	
Total Expenditures	\$ 7,018,339	\$ 754,247	\$ 4,530,668	\$ 949,965	\$ 894,441	\$ 14,147,660	
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,017,036	\$ 116,607	\$ (1,403,244)	\$ 246,593	\$ (311,959)	\$ (334,967)	

(Continued)

Exhibit C-3

Humphreys County, Tennessee
Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Solid Waste / Sanitation	Highway / Public Works	General Debt Service	Other	Governmental Funds	
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 35,047	\$ 0	\$ 1,974	\$ 0	\$ 0	\$ 8,614	\$ 45,635
Total Other Financing Sources (Uses)	\$ 35,047	\$ 0	\$ 1,974	\$ 0	\$ 0	\$ 8,614	\$ 45,635
Net Change in Fund Balances	\$ 1,052,083	\$ 116,607	\$ (1,401,270)	\$ 246,593	\$ (303,345)	\$ (303,345)	\$ (289,332)
Fund Balance, July 1, 2012	3,514,710	810,087	3,454,776	1,601,182	1,638,264	1,638,264	11,019,019
Fund Balance, June 30, 2013	\$ 4,566,793	\$ 926,694	\$ 2,053,506	\$ 1,847,775	\$ 1,334,919	\$ 1,334,919	\$ 10,729,687

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

Exhibit C-4

Humphreys 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)		\$ (289,332)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 1,803,128	
Less: current-year depreciation expense	<u>(2,731,180)</u>	(928,052)
(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	\$ 422,204	
Less: deferred delinquent property taxes and other deferred June 30, 2012	<u>(403,606)</u>	18,598
(3) The issuance of long-term debt (e.g., notes, bonds) 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.		
Add: principal payments on bonds	\$ 22,400	
Add: principal payments on notes	195,000	
Less: debt service contributions for principal to primary government	(5,000)	
Add: principal payments on other loans	<u>616,000</u>	828,400
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 3,309	
Change in compensated absences payable	154	
Change in other postemployment benefits liability	(17,932)	
Change in landfill closure/postclosure care costs	<u>(16,180)</u>	<u>(30,649)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (401,035)</u>

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

Exhibit C-5

Humphreys 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	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Local Taxes	\$ 4,190,351	\$ 0	\$ 4,190,351	\$ 3,892,335	\$ 3,892,335	\$ 298,016
Licenses and Permits	475	0	475	800	800	(325)
Fines, Forfeitures, and Penalties	56,581	0	56,581	68,175	78,175	(21,594)
Charges for Current Services	11,849	0	11,849	10,550	10,550	1,299
Other Local Revenues	226,272	0	226,272	221,600	166,600	59,672
Fees Received from County Officials	872,657	0	872,657	761,107	761,107	111,550
State of Tennessee	2,326,949	0	2,326,949	2,085,105	2,090,081	236,868
Federal Government	259,215	0	259,215	100,200	103,268	155,947
Other Governments and Citizens Groups	91,026	0	91,026	35,000	104,449	(13,423)
Total Revenues	\$ 8,035,375	\$ 0	\$ 8,035,375	\$ 7,174,872	\$ 7,207,365	\$ 828,010
<u>Expenditures</u>						
<u>General Government</u>						
County Commission	\$ 68,448	\$ 0	\$ 68,448	\$ 114,352	\$ 114,352	\$ 45,904
Board of Equalization	550	0	550	2,000	2,000	1,450
Beer Board	60	0	60	800	800	740
County Mayor/Executive	186,472	0	186,472	202,706	206,104	19,632
County Attorney	41,328	0	41,328	41,328	41,328	0
Election Commission	174,748	0	174,748	194,660	195,799	21,051
Register of Deeds	135,832	0	135,832	135,592	136,276	444
Development	10,175	0	10,175	10,175	10,175	0
County Buildings	240,022	0	240,022	238,930	249,078	9,056
Other General Administration	4,325	0	4,325	11,504	12,504	8,179
<u>Finance</u>						
Property Assessor's Office	185,111	0	185,111	189,667	189,667	4,556

(Continued)

Exhibit C-5

Humphreys 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	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Finance (Cont.)</u>						
Reappraisal Program	\$ 3,487	\$ 0	\$ 3,487	\$ 5,200	\$ 5,200	\$ 1,713
County Trustee's Office	145,756	0	145,756	148,650	148,650	2,894
County Clerk's Office	205,155	0	205,155	204,708	207,403	2,248
<u>Administration of Justice</u>						
Circuit Court	225,422	0	225,422	225,890	235,890	10,468
General Sessions Court	82,652	0	82,652	83,164	84,164	1,512
Chancery Court	150,201	0	150,201	147,795	150,457	256
Juvenile Court	116,621	0	116,621	121,604	122,037	5,416
District Attorney General	6,000	0	6,000	6,000	6,000	0
Judicial Commissioners	30,758	0	30,758	30,760	30,760	2
<u>Public Safety</u>						
Sheriff's Department	1,017,409	0	1,017,409	991,832	1,031,142	13,733
Jail	303,195	0	303,195	214,437	316,507	13,312
Workhouse	340,245	0	340,245	328,530	341,352	1,107
Work Release Program	175	0	175	1,000	1,000	825
Fire Prevention and Control	2,000	0	2,000	2,000	2,000	0
Inspection and Regulation	91,836	0	91,836	66,399	96,484	4,648
County Coroner/Medical Examiner	22,435	0	22,435	26,300	26,300	3,865
Other Public Safety	200,842	0	200,842	190,203	201,312	470
<u>Public Health and Welfare</u>						
Local Health Center	72,846	0	72,846	67,352	85,798	12,952
Ambulance/Emergency Medical Services	270,000	0	270,000	420,000	420,000	150,000
Other Local Health Services	25,000	0	25,000	25,000	25,000	0
Sanitation Education/Information	24,683	0	24,683	42,500	42,500	17,817

(Continued)

Exhibit C-5

Humphreys 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	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Public Health and Welfare (Cont.)</u>						
Other Public Health and Welfare	\$ 55,324	\$ 0	\$ 55,324	\$ 87,525	\$ 87,525	\$ 32,201
<u>Social, Cultural, and Recreational Services</u>						
Libraries	165,943	0	165,943	165,833	167,151	1,208
Other Social, Cultural, and Recreational Agriculture and Natural Resources	0	0	0	800	800	800
<u>Agriculture Extension Service</u>						
Soil Conservation	79,399	0	79,399	79,399	79,399	0
<u>Other Operations</u>						
Tourism	112,535	0	112,535	91,505	122,505	9,970
Airport	158,024	0	158,024	150,000	158,200	176
Veterans' Services	201,640	0	201,640	229,214	249,214	47,574
Other Charges	12,006	0	12,006	12,420	12,591	585
Contributions to Other Agencies	761,184	0	761,184	763,509	765,486	4,302
Employee Benefits	45,773	0	45,773	46,373	46,373	600
Capital Projects	996,812	0	996,812	1,207,256	1,224,591	227,779
Public Safety Projects	45,910	(44,682)	1,228	0	13,200	11,972
Total Expenditures	\$ 7,018,339	\$ (44,682)	\$ 6,973,657	\$ 7,324,872	\$ 7,665,074	\$ 691,417
<u>Excess (Deficiency) of Revenues</u>						
Over Expenditures	\$ 1,017,036	\$ 44,682	\$ 1,061,718	\$ (150,000)	\$ (457,709)	\$ 1,519,427
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 35,047	\$ 0	\$ 35,047	\$ 0	\$ 69,908	\$ (34,861)
Total Other Financing Sources	\$ 35,047	\$ 0	\$ 35,047	\$ 0	\$ 69,908	\$ (34,861)

(Continued)

Exhibit C-5

Humphreys 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	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance	\$ 1,052,083	\$ 44,682	\$ 1,096,765	\$ (150,000)	\$ (387,801)	\$ 1,484,566
Fund Balance, July 1, 2012	3,514,710	(44,682)	3,470,028	2,904,595	2,904,595	565,433
Fund Balance, June 30, 2013	\$ 4,566,793	\$ 0	\$ 4,566,793	\$ 2,754,595	\$ 2,516,794	\$ 2,049,999

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

Exhibit C-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 833,167	\$ 795,273	\$ 795,273	\$ 37,894
Charges for Current Services	22,180	21,200	21,200	980
Other Local Revenues	8,102	2,501	2,501	5,601
State of Tennessee	7,405	11,400	11,400	(3,995)
Total Revenues	\$ 870,854	\$ 830,374	\$ 830,374	\$ 40,480
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Landfill Operation and Maintenance	\$ 679,738	\$ 934,524	\$ 932,784	\$ 253,046
<u>Other Operations</u>				
Other Charges	16,740	15,000	16,740	0
Employee Benefits	57,769	80,850	80,850	23,081
Total Expenditures	\$ 754,247	\$ 1,030,374	\$ 1,030,374	\$ 276,127
Excess (Deficiency) of Revenues Over Expenditures	\$ 116,607	\$ (200,000)	\$ (200,000)	\$ 316,607
Net Change in Fund Balance	\$ 116,607	\$ (200,000)	\$ (200,000)	\$ 316,607
Fund Balance, July 1, 2012	810,087	738,641	738,641	71,446
Fund Balance, June 30, 2013	\$ 926,694	\$ 538,641	\$ 538,641	\$ 388,053

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

Exhibit C-7

Humphreys 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	
<u>Revenues</u>							
Local Taxes	\$ 710,370	\$ 0	\$ 0	\$ 710,370	\$ 666,451	\$ 666,451	\$ 43,919
Other Local Revenues	245,614	0	0	245,614	115,500	115,500	130,114
State of Tennessee	2,083,868	0	0	2,083,868	2,761,369	2,761,369	(677,501)
Federal Government	87,572	0	0	87,572	0	0	87,572
Total Revenues	\$ 3,127,424	\$ 0	\$ 0	\$ 3,127,424	\$ 3,543,320	\$ 3,543,320	\$ (415,896)
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 147,303	\$ 0	\$ 0	\$ 147,303	\$ 156,874	\$ 158,874	\$ 11,571
Highway and Bridge Maintenance	1,642,447	0	0	1,642,447	2,174,772	1,753,772	111,325
Operation and Maintenance of Equipment	583,952	0	0	583,952	494,386	624,386	40,434
Other Charges	32,657	0	0	32,657	35,500	35,500	2,843
Employee Benefits	304,160	0	0	304,160	326,440	326,440	22,280
Capital Outlay	1,820,149	(199,379)	114,971	1,735,741	1,796,700	2,176,700	440,959
Total Expenditures	\$ 4,530,668	\$ (199,379)	\$ 114,971	\$ 4,446,260	\$ 4,984,672	\$ 5,075,672	\$ 629,412
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,403,244)	\$ 199,379	\$ (114,971)	\$ (1,318,836)	\$ (1,441,352)	\$ (1,532,352)	\$ 213,516
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 1,974	\$ 0	\$ 0	\$ 1,974	\$ 0	\$ 0	\$ 1,974
Total Other Financing Sources	\$ 1,974	\$ 0	\$ 0	\$ 1,974	\$ 0	\$ 0	\$ 1,974
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ (1,401,270)	\$ 199,379	\$ (114,971)	\$ (1,316,862)	\$ (1,441,352)	\$ (1,532,352)	\$ 215,490
Fund Balance, July 1, 2012	3,454,776	(199,379)	0	3,255,397	2,815,153	2,815,153	440,244
Fund Balance, June 30, 2013	\$ 2,053,506	\$ 0	\$ (114,971)	\$ 1,938,535	\$ 1,373,801	\$ 1,282,801	\$ 655,734

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

Exhibit D-1

Humphreys County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2013

	Major Enterprise Fund
	Public Utility Fund
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 216,638
Accounts Receivable	8,768
Total Current Assets	<u>\$ 225,406</u>
Noncurrent Assets:	
Restricted Assets:	
Other Restricted Assets	\$ 113,276
Capital Assets:	
Assets Not Depreciated:	
Land	12,000
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	105,616
Infrastructure	618,716
Other Capital Assets	49,510
Total Noncurrent Assets	<u>\$ 899,118</u>
Total Assets	<u>\$ 1,124,524</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 4,376
Current Liabilities Payable from Restricted Assets:	
Customer Deposits Payable	113,276
Total Current Liabilities	<u>\$ 117,652</u>
Total Liabilities	<u>\$ 117,652</u>
<u>NET POSITION</u>	
Investment in Capital Assets	\$ 785,842
Unrestricted	221,030
Total Net Position	<u>\$ 1,006,872</u>

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

Exhibit D-2

Humphreys County, Tennessee
Statement of Revenues, Expenses,
and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2013

	Major Enterprise Fund Public Utility Fund
<u>Operating Revenues</u>	
Wastewater Treatment Charges	\$ 101,850
Total Operating Revenues	<u>\$ 101,850</u>
<u>Operating Expenses</u>	
Communication	\$ 1,681
Contracts with Private Agencies	52,352
Engineering Services	6,223
Maintenance and Repair Services - Equipment	24,589
Electricity	16,197
Water and Sewer	2,534
Depreciation	45,678
Total Operating Expenses	<u>\$ 149,254</u>
Operating Income (Loss)	<u>\$ (47,404)</u>
<u>Nonoperating Revenues</u>	
Miscellaneous Refunds	\$ 269
Total Nonoperating Revenues	<u>\$ 269</u>
Change in Net Position	(47,135)
Net Position, July 1, 2012	<u>1,054,007</u>
Net Position, July 1, 2013	<u>\$ 1,006,872</u>

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

Exhibit D-3

Humphreys County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2013

	Major Enterprise Fund <hr/> Public Utility Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 102,317
Payments to Vendors	(99,380)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 2,937</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Miscellaneous Refunds	\$ 269
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 269</u>
Increase (Decrease) in Cash	\$ 3,206
Cash, July 1, 2012	<u>326,708</u>
Cash, June 30, 2013	<u><u>\$ 329,914</u></u>
<u>Reconciliation of Operating Income to Net Cash Provided</u>	
<u>By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (47,404)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	45,678
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	468
Increase (Decrease) in Accounts Payable	<u>4,196</u>
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 2,937</u></u>
<u>Reconciliation of Cash With the Statement of Net Position</u>	
Equity in Pooled Cash and Investments	\$ 216,638
Cash - Other Restricted Assets	<u>113,276</u>
Cash, June 30, 2013	<u><u>\$ 329,914</u></u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 859,840
Accounts Receivable	70
Due from Other Governments	<u>260,815</u>
Total Assets	<u>\$ 1,120,725</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 260,815
Due to Litigants, Heirs, and Others	<u>859,910</u>
Total Liabilities	<u>\$ 1,120,725</u>

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

HUMPHREYS COUNTY, TENNESSEE
Index of Notes to the Financial Statements

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Humphreys 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 Humphreys County:

A. Reporting Entity

Humphreys County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present Humphreys 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 Humphreys County School Department operates the public school system in the county, and the voters of Humphreys 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 Humphreys County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Humphreys County, and the Humphreys 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 Humphreys County School Department does not issue separate financial statements from those of the county. Therefore, basic financial statements of the School Department are included in this report as listed in the table of contents. Complete financial statements of the Humphreys County

Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Humphreys County Emergency
Communications District
P.O. Box 553
Waverly, TN 37185

Related Organization – The Humphreys County Industrial Development Board is a related organization of Humphreys County. The Humphreys County Commission appoints board members, but the county’s accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

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

Humphreys County issues all debt for the discretely presented Humphreys 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, the proprietary fund (enterprise), and fiduciary funds. The fiduciary funds are

excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

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

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

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

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

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

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

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

Humphreys 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.

Solid Waste/Sanitation Fund – This special revenue fund accounts for all solid waste activities, including those activities specifically related to the landfill. Local taxes and general service charges are the foundational revenues of this 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.

Humphreys County reports the following major enterprise fund:

Public Utility Fund – This fund accounts for the transactions of the county-owned wastewater disposal facility.

Additionally, Humphreys County reports the following fund types:

Capital Projects Funds – These funds account for transactions for the acquisition or construction of major capital facilities.

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 Humphreys 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 Humphreys 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 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.

Private-Purpose Trust Fund – The Private-Purpose Trust Fund is used to account for resources legally held in trust to provide scholarships for students seeking further education in a field related to mechanical or chemical engineering. The corpus will remain undistributed as a source of investment income for scholarships.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The county has one proprietary fund, an enterprise fund, used to account for the transactions of the county-owned wastewater disposal facility. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations.

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

1. Deposits and Investments

For purposes of the Statement of Cash Flows, cash includes cash on deposit with the county trustee.

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

2. Receivables and Payables

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

Property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.87 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. Restricted Assets

In the Public Utility Fund, an enterprise fund, certain contributions from two businesses are classified as other restricted assets on the balance sheet because their use is limited to construction costs by agreements between the wastewater customers and Humphreys County.

4. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

Assets	Primary Government		Humphreys
	Governmental	Business-	County
	Activities	type	School
	Years	Activities	Department
		Years	Years
Buildings and			
Improvements	25 or life of note	24	20 - 40
Other Capital Assets	5 - 15	24	5 - 20
Infrastructure	10 - 30 or life of note	50	20 - 30

5. 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 the following 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.

6. Compensated Absences

It is the policy of Humphreys County to permit employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid to employees upon separation from service. In addition, it is the policy of the Humphreys County Highway Department to permit its employees to accumulate earned but unused sick leave, which will be paid to employees upon separation from service. The granting of sick leave, except for the Highway Department, as described above, has no guaranteed payment attached and therefore is not required to be accrued or recorded. All vacation benefits, along with sick leave benefits for the Highway/Public Works Fund, are accrued when incurred in the government-wide financial statements for the county. A liability for vacation benefits and sick

leave benefits of the Highway Department is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The policy of the discretely presented School Department permits the unlimited accumulation of unused sick leave for professional personnel (teachers) and nonprofessional full-time personnel. There is no provision for accumulating vacation days. The granting of sick leave has no guaranteed payment attached and therefore requires no accrual or recording.

7. 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 closure/postclosure care costs, and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

8. Net Position and Fund Equity

In the government-wide financial statements and the proprietary fund in the fund financial statements, equity is classified as net position and may be displayed in the following 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. Investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation.
- c. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- d. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment of capital assets.

The government-wide Statement of Net Position reports \$6,669,334 of restricted net position, of which \$152,431 is restricted by enabling legislation.

As of June 30, 2013, Humphreys County had \$3,319,000 of outstanding debt for capital purposes for the discretely presented Humphreys County School Department. This debt is a liability of Humphreys County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Humphreys 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 has not been restricted, committed, or assigned to specific purposes within the General and General Purpose School funds.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Humphreys County School Department

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

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

Primary Government

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

Discretely Presented Humphreys County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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 Other Capital Projects Fund, which adopts a project length budget. All annual appropriations lapse at fiscal year end.

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

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

between major categories. During the year, several supplementary appropriations were necessary.

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

At June 30, 2013, Humphreys County reported significant encumbrances of \$114,971 for bridge construction in the Highway/Public Works Fund, and \$159,798 for airport improvements in the General Capital Projects Fund.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Humphreys County and the Humphreys 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 the purposes of credit risk disclosure.

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

Investments

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

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

<u>Investment</u>	<u>Weighted Average Maturity (days)</u>	<u>Fair Value</u>
State Treasurer's Investment Pool	11 to 138	\$ 1,381,180

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

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

B. Note Receivable

The note receivable in the General Debt Service Fund totaling \$86,900 resulted from the county issuing a \$173,800 capital outlay note in March 2008 to fund construction of an emergency communications tower. The City of Waverly entered into an agreement with Humphreys County to pay the county for a prorated share of the capital outlay note. The note receivable is included in the restricted fund balance account.

C. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-12	Increases	Decreases	Balance 6-30-13
Capital Assets Not Depreciated:				
Land	\$ 1,498,084	\$ 0	\$ 0	\$ 1,498,084
Construction in Progress	445,361	210,784	(656,145)	0
Total Capital Assets Not Depreciated	\$ 1,943,445	\$ 210,784	\$ (656,145)	\$ 1,498,084
Capital Assets Depreciated:				
Buildings and Improvements	\$ 9,232,007	\$ 264,887	\$ 0	\$ 9,496,894
Infrastructure	54,052,543	915,610	0	54,968,153
Other Capital Assets	4,042,333	1,067,992	(518,197)	4,592,128
Total Capital Assets Depreciated	\$ 67,326,883	\$ 2,248,489	\$ (518,197)	\$ 69,057,175
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 4,228,065	\$ 321,863	\$ 0	\$ 4,549,928
Infrastructure	33,318,245	2,284,326	0	35,602,571
Other Capital Assets	3,674,815	124,991	(518,197)	3,281,609
Total Accumulated Depreciation	\$ 41,221,125	\$ 2,731,180	\$ (518,197)	\$ 43,434,108
Total Capital Assets Depreciated, Net	\$ 26,105,758	\$ (482,691)	\$ 0	\$ 25,623,067
Governmental Activities Capital Assets, Net	\$ 28,049,203	\$ (271,907)	\$ (656,145)	\$ 27,121,151

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

Governmental Activities:

General Government	\$ 208,111
Finance	9,517
Public Safety	154,296
Public Health and Welfare	36,266
Social, Cultural, and Recreational Services	4,728
Agriculture and Natural Resources	4,546
Other Operations	77,305
Highway/Public Works	<u>2,236,411</u>
 Total	 <u><u>\$ 2,731,180</u></u>

Business-type Activities:

	Balance 7-1-12	Increases	Balance 6-30-13
Capital Assets Not Depreciated:			
Land	\$ 12,000	\$ 0	\$ 12,000
Total Capital Assets Not Depreciated	<u>\$ 12,000</u>	<u>\$ 0</u>	<u>\$ 12,000</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 506,953	\$ 0	\$ 506,953
Infrastructure	775,950	0	775,950
Other Capital Assets	216,848	0	216,848
Total Capital Assets Depreciated	<u>\$ 1,499,751</u>	<u>\$ 0</u>	<u>\$ 1,499,751</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 380,214	\$ 21,123	\$ 401,337
Infrastructure	141,714	15,520	157,234
Other Capital Assets	158,303	9,035	167,338
Total Accumulated Depreciation	<u>\$ 680,231</u>	<u>\$ 45,678</u>	<u>\$ 725,909</u>
Total Capital Assets Depreciated, Net	<u>\$ 819,520</u>	<u>\$ (45,678)</u>	<u>\$ 773,842</u>
Business-type Activities Capital Assets, Net	<u><u>\$ 831,520</u></u>	<u><u>\$ (45,678)</u></u>	<u><u>\$ 785,842</u></u>

There were no decreases in capital assets to report during the year ended June 30, 2013.

Discretely Presented Humphreys County School Department

Governmental Activities:

	Balance		Balance	
	7-1-12	Increases	Decreases	6-30-13
	<hr/>		<hr/>	
Capital Assets Not Depreciated:				
Land	\$ 141,175	\$ 0	\$ 0	\$ 141,175
Total Capital Assets Not Depreciated	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 141,175	\$ 0	\$ 0	\$ 141,175
Capital Assets Depreciated:				
Buildings and Improvements	\$ 19,416,410	\$ 0	\$ 0	\$ 19,416,410
Infrastructure	71,974	0	0	71,974
Other Capital Assets	3,955,428	254,325	(159,965)	4,049,788
Total Capital Assets Depreciated	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 23,443,812	\$ 254,325	\$ (159,965)	\$ 23,538,172
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 10,552,111	\$ 446,496	\$ 0	\$ 10,998,607
Infrastructure	26,791	2,399	0	29,190
Other Capital Assets	2,496,443	256,059	(159,965)	2,592,537
Total Accumulated Depreciation	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 13,075,345	\$ 704,954	\$ (159,965)	\$ 13,620,334
Total Capital Assets Depreciated, Net	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 10,368,467	\$ (450,629)	\$ 0	\$ 9,917,838
Governmental Activities Capital Assets, Net	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 10,509,642	\$ (450,629)	\$ 0	\$ 10,059,013

Depreciation expense was charged to functions of the School Department as follows:

Governmental Activities:

Instruction	\$ 356,341
Support Services	308,949
Operation of Non-Instructional Services	<hr/>
	39,664
Total Depreciation Expense - Governmental Activities	<hr/>
	\$ 704,954

D. Construction Commitments

At June 30, 2013, the Highway/Public Works Fund had uncompleted construction contracts of \$114,971 for bridge construction. Also, the General Capital Projects Fund had uncompleted construction contracts of \$159,798 for airport improvements. Funding for these future expenditures is expected to be provided from available fund balances and state funds.

E. 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	\$ 20,237
Highway/Public Works	General	715
"	Solid Waste/Sanitation	2,885
"	Nonmajor governmental	260

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

Due to/from Primary Government and Component Unit:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
Primary Government	Component Unit: School Department	\$ 15,000

The Due to Primary Government is the balance of a note issued by Humphreys County for the School Department. The School Department has agreed to contribute the funds necessary to retire this note.

Interfund Transfers:

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

Discretely Presented Humphreys County School Department

<u>Transfer Out</u>	<u>Transfer In</u>
	General Purpose School Fund
Nonmajor governmental fund	\$ 5,000

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.

F. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 40 years for bonds, up to 10 years for notes, 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, other loans, and capital outlay notes included in long-term debt as of June 30, 2013, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, 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	4.371 to 5 %	1-1-16	\$ 438,500	\$ 54,300
Capital Outlay Notes	0 to 3.85	3-27-18	1,785,000	740,000
Other Loans	variable	5-25-20	9,200,000	3,434,000

In 1999-2000, Humphreys County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$7,000,000 to Humphreys County for school renovations and construction. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent, Bank of America (BOA) daily or weekly. In addition, the county pays various other fees (letter of credit, administrative, and debt remarketing) in connection with this loan. At June 30, 2013, the variable interest rate was .31 percent, and other fees totaled .94 percent of the outstanding loan principal.

In 2003-04, Humphreys County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement,

the authority loaned \$2,200,000 to Humphreys County for various renovation and construction projects. The loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent, BOA, daily or weekly. In addition, the county pays various other fees (letter of credit, administrative, and debt remarketing) in connection with this loan. At June 30, 2013, the variable interest rate was .33 percent, and other fees totaled .67 percent of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds, notes, 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	\$ 23,700	\$ 2,603	\$ 26,303
2015	24,400	1,454	25,854
2016	6,200	271	6,471
Total	\$ 54,300	\$ 4,328	\$ 58,628

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	\$ 195,000	\$ 27,763	\$ 222,763
2015	195,000	20,522	215,522
2016	120,000	13,319	133,319
2017	115,000	8,855	123,855
2018	115,000	4,428	119,428
Total	\$ 740,000	\$ 74,887	\$ 814,887

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2014	\$ 640,000	\$ 10,692	\$ 32,625	\$ 683,317
2015	421,000	8,661	27,248	456,909
2016	438,000	7,356	23,296	468,652
2017	456,000	5,999	19,185	481,184
2018	474,000	4,585	14,904	493,489
2019-2020	1,005,000	4,703	16,280	1,025,983
Total	\$ 3,434,000	\$ 41,996	\$ 133,538	\$ 3,609,534

There is \$1,847,775 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and other loans totaled \$228, based on the 2010 federal census.

The School Department is currently servicing some of the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government. In the prior year, this debt was reflected as debt of the School Department; however, this debt has been reclassified as debt of the primary government because the primary government is legally obligated to repay the debt.

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-13</u>
<u>Notes Payable</u>	
<u>Payable through General Purpose School Fund</u>	
Greenhouse Capital Outlay Note 2009	\$ 15,000

Changes in Long-term Obligations

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

Governmental Activities:

	<u>Bonds</u>	<u>Notes</u>	<u>Other Loans</u>
Balance, July 1, 2012	\$ 76,700	\$ 915,000	\$ 4,050,000
Reclassification of School Debt	0	20,000	0
Reductions	(22,400)	(195,000)	(616,000)
Balance, June 30, 2013	<u>\$ 54,300</u>	<u>\$ 740,000</u>	<u>\$ 3,434,000</u>
Balance Due Within One Year	<u>\$ 23,700</u>	<u>\$ 195,000</u>	<u>\$ 640,000</u>

	<u>Compensated Absences</u>	<u>Landfill Closure/ Postclosure Care Costs</u>	<u>Other Postemployment Benefits</u>
Balance, July 1, 2012	\$ 129,680	\$ 851,554	\$ 101,255
Additions	162,163	16,180	33,751
Reductions	(162,317)	0	(15,819)
Balance, June 30, 2013	<u>\$ 129,526</u>	<u>\$ 867,734</u>	<u>\$ 119,187</u>
Balance Due Within One Year	<u>\$ 6,478</u>	<u>\$ 48,917</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2013	\$ 5,344,747
Less: Balance Due Within One Year	<u>(914,095)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,430,652</u>

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

Discretely Presented Humphreys County School Department

Changes in Long-term Obligations

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

Governmental Activities:	Notes	Other Postemployment Benefits
	<u>Notes</u>	<u>Benefits</u>
Balance, July 1, 2012	\$ 20,000	\$ 3,120,822
Additions	0	811,325
Reductions	0	(228,667)
Reclassification of School Debt	(20,000)	0
	<u>0</u>	<u>3,703,480</u>
Balance, June 30, 2013	\$ 0	\$ 3,703,480
	<u>0</u>	<u>0</u>
Balance Due Within One Year	\$ 0	\$ 0

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

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

The State of Tennessee pays health insurance premiums for retired teacher's on-behalf of the Humphreys 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 \$61,984 and \$27,682, 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

Liability, Property, Casualty, and Workers' Compensation Insurance

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

Employee Health Insurance

Humphreys 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, *Tennessee Code Annotated (TCA)*, all local governments and quasi-governmental entities described above are eligible to participate. The LGGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. State statute provides for the LGGIF to be self-sustaining through member premiums.

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

B. Accounting Changes

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*; Statement No. 61, *The Financial Reporting Entity: Omnibus (an amendment of GASB Statements No. 14 and No. 34)*; Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in*

Pre-November 30, 1989 FASB and AICPA Pronouncements; and Statement No. 63, *Reporting Deferred Outflows, Deferred Inflows and Net Position* became effective for the year ended June 30, 2013. Humphreys County early implemented Statement No. 65, *Items Previously Reported as Assets and Liabilities* and Statement No. 66, *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62*, which have an effective date of June 30, 2014.

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

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

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

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

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

GASB Statement No. 66 resolves conflicting guidance by removing the provision that limits fund based reporting of an entity's risk financing activities to the General Fund and the internal service fund type. Under Statement No. 66 decisions about fund type classifications are based on the nature of the activity to be reported as required by Statements No. 54 and

No. 34. This statement also modifies guidance on operating lease payments, purchased loans, and servicing fees related to mortgage loans.

C. Contingent Liabilities

The county is involved in several pending lawsuits. The county attorney estimates that the potential claims against the county not covered by insurance resulting from such litigation would not materially affect the county's financial statements.

D. Change in Administration

On August 31, 2012, Ronald Carter left the Office of Road Supervisor and was succeeded by Randy Woods.

E. Landfill Closure/Postclosure Care Costs

Humphreys 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. Humphreys County closed its sanitary landfill in 1999. The \$867,734 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 Venture

The discretely presented School Department participates in the Volunteer State Cooperative (VOLCO), which represents a cost-sharing arrangement. The cooperative was established through a contractual agreement between the Boards of Education of Bedford County, Coffee County, Dickson County, Fayetteville City, Humphreys County, Manchester City, Marshall County, Maury County, Robertson County, and Stewart County. The cooperative was authorized through Title 49 of *Tennessee Code Annotated*. The cooperative was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each

member's school food service systems. The cooperative has contracted with a coordinating district (Stewart County School Department) and a service provider to provide these services. The cooperative is governed by a Representative Committee, comprising one representative from each of the member districts; and an Executive Council, consisting of the chair, vice-chair, secretary, treasurer, and a member-at-large from the Representative Committee.

Complete financial statements for the Volunteer State Cooperative can be obtained from its administrative office at the following address:

Administrative Office:

Volunteer State Cooperative
P.O. Box 433
110 Natcor Drive
Dover, TN 37058

G. Retirement Commitments

Plan Description

Employees of Humphreys 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 Humphreys 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

Humphreys County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 8.16 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, 2013, the county’s annual pension cost of \$528,182 to TCRS was equal to the county’s required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was two years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	\$528,182	100%	\$0
6-30-12	542,703	100	0
6-30-11	530,878	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 97.18 percent funded. The actuarial accrued liability for benefits was \$17.98 million, and the actuarial value of assets was \$17.47 million, resulting

in an unfunded actuarial accrued liability (UAAL) of \$.51 million. The covered payroll (annual payroll of active employees covered by the plan) was \$6 million, and the ratio of the UAAL to the covered payroll was 8.44 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 Humphreys 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 salary to the plan. The employer contribution rate for the School Department

is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2013, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2013, 2012, and 2011, were \$995,689, \$1,002,972, and \$1,007,180, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Plan Description

Humphreys 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 teachers and support personnel. 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 School Department makes a contribution toward the health insurance premium of the group medical plan for certified employees who retire with at least 20 years of service; participate in the Tennessee Consolidated Retirement System, have accumulated sick leave at retirement, and have been covered under the group medical plan prior to retirement. Currently, 14 school retirees meet those eligibility requirements. The School Department contributes toward the medical premium for each eligible retiree and their dependents based on a value calculated from the retiree's total salary and accumulated sick days at retirement. The retiree's annual salary at

retirement (excluding career ladder, extended contract, or other supplements) is divided by a 200-day year then multiplied by 25 percent to yield a daily compensation value. This daily compensation value is multiplied by the retiree's accumulated sick leave days at retirement date. The School Department allocates this calculated amount to each eligible retiree and depletes it monthly to pay the health insurance premium until the amount is exhausted, the retiree reaches Medicare eligibility, or is deceased. During the year, this contribution was \$68,114. Retirees' contributions vary depending on the insurance options they select. During the year ended June 30, 2013, Humphreys County and the School Department contributed \$15,819 and \$228,667, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 34,000	\$ 819,000
Interest on the NOPEBO	4,050	124,833
Adjustment to the ARC	(4,299)	(132,508)
Annual OPEB cost	<u>\$ 33,751</u>	<u>\$ 811,325</u>
Less: Amount of contribution	(15,819)	(228,667)
Increase/decrease in NOPEBO	<u>\$ 17,932</u>	<u>\$ 582,658</u>
Net OPEB obligation, 7-1-12	<u>101,255</u>	<u>3,120,822</u>
 Net OPEB obligation, 6-30-13	 <u>\$ 119,187</u>	 <u>\$ 3,703,480</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-11	Local Government Group	\$ 50,110	29%	\$ 82,053
6-30-12	"	33,798	43	101,255
6-30-13	"	33,751	47	119,187
6-30-11	Local Education Group	772,667	29	2,512,758
6-30-12	"	804,820	24	3,120,822
6-30-13	"	811,325	28	3,703,480

Funded Status and Funding Progress

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

	Local Government Group Plan	Local Education Group Plan
Actuarial valuation date	7-1-11	7-1-11
Actuarial accrued liability (AAL)	\$ 252,000	\$ 6,774,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 252,000	\$ 6,774,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 3,723,915	\$ 15,220,079
UAAL as a % of covered payroll	7%	45%

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 Education Group and the Local Government 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 the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*, which provide for all purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Road Supervisor

Purchasing procedures for the Road Department are governed by the provisions of Chapter 634, Private Acts of 1935, as amended, and the Uniform Road Law, Section 54-7-113, *TCA*. Provisions of the private act provide for the road supervisor to obtain the approval of the County Road Advisory Commission for all purchases of single items exceeding \$2,500. The Uniform Road Law provides for purchases exceeding \$10,000 to be made after public advertisement and solicitation of competitive bids.

Office of Director of Schools

Purchasing procedures for the discretely presented Humphreys 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 that competitive bids be solicited through newspaper advertisement on all purchases estimated to exceed \$10,000.

VI. OTHER NOTES – DISCRETELY PRESENTED HUMPHREYS COUNTY EMERGENCY COMMUNICATIONS DISTRICT

A. Summary of Significant Accounting Policies

1. Financial Reporting Entity

The Humphreys County Emergency Communications District was created under *Tennessee Code Annotated (TCA) Section 7-86-104 et. seq., Emergency Communications Districted Law* by a referendum of voters in Humphreys County, Tennessee, in May 1988. The assessment of service fees began September 1, 1989.

The purpose of the district is to provide a simplified means of securing emergency services by telephone to those persons living in the county. In November 2001, emergency service dispatch functions were consolidated under a centralized communications center for the governments of Humphreys County, City of Waverly, City of New Johnsonville, and City of McEwen.

The district is considered a component unit of the county because the Board of Directors is appointed by the County Commission. The County Commission has the authority to adjust rates charged by the district, and the County Commission must approve most debts issued by the district.

2. Measurement Focus/Basis of Accounting

The district is considered an enterprise fund; therefore, the district's financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenue is recognized in the period in which it is earned while expenses are recognized in the period in which the liability is incurred.

Operating revenue is generated from the primary operations of the district. All other revenue is reported as nonoperating revenue. Operating expenses are essential to the primary operations of the district. All other expenses are reported as nonoperating expenses.

The financial statements are prepared on the basis of GASB Statement No. 34, *Basic Financial Statements, Management's Discussion and Analysis for State and Local Governments* and related standards. This statement provides for various terminology and includes recognition of capital grants in the Statement of Revenues, Expenses, and Changes in Net Position; a presentation of net position; as well as an inclusion of a management discussion and analysis; supplementary information; and other changes.

3. Cash and Investments

Cash and cash equivalents include amounts of cash on hand, demand deposits, and time deposits with original maturities of three months or less.

State statutes (*TCA*, Section 5-8-301) determine what investments are allowable for the district. For the most part, allowable investments consist of bonds, notes or treasury bills of the United States or other obligations guaranteed as to principal and interest by the United States or any of its agencies, repurchase agreements, the Tennessee Local Government Investment Pool, and certificates of deposits.

4. **Due from Tennessee Emergency Communications Board**

The amount due from the Tennessee Emergency Communications Board includes the amount of wireless surcharges collected by the state prior to June 30, 2013, but not remitted to the district until after June 30, 2013.

5. **Due from Primary and Other Governments**

In November 2001, the district entered into an inter-local cooperation agreement between the governments of Humphreys County, City of Waverly, City of New Johnsonville, and City of McEwen. The inter-local cooperation agreement essentially consolidated the dispatching of emergency services process for all the governments to a central location and in turn the governments contribute funds to the district to cover personnel costs. There were no amounts owed the district by the primary government or other local governments at June 30, 2013.

6. **Accounts Receivable**

Accounts receivable represents amounts due from AT&T, TDS Telecom, and other service providers that operate in the area and collect the user fees assessed by the district.

7. **Accounts Payable**

Payables are accrued for goods, services, and equipment that have been received by June 30, but for which payment was not made by the balance sheet date.

8. **Property and Equipment**

Property and equipment are recorded at historical cost. Maintenance repairs and minor renewals are expensed as incurred. Depreciation has been provided over the estimated useful lives of the capital assets by the straight-line method. The estimated useful lives for depreciable items range from four to ten years.

B. Deposits, Investments, and Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the district's deposits may not be returned or the district will not be able to recover collateral securities in the possession of an outside party. 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. Further, state statutes require that the collateral must be placed by the depository bank in an escrow account in a second bank for the benefit of the district.

At June 30, 2013, the carrying value (bank balance) of deposits of the district was \$76,201. Therefore, all deposits would be considered insured.

Investments consisted of an account with the Tennessee Local Government Investment Pool, with interest being earned at a variable rate. The market value of the account is equivalent to the carrying value, which was \$626,988 at June 30, 2013.

C. Funding Sources

Funds for operations are provided by monthly fees from service users in the county. Two major service suppliers in the county, AT&T and Humphreys County Telephone, collect the service fees and remit the funds to the district. The telephone companies retain one to three percent of the collections as an administrative fee. The district also receives a portion of the wireless phone surcharge administered by the State of Tennessee, Department of Commerce and Insurance, Tennessee Emergency Communications Board.

D. Risk Management

The district is exposed to various risks of loss related to tort, theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. It is the policy of the district to purchase commercial insurance for these risks. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

E. Budgetary Information

The district is required by Section 7-86-120, *TCA*, to adopt an annual budget. The budget must be prepared at the line-item level. The district's budgetary basis of accounting is consistent with generally accepted accounting principles. Therefore, capital outlay items, although authorized, are not presented in the Budgetary Comparison Schedule, which compares budgetary revenues and expenses to actual.

F. Property and Equipment

Changes in property and equipment for the period ended June 30, 2013, were:

	Balance			Balance
	7-1-12	Increases	Decreases	6-30-13
Capital Assets Depreciated:				
Furniture and Fixtures	\$ 24,269	\$ 0	\$ (337)	\$ 23,932
Office Equipment	3,008	5,252	0	8,260
Other Equipment	1,210	0	0	1,210
Vehicles	24,995	27,331	(24,995)	27,331
Communications Equipment	542,026	62,496	(3,022)	601,500
Total Capital Assets Depreciated	\$ 595,508	\$ 95,079	\$ (28,354)	\$ 662,233
Less Accumulated Depreciation For:				
Furniture and Fixtures	\$ 22,976	\$ 975	\$ (337)	\$ 23,614
Office Equipment	2,952	757	0	3,709
Other Equipment	144	173	0	317
Vehicles	24,995	3,526	(24,995)	3,526
Communications Equipment	217,673	60,225	(3,022)	274,876
Total Accumulated Depreciation	\$ 268,740	\$ 65,656	\$ (28,354)	\$ 306,042
Governmental Activities Capital Assets, Net				
	\$ 326,768	\$ 29,423	\$ 0	\$ 356,191

G. Commitments

In 2001, the district entered into a 20-year lease with the City of Waverly for premises in order to operate the central dispatching functions of the district. The lease term is for 240 monthly payments of \$3,200 each, which began July 1, 2002.

H. Tower Purchases by County and Future Commitment

During the year ended June 30, 2009, Humphreys County purchased two, 300-foot self-supported towers for \$154,589 each. One of the towers is located on a county-owned site while the other tower is located on a City of Waverly site. It is the intent of all parties involved that the district will maintain and manage the towers upon completion as long as the district is providing central dispatching functions. The towers are financially being accounted for by Humphreys County, and no amounts are reflected within these financial statements.

I. Supplemental Cash Flow Information

There were no amounts of interest expense capitalized during the current year.

J. Subsequent Events

There were no subsequent events that occurred after the fiscal year-end and through the date of the auditor's report that would require adjustment or disclosure to the financial statements.

K. Pension Plan

Employees of the district 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 the district 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, Tennessee 37243-0230 or can be accessed at <http://www.tn.gov/treasury/tcrs/PS/>.

Funding Policy

The district requires employees to contribute five percent of their earnable compensation. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 4.3 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the district is established and may be amended by the TCRS Board of Trustees.

Annual Pension Cost

For the year ended June 30, 2013, the district’s annual pension cost of \$12,843 to TCRS was equal to the district’s required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The district’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was seven years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	\$ 12,843	100 %	\$ 0
6-30-12	13,667	100	0
6-30-11	13,043	100	0

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 82.03 percent funded. The actuarial accrued liability for benefits was \$.25 million, and the actuarial value of assets was \$.2 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.04 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.24 million, and the ratio of the UAAL to the covered payroll was 18.22 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.

L. Concentration of Revenues and Grants

Whether from pass-through wireless collections, grants/reimbursement programs or operational funding programs, the district often receives 30 to 50 percent of its revenue from the Tennessee Emergency Communications Board. Any significant change in the Tennessee Emergency Communications Board's funding policies could have a significant impact on the district.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6-30-11	\$ 17,473	\$ 17,980	\$ 506	97.18 %	\$ 6,002	8.44 %
6-30-09	14,333	14,450	117	99.19	5,750	2.04
6-30-07	13,411	13,558	147	98.92	5,056	2.91

Exhibit F-2

Humphreys County, Tennessee
Schedule of Funding Progress – Pension Plan
Discretely Presented Humphreys County Emergency Communications District
June 30, 2013

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-11	\$ 202	\$ 247	\$ 44	82.03 %	\$ 243	18.22 %
7-1-09	107	155	48	68.90	234	20.54
7-1-07	67	119	52	56.30	230	22.61

Exhibit F-3

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

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-09	\$ 0	\$ 376	\$ 376	0 %	\$ 3,206	12 %
"	7-1-10	0	405	405	0	3,717	11
"	7-1-11	0	252	252	0	3,724	7
<u>DISCRETELY PRESENTED HUMPHREYS COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-09	0	6,489	6,489	0	10,106	64
"	7-1-10	0	6,559	6,559	0	10,807	61
"	7-1-11	0	6,774	6,774	0	15,220	45

HUMPHREYS 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.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for transactions involving the Humphreys County Rural Fire Department.

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

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

Capital Projects Funds

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

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

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for bond proceeds received in prior years for the construction and maintenance of dams associated with the Hurricane Creek Watershed District.

Exhibit G-1

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

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
	Local Purpose Tax	Drug Control	Constituti- onal Officers - Fees	Total	General Capital Projects	Other Capital Projects	Total	
\$	0	0	20,237	20,237	0	0	0	20,237
95,831	428,655	0	524,486	806,040	58,922	864,962	1,389,448	
0	0	0	0	54,202	0	54,202	54,202	
213,031	0	0	213,031	85,212	0	85,212	298,243	
(7,652)	0	0	(7,652)	(3,061)	0	(3,061)	(10,713)	
\$	301,210	428,655	20,237	750,102	942,393	58,922	1,001,315	1,751,417
\$	1,339	0	0	1,339	0	0	0	1,339
0	0	0	0	54,202	0	54,202	54,202	
260	0	20,237	20,497	0	0	0	20,497	
\$	1,599	0	20,237	21,836	54,202	0	54,202	76,038
\$	201,150	0	0	201,150	80,460	0	80,460	281,610
3,412	0	0	3,412	1,236	0	1,236	4,648	
0	0	0	0	54,202	0	54,202	54,202	
\$	204,562	0	0	204,562	135,898	0	135,898	340,460
\$	95,049	428,655	0	523,704	0	0	0	523,704
0	0	0	0	752,293	0	752,293	752,293	
0	0	0	0	0	58,922	58,922	58,922	
\$	95,049	428,655	0	523,704	752,293	58,922	811,215	1,334,919
\$	301,210	428,655	20,237	750,102	942,393	58,922	1,001,315	1,751,417

ASSETS

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

Total Assets

LIABILITIES

Accounts Payable
 Contracts Payable
 Due to Other Funds
 Total Liabilities

DEFERRED INFLOWS OF RESOURCES

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

FUND BALANCES

Restricted:
 Restricted for Public Safety
 Restricted for Capital Projects
 Restricted for Other Purposes
 Total Fund Balances
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Exhibit G-2

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

	Special Revenue Funds				Capital Projects Funds			Total Nonmajor Governmental Funds
	Local Purpose Tax	Drug Control	Constit- utional Officers - Fees	Total	General Capital Projects	Other Capital Projects	Total	
<u>Revenues</u>								
Local Taxes	\$ 139,952	\$ 0	\$ 0	\$ 139,952	\$ 84,064	\$ 0	\$ 84,064	\$ 224,016
Fines, Forfeitures, and Penalties	0	166,128	0	166,128	0	0	0	166,128
Charges for Current Services	0	0	12	12	0	0	0	12
Other Local Revenues	0	28,112	0	28,112	20,344	0	20,344	48,456
State of Tennessee	0	1,200	0	1,200	0	0	0	1,200
Federal Government	0	0	0	0	142,670	0	142,670	142,670
Total Revenues	\$ 139,952	\$ 195,440	\$ 12	\$ 335,404	\$ 247,078	\$ 0	\$ 247,078	\$ 582,482
<u>Expenditures</u>								
Current:								
Finance	\$ 0	\$ 0	\$ 12	\$ 12	\$ 0	\$ 0	\$ 0	\$ 12
Public Safety	178,118	203,289	0	381,407	0	0	0	381,407
Other Operations	0	26,607	0	26,607	0	0	0	26,607
Capital Projects	0	0	0	0	484,265	2,150	486,415	486,415
Total Expenditures	\$ 178,118	\$ 229,896	\$ 12	\$ 408,026	\$ 484,265	\$ 2,150	\$ 486,415	\$ 894,441
Excess (Deficiency) of Revenues Over Expenditures	\$ (38,166)	\$ (34,456)	\$ 0	\$ (72,622)	\$ (237,187)	\$ (2,150)	\$ (239,337)	\$ (311,959)
<u>Other Financing Sources (Uses)</u>								
Insurance Recovery	\$ 8,614	\$ 0	\$ 0	\$ 8,614	\$ 0	\$ 0	\$ 0	\$ 8,614
Total Other Financing Sources (Uses)	\$ 8,614	\$ 0	\$ 0	\$ 8,614	\$ 0	\$ 0	\$ 0	\$ 8,614
Net Change in Fund Balances Fund Balance, July 1, 2012	\$ (29,552)	\$ (34,456)	\$ 0	\$ (64,008)	\$ (237,187)	\$ (2,150)	\$ (239,337)	\$ (303,345)
Fund Balance, July 1, 2012	124,601	463,111	0	587,712	989,480	61,072	1,050,552	1,638,264
Fund Balance, June 30, 2013	\$ 95,049	\$ 428,655	\$ 0	\$ 523,704	\$ 752,293	\$ 58,922	\$ 811,215	\$ 1,334,919

Exhibit G-3

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2013

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 139,952	\$ 147,571	\$ 147,571	\$ (7,619)
Other Local Revenues	0	8,000	0	0
Total Revenues	<u>\$ 139,952</u>	<u>\$ 155,571</u>	<u>\$ 147,571</u>	<u>\$ (7,619)</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Fire Prevention and Control	\$ 178,118	\$ 180,300	\$ 185,082	\$ 6,964
Total Expenditures	<u>\$ 178,118</u>	<u>\$ 180,300</u>	<u>\$ 185,082</u>	<u>\$ 6,964</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (38,166)</u>	<u>\$ (24,729)</u>	<u>\$ (37,511)</u>	<u>\$ (655)</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 8,614	0	\$ 12,783	\$ (4,169)
Total Other Financing Sources	<u>\$ 8,614</u>	<u>\$ 0</u>	<u>\$ 12,783</u>	<u>\$ (4,169)</u>
Net Change in Fund Balance	\$ (29,552)	\$ (24,729)	\$ (24,728)	\$ (4,824)
Fund Balance, July 1, 2012	<u>124,601</u>	<u>134,356</u>	<u>134,356</u>	<u>(9,755)</u>
Fund Balance, June 30, 2013	<u>\$ 95,049</u>	<u>\$ 109,627</u>	<u>\$ 109,628</u>	<u>\$ (14,579)</u>

Exhibit G-4

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 166,128	\$ 90,000	\$ 90,000	\$ 76,128
Other Local Revenues	28,112	0	375	27,737
State of Tennessee	1,200	0	1,200	0
Total Revenues	<u>\$ 195,440</u>	<u>\$ 90,000</u>	<u>\$ 91,575</u>	<u>\$ 103,865</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 203,289	\$ 201,271	\$ 203,803	\$ 514
<u>Other Operations</u>				
Employee Benefits	26,607	23,242	26,610	3
Total Expenditures	<u>\$ 229,896</u>	<u>\$ 224,513</u>	<u>\$ 230,413</u>	<u>\$ 517</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (34,456)</u>	<u>\$ (134,513)</u>	<u>\$ (138,838)</u>	<u>\$ 104,382</u>
Net Change in Fund Balance	\$ (34,456)	\$ (134,513)	\$ (138,838)	\$ 104,382
Fund Balance, July 1, 2012	<u>463,111</u>	<u>426,670</u>	<u>426,670</u>	<u>36,441</u>
Fund Balance, June 30, 2013	<u>\$ 428,655</u>	<u>\$ 292,157</u>	<u>\$ 287,832</u>	<u>\$ 140,823</u>

Exhibit G-5

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Capital Projects 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	\$ 84,064 \$	0 \$	0 \$	84,064 \$	92,628 \$	92,628 \$	(8,564)
Other Local Revenues	20,344	0	0	20,344	42,372	45,005	(24,661)
Federal Government	142,670	0	0	142,670	0	1,041,000	(898,330)
Total Revenues	\$ 247,078 \$	0 \$	0 \$	247,078 \$	135,000 \$	1,178,633 \$	(931,555)
Expenditures							
<u>Capital Projects</u>							
General Administration Projects	\$ 1,829 \$	0 \$	0 \$	1,829 \$	35,000 \$	35,000 \$	33,171
Public Safety Projects	106,252	0	159,798	266,050	0	1,058,070	792,020
Public Utility Projects	176,184	(138,571)	0	37,613	0	37,613	0
Highway and Street Capital Projects	200,000	0	0	200,000	200,000	200,000	0
Total Expenditures	\$ 484,265 \$	(138,571) \$	159,798 \$	505,492 \$	235,000 \$	1,330,683 \$	825,191
Excess (Deficiency) of Revenues Over Expenditures	\$ (237,187) \$	138,571 \$	(159,798) \$	(258,414) \$	(100,000) \$	(152,050) \$	(106,364)
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ (237,187) \$	138,571 \$	(159,798) \$	(258,414) \$	(100,000) \$	(152,050) \$	(106,364)
Fund Balance, July 1, 2012	989,480	(138,571)	0	850,909	991,993	991,993	(141,084)
Fund Balance, June 30, 2013	\$ 752,293 \$	0 \$	(159,798) \$	592,495 \$	891,993 \$	839,943 \$	(247,448)

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Humphreys 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	\$ 1,164,011	\$ 1,142,159	\$ 1,142,159	\$ 21,852
Other Local Revenues	24,032	18,520	18,520	5,512
Other Governments and Citizens Groups	8,515	0	5,000	3,515
Total Revenues	<u>\$ 1,196,558</u>	<u>\$ 1,160,679</u>	<u>\$ 1,165,679</u>	<u>\$ 30,879</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 346,900	\$ 346,900	\$ 346,900	\$ 0
Education	486,500	481,500	486,500	0
<u>Interest on Debt</u>				
General Government	25,071	37,732	37,662	12,591
Education	29,336	194,547	194,247	164,911
<u>Other Debt Service</u>				
General Government	27,456	100,000	65,667	38,211
Education	34,702	0	34,702	0
Total Expenditures	<u>\$ 949,965</u>	<u>\$ 1,160,679</u>	<u>\$ 1,165,678</u>	<u>\$ 215,713</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 246,593</u>	<u>\$ 0</u>	<u>\$ 1</u>	<u>\$ 246,592</u>
Net Change in Fund Balance	\$ 246,593	\$ 0	\$ 1	\$ 246,592
Fund Balance, July 1, 2012	<u>1,601,182</u>	<u>1,703,564</u>	<u>1,703,564</u>	<u>(102,382)</u>
Fund Balance, June 30, 2013	<u>\$ 1,847,775</u>	<u>\$ 1,703,564</u>	<u>\$ 1,703,565</u>	<u>\$ 144,210</u>

Fiduciary Funds

Agency Funds are used to account for assets held by the county 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 and general sessions courts clerk, clerk and master, register, and sheriff. Such collections include amounts due the state, cities, other county funds, litigants, heirs, and others.

Exhibit I-1

Humphreys 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	\$ 859,840	\$ 859,840
Accounts Receivable	0	70	70
Due from Other Governments	260,815	0	260,815
Total Assets	<u>\$ 260,815</u>	<u>\$ 859,910</u>	<u>\$ 1,120,725</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 260,815	\$ 0	\$ 260,815
Due to Litigants, Heirs, and Others	0	859,910	859,910
Total Liabilities	<u>\$ 260,815</u>	<u>\$ 859,910</u>	<u>\$ 1,120,725</u>

Exhibit I-2

Humphreys 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	\$ 1,470,409	\$ 1,470,409	\$ 0
Due from Other Governments	229,039	260,815	229,039	260,815
Total Assets	\$ 229,039	\$ 1,731,224	\$ 1,699,448	\$ 260,815
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 229,039	\$ 1,731,224	\$ 1,699,448	\$ 260,815
Total Liabilities	\$ 229,039	\$ 1,731,224	\$ 1,699,448	\$ 260,815
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 716,814	\$ 3,228,001	\$ 3,084,975	\$ 859,840
Accounts Receivable	121	70	121	70
Total Assets	\$ 716,935	\$ 3,228,071	\$ 3,085,096	\$ 859,910
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 716,935	\$ 3,228,071	\$ 3,085,096	\$ 859,910
Total Liabilities	\$ 716,935	\$ 3,228,071	\$ 3,085,096	\$ 859,910
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 716,814	\$ 3,228,001	\$ 3,084,975	\$ 859,840
Equity in Pooled Cash and Investments	0	1,470,409	1,470,409	0
Accounts Receivable	121	70	121	70
Due from Other Governments	229,039	260,815	229,039	260,815
Total Assets	\$ 945,974	\$ 4,959,295	\$ 4,784,544	\$ 1,120,725
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 229,039	\$ 1,731,224	\$ 1,699,448	\$ 260,815
Due to Litigants, Heirs, and Others	716,935	3,228,071	3,085,096	859,910
Total Liabilities	\$ 945,974	\$ 4,959,295	\$ 4,784,544	\$ 1,120,725

Humphreys County School Department

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

Private-Purpose Trust Fund – The Private-Purpose Trust Fund is used to account for resources legally held in trust to provide scholarships for students.

Exhibit J-1

Humphreys County, Tennessee
Statement of Activities
Discretely Presented Humphreys 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		Total	Governmental Activities
Governmental Activities:					
Instruction	\$ 15,658,183	\$ 29,550	\$ 2,127,513	\$	(13,501,120)
Support Services	7,738,190	46,590	270,496		(7,421,104)
Operation of Non-Instructional Services	1,840,924	647,410	1,073,352		(120,162)
Total Governmental Activities	\$ 25,237,297	\$ 723,550	\$ 3,471,361	\$	(21,042,386)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes				\$	3,132,844
Local Option Sales Taxes					2,204,214
Other Local Taxes					1,657
Grants and Contributions Not Restricted to Specific Programs					14,566,417
Miscellaneous					84,491
Total General Revenues				\$	19,989,623
Change in Net Position				\$	(1,052,763)
Net Position, July 1, 2012					9,215,766
Net Position, June 30, 2013				\$	8,163,003

Exhibit J-2

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 1,033,868	\$ 322,507	\$ 1,356,375
Accounts Receivable	274	0	274
Due from Other Governments	428,396	0	428,396
Property Taxes Receivable	3,238,063	0	3,238,063
Allowance for Uncollectible Property Taxes	(116,319)	0	(116,319)
Total Assets	<u>\$ 4,584,282</u>	<u>\$ 322,507</u>	<u>\$ 4,906,789</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 788	\$ 26,060	\$ 26,848
Total Liabilities	<u>\$ 788</u>	<u>\$ 26,060</u>	<u>\$ 26,848</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 3,057,471	\$ 0	\$ 3,057,471
Deferred Delinquent Property Taxes	46,975	0	46,975
Other Deferred/Unavailable Revenue	201,182	0	201,182
Total Deferred Inflows of Resources	<u>\$ 3,305,628</u>	<u>\$ 0</u>	<u>\$ 3,305,628</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 8,301	\$ 8,301
Restricted for Operation of Non-Instructional Services	0	188,146	188,146
Assigned:			
Assigned for Education	0	100,000	100,000
Unassigned	1,277,866	0	1,277,866
Total Fund Balances	<u>\$ 1,277,866</u>	<u>\$ 296,447</u>	<u>\$ 1,574,313</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,584,282</u>	<u>\$ 322,507</u>	<u>\$ 4,906,789</u>

Exhibit J-3

Humphreys County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
Discretely Presented Humphreys 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 J-2)		\$ 1,574,313
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 141,175	
Add: buildings and improvements net of accumulated depreciation	8,417,803	
Add: infrastructure net of accumulated depreciation	42,784	
Add: other capital assets net of accumulated depreciation	<u>1,457,251</u>	10,059,013
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: contributions due on notes payable on primary government debt	\$ (15,000)	
Less: other postemployment benefits liability	<u>(3,703,480)</u>	(3,718,480)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>248,157</u>
Net position of governmental activities (Exhibit A)		<u>\$ 8,163,003</u>

Exhibit J-4

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

	Major Fund	Nonmajor Funds	
	General	Other	
	Purpose	Govern- mental	Total
	School	Funds	Governmental Funds
<u>Revenues</u>			
Local Taxes	\$ 5,353,912	\$ 0	\$ 5,353,912
Licenses and Permits	901	0	901
Charges for Current Services	75,961	647,410	723,371
Other Local Revenues	119,667	9,417	129,084
State of Tennessee	15,170,515	16,642	15,187,157
Federal Government	216,228	2,586,378	2,802,606
Other Governments and Citizens Groups	2,700	0	2,700
Total Revenues	<u>\$ 20,939,884</u>	<u>\$ 3,259,847</u>	<u>\$ 24,199,731</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 13,539,976	\$ 1,179,208	\$ 14,719,184
Support Services	7,263,835	347,342	7,611,177
Operation of Non-Instructional Services	0	1,801,260	1,801,260
Capital Outlay	98,321	0	98,321
Debt Service:			
Other Debt Service	5,000	0	5,000
Total Expenditures	<u>\$ 20,907,132</u>	<u>\$ 3,327,810</u>	<u>\$ 24,234,942</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 32,752</u>	<u>\$ (67,963)</u>	<u>\$ (35,211)</u>
<u>Other Financing Sources (Uses)</u>			
Insurance Recovery	\$ 25,932	\$ 0	\$ 25,932
Transfers In	5,000	0	5,000
Transfers Out	0	(5,000)	(5,000)
Total Other Financing Sources (Uses)	<u>\$ 30,932</u>	<u>\$ (5,000)</u>	<u>\$ 25,932</u>
Net Change in Fund Balances	\$ 63,684	\$ (72,963)	\$ (9,279)
Fund Balance, July 1, 2012	1,214,182	369,410	1,583,592
Fund Balance, June 30, 2013	<u>\$ 1,277,866</u>	<u>\$ 296,447</u>	<u>\$ 1,574,313</u>

Exhibit J-5

Humphreys County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Discretely Presented Humphreys 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 J-4)		\$	(9,279)
(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	\$	254,325	
Less: current-year depreciation expense		<u>(704,954)</u>	(450,629)
(2) The issuance of long-term debt (e.g., notes) 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.			
Add: contribution payments on notes for primary government			5,000
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2013	\$	248,157	
Less: deferred delinquent property taxes and other deferred June 30, 2012		<u>(263,354)</u>	(15,197)
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Change in other postemployment benefits liability			<u>(582,658)</u>
Change in net position of governmental activities (Exhibit B)		\$	<u>(1,052,763)</u>

Exhibit J-6

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

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>School</u>	<u>Central</u>	<u>Nonmajor</u>
	<u>Federal</u>	<u>Cafeteria</u>	<u>Governmental</u>
	<u>Projects</u>		<u>Funds</u>
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 134,361	\$ 188,146	\$ 322,507
Total Assets	<u>\$ 134,361</u>	<u>\$ 188,146</u>	<u>\$ 322,507</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 26,060	\$ 0	\$ 26,060
Total Liabilities	<u>\$ 26,060</u>	<u>\$ 0</u>	<u>\$ 26,060</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 8,301	\$ 0	\$ 8,301
Restricted for Operation of Non-Instructional Services	0	188,146	188,146
Assigned:			
Assigned for Education	100,000	0	100,000
Total Fund Balances	<u>\$ 108,301</u>	<u>\$ 188,146</u>	<u>\$ 296,447</u>
Total Liabilities and Fund Balances	<u>\$ 134,361</u>	<u>\$ 188,146</u>	<u>\$ 322,507</u>

Exhibit J-7

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

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 647,410	\$ 647,410
Other Local Revenues	0	9,417	9,417
State of Tennessee	0	16,642	16,642
Federal Government	1,529,760	1,056,618	2,586,378
Total Revenues	<u>\$ 1,529,760</u>	<u>\$ 1,730,087</u>	<u>\$ 3,259,847</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,179,208	\$ 0	\$ 1,179,208
Support Services	347,342	0	347,342
Operation of Non-Instructional Services	0	1,801,260	1,801,260
Total Expenditures	<u>\$ 1,526,550</u>	<u>\$ 1,801,260</u>	<u>\$ 3,327,810</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 3,210</u>	<u>\$ (71,173)</u>	<u>\$ (67,963)</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (5,000)	\$ 0	\$ (5,000)
Total Other Financing Sources (Uses)	<u>\$ (5,000)</u>	<u>\$ 0</u>	<u>\$ (5,000)</u>
Net Change in Fund Balances	\$ (1,790)	\$ (71,173)	\$ (72,963)
Fund Balance, July 1, 2012	110,091	259,319	369,410
Fund Balance, June 30, 2013	<u>\$ 108,301</u>	<u>\$ 188,146</u>	<u>\$ 296,447</u>

Exhibit J-8

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Humphreys County School Department
General Purpose School 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>						
Local Taxes	\$ 5,353,912	\$ 0	\$ 5,353,912	\$ 5,440,734	\$ 5,441,585	\$ (87,673)
Licenses and Permits	901	0	901	650	650	251
Charges for Current Services	75,961	0	75,961	64,200	64,200	11,761
Other Local Revenues	119,667	0	119,667	128,070	133,070	(13,403)
State of Tennessee	15,170,515	0	15,170,515	15,143,831	15,253,392	(82,877)
Federal Government	216,228	0	216,228	207,000	241,770	(25,542)
Other Governments and Citizens Groups	2,700	0	2,700	0	0	2,700
Total Revenues	\$ 20,939,884	\$ 0	\$ 20,939,884	\$ 20,984,485	\$ 21,134,667	\$ (194,783)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 11,356,442	\$ 0	\$ 11,356,442	\$ 11,403,119	\$ 11,408,908	\$ 52,466
Alternative Instruction Program	82,000	0	82,000	78,700	84,300	2,300
Special Education Program	1,191,395	0	1,191,395	1,165,000	1,199,770	8,375
Vocational Education Program	895,753	0	895,753	907,100	907,100	11,347
Adult Education Program	14,386	0	14,386	14,855	24,214	9,828
<u>Support Services</u>						
Health Services	220,753	0	220,753	220,805	220,806	53
Other Student Support	448,427	0	448,427	451,660	451,660	3,233
Regular Instruction Program	710,642	0	710,642	698,636	721,236	10,594
Special Education Program	89,892	0	89,892	90,185	90,185	293
Vocational Education Program	92,614	0	92,614	97,403	97,403	4,789
Adult Programs	64,990	0	64,990	64,990	64,990	0
Other Programs	89,666	0	89,666	0	89,666	0

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2012	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Expenditures (Cont.)</u>						
<u>Support Services (Cont.)</u>						
Board of Education	\$ 156,716	\$ 0	\$ 156,716	\$ 164,797	\$ 164,797	\$ 8,081
Director of Schools	175,214	0	175,214	177,082	178,996	3,782
Office of the Principal	1,402,735	0	1,402,735	1,403,400	1,403,400	665
Fiscal Services	123,781	0	123,781	125,618	125,618	1,837
Operation of Plant	1,509,710	0	1,509,710	1,565,300	1,565,300	55,590
Maintenance of Plant	559,061	(26,757)	532,304	589,974	589,974	57,670
Transportation	1,204,968	0	1,204,968	1,258,647	1,236,047	31,079
Central and Other	414,666	0	414,666	414,960	415,455	789
<u>Capital Outlay</u>						
Regular Capital Outlay	98,321	0	98,321	100,000	100,000	1,679
<u>Other Debt Service</u>						
Education	5,000	0	5,000	500	5,500	500
Total Expenditures	\$ 20,907,132	\$ (26,757)	\$ 20,880,375	\$ 20,992,731	\$ 21,145,325	\$ 264,950
Excess (Deficiency) of Revenues Over Expenditures	\$ 32,752	\$ 26,757	\$ 59,509	\$ (8,246)	\$ (10,658)	\$ 70,167
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 25,932	\$ 0	\$ 25,932	\$ 0	\$ 0	\$ 25,932
Transfers In	5,000	0	5,000	22,745	22,745	(17,745)
Transfers Out	0	0	0	(14,500)	(12,091)	12,091
Total Other Financing Sources	\$ 30,932	\$ 0	\$ 30,932	\$ 8,245	\$ 10,654	\$ 20,278
Net Change in Fund Balance Fund Balance, July 1, 2012	\$ 63,684	\$ 26,757	\$ 90,441	\$ (1)	\$ (4)	\$ 90,445
Fund Balance, July 1, 2012	1,214,182	(26,757)	1,187,425	1,358,906	1,358,906	(171,481)
Fund Balance, June 30, 2013	\$ 1,277,866	\$ 0	\$ 1,277,866	\$ 1,358,905	\$ 1,358,902	\$ (81,036)

Exhibit J-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 1,529,760	\$ 1,755,279	\$ 1,830,271	\$ (300,511)
Total Revenues	\$ 1,529,760	\$ 1,755,279	\$ 1,830,271	\$ (300,511)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 616,668	\$ 786,239	\$ 885,315	\$ 268,647
Special Education Program	522,906	558,324	522,906	0
Vocational Education Program	39,634	39,037	39,634	0
<u>Support Services</u>				
Other Student Support	4,305	42,873	4,305	0
Regular Instruction Program	187,919	209,112	222,993	35,074
Special Education Program	94,422	62,918	94,422	0
Vocational Education Program	2,156	2,150	2,156	0
Transportation	58,540	54,626	58,540	0
Total Expenditures	\$ 1,526,550	\$ 1,755,279	\$ 1,830,271	\$ 303,721
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,210	\$ 0	\$ 0	\$ 3,210
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 147,045	\$ 26,651	\$ (26,651)
Transfers Out	(5,000)	(147,045)	(26,651)	21,651
Total Other Financing Sources	\$ (5,000)	\$ 0	\$ 0	\$ (5,000)
Net Change in Fund Balance	\$ (1,790)	\$ 0	\$ 0	\$ (1,790)
Fund Balance, July 1, 2012	110,091	0	0	110,091
Fund Balance, June 30, 2013	\$ 108,301	\$ 0	\$ 0	\$ 108,301

Exhibit J-10

Humphreys County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Humphreys 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	\$ 647,410	\$ 815,000	\$ 815,000	\$ (167,590)
Other Local Revenues	9,417	15,257	15,257	(5,840)
State of Tennessee	16,642	16,768	16,768	(126)
Federal Government	1,056,618	1,007,000	1,007,000	49,618
Total Revenues	<u>\$ 1,730,087</u>	<u>\$ 1,854,025</u>	<u>\$ 1,854,025</u>	<u>\$ (123,938)</u>
<u>Expenditures</u>				
<u>Operation of Non-Instructional Services</u>				
Food Service	\$ 1,801,260	\$ 1,854,025	\$ 1,854,025	\$ 52,765
Total Expenditures	<u>\$ 1,801,260</u>	<u>\$ 1,854,025</u>	<u>\$ 1,854,025</u>	<u>\$ 52,765</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (71,173)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (71,173)</u>
Net Change in Fund Balance	\$ (71,173)	\$ 0	\$ 0	\$ (71,173)
Fund Balance, July 1, 2012	<u>259,319</u>	<u>207,021</u>	<u>207,021</u>	<u>52,298</u>
Fund Balance, June 30, 2013	<u>\$ 188,146</u>	<u>\$ 207,021</u>	<u>\$ 207,021</u>	<u>\$ (18,875)</u>

Exhibit J-11

Humphreys County, Tennessee
Statement of Fiduciary Net Position
Discretely Presented Humphreys County School Department
Fiduciary Fund
June 30, 2013

	<u>Private- Purpose Trust Fund</u>
<u>ASSETS</u>	
Equity in Pooled Cash and Investments	<u>\$ 55,029</u>
Total Assets	<u>\$ 55,029</u>
<u>NET POSITION</u>	
Held in Trust for Scholarships	<u>\$ 55,029</u>
Total Net Position	<u>\$ 55,029</u>

Exhibit J-12

Humphreys County, Tennessee
Statement of Changes in Fiduciary Net Position
Discretely Presented Humphreys County School Department
Fiduciary Fund
For the Year Ended June 30, 2013

	<u>Private- Purpose Trust Fund</u>
<u>ADDITIONS</u>	
<u>Other Local Revenues</u>	
Investment Income	\$ 384
Total Additions	<u>\$ 384</u>
<u>DEDUCTIONS</u>	
<u>Other</u>	
Scholarships	\$ 2,000
Total Deductions	<u>\$ 2,000</u>
Change in Net Position	\$ (1,616)
Net Position, July 1, 2012	<u>56,645</u>
Net Position, June 30, 2013	<u><u>\$ 55,029</u></u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Humphreys County, Tennessee
Schedule of Changes in Long-term Notes, 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	Paid and/or Matured During Period	Outstanding 6-30-13
<u>NOTES PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
School Roofs, Buses, Equipment, and E-911 Towers/Facilities	\$ 600,000	3.75 %	10-2-06	10-2-14	\$ 225,000	\$ 75,000	\$ 150,000
E-911 Towers	750,000	3.85	3-27-08	3-27-18	450,000	75,000	375,000
Center for Higher Learning Expansion	400,000	3.85	3-27-08	3-27-18	240,000	40,000	200,000
Total Payable through General Debt Service Fund					\$ 915,000	\$ 190,000	\$ 725,000
<u>Payable by School Department Contributions from the</u>							
<u>General Purpose School Fund to the General Debt Service Fund</u>							
Greenhouse Capital Outlay Note 2009	35,000	0	4-27-10	4-27-16	\$ 20,000	\$ 5,000	\$ 15,000
Total Payable by School Department Contributions from the					\$ 20,000	\$ 5,000	\$ 15,000
General Purpose School Fund to the General Debt Service Fund					\$ 935,000	\$ 195,000	\$ 740,000
Total Notes Payable							
<u>OTHER LOANS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
School	7,000,000	Variable	3-7-00	5-25-20	\$ 3,588,000	\$ 389,000	\$ 3,199,000
Jail Renovation/Road, Bridge, and Sewer Improvement/Career Center	2,200,000	Variable	10-15-03	5-25-14	462,000	227,000	235,000
Total Other Loans Payable					\$ 4,050,000	\$ 616,000	\$ 3,434,000
<u>BONDS PAYABLE</u>							
<u>Payable through General Debt Service Fund</u>							
Courthouse Annex, FmHA	328,500	5	7-1-1976	1-1-15	\$ 53,500	\$ 17,000	\$ 36,500
Flood Control, FmHA	110,000	4.371	7-1-1976	1-1-16	23,200	5,400	17,800
Total Bonds Payable					\$ 76,700	\$ 22,400	\$ 54,300

Exhibit K-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2014	\$ 195,000	\$ 27,763	\$ 222,763
2015	195,000	20,522	215,522
2016	120,000	13,319	133,319
2017	115,000	8,855	123,855
2018	115,000	4,428	119,428
Total	<u>\$ 740,000</u>	<u>\$ 74,887</u>	<u>\$ 814,887</u>

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2014	\$ 640,000	\$ 10,692	\$ 32,625	\$ 683,317
2015	421,000	8,661	27,248	456,909
2016	438,000	7,356	23,296	468,652
2017	456,000	5,999	19,185	481,184
2018	474,000	4,585	14,904	493,489
2019	493,000	3,116	10,454	506,570
2020	512,000	1,587	5,826	519,413
Total	<u>\$ 3,434,000</u>	<u>\$ 41,996</u>	<u>\$ 133,538</u>	<u>\$ 3,609,534</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2014	\$ 23,700	\$ 2,603	\$ 26,303
2015	24,400	1,454	25,854
2016	6,200	271	6,471
Total	<u>\$ 54,300</u>	<u>\$ 4,328</u>	<u>\$ 58,628</u>

Exhibit K-3

Humphreys County, Tennessee
Schedule of Notes Receivable
June 30, 2013

Description of Indebtedness	Debtor	Original Amount of Issue	Date of Issue	Date of Maturity	Interest Rate	Outstanding 6-30-13
General Debt Service Fund City of Waverly - E-911 Tower	City of Waverly	\$ 173,800	3-27-08	3-27-18	3.85%	\$ 86,900
Total Notes Receivable						<u>\$ 86,900</u>

Exhibit K-4

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect costs	\$ 5,000
Total Transfers			\$ 5,000

Exhibit K-5

Humphreys County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Humphreys 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	\$ 67,843	\$ 50,000	Auto-Owners Insurance Company
Road Supervisor:				
Ronald Carter (7-1-12 through 8-31-12)	Section 8-24-102, TCA	10,769	100,000	Travelers Casualty and Surety Company of America
Randy Woods (9-1-12 through 6-30-13)	Section 8-24-102, TCA	53,844	100,000	"
Director of Schools	State Board of Education and County Board of Education	91,348 (1)	50,000	"
Trustee	Section 8-24-102, TCA	58,739	810,000	Auto-Owners Insurance Company
Assessor of Property	Section 8-24-102, TCA	58,739	50,000	Travelers Casualty and Surety Company of America
County Clerk	Section 8-24-102, TCA	58,739	50,000	Auto-Owners Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	58,739	50,000	"
Clerk and Master	Section 8-24-102, TCA	58,739	75,000	Travelers Casualty and Surety Company of America
Register of Deeds	Section 8-24-102, TCA	58,739	25,000	Auto-Owners Insurance Company
Sheriff	Section 8-24-102, TCA	64,613 (2)	25,000	"
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments			150,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Department			150,000	"

(1) Includes \$1,114 for a chief executive officer training supplement.
(2) Does not include \$600 for a law enforcement training supplement.

Exhibit K-6

Humphreys 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	Local Purpose Tax	Drug Control	Constitutional Officers - Fees	Highway / Public Works	Debt Service Fund		Capital Projects Fund							
							General	Debt	General	Capital						
Local Taxes																
County Property Taxes																
Current Property Tax	\$ 2,858,152	\$ 793,932	\$ 134,483	\$ 0	\$ 0	\$ 674,856	\$ 1,111,507	\$ 79,894	\$ 5,652,324	\$ 2,303	\$ 131,204					
Trustee's Collections - Prior Year	65,062	19,380	2,928	0	0	15,690	25,841	0	131,204	0	0					
Trustee's Collections - Bankruptcy	380	127	25	0	0	75	206	33	846	0	0					
Circuit/Clerk & Master Collections - Prior Years	53,153	15,788	1,886	0	0	12,806	21,092	1,868	106,593	0	0					
Interest and Penalty	13,415	3,940	630	0	0	3,199	5,365	466	27,015	0	0					
Payments in-Lieu-of-Taxes - T.V.A.	7,500	0	0	0	0	3,744	0	0	11,244	0	0					
Payments in-Lieu-of-Taxes - Other	1,188	0	0	0	0	0	0	0	1,188	0	0					
County Local Option Taxes																
Local Option Sales Tax	696,671	0	0	0	0	0	0	0	696,671	0	0					
Hotel/Motel Tax	96,589	0	0	0	0	0	0	0	96,589	0	0					
Local Amusement Tax	775	0	0	0	0	0	0	0	775	0	0					
Litigation Tax - General	80,622	0	0	0	0	0	0	0	80,622	0	0					
Litigation Tax - Special Purpose	10,443	0	0	0	0	0	0	0	10,443	0	0					
Litigation Tax - Jail, Workhouse, or Courthouse	43,297	0	0	0	0	0	0	0	43,297	0	0					
Litigation Tax - Courtroom Security	4,950	0	0	0	0	0	0	0	4,950	0	0					
Business Tax	149,728	0	0	0	0	0	0	0	149,728	0	0					
Other County Local Option Taxes	1,444	0	0	0	0	0	0	0	1,444	0	0					
Statutory Local Taxes																
Bank Excise Tax	26,401	0	0	0	0	0	0	0	26,401	0	0					
Wholesale Beer Tax	79,666	0	0	0	0	0	0	0	79,666	0	0					
Interstate Telecommunications Tax	915	0	0	0	0	0	0	0	915	0	0					
Total Local Taxes	\$ 4,190,351	\$ 883,167	\$ 139,952	\$ 0	\$ 0	\$ 710,370	\$ 1,164,011	\$ 84,064	\$ 7,121,915	\$ 0	\$ 0					
Licenses and Permits																
Permits																
Beer Permits	475	0	0	0	0	0	0	0	475	0	0					
Total Licenses and Permits	\$ 475	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 475	\$ 0	\$ 0					
Fines, Forfeitures, and Penalties																
Circuit Court																
Fines	2,328	0	0	0	0	0	0	0	2,328	0	0					
Officers Costs	3,803	0	0	0	0	0	0	0	3,803	0	0					
Jail Fees	2,624	0	0	0	0	0	0	0	2,624	0	0					
Judicial Commissioner Fees	638	0	0	0	0	0	0	0	638	0	0					
DUI Treatment Fines	1,140	0	0	0	0	0	0	0	1,140	0	0					
Data Entry Fee - Circuit Court	835	0	0	0	0	0	0	0	835	0	0					
Victims Assistance Assessments	5,914	0	0	0	0	0	0	0	5,914	0	0					

(Continued)

Exhibit K-6

Humphreys 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	Local Purpose Tax	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	General		General Debt Service	General Capital Projects				
									0 \$	0 \$						
<u>Fines, Forfeitures, and Penalties (Cont.)</u>																
<u>Criminal Court</u>																
DUI Treatment Fines	\$ 17	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	17
<u>General Sessions Court</u>																
Fines	9,977	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,977
Officers Costs	5,939	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,939
Game and Fish Fines	103	0	0	0	0	0	0	0	0	0	0	0	0	0	0	103
Drug Control Fines	0	0	0	24,191	0	0	0	0	0	0	0	0	0	0	0	24,191
Jail Fees	721	0	0	0	0	0	0	0	0	0	0	0	0	0	0	721
Judicial Commissioner Fees	1,890	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,890
DUI Treatment Fines	3,402	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,402
Data Entry Fee - General Sessions Court	4,872	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,872
<u>Juvenile Court</u>																
Fines	896	0	0	0	0	0	0	0	0	0	0	0	0	0	0	896
Officers Costs	3,739	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,739
<u>Chancery Court</u>																
Officers Costs	2,242	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,242
Data Entry Fee - Chancery Court	1,402	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,402
<u>Other Courts - In-county</u>																
Drug Control Fines	4,099	0	0	10,905	0	0	0	0	0	0	0	0	0	0	0	15,004
<u>Other Fines, Forfeitures, and Penalties</u>																
Proceeds from Confiscated Property	0	0	0	131,032	0	0	0	0	0	0	0	0	0	0	0	131,032
Total Fines, Forfeitures, and Penalties	\$ 56,581	\$ 0	\$ 0	\$ 166,128	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 222,709
<u>Charges for Current Services</u>																
<u>General Service Charges</u>																
Tipping Fees	\$ 0	\$ 22,180	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,180
Work Release Charges for Board Fees	100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100
Copy Fees	694	0	0	0	0	0	0	0	0	0	0	0	0	0	0	694
Greenbelt Late Application Fee	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50
Constitutional Officers' Fees and Commissions	0	0	0	0	12	0	0	0	0	0	0	0	0	0	0	12
Data Processing Fee - Register	6,678	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,678
Data Processing Fee - Sheriff	1,855	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,855
Sexual Offender Registration Fees - Sheriff	678	0	0	0	0	0	0	0	0	0	0	0	0	0	0	678
Data Processing Fee - County Clerk	1,794	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,794
Total Charges for Current Services	\$ 11,849	\$ 22,180	\$ 0	\$ 0	\$ 12	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 34,041

(Continued)

Exhibit K-6

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

	Special Revenue Funds							Debt Service Fund		Capital Projects Fund	
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total		
<u>Other Local Revenues</u>											
<u>Recurring Items</u>											
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 24,032	\$ 0	\$ 0	\$ 24,032	
Lease/Rentals	21,649	0	0	0	0	0	0	16,236	0	37,885	
Sale of Materials and Supplies	0	0	0	0	0	60,988	0	0	0	60,988	
Sale of Gasoline	188,647	0	0	0	0	114,352	0	0	0	302,999	
Sale of Recycled Materials	0	8,102	0	0	0	0	0	0	0	8,102	
Miscellaneous Refunds	9,748	0	0	377	0	0	0	0	4,108	14,233	
<u>Nonrecurring Items</u>											
Sale of Equipment	3,904	0	0	0	0	70,274	0	0	0	74,178	
Sale of Property	1,439	0	0	27,735	0	0	0	0	0	29,174	
Contributions and Gifts	885	0	0	0	0	0	0	0	0	885	
Total Other Local Revenues	\$ 226,272	\$ 8,102	\$ 0	\$ 28,112	\$ 0	\$ 245,614	\$ 24,032	\$ 20,344	\$ 0	\$ 552,476	
<u>Fees Received from County Officials</u>											
<u>Fees in-Lieu-of-Salary</u>											
County Clerk	\$ 184,053	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 184,053	
Circuit Court Clerk	81,464	0	0	0	0	0	0	0	0	81,464	
General Sessions Court Clerk	74,267	0	0	0	0	0	0	0	0	74,267	
Clerk and Master	58,515	0	0	0	0	0	0	0	0	58,515	
Register	80,303	0	0	0	0	0	0	0	0	80,303	
Sheriff	11,450	0	0	0	0	0	0	0	0	11,450	
Trustee	382,605	0	0	0	0	0	0	0	0	382,605	
Total Fees Received from County Officials	\$ 872,657	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 872,657	
<u>State of Tennessee</u>											
<u>General Government Grants</u>											
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000	
Airport Maintenance Program	4,211	0	0	0	0	0	0	0	0	4,211	
<u>Public Safety Grants</u>											
Law Enforcement Training Programs	13,200	0	0	1,200	0	0	0	0	0	14,400	
Health and Welfare Grants	81,127	0	0	0	0	0	0	0	0	81,127	
<u>Public Works Grants</u>											
Health Department Programs	0	0	0	0	0	0	0	0	0	0	
Bridge Program	0	0	0	0	0	378,072	0	0	0	378,072	
Litter Program	31,051	0	0	0	0	0	0	0	0	31,051	
<u>Other State Revenues</u>											
Income Tax	65,632	0	0	0	0	0	0	0	0	65,632	

(Continued)

Exhibit K-6

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

	Special Revenue Funds							Debt Service Fund		Capital Projects Fund	
	General	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	General Capital Projects	Total		
<u>State of Tennessee (Cont.)</u>											
<u>Other State Revenues (Cont.)</u>											
Resort District Sales Tax											
Beer Tax	356,541	0	0	0	0	0	0	0	0	356,541	
Alcoholic Beverage Tax	18,586	0	0	0	0	0	0	0	0	18,586	
State Revenue Sharing - T.V.A.	47,366	0	0	0	0	0	0	0	0	47,366	
Emergency Hospital - Prisoners	1,547,147	0	0	0	0	0	0	0	0	1,547,147	
Prisoner Transportation	4,976	0	0	0	0	0	0	0	0	4,976	
Contracted Prisoner Boarding	473	0	0	0	0	0	0	0	0	473	
Gasoline and Motor Fuel Tax	119,329	0	0	0	0	0	0	0	0	119,329	
Petroleum Special Tax	0	0	0	0	0	1,692,421	0	0	0	1,692,421	
Registrar's Salary Supplement	0	0	0	0	0	13,375	0	0	0	13,375	
Other State Grants	15,164	0	0	0	0	0	0	0	0	15,164	
Other State Revenues	10,225	7,405	0	0	0	0	0	0	0	17,630	
Total State of Tennessee	2,921	0	0	0	0	0	0	0	0	2,921	
	\$ 2,326,949	\$ 7,405	\$ 0	\$ 1,200	\$ 0	\$ 2,083,868	\$ 0	\$ 0	\$ 0	\$ 4,419,422	
<u>Federal Government</u>											
<u>Federal Through State</u>											
Community Development	0	0	0	0	0	0	0	0	0	0	
Disaster Relief	0	0	0	0	0	87,572	0	0	0	87,572	
Homeland Security Grants	26,852	0	0	0	0	0	0	0	0	26,852	
Other Federal through State	220,283	0	0	0	0	0	0	0	0	220,283	
Direct Federal Revenue	12,080	0	0	0	0	0	0	0	0	12,080	
Other Direct Federal Revenue	0	0	0	0	0	0	0	0	0	0	
Total Federal Government	259,215	0	0	0	0	87,572	0	0	0	489,457	
<u>Other Governments and Citizens Groups</u>											
<u>Other Governments</u>											
Contributions	61,127	0	0	0	0	0	0	5,000	0	66,127	
Other	29,899	0	0	0	0	0	0	3,515	0	33,414	
Total Other Governments and Citizens Groups	91,026	0	0	0	0	0	0	8,515	0	99,541	
Total	8,035,375	870,854	139,952	195,440	12	3,127,424	1,196,558	247,078	13,812,693		

Exhibit K-7

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 3,016,945	\$ 0	\$ 0	\$ 3,016,945
Trustee's Collections - Prior Year	70,131	0	0	70,131
Trustee's Collections - Bankruptcy	581	0	0	581
Circuit/Clerk & Master Collections - Prior Years	57,250	0	0	57,250
Interest and Penalty	14,579	0	0	14,579
<u>County Local Option Taxes</u>				
Local Option Sales Tax	2,192,845	0	0	2,192,845
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	1,581	0	0	1,581
Total Local Taxes	\$ 5,353,912	\$ 0	\$ 0	\$ 5,353,912
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 518	\$ 0	\$ 0	\$ 518
<u>Permits</u>				
Other Permits	383	0	0	383
Total Licenses and Permits	\$ 901	\$ 0	\$ 0	\$ 901
<u>Charges for Current Services</u>				
<u>Fees</u>				
Vending Machine Collections	\$ 63	\$ 0	\$ 0	\$ 63
<u>Education Charges</u>				
Tuition - Regular Day Students	7,180	0	0	7,180
Tuition - Summer School	9,320	0	0	9,320
Tuition - Other	13,050	0	0	13,050
Lunch Payments - Children	0	0	350,684	350,684
Lunch Payments - Adults	0	0	60,463	60,463
Income from Breakfast	0	0	32,854	32,854
A la carte Sales	0	0	202,132	202,132
Receipts from Individual Schools	46,348	0	0	46,348
<u>Other Charges for Services</u>				
Other Charges for Services	0	0	1,277	1,277
Total Charges for Current Services	\$ 75,961	\$ 0	\$ 647,410	\$ 723,371
<u>Other Local Revenues</u>				
<u>Recurring Items</u>				
Investment Income	\$ 0	\$ 0	\$ 92	\$ 92
Lease/Rentals	3,575	0	0	3,575
Sale of Materials and Supplies	5,000	0	0	5,000
Sale of Recycled Materials	179	0	0	179
Refund of Telecommunication and Internet Fees (E-Rate)	39,372	0	0	39,372
Miscellaneous Refunds	12,549	0	9,325	21,874
<u>Nonrecurring Items</u>				
Sale of Equipment	53,761	0	0	53,761
Damages Recovered from Individuals	281	0	0	281
Contributions and Gifts	4,950	0	0	4,950
Total Other Local Revenues	\$ 119,667	\$ 0	\$ 9,417	\$ 129,084

(Continued)

Exhibit K-7

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

	General Purpose School	Special Revenue Funds		Total
		School Federal Projects	Central Cafeteria	
<u>State of Tennessee</u>				
<u>General Government Grants</u>				
On-Behalf Contributions for OPEB	\$ 89,666	\$ 0	\$ 0	\$ 89,666
<u>State Education Funds</u>				
Basic Education Program	13,935,711	0	0	13,935,711
Early Childhood Education	767,643	0	0	767,643
School Food Service	0	0	16,642	16,642
Driver Education	5,816	0	0	5,816
Other State Education Funds	187,523	0	0	187,523
Statewide Student Management System (SSMS) - ARRA	8,022	0	0	8,022
Career Ladder Program	130,198	0	0	130,198
Career Ladder - Extended Contract	44,500	0	0	44,500
<u>Other State Revenues</u>				
Other State Grants	1,436	0	0	1,436
Total State of Tennessee	\$ 15,170,515	\$ 0	\$ 16,642	\$ 15,187,157
<u>Federal Government</u>				
<u>Federal Through State</u>				
USDA School Lunch Program	\$ 0	\$ 0	\$ 740,933	\$ 740,933
USDA - Commodities	0	0	352	352
Breakfast	0	0	213,577	213,577
USDA - Other	0	0	101,756	101,756
Vocational Education - Basic Grants to States	0	46,096	0	46,096
Title I Grants to Local Education Agencies	0	622,155	0	622,155
Special Education - Grants to States	74,770	654,226	0	728,996
Special Education Preschool Grants	0	21,642	0	21,642
Safe and Drug-free Schools - State Grants	81,746	0	0	81,746
Rural Education	0	4,365	0	4,365
Eisenhower Professional Development State Grants	0	132,413	0	132,413
Disaster Relief	59,712	0	0	59,712
Race-to-the-Top - ARRA	0	48,863	0	48,863
Total Federal Government	\$ 216,228	\$ 1,529,760	\$ 1,056,618	\$ 2,802,606
<u>Other Governments and Citizens Groups</u>				
<u>Other Governments</u>				
Contributions	\$ 2,700	\$ 0	\$ 0	\$ 2,700
Total Other Governments and Citizens Groups	\$ 2,700	\$ 0	\$ 0	\$ 2,700
Total	\$ 20,939,884	\$ 1,529,760	\$ 1,730,087	\$ 24,199,731

Exhibit K-8

Humphreys 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	\$	25,200	
Audit Services		5,561	
Contracts with Private Agencies		2,208	
Data Processing Services		240	
Dues and Memberships		8,192	
Tax Relief Program		12,451	
Other Charges		6,226	
Data Processing Equipment		8,370	
Total County Commission			\$ 68,448

Board of Equalization

Board and Committee Members Fees	\$	550	
Total Board of Equalization			550

Beer Board

Board and Committee Members Fees	\$	60	
Total Beer Board			60

County Mayor/Executive

County Official/Administrative Officer	\$	67,843	
Secretary(ies)		68,688	
Part-time Personnel		4,855	
Other Salaries and Wages		1,563	
Communication		7,922	
Operating Lease Payments		4,200	
Maintenance Agreements		13,974	
Postal Charges		305	
Travel		7,987	
Duplicating Supplies		803	
Gasoline		970	
Office Supplies		2,470	
Other Supplies and Materials		1,000	
Other Charges		361	
Data Processing Equipment		3,531	
Total County Mayor/Executive			186,472

County Attorney

Legal Services	\$	41,328	
Total County Attorney			41,328

Election Commission

County Official/Administrative Officer	\$	52,865	
Secretary(ies)		55,534	
Overtime Pay		5,126	
Election Commission		1,590	
Election Workers		14,170	
Audit Services		2,400	
Communication		5,095	
Data Processing Services		12,282	
Dues and Memberships		200	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Operating Lease Payments	\$	2,505	
Maintenance and Repair Services - Equipment		2,716	
Maintenance and Repair Services - Office Equipment		434	
Postal Charges		4,614	
Printing, Stationery, and Forms		8,107	
Office Supplies		2,450	
Office Equipment		4,660	
Total Election Commission			\$ 174,748

Register of Deeds

County Official/Administrative Officer	\$	58,739	
Secretary(ies)		62,111	
Communication		2,517	
Dues and Memberships		522	
Operating Lease Payments		1,250	
Postal Charges		473	
Other Contracted Services		6,836	
Duplicating Supplies		1,852	
Office Supplies		842	
Other Charges		690	
Total Register of Deeds			135,832

Development

Contracts with Government Agencies	\$	10,175	
Total Development			10,175

County Buildings

Custodial Personnel	\$	39,541	
Communication		1,915	
Maintenance Agreements		22,141	
Maintenance and Repair Services - Vehicles		1,507	
Pest Control		766	
Custodial Supplies		7,321	
Electricity		119,867	
Natural Gas		16,473	
Water and Sewer		15,194	
Building Improvements		5,298	
Motor Vehicles		9,999	
Total County Buildings			240,022

Other General Administration

Part-time Personnel	\$	3,098	
Communication		1,061	
Office Supplies		166	
Total Other General Administration			4,325

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	58,739	
Secretary(ies)		89,877	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Communication	\$	3,072	
Data Processing Services		4,161	
Dues and Memberships		2,321	
Operating Lease Payments		2,745	
Postal Charges		500	
Other Contracted Services		13,105	
Office Supplies		533	
Other Charges		68	
Motor Vehicles		9,990	
Total Property Assessor's Office	\$		185,111

Reappraisal Program

Data Processing Services	\$	2,181	
Postal Charges		578	
Gasoline		563	
Motor Vehicles		165	
Total Reappraisal Program			3,487

County Trustee's Office

County Official/Administrative Officer	\$	58,739	
Secretary(ies)		62,111	
Communication		2,688	
Data Processing Services		4,185	
Dues and Memberships		407	
Operating Lease Payments		1,381	
Legal Notices, Recording, and Court Costs		374	
Maintenance Agreements		8,107	
Postal Charges		4,423	
Printing, Stationery, and Forms		830	
Office Supplies		2,511	
Total County Trustee's Office			145,756

County Clerk's Office

County Official/Administrative Officer	\$	58,739	
Deputy(ies)		117,525	
Communication		5,067	
Dues and Memberships		517	
Operating Lease Payments		2,221	
Maintenance Agreements		11,118	
Postal Charges		4,586	
Office Supplies		5,382	
Total County Clerk's Office			205,155

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	58,739	
Secretary(ies)		117,644	
Jury and Witness Expense		14,828	
Communication		5,186	
Dues and Memberships		467	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Operating Lease Payments	\$	3,085	
Maintenance Agreements		9,948	
Postal Charges		2,298	
Printing, Stationery, and Forms		1,859	
Data Processing Supplies		999	
Office Supplies		4,476	
Access Fees		5,893	
Total Circuit Court			\$ 225,422

General Sessions Court

Judge(s)	\$	80,164	
Travel		1,488	
Data Processing Equipment		1,000	
Total General Sessions Court			82,652

Chancery Court

County Official/Administrative Officer	\$	58,739	
Secretary(ies)		62,111	
Communication		7,415	
Dues and Memberships		467	
Operating Lease Payments		2,562	
Maintenance Agreements		7,928	
Postal Charges		3,216	
Printing, Stationery, and Forms		3,277	
Data Processing Supplies		1,162	
Office Supplies		3,304	
Other Charges		20	
Total Chancery Court			150,201

Juvenile Court

Judge(s)	\$	80,164	
Youth Service Officer(s)		30,689	
Communication		3,376	
Other Contracted Services		1,524	
Office Supplies		197	
Other Charges		671	
Total Juvenile Court			116,621

District Attorney General

Investigator(s)	\$	6,000	
Total District Attorney General			6,000

Judicial Commissioners

Other Salaries and Wages	\$	30,758	
Total Judicial Commissioners			30,758

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	64,613	
Deputy(ies)		545,705	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Accountants/Bookkeepers	\$	68,732	
Salary Supplements		9,600	
School Resource Officer		46,849	
Overtime Pay		57,592	
Other Salaries and Wages		43,035	
In-Service Training		1,881	
Communication		14,340	
Data Processing Services		6,906	
Dues and Memberships		1,600	
Maintenance Agreements		6,780	
Postal Charges		3,443	
Gasoline		117,614	
Office Supplies		7,010	
Uniforms		8,646	
Other Charges		2,543	
Data Processing Equipment		3,963	
Law Enforcement Equipment		6,557	
Total Sheriff's Department			\$ 1,017,409

Jail

Cafeteria Personnel	\$	26,892	
Maintenance Agreements		12,739	
Maintenance and Repair Services - Buildings		9,088	
Medical and Dental Services		138,545	
Transportation - Other than Students		3,175	
Custodial Supplies		8,321	
Food Preparation Supplies		40	
Food Supplies		95,550	
Office Supplies		5,064	
Other Charges		3,781	
Total Jail			303,195

Workhouse

Guards	\$	310,352	
Overtime Pay		26,848	
Small Tools		815	
Uniforms		2,230	
Total Workhouse			340,245

Work Release Program

Board and Committee Members Fees	\$	175	
Total Work Release Program			175

Fire Prevention and Control

Contributions	\$	2,000	
Total Fire Prevention and Control			2,000

Inspection and Regulation

County Official/Administrative Officer	\$	33,039	
Part-time Personnel		16,835	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Inspection and Regulation (Cont.)

Communication	\$	1,562	
Postal Charges		100	
Gasoline		4,195	
Vehicle Parts		2,430	
Other Supplies and Materials		4,977	
Other Equipment		28,698	
Total Inspection and Regulation			\$ 91,836

County Coroner/Medical Examiner

County Official/Administrative Officer	\$	900	
Specialized Medical Treatment		19,920	
Other Charges		1,615	
Total County Coroner/Medical Examiner			22,435

Other Public Safety

Dispatchers/Radio Operators	\$	132,953	
Maintenance and Repair Services - Vehicles		28,894	
Lubricants		993	
Tires and Tubes		11,664	
Motor Vehicles		26,338	
Total Other Public Safety			200,842

Public Health and Welfare

Local Health Center

Communication	\$	4,103	
Contracts with Government Agencies		60,152	
Medical and Dental Services		300	
Other Supplies and Materials		2,927	
Building Improvements		5,364	
Total Local Health Center			72,846

Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$	270,000	
Total Ambulance/Emergency Medical Services			270,000

Other Local Health Services

Matching Share	\$	25,000	
Total Other Local Health Services			25,000

Sanitation Education/Information

Supervisor/Director	\$	11,770	
Part-time Personnel		1,636	
Communication		1,416	
Other Contracted Services		353	
Gasoline		2,705	
Instructional Supplies and Materials		6,333	
Motor Vehicles		470	
Total Sanitation Education/Information			24,683

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Other Public Health and Welfare

Other Salaries and Wages	\$	54,191	
Travel		1,133	
Total Other Public Health and Welfare			\$ 55,324

Social, Cultural, and Recreational Services

Libraries

Supervisor/Director	\$	36,038	
Clerical Personnel		55,534	
Part-time Personnel		34,646	
Communication		3,887	
Maintenance Agreements		1,727	
Postal Charges		1,200	
Printing, Stationery, and Forms		300	
Library Books/Media		18,440	
Periodicals		369	
Other Supplies and Materials		5,992	
Other Charges		997	
Data Processing Equipment		6,813	
Total Libraries			165,943

Agriculture and Natural Resources

Agriculture Extension Service

Contributions	\$	79,399	
Total Agriculture Extension Service			79,399

Soil Conservation

Assistant(s)	\$	30,870	
Secretary(ies)		22,335	
Other Salaries and Wages		24,207	
Dues and Memberships		985	
Gasoline		992	
Office Supplies		800	
Other Supplies and Materials		846	
Office Equipment		500	
Other Construction		31,000	
Total Soil Conservation			112,535

Other Operations

Tourism

Advertising	\$	15,999	
Contributions		25,000	
Dues and Memberships		3,661	
Travel		4,996	
Other Contracted Services		78,000	
Other Supplies and Materials		1,178	
Other Charges		29,190	
Total Tourism			158,024

Airport

Supervisor/Director	\$	29,914	
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(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Airport (Cont.)

Part-time Personnel	\$	1,544	
Communication		2,567	
Maintenance and Repair Services - Buildings		12,875	
Gasoline		125,428	
Office Supplies		359	
Utilities		9,532	
Other Charges		19,421	
Total Airport			\$ 201,640

Veterans' Services

Supervisor/Director	\$	9,710	
Communication		1,743	
Other Charges		553	
Total Veterans' Services			12,006

Other Charges

Liability Insurance	\$	385,043	
Premiums on Corporate Surety Bonds		1,977	
Trustee's Commission		172,315	
Workers' Compensation Insurance		201,849	
Total Other Charges			761,184

Contributions to Other Agencies

Contributions	\$	45,773	
Total Contributions to Other Agencies			45,773

Employee Benefits

Social Security	\$	183,702	
State Retirement		211,716	
Life Insurance		9,826	
Medical Insurance		548,181	
Unemployment Compensation		321	
Employer Medicare		43,066	
Total Employee Benefits			996,812

Capital Projects

Public Safety Projects

Architects	\$	15,600	
Building Construction		30,310	
Total Public Safety Projects			45,910

Total General Fund \$ 7,018,339

Solid Waste/Sanitation Fund

Public Health and Welfare

Landfill Operation and Maintenance

Supervisor/Director	\$	69,850	
Laborers		210,070	
Communication		9,163	
Maintenance and Repair Services - Equipment		20,368	

(Continued)

Exhibit K-8

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Landfill Operation and Maintenance (Cont.)

Postal Charges	\$	683	
Disposal Fees		190,443	
Diesel Fuel		35,368	
Fertilizer, Lime, and Seed		108	
Office Supplies		402	
Tires and Tubes		1,639	
Other Supplies and Materials		2,797	
Other Charges		8,221	
Motor Vehicles		127,998	
Other Equipment		2,628	
Total Landfill Operation and Maintenance			\$ 679,738

Other Operations

Other Charges

Trustee's Commission	\$	16,740	
Total Other Charges			16,740

Employee Benefits

Social Security	\$	17,355	
State Retirement		9,888	
Life Insurance		278	
Medical Insurance		26,189	
Employer Medicare		4,059	
Total Employee Benefits			57,769

Total Solid Waste/Sanitation Fund \$ 754,247

Local Purpose Tax Fund

Public Safety

Fire Prevention and Control

Equipment Operators	\$	57,180	
Communication		4,902	
Maintenance and Repair Services - Buildings		1,225	
Maintenance and Repair Services - Equipment		9,424	
Maintenance and Repair Services - Vehicles		17,700	
Other Contracted Services		4,800	
Diesel Fuel		7,396	
Electricity		2,917	
Gasoline		9,794	
Natural Gas		5,697	
Tires and Tubes		2,030	
Water and Sewer		466	
Liability Insurance		46,114	
Trustee's Commission		2,786	
Other Charges		1,492	
Communication Equipment		4,195	
Total Fire Prevention and Control			\$ 178,118

Total Local Purpose Tax Fund 178,118

(Continued)

Exhibit K-8

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

Drug Control Fund

Public Safety

Drug Enforcement

Deputy(ies)	\$	68,184	
Salary Supplements		1,200	
Overtime Pay		5,459	
In-Service Training		1,690	
Communication		1,526	
Confidential Drug Enforcement Payments		207	
Travel		1,118	
Instructional Supplies and Materials		11,137	
Refunds		5,212	
Trustee's Commission		1,247	
Law Enforcement Equipment		106,309	
Total Drug Enforcement			\$ 203,289

Other Operations

Employee Benefits

Social Security	\$	4,630	
State Retirement		6,033	
Life Insurance		192	
Medical Insurance		14,667	
Employer Medicare		1,085	
Total Employee Benefits			26,607

Total Drug Control Fund \$ 229,896

Constitutional Officers - Fees Fund

Finance

County Trustee's Office

Constitutional Officers' Operating Expenses	\$	12	
Total County Trustee's Office			\$ 12

Total Constitutional Officers - Fees Fund 12

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	64,613	
Accountants/Bookkeepers		27,248	
Clerical Personnel		27,248	
Advertising		318	
Communication		4,433	
Data Processing Services		4,863	
Dues and Memberships		2,667	
Maintenance and Repair Services - Office Equipment		620	
Pest Control		132	
Postal Charges		469	
Travel		1,204	
Custodial Supplies		858	
Electricity		4,250	
Natural Gas		3,618	
Office Supplies		2,880	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Water and Sewer	\$	1,511	
Other Charges		371	
Total Administration			\$ 147,303

Highway and Bridge Maintenance

Foremen	\$	63,066	
Equipment Operators		164,154	
Truck Drivers		201,372	
Laborers		160,379	
Other Contracted Services		127,409	
Asphalt - Cold Mix		656,412	
Crushed Stone		219,540	
General Construction Materials		319	
Pipe - Metal		32,401	
Road Signs		13,495	
Wood Products		2,184	
Other Supplies and Materials		1,716	
Total Highway and Bridge Maintenance			1,642,447

Operation and Maintenance of Equipment

Foremen	\$	28,630	
Mechanic(s)		27,362	
Diesel Fuel		149,116	
Equipment and Machinery Parts		145,958	
Garage Supplies		7,504	
Gasoline		148,821	
Lubricants		13,314	
Tires and Tubes		43,559	
Other Supplies and Materials		19,688	
Total Operation and Maintenance of Equipment			583,952

Other Charges

Medical and Dental Services	\$	1,566	
Trustee's Commission		31,091	
Total Other Charges			32,657

Employee Benefits

Social Security	\$	58,708	
State Retirement		53,674	
Medical Insurance		188,797	
Unemployment Compensation		2,973	
Other Fringe Benefits		8	
Total Employee Benefits			304,160

Capital Outlay

Engineering Services	\$	61,432	
Bridge Construction		703,209	
Building Improvements		4,903	
Motor Vehicles		541,366	
Office Equipment		5,000	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Capital Outlay (Cont.)

State Aid Projects	\$	404,339	
Other Equipment		99,900	
Total Capital Outlay			\$ 1,820,149

Total Highway/Public Works Fund \$ 4,530,668

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	22,400	
Principal on Notes		97,500	
Principal on Other Loans		227,000	
Total General Government			\$ 346,900

Education

Principal on Notes	\$	97,500	
Principal on Other Loans		389,000	
Total Education			486,500

Interest on Debt

General Government

Interest on Bonds	\$	3,671	
Interest on Notes		19,816	
Interest on Other Loans		1,584	
Total General Government			25,071

Education

Interest on Notes	\$	15,126	
Interest on Other Loans		14,210	
Total Education			29,336

Other Debt Service

General Government

Trustee's Commission	\$	23,340	
Other Debt Issuance Charges		4,116	
Total General Government			27,456

Education

Other Debt Issuance Charges	\$	34,702	
Total Education			34,702

Total General Debt Service Fund 949,965

General Capital Projects Fund

Capital Projects

General Administration Projects

Trustee's Commission	\$	1,829	
Total General Administration Projects			\$ 1,829

(Continued)

Exhibit K-8

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

<u>General Capital Projects Fund (Cont.)</u>		
<u>Capital Projects (Cont.)</u>		
<u>Public Safety Projects</u>		
Airport Improvement	\$ 106,252	
Total Public Safety Projects		\$ 106,252
<u>Public Utility Projects</u>		
Consultants	\$ 4,750	
Engineering Services	13,964	
Other Charges	11	
Other Construction	157,459	
Total Public Utility Projects		176,184
<u>Highway and Street Capital Projects</u>		
Motor Vehicles	\$ 200,000	
Total Highway and Street Capital Projects		200,000
Total General Capital Projects Fund		\$ 484,265
<u>Other Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Agriculture and Natural Resource Projects</u>		
Other Charges	\$ 2,150	
Total Agriculture and Natural Resource Projects		\$ 2,150
Total Other Capital Projects Fund		2,150
Total Governmental Funds - Primary Government		<u>\$ 14,147,660</u>

Exhibit K-9

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	7,538,371	
Career Ladder Program		112,416	
Career Ladder Extended Contracts		84,097	
Educational Assistants		546,767	
Other Salaries and Wages		29,983	
Certified Substitute Teachers		27,940	
Non-certified Substitute Teachers		142,851	
Social Security		479,325	
State Retirement		708,424	
Medical Insurance		1,188,489	
Dental Insurance		7,240	
Unemployment Compensation		2,063	
Employer Medicare		114,493	
Communication		292	
Maintenance and Repair Services - Equipment		5,653	
Travel		955	
Other Contracted Services		102	
Instructional Supplies and Materials		79,410	
Textbooks		158,204	
Other Supplies and Materials		5,784	
In Service/Staff Development		2,976	
Fee Waivers		20,567	
Other Charges		55,692	
Building Improvements		44,348	
Total Regular Instruction Program			\$ 11,356,442

Alternative Instruction Program

Teachers	\$	44,400	
Educational Assistants		14,087	
Social Security		3,237	
State Retirement		5,097	
Medical Insurance		14,359	
Unemployment Compensation		63	
Employer Medicare		757	
Total Alternative Instruction Program			82,000

Special Education Program

Teachers	\$	676,301	
Educational Assistants		98,907	
Speech Pathologist		86,707	
Other Salaries and Wages		42,259	
Social Security		51,870	
State Retirement		77,902	
Medical Insurance		127,005	
Dental Insurance		1,075	
Unemployment Compensation		499	
Employer Medicare		12,121	
Maintenance and Repair Services - Equipment		699	
Travel		477	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Instructional Supplies and Materials	\$	4,757	
In Service/Staff Development		818	
Special Education Equipment		9,998	
Total Special Education Program			\$ 1,191,395

Vocational Education Program

Teachers	\$	618,131	
Other Salaries and Wages		2,280	
Non-certified Substitute Teachers		11,886	
Social Security		34,568	
State Retirement		52,390	
Medical Insurance		99,227	
Dental Insurance		583	
Unemployment Compensation		399	
Employer Medicare		8,510	
Travel		1,405	
Other Contracted Services		33,623	
Instructional Supplies and Materials		21,290	
Textbooks		9,984	
Vocational Instruction Equipment		1,477	
Total Vocational Education Program			895,753

Adult Education Program

Other Salaries and Wages	\$	11,850	
Social Security		709	
State Retirement		407	
Medical Insurance		972	
Unemployment Compensation		21	
Employer Medicare		166	
Travel		261	
Total Adult Education Program			14,386

Support Services

Health Services

Supervisor/Director	\$	59,074	
Medical Personnel		73,175	
Other Salaries and Wages		25,000	
Social Security		9,241	
State Retirement		12,299	
Medical Insurance		16,764	
Dental Insurance		63	
Unemployment Compensation		135	
Employer Medicare		2,161	
Communication		329	
Medical and Dental Services		7,540	
Postal Charges		368	
Printing, Stationery, and Forms		108	
Travel		3,204	
Other Supplies and Materials		11,292	
Total Health Services			220,753

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Guidance Personnel	\$	337,330	
Social Security		19,133	
State Retirement		29,439	
Medical Insurance		53,643	
Dental Insurance		457	
Unemployment Compensation		147	
Employer Medicare		4,558	
Evaluation and Testing		3,720	
Total Other Student Support			\$ 448,427

Regular Instruction Program

Supervisor/Director	\$	195,221	
Librarians		273,200	
Materials Supervisor		24,781	
Social Security		25,356	
State Retirement		38,076	
Medical Insurance		41,643	
Dental Insurance		376	
Unemployment Compensation		221	
Employer Medicare		6,846	
Travel		5,636	
Other Contracted Services		67,246	
Library Books/Media		31,750	
In Service/Staff Development		290	
Total Regular Instruction Program			710,642

Special Education Program

Supervisor/Director	\$	55,113	
Social Security		3,417	
State Retirement		4,894	
Unemployment Compensation		21	
Employer Medicare		799	
Other Contracted Services		25,648	
Total Special Education Program			89,892

Vocational Education Program

Supervisor/Director	\$	60,721	
Secretary(ies)		13,943	
Social Security		4,269	
State Retirement		6,468	
Medical Insurance		5,463	
Dental Insurance		98	
Unemployment Compensation		42	
Employer Medicare		1,009	
Travel		601	
Total Vocational Education Program			92,614

Adult Programs

Supervisor/Director	\$	45,804	
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(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Adult Programs (Cont.)

Social Security	\$	2,545	
State Retirement		4,067	
Medical Insurance		11,253	
Unemployment Compensation		21	
Employer Medicare		595	
Travel		293	
In Service/Staff Development		412	
Total Adult Programs			\$ 64,990

Other Programs

On-Behalf Payments to OPEB	\$	89,666	
Total Other Programs			89,666

Board of Education

Other Salaries and Wages	\$	9,700	
Social Security		579	
Dental Insurance		48	
Employer Medicare		135	
Audit Services		10,893	
Dues and Memberships		9,784	
Legal Services		4,800	
Travel		2,860	
Trustee's Commission		117,882	
Other Charges		35	
Total Board of Education			156,716

Director of Schools

County Official/Administrative Officer	\$	90,234	
Secretary(ies)		7,171	
Social Security		5,714	
State Retirement		8,598	
Medical Insurance		6,310	
Dental Insurance		60	
Unemployment Compensation		21	
Employer Medicare		1,336	
Communication		25,579	
Dues and Memberships		2,117	
Postal Charges		1,200	
Travel		1,850	
Other Contracted Services		8,848	
Office Supplies		13,340	
Other Charges		2,232	
Regular Instruction Equipment		604	
Total Director of Schools			175,214

Office of the Principal

Assistant(s)	\$	355,014	
Principals		424,084	
Secretary(ies)		221,072	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Social Security	\$	58,057	
State Retirement		87,294	
Medical Insurance		105,196	
Dental Insurance		992	
Unemployment Compensation		595	
Employer Medicare		13,578	
Office Supplies		14,308	
Other Supplies and Materials		120,109	
Other Charges		2,436	
Total Office of the Principal			\$ 1,402,735

Fiscal Services

Accountants/Bookkeepers	\$	42,483	
Secretary(ies)		59,343	
Social Security		6,053	
State Retirement		7,687	
Medical Insurance		4,313	
Dental Insurance		6	
Unemployment Compensation		59	
Employer Medicare		1,416	
Travel		1,556	
Other Supplies and Materials		865	
Total Fiscal Services			123,781

Operation of Plant

Supervisor/Director	\$	38,813	
Custodial Personnel		458,043	
Social Security		26,758	
State Retirement		35,452	
Medical Insurance		76,872	
Dental Insurance		352	
Unemployment Compensation		597	
Employer Medicare		6,412	
Disposal Fees		52,361	
Custodial Supplies		47,947	
Electricity		582,583	
Natural Gas		126,512	
Water and Sewer		55,546	
Other Charges		1,462	
Total Operation of Plant			1,509,710

Maintenance of Plant

Other Salaries and Wages	\$	229,036	
Social Security		13,066	
State Retirement		16,512	
Medical Insurance		17,153	
Dental Insurance		68	
Unemployment Compensation		198	
Employer Medicare		3,241	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant (Cont.)

Maintenance and Repair Services - Buildings	\$	42,236	
Maintenance and Repair Services - Equipment		20,791	
Other Contracted Services		96,905	
Other Supplies and Materials		87,022	
Other Charges		1,598	
Maintenance Equipment		31,235	
Total Maintenance of Plant			\$ 559,061

Transportation

Supervisor/Director	\$	39,978	
Mechanic(s)		80,653	
Bus Drivers		316,728	
Clerical Personnel		26,978	
Other Salaries and Wages		49	
Social Security		25,684	
State Retirement		13,851	
Medical Insurance		72,319	
Dental Insurance		282	
Unemployment Compensation		791	
Employer Medicare		6,015	
Maintenance and Repair Services - Vehicles		9,408	
Medical and Dental Services		2,258	
Equipment and Machinery Parts		1,053	
Gasoline		257,136	
Lubricants		6,600	
Tires and Tubes		30,684	
Vehicle Parts		37,926	
Other Charges		11,630	
Transportation Equipment		264,945	
Total Transportation			1,204,968

Central and Other

Supervisor/Director	\$	48,081	
Other Salaries and Wages		191,006	
Social Security		13,341	
State Retirement		18,820	
Medical Insurance		20,636	
Dental Insurance		144	
Unemployment Compensation		138	
Employer Medicare		3,265	
Consultants		4,000	
Maintenance and Repair Services - Equipment		1,340	
Instructional Supplies and Materials		78,346	
Data Processing Equipment		14,188	
Regular Instruction Equipment		20,760	
Transportation Equipment		601	
Total Central and Other			414,666

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Other Contracted Services	\$ 98,321	
Total Regular Capital Outlay		\$ 98,321

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 5,000	
Total Education		5,000

Total General Purpose School Fund		\$ 20,907,132
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School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 302,228	
Educational Assistants	71,337	
Other Salaries and Wages	32,387	
Certified Substitute Teachers	822	
Non-certified Substitute Teachers	3,588	
Social Security	22,332	
State Retirement	35,427	
Medical Insurance	79,233	
Dental Insurance	381	
Unemployment Compensation	326	
Employer Medicare	5,727	
Other Contracted Services	26,060	
Instructional Supplies and Materials	31,295	
Other Supplies and Materials	98	
Other Charges	5,427	
Total Regular Instruction Program		\$ 616,668

Special Education Program

Educational Assistants	\$ 367,681	
Certified Substitute Teachers	5,240	
Non-certified Substitute Teachers	12,130	
Social Security	21,969	
State Retirement	28,656	
Medical Insurance	40,646	
Dental Insurance	604	
Unemployment Compensation	490	
Employer Medicare	5,205	
Other Contracted Services	300	
Instructional Supplies and Materials	2,956	
Textbooks	64	
Other Supplies and Materials	1,947	
Special Education Equipment	35,018	
Total Special Education Program		522,906

Vocational Education Program

Clerical Personnel	\$ 1,600	
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(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program (Cont.)

Educational Assistants	\$	23,429	
Social Security		1,574	
State Retirement		2,090	
Employer Medicare		368	
Vocational Instruction Equipment		10,573	
Total Vocational Education Program			\$ 39,634

Support Services

Other Student Support

Travel	\$	4,305	
Total Other Student Support			4,305

Regular Instruction Program

Supervisor/Director	\$	75,504	
Secretary(ies)		27,477	
Social Security		5,812	
State Retirement		8,965	
Medical Insurance		10,478	
Dental Insurance		48	
Unemployment Compensation		38	
Employer Medicare		1,359	
Travel		2,370	
In Service/Staff Development		55,868	
Total Regular Instruction Program			187,919

Special Education Program

Secretary(ies)	\$	44,167	
Social Security		2,701	
State Retirement		3,628	
Unemployment Compensation		40	
Employer Medicare		632	
Other Contracted Services		40,557	
In Service/Staff Development		2,697	
Total Special Education Program			94,422

Vocational Education Program

Supervisor/Director	\$	1,850	
Social Security		115	
State Retirement		164	
Employer Medicare		27	
Total Vocational Education Program			2,156

Transportation

Bus Drivers	\$	51,707	
Social Security		3,171	
State Retirement		2,861	
Unemployment Compensation		59	
Employer Medicare		742	
Total Transportation			58,540

Total School Federal Projects Fund \$ 1,526,550

(Continued)

Exhibit K-9

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

Central Cafeteria Fund

Operation of Non-Instructional Services

Food Service

Supervisor/Director	\$	53,305	
Clerical Personnel		28,850	
Cafeteria Personnel		309,150	
Custodial Personnel		47,760	
Other Salaries and Wages		198,000	
Social Security		37,244	
State Retirement		33,105	
Medical Insurance		58,278	
Dental Insurance		396	
Unemployment Compensation		885	
Employer Medicare		8,710	
Communication		2,650	
Maintenance and Repair Services - Equipment		22,204	
Travel		3,595	
Other Contracted Services		16,968	
Food Supplies		863,255	
Office Supplies		1,187	
USDA - Commodities		352	
Other Supplies and Materials		99,338	
In Service/Staff Development		4,936	
Data Processing Equipment		4,245	
Food Service Equipment		6,847	
Total Food Service			\$ 1,801,260

Total Central Cafeteria Fund

\$ 1,801,260

Total Governmental Funds - Humphreys County School Department

\$ 24,234,942

Exhibit K-10

Humphreys 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	\$ 1,470,409
Total Cash Receipts	<u>\$ 1,470,409</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 1,455,705
Trustee's Commission	14,704
Total Cash Disbursements	<u>\$ 1,470,409</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

Humphreys County Executive and
Board of County Commissioners
Humphreys 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Humphreys County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Humphreys County's basic financial statements, and have issued our report thereon dated November 18, 2013. Our report includes a reference to other auditors who audited the financial statements of the discretely presented Humphrey's County Emergency Communications District, as described in our report on Humphreys County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 2013-004.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2013-001 and 2013-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Humphreys County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item: 2013-003.

Humphreys County's Responses to Findings

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

Purpose of this Report

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

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 18, 2013

JPW/sb



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

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

To the County Executive and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Humphreys 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 Humphreys County's major federal programs for the year ended June 30, 2013. Humphreys 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 Humphreys 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 Humphreys 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 legal determination of Humphreys County's compliance.

Opinion on Each Major Federal Program

In our opinion, Humphreys 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 Humphreys 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 Humphreys 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 Humphreys 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

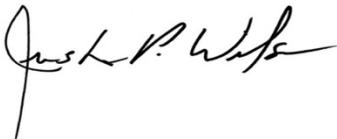
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Humphreys County, Tennessee, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Humphreys County's basic financial statements. We issued our report thereon dated November 18, 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

November 18, 2013

JPW/sb

Humphreys 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	\$ 213,577
National School Lunch Program	10.555	N/A	842,689 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	352 (3)
Direct Program:			
Environmental Quality Incentives Program	10.912	N/A	9,000
Total U.S. Department of Agriculture			<u>\$ 1,065,618</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	GG1134915	\$ 142,670
Total U.S. Department of Housing and Urban Development			<u>\$ 142,670</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	31601-23613	\$ 225
Total U.S. Department of Justice			<u>\$ 225</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Highway Planning and Construction	20.205	STP-EN-4300(26)	\$ 218,695
Total U.S. Department of Transportation			<u>\$ 218,695</u>
U.S. Institute of Museum and Library Services			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	30504-01213-47	\$ 1,318
Total U.S. Institute of Museum and Library Services			<u>\$ 1,318</u>
U.S. Department of Education:			
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	\$ 58,272
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	641,788
Special Education Cluster:			
Special Education - Grants to States	84.027	(2)	728,996
Special Education - Preschool Grants	84.173	N/A	21,642
Career and Technical Education - Basic Grants to States	84.048	N/A	46,096
Twenty-first Century Community Learning Centers	84.287	(2)	81,746
Rural Education	84.358	N/A	2,325
Improving Teacher Quality State Grants	84.367	N/A	114,030
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	51,443
State Fiscal Stabilization Fund (SFSF) - Government Services, Recovery Act	84.397	N/A	8,022
Total U.S. Department of Education			<u>\$ 1,754,360</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1909-DR-TN	\$ 147,284
Emergency Management Performance Grants	97.042	34101-03113	25,000
Homeland Security Grant Program	97.067	34101-34511	1,852
Total U.S. Department of Homeland Security			<u>\$ 174,136</u>
Total Expenditures of Federal Awards			<u>\$ 3,357,022</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Contract Number	Expenditures
<u>State Grants</u>			
Juvenile Justice State Supplement - State Commission on Children and Youth	N/A	31601-8431	\$ 9,000
Airport Maintenance Program - State Department of Transportation	N/A	(2)	4,211
Local Health Services - State Department of Health	N/A	(2)	81,127
Litter Grant - State Department of Transportation	N/A	Z13LIT043	31,051
Waste Tire Grant - State Department of Environment and Conservation	N/A	Z-08-212941-02	7,405
Student Ticket Subsidy Grant - State Department of Education	N/A	(2)	1,436
Early Childhood Education - State Department of Education	N/A	(2)	767,643
Coordinated School Health - State Department of Education	N/A	(2)	100,000
Safe Schools - State Department of Education	N/A	(2)	15,800
ConnTenn - State Department of Education	N/A	(2)	9,801
ACT/EXPLORE/PLAN - Testing - State Department of Education	N/A	(2)	<u>3,650</u>
 Total State Grants			 <u><u>\$ 1,031,124</u></u>

CFDA = Catalog of Federal Domestic Assistance
N/A = Not Applicable

- (1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.
- (2) Information not available.
- (3) Total for CFDA No. 10.555 is \$843,041.

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

OFFICE OF COUNTY EXECUTIVE

Finding Number	Page Number	Subject
12.01	158	A formal purchase order system had not been established

OFFICES OF COUNTY EXECUTIVE, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, AND CLERK AND MASTER

Finding Number	Page Number	Subject
12.07	162	Duties were not segregated adequately

HUMPHREYS COUNTY

Finding Number	Page Number	Subject
12.08	162	The county used a questionable method of funding workers' compensation expenses, employees' dental insurance, general liability insurance, officials' corporate surety bonds, and employees' dishonesty bonds
12.09	163	Humphreys County has material recurring audit findings

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

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY EXECUTIVE

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

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

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

I agree with the finding and recommendation. A system for general government operations would be a challenge to establish and administer, but could possibly be accomplished with existing staff.

OFFICES OF COUNTY EXECUTIVE, COUNTY CLERK, CIRCUIT AND GENERAL SESSIONS COURTS CLERK, AND CLERK AND MASTER

FINDING 2013-002 **DUTIES WERE NOT SEGREGATED ADEQUATELY**
(Internal Control – Significant Deficiency Under *Government Auditing Standards*)

Duties were not segregated adequately among the officials and employees in the Offices of County Executive, County Clerk, Circuit and General Sessions Courts Clerk, and Clerk and Master. Officials and employees responsible for maintaining accounting records were also involved in receipting, depositing, and/or disbursing funds. Accounting standards provide that internal controls be designed to provide reasonable assurance of the reliability in financial reporting and of the effectiveness and efficiency of operations. This lack of segregation of duties is the result of management's decisions based on the availability of financial resources and is a significant deficiency in internal controls that increases the risk

of unauthorized transactions. Also, this deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

We do not have adequate staffing to accomplish this and to resolve this issue. At this time this issue is cost-prohibitive.

AUDITOR'S COMMENT

We realize that due to limited resources and personnel, management may not be able to fully segregate duties among employees. However, our professional standards require that we bring this matter to your attention.

HUMPHREYS COUNTY

FINDING 2013-003

THE COUNTY USED A QUESTIONABLE METHOD OF FUNDING WORKERS' COMPENSATION EXPENSES, EMPLOYEES' DENTAL INSURANCE, GENERAL LIABILITY INSURANCE, OFFICIALS' CORPORATE SURETY BONDS, AND EMPLOYEES' DISHONESTY BONDS

(Material Noncompliance Under *Government Auditing Standards*)

During the year, premiums for workers' compensation expenses, employees' dental insurance, general liability insurance, officials' corporate surety bonds, and employees' dishonesty bonds for the Highway Department and the School Department were paid from the county's General Fund. The state attorney general has opined in Opinion No. 92-03 that state statutes authorize a county to levy a tax for county general purposes and has defined a county general purpose levy as a levy for all county purposes, except roads, bridges, and schools. Also, the state attorney general has opined that workers' compensation claims and/or insurance coverage for county school employees must be funded through the county's school fund. The payment of these expenses has been a management decision by the County Commission since this finding has been reported in annual financial reports for the last several years. The legality of using General Fund monies to pay for workers' compensation, employees' dental insurance, general liability insurance, officials' corporate surety bonds, and employees' dishonesty bonds for highway and school employees is questionable.

RECOMMENDATION

County officials should take immediate action to change the funding procedures and allocate the costs to the appropriate funds.

MANAGEMENT’S RESPONSE – COUNTY EXECUTIVE

To resolve this issue, major budget adjustments would be necessary, including tax levy reallocations that would force an increase in future maintenance of effort requirements. There is also concern for insufficient staffing in some of the departments of county government that would be assuming the administration of these transactions. It could be accomplished and will be explored with preparation of the next fiscal year’s budget.

AUDITOR’S COMMENT

Humphreys County should comply with the state attorney general’s opinion.

FINDING 2013-004

**HUMPHREYS COUNTY HAS A MATERIAL RECURRING
AUDIT FINDING**
(Internal Control – Material Weakness Under *Government
Auditing Standards*)

Humphreys County has a material audit finding that has been reported in its annual financial reports for three or more consecutive years. This recurring material finding is listed as follows:

<u>Finding Numbers</u>	<u>Description</u>
2013-003, 12.08, 11.08	The county used a questionable method of funding workers’ compensation expenses, employees’ dental insurance, general liability insurance, officials’ corporate surety bonds, and employees’ dishonesty bonds

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

RECOMMENDATION

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

BEST PRACTICE

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

Humphreys 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 Humphreys 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.

MANAGEMENT'S RESPONSE – COUNTY EXECUTIVE

A centralized system would be very beneficial, but would involve an enormous migration of responsibility and the creation of a department of financial management that would be very expensive to create and to fund on a continuing basis. In the future, other necessities could force a personnel increase that would also provide opportunity for meeting this need as well.

AUDITOR'S COMMENT

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 Humphreys County. Tennessee counties of various sizes have implemented central systems of accounting, purchasing, and budgeting. While a central system may have some initial set-up costs, the consolidation of the current financial staff from the general government, highway, and school departments should minimize the increased costs.

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

There were no findings and questioned costs for federal awards.

**HUMPHREYS 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.