
ANNUAL FINANCIAL REPORT COFFEE COUNTY, TENNESSEE



FOR THE YEAR ENDED JUNE 30, 2014



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

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

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

COFFEE COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF DIRECTOR OF SCHOOLS

- ◆ The General Purpose School Fund required material audit adjustments for proper financial statement presentation.
- ◆ Insurance payroll liability accounts were not reconciled monthly.
- ◆ The Other Capital Projects Fund had a deficit in unassigned fund balance at June 30, 2014.
- ◆ Expenditures exceeded appropriations.

OFFICE OF TRUSTEE

- ◆ The trustee did not require a depository to adequately collateralize funds.
-

OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

- ◆ The Offices of Circuit, General Sessions, and Juvenile Courts did not file an annual financial report with the county mayor and county clerk.
 - ◆ Execution docket trial balances were not prepared for Circuit, General Sessions, and Juvenile Courts.
 - ◆ The offices' software did not have adequate application controls.
-

OFFICE OF REGISTER OF DEEDS

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

OFFICES OF DIRECTOR OF SCHOOLS, TRUSTEE, REGISTER OF DEEDS, AND SHERIFF

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

Coffee County Officials
June 30, 2014

Officials

David Pennington, County Mayor
Steve Parks, Road Superintendent
Dr. LaDonna McFall, Director of Schools
James Wilhelm, Trustee
Jimmy White, Assessor of Property
Teresa McFadden, County Clerk
Heather Hinds Duncan, Circuit, General Sessions, and Juvenile Courts Clerk
Charlotte Broyles, Clerk and Master
Ellen Vaughn, Register of Deeds
Steve Graves, Sheriff
Marianna Edinger, Director of Accounts and Budgets

Board of County Commissioners

David Pennington, County Mayor, Chairman	Robin Hines
Virgil Alford	Steven Jones
Rennie Bell	Mark Kelly
Jimmy Bradford	Gary Kidd
B. Rush Bricken	Sam Mai
Bobby Bryan	Tim Morris
Eric Chance	Myra Patton
Lee Duckett	Keith Thacker
Jackie Duncan	Wilma Thomas
Janet Fann	Warren Walker
Kerry Farrar	Barry West

Road Commission

Raymond Duke, Chairman
Richard Harris
William Reed
Jamie Spry
James Grady Weaver

Board of Education

Esther Sims, Chairperson
Shannon Duncan
Brett Henley
Reggie Johnson
Freda Jones
Marilyn Morris
Gary Nester

(Continued)

Coffee County Officials (Cont.)

Budget and Finance Committee

B. Rush Bricken, Chairman
Bobby Bryan
Lee Duckett
Mark Kelly
Steven Jones

Audit Committee

B. Rush Bricken, Chairman
Lee Duckett
Anne Frisby

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

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Coffee County Emergency Communications District, which represent 3.12 percent, 4.42 percent, and 1.08 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units; the Public Building Authority of Coffee County, which represent 8.07 percent, 3.51 percent, and 1.56 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units; and the Industrial Board of Coffee County, which

represent 4.09 percent, 4.32 percent, and 2.14 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Coffee County Emergency Communications District, the Public Building Authority of Coffee County, and the Industrial Board of Coffee County is based solely on the reports 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 report and the reports 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 Coffee County, Tennessee, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General and Ambulance Service funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Coffee County has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and GASB Statement No. 70, *Accounting and Reporting for Nonexchange Financial Guarantees*, which have an effective date of June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the schedules of funding progress – pension plan and other postemployment benefits plan on pages 103-105 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 Coffee 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 and Rural Debt Service funds, combining and individual fund financial statements of the Coffee 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 and Rural Debt Service funds, combining and individual fund financial statements of the Coffee 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

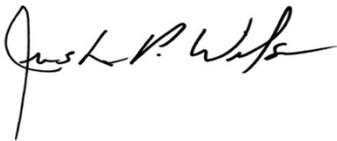
other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service and Rural Debt Service funds, combining and individual fund financial statements of the Coffee 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 February 13, 2015, on our consideration of Coffee 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 Coffee County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 13, 2015

JPW/kp

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	Primary Government			Component Units					
	Business-type		Total	Coffee County School Department	Coffee County Emergency Communications District	Public Building Authority of Coffee County	Industrial Board of Coffee County	Industrial Board of Coffee County	
	Governmental Activities	Business-type Activities						Coffee County School Department	Coffee County Emergency Communications District
Cash	\$ 6,191,463	\$ 0	\$ 6,191,463	\$ 4,025	\$ 1,894,572	\$ 207,184	\$ 1,422,258		
Equity in Pooled Cash and Investments	14,347,019	6,512	14,353,531	5,933,198	0	0	0		
Inventories	2,423	0	2,423	0	0	17,316	0		
Accounts Receivable	2,204,929	2,926	2,207,855	228,574	12,510	4,512,125	0		
Allowance for Uncollectibles	(548,653)	0	(548,653)	0	0	0	0		
Due from Other Governments	1,406,338	0	1,406,338	1,330,130	22,886	0	0		
Due from Component Units	142,855	0	142,855	0	0	0	0		
Property Taxes Receivable	15,321,190	0	15,321,190	9,036,492	0	0	0		
Allowance for Uncollectible Property Taxes	(467,682)	0	(467,682)	(246,442)	0	0	0		
Prepaid Items	0	0	0	0	11,052	0	0		
Accrued Interest Receivable	0	0	0	0	0	59,266	1,630		
Other Restricted Assets	0	0	0	0	0	16,828	0		
Note Receivable	0	0	0	0	0	0	79,129		
Capital Assets:									
Assets Not Depreciated:									
Land	4,081,549	30,120	4,111,669	1,438,853	0	25,000	0		
Construction in Progress	18,269,210	0	18,269,210	22,643,924	0	0	0		
Assets Net of Accumulated Depreciation:									
Buildings and Improvements	9,700,745	503,226	10,203,971	25,621,188	77,115	1,696,635	0		
Infrastructure	7,891,813	0	7,891,813	0	0	0	0		
Other Capital Assets	3,245,826	0	3,245,826	3,003,873	522,567	39,531	1,827,004		
Total Assets	\$ 81,789,025	\$ 542,784	\$ 82,331,809	\$ 68,993,815	\$ 2,540,702	\$ 6,573,885	\$ 3,330,021		
Deferred Charge on Refunding	\$ 71,801	\$ 0	\$ 71,801	\$ 0	\$ 0	\$ 0	\$ 0		
Total Deferred Outflows of Resources	\$ 71,801	\$ 0	\$ 71,801	\$ 0	\$ 0	\$ 0	\$ 0		
LIABILITIES									
Accounts Payable	\$ 117,900	\$ 0	\$ 117,900	\$ 17,958	\$ 7,152	\$ 59,664	\$ 0		
Accrued Interest Payable	364,411	0	364,411	0	0	59,267	0		
Accrued Payroll	0	0	0	2,409,991	0	0	0		
Payroll Deductions Payable	134,533	0	134,533	1,801,689	38	0	0		

(Continued)

Exhibit A

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

	Primary Government			Component Units				
	Business-type		Total	Coffee County School Department	Coffee County Emergency Communications District	Public Building Authority of Coffee County	Industrial Board of Coffee County	
	Governmental Activities	Business-type Activities						
Contracts Payable	\$ 0	\$ 0	\$ 0	\$ 750,631	\$ 0	\$ 0	\$ 0	
Retainage Payable	0	0	0	25,473	0	0	0	
Claims and Judgments Payable	0	0	0	98,315	0	0	0	
Due to Primary Government	0	0	0	142,855	0	0	0	
Due to State of Tennessee	4,749	0	4,749	2,870	0	0	0	
Noncurrent Liabilities:								
Due Within One Year	24,334,097	4,880	24,338,977	70,681	0	520,000	843,952	
Due in More Than One Year (net of unamortized premium on debt)	56,182,691	288,286	56,470,977	4,908,484	0	3,925,000	10,493	
Total Liabilities	\$ 81,138,381	\$ 293,166	\$ 81,431,547	\$ 10,228,947	\$ 7,190	\$ 4,563,931	\$ 854,445	
Deferred Current Property Taxes	\$ 14,413,916	\$ 0	\$ 14,413,916	\$ 8,514,946	\$ 0	\$ 0	\$ 0	
Total Deferred Inflow of Resources	\$ 14,413,916	\$ 0	\$ 14,413,916	\$ 8,514,946	\$ 0	\$ 0	\$ 0	
<u>NET POSITION</u>								
Net Investment in Capital Assets	\$ 15,848,359	\$ 240,180	\$ 16,088,539	\$ 52,707,838	\$ 599,682	\$ 1,761,166	\$ 983,052	
Restricted for:								
General Government	300,819	0	300,819	0	0	0	0	
Finance	38,666	0	38,666	0	0	0	0	
Administration of Justice	35,874	0	35,874	0	0	0	0	
Public Safety	261,980	0	261,980	0	0	0	0	
Public Health and Welfare	2,923,959	0	2,923,959	0	0	16,828	0	
Highways/Public Works	615,403	0	615,403	0	0	0	0	
Debt Service	9,781,261	0	9,781,261	0	0	0	0	
Capital Projects	7,241,995	0	7,241,995	0	0	0	0	
Education	0	0	0	863,698	0	0	0	
Unrestricted	(50,739,787)	9,438	(50,730,349)	(3,321,614)	1,933,830	231,960	1,492,524	
Total Net Position	\$ (13,691,471)	\$ 249,618	\$ (13,441,853)	\$ 50,249,922	\$ 2,533,512	\$ 2,009,954	\$ 2,475,576	

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues					Component Units				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total	Coffee County School Department	Coffee County Emergency Communications District	Public Building Authority of Coffee County	Industrial Board of Coffee County	Total
Primary Government:										
Governmental Activities:										
General Government	\$ 2,862,715	\$ 910,158	\$ 35,061	\$ 0	\$ (1,917,496)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,917,496)
Finance	1,614,259	1,453,020	44,591	0	(116,648)	0	0	0	0	(116,648)
Administration of Justice	2,281,891	2,135,696	0	0	(146,195)	0	0	0	0	(146,195)
Public Safety	5,501,268	870,522	197,588	3,726	(4,429,432)	0	0	0	0	(4,429,432)
Public Health and Welfare	4,585,746	1,245,385	608,650	0	(2,731,711)	0	0	0	0	(2,731,711)
Social, Cultural, and Recreational Services	1,552,008	51,538	19,128	0	(1,481,342)	0	0	0	0	(1,481,342)
Agriculture and Natural Resources	314,658	0	1,000	0	(313,658)	0	0	0	0	(313,658)
Highways/Public Works	2,546,105	0	1,885,942	276,929	(383,234)	0	0	0	0	(383,234)
Education	21,217,803	0	0	0	(21,217,803)	0	0	0	0	(21,217,803)
Interest on Long-term Debt	2,863,994	0	0	0	(2,863,994)	0	0	0	0	(2,863,994)
Total Governmental Activities	\$ 45,340,447	\$ 6,666,319	\$ 2,791,960	\$ 280,655	\$ (35,601,513)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (35,601,513)
Business-type Activities:										
Wayside Acres Sewer Fund	\$ 65,846	\$ 35,061	\$ 0	\$ 0	\$ (30,785)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (30,785)
Total Business-type Activities	\$ 65,846	\$ 35,061	\$ 0	\$ 0	\$ (30,785)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (30,785)
Total Primary Government	\$ 45,406,293	\$ 6,701,380	\$ 2,791,960	\$ 280,655	\$ (35,601,513)	\$ (30,785)	\$ (35,632,298)	\$ 0	\$ 0	\$ (35,632,298)
Component Units:										
School Department	\$ 41,895,707	\$ 986,082	\$ 4,430,993	\$ 20,294,060	\$ 0	\$ (16,184,572)	\$ 0	\$ 0	\$ 0	\$ 0
Emergency Communications District	493,080	286,798	188,916	0	0	0	(17,366)	0	0	0
Public Building Authority	1,008,775	629,921	0	0	0	0	0	(378,854)	0	0
Industrial Development Board	267,379	0	405,318	584,612	0	0	0	0	0	722,551
Total Component Units	\$ 43,664,941	\$ 1,902,801	\$ 5,025,227	\$ 20,878,672	\$ 0	\$ (16,184,572)	\$ (17,366)	\$ (378,854)	\$ 0	\$ 722,551

(Continued)

Exhibit B

Coffee County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Net (Expense) Revenue and Changes in Net Position																				
	Program Revenues					Component Units															
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	Coffee County School Department	Coffee County Emergency Communications District	Public Building Authority of Coffee County	Industrial Board of Coffee County											
General Revenues:																					
Taxes:																					
Property Taxes Levied for General Purposes				\$ 8,603,117	\$ 0	\$ 8,603,117	\$ 8,584,299	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Property Taxes Levied for Debt Service				2,868,959	0	2,868,959	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Local Option Sales Taxes				2,947,280	0	2,947,280	3,910,026	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Litigation Taxes				701,694	0	701,694	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wholesale Beer Tax				293,028	0	293,028	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mineral Severance Tax				78,611	0	78,611	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Business Tax				857,575	0	857,575	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Local Taxes				3,995	0	3,995	6,503	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants and Contributions Not Restricted for Specific Programs				1,573,759	0	1,573,759	21,764,142	192,516	160,283	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Investment Earnings				259,723	0	259,723	1,489	13,107	183,446	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous				11,005	0	11,005	51,880	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sale of Property				34,425	0	34,425	250	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Amortized Premium				79,456	0	79,456	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total General Revenues				\$ 18,312,627	\$ 0	\$ 18,312,627	\$ 34,318,589	\$ 205,623	\$ 353,729	\$ 360,399	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Change in Net Assets				\$ (17,288,886)	\$ (30,785)	\$ (17,319,671)	\$ 18,134,017	\$ 188,257	\$ (25,125)	\$ 1,082,950	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Position, July 1, 2013				3,597,415	280,403	3,877,818	32,115,905	2,345,255	2,035,079	1,392,626	0	0	0	0	0	0	0	0	0	0	0
Net Position, June 30, 2014				\$ (13,691,471)	\$ 249,618	\$ (13,441,853)	\$ 50,249,922	\$ 2,533,512	\$ 2,009,954	\$ 2,475,576	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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

Exhibit C-1

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

	Major Funds										
	General	Ambulance Service		General Debt Service		Rural Debt Service	General Capital Projects		Education Capital Projects		
\$	1,870	\$	198,001	\$	0	\$	0	\$	2,442,752	\$	3,386,352
	1,029,589		88,388		2,969,348		6,394,355		1,304,886		0
	2,423		0		0		0		0		0
	99,585		2,017,924		0		0		0		0
	0		(548,653)		0		0		0		0
	306,894		0		7,912		574,517		108,005		0
	174,661		0		0		0		0		0
	10,585,874		532,066		1,905,857		1,175,146		0		0
	(247,628)		(14,543)		(52,094)		(60,015)		0		0
\$	11,953,268	\$	2,273,183	\$	4,831,023	\$	8,084,003	\$	3,855,643	\$	3,386,352

ASSETS

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

Total Assets

LIABILITIES

Accounts Payable
 Payroll Deductions Payable
 Due to Other Funds
 Due to State of Tennessee
 Total Liabilities

DEFERRED INFLOWS OF RESOURCES

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

(Continued)

Exhibit C-1

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

	Major Funds					
	General	Ambulance Service	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects
FUND BALANCES						
Nonspendable:						
Inventory	\$ 2,423	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted:						
Restricted for General Government	31,552	0	0	0	0	0
Restricted for Finance	95,857	0	0	0	0	0
Restricted for Administration of Justice	122,724	0	0	0	0	0
Restricted for Public Safety	22,430	0	0	0	3,833,153	0
Restricted for Public Health and Welfare	6,290	189,997	0	0	0	0
Restricted for Other Operations	0	0	0	0	0	0
Restricted for Highways/Public Works	0	0	0	0	0	0
Restricted for Capital Outlay	0	0	0	0	0	3,386,352
Restricted for Debt Service	0	0	2,981,573	6,798,415	0	0
Committed:						
Committed for Public Safety	8,177	0	0	0	0	0
Committed for Public Health and Welfare	2,003	0	0	0	0	0
Committed for Social, Cultural, and Recreational Services	421,559	0	0	0	0	0
Assigned:						
Assigned for General Government	28,365	0	0	0	0	0
Assigned for Finance	2,133	0	0	0	0	0
Assigned for Public Safety	39,628	0	0	0	0	0
Assigned for Public Health and Welfare	3,800	94,257	0	0	0	0
Assigned for Social, Cultural, and Recreational Services	12,653	0	0	0	0	0
Assigned for Highways/Public Works	0	0	0	0	0	0
Unassigned	575,743	0	0	0	0	0
Total Fund Balances	\$ 1,375,337	\$ 284,254	\$ 2,981,573	\$ 6,798,415	\$ 3,833,153	\$ 3,386,352
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,953,268	\$ 2,273,183	\$ 4,831,023	\$ 8,084,003	\$ 3,855,643	\$ 3,386,352

(Continued)

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmen- tal Funds
	\$ 162,488	\$ 0	\$ 6,191,463
	2,560,453	87,420	14,347,019
	0	0	2,423
	87,420	409,010	2,204,929
	0	24,396	(548,653)
	409,010	1,122,247	1,406,338
	24,396	(93,402)	199,057
	1,122,247	438	15,321,190
	(93,402)	237,055	(467,682)
	\$ 4,272,612	\$ 38,656,084	\$ 38,656,084
<u>ASSETS</u>			
Cash			
Equity in Pooled Cash and Investments			
Inventories			
Accounts Receivable			
Allowance for Uncollectibles			
Due from Other Governments			
Due from Other Funds			
Property Taxes Receivable			
Allowance for Uncollectible Property Taxes			
Total Assets			
<u>LIABILITIES</u>			
Accounts Payable			
Payroll Deductions Payable			
Due to Other Funds			
Due to State of Tennessee			
Total Liabilities			
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes			
Deferred Delinquent Property Taxes			
Other Deferred/Unavailable Revenue			
Total Deferred Inflows of Resources			

(Continued)

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

	Nonmajor Funds	Other Govern- mental Funds	Total Governmental Funds
	\$	0	\$ 2,423
		0	31,552
		0	95,857
		0	122,724
		522,648	4,378,231
		1,392,795	1,589,082
		358,986	358,986
		469,605	469,605
		0	3,386,352
		0	9,779,988
		0	8,177
		0	2,003
		0	421,559
		0	28,365
		0	2,133
		1,693	41,321
		71,488	169,545
		0	12,653
		13,286	13,286
		0	575,743
	\$	2,830,501	\$ 21,489,585
	\$	4,272,612	\$ 38,656,084

FUND BALANCES

Nonspendable:		
Inventory		
Restricted:		
Restricted for General Government		
Restricted for Finance		
Restricted for Administration of Justice		
Restricted for Public Safety		
Restricted for Public Health and Welfare		
Restricted for Other Operations		
Restricted for Highways/Public Works		
Restricted for Capital Outlay		
Restricted for Debt Service		
Committed:		
Committed for Public Safety		
Committed for Public Health and Welfare		
Committed for Social, Cultural, and Recreational Services		
Assigned:		
Assigned for General Government		
Assigned for Finance		
Assigned for Public Safety		
Assigned for Public Health and Welfare		
Assigned for Social, Cultural, and Recreational Services		
Assigned for Highways/Public Works		
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

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

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

Total fund balances - balance sheet - governmental funds (Exhibit C-1)		\$ 21,489,585
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 4,081,549	
Add: construction in progress	18,269,210	
Add: buildings and improvements net of accumulated depreciation	9,700,745	
Add: infrastructure net of accumulated depreciation	7,891,813	
Add: other capital assets net of accumulated depreciation	<u>3,245,826</u>	43,189,143
(2) Long-term liabilities are not due in the current period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (42,985,000)	
Less: notes payable	(22,504,000)	
Less: other loans payable	(13,433,021)	
Add: debt to be contributed by the School Department	142,855	
Add: deferred amount on refunding	71,801	
Less: compensated absences payable	(667,386)	
Less: other postemployment benefits liability	(556,001)	
Less: accrued interest on outstanding debt	(364,411)	
Less: unamortized premium on debt	<u>(371,380)</u>	(80,666,543)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>2,296,344</u>
Net position of governmental activities (Exhibit A)		<u><u>\$ (13,691,471)</u></u>

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

Exhibit C-3

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

	Major Funds					
	General	Ambulance Service	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects
<u>Revenues</u>						
Local Taxes	\$ 8,898,716	\$ 493,622	\$ 2,099,950	\$ 3,324,086	\$ 291,339	\$ 0
Licenses and Permits	218,043	7,500	0	0	0	0
Fines, Forfeitures, and Penalties	550,365	0	0	0	0	0
Charges for Current Services	601,487	1,975,792	0	0	0	0
Other Local Revenues	313,374	1	191,891	15,672	0	155,165
Fees Received from County Officials	2,763,313	0	0	0	0	0
State of Tennessee	1,742,584	0	0	0	0	0
Federal Government	600,917	0	0	397,653	0	0
Other Governments and Citizens Groups	123,306	0	0	71,429	0	0
Total Revenues	\$ 15,812,105	\$ 2,476,915	\$ 2,291,841	\$ 3,808,840	\$ 291,339	\$ 155,165

Expenditures

Current:						
General Government	\$ 1,629,332	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	1,418,435	0	0	0	0	0
Administration of Justice	2,290,624	0	0	0	0	0
Public Safety	6,962,221	0	0	0	0	0
Public Health and Welfare	752,835	2,345,913	0	0	0	0
Social, Cultural, and Recreational Services	1,111,534	0	0	0	0	0
Agriculture and Natural Resources	314,053	0	0	0	0	0
Other Operations	1,610,884	0	0	0	0	0
Highways	0	0	0	0	0	0
Debt Service:						
Principal on Debt	350,000	0	885,000	1,420,313	0	0
Interest on Debt	13,125	0	420,528	2,317,454	0	0
Other Debt Service	0	0	40,392	49,948	0	573,795

(Continued)

Exhibit C-3

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

	Major Funds					
	General	Ambulance Service	General Debt Service	Rural Debt Service	General Capital Projects	Education Capital Projects
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,618,513	\$ 0
Capital Projects - Donated	0	0	0	0	300,000	20,294,060
Total Expenditures	\$ 16,453,043	\$ 2,345,913	\$ 1,345,920	\$ 3,787,715	\$ 12,918,513	\$ 20,867,855
Excess (Deficiency) of Revenues Over Expenditures	\$ (640,938)	\$ 131,002	\$ 945,921	\$ 21,125	\$ (12,627,174)	\$ (20,712,690)
<u>Other Financing Sources (Uses)</u>						
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 23,758,281
Notes Issued	0	175,000	0	0	575,000	0
Premiums on Debt Issued	0	0	0	0	0	276,770
Transfers In	0	0	0	135,082	50,000	0
Transfers Out	(135,082)	(50,000)	0	0	(16,000)	0
Total Other Financing Sources (Uses)	\$ (135,082)	\$ 125,000	\$ 0	\$ 135,082	\$ 609,000	\$ 24,035,051
Net Change in Fund Balances Fund Balance, July 1, 2013	\$ (776,020)	\$ 256,002	\$ 945,921	\$ 156,207	\$ (12,018,174)	\$ 3,322,361
	2,151,357	28,252	2,035,652	6,642,208	15,851,327	63,991
Fund Balance, June 30, 2014	\$ 1,375,337	\$ 284,254	\$ 2,981,573	\$ 6,798,415	\$ 3,833,153	\$ 3,386,352

(Continued)

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

	Nonmajor Funds		Total
	Other	Govern- mental Funds	Govern- mental Funds
<u>Revenues</u>			
Local Taxes	\$ 1,491,772	\$	\$ 16,599,485
Licenses and Permits	6,197		231,740
Fines, Forfeitures, and Penalties	197,685		748,050
Charges for Current Services	72,342		2,649,621
Other Local Revenues	89,821		765,924
Fees Received from County Officials	0		2,763,313
State of Tennessee	2,240,379		3,982,963
Federal Government	1,438		1,000,008
Other Governments and Citizens Groups	0		194,735
Total Revenues	<u>\$ 4,099,634</u>	<u>\$</u>	<u>\$ 28,935,839</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 0	\$	\$ 1,629,332
Finance	0		1,418,435
Administration of Justice	664		2,291,288
Public Safety	337,118		7,299,339
Public Health and Welfare	1,354,183		4,452,931
Social, Cultural, and Recreational Services	0		1,111,534
Agriculture and Natural Resources	0		314,053
Other Operations	145,260		1,756,144
Highways	2,358,610		2,358,610
Debt Service:			
Principal on Debt	82,000		2,737,313
Interest on Debt	8,290		2,759,397
Other Debt Service	0		664,135

(Continued)

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

	Nonmajor Funds		
	Other Govern- mental Funds	Total Governmen- tal Funds	
<u>Expenditures (Cont.)</u>			
Capital Projects	0	0	\$ 12,618,513
Capital Projects - Donated	0	0	20,594,060
Total Expenditures	\$ 4,286,125	\$ 0	\$ 62,005,084
Excess (Deficiency) of Revenues Over Expenditures	\$ (186,491)	\$ (33,069,245)	
<u>Other Financing Sources (Uses)</u>			
Bonds Issued	0	0	\$ 23,758,281
Notes Issued	0	0	750,000
Premiums on Debt Issued	0	0	276,770
Transfers In	16,000	16,000	201,082
Transfers Out	0	0	(201,082)
Total Other Financing Sources (Uses)	\$ 16,000	\$ 16,000	\$ 24,785,051
Net Change in Fund Balances	\$ (170,491)	\$ (8,284,194)	
Fund Balance, July 1, 2013	3,000,992	3,000,992	29,773,779
Fund Balance, June 30, 2014	\$ 2,830,501	\$ 2,830,501	\$ 21,489,585

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

Exhibit C-4

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

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

Net change in fund balances - total governmental funds (Exhibit C-3)		\$ (8,284,194)
(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	\$ 15,547,002	
Less: current-year depreciation expense	<u>(1,465,007)</u>	14,081,995
(2) Revenues in the statement of activities that do not provide current financial resources are not reported in the governmental funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$ 2,296,344	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(3,188,649)</u>	(892,305)
(3) The issuance of long-term debt (e.g., bonds, other loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (23,758,281)	
Less: note proceeds	(750,000)	
Less: change in premium on debt issuances	(197,314)	
Add: principal payments on bonds	1,385,000	
Add: principal payments on notes	127,000	
Add: principal payments on other loans	1,225,313	
Less: contributions from the School Department for other loans	(71,429)	
Less: change in deferred amount on refunding debt	<u>(26,736)</u>	(22,066,447)
(4) Some expenses reported in the statement of activities do not require the uses of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ (104,597)	
Change in compensated absences payable	15,636	
Change in other postemployment benefits liability	<u>(38,974)</u>	(127,935)
Change in net position of governmental activities (Exhibit B)		<u>\$ (17,288,886)</u>

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

Exhibit C-5

Coffee County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
General Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 8,898,716	\$ 0	\$ 0	\$ 8,898,716	\$ 9,006,878	\$ 9,110,435	\$ (211,719)
Licenses and Permits	218,043	0	0	218,043	196,450	203,450	14,593
Fines, Forfeitures, and Penalties	550,365	0	0	550,365	507,600	545,600	4,765
Charges for Current Services	601,487	0	0	601,487	548,150	551,150	50,337
Other Local Revenues	313,374	0	0	313,374	353,380	371,128	(57,754)
Fees Received from County Officials	2,763,313	0	0	2,763,313	2,955,000	2,955,000	(191,687)
State of Tennessee	1,742,584	0	0	1,742,584	2,158,414	2,070,299	(327,715)
Federal Government	600,917	0	0	600,917	180,075	610,549	(9,632)
Other Governments and Citizens Groups	123,306	0	0	123,306	48,050	55,108	68,198
Total Revenues	\$ 15,812,105	\$ 0	\$ 0	\$ 15,812,105	\$ 15,953,997	\$ 16,472,719	\$ (660,614)

Expenditures

<u>General Government</u>							
County Commission	\$ 40,924	\$ 0	\$ 0	\$ 40,924	\$ 46,844	\$ 46,844	\$ 5,920
Board of Equalization	1,539	0	0	1,539	2,130	2,130	591
Other Boards and Committees	19,261	0	0	19,261	24,416	24,416	5,155
County Mayor/Executive	184,930	0	0	184,930	188,920	188,920	3,990
County Attorney	41,290	0	0	41,290	46,290	41,290	0
Election Commission	307,310	(1,615)	8,647	314,342	323,413	336,153	21,811
Register of Deeds	196,919	(696)	640	196,863	269,080	211,824	14,961
Codes Compliance	95,169	0	0	95,169	95,916	96,656	1,487
County Buildings	611,680	(14,517)	19,077	616,240	642,286	638,286	22,046
Other General Administration	129,106	0	0	129,106	145,500	145,500	16,394
Preservation of Records	1,204	0	0	1,204	250	1,450	246
<u>Finance</u>							
Accounting and Budgeting	385,516	0	2,133	387,649	391,323	391,323	3,674
Property Assessor's Office	345,343	0	0	345,343	347,028	351,772	6,429
Reappraisal Program	22,036	0	0	22,036	22,360	25,360	3,324
County Trustee's Office	295,524	(680)	0	294,844	297,811	297,811	2,967
County Clerk's Office	370,016	0	0	370,016	402,453	390,408	20,392

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 1,053,303	\$ (410)	\$ 0	\$ 1,052,893	\$ 1,086,195	\$ 1,092,808	\$ 39,915
General Sessions Judge	375,609	0	0	375,609	372,281	375,781	172
Drug Court	239,505	0	0	239,505	250,000	239,506	1
Chancery Court	279,995	0	0	279,995	290,768	292,485	12,490
Judicial Commissioners	113,708	0	0	113,708	123,535	120,746	7,038
Probation Services	228,504	(500)	0	228,004	253,885	250,380	22,376
<u>Public Safety</u>							
Sheriff's Department	2,510,320	(3,738)	2,468	2,509,050	2,549,047	2,563,370	54,320
Traffic Control	16,152	0	0	16,152	15,826	16,201	49
Administration of the Sexual Offender Registry	800	0	0	800	2,176	2,176	1,376
Jail	2,812,649	(26,924)	30,010	2,815,735	2,758,368	2,879,943	64,208
Juvenile Services	321,676	0	1,223	322,899	329,548	333,674	10,775
Rural Fire Protection	282,000	0	0	282,000	282,000	282,000	0
Civil Defense	149,281	(23,604)	5,927	131,604	127,095	152,757	21,153
Rescue Squad	16,815	0	0	16,815	16,815	16,815	0
County Coroner/Medical Examiner	53,372	0	0	53,372	39,564	53,372	0
Other Public Safety	799,156	0	0	799,156	855,124	839,924	40,768
<u>Public Health and Welfare</u>							
Local Health Center	544,297	(190)	3,800	547,907	771,128	819,822	271,915
Rabies and Animal Control	95,918	0	0	95,918	103,879	103,879	7,961
Alcohol and Drug Programs	2,000	0	0	2,000	2,000	2,000	0
Appropriation to State	82,378	0	0	82,378	82,378	82,378	0
General Welfare Assistance	3,846	0	0	3,846	8,850	8,850	5,004
Other Waste Disposal	24,396	0	0	24,396	64,296	64,296	39,900
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	201,536	0	0	201,536	184,478	202,289	753
Libraries	897,141	(10,597)	9,990	896,534	900,725	902,225	5,691
Other Social, Cultural, and Recreational	12,857	0	2,664	15,521	0	17,741	2,220

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	\$ 223,976	\$ 0	\$ 0	\$ 223,976	\$ 226,436	\$ 227,436	\$ 3,460
Soil Conservation	90,077	0	0	90,077	84,933	91,433	1,356
<u>Other Operations</u>							
Industrial Development	250,818	0	0	250,818	250,818	250,818	0
Veterans' Services	11,385	0	0	11,385	12,298	12,298	913
Other Charges	897,915	(7,000)	0	890,915	1,263,000	898,000	7,085
Contributions to Other Agencies	14,450	0	0	14,450	14,450	14,450	0
Payments to Cities	28,500	0	0	28,500	28,500	28,500	0
Miscellaneous	407,816	0	0	407,816	0	407,816	0
<u>Principal on Debt</u>							
General Government	350,000	0	0	350,000	0	350,000	0
Interest on Debt	13,125	0	0	13,125	0	13,125	0
General Government	16,453,043	(90,471)	86,579	16,449,151	16,596,416	17,199,437	750,286
<u>Total Expenditures</u>	\$ (640,938)	\$ 90,471	\$ (86,579)	\$ (637,046)	\$ (642,419)	\$ (726,718)	\$ 89,672
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>							
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	0	0	0	0	0	2,810	(2,810)
Transfers Out	(135,082)	0	0	(135,082)	(146,755)	(135,116)	34
<u>Total Other Financing Sources</u>	\$ (135,082)	\$ 0	\$ 0	\$ (135,082)	\$ (146,755)	\$ (132,306)	\$ (2,776)
<u>Net Change in Fund Balance</u> <u>Fund Balance, July 1, 2013</u>	\$ (776,020)	\$ 90,471	\$ (86,579)	\$ (772,128)	\$ (789,174)	\$ (859,024)	\$ 86,896
	2,151,357	(90,471)	0	2,060,886	1,342,004	1,342,004	718,882
<u>Fund Balance, June 30, 2014</u>	\$ 1,375,337	\$ 0	\$ (86,579)	\$ 1,288,758	\$ 552,830	\$ 482,980	\$ 805,778

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

Exhibit C-6

Coffee County, Tennessee
Statement of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Ambulance Service Fund
For the Year Ended June 30, 2014

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 493,622	\$ 0	\$ 0	\$ 493,622	\$ 485,514	\$ 491,985	\$ 1,637
Licenses and Permits	7,500	0	0	7,500	7,000	7,000	500
Charges for Current Services	1,975,792	0	0	1,975,792	1,845,320	1,770,320	205,472
Other Local Revenues	1	0	0	1	150	150	(149)
Total Revenues	\$ 2,476,915	\$ 0	\$ 0	\$ 2,476,915	\$ 2,337,984	\$ 2,269,455	\$ 207,460
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Ambulance/Emergency Medical Services	\$ 2,345,913	\$ (5,100)	\$ 94,257	\$ 2,435,070	\$ 2,337,084	\$ 2,443,555	\$ 8,485
Total Expenditures	\$ 2,345,913	\$ (5,100)	\$ 94,257	\$ 2,435,070	\$ 2,337,084	\$ 2,443,555	\$ 8,485
Excess (Deficiency) of Revenues Over Expenditures	\$ 131,002	\$ 5,100	\$ (94,257)	\$ 41,845	\$ 900	\$ (174,100)	\$ 215,945
<u>Other Financing Sources (Uses)</u>							
Notes Issued	\$ 175,000	\$ 0	\$ 0	\$ 175,000	\$ 0	\$ 175,000	\$ 0
Transfers In	0	0	0	0	50,000	50,000	(50,000)
Transfers Out	(50,000)	0	0	(50,000)	(50,000)	(50,000)	0
Total Other Financing Sources	\$ 125,000	\$ 0	\$ 0	\$ 125,000	\$ 0	\$ 175,000	\$ (50,000)
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 256,002	\$ 5,100	\$ (94,257)	\$ 166,845	\$ 900	\$ 900	\$ 165,945
Fund Balance, June 30, 2014	\$ 284,254	\$ 0	\$ (94,257)	\$ 189,997	\$ 24,052	\$ 24,052	\$ 165,945

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

Exhibit D-1

Coffee County, Tennessee
Statement of Net Position
Proprietary Fund
June 30, 2014

	Business-type Activities
	Nonmajor Enterprise Fund
	Wayside Acres Sewer Fund
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Assets and Investments	\$ 6,512
Accounts Receivable	2,926
Total Current Assets	<u>\$ 9,438</u>
Noncurrent Assets:	
Capital Assets (Net of Accumulated Depreciation):	
Land	\$ 30,120
Buildings and Improvements	503,226
Total Noncurrent Assets	<u>\$ 533,346</u>
Total Assets	<u>\$ 542,784</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Current Portion of Long-term Debt	\$ 4,880
Total Current Liabilities	<u>\$ 4,880</u>
Noncurrent Liabilities:	
Due in More Than One Year	\$ 288,286
Total Noncurrent Liabilities	<u>\$ 288,286</u>
Total Liabilities	<u>\$ 293,166</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 240,180
Unrestricted	9,438
Total Net Position	<u>\$ 249,618</u>

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

Exhibit D-2

Coffee County, Tennessee
Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2014

	Business-type Activities
	Nonmajor Enterprise Fund
	Wayside Acres Sewer Fund
<u>Operating Revenues</u>	
Charges for Current Services	\$ 35,061
Total Operating Revenues	<u>\$ 35,061</u>
<u>Operating Expenses</u>	
Public Health and Welfare	\$ 26,487
Depreciation	26,951
Total Operating Expenses	<u>\$ 53,438</u>
Operating Income (Loss)	<u>\$ (18,377)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Interest on Other Loans	\$ (12,408)
Total Nonoperating Expenses	<u>\$ (12,408)</u>
Change in Net Position	\$ (30,785)
Net Position, July 1, 2013	<u>280,403</u>
Net Position, June 30, 2014	<u>\$ 249,618</u>

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

Exhibit D-3

Coffee County, Tennessee
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2014

	Business-type Activities
	Nonmajor Enterprise Fund
	Wayside Acres Sewer Fund
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 35,061
Payments to Suppliers	(27,175)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 7,886</u>
<u>Cash Flows from Capital and Related Financing Activities</u>	
Principal Paid on Other Loans	\$ (4,704)
Interest Paid on Other Loans	(12,408)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>\$ (17,112)</u>
Net Increase (Decrease) in Cash	\$ (9,226)
Cash, July 1, 2013	<u>15,738</u>
Cash, June 30, 2014	<u><u>\$ 6,512</u></u>
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u> Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (18,377)
Adjustment to Reconcile Net Operating Income	
to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	26,951
Change in Assets and Liabilities:	
Increase (Decrease) in Accounts Payable	(688)
Net Cash Provided By (Used In) Operating Activities	<u><u>\$ 7,886</u></u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,571,837
Equity in Pooled Cash and Investments	576,046
Due from Other Governments	2,654,646
Property Taxes Receivable	8,517,393
Allowance for Uncollectible Property Taxes	<u>(233,367)</u>
Total Assets	<u>\$ 14,086,555</u>
<u>LIABILITIES</u>	
Accounts Payable	\$ 48,498
Cash Overdraft	32,105
Due to State of Tennessee	148
Due to Other Taxing Units	11,002,026
Due to Litigants, Heirs, and Others	2,669,137
Due to Joint Ventures	<u>334,641</u>
Total Liabilities	<u>\$ 14,086,555</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Coffee 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 Coffee County:

A. Reporting Entity

Coffee County is a public municipal corporation governed by an elected 21-member board. As required by GAAP, these financial statements present Coffee 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 Coffee County School Department operates the public school system in the county, and the voters of Coffee 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 Coffee County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Coffee County, and the Coffee 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 Industrial Board of Coffee County provides and assists industry in Coffee County, and the Coffee County Commission appoints its board of directors. The board comprises three members each from the City of Tullahoma, the City of Manchester, and from rural areas. The board is primarily funded by appropriations from the county.

The Coffee County Public Building Authority oversees the operations of the conference center, which benefits the citizens of the City of Manchester and Coffee County. The Coffee County Commission appoints the seven-member board of directors, and Coffee County and the City of Manchester share equally in the profits and losses of the conference center. The center is primarily funded by charges assessed for the use of the facility. During the year ended June 30, 2014, the county's share of the losses of the conference center totaled \$78,074.

The Coffee 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 Coffee County Emergency Communications District, the Industrial Board of Coffee County, and the Public Building Authority of Coffee County can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Coffee County Emergency Communications District
911 Jack Welch Drive
Manchester, TN 37355

Industrial Board of Coffee County
1329 McArthur Street, Suite 4
Manchester, TN 37355

Public Building Authority of Coffee County
147 Hospitality Boulevard
Manchester, TN 37355

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 Coffee 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.

Coffee County issues all debt for the discretely presented Coffee County School Department. Net debt issues totaling \$24,058,281 were contributed by the county to the School Department during the year ended June 30, 2014.

Separate financial statements are provided for governmental funds, proprietary funds (enterprise), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the nonmajor 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 Coffee 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 category. Coffee County only reports one proprietary fund, a nonmajor enterprise fund.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. Major individual governmental funds and the 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. 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. Coffee 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 debt service funds 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 funds 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.

Coffee 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.

Ambulance Service Fund – This special revenue fund accounts for transactions of the county’s Ambulance Service. Patient charges 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.

Rural 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 issued for school projects outside the territorial limits of the Special School District.

General Capital Projects – This fund accounts for general capital expenditures of the county. The balance in this fund at June 30, 2014, represents unexpended note proceeds to be used for jail construction.

Education Capital Projects Fund – This fund accounts for debt issued by Coffee County that is subsequently contributed to the discretely presented Coffee County School Department for construction and renovation projects.

Additionally, Coffee County reports the following fund types:

Enterprise Fund – The Wayside Acres Sewer Fund is used to account for the transactions of the Wayside Acres sewer operation.

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Coffee County, the city school systems' share of educational revenues, state grants and other restricted revenues held for the benefit of the Fourteenth Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General. 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 Coffee County School Department reports the following major governmental funds:

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

Other Capital Projects Fund – This fund is used to account for school building construction and renovations.

Additionally, the Coffee County School Department reports the following fund type:

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.

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 Wayside Acres sewer operation. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the county's enterprise fund are charges for services.

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

terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property taxes receivables are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 1.59 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.

Most payables are disaggregated on the face of the financial statements. Claims and judgments payable are discussed in Note V.A. Risk Management.

Retainage payable in the discretely presented School Department's Other Capital Projects Fund represents amounts withheld from

payments made on construction contracts pending completion of the projects.

3. Inventories

Inventories of Coffee County are recorded at cost, determined on the first-in, first-out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories are offset in the nonspendable fund balance account in governmental funds.

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 (\$10,000 for the discretely presented Coffee County School Department) or more and an estimated useful life of more than three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10 - 50
Land Improvements	10 - 50
Infrastructure	15 - 40
Other Capital Assets	3 - 20
Library Assets	3 - 40

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 only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

6. Compensated Absences

The general policy of Coffee County allows employees to accumulate a limited number of unused vacation days; however, the unused vacation days that exceed the limit allowed by county policy are transferred to sick days on the employee's anniversary date. The remaining unused vacation days are paid to employees when they separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

County employees are allowed to accumulate unlimited sick leave days; however, the granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

The general policy of the discretely presented Coffee County School Department does not allow for the accumulation of vacation days beyond year-end for professional employees. Support staff are allowed

to accumulate unused vacation days. Vacation pay is accrued for support staff when incurred in the government-wide financial statements for the School Department. A liability for vacation pay is reported in the governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. All professional personnel (teachers) of the School Department are allowed to accumulate unlimited sick leave days. The granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

7. Long-term Obligations

In the government-wide financial statements and the proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type 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, claims and judgments, 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 Balance

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

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

As of June 30, 2014, Coffee County had \$51,638,021 in outstanding debt for capital purposes for the discretely presented Coffee County School Department. This debt is a liability of Coffee County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Coffee County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

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

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

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

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

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

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

9. Minimum Fund Balance Policy

To provide management with appropriate guidelines and direction to assist in making sound decisions related to managing the fund balance of certain governmental funds, the following minimum fund balance policy exists and consists of the sum of committed, assigned, and unassigned fund balance:

General Fund – four percent of current-year appropriations

Debt Service Funds – an amount equal to debt requirements for the first six months of the subsequent fiscal year

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 Coffee 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 change in net position of governmental activities reported in the government-wide Statement of Activities.

Discretely Presented Coffee 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

A. Budgetary Information

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

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

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

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

At June 30, 2014, Coffee County and the Coffee County School Department reported the following significant encumbrances:

Fund	Description	Amount
Primary Government:		
Major Funds:		
General	Jail Food Supplies	\$ 26,036
"	Printing	6,000
"	HVAC Unit	9,652
"	Library Books and Supplies	9,989
"	Generator	5,255
Ambulance Service	Ambulance Remount	84,075
Nonmajor Funds:		
Solid Waste/ Sanitation	Compactor and Receiver Container	27,195
"	Self-contain Compactor	25,331
Highway/Public Works	Asphalt	11,700
School Department:		
Major Fund:		
General Purpose School	Computer License Agreement	25,600
"	Computer Hardware	13,559
"	Library Books	29,480
"	Paving	76,229
Nonmajor Funds:		
School Federal Projects	Computer Software	9,846
Central Cafeteria	Signage	8,318

B. Fund Deficit

The School Department's Other Capital Projects Fund had a deficit unassigned fund balance of \$511,911 at June 30, 2014. This deficit unassigned fund balance resulted from expenditures exceeding restricted, committed, and assigned balances. The deficit unassigned fund balance was liquidated when revenues were recognized after June 30, 2014.

C. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in the Special Education Program and Community Services major appropriation categories (the legal level of control) of the School Department's General Purpose School Fund by \$3,421 and \$8,905,

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

D. The County Had Deposits Exposed to Custodial Credit Risk

The trustee did not require one depository holding county funds to pledge adequate securities to protect funds that exceeded Federal Deposit Insurance Corporation (FDIC) coverage. At June 30, 2014, deposits at this depository exceeded FDIC coverage and collateral securities pledged by \$279,031. Section 5-8-201, *Tennessee Code Annotated*, requires any bank that is a depository of county funds to deposit in an escrow account in a second bank collateral security equal to 105 percent of such county funds.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, Coffee County's deposits may not be returned to it. Coffee County does not have a formal policy that limits custodial credit risk for deposits. As of June 30, 2014, bank balances of \$279,031 were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 279,031
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Uninsured and uncollateralized deposits are a violation of state statutes.

Investments

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

The county had no pooled or nonpooled investments as of June 30, 2014.

B. Capital Assets

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

Primary Government

Governmental Activities:

	Balance 7-1-13	Increases	Balance 6-30-14
Capital Assets Not Depreciated:			
Land	\$ 4,010,049	\$ 71,500	\$ 4,081,549
Construction in Progress	4,658,880	13,610,330	18,269,210
Total Capital Assets Not Depreciated	<u>\$ 8,668,929</u>	<u>\$ 13,681,830</u>	<u>\$ 22,350,759</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 18,086,764	\$ 70,000	\$ 18,156,764
Infrastructure	15,374,565	393,181	15,767,746
Other Capital Assets	6,264,449	1,401,991	7,666,440
Total Capital Assets Depreciated	<u>\$ 39,725,778</u>	<u>\$ 1,865,172</u>	<u>\$ 41,590,950</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 8,078,330	\$ 377,689	\$ 8,456,019
Infrastructure	7,355,608	520,325	7,875,933
Other Capital Assets	3,853,621	566,993	4,420,614
Total Accumulated Depreciation	<u>\$ 19,287,559</u>	<u>\$ 1,465,007</u>	<u>\$ 20,752,566</u>
Total Capital Assets Depreciated, Net	<u>\$ 20,438,219</u>	<u>\$ 400,165</u>	<u>\$ 20,838,384</u>
Governmental Activities Capital Assets, Net	<u>\$ 29,107,148</u>	<u>\$ 14,081,995</u>	<u>\$ 43,189,143</u>

There were no decreases in capital assets to report during the year ended June 30, 2014.

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

Governmental Activities:

General Government	\$ 328,961
Finance	8,080
Administration of Justice	6,390
Public Safety	230,294
Public Health and Welfare	141,427
Social, Cultural, and Recreational	117,042
Highways/Public Works	<u>632,813</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 1,465,007</u></u>

Business-type Activities:

	Balance 7-1-13	Increases	Balance 6-30-14
Capital Assets Not Depreciated:			
Land	\$ 30,120	\$ 0	\$ 30,120
Total Capital Assets Not Depreciated	<u>\$ 30,120</u>	<u>\$ 0</u>	<u>\$ 30,120</u>
Capital Assets Depreciated:			
Infrastructure	\$ 673,775	\$ 0	\$ 673,775
Total Capital Assets Depreciated	<u>\$ 673,775</u>	<u>\$ 0</u>	<u>\$ 673,775</u>
Less Accumulated Depreciation For:			
Infrastructure	\$ 143,598	\$ 26,951	\$ 170,549
Total Accumulated Depreciation	<u>\$ 143,598</u>	<u>\$ 26,951</u>	<u>\$ 170,549</u>
Total Capital Assets Depreciated, Net	<u>\$ 530,177</u>	<u>\$ (26,951)</u>	<u>\$ 503,226</u>
Business-type Activities Capital Assets, Net	<u><u>\$ 560,297</u></u>	<u><u>\$ (26,951)</u></u>	<u><u>\$ 533,346</u></u>

The business-type activities had no decreases in capital assets during the year ended June 30, 2014.

Discretely Presented Coffee County School Department

Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 1,438,853	\$ 0	\$ 0	\$ 1,438,853
Construction in Progress	2,131,713	20,512,211	0	22,643,924
Total Capital Assets Not Depreciated	\$ 3,570,566	\$ 20,512,211	\$ 0	\$ 24,082,777
Capital Assets Depreciated:				
Buildings and Improvements	\$ 35,910,202	\$ 0	\$ 0	\$ 35,910,202
Other Capital Assets	5,110,339	319,540	(80,150)	5,349,729
Total Capital Assets Depreciated	\$ 41,020,541	\$ 319,540	\$ (80,150)	\$ 41,259,931
Less Accumulated Depreciation:				
Buildings and Improvements	\$ 9,526,636	\$ 762,378	\$ 0	\$ 10,289,014
Other Capital Assets	2,113,041	297,109	(64,294)	2,345,856
Total Accumulated Depreciation	\$ 11,639,677	\$ 1,059,487	\$ (64,294)	\$ 12,634,870
Total Capital Assets Depreciated, Net	\$ 29,380,864	\$ (739,947)	\$ (15,856)	\$ 28,625,061
Governmental Activities Capital Assets, Net	\$ 32,951,430	\$ 19,772,264	\$ (15,856)	\$ 52,707,838

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

Governmental Activities:

Instruction	\$ 809,083
Support Services	224,584
Operation of Non-instructional Services	<u>25,820</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,059,487</u></u>

C. Construction Commitments

At June 30, 2014, the county had uncompleted construction contracts of approximately \$3,861,000 for the construction of a jail. Funding has been received for these future expenditures.

At June 30, 2014, the School Department had uncompleted construction contracts of approximately \$1,554,735 for the construction of a middle school. Funding has been received for these future expenditures.

D. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

Receivable Fund	Payable Fund	Amount
Primary Government:		
General	General Debt Service	\$ 155
"	Nonmajor governmental	174,506
Nonmajor governmental	General	24,396
Discretely Presented School Department:		
General Purpose School	Other Capital Projects	4,118
"	Nonmajor governmental	52,452
Nonmajor governmental	General Purpose School	2,231

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:

Receivable	Payable	Amount
Primary Government	Component Unit: School Department	\$ 142,855

The Due to Primary Government is the balance of the energy efficiency loan issued by the county for the School Department. The School Department has agreed to contribute the funds annually to retire this debt. This long-term debt obligation is reflected in the governmental activities on the Statement of Net Position.

Interfund Transfers:

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

Primary Government

Transfers Out	Transfers In		
	Rural Debt Service Fund	General Capital Projects Fund	Nonmajor Govern- mental Fund
General Fund	\$ 135,082	\$ 0	\$ 0
Ambulance Service Fund	0	50,000	0
General Capital Projects Fund	0	0	16,000
Total	\$ 135,082	\$ 50,000	\$ 16,000

Discretely Presented Coffee County School Department

Transfer Out	Transfer In
	General Purpose School Fund
Nonmajor governmental fund	\$ 23,043

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 and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

Coffee County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds. Bond anticipation notes have been issued to provide funds for the construction of a jail facility, and capital outlay notes are also issued

to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, notes, and other loans outstanding were issued for original terms of up to 35 years for bonds, six years for notes, and up to 18 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. General obligation bonds included in long-term debt as of June 30, 2014, will be retired from the General Debt Service and Rural Debt Service funds. Notes included in long-term debt will be retired from the General Debt Service, Highway/Public Works, and Rural Debt Service funds. Other loans included in long-term debt will be retired from the General, General Debt Service, and Rural Debt Service funds.

General obligation bonds, notes, and other loans outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds	3.83 to 7.15 %	6-1-44	\$ 39,875,000	\$ 39,650,000
General Obligation Bonds - Refunding	2.56 to 4	2-1-18	10,970,000	3,335,000
Notes	.83 to 3.125	7-22-18	22,750,000	22,504,000
Other Loans	0 to 4.75	7-1-27	16,137,000	12,733,021
Other Loans	Variable	12-31-16	1,750,000	700,000

The county was the defendant in a lawsuit filed by the City of Tullahoma and its board of education. The city was seeking reimbursement of certain sales tax proceeds that they alleged were due them since Coffee County failed to follow state statute relative to the disbursement of sales tax proceeds, which are used for educational purposes. In October 2009, a settlement was reached between the parties for a payment to the City of Tullahoma totaling \$2,000,000. In accordance with the settlement, Coffee County made a payment to the City of Tullahoma for \$250,000 from the General Fund on October 1, 2010. The balance of \$1,750,000 was originally to be paid on or before December 31, 2011; however, an agreement was reached between the county and the City of Tullahoma to allow the balance to be repaid over a period of five years. This amount is reflected as an Other Loans Payable and is to be repaid in five equal installments of \$350,000 at a variable interest rate based on the Fed Funds Rate.

On November 6, 2006, Coffee County entered into a loan agreement with the Public Building Authority of Coffee County. Under this agreement, the authority loaned \$4,510,000 to Coffee County at interest rates ranging from

3.55 to four percent to refinance a portion of the outstanding balance of a loan issued to the county during the 2000-01 year.

On December 10, 2008, Coffee County entered into a loan agreement with the Tennessee Local Government Alternative Loan Program. Under this agreement the program loaned \$7,600,000 to Coffee County at an interest rate of 4.75 percent for school construction projects and agreed to refinance the outstanding balance of debt issued in prior years.

On October 7, 2010, Coffee County entered into a loan agreement with the Tennessee State School Board Authority. Under this loan agreement, the authority loaned Coffee County \$3,027,000 from Qualified School Construction Bonds, Series 2010 for rehabilitation and repairs of county school buildings. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the annual principal payment. The county pays an annual administrative fee of \$2,422 under this agreement. The loan retirement schedule also includes equal monthly payments of interest of approximately 4.85 percent which is offset by a federal interest rate subsidy.

In prior years, Coffee County and the discretely presented Coffee County School Department entered into two separate loan agreements with the state Department of Economic and Community Development to provide energy efficiency improvements in the county's schools. Under each of these agreements, the state loaned the county \$500,000 at an interest rate of zero percent.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 1,310,000	\$ 2,230,600	\$ 3,540,600
2016	1,280,000	2,181,200	3,461,200
2017	1,310,000	2,134,762	3,444,762
2018	395,000	2,086,833	2,481,833
2019	285,000	2,073,175	2,358,175
2020-2024	1,920,000	10,212,475	12,132,475
2025-2029	5,385,000	9,707,663	15,092,663
2030-2034	8,200,000	8,384,468	16,584,468
2035-2039	10,125,000	6,469,250	16,594,250
2040-2044	12,775,000	2,845,800	15,620,800
Total	\$ 42,985,000	\$ 48,326,226	\$ 91,311,226

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 21,730,415	\$ 127,577	\$ 21,857,992
2016	233,679	16,065	249,744
2017	236,972	10,828	247,800
2018	195,292	5,475	200,767
2019	107,642	2,452	110,094
Total	\$ 22,504,000	\$ 162,397	\$ 22,666,397

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2015	\$ 1,260,313	\$ 574,857	\$ 1,835,170
2016	1,510,310	550,856	2,061,166
2017	1,148,884	515,782	1,664,666
2018	1,183,884	479,331	1,663,215
2019	1,253,884	441,284	1,695,168
2020-2024	5,097,706	1,578,663	6,676,369
2025-2028	1,978,040	617,121	2,595,161
Total	\$ 13,433,021	\$ 4,757,894	\$ 18,190,915

There is \$9,779,988 available in the debt service funds to service long-term debt. Debt per capita, including bonds, notes, and other loans totaled \$1,495, based on the 2010 federal census.

The School Department is currently contributing funds to service 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 the Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government.

Description of Indebtedness	Outstanding 6-30-14
<u>Other Loans Payable</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficiency Improvements	\$ 142,855

Changes in Long-term Obligations

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

Governmental Activities:

	Bonds	Notes	Other Loans
Balance, July 1, 2013	\$ 20,611,719	\$ 21,881,000	\$ 14,658,334
Additions	23,758,281	750,000	0
Reductions	(1,385,000)	(127,000)	(1,225,313)
Balance, June 30, 2014	<u>\$ 42,985,000</u>	<u>\$ 22,504,000</u>	<u>\$ 13,433,021</u>
Balance Due Within One Year	<u>\$ 1,310,000</u>	<u>\$ 21,730,415</u>	<u>\$ 1,260,313</u>

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	\$ 683,022	\$ 517,027
Additions	720,881	44,533
Reductions	(736,517)	(5,559)
Balance, June 30, 2014	<u>\$ 667,386</u>	<u>\$ 556,001</u>
Balance Due Within One Year	<u>\$ 33,369</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 80,145,408
Less: Balance Due Within One Year	(24,334,097)
Add: Unamortized Premium on Debt	<u>371,380</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 56,182,691</u>

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

Wayside Acres Sewer Fund (enterprise fund)

Other loans outstanding were issued for original terms of up to 38 years. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. The other loans included in long-term liabilities as of June 30, 2014, will be retired by the enterprise fund.

Other loans outstanding as of June 30, 2014, for business-type activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
Other Loans	4.125 to 4.375 %	12-20-44	\$ 324,000	\$ 293,166

The annual requirements to amortize all other loans outstanding as of June 30, 2014, including interest payments, are presented in the following table:

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2015	\$ 4,880	\$ 12,232	\$ 17,112
2016	5,089	12,023	17,112
2017	5,306	11,806	17,112
2018	5,533	11,579	17,112
2019	5,770	11,342	17,112
2020-2024	32,769	52,791	85,560
2025-2029	40,406	45,154	85,560
2030-2034	49,830	35,730	85,560
2035-2039	61,456	24,104	85,560
2040-2044	75,800	9,721	85,521
2045	6,327	62	6,389
Total	\$ 293,166	\$ 226,544	\$ 519,710

Changes in Long-term Obligations

Long-term obligations activity for the Wayside Acres Sewer Fund (enterprise fund) for the year ended June 30, 2014, was as follows:

Business-type Activities:

	Other Loans
Balance, July 1, 2013	\$ 297,870
Reductions	(4,704)
Balance, June 30, 2014	\$ 293,166
Balance Due Within One Year	\$ 4,880

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 293,166
Less: Balance Due Within One Year	<u>(4,880)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 288,286</u>

Discretely Presented Coffee County School Department

Changes in Long-term Obligations

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

Governmental Activities:

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	\$ 103,515	\$ 4,438,146
Additions	7,424	1,058,573
Reductions	<u>(22,588)</u>	<u>(605,905)</u>
Balance, June 30, 2014	<u>\$ 88,351</u>	<u>\$ 4,890,814</u>
Balance Due Within One Year	<u>\$ 70,681</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 4,979,165
Less: Balance Due Within One Year	<u>(70,681)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 4,908,484</u>

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

F. On-Behalf Payments

Discretely Presented Coffee County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Coffee County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2014, were \$200,601 and \$36,432, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Short-term Debt

The county issued revenue anticipation notes in advance of collections and deposited the proceeds in the General, Ambulance Service, General Purpose School, School Federal Projects, and Other Capital Projects funds. These notes were necessary because funds were not available to meet fund obligations coming due before current revenue collections. Short-term debt activity for the year ended June 30, 2014, was as follows:

Fund	Balance 7-1-13	Issued	Paid	Balance 6-30-14
Primary Government:				
General	\$ 0	\$ 2,000,000	\$ (2,000,000)	\$ 0
Ambulance Service	0	100,000	(100,000)	0
School Department:				
General Purpose School	0	840,000	(840,000)	0
School Federal Projects	0	300,000	(300,000)	0
Other Capital Projects	0	250,000	(250,000)	0

V. OTHER INFORMATION

A. Risk Management

Primary Government

Coffee County (except for the Highway Department and Ambulance Service) participates 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. The county pays an annual premium to the TN-RMT for its 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.

The Highway Department's risk of loss relating to general liability, property, casualty, and workers' compensation is covered by participation in the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund, which are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The Highway Department pays an annual premium to the pools for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of these pools provides for them to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims of more than \$100,000 for each insured event.

The Coffee County Ambulance Service purchases commercial insurance for the risk of losses to which it is exposed. These risks include general liability, property, casualty, and accident. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Coffee 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. The state statute provides for the LGGIF to be self-sustaining through member premiums.

Discretely Presented Coffee County School Department

The discretely presented Coffee County School Department participates 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. The School Department pays an annual premium to the TN-RMT for its 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.

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

risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

The School Department provides a self-insured dental and vision plan for all full-time employees through the General Purpose School Fund. Retirees are not allowed to participate in the program. The cost of this plan was provided by appropriations made for that purpose. Payroll deductions were made from employees' compensation for the portion of premiums relating to family coverage. The dental and vision plan provides maximum yearly benefit amounts for participants. The maximum calendar year benefit under the dental plan is \$1,500 per person. The vision plan also contains limits on benefits and the number of procedures covered by the plan. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The self-insurance program funds established claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. Claims liabilities include specific, incremental claim adjustments and expenditures, if any. In addition, estimated recoveries, if any, on settled claims have been deducted from the liability for unpaid claims. The process used to compute claims liabilities does not necessarily result in an exact amount. Changes in the balance of claims liabilities during the past two fiscal years are as follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Estimates	Payments	End of Fiscal Year Liability
2012-13	\$ 153,859	\$ 440,954	\$ 471,918	\$ 122,895
2013-14	122,895	566,908	591,488	98,315

B. Accounting Changes

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

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

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

C. Subsequent Events

On July 14, 2014, the final \$500,000 was drawn for the Jail Construction - Capital Outlay Note.

On August 28, 2014, the \$2,000,000 Jail Construction - Capital Outlay Note, the \$19,985,000 Jail Construction - Bond Anticipation Note, the \$5,000 General Obligation Bond Anticipation Note, Series 2013A, the \$5,000 General Obligation Bond Anticipation Note, Series 2013B, and the \$5,000 General Obligation Bond Anticipation Note, Series 2013C were replaced with a \$9,000,000 General Obligation Bond, Series 2013A, a \$9,000,000 General Obligation Bond, Series 2013B, and a \$4,000,000 General Obligation Bond, Series 2013C.

On August 31, 2014, David Pennington left the Office of County Mayor and was succeeded by Gary Cordell, Steve Parks left the Office of Road Superintendent and was succeeded by Benton Bartlett, James Wilhem left the Office of Trustee and was succeeded by John Marchesoni, and Ellen Vaughn left the Office of Register and was succeeded by Donna Toney.

Between July 1, 2014, and February 13, 2015, various county funds issued tax anticipation notes to provide temporary operating funds. These notes are summarized in the following schedule:

<u>From Fund</u>	<u>To Fund</u>	<u>Amount</u>
Rural Debt Service	General	\$ 2,000,000
"	Ambulance Service	349,000
"	General Purpose School	1,200,000

D. Contingent Liabilities

The county is involved in several pending lawsuits. Attorneys for the county and School Department estimate that the potential claims not covered by insurance resulting from such litigation would not materially affect the county's and the School Department's financial statements.

E. Joint Ventures

The Fourteenth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Fourteenth Judicial District and participating municipalities in the district. The DTF interlocal agreement was signed by the sheriff of Coffee County and the police chiefs of the cities of Manchester and Tullahoma. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by

the district attorney general and is governed by a board of directors including the district attorney general, sheriff, and police chiefs of participating law enforcement agencies within each judicial district. Coffee County made no contributions to the DTF for the year ended June 30, 2014.

Coffee County is a participant with Warren, Cannon, and Rutherford counties in a multi-county Municipal Solid Waste Planning Region. This entity was created to promote the preparation of municipal solid waste regional plans to effectively and efficiently manage solid waste. This entity is governed by a 13-member board comprising appointees from Cannon County (2), Coffee County (2), Rutherford County (3), Warren County (2), the City of Manchester (1), the City of McMinnville (1), the City of Murfreesboro (1), and the City of Woodbury (1). Funding is provided from member contributions and grants. There are no separately issued financial statements for the Municipal Solid Waste Planning Region. Rutherford County has been designated as the fiscal agent for the Planning Region and accounts for its activities through the Joint Venture Fund (agency fund), which is included in the financial statements reflected in Rutherford County's comprehensive annual financial report.

Coffee County does not have an equity interest in the above-noted joint ventures. Complete financial statements for the DTF and the Municipal Solid Waste Planning Region can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Office of District Attorney General
Fourteenth Judicial District
307 South Woodland
Manchester, TN 37355

Municipal Solid Waste Planning Region
c/o Ernest Burgess, Rutherford County Mayor
County Courthouse, Room 101
Murfreesboro, TN 37130

Discretely Presented Coffee County School Department

The Coffee County 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 Chapter 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 offer 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

F. Jointly Governed Organization

The Tri-County Railroad Authority is jointly operated by Coffee County, in conjunction with Warren and White counties. The authority's board comprises the county mayor/executive of each county and one member selected by the governing body of each county; however, the counties do not have any ongoing financial interest or responsibility for the entity.

G. Retirement Commitments

1. Tennessee Consolidated Retirement System (TCRS)

Plan Description

Employees of Coffee 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 Coffee

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

Coffee County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 8.52 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, 2014, Coffee County's annual pension cost of \$1,094,055 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 three years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	\$1,094,055	100%	\$0
6-30-13	1,109,927	100	0
6-30-12	1,155,394	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 98.34 percent funded. The actuarial accrued liability for benefits was \$35.29 million, and the actuarial value of assets was \$34.71 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.59 million. The covered payroll (annual payroll of active employees covered by the plan) was \$12.69 million, and the ratio of the UAAL to the covered payroll was 4.61 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 Coffee County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are

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

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2014, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2014, 2013, and 2012, were \$1,588,162, \$1,586,587, and \$1,580,444, respectively, equal to the required contributions for each year.

2. Deferred Compensation

Coffee County School Department offers its employees two deferred compensation plans, one established pursuant to IRC Section 401(k), and the other pursuant to IRC Section 408(a), Roth IRA. All costs of administering and funding these programs are the responsibility of plan participants. The Section 401(k) and Section 408(a) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Sections 401(k) and 408(a) establish participation, contribution, and withdrawal provisions for the plans.

H. Other Postemployment Benefits (OPEB)

Plan Description

Coffee County and the School Department participate in the state-administered Local Education Group Insurance Plan and Local Government Group Insurance Plan for health care benefits. For accounting purposes, the plans are agent multiple-employer defined benefit OPEB plans. Benefits are established and amended by an insurance committee created by Section 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees and Section 8-27-207, *TCA*, for local governments. Prior to reaching the age of 65, all members have the option of choosing between the

standard or partnership preferred provider organization (PPO) plan for health care benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants, however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The required contribution rate for retirees ranges from ten percent to 55 percent based on the years of service. During the year ended June 30, 2014, the county and the discretely presented School Department contributed \$5,559 and \$605,905, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 44,000	\$ 1,054,000
Interest on the NOPEBO	20,681	177,526
Adjustment to the ARC	(20,148)	(172,953)
Annual OPEB cost	<u>\$ 44,533</u>	<u>\$ 1,058,573</u>
Amount of contribution	(5,559)	(605,905)
Increase/decrease in NOPEBO	\$ 38,974	\$ 452,668
Net OPEB obligation, 7-1-13	<u>517,027</u>	<u>4,438,146</u>
Net OPEB obligation, 6-30-14	<u>\$ 556,001</u>	<u>\$ 4,890,814</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Government Group	\$ 103,169	14 %	\$ 426,608
6-30-13	"	103,951	13	517,027
6-30-14	"	44,533	12	556,001
6-30-12	Local Education Group	1,160,192	45	3,817,205
6-30-13	"	1,169,612	47	4,438,146
6-30-14	"	1,058,573	57	4,890,814

Funded Status and Funding Progress

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

	Local Government Group Plan	Local Education Group Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 304,000	\$ 9,030,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 304,000	\$ 9,030,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 8,945,449	\$ 19,997,052
UAAL as a % of covered payroll	3.4%	45.16%

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

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that

perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2013, actuarial valuation for the Local Government Plan and the Local Education Plan, 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 health care cost trend rate of 7.5 percent for fiscal year 2014. The trend rate will decrease to seven percent in fiscal year 2015 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

I. Office of Central Accounting and Budgeting

Office of Director of Accounts and Budgets

Coffee County operates under the provisions of a local resolution, which creates the Office of Director of Accounts and Budgets. Under this resolution, the director of accounts and budgets directs the operation of the funds under the control of the county mayor. For years, the director of accounts and budgets has also performed all accounting and budgeting functions for the county's Highway Department; however, there is no state law or local resolution governing this arrangement in Coffee County. The nature and operation of this informal arrangement has created a type of Office of Central Accounting, Budgeting, and Purchasing similar to that created by the adoption of the County Fiscal Procedure Law of 1957.

J. Purchasing Laws

Offices of County Mayor and Road Superintendent

Purchasing procedures for these offices are governed by provisions of the County Purchasing Law of 1957, Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures in the Highway Department are also governed by the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for the purchasing agent to make purchases for these departments, with purchases exceeding \$7,500 (\$10,000 Highway Department) to be made on the basis of competitive bids solicited through public advertisement.

Office of Director of Schools

Purchasing procedures for the discretely presented Coffee County School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *TCA*, which provides for the county Board of Education, through its executive committee (director of schools and chairman

of the Board of Education), to make all purchases. This statute also requires competitive bids to be solicited through newspaper advertisement on all purchases exceeding \$10,000.

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

A. Summary of Significant Accounting Policies

The Coffee County Emergency Communications District was established on April 4, 1987, to provide an enhanced level of 911 service to Coffee County citizens by acquiring certain types of equipment that enable emergency service providers to respond more rapidly and more effectively due to increased speed in the transmittal of critical information and improved reliability of address and information. It is a component unit of Coffee County. The district is run by a board of directors, which is appointed by Coffee County. The district must file a budget with Coffee County each year. Any bond issued by the district is subject to approval by Coffee County.

The district uses the accrual basis of accounting and economic resource measurement focus. Revenues are recognized when earned, and expenses are recognized when incurred.

1. Depreciation

Depreciation is computed at rates designed to amortize the cost of the individual assets over their useful lives using the straight-line method. Depreciation begins when the capital assets are placed in service. Depreciation is summarized as follows:

	<u>Method</u>	<u>Estimated Useful Life (Years)</u>	<u>2014 Depreciation</u>
Buildings/Improvements	S/L	10-30	\$ 5,050
Office Equipment	S/L	5-10	253
Furniture and Fixtures	S/L	5-10	1,183
Communication Equipment	S/L	5-20	<u>83,663</u>
Total			<u>\$ 90,149</u>

2. Major Source of Revenue

The major source of operating revenue is emergency telephone and wireless surcharges. The district’s nonoperating revenue consists of a grant, contributions from other governments and agencies, reimbursements, interest/investment income, and sales of map books.

B. Subsequent Events

The district has evaluated subsequent events through the date the financial statements were available to be issued.

C. Cash and Cash Investments

The following is a schedule of bank accounts at June 30, 2014:

Checking – First National Bank	\$ 91,602
Money Market – American City Bank	5,444
Money Market – Southern Community Bank	100,163
Tower Fund – Coffee County Bank	68,802
Certificates of Deposit – Coffee County Bank	297,919
Certificates of Deposit – Coffee County Bank	257,073
Certificates of Deposit – Peoples Bank	159,153
Certificates of Deposit – Peoples Bank	258,785
Certificates of Deposit – First National Bank	304,076
Certificates of Deposit – First National Bank	151,051
Certificates of Deposit – Southern Community Bank	<u>200,504</u>
Total	<u>\$ 1,894,572</u>

At June 30, 2014, the carrying amount of the district's cash deposits was \$1,894,572. The district's deposit accounts are covered up to \$250,000 by the Federal Deposit Insurance Corporation. Any amounts over \$250,000 are covered by collateralization held by First National Bank and Coffee County Bank in the district's name. Peoples Bank and American City Bank are members of the Government Collateralization Pool. The district is authorized to deposit and invest funds according to the provisions of Section 5-8-301, *Tennessee Code Annotated*. [Acts 1992, ch 891, section 10].

D. Bonding and Insurance

The district had a bond covering certain members of the board at June 30, 2014. The district has liability insurance covering the building and its contents. The policy also insures employees automobiles used in the conduct of business. The district had no settlements that exceeded the coverage for the past three years.

E. Capital Assets

The following is a schedule of capital assets at June 30, 2014:

Assets	Cost	Accumulated Depreciation	Net
Buildings/Improvements	\$ 186,628	\$ 109,513	\$ 77,115
Office Equipment	29,519	29,076	443
Furniture and Fixtures	43,625	40,883	2,742
Communication Equipment	1,171,061	651,679	519,382
Total	\$ 1,430,833	\$ 831,151	\$ 599,682

Assets	Balance 7-1-13	Additions	Balance 6-30-14
Depreciable Assets			
Buildings/Improvements	\$ 186,628	\$ 0	\$ 186,628
Office Equipment	29,519	0	29,519
Furniture and Fixtures	42,249	1,376	43,625
Communication Equipment	1,111,619	59,442	1,171,061
Subtotal	\$ 1,370,015	\$ 60,818	\$ 1,430,833
Total	\$ 1,370,015	\$ 60,818	\$ 1,430,833

F. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits with original maturities of three months or less with local financial institutions.

G. Accounts Receivable/Due from Other Governments

The amounts due to the district from subscriber services and wireless charges include the following:

	Balance 6-30-14
BellSouth	\$ 7,505
Ben Lomand	1,308
Other Telephone Companies	409
Sub-total	\$ 9,222
State Emergency Communications Board	22,886
Total	\$ 32,108

H. Compensated Absences

There were no compensated absences as of June 30, 2014.

I. Salaries and Wages

The district has a contract with Coffee County for the county to provide the director and dispatcher labor to the district. These contracts are disclosed under “Contracts with Government Agencies” in the Statement of Revenues, Expenses, and Changes in Net Position. The district pays payroll directly to part-time employees, which is disclosed under “Salaries and Wages – Part-time Personnel” in the Statement of Revenues, Expenses, and Changes in Net Position.

J. Calculation of Invested in Capital Assets

Net Book Value	\$ 599,682
Current and Noncurrent Debt	<u>0</u>
Total Invested in Capital Assets	<u><u>\$ 599,682</u></u>

K. Budgetary Information

As stated above, the district must file a budget with Coffee County each year, which must be adopted by the Board of Directors. The budget is prepared on the accrual basis of accounting. Compliance with the adopted budget is required at the line-item level.

VII. OTHER NOTES – DISCRETELY PRESENTED PUBLIC BUILDING AUTHORITY OF COFFEE COUNTY

A. Summary of Significant Accounting Policies

The Public Building Authority of Coffee County, Tennessee, was incorporated September 5, 2000. The purpose of the authority is to provide the capital resources (through the sale of bonds, notes, and other obligations) necessary to acquire, construct, reconstruct, rehabilitate, or improve facilities necessary or convenient to the operation of the related entities. In accordance with Section 12-10-108, *Tennessee Code Annotated*, the authority has seven Board of Directors that are elected by the governing body, the County Commission of Coffee County, Tennessee, and they hold office for staggered six-year terms. As defined in GASB Statement No. 14, the authority is a legal entity that meets the definition of a component unit of Coffee County in that a financial benefit/burden relationship exists between the county and the authority.

The accompanying financial statements are presented in conformity with accounting principles generally accepted in the United States of America for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

1. **Reporting Entity**

The authority follows the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, to define the reporting entity. The financial statements include all operations over which the authority is financially accountable. The authority is not a participant in any joint venture and has not identified any entities, which would be component units of the authority.

2. **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 authority's activities. 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 or segment. 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 as general revenues. The effect of interfund activity has been removed from the government-wide financial statements.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

3. **Measurement Focus and Basis of Accounting**

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded 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 are met. Expenses are recorded when liabilities are incurred.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., the balance sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Revenues are recognized as soon as they are 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. Revenues susceptible to accrual are interest on investments and intergovernmental revenues. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific expenditures are recognized when all eligibility requirements are met. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The authority has presented the following major governmental funds:

General Fund – This fund is the main operating fund of the authority. This fund is used to account for all financial resources not accounted for in other funds. All general revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Bond Fund – This fund is a special revenue fund used to account for the loans made by the authority to the city and county for capital projects such as the joint industrial park, vocational rehab center, and water lines for the county. The collection of principal and interest on these loans is recorded in the bond fund.

Proprietary Fund Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's ongoing operations. The principal operating revenues of the Conference Center are charges for catering, space rental, and related services. During the current fiscal year, the Conference Center also began offering a culinary arts and hospitality tech school in conjunction with the Tennessee Technology Center at McMinnville. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The authority has presented the following major proprietary fund:

Manchester Conference Center – This fund is used to account for the services provided at the conference center.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

4. **Equipment**

Plant and equipment are stated at cost, and depreciation is computed using the straight-line method based upon the estimated useful lives of the assets. The estimated useful lives vary from five to 40 years. Major expenditures for plant and equipment are capitalized while maintenance and repairs are expensed when incurred.

5. **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

6. **Statement of Cash Flows**

For purposes of the Statement of Cash Flows, the authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less and all local government investment pools to be cash equivalents.

7. **Interfund Receivables, Payables, and Transactions Between Funds**

Short-term amounts owed between funds are classified as Due to/from Other Funds. Legally authorized transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as "internal balances."

8. **Fund Balance Classification**

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the authority is bound to honor constraints on specific purposes for which amounts in the respective

governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The authority did not have any nonspendable resources as of June 30, 2014.

Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the board. These amounts cannot be used for any other purpose unless the board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The authority did not have any committed resources as of June 30, 2014.

Assigned: This classification includes amounts that are constrained by the authority's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the board or through the board delegating this responsibility to the manager through the budgetary process. The authority did not have any assigned resources as of June 30, 2014.

Unassigned: This classification includes the residual fund balance for the General Fund.

The authority would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to deter the use of these other classified funds.

9. Conference Center

During the year ended June 30, 2002, the Coffee County Public Building Authority (PBA) completed construction of the

Manchester-Coffee County Conference Center, located adjacent to the Holiday Inn in Manchester. The PBA is responsible for operating the conference center. Operations of the conference center are reported as an enterprise fund of the PBA. In an agreement with the authority, the City of Manchester and Coffee County are jointly responsible for underwriting the debt and operations of the center. Furthermore, any net profits and losses attributable to the operation of the conference center are born equally by the City of Manchester and Coffee County.

B. Cash

The authority is authorized to invest funds in financial institutions and direct obligations of the federal government. During 2014, the authority invested funds that are not immediately needed in certificates of deposit, savings accounts, and money market accounts. The authority's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the authority's bank in the authority's name. The carrying amount of total cash deposits (including petty cash) at June 30, 2014, was \$224,012.

C. Receivables

A summary of governmental receivables for the year ended June 30, 2014, follows:

Governmental Entity:	Balance 6-30-14
Coffee County	\$ 3,315,000
City of Manchester	<u>1,130,000</u>
Total	<u>\$ 4,445,000</u>

Of the total, the authority expects to receive \$120,000 from the City of Manchester and \$400,000 from Coffee County for bond payment within the next 12 months.

The business-type activities consist of the following receivables for the year ended June 30, 2014:

Receivables	Balance 6-30-14
Trade Receivables	\$ 35,065
Coffee County	3,641
City of Manchester	<u>28,419</u>
Total	<u>\$ 67,125</u>

D. Capital Assets

A summary of changes in property, plant, and equipment for the year ended June 30, 2014, follows:

Governmental Activities

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 25,000	\$ 0	\$ 0	\$ 25,000
Total Capital Assets Not Depreciated	\$ 25,000	\$ 0	\$ 0	\$ 25,000
Capital Assets Depreciated:				
Other Capital Assets	\$ 27,042	\$ 0	\$ (225)	\$ 26,817
Total Capital Assets Depreciated	\$ 27,042	\$ 0	\$ (225)	\$ 26,817
Less Accumulated Depreciation For:				
Other Capital Assets	\$ 7,120	\$ 1,758	\$ (225)	\$ 8,653
Total Accumulated Depreciation	\$ 7,120	\$ 1,758	\$ (225)	\$ 8,653
Total Capital Assets Depreciated, Net	\$ 19,922	\$ (1,758)	\$ 0	\$ 18,164
Governmental Activities Capital Assets, Net	\$ 44,922	\$ (1,758)	\$ 0	\$ 43,164

Depreciation expense totaled \$1,758 for the year ended June 30, 2014.

Business-type Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Depreciated:				
Buildings	\$ 2,415,202	\$ 0	\$ 0	\$ 2,415,202
Other Capital Assets	334,447	1,645	(7,690)	328,402
Total Capital Assets Depreciated	\$ 2,749,649	\$ 1,645	\$ (7,690)	\$ 2,743,604
Less Accumulated Depreciation For:				
Buildings	\$ 656,514	\$ 62,053	\$ 0	\$ 718,567
Other Capital Assets	309,066	5,438	(7,469)	307,035
Total Accumulated Depreciation	\$ 965,580	\$ 67,491	\$ (7,469)	\$ 1,025,602
Total Capital Assets, Net	\$ 1,784,069	\$ (65,846)	\$ (221)	\$ 1,718,002

Depreciation expense totaled \$67,491 for the year ended June 30, 2014.

E. Bonds Payable

The following is a summary of the authority's bonded debt transactions for the year ended June 30, 2014:

	Series Z-4A 4.5 to 5%
Balance, July 1, 2013	\$ 4,935,000
Reductions	(490,000)
Balance, June 30, 2014	<u>\$ 4,445,000</u>

Annual debt service requirements for bonds, Series Z-4A outstanding to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2015	\$ 520,000	\$ 177,800	\$ 697,800
2016	555,000	157,000	712,000
2017	590,000	134,800	724,800
2018	630,000	111,200	741,200
2019-2021	2,150,000	175,400	2,325,400
Total	<u>\$ 4,445,000</u>	<u>\$ 756,200</u>	<u>\$ 5,201,200</u>

The City of Manchester and Coffee County are jointly responsible for the bonds payable.

F. Conduit Debt

The authority is an unauthorized conduit debt issuer under the Tennessee Local Government Alternative Loan Program (TN-LOANS Program). The authority has issued bonds as conduit debt on behalf of the cities of Manchester, Winchester, Fayetteville, White House, Lawrenceburg, Harrison, and Coffee County, Tennessee. The borrowers have guaranteed, insured, and pledged certain revenues for repayments of these bond issues. The bonds do not constitute a debt or pledge of faith and credit of the authority and, accordingly, have not been reported in the accompanying financial statements. The total conduit debt outstanding as of June 30, 2014, for all conduit bond issues is \$27,945,000.

G. Inventory

Inventory is stated at cost and includes food and supplies used by the conference center.

H. Restricted Net Position

The government-wide Statement of Net Position and Statement of Net Position – Proprietary Fund reports \$16,828 of restricted net position, which has been restricted due to liquor license requirements.

I. Budgetary Data

Formal budgetary accounting is employed as a management control for all funds of the authority. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required, and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principles basis. Budgetary control is exercised at the departmental level.

The authority's actual expenditures exceeded the amount appropriated in the final budget passed on July 12, 2013. This practice is contrary to state statutes, which require all expenditures of the General Fund be authorized by the governing body.

J. Risk Financing Activities

It is the policy of the authority to purchase commercial insurance for the risks of losses to which it is exposed. These risks include general liability, property and casualty, worker's compensation, and environmental. Settled claims have not exceeded commercial coverage in the past four fiscal years, and there are currently no pending lawsuits.

K. Retirement Plan

The employees of the authority are covered under the plan covering employees of Coffee County. The Coffee County government unit pays for this plan.

L. Allowance for Doubtful Accounts

The authority has adopted the direct write-off method to account for bad debt expense. Receivables are reviewed annually, and uncollectable accounts are currently expensed. There was no bad debt expense in 2014.

VIII. OTHER NOTES – DISCRETELY PRESENTED INDUSTRIAL BOARD OF COFFEE COUNTY, TENNESSEE, INC.

A. Summary of Significant Accounting Policies

The Industrial Board of Coffee County, Tennessee, Inc., was incorporated in 1969. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Industrial Board of Coffee County, Tennessee, Inc. The board is a component unit of Coffee County, Tennessee (the primary government). The primary government appoints the members of the Board of Directors, and the board is funded primarily by appropriations from the county. The purpose of the board is to promote industry and develop trade for Coffee County, Tennessee.

The financial statements of the board have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the board's accounting policies are described below.

1. Government-wide Statements

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The government-wide Statement of Activities reports both the gross and the net cost of the board's programs. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with this function.

As required by Governmental Accounting Standards Board Statement No. 63, net position is presented in the following three components:

- Net investment in capital assets – This component of net position 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. If there are significant unspent debt proceeds at year-end, the portion of debt is included in the same net position component as unspent proceeds.
- Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – This component of net position consists of all other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

2. 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 (expenses/expenditures) until then. The board has no items that qualify for reporting in the 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 board has no items that qualify for reporting in the category.

3. **Fund Balances**

In the governmental fund financial statements, the board has established and will maintain fund balance, as defined with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The main objective of this standard is to improve the understandability and the usefulness of fund balance information by providing clear fund balance classifications. GASB Statement No. 54 shall only apply to the board's governmental funds. Fund balance is reported in the financial statements under the following classifications:

Nonspendable fund balance – Amounts that cannot be spent because they are not in a spendable form, including items not expected to be converted to cash (i.e. inventory or prepaids) or are legally or contractually required to be maintained in tact (principal of a permanent fund).

Restricted fund balance – Amounts of fund balance that can be spent for specific purposes stipulated by an external source or through enabling legislation.

Committed fund balance – Amounts constrained for specific purposes as determined by formal action of the Board of Directors, the highest level of decision-making body. Amounts classified as committed are not subject to legal enforceability; however, they cannot be used for any other purpose unless the board removes or changes the commitment by the same highest level of action taken to commit the funds, either by resolution or ordinance.

Assigned fund balance – Amounts intended to be used by the board but do not meet the criteria of restricted or committed. Intent can be expressed by the board or by an official who has been designated this authority by the board. Appropriations of fund balance to eliminate budgetary deficits in subsequent year's budget are presented as assigned.

Unassigned fund balance – In accordance with GAAP, unassigned fund balance is the residual classification of the General Fund that does not meet any other classifications.

Stabilization policy – The board has a fund balance policy that requires the unassigned fund balance be maintained at a

level sufficient to provide for the required resources to meet operating cost needs, to allow for unseen needs of an emergency nature, and to permit orderly adjustment of changes resulting from fluctuations of revenue sources.

Spending policy – Unless otherwise stated, the fund balances will be spent in the following order:

Restricted
Committed
Assigned
Unassigned

4. **Fund Financial Statements**

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). Available means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

The financial statements of the board are reported in individual funds in the fund financial statement. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. The board reports the following fund:

General Fund – This fund is used as the general operating fund of the board. It is used to account for financial resources except those required to be accounted for in another fund.

The board adopts a budget for the General Fund as a management control device. The budget is adopted on a basis consistent with generally accepted accounting principles.

5. **Subsequent Events**

Management has evaluated subsequent events through the date the financial statements were available to be issued.

6. **Estimates**

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of

revenues and expenditures during the reporting period. Actual results could differ from those estimates.

7. Equipment

Equipment is stated at cost, less accumulated depreciation, which is computed by the straight-line method over an estimated useful life of five to 20 years. Major expenditures for equipment and for repairs, which substantially increase the useful lives, are capitalized. Maintenance, minor repairs, and minor acquisitions are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in revenue or expense.

8. Cash and Cash Equivalents

For the purpose of reporting cash flows, cash equivalents include all short-term, highly liquid investments with maturities of three months or less.

9. Accounts Receivable

The board considers accounts receivable to be fully collectible at June 30, 2014; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged off when that determination is made.

10. Compensated Absences

Employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation leave and sick leave, if vested. Accumulated unpaid vacation and sick pay related to governmental fund type operations that has not matured is reported in the applicable governmental activities in the Statements of Net Position and Activities, but it is not a governmental fund liability, because it is not expected to be liquidated with expendable available resources.

11. Federal Income Taxes

The board is exempt from federal and state income tax.

12. Pension Plan

The board does not provide a pension plan for its employees; however, they are covered under the plan for Coffee County. Employees of Coffee 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).

B. Cash Deposits with Financial Institutions

The board is authorized to deposit its funds in banks, trust companies, or other depositories as the board may select. Deposits are carried at cost. At year-end, the carrying amount of deposits was \$1,422,258, and the bank balance was \$1,444,112. Deposits in financial institutions are required by state statute to be secured and collateralized by the institutions. The collateral must meet certain requirements and must have a total minimum market value of 105 percent of the value of the deposits placed in the institutions, less the amount protected by federal depository insurance. At June 30, 2014, all deposits were fully collateralized or insured.

C. Capital Assets

Property, plant, and equipment consist of various office machines and improvements, which are being depreciated over five to 20 years using the straight line method.

A summary of changes in capital assets is as follows:

Assets	Balance 7-1-13	Additions	Deletions	Balance 6-30-14
Non-Depreciable Assets				
Construction in Progress	\$ 1,190,459	\$ 0	\$ (1,190,459)	\$ 0
Depreciable Assets:				
Equipment	\$ 23,891	\$ 680	\$ 0	\$ 24,571
Land Improvement	45,080	1,649,493	0	1,694,573
Vehicles	199,705	0	0	199,705
Total Depreciable Assets	\$ 268,676	\$ 1,650,173	\$ 0	\$ 1,918,849
Accumulated Depreciation:				
Equipment	\$ 20,287	\$ 1,662	\$ 0	\$ 21,949
Vehicles	59,911	9,985	0	69,896
Total Accumulated Depreciation	\$ 80,198	\$ 11,647	\$ 0	\$ 91,845
Total	\$ 1,378,937	\$ 1,638,526	\$ (1,190,459)	\$ 1,827,004

Depreciation expense for the year ended June 30, 2014, was \$11,647.

D. Notes Payable and Other Obligations

1. Transaction Summary

Notes and other obligations activity for the year ended June 30, 2014, was as follows:

	Compensated Absences		Notes	
Balance, July 1, 2013	\$	13,985	\$	894,500
Additions		0		843,952
Reductions		(3,492)		(894,500)
Balance, June 30, 2014	\$	10,493	\$	843,952
Balance Due Within One Year	\$	0	\$	843,952

2. Description of Amounts Payable

Notes payable as of June 30, 2014:

Note payable with First Vision Bank of Tullahoma - Construction loan Single payment on the maturity date, December 20, 2014, with interest of 4 percent.	\$	843,952
Other obligations: Compensated Absences		10,493
Total	\$	854,445

3. Annual Debt Service Requirements

Annual debt service requirements for notes outstanding to maturity are as follows:

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 843,952	\$ 20,041	\$ 863,993
Total	\$ 843,952	\$ 20,041	\$ 863,993
Annual Debt Service Requirements			\$ 843,952
Total Debt Service Requirements			\$ 843,952

Note payable to First Vision Bank of Tennessee – Tullahoma of 843,952 was signed in May 2014 and paid off in November 2014.

E. Pension

Employees of the Industrial Board and Coffee 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 employments. 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 Coffee 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

The county requires employees to contribute five percent of their earnable compensation to the plan. The county contributes at an actuarially determined rate; the rate for fiscal year ended June 30, 2014, was 8.52 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, 2014, the board's annual pension cost totaled \$10,277. Covered payroll for the year ended totaled \$120,761. 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 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 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 three years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012. Actuarial information including trend analysis and funding progress is included in the annual report for Coffee County for the year ended June 30, 2014.

F. Other Postemployment Benefits (OPEB)

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop their own contribution policy in terms of subsidizing active employees or retired employee' premiums since the committee is not prescriptive on that issue. During the year, the board contributed zero to the plan. The liability for the board and Coffee County is not considered material. Additional actuarial information on the OPEB cost and obligation is available in the annual report for Coffee County for the year ended June 30, 2014.

G. Commitments and Contingencies

The board receives a substantial amount of its support from the local county government. A significant reduction in the level of such support, if this were to occur, may have an effect on the board's programs and activities.

The board had entered into an agreement to build a speculative building in the City of Manchester Industrial Park. The infrastructure is to be partially paid with a Fast Track Grant of \$750,000 obtained by the City of Manchester. The board will fund \$135,000 of the cost. These funds will be reimbursed by the city to the board upon the sale of the property. The total cost of the spec building project is estimated now to be \$1,835,000 (not including the land cost). The City of Manchester sold 10.3 acres of land for the building to the board for \$154,500. This amount is to be reimbursed when the building is sold. Funding for the project will be from loans through local banks, grant funds to the City of Manchester, DREMC loan, and TVA loan. Construction costs total \$1,190,459. In June 2014, the speculative building was sold and notes to the City of Manchester, DREMC, and TVA were paid off.

H. Note Receivable

The board has a note receivable from an individual dated September 28, 2006, to sell 17.42 acres located in the Coffee County Interstate Industrial Park. The gross sales price was \$104,520, with \$42,000 paid to the board at closing and a note receivable for the remainder of \$62,520. The note was due September 28, 2013, and is secured by a deed of trust on the property. No monthly payments were due until September 28, 2010, at which time payments of \$633 were commenced for not more than three years with the remainder being due at September 28, 2013. According to the terms of the note, interest is added to the principal balance annually. The interest rate is 5.5 percent. The balance of the note receivable at June 30, 2014, was \$79,129. No payments have been received during the 2014 fiscal year; however, the note is considered to be collectible; therefore, no provision for loss has been recorded.

Schedule of changes to note receivable during the year follows:

	<u>Teal Note</u>
Balance, July 1, 2013	<u>\$ 79,129</u>
Balance, June 30, 2014	<u>\$ 79,129</u>
Balance Due Within One Year	<u>\$ 79,129</u>

I. Lease Agreement

The board purchased a fire truck in July 2007 for \$199,705. The truck is to be leased to the Hickerson Station Fire Department. There is no stated monthly lease payment with the fire station responsible for insurance, maintenance, and service on the truck with ownership remaining with the board. The lease is for continuous 12-month periods with 60-day notice by either party required to terminate the lease agreement.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-13	\$ 34,709	\$ 35,295	\$ 585	98.34 %	\$ 12,693	4.61 %
7-1-11	29,848	31,485	1,637	94.80	12,802	12.78
7-1-09	23,177	24,813	1,636	93.40	12,247	13.36

Exhibit F-2

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

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Plan 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	7-1-10	\$ 0	\$ 1,114	\$ 1,114	0 %	\$ 7,193	15 %
"	7-1-11	0	730	730	0	7,409	10
"	7-1-13	0	304	304	0	8,945	3
<u>DISCRETELY PRESENTED COFFEE COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-10	0	11,583	11,583	0	19,838	58
"	7-1-11	0	9,495	9,495	0	22,108	43
"	7-1-13	0	9,030	9,030	0	19,997	45

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

NONE

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for the transactions relating to the disposal of solid waste.

Local Purpose Tax Fund – The Local Purpose Tax Fund is used to account for a special property tax levied on the Interstate Industrial Park to provide city services for the park.

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

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

Highway/Public Works Fund – The Highway/Public Works Fund is used to account for transactions of the county's Highway Department.

Exhibit G-1

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

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works	
\$	0 \$	0 \$	0 \$	162,488 \$	0 \$	162,488
	1,364,246	359,049	525,221	0	311,937	2,560,453
	75,402	0	0	12,018	0	87,420
	44,283	0	0	0	364,727	409,010
	24,396	0	0	0	0	24,396
	919,709	202,538	0	0	0	1,122,247
	(53,805)	(39,597)	0	0	0	(93,402)
\$	2,374,231 \$	521,990 \$	525,221 \$	174,506 \$	676,664 \$	4,272,612

ASSETS

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

Total Assets

LIABILITIES

Accounts Payable
 Payroll Deductions Payable
 Due to Other Funds
 Due to State of Tennessee
 Total Liabilities

DEFERRED INFLOWS OF RESOURCES

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

(Continued)

Exhibit G-1

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

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu- tional - Officers - Fees	Highway / Public Works		
\$	0	0	522,648	0	0	0	\$ 522,648
1,392,795	0	0	0	0	0	0	1,392,795
0	358,986	0	0	0	0	0	358,986
0	0	0	0	0	469,605	0	469,605
0	0	0	1,693	0	0	0	1,693
71,488	0	0	0	0	0	0	71,488
0	0	0	0	0	13,286	0	13,286
\$ 1,464,283	\$ 358,986	\$ 524,341	\$ 0	\$ 0	\$ 482,891	\$ 0	\$ 2,830,501
\$ 2,374,231	\$ 521,990	\$ 525,221	\$ 174,506	\$ 676,664	\$ 4,272,612	\$ 0	\$ 4,272,612

FUND BALANCES

Restricted:
 Restricted for Public Safety
 Restricted for Public Health and Welfare
 Restricted for Other Operations
 Restricted for Highways/Public Works
 Assigned:
 Assigned for Public Safety
 Assigned for Public Health and Welfare
 Assigned for Highways/Public Works
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Exhibit G-2

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

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works		
Revenues							
Local Taxes	\$ 1,222,523	\$ 190,638	\$ 0	\$ 0	\$ 78,611	\$ 1,491,772	
Licenses and Permits	6,197	0	0	0	0	6,197	
Fines, Forfeitures, and Penalties	0	0	197,685	0	0	197,685	
Charges for Current Services	66,768	0	0	664	4,910	72,342	
Other Local Revenues	55,847	30,000	250	0	3,724	89,821	
State of Tennessee	77,929	0	0	0	2,162,450	2,240,379	
Federal Government	0	0	1,438	0	0	1,438	
Total Revenues	\$ 1,429,264	\$ 220,638	\$ 199,373	\$ 664	\$ 2,249,695	\$ 4,099,634	
Expenditures							
Current:							
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 664	\$ 0	\$ 664	
Public Safety	0	0	337,118	0	0	337,118	
Public Health and Welfare	1,354,183	0	0	0	0	1,354,183	
Other Operations	28,362	116,898	0	0	0	145,260	
Highways	0	0	0	0	2,358,610	2,358,610	
Debt Service:							
Principal on Debt	0	0	0	0	82,000	82,000	
Interest on Debt	0	0	0	0	8,290	8,290	
Total Expenditures	\$ 1,382,545	\$ 116,898	\$ 337,118	\$ 664	\$ 2,448,900	\$ 4,286,125	
Excess (Deficiency) of Revenues Over Expenditures	\$ 46,719	\$ 103,740	\$ (137,745)	\$ 0	\$ (199,205)	\$ (186,491)	

(Continued)

Exhibit G-2

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

	Special Revenue Funds						Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works		
Other Financing Sources (Uses)							
Transfers In	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,000	\$ 16,000
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,000	\$ 16,000
Net Change in Fund Balances	\$ 46,719	\$ 103,740	\$ (137,745)	\$ 0	\$ 0	\$ (183,205)	\$ (170,491)
Fund Balance, July 1, 2013	1,417,564	255,246	662,086	0	0	666,096	3,000,992
Fund Balance, June 30, 2014	\$ 1,464,283	\$ 358,986	\$ 524,341	\$ 0	\$ 0	\$ 482,891	\$ 2,830,501

Exhibit G-3

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 1,222,523	\$ 0	\$ 0	\$ 1,222,523	\$ 1,176,038	\$ 1,176,038	\$ 46,485
Licenses and Permits	6,197	0	0	6,197	6,500	6,500	(303)
Charges for Current Services	66,768	0	0	66,768	133,341	133,341	(66,573)
Other Local Revenues	55,847	0	0	55,847	50,000	50,000	5,847
State of Tennessee	77,929	0	0	77,929	93,700	93,700	(15,771)
Total Revenues	\$ 1,429,264	\$ 0	\$ 0	\$ 1,429,264	\$ 1,459,579	\$ 1,459,579	\$ (30,315)
<u>Expenditures</u>							
<u>Public Health and Welfare</u>							
Sanitation Management	\$ 162,806	\$ 0	\$ 7,130	\$ 169,936	\$ 179,319	\$ 189,319	\$ 19,383
Waste Pickup	851,321	(3,120)	0	848,201	770,762	1,010,762	162,561
Convenience Centers	271,104	0	64,358	335,462	350,661	400,661	65,199
Other Waste Collection	68,952	0	0	68,952	129,841	129,841	60,889
Other Waste Disposal	0	0	0	0	4,500	4,500	4,500
<u>Other Operations</u>							
Other Charges	28,362	0	0	28,362	28,600	28,600	238
Total Expenditures	\$ 1,382,545	\$ (3,120)	\$ 71,488	\$ 1,450,913	\$ 1,463,683	\$ 1,763,683	\$ 312,770
Excess (Deficiency) of Revenues Over Expenditures	\$ 46,719	\$ 3,120	\$ (71,488)	\$ (21,649)	\$ (4,104)	\$ (304,104)	\$ 282,455
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 46,719	\$ 3,120	\$ (71,488)	\$ (21,649)	\$ (4,104)	\$ (304,104)	\$ 282,455
	1,417,564	(3,120)	0	1,414,444	1,414,445	1,414,445	(1)
Fund Balance, June 30, 2014	\$ 1,464,283	\$ 0	\$ (71,488)	\$ 1,392,795	\$ 1,410,341	\$ 1,110,341	\$ 282,454

Exhibit G-4

Coffee County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Local Purpose Tax Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 190,638	\$ 179,463	\$ 179,463	\$ 11,175
Other Local Revenues	30,000	0	30,000	0
Total Revenues	<u>\$ 220,638</u>	<u>\$ 179,463</u>	<u>\$ 209,463</u>	<u>\$ 11,175</u>
<u>Expenditures</u>				
<u>Other Operations</u>				
Industrial Development	\$ 116,898	\$ 94,500	\$ 124,500	\$ 7,602
Total Expenditures	<u>\$ 116,898</u>	<u>\$ 94,500</u>	<u>\$ 124,500</u>	<u>\$ 7,602</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 103,740</u>	<u>\$ 84,963</u>	<u>\$ 84,963</u>	<u>\$ 18,777</u>
Net Change in Fund Balance	\$ 103,740	\$ 84,963	\$ 84,963	\$ 18,777
Fund Balance, July 1, 2013	<u>255,246</u>	<u>255,247</u>	<u>255,247</u>	<u>(1)</u>
Fund Balance, June 30, 2014	<u>\$ 358,986</u>	<u>\$ 340,210</u>	<u>\$ 340,210</u>	<u>\$ 18,776</u>

Exhibit G-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Fines, Forfeitures, and Penalties	\$ 197,685	\$ 0	\$ 0	\$ 197,685	\$ 193,000	\$ 193,000	\$ 4,685
Other Local Revenues	250	0	0	250	25,000	25,000	(24,750)
Federal Government	1,438	0	0	1,438	0	0	1,438
Total Revenues	\$ 199,373	\$ 0	\$ 0	\$ 199,373	\$ 218,000	\$ 218,000	\$ (18,627)
<u>Expenditures</u>							
<u>Public Safety</u>							
Drug Enforcement	\$ 337,118	\$ (99,260)	\$ 1,693	\$ 239,551	\$ 349,000	\$ 376,000	\$ 136,449
Total Expenditures	\$ 337,118	\$ (99,260)	\$ 1,693	\$ 239,551	\$ 349,000	\$ 376,000	\$ 136,449
Excess (Deficiency) of Revenues Over Expenditures	\$ (137,745)	\$ 99,260	\$ (1,693)	\$ (40,178)	\$ (131,000)	\$ (158,000)	\$ 117,822
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (137,745)	\$ 99,260	\$ (1,693)	\$ (40,178)	\$ (131,000)	\$ (158,000)	\$ 117,822
	662,086	(99,260)	0	562,826	562,825	562,825	1
Fund Balance, June 30, 2014	\$ 524,341	\$ 0	\$ (1,693)	\$ 522,648	\$ 431,825	\$ 404,825	\$ 117,823

Exhibit G-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 78,611	\$ 0	\$ 0	\$ 78,611	\$ 50,000	\$ 50,000	\$ 28,611
Charges for Current Services	4,910	0	0	4,910	0	0	4,910
Other Local Revenues	3,724	0	0	3,724	3,250	3,250	474
State of Tennessee	2,162,450	0	0	2,162,450	2,125,600	2,125,600	36,850
Total Revenues	\$ 2,249,695	\$ 0	\$ 0	\$ 2,249,695	\$ 2,178,850	\$ 2,178,850	\$ 70,845
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 288,747	\$ 0	\$ 0	\$ 288,747	\$ 292,883	\$ 292,883	\$ 4,136
Highway and Bridge Maintenance	1,480,168	(44,060)	12,149	1,448,257	1,504,031	1,504,031	55,774
Operation and Maintenance of Equipment	373,819	(31,256)	1,137	343,700	402,166	402,166	58,466
Other Charges	163,426	0	0	163,426	176,026	176,026	12,600
Capital Outlay	52,450	0	0	52,450	172,557	82,057	29,607
<u>Principal on Debt</u>							
Highways and Streets	82,000	0	0	82,000	0	82,000	0
Interest on Debt	8,290	0	0	8,290	0	8,500	210
Highways and Streets	2,448,900	(75,316)	13,286	2,386,870	2,547,663	2,547,663	160,793
Total Expenditures	\$ (199,205)	\$ 75,316	(13,286)	\$ (137,175)	\$ (368,813)	\$ (368,813)	\$ 231,638
Excess (Deficiency) of Revenues Over Expenditures							
Other Financing Sources (Uses)							
Transfers In	\$ 16,000	\$ 0	\$ 0	\$ 16,000	\$ 16,000	\$ 16,000	\$ 0
Total Other Financing Sources	\$ 16,000	\$ 0	\$ 0	\$ 16,000	\$ 16,000	\$ 16,000	\$ 0
Net Change in Fund Balance	\$ (183,205)	\$ 75,316	(13,286)	\$ (121,175)	\$ (352,813)	\$ (352,813)	\$ 231,638
Fund Balance, July 1, 2013	666,096	(75,316)	0	590,780	590,781	590,781	(1)
Fund Balance, June 30, 2014	\$ 482,891	\$ 0	(13,286)	\$ 469,605	\$ 237,968	\$ 237,968	\$ 231,637

Major Governmental Funds

Debt Service Funds

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

General Debt Service Fund – The General Debt Service Fund is used to account for the accumulation of resources for, and the payment of, debt principal, interest, and related costs.

Rural Debt Service Fund – The Rural Debt Service Fund is used to account for the retirement of bonds issued for school projects outside the territorial limits of the Special School District.

Exhibit H-1

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,099,950	\$ 2,099,559	\$ 2,099,559	\$ 391
Other Local Revenues	191,891	223,731	223,731	(31,840)
Total Revenues	\$ 2,291,841	\$ 2,323,290	\$ 2,323,290	\$ (31,449)
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 885,000	\$ 945,450	\$ 945,450	\$ 60,450
<u>Interest on Debt</u>				
General Government	420,528	470,650	470,650	50,122
<u>Other Debt Service</u>				
General Government	40,392	51,000	51,000	10,608
Total Expenditures	\$ 1,345,920	\$ 1,467,100	\$ 1,467,100	\$ 121,180
Excess (Deficiency) of Revenues Over Expenditures	\$ 945,921	\$ 856,190	\$ 856,190	\$ 89,731
Net Change in Fund Balance	\$ 945,921	\$ 856,190	\$ 856,190	\$ 89,731
Fund Balance, July 1, 2013	2,035,652	2,035,651	2,035,651	1
Fund Balance, June 30, 2014	\$ 2,981,573	\$ 2,891,841	\$ 2,891,841	\$ 89,732

Exhibit H-2

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 3,324,086	\$ 3,230,201	\$ 3,230,201	\$ 93,885
Other Local Revenues	15,672	0	0	15,672
Federal Government	397,653	428,505	428,505	(30,852)
Other Governments and Citizens Groups	71,429	0	71,429	0
Total Revenues	<u>\$ 3,808,840</u>	<u>\$ 3,658,706</u>	<u>\$ 3,730,135</u>	<u>\$ 78,705</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
Education	\$ 1,420,313	\$ 1,171,884	\$ 1,468,313	\$ 48,000
<u>Interest on Debt</u>				
Education	2,317,454	2,847,460	2,847,460	530,006
<u>Other Debt Service</u>				
General Government	0	64,500	0	0
Education	49,948	0	64,500	14,552
Total Expenditures	<u>\$ 3,787,715</u>	<u>\$ 4,083,844</u>	<u>\$ 4,380,273</u>	<u>\$ 592,558</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 21,125</u>	<u>\$ (425,138)</u>	<u>\$ (650,138)</u>	<u>\$ 671,263</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 135,082	\$ 146,752	\$ 146,752	\$ (11,670)
Total Other Financing Sources	<u>\$ 135,082</u>	<u>\$ 146,752</u>	<u>\$ 146,752</u>	<u>\$ (11,670)</u>
Net Change in Fund Balance	\$ 156,207	\$ (278,386)	\$ (503,386)	\$ 659,593
Fund Balance, July 1, 2013	<u>6,642,208</u>	<u>6,642,208</u>	<u>6,642,208</u>	<u>0</u>
Fund Balance, June 30, 2014	<u>\$ 6,798,415</u>	<u>\$ 6,363,822</u>	<u>\$ 6,138,822</u>	<u>\$ 659,593</u>

Fiduciary Funds

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

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

City School ADA - Tullahoma Fund – The City School ADA - Tullahoma Fund is used to account for the Tullahoma City School’s share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis.

City School ADA - Manchester Fund – The City School ADA - Manchester Fund is used to account for the Manchester City School’s share of education revenues collected by the county that must be apportioned between the school systems on an average daily attendance basis.

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

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for state grants and other restricted revenues held in trust for the benefit of the Fourteenth Judicial District Drug Task Force.

District Attorney General Fund – The District Attorney General Fund is used to account for restricted revenue held for the benefit of the Office of District Attorney General.

Exhibit I-1

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

	Agency Funds							Total
	Cities - Sales Tax	City School ADA- Tallahoma Fund	City School ADA- Manchester Fund	Constitu- tional Officers - Agency	Judicial District Drug Fund	District Attorney General Fund		
ASSETS								
Cash	\$ 0	\$ 0	\$ 0	\$ 2,571,837	\$ 0	\$ 0	\$ 0	\$ 2,571,837
Equity in Pooled Cash and Investments	0	105,204	2,472	0	371,070	97,300	0	576,046
Due from Other Governments	2,642,015	298	116	0	12,217	0	0	2,654,646
Property Taxes Receivable	0	6,121,281	2,396,112	0	0	0	0	8,517,393
Allowance for Uncollectible Property	0	(166,460)	(66,907)	0	0	0	0	(233,367)
Total Assets	\$ 2,642,015	\$ 6,060,323	\$ 2,331,793	\$ 2,571,837	\$ 383,287	\$ 97,300	\$ 0	\$ 14,086,555
LIABILITIES								
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 48,498	\$ 0	\$ 0	\$ 48,498
Cash Overdraft	0	0	32,105	0	0	0	0	32,105
Due to State of Tennessee	0	0	0	0	148	0	0	148
Due to Other Taxing Units	2,642,015	6,060,323	2,299,688	0	0	0	0	11,002,026
Due to Litigants, Heirs, and Others	0	0	0	2,571,837	0	97,300	0	2,669,137
Due to Joint Ventures	0	0	0	0	334,641	0	0	334,641
Total Liabilities	\$ 2,642,015	\$ 6,060,323	\$ 2,331,793	\$ 2,571,837	\$ 383,287	\$ 97,300	\$ 0	\$ 14,086,555

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 13,893,935	\$ 13,893,935	\$ 0
Due from Other Governments	2,550,097	2,642,015	2,550,097	2,642,015
Total Assets	\$ 2,550,097	\$ 16,535,950	\$ 16,444,032	\$ 2,642,015
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 2,550,097	\$ 16,535,950	\$ 16,444,032	\$ 2,642,015
Total Liabilities	\$ 2,550,097	\$ 16,535,950	\$ 16,444,032	\$ 2,642,015
<u>City School ADA-Tullahoma Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 37,654	\$ 5,812,807	\$ 5,745,257	\$ 105,204
Due from Other Governments	194	298	194	298
Property Taxes Receivable	5,966,397	6,121,281	5,966,397	6,121,281
Allowance for Uncollectible Property Taxes	(145,902)	145,902	166,460	(166,460)
Total Assets	\$ 5,858,343	\$ 12,080,288	\$ 11,878,308	\$ 6,060,323
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 5,858,343	\$ 12,080,288	\$ 11,878,308	\$ 6,060,323
Total Liabilities	\$ 5,858,343	\$ 12,080,288	\$ 11,878,308	\$ 6,060,323
<u>City School ADA-Manchester Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 15,541	\$ 2,269,514	\$ 2,282,583	\$ 2,472
Due from Other Governments	80	116	80	116
Property Taxes Receivable	2,475,733	2,396,112	2,475,733	2,396,112
Allowance for Uncollectible Property Taxes	(64,067)	64,067	66,907	(66,907)
Total Assets	\$ 2,427,287	\$ 4,729,809	\$ 4,825,303	\$ 2,331,793
<u>Liabilities</u>				
Cash Overdraft	\$ 0	\$ 32,105	\$ 0	\$ 32,105
Due to Other Taxing Units	2,427,287	4,697,704	4,825,303	2,299,688
Total Liabilities	\$ 2,427,287	\$ 4,729,809	\$ 4,825,303	\$ 2,331,793
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,190,432	\$ 10,496,594	\$ 10,115,189	\$ 2,571,837
Total Assets	\$ 2,190,432	\$ 10,496,594	\$ 10,115,189	\$ 2,571,837
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,190,432	\$ 10,496,594	\$ 10,115,189	\$ 2,571,837
Total Liabilities	\$ 2,190,432	\$ 10,496,594	\$ 10,115,189	\$ 2,571,837

(Continued)

Exhibit I-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
Judicial District Drug Fund				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 308,203	\$ 364,180	\$ 301,313	\$ 371,070
Due from Other Governments	10,789	12,217	10,789	12,217
Total Assets	\$ 318,992	\$ 376,397	\$ 312,102	\$ 383,287
<u>Liabilities</u>				
Accounts Payable	\$ 782	\$ 48,498	\$ 782	\$ 48,498
Due to State of Tennessee	155	148	155	148
Due to Joint Ventures	318,055	327,751	311,165	334,641
Total Liabilities	\$ 318,992	\$ 376,397	\$ 312,102	\$ 383,287
District Attorney General Fund				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 108,547	\$ 33,902	\$ 45,149	\$ 97,300
Total Assets	\$ 108,547	\$ 33,902	\$ 45,149	\$ 97,300
<u>Liabilities</u>				
Accounts Payable	\$ 193	\$ 0	\$ 193	\$ 0
Due to Litigants, Heirs, and Others	108,354	33,902	44,956	97,300
Total Liabilities	\$ 108,547	\$ 33,902	\$ 45,149	\$ 97,300
Totals - All Agency Funds				
<u>Assets</u>				
Cash	\$ 2,190,432	\$ 10,496,594	\$ 10,115,189	\$ 2,571,837
Equity in Pooled Cash and Investments	469,945	22,374,338	22,268,237	576,046
Due from Other Governments	2,561,160	2,654,646	2,561,160	2,654,646
Property Taxes Receivable	8,442,130	8,517,393	8,442,130	8,517,393
Allowance for Uncollectible Property Taxes	(209,969)	209,969	233,367	(233,367)
Total Assets	\$ 13,453,698	\$ 44,252,940	\$ 43,620,083	\$ 14,086,555
<u>Liabilities</u>				
Accounts Payable	\$ 975	\$ 48,498	\$ 975	\$ 48,498
Cash Overdraft	0	32,105	0	32,105
Due to State of Tennessee	155	148	155	148
Due to Other Taxing Units	10,835,727	33,313,942	33,147,643	11,002,026
Due to Litigants, Heirs, and Others	2,298,786	10,530,496	10,160,145	2,669,137
Due to Joint Ventures	318,055	327,751	311,165	334,641
Total Liabilities	\$ 13,453,698	\$ 44,252,940	\$ 43,620,083	\$ 14,086,555

Coffee County School Department

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

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

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

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

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for building construction of a middle school and renovations of a high school, as well as other renovation of the School Department.

Exhibit J-1

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:				
Instruction	\$ 25,534,284	\$ 89,052	\$ 20,294,060	\$ (2,509,978)
Support Services	12,672,251	100,597	0	(12,571,654)
Operation of Non-instructional Services	3,689,172	1,789,799	0	(1,102,940)
Total Governmental Activities	\$ 41,895,707	\$ 4,430,993	\$ 20,294,060	\$ (16,184,572)
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 8,584,299
Local Option Sales Taxes				3,910,026
Other Local Taxes				6,503
Grants and Contributions Not Restricted to Specific Programs				21,764,142
Unrestricted Investment Earnings				1,489
Miscellaneous				51,880
Sale of Equipment				250
Total General Revenues				\$ 34,318,589
Change in Net Position				\$ 18,134,017
Net Position, July 1, 2013				32,115,905
Net Position, June 30, 2014				\$ 50,249,922

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

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Purpose School	Other Capital Projects	Other	Governmental Funds	
\$	2,238	\$ 0	\$ 1,787	\$ 4,025	
Equity in Pooled Cash and Investments	4,543,208	268,311	1,121,679	5,933,198	
Accounts Receivable	213,564	0	15,010	228,574	
Due from Other Governments	1,209,131	0	120,999	1,330,130	
Due from Other Funds	56,570	0	2,231	58,801	
Property Taxes Receivable	9,036,492	0	0	9,036,492	
Allowance for Uncollectible Property Taxes	(246,442)	0	0	(246,442)	
Total Assets	\$ 14,814,761	\$ 268,311	\$ 1,261,706	\$ 16,344,778	

ASSETS

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

Total Assets

LIABILITIES

Accounts Payable
 Accrued Payroll
 Payroll Deductions Payable
 Contracts Payable
 Retainage Payable
 Claims and Judgments Payable
 Due to Other Funds
 Due to State of Tennessee
 Total Liabilities

\$	16,536	\$ 0	\$ 1,422	\$ 17,958
	2,170,605	0	239,386	2,409,991
	1,635,917	0	165,772	1,801,689
	0	750,631	0	750,631
	0	25,473	0	25,473
	98,315	0	0	98,315
	2,231	4,118	52,452	58,801
	0	0	2,870	2,870
\$	3,923,604	\$ 780,222	\$ 461,902	\$ 5,165,728

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
 Deferred Delinquent Property Taxes

\$	8,514,946	\$ 0	\$ 0	\$ 8,514,946
	253,875	0	0	253,875

(Continued)

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

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Purpose School	Other Capital Projects	Other	Governmental Funds	
\$	356,991	\$ 0	\$ 0	\$ 0	356,991
\$	9,125,812	\$ 0	\$ 0	\$ 0	9,125,812
<u>DEFERRED INFLOWS OF RESOURCES (Cont.)</u>					
Other Deferred/Unavailable Revenue					
Total Deferred Inflows of Resources					
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Education	90,762	\$ 0	\$ 0	772,936	\$ 863,698
Assigned:					
Assigned for Education	238,830	0	0	26,868	265,698
Unassigned	1,435,753	(511,911)	0	0	923,842
Total Fund Balances	\$ 1,765,345	\$ (511,911)	\$ (511,911)	\$ 799,804	\$ 2,053,238
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 14,814,761	\$ 268,311	\$ 1,261,706	\$ 1,261,706	\$ 16,344,778

Exhibit J-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	2,053,238
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,438,853	
Add: construction in progress		22,643,924	
Add: buildings and improvements net of accumulated depreciation		25,621,188	
Add: other capital assets net of accumulated depreciation		<u>3,003,873</u>	52,707,838
(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 primary government debt for other loans	\$	(142,855)	
Less: compensated absences payable		(88,351)	
Less: other postemployment benefits liability		<u>(4,890,814)</u>	(5,122,020)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>610,866</u>
Net position of governmental activities (Exhibit A)			<u><u>\$ 50,249,922</u></u>

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Purpose School	Other Capital Projects	Other Governmental Funds	Other Governmental Funds	Governmental Funds	
<u>Revenues</u>						
Local Taxes	\$ 12,475,543	\$ 0	\$ 0	\$ 0	\$ 12,475,543	
Licenses and Permits	2,534	0	0	0	2,534	
Charges for Current Services	192,272	0	0	793,810	986,082	
Other Local Revenues	72,877	0	0	4,501	77,378	
State of Tennessee	21,356,484	0	0	24,720	21,381,204	
Federal Government	372,394	0	0	4,395,281	4,767,675	
Other Governments and Citizens Groups	63,996	20,230,064	0	0	20,294,060	
Total Revenues	\$ 34,536,100	\$ 20,230,064	\$ 5,218,312	\$ 5,218,312	\$ 59,984,476	
<u>Expenditures</u>						
Current:						
Instruction	\$ 20,821,345	\$ 0	\$ 0	\$ 1,975,867	\$ 22,797,212	
Support Services	12,090,904	0	0	562,872	12,653,776	
Operation of Non-instructional Services	1,106,831	0	0	2,556,167	3,662,998	
Capital Outlay	228,649	0	0	0	228,649	
Debt Service:						
Principal on Debt	71,429	0	0	0	71,429	
Capital Projects	0	21,894,176	0	0	21,894,176	
Total Expenditures	\$ 34,319,158	\$ 21,894,176	\$ 5,094,906	\$ 5,094,906	\$ 61,308,240	
Excess (Deficiency) of Revenues Over Expenditures	\$ 216,942	\$ (1,664,112)	\$ 123,406	\$ 123,406	\$ (1,323,764)	

(Continued)

Exhibit J-4

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Purpose School	Other Capital Projects	Other Governmental Funds	Other Governmental Funds		
Other Financing Sources (Uses)						
Proceeds from Sale of Capital Assets	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 9,000	
Insurance Recovery	13,200	0	0	0	13,200	
Transfers In	23,043	0	0	0	23,043	
Transfers Out	0	0	0	(23,043)	(23,043)	
Total Other Financing Sources (Uses)	\$ 45,243	\$ 0	\$ 0	\$ (23,043)	\$ 22,200	
Net Change in Fund Balances	\$ 262,185	\$ (1,664,112)	\$ 100,363	\$ (1,301,564)		
Fund Balance, July 1, 2013	1,503,160	1,152,201	699,441	3,354,802		
Fund Balance, June 30, 2014	\$ 1,765,345	\$ (511,911)	\$ 799,804	\$ 2,053,238		

Exhibit J-5

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

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ (1,301,564)
(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	\$ 20,831,751	
Less: current-year depreciation expense	<u>(1,059,487)</u>	19,772,264
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position		
Less: book value of capital assets disposed		(15,856)
(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, 2014	\$ 610,866	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(565,618)</u>	45,248
(4) The contribution of long-term debt (e.g., bonds, other loans) by the primary government provides current financial resources to governmental funds, while the contributions by the School Department 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 contributions on other loans to the primary government		71,429
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in compensated absences payable	\$ 15,164	
Change in other postemployment benefits liability	<u>(452,668)</u>	<u>(437,504)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 18,134,017</u>

Exhibit J-6

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

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,787	\$ 1,787
Equity in Pooled Cash and Investments	280,509	841,170	1,121,679
Accounts Receivable	5,253	9,757	15,010
Due from Other Governments	120,999	0	120,999
Due from Other Funds	0	2,231	2,231
Total Assets	<u>\$ 406,761</u>	<u>\$ 854,945</u>	<u>\$ 1,261,706</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 1,031	\$ 391	\$ 1,422
Accrued Payroll	169,011	70,375	239,386
Payroll Deductions Payable	106,559	59,213	165,772
Due to Other Funds	52,452	0	52,452
Due to State of Tennessee	2,870	0	2,870
Total Liabilities	<u>\$ 331,923</u>	<u>\$ 129,979</u>	<u>\$ 461,902</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 58,030	\$ 714,906	\$ 772,936
Assigned:			
Assigned for Education	16,808	10,060	26,868
Total Fund Balances	<u>\$ 74,838</u>	<u>\$ 724,966</u>	<u>\$ 799,804</u>
Total Liabilities and Fund Balances	<u>\$ 406,761</u>	<u>\$ 854,945</u>	<u>\$ 1,261,706</u>

Exhibit J-7

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

	<u>Special Revenue Funds</u>		Total
	School Federal Projects	Central Cafeteria	Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 793,810	\$ 793,810
Other Local Revenues	0	4,501	4,501
State of Tennessee	0	24,720	24,720
Federal Government	2,649,008	1,746,273	4,395,281
Total Revenues	<u>\$ 2,649,008</u>	<u>\$ 2,569,304</u>	<u>\$ 5,218,312</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,975,867	\$ 0	\$ 1,975,867
Support Services	562,872	0	562,872
Operation of Non-instructional Services	0	2,556,167	2,556,167
Total Expenditures	<u>\$ 2,538,739</u>	<u>\$ 2,556,167</u>	<u>\$ 5,094,906</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 110,269</u>	<u>\$ 13,137</u>	<u>\$ 123,406</u>
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (23,043)	\$ 0	\$ (23,043)
Total Other Financing Sources (Uses)	<u>\$ (23,043)</u>	<u>\$ 0</u>	<u>\$ (23,043)</u>
Net Change in Fund Balances	\$ 87,226	\$ 13,137	\$ 100,363
Fund Balance, July 1, 2013	(12,388)	711,829	699,441
Fund Balance, June 30, 2014	<u>\$ 74,838</u>	<u>\$ 724,966</u>	<u>\$ 799,804</u>

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 12,475,543	\$ 0	\$ 0	\$ 12,475,543	\$ 12,535,258	\$ 12,535,258	\$ (59,715)
Licenses and Permits	2,534	0	0	2,534	2,200	2,200	334
Charges for Current Services	192,272	0	0	192,272	169,330	169,330	22,942
Other Local Revenues	72,877	0	0	72,877	41,226	64,228	8,649
State of Tennessee	21,356,484	0	0	21,356,484	21,039,642	21,285,797	70,687
Federal Government	372,394	0	0	372,394	340,181	372,545	(151)
Other Governments and Citizens Groups	63,996	0	0	63,996	0	63,996	0
Total Revenues	\$ 34,536,100	\$ 0	\$ 0	\$ 34,536,100	\$ 34,127,837	\$ 34,493,354	\$ 42,746
Expenditures							
<u>Instruction</u>							
Regular Instruction Program	\$ 16,122,116	\$ (78,604)	\$ 48,732	\$ 16,092,244	\$ 16,279,842	\$ 16,213,635	\$ 121,391
Alternative Instruction Program	7,632	0	0	7,632	15,000	15,000	7,368
Special Education Program	3,289,566	(25,683)	16,093	3,279,976	3,323,860	3,339,446	59,470
Vocational Education Program	1,342,665	(313)	7,042	1,349,394	1,346,325	1,351,025	1,631
Student Body Education Program	59,366	0	0	59,366	66,189	66,189	6,823
<u>Support Services</u>							
Attendance	143,239	0	164	143,403	143,905	143,905	502
Health Services	717,506	0	968	718,474	698,289	720,581	2,107
Other Student Support	981,529	(4,805)	11,811	988,535	965,074	1,001,264	12,729
Regular Instruction Program	1,295,912	0	29,574	1,325,486	1,304,425	1,351,255	25,769
Special Education Program	323,786	(5,146)	628	319,268	314,521	315,847	(3,421)
Vocational Education Program	49,463	0	0	49,463	50,768	50,768	1,305
Other Programs	237,033	0	0	237,033	0	237,033	0
Board of Education	1,213,343	(227)	0	1,213,116	1,259,345	1,252,745	39,629
Director of Schools	297,691	0	0	297,691	299,617	299,617	1,926
Office of the Principal	1,770,251	0	0	1,770,251	1,753,552	1,780,456	10,205
Fiscal Services	303,158	0	600	303,758	295,161	304,650	892
Operation of Plant	2,046,536	0	0	2,046,536	2,037,035	2,046,751	215
Maintenance of Plant	623,658	0	0	623,658	628,305	680,752	57,094

(Continued)

Exhibit J-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Transportation	\$ 2,087,799	\$ (18,727)	\$ 28	\$ 2,069,100	\$ 2,131,340	\$ 2,131,340	\$ 62,240
<u>Operation of Non-instructional Services</u>							
Community Services	452,573	0	185	452,758	437,668	443,853	(8,905)
Early Childhood Education	654,258	(4,132)	15,584	665,710	673,650	673,650	7,940
<u>Capital Outlay</u>							
Regular Capital Outlay	228,649	(8,900)	76,229	295,978	200,000	329,104	33,126
<u>Principal on Debt</u>							
Education	71,429	0	0	71,429	71,429	71,429	0
<u>Total Expenditures</u>	\$ 34,319,158	\$ (146,537)	\$ 207,638	\$ 34,380,259	\$ 34,295,300	\$ 34,820,295	\$ 440,036
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ 216,942	\$ 146,537	\$ (207,638)	\$ 155,841	\$ (167,463)	\$ (326,941)	\$ 482,782
<u>Other Financing Sources (Uses)</u>							
Proceeds from Sale of Capital Assets	\$ 9,000	\$ 0	\$ 0	\$ 9,000	\$ 0	\$ 0	\$ 9,000
Insurance Recovery	13,200	0	0	13,200	0	52,448	(39,248)
Transfers In	23,043	0	0	23,043	40,000	26,066	(3,023)
Transfers Out	0	0	0	0	(13,834)	0	0
<u>Total Other Financing Sources</u>	\$ 45,243	\$ 0	\$ 0	\$ 45,243	\$ 26,166	\$ 78,514	\$ (33,271)
<u>Net Change in Fund Balance</u> <u>Fund Balance, July 1, 2013</u>	\$ 262,185	\$ 146,537	\$ (207,638)	\$ 201,084	\$ (141,297)	\$ (248,427)	\$ 449,511
	1,503,160	(146,537)	0	1,356,623	1,128,673	1,128,673	227,950
<u>Fund Balance, June 30, 2014</u>	\$ 1,765,345	\$ 0	\$ (207,638)	\$ 1,557,707	\$ 987,376	\$ 880,246	\$ 677,461

Exhibit J-9

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Revenues						
Federal Government	\$ 2,649,008 \$	0 \$	2,649,008 \$	2,842,163 \$	2,846,064 \$	(197,056)
Total Revenues	\$ 2,649,008 \$	0 \$	2,649,008 \$	2,842,163 \$	2,846,064 \$	(197,056)
Expenditures						
<u>Instruction</u>						
Regular Instruction Program	\$ 1,141,617 \$	1,920 \$	1,143,537 \$	1,253,180 \$	1,264,471 \$	120,934
Special Education Program	774,967	13,201	788,168	800,474	802,389	14,221
Vocational Education Program	59,283	0	59,283	58,145	59,308	25
<u>Support Services</u>						
Other Student Support	45,355	1,560	46,915	65,644	65,644	18,729
Regular Instruction Program	466,440	0	466,440	586,591	575,362	108,922
Special Education Program	48,420	127	48,547	48,461	50,447	1,900
Vocational Education Program	2,657	0	2,657	3,820	2,657	0
Total Expenditures	\$ 2,538,739 \$	16,808 \$	2,555,547 \$	2,816,315 \$	2,820,278 \$	264,731
Excess (Deficiency) of Revenues Over Expenditures	\$ 110,269 \$	(16,808) \$	93,461 \$	25,848 \$	25,786 \$	67,675
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (23,043) \$	0 \$	(23,043) \$	(25,848) \$	(25,786) \$	2,743
Total Other Financing Sources	\$ (23,043) \$	0 \$	(23,043) \$	(25,848) \$	(25,786) \$	2,743
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 87,226 \$	(16,808) \$	70,418 \$	0 \$	0 \$	70,418
	(12,388)	0	(12,388)	0	0	(12,388)
Fund Balance, June 30, 2014	\$ 74,838 \$	(16,808) \$	58,030 \$	0 \$	0 \$	58,030

Exhibit J-10

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 793,810	\$ 0	\$ 793,810	\$ 830,200	\$ 830,200	\$ (36,390)
Other Local Revenues	4,501	0	4,501	2,400	2,400	2,101
State of Tennessee	24,720	0	24,720	25,000	25,000	(280)
Federal Government	1,746,273	0	1,746,273	1,790,077	1,790,077	(43,804)
Total Revenues	\$ 2,569,304	\$ 0	\$ 2,569,304	\$ 2,647,677	\$ 2,647,677	\$ (78,373)
<u>Expenditures</u>						
<u>Operation of Non-instructional Services</u>						
Food Service	\$ 2,556,167	\$ 10,060	\$ 2,566,227	\$ 2,689,090	\$ 2,689,090	\$ 122,863
Total Expenditures	\$ 2,556,167	\$ 10,060	\$ 2,566,227	\$ 2,689,090	\$ 2,689,090	\$ 122,863
Excess (Deficiency) of Revenues Over Expenditures	\$ 13,137	\$ (10,060)	\$ 3,077	\$ (41,413)	\$ (41,413)	\$ 44,490
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 13,137	\$ (10,060)	\$ 3,077	\$ (41,413)	\$ (41,413)	\$ 44,490
	711,829	0	711,829	711,829	711,829	0
Fund Balance, June 30, 2014	\$ 724,966	\$ (10,060)	\$ 714,906	\$ 670,416	\$ 670,416	\$ 44,490

MISCELLANEOUS SCHEDULES

Exhibit K-1

Coffee County, Tennessee
 Schedule of Changes in Long-term Notes, Other Loans, and Bonds
 For the Year Ended June 30, 2014

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-14
GOVERNMENTAL ACTIVITIES:								
NOTES PAYABLE								
Payable through General Debt Service Fund								
Jail Construction - Capital Outlay Note	(1)	1.6 %	10-4-11	8-28-14	\$ 1,500,000	\$ 0	\$ 0	\$ 1,500,000
Jail Construction - Bond Anticipation Note	(2)	.83	12-21-12	8-28-14	19,985,000	0	0	19,985,000
General Obligation Bond Anticipation Note, Series 2013A	(2)	3.125	3-21-13	8-28-14	5,000	0	0	5,000
General Obligation Bond Anticipation Note, Series 2013B	(2)	3.125	3-21-13	8-28-14	5,000	0	0	5,000
General Obligation Bond Anticipation Note, Series 2013C	(2)	3.125	3-21-13	8-28-14	5,000	0	0	5,000
Lighting Project and Ambulance Repair Capital Outlay Note		2.21	7-22-13	7-22-18	0	450,000	45,000	405,000
Total Payable through General Debt Service Fund	\$ 450,000				\$ 21,500,000	\$ 450,000	\$ 45,000	\$ 21,905,000
Payable through Rural Debt Service Fund								
School Buses	300,000	2.19	7-22-13	7-22-18	\$ 0	\$ 300,000	\$ 0	\$ 300,000
Total Payable through Rural Debt Service Fund	\$ 300,000				\$ 0	\$ 300,000	\$ 0	\$ 300,000
Payable through Highway Public Works Fund								
Equipment and Vehicles	500,000	2.3	9-26-11	8-1-17	\$ 381,000	\$ 0	\$ 82,000	\$ 299,000
Total Payable through Highway/Public Works Fund	\$ 500,000				\$ 381,000	\$ 0	\$ 82,000	\$ 299,000
Total Notes Payable					\$ 21,881,000	\$ 750,000	\$ 127,000	\$ 22,504,000
OTHER LOANS PAYABLE								
Payable through General Fund								
City of Tullahoma Sales Tax Agreement	1,750,000	Variable	11-8-11	12-31-16	\$ 1,050,000	\$ 0	\$ 350,000	\$ 700,000
Total Payable through General Fund	\$ 1,750,000				\$ 1,050,000	\$ 0	\$ 350,000	\$ 700,000
Payable through General Debt Service Fund								
Public Improvement, Series Z-4-A	4,510,000	3.55 to 4	11-2-06	3-1-21	\$ 3,695,000	\$ 0	\$ 380,000	\$ 3,315,000
Total Payable through General Debt Service Fund	\$ 4,510,000				\$ 3,695,000	\$ 0	\$ 380,000	\$ 3,315,000
Payable through Rural Debt Service Fund								
Education Improvement Series Z-6-A	7,600,000	4.75	12-10-08	6-1-26	\$ 6,560,000	\$ 0	\$ 185,000	\$ 6,375,000
Qualified School Construction Bonds Series 2010	3,027,000	0 (3)	10-7-10	7-1-27	2,680,720	0	188,880	2,491,840
Energy Efficiency Improvements	500,000	0	7-26-11	9-1-22	458,330	0	50,004	408,326
Total Payable through Rural Debt Service Fund	\$ 8,127,000				\$ 9,699,050	\$ 0	\$ 423,884	\$ 9,275,166
Contributions Due by the School Department from the General Purpose								
School Fund to the Rural Debt Service Fund	500,000	0	9-5-07	7-15-15	\$ 214,284	\$ 0	\$ 71,429	\$ 142,855
Energy Efficiency Improvements					\$ 214,284	\$ 0	\$ 71,429	\$ 142,855
Total Contributed by the School Department through the General Purpose	\$ 500,000				\$ 428,568	\$ 0	\$ 142,858	\$ 285,710
School Fund to the Rural Debt Service Fund					\$ 14,658,334	\$ 0	\$ 1,225,313	\$ 13,433,021
Total Other Loans Payable					\$ 14,658,334	\$ 0	\$ 1,225,313	\$ 13,433,021

(Continued)

Coffee County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, and Bonds (Cont.)

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-14
GOVERNMENTAL ACTIVITIES (CONT.):								
BONDS PAYABLE								
Payable through General Debt Service Fund								
General Obligation Refunding Bonds, Series 2006C	\$ 2,745,000	4 %	11-29-06	2-1-15	\$ 325,000	\$ 0	\$ 160,000	\$ 165,000
General Obligation Refunding Bonds, Series 2009	1,500,000	2.56	10-1-09	6-1-17	1,200,000	0	300,000	900,000
Total Payable through General Debt Service Fund					\$ 1,525,000	\$ 0	\$ 460,000	\$ 1,065,000
Payable through Rural Debt Service Fund								
Rural School Refunding, Series 2006B	2,615,000	4	11-29-06	2-1-15	\$ 725,000	\$ 0	\$ 355,000	\$ 370,000
Senior High School Refunding Bonds, Series 2006A	4,110,000	3.75 to 4	11-29-06	2-1-18	2,245,000	0	345,000	1,900,000
Build America Bonds	17,125,000	7.15	7-15-09	6-1-44	16,116,719	1,008,281	0	17,125,000
Rural School Bonds, Series 2013	9,100,000	3.83	1-6-14	6-1-37	0	9,100,000	0	9,100,000
Rural School Bonds, Series 2014	13,650,000	4.19	1-6-14	6-1-37	0	13,650,000	225,000	13,425,000
Total Payable through Rural Debt Service Fund					\$ 19,086,719	\$ 23,758,281	\$ 925,000	\$ 41,920,000
Total Bonds Payable					\$ 20,611,719	\$ 23,758,281	\$ 1,385,000	\$ 42,985,000
BUSINESS-TYPE ACTIVITIES:								
OTHER LOANS PAYABLE								
Payable through Wayside Acres Sewer Fund								
Sewer Construction	224,000	4.125	10-10-06	10-10-44	\$ 205,499	\$ 0	\$ 3,299	\$ 202,200
Sewer Construction	100,000	4.375	12-20-06	12-20-44	92,371	0	1,405	90,966
Total Other Loans Payable					\$ 297,870	\$ 0	\$ 4,704	\$ 293,166

(1) Total amount approved was \$2,000,000, of which \$500,000 remains available for draws as of June 30, 2014.

(2) These notes were issued for a jail construction project, which the county is involved in currently. The county intends to retire these notes with the issuance of \$22 million in general obligation bonds scheduled to be issued during the year ending June 30, 2015.

(3) Interest rate of approximately 4.85 percent is offset by a federal interest subsidy resulting in a net interest rate of zero percent.

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES

Year Ending June 30	Notes		Total
	Principal	Interest	
2015	\$ 21,730,415	\$ 127,577	\$ 21,857,992
2016	233,679	16,065	249,744
2017	236,972	10,828	247,800
2018	195,292	5,475	200,767
2019	107,642	2,452	110,094
Total	\$ 22,504,000	\$ 162,397	\$ 22,666,397

Year Ending June 30	Other Loans		Total
	Principal	Interest (1)	
2015	\$ 1,260,313	\$ 574,857	\$ 1,835,170
2016	1,510,310	550,856	2,061,166
2017	1,148,884	515,782	1,664,666
2018	1,183,884	479,331	1,663,215
2019	1,253,884	441,284	1,695,168
2020	1,298,884	399,117	1,698,001
2021	1,393,884	354,299	1,748,183
2022	838,884	304,499	1,143,383
2023	762,174	274,499	1,036,673
2024	803,880	246,249	1,050,129
2025	868,880	215,499	1,084,379
2026	883,880	181,499	1,065,379
2027	207,474	146,749	354,223
2028	17,806	73,374	91,180
Total	\$ 13,433,021	\$ 4,757,894	\$ 18,190,915

(Continued)

Exhibit K-2

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

GOVERNMENTAL ACTIVITIES (CONT.)

Year Ending June 30	Bonds		Total
	Principal	Interest	
2015	\$ 1,310,000	\$ 2,230,600	\$ 3,540,600
2016	1,280,000	2,181,200	3,461,200
2017	1,310,000	2,134,762	3,444,762
2018	395,000	2,086,833	2,481,833
2019	285,000	2,073,175	2,358,175
2020	300,000	2,063,775	2,363,775
2021	270,000	2,053,775	2,323,775
2022	300,000	2,043,725	2,343,725
2023	475,000	2,032,475	2,507,475
2024	575,000	2,018,725	2,593,725
2025	565,000	2,000,287	2,565,287
2026	600,000	1,981,594	2,581,594
2027	1,360,000	1,958,594	3,318,594
2028	1,405,000	1,909,194	3,314,194
2029	1,455,000	1,857,994	3,312,994
2030	1,515,000	1,802,294	3,317,294
2031	1,575,000	1,744,194	3,319,194
2032	1,635,000	1,681,194	3,316,194
2033	1,700,000	1,613,706	3,313,706
2034	1,775,000	1,543,080	3,318,080
2035	1,850,000	1,469,175	3,319,175
2036	1,925,000	1,390,925	3,315,925
2037	2,000,000	1,309,300	3,309,300
2038	2,125,000	1,224,300	3,349,300
2039	2,225,000	1,075,550	3,300,550
2040	2,325,000	919,800	3,244,800
2041	2,425,000	752,400	3,177,400
2042	2,550,000	577,800	3,127,800
2043	2,675,000	394,200	3,069,200
2044	2,800,000	201,600	3,001,600
Total	\$ 42,985,000	\$ 48,326,226	\$ 91,311,226

(Continued)

Exhibit K-2

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

BUSINESS-TYPE ACTIVITIES

Year Ending June 30	Other Loans		Total
	Principal	Interest	
2015	\$ 4,880	\$ 12,232	\$ 17,112
2016	5,089	12,023	17,112
2017	5,306	11,806	17,112
2018	5,533	11,579	17,112
2019	5,770	11,342	17,112
2020	6,016	11,096	17,112
2021	6,274	10,838	17,112
2022	6,543	10,569	17,112
2023	6,822	10,290	17,112
2024	7,114	9,998	17,112
2025	7,418	9,694	17,112
2026	7,736	9,376	17,112
2027	8,067	9,045	17,112
2028	8,412	8,700	17,112
2029	8,773	8,339	17,112
2030	9,149	7,963	17,112
2031	9,540	7,572	17,112
2032	9,948	7,164	17,112
2033	10,375	6,737	17,112
2034	10,818	6,294	17,112
2035	11,282	5,830	17,112
2036	11,766	5,346	17,112
2037	12,269	4,843	17,112
2038	12,795	4,317	17,112
2039	13,344	3,768	17,112
2040	13,915	3,197	17,112
2041	14,511	2,601	17,112
2042	15,134	1,978	17,112
2043	15,782	1,330	17,112
2044	16,458	615	17,073
2045	6,327	62	6,389
Total	\$ 293,166	\$ 226,544	\$ 519,710

(1) Includes interest requirements on Qualified School Construction Bonds, Series 2010, before federal interest rate subsidy.

Exhibit K-3

Coffee County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Coffee County School Department
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
<u>PRIMARY GOVERNMENT</u>			
Ambulance Service	General Capital Projects	Reimbursement	\$ 50,000
General Capital Projects	Highway/Public Works	Operations	16,000
General	Rural Debt Service	"	135,082
Total Transfers Primary Government			<u>\$ 201,082</u>
<u>DISCRETELY PRESENTED COFFEE</u> <u>COFFEE SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect Costs	\$ <u>23,043</u>

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA	\$ 85,268	\$ 50,000	Auto-Owners Mutual Insurance Company
Road Superintendent	Section 8-24-102, TCA	81,208	100,000	"
Director of Schools	State Board of Education and Coffee County Board of Education	110,620 (1)	(2)	"
Trustee	Section 8-24-102, TCA	73,825	1,727,490	"
Assessor of Property	Section 8-24-102, TCA	73,825	10,000	State Auto Insurance Company
Director of Accounts and Budgets	Coffee County Commission	74,433	20,000	Auto-Owners Mutual Insurance Company
County Clerk	Section 8-24-102, TCA	73,825	50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	73,825	50,000	"
Clerk and Master	Section 8-24-102, TCA	73,825	50,000	"
Register of Deeds	Section 8-24-102, TCA	73,825	25,000	"
Sheriff	Section 8-24-102, TCA	81,208 (3)	25,000	"
Employee Blanket Bonds:				
Public Employee Dishonesty - County Departments (excluding Highway Department)			150,000	Companion Commercial Insurance Company
Public Employee Dishonesty - Highway Department			150,000	Local Government Insurance Pool
Public Employee Dishonesty - School Department			150,000	Tennessee Risk Management Trust

(1) Includes a chief executive officer training supplement of \$1,000.
(2) The director is covered under the School Department's blanket bond.
(3) Does not include a law enforcement training supplement of \$600.

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 6,722,698	\$ 762,816	\$ 477,585	\$ 184,866	\$ 0
Trustee's Collections - Prior Year	182,207	24,593	12,677	5,147	0
Trustee's Collections - Bankruptcy	4,774	630	19	0	0
Circuit/Clerk and Master Collections - Prior Years	124,055	28,010	421	0	0
Interest and Penalty	78,564	14,466	2,414	625	0
Payments in-Lieu-of Taxes - T.V.A.	488	128	35	0	0
Payments in-Lieu-of Taxes - Local Utilities	6,635	1,739	471	0	0
<u>County Local Option Taxes</u>					
Local Option Sales Tax	310,449	97,113	0	0	0
Litigation Tax - General	207,240	0	0	0	0
Litigation Tax - Special Purpose	112,186	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	0
Litigation Tax - Courthouse Security	73,079	0	0	0	0
Business Tax	864,901	0	0	0	0
Mixed Drink Tax	1,304	0	0	0	0
Mineral Severance Tax	0	0	0	0	0
<u>Statutory Local Taxes</u>					
Bank Excise Tax	207,558	0	0	0	0
Wholesale Beer Tax	0	293,028	0	0	0
Interstate Telecommunications Tax	2,578	0	0	0	0
Total Local Taxes	\$ 8,898,716	\$ 1,222,523	\$ 483,622	\$ 190,638	\$ 0
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 141,183	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits	0 \$	6,197 \$	0 \$	0 \$	0
Building Permits	62,535	0	0	0	0
Plumbing Permits	7,650	0	0	0	0
Other Permits	6,675	0	7,500	0	0
Total Licenses and Permits	\$ 218,043 \$	6,197 \$	7,500 \$	0 \$	0
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	23,639 \$	0 \$	0 \$	0 \$	0
Officers Costs	10,236	0	0	0	0
Drug Control Fines	159,777	0	0	0	13,830
Judicial Commissioner Fees	1,143	0	0	0	0
DUI Treatment Fines	1,879	0	0	0	0
Data Entry Fee - Circuit Court	41,799	0	0	0	0
Courtroom Security Fee	214	0	0	0	0
<u>General Sessions Court</u>					
Fines	105,446	0	0	0	0
Officers Costs	69,105	0	0	0	0
Game and Fish Fines	295	0	0	0	0
Drug Control Fines	0	0	0	0	120,604
Jail Fees	17,971	0	0	0	0
Interpreter Fee	427	0	0	0	0
Judicial Commissioner Fees	7,042	0	0	0	0
DUI Treatment Fines	20,365	0	0	0	0
Courtroom Security Fee	3,022	0	0	0	0

(Continued)

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

Special Revenue Funds						
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Juvenile Court</u>						
Fines	\$ 1,506	\$ 0	\$ 0	\$ 0	\$ 0	0
Officers Costs	5,241	0	0	0	0	0
Judicial Commissioner Fees	976	0	0	0	0	0
<u>Chancery Court</u>						
Officers Costs	4,054	0	0	0	0	0
Data Entry Fee - Chancery Court	6,948	0	0	0	0	0
Courtroom Security Fee	5,110	0	0	0	0	0
<u>Other Courts - In-county</u>						
Drug Control Fines	25,290	0	0	0	0	0
Drug Court Fees	38,880	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	0	0	63,251
Total Fines, Forfeitures, and Penalties	\$ 550,365	\$ 0	\$ 0	\$ 0	\$ 0	197,685
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Convenience Waste Centers Collection Charge	\$ 0	\$ 7,888	\$ 0	\$ 0	\$ 0	0
Solid Waste Disposal Fee	0	58,880	0	0	0	0
Patient Charges	9,074	0	1,972,232	0	0	0
Other General Service Charges	3,410	0	0	0	0	0
<u>Fees</u>						
Subdivision Lot Fees	7,800	0	0	0	0	0
Recreation Fees	17,238	0	0	0	0	0
Copy Fees	6,423	0	760	0	0	0
Library Fees	51,538	0	0	0	0	0

(Continued)

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Archives and Records Management Fee - County Clerk	\$ 155	\$ 0	\$ 0	\$ 0	\$ 0
Greenbelt Late Application Fee	400	0	0	0	0
Telephone Commissions	90,628	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	0
Data Processing Fee - Register	16,084	0	0	0	0
Probation Fees	322,552	0	0	0	0
Data Processing Fee - Sheriff	7,215	0	0	0	0
Sexual Offender Registration Fee - Sheriff	5,400	0	0	0	0
Data Processing Fee - County Clerk	8,120	0	0	0	0
Other Charges for Services	55,450	0	2,800	0	0
Total Charges for Current Services	\$ 601,487	\$ 66,768	\$ 1,975,792	\$ 0	\$ 0
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	12,960	0	0	0	0
Commissary Sales	3,597	0	0	0	0
Sale of Maps	40	0	0	0	0
Sale of Recycled Materials	0	55,840	0	0	0
Miscellaneous Refunds	10,991	7	1	0	0
<u>Nonrecurring Items</u>					
Sale of Equipment	4,425	0	0	0	0
Sale of Property	0	0	0	30,000	0
Damages Recovered from Individuals	50	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Contributions and Gifts	\$ 281,311	\$ 0	\$ 0	\$ 0	\$ 0	250
Total Other Local Revenues	\$ 313,374	\$ 55,847	\$ 1	\$ 30,000	\$	250
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	\$ 514,067	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	887,810	0	0	0	0	0
Clerk and Master	239,871	0	0	0	0	0
Register	191,104	0	0	0	0	0
Sheriff	30,519	0	0	0	0	0
Trustee	899,942	0	0	0	0	0
Total Fees Received from County Officials	\$ 2,763,313	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 22,200	\$ 0	\$ 0	\$ 0	\$ 0	0
Solid Waste Grants	0	34,199	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	25,200	0	0	0	0	0
Health and Welfare Grants						
Other Health and Welfare Grants	1,000	0	0	0	0	0
Public Works Grants						
State Aid Program	0	0	0	0	0	0
Litter Program	0	43,730	0	0	0	0

(Continued)

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

	Special Revenue Funds					
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 59,409	\$ 0	\$ 0	\$ 0	\$ 0	0
Beer Tax	17,806	0	0	0	0	0
Vehicle Certificate of Title Fees	44,591	0	0	0	0	0
Alcoholic Beverage Tax	80,602	0	0	0	0	0
State Revenue Sharing - T.V.A.	260,241	0	0	0	0	0
Emergency Hospital - Prisoners	1,255	0	0	0	0	0
Contracted Prisoner Boarding	669,912	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0
Petroleum Special Tax	0	0	0	0	0	0
T.B.I. - Equipment Reimbursement	3,726	0	0	0	0	0
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	496,507	0	0	0	0	0
Other State Revenues	44,971	0	0	0	0	0
Total State of Tennessee	\$ 1,742,584	\$ 77,929	\$ 0	\$ 0	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 400,316	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	33,350	0	0	0	0	0
Homeland Security Grants	16,030	0	0	0	0	0
Law Enforcement Grants	1,540	0	0	0	0	1,438
Other Federal through State	10,640	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Forest Service	3,955	0	0	0	0	0
Tax Credit Bond Rebate	135,086	0	0	0	0	0
Total Federal Government	\$ 600,917	\$ 0	\$ 0	\$ 0	\$ 0	1,438

(Continued)

Exhibit K-5

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

	Special Revenue Funds				
	General	Solid Waste / Sanitation	Ambulance Service	Local Purpose Tax	Drug Control
Other Governments and Citizens Groups					
Other Governments					
Contributions	\$ 92,620	\$ 0	\$ 0	\$ 0	\$ 0
Contracted Services	13,058	0	0	0	0
Citizens Groups					
Donations	17,628	0	0	0	0
Total Other Governments and Citizens Groups	\$ 123,306	\$ 0	\$ 0	\$ 0	\$ 0
Total	\$ 15,812,105	\$ 1,429,264	\$ 2,476,915	\$ 220,638	\$ 199,373

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)				Debt Service Funds		Capital Projects Funds
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 0	\$ 0	\$ 1,710,725	\$ 990,437	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	0	0	45,936	30,844	0	0	0
Trustee's Collections - Bankruptcy	0	0	614	734	0	0	0
Circuit/Clerk and Master Collections - Prior Years	0	0	17,153	31,244	0	0	0
Interest and Penalty	0	0	14,521	16,891	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	0	0	124	143	0	0	0
Payments in-Lieu-of Taxes - Local Utilities	0	0	1,688	1,940	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	0	0	0	2,251,853	291,339	0	0
Litigation Tax - General	0	0	0	0	0	0	0
Litigation Tax - Special Purpose	0	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	309,189	0	0	0	0
Litigation Tax - Courthouse Security	0	0	0	0	0	0	0
Business Tax	0	0	0	0	0	0	0
Mixed Drink Tax	0	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	0
Statutory Local Taxes	0	78,611	0	0	0	0	0
Bank Excise Tax	0	0	0	0	0	0	0
Wholesale Beer Tax	0	0	0	0	0	0	0
Interstate Telecommunications Tax	0	0	0	0	0	0	0
Total Local Taxes	\$ 0	\$ 78,611	\$ 2,099,950	\$ 3,324,086	\$ 291,339	\$ 0	0
<u>Licenses and Permits</u>							
Licenses	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Cable TV Franchise	0	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds (Cont.)			Debt Service Funds		Capital Projects Funds
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects	
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0
Building Permits	0	0	0	0	0	0
Plumbing Permits	0	0	0	0	0	0
Other Permits	0	0	0	0	0	0
Total Licenses and Permits	0 \$	0 \$	0 \$	0 \$	0 \$	0
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	0 \$	0 \$	0 \$	0 \$	0 \$	0
Officers Costs	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0
Judicial Commissioner Fees	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0
Data Entry Fee - Circuit Court	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	0	0	0	0	0	0
Officers Costs	0	0	0	0	0	0
Game and Fish Fines	0	0	0	0	0	0
Drug Control Fines	0	0	0	0	0	0
Jail Fees	0	0	0	0	0	0
Interpreter Fee	0	0	0	0	0	0
Judicial Commissioner Fees	0	0	0	0	0	0
DUI Treatment Fines	0	0	0	0	0	0
Courtroom Security Fee	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)				Debt Service Funds		Capital Projects Funds
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>Juvenile Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	
Officers Costs	0	0	0	0	0	0	
Judicial Commissioner Fees	0	0	0	0	0	0	
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	0	
Data Entry Fee - Chancery Court	0	0	0	0	0	0	
Courtroom Security Fee	0	0	0	0	0	0	
<u>Other Courts - In-county</u>							
Drug Control Fines	0	0	0	0	0	0	
Drug Court Fees	0	0	0	0	0	0	
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	0	
<u>Total Fines, Forfeitures, and Penalties</u>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Convenience Waste Centers Collection Charge	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	
Solid Waste Disposal Fee	0	0	0	0	0	0	
Patient Charges	0	0	0	0	0	0	
Other General Service Charges	0	4,910	0	0	0	0	
<u>Fees</u>							
Subdivision Lot Fees	0	0	0	0	0	0	
Recreation Fees	0	0	0	0	0	0	
Copy Fees	0	0	0	0	0	0	
Library Fees	0	0	0	0	0	0	

(Continued)

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

	Special Revenue Funds (Cont.)				Debt Service Funds		Capital Projects Funds
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects		
<u>Charges for Current Services (Cont.)</u>							
<u>Fees (Cont.)</u>							
Archives and Records Management Fee - County Clerk	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Greenbelt Late Application Fee	0	0	0	0	0	0	0
Telephone Commissions	0	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	664	0	0	0	0	0	0
Data Processing Fee - Register	0	0	0	0	0	0	0
Probation Fees	0	0	0	0	0	0	0
Data Processing Fee - Sheriff	0	0	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	0	0
Data Processing Fee - County Clerk	0	0	0	0	0	0	0
Other Charges for Services	0	0	0	0	0	0	0
Total Charges for Current Services	\$ 664	\$ 4,910	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 0	\$ 471	\$ 88,415	\$ 15,672	\$ 0	\$ 0	0
Lease/Rentals	0	0	103,476	0	0	0	0
Commissary Sales	0	0	0	0	0	0	0
Sale of Maps	0	0	0	0	0	0	0
Sale of Recycled Materials	0	3,247	0	0	0	0	0
Miscellaneous Refunds	0	6	0	0	0	0	0
<u>Nonrecurring Items</u>							
Sale of Equipment	0	0	0	0	0	0	0
Sale of Property	0	0	0	0	0	0	0
Damages Recovered from Individuals	0	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)			Debt Service Funds		Capital Projects Funds
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects	
<u>Other Local Revenues (Cont.)</u>						
<u>Nonrecurring Items (Cont.)</u>						
Contributions and Gifts	0 \$	0 \$	0 \$	0 \$	0 \$	0
Total Other Local Revenues	0 \$	3,724 \$	191,891 \$	15,672 \$	0 \$	0
<u>Fees Received from County Officials</u>						
<u>Fees in-Lieu-of Salary</u>						
County Clerk	0 \$	0 \$	0 \$	0 \$	0 \$	0
Circuit Court Clerk	0	0	0	0	0	0
Clerk and Master	0	0	0	0	0	0
Register	0	0	0	0	0	0
Sheriff	0	0	0	0	0	0
Trustee	0	0	0	0	0	0
Total Fees Received from County Officials	0 \$	0 \$	0 \$	0 \$	0 \$	0
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	0 \$	0 \$	0 \$	0 \$	0 \$	0
Solid Waste Grants	0	0	0	0	0	0
Public Safety Grants						
Law Enforcement Training Programs	0	0	0	0	0	0
Health and Welfare Grants						
Other Health and Welfare Grants	0	0	0	0	0	0
Public Works Grants						
State Aid Program	0	276,929	0	0	0	0
Litter Program	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)			Debt Service Funds		Capital Projects Funds
	Constitutional Officers - Fees	Highway / Public Works	General Debt Service	Rural Debt Service	General Capital Projects	
<u>State of Tennessee (Cont.)</u>						
<u>Other State Revenues</u>						
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Beer Tax	0	0	0	0	0	0
Vehicle Certificate of Title Fees	0	0	0	0	0	0
Alcoholic Beverage Tax	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	0	0	0	0	0	0
Emergency Hospital - Prisoners	0	0	0	0	0	0
Contracted Prisoner Boarding	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	1,847,426	0	0	0	0
Petroleum Special Tax	0	38,095	0	0	0	0
T.B.I. - Equipment Reimbursement	0	0	0	0	0	0
Registrar's Salary Supplement	0	0	0	0	0	0
Other State Grants	0	0	0	0	0	0
Other State Revenues	0	0	0	0	0	0
Total State of Tennessee	\$ 0	\$ 2,162,450	\$ 0	\$ 0	\$ 0	0
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	0	0	0	0	0	0
Homeland Security Grants	0	0	0	0	0	0
Law Enforcement Grants	0	0	0	0	0	0
Other Federal through State	0	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Forest Service	0	0	0	0	0	0
Tax Credit Bond Rebate	0	0	0	397,653	0	0
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 397,653	\$ 0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds (Cont.)			Debt Service Funds		Capital Projects Funds
	Constituti- onal Officers - Fees	Highway / Public Works	General Debt Service	General Debt Service	Rural Debt Service	General Capital Projects
Other Governments and Citizens Groups						
Other Governments						
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 71,429	\$ 0
Contracted Services	0	0	0	0	0	0
Citizens Groups						
Donations	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 0	\$ 0	\$ 0	\$ 0	\$ 71,429	\$ 0
Total	\$ 664	\$ 2,249,695	\$ 2,291,841	\$ 3,808,840	\$ 291,339	\$ 291,339

(Continued)

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

	Capital Projects Fund (Cont.)	Education Capital Projects	Total
<u>Local Taxes</u>			
<u>County Property Taxes</u>			
Current Property Tax	0 \$		10,849,127
Trustee's Collections - Prior Year	0		301,404
Trustee's Collections - Bankruptcy	0		6,771
Circuit/Clerk and Master Collections - Prior Years	0		200,883
Interest and Penalty	0		127,481
Payments in-Lieu-of Taxes - T.V.A.	0		918
Payments in-Lieu-of Taxes - Local Utilities	0		12,473
<u>County Local Option Taxes</u>			
Local Option Sales Tax	0		2,950,754
Litigation Tax - General	0		207,240
Litigation Tax - Special Purpose	0		112,186
Litigation Tax - Jail, Workhouse, or Courthouse	0		309,189
Litigation Tax - Courthouse Security	0		73,079
Business Tax	0		864,901
Mixed Drink Tax	0		1,304
Mineral Severance Tax	0		78,611
<u>Statutory Local Taxes</u>			
Bank Excise Tax	0		207,558
Wholesale Beer Tax	0		293,028
Interstate Telecommunications Tax	0		2,578
Total Local Taxes	0 \$		16,599,485
<u>Licenses and Permits</u>			
<u>Licenses</u>			
Cable TV Franchise	0 \$		141,183

(Continued)

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

	Capital Projects Fund (Cont.)	Education Capital Projects	Total
<u>Licenses and Permits (Cont.)</u>			
<u>Permits</u>			
Beer Permits	0 \$		6,197
Building Permits	0		62,535
Plumbing Permits	0		7,650
Other Permits	0		14,175
Total Licenses and Permits	<u>0 \$</u>		<u>231,740</u>
<u>Fines, Forfeitures, and Penalties</u>			
<u>Circuit Court</u>			
Fines	0 \$		23,639
Officers Costs	0		10,236
Drug Control Fines	0		173,607
Judicial Commissioner Fees	0		1,143
DUI Treatment Fines	0		1,879
Data Entry Fee - Circuit Court	0		41,799
Courtroom Security Fee	0		214
<u>General Sessions Court</u>			
Fines	0		105,446
Officers Costs	0		69,105
Game and Fish Fines	0		295
Drug Control Fines	0		120,604
Jail Fees	0		17,971
Interpreter Fee	0		427
Judicial Commissioner Fees	0		7,042
DUI Treatment Fines	0		20,365
Courtroom Security Fee	0		3,022

(Continued)

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

	Capital Projects Fund (Cont.)	Education Capital Projects	Total
<u>Fines, Forfeitures, and Penalties (Cont.)</u>			
<u>Juvenile Court</u>			
Fines	0 \$		1,506
Officers Costs	0		5,241
Judicial Commissioner Fees	0		976
<u>Chancery Court</u>			
Officers Costs	0		4,054
Data Entry Fee - Chancery Court	0		6,948
Courtroom Security Fee	0		5,110
<u>Other Courts - In-county</u>			
Drug Control Fines	0		25,290
Drug Court Fees	0		38,880
<u>Other Fines, Forfeitures, and Penalties</u>			
Proceeds from Confiscated Property	0		63,251
<u>Total Fines, Forfeitures, and Penalties</u>	<u>0 \$</u>		<u>748,050</u>
<u>Charges for Current Services</u>			
<u>General Service Charges</u>			
Convenience Waste Centers Collection Charge	0 \$		7,888
Solid Waste Disposal Fee	0		58,880
Patient Charges	0		1,981,306
Other General Service Charges	0		8,320
<u>Fees</u>			
Subdivision Lot Fees	0		7,800
Recreation Fees	0		17,238
Copy Fees	0		7,183
Library Fees	0		51,538

(Continued)

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

	Capital Projects Fund (Cont.)	Education Capital Projects	Total
<u>Charges for Current Services (Cont.)</u>			
<u>Fees (Cont.)</u>			
Archives and Records Management Fee - County Clerk	0 \$		155
Greenbelt Late Application Fee	0		400
Telephone Commissions	0		90,628
Constitutional Officers' Fees and Commissions	0		664
Data Processing Fee - Register	0		16,084
Probation Fees	0		322,552
Data Processing Fee - Sheriff	0		7,215
Sexual Offender Registration Fee - Sheriff	0		5,400
Data Processing Fee - County Clerk	0		8,120
Other Charges for Services	0		58,250
Total Charges for Current Services	0 \$		2,649,621
<u>Other Local Revenues</u>			
<u>Recurring Items</u>			
Investment Income	155,165 \$		259,723
Lease/Rentals	0		116,436
Commissary Sales	0		3,597
Sale of Maps	0		40
Sale of Recycled Materials	0		59,087
Miscellaneous Refunds	0		11,005
<u>Nonrecurring Items</u>			
Sale of Equipment	0		4,425
Sale of Property	0		30,000
Damages Recovered from Individuals	0		50

(Continued)

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

	Capital Projects Fund (Cont.)	Education Capital Projects	Total
<u>Other Local Revenues (Cont.)</u>			
<u>Nonrecurring Items (Cont.)</u>			
Contributions and Gifts	0 \$		281,561
Total Other Local Revenues	\$ 155,165	\$	\$ 765,924
<u>Fees Received from County Officials</u>			
<u>Fees in-Lieu-of Salary</u>			
County Clerk	0 \$		514,067
Circuit Court Clerk	0		887,810
Clerk and Master	0		239,871
Register	0		191,104
Sheriff	0		30,519
Trustee	0		899,942
Total Fees Received from County Officials	\$ 0	\$	\$ 2,763,313
<u>State of Tennessee</u>			
<u>General Government Grants</u>			
Juvenile Services Program	0 \$		22,200
Solid Waste Grants	0		34,199
Public Safety Grants			
Law Enforcement Training Programs	0		25,200
Health and Welfare Grants			
Other Health and Welfare Grants	0		1,000
Public Works Grants			
State Aid Program	0		276,929
Litter Program	0		43,730

(Continued)

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

	Capital Projects Fund (Cont.)	Education Capital Projects	Total
<u>State of Tennessee (Cont.)</u>			
<u>Other State Revenues</u>			
Income Tax	0 \$		59,409
Beer Tax	0		17,806
Vehicle Certificate of Title Fees	0		44,591
Alcoholic Beverage Tax	0		80,602
State Revenue Sharing - T.V.A.	0		260,241
Emergency Hospital - Prisoners	0		1,255
Contracted Prisoner Boarding	0		669,912
Gasoline and Motor Fuel Tax	0		1,847,426
Petroleum Special Tax	0		38,095
T.B.I. - Equipment Reimbursement	0		3,726
Registrar's Salary Supplement	0		15,164
Other State Grants	0		496,507
Other State Revenues	0		44,971
Total State of Tennessee	<u>0 \$</u>		<u>3,982,963</u>
<u>Federal Government</u>			
<u>Federal Through State</u>			
Community Development	0 \$		400,316
Civil Defense Reimbursement	0		33,350
Homeland Security Grants	0		16,030
Law Enforcement Grants	0		2,978
Other Federal through State	0		10,640
<u>Direct Federal Revenue</u>			
Forest Service	0		3,955
Tax Credit Bond Rebate	0		532,739
Total Federal Government	<u>0 \$</u>		<u>1,000,008</u>

(Continued)

Exhibit K-5

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

	Capital Projects Fund (Cont.)	Education Capital Projects	Total
<u>Other Governments and Citizens Groups</u>			
<u>Other Governments</u>			
Contributions	0 \$		164,049
Contracted Services	0		13,058
<u>Citizens Groups</u>			
Donations	0		17,628
Total Other Governments and Citizens Groups	<u>0 \$</u>		<u>194,735</u>
Total	<u>\$ 155,165 \$</u>		<u>28,935,839</u>

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

	Special Revenue Funds				Capital	Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Capital Projects		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 8,113,117	\$ 0	\$ 0	\$ 0	\$ 8,113,117	
Trustee's Collections - Prior Year	219,428	0	0	0	219,428	
Trustee's Collections - Bankruptcy	4,942	0	0	0	4,942	
Circuit/Clerk and Master Collections - Prior Years	134,859	0	0	0	134,859	
Interest and Penalty	86,696	0	0	0	86,696	
Payments in-Lieu-of Taxes - T.V.A.	590	0	0	0	590	
Payments in-Lieu-of Taxes - Local Utilities	16,572	0	0	0	16,572	
Payments in-Lieu-of Taxes - Other	2,801	0	0	0	2,801	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	3,890,035	0	0	0	3,890,035	
Mixed Drink Tax	3,524	0	0	0	3,524	
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	2,979	0	0	0	2,979	
Total Local Taxes	\$ 12,475,543	\$ 0	\$ 0	\$ 0	\$ 12,475,543	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	2,534	0	0	0	2,534	
Total Licenses and Permits	\$ 2,534	\$ 0	\$ 0	\$ 0	\$ 2,534	
<u>Charges for Current Services Fees</u>						
Recreation Fees	3,285	0	0	0	3,285	

(Continued)

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

	Special Revenue Funds				Capital
	General Purpose School	School Federal Projects	Central Cafeteria	Other Capital Projects	Projects Fund
<u>Charges for Current Services (Cont.)</u>					
<u>Education Charges</u>					
Tuition - Summer School	\$ 4,200	\$ 0	\$ 0	\$ 0	4,200
Lunch Payments - Children	0	0	462,652	0	462,652
Lunch Payments - Adults	0	0	38,355	0	38,355
Income from Breakfast	0	0	54,341	0	54,341
A la carte Sales	0	0	237,800	0	237,800
Receipts from Individual Schools	84,190	0	462	0	84,652
Community Service Fees - Children	100,597	0	0	0	100,597
<u>Other Charges for Services</u>	0	0	200	0	200
Other Charges for Services	\$ 192,272	\$ 0	\$ 793,810	\$ 0	\$ 986,082
Total Charges for Current Services					
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	\$ 0	\$ 0	1,489	\$ 0	1,489
Sale of Materials and Supplies	1,313	0	3,012	0	4,325
E-Rate Funding	11,651	0	0	0	11,651
Miscellaneous Refunds	608	0	0	0	608
<u>Nonrecurring Items</u>					
Sale of Equipment	250	0	0	0	250
Damages Recovered from Individuals	4,335	0	0	0	4,335
Contributions and Gifts	23,759	0	0	0	23,759
<u>Other Local Revenues</u>	30,961	0	0	0	30,961
Other Local Revenues	\$ 72,877	\$ 0	\$ 4,501	\$ 0	\$ 77,378
Total Other Local Revenues					

(Continued)

Exhibit K-6

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

	Special Revenue Funds					Capital
	General Purpose School	School Federal Projects	Central Cafeteria	Other Capital Projects	Total	
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 237,033	\$ 0	\$ 0	\$ 0	\$ 237,033	
<u>State Education Funds</u>						
Basic Education Program	19,145,000	0	0	0	19,145,000	
Early Childhood Education	647,398	0	0	0	647,398	
School Food Service	0	0	24,720	0	24,720	
Energy Efficient School Initiative	18,806	0	0	0	18,806	
Driver Education	15,525	0	0	0	15,525	
Other State Education Funds	182,961	0	0	0	182,961	
Career Ladder Program	125,554	0	0	0	125,554	
Career Ladder - Extended Contract	32,545	0	0	0	32,545	
<u>Other State Revenues</u>						
Alcoholic Beverage Tax	4,418	0	0	0	4,418	
State Revenue Sharing - T.V.A.	671,240	0	0	0	671,240	
Other State Grants	1,033	0	0	0	1,033	
Safe Schools	23,087	0	0	0	23,087	
Other State Revenues	251,884	0	0	0	251,884	
Total State of Tennessee	\$ 21,356,484	\$ 0	\$ 24,720	\$ 0	\$ 21,381,204	
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 1,139,284	\$ 0	\$ 1,139,284	
USDA - Commodities	0	0	172,576	0	172,576	
Breakfast	0	0	429,655	0	429,655	
USDA - Other	0	0	4,758	0	4,758	

(Continued)

Exhibit K-6

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

	Special Revenue Funds			Capital Projects Fund		Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Capital Projects		
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Vocational Education - Basic Grants to States	\$ 0	\$ 85,213	\$ 0	\$ 0	\$ 85,213	
Title I Grants to Local Education Agencies	0	1,249,830	0	0	1,249,830	
Special Education - Grants to States	31,586	821,499	0	0	853,085	
Special Education Preschool Grants	0	24,013	0	0	24,013	
English Language Acquisition Grants	0	4,251	0	0	4,251	
Rural Education	0	69,390	0	0	69,390	
Eisenhower Professional Development State Grants	0	141,043	0	0	141,043	
Race-to-the-Top - ARRA	0	253,769	0	0	253,769	
Other Federal through State	288,203	0	0	0	288,203	
<u>Direct Federal Revenue</u>						
ROTC Reimbursement	52,605	0	0	0	52,605	
Total Federal Government	\$ 372,394	\$ 2,649,008	\$ 1,746,273	\$ 0	\$ 4,767,675	
<u>Other Governments and Citizens Groups</u>						
Other Governments						
Contributions	\$ 63,996	\$ 0	\$ 0	\$ 20,230,064	\$ 20,294,060	
Total Other Governments and Citizens Groups	\$ 63,996	\$ 0	\$ 0	\$ 20,230,064	\$ 20,294,060	
Total	\$ 34,536,100	\$ 2,649,008	\$ 2,569,304	\$ 20,230,064	\$ 59,984,476	

Exhibit K-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	15,900	
Social Security		1,216	
Audit Services		15,839	
Dues and Memberships		1,700	
Maintenance Agreements		524	
Printing, Stationery, and Forms		452	
Travel		5,293	
Total County Commission	\$		40,924

Board of Equalization

Board and Committee Members Fees	\$	1,443	
Social Security		96	
Total Board of Equalization			1,539

Other Boards and Committees

Board and Committee Members Fees	\$	17,645	
Social Security		1,350	
Travel		266	
Total Other Boards and Committees			19,261

County Mayor/Executive

County Official/Administrative Officer	\$	85,268	
Secretary(ies)		34,945	
Clerical Personnel		1,175	
Part-time Personnel		3,879	
Social Security		8,955	
State Retirement		10,242	
Medical Insurance		8,511	
Dental Insurance		516	
Unemployment Compensation		102	
Communication		7,057	
Dues and Memberships		13,358	
Legal Notices, Recording, and Court Costs		1,615	
Maintenance Agreements		2,658	
Printing, Stationery, and Forms		405	
Office Supplies		1,515	
Other Charges		4,729	
Total County Mayor/Executive			184,930

County Attorney

County Official/Administrative Officer	\$	4,800	
Legal Services		36,490	
Total County Attorney			41,290

Election Commission

County Official/Administrative Officer	\$	66,443	
Deputy(ies)		60,991	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Clerical Personnel	\$	7,218	
Overtime Pay		246	
Election Commission		9,233	
Election Workers		47,241	
Social Security		11,538	
State Retirement		10,857	
Medical Insurance		14,891	
Dental Insurance		774	
Unemployment Compensation		592	
Communication		4,722	
Operating Lease Payments		1,557	
Legal Notices, Recording, and Court Costs		24,516	
Maintenance Agreements		17,292	
Maintenance and Repair Services - Equipment		3,506	
Travel		2,947	
Other Contracted Services		1,997	
Office Supplies		4,975	
Data Processing Equipment		4,574	
Voting Machines		11,200	
Total Election Commission			\$ 307,310

Register of Deeds

County Official/Administrative Officer	\$	73,825	
Deputy(ies)		62,685	
Social Security		10,175	
State Retirement		9,641	
Medical Insurance		12,083	
Dental Insurance		516	
Unemployment Compensation		264	
Communication		1,820	
Dues and Memberships		677	
Operating Lease Payments		12,850	
Maintenance Agreements		2,574	
Other Contracted Services		3,500	
Data Processing Supplies		2,386	
Office Supplies		2,239	
In Service/Staff Development		1,684	
Total Register of Deeds			196,919

Codes Compliance

Assistant(s)	\$	29,250	
Supervisor/Director		40,000	
Social Security		4,838	
State Retirement		2,300	
Medical Insurance		4,604	
Dental Insurance		516	
Unemployment Compensation		180	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Codes Compliance (Cont.)

Communication	\$	1,120	
Consultants		995	
Dues and Memberships		196	
Legal Notices, Recording, and Court Costs		690	
Maintenance Agreements		1,242	
Maintenance and Repair Services - Vehicles		3,769	
Printing, Stationery, and Forms		921	
Gasoline		2,528	
Office Supplies		1,227	
In Service/Staff Development		793	
Total Codes Compliance			\$ 95,169

County Buildings

Supervisor/Director	\$	47,590	
Custodial Personnel		21,299	
Maintenance Personnel		78,071	
Overtime Pay		11,865	
Social Security		11,560	
State Retirement		12,605	
Medical Insurance		17,666	
Dental Insurance		1,332	
Unemployment Compensation		440	
Communication		34,775	
Contracts with Private Agencies		175	
Maintenance Agreements		50,870	
Maintenance and Repair Services - Buildings		106,248	
Maintenance and Repair Services - Equipment		6,149	
Maintenance and Repair Services - Vehicles		1,805	
Pest Control		3,420	
Disposal Fees		179	
Other Contracted Services		37,970	
Custodial Supplies		13,009	
Electricity		108,708	
Gasoline		6,571	
Natural Gas		29,271	
Office Supplies		906	
Uniforms		330	
Water and Sewer		5,654	
Maintenance Equipment		2,212	
Other Equipment		1,000	
Total County Buildings			611,680

Other General Administration

Data Processing Personnel	\$	7,894	
Social Security		604	
Unemployment Compensation		79	
Communication		3,767	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Other General Administration (Cont.)

Data Processing Services	\$	46,534	
Maintenance Agreements		15,228	
Postal Charges		55,000	
Total Other General Administration			\$ 129,106

Preservation of Records

Other Supplies and Materials	\$	117	
Other Charges		1,087	
Total Preservation of Records			1,204

Finance

Accounting and Budgeting

Supervisor/Director	\$	74,433	
Accountants/Bookkeepers		206,146	
Social Security		20,886	
State Retirement		22,723	
Medical Insurance		29,869	
Dental Insurance		1,719	
Unemployment Compensation		630	
Communication		1,018	
Dues and Memberships		850	
Legal Notices, Recording, and Court Costs		2,093	
Maintenance Agreements		15,571	
Office Supplies		7,816	
In Service/Staff Development		1,762	
Total Accounting and Budgeting			385,516

Property Assessor's Office

County Official/Administrative Officer	\$	73,825	
Clerical Personnel		143,028	
Social Security		16,422	
State Retirement		17,570	
Medical Insurance		22,891	
Dental Insurance		1,420	
Unemployment Compensation		450	
Audit Services		24,800	
Communication		2,145	
Data Processing Services		32,819	
Dues and Memberships		1,500	
Maintenance Agreements		653	
Maintenance and Repair Services - Vehicles		321	
Printing, Stationery, and Forms		713	
Other Contracted Services		2,496	
Gasoline		3,348	
Office Supplies		942	
Total Property Assessor's Office			345,343

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program

Other Salaries and Wages	\$	13,410	
Social Security		1,026	
Unemployment Compensation		89	
Other Contracted Services		1,500	
Data Processing Supplies		200	
Other Charges		5,811	
Total Reappraisal Program			\$ 22,036

County Trustee's Office

County Official/Administrative Officer	\$	73,825	
Deputy(ies)		131,366	
Social Security		14,699	
State Retirement		17,482	
Medical Insurance		29,607	
Dental Insurance		1,289	
Unemployment Compensation		360	
Communication		1,454	
Dues and Memberships		827	
Maintenance Agreements		9,152	
Maintenance and Repair Services - Office Equipment		680	
Postal Charges		6,133	
Printing, Stationery, and Forms		14	
Travel		84	
Other Contracted Services		6,500	
Office Supplies		2,052	
Total County Trustee's Office			295,524

County Clerk's Office

County Official/Administrative Officer	\$	73,825	
Deputy(ies)		181,875	
Social Security		18,876	
State Retirement		21,786	
Medical Insurance		37,379	
Dental Insurance		2,104	
Unemployment Compensation		630	
Communication		2,501	
Dues and Memberships		677	
Maintenance Agreements		25,311	
Printing, Stationery, and Forms		490	
Office Supplies		1,771	
In Service/Staff Development		2,281	
Other Charges		510	
Total County Clerk's Office			370,016

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	73,825	
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(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Deputy(ies)	\$	642,746	
Part-time Personnel		36,398	
Overtime Pay		3,398	
Jury and Witness Expense		7,492	
Social Security		56,197	
State Retirement		49,145	
Medical Insurance		105,066	
Dental Insurance		5,308	
Unemployment Compensation		2,421	
Communication		3,812	
Dues and Memberships		527	
Maintenance Agreements		31,076	
Printing, Stationery, and Forms		12,059	
Travel		852	
Duplicating Supplies		5,300	
Office Supplies		10,044	
Other Charges		7,637	
Total Circuit Court			\$ 1,053,303

General Sessions Judge

Judge(s)	\$	312,886	
Social Security		18,780	
State Retirement		13,329	
Medical Insurance		11,891	
Dental Insurance		516	
Communication		1,456	
Dues and Memberships		265	
Evaluation and Testing		3,401	
Travel		3,566	
Other Contracted Services		1,195	
Office Supplies		229	
Periodicals		8,095	
Total General Sessions Judge			375,609

Drug Court

Drug Treatment	\$	239,505	
Total Drug Court			239,505

Chancery Court

County Official/Administrative Officer	\$	73,825	
Deputy(ies)		120,058	
Part-time Personnel		6,578	
Social Security		14,567	
State Retirement		16,519	
Medical Insurance		25,916	
Dental Insurance		1,074	
Unemployment Compensation		520	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Communication	\$	2,902	
Dues and Memberships		1,147	
Maintenance Agreements		10,928	
Printing, Stationery, and Forms		1,555	
Travel		1,331	
Office Supplies		2,312	
Periodicals		763	
Total Chancery Court			\$ 279,995

Judicial Commissioners

County Official/Administrative Officer	\$	77,424	
Temporary Personnel		9,033	
Social Security		6,741	
State Retirement		5,864	
Medical Insurance		10,970	
Dental Insurance		772	
Unemployment Compensation		397	
Communication		1,577	
Maintenance Agreements		392	
Office Supplies		313	
In Service/Staff Development		225	
Total Judicial Commissioners			113,708

Probation Services

Supervisor/Director	\$	39,716	
Deputy(ies)		29,944	
Probation Officer(s)		54,933	
Clerical Personnel		20,610	
Part-time Personnel		33,339	
Social Security		12,890	
State Retirement		8,543	
Medical Insurance		13,620	
Dental Insurance		772	
Unemployment Compensation		769	
Communication		3,104	
Maintenance Agreements		1,883	
Maintenance and Repair Services - Vehicles		651	
Printing, Stationery, and Forms		979	
Travel		93	
Gasoline		425	
Office Supplies		3,412	
Uniforms		153	
Other Supplies and Materials		2,581	
In Service/Staff Development		87	
Total Probation Services			228,504

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	81,208	
Deputy(ies)		1,340,311	
Salary Supplements		25,200	
Secretary(ies)		42,355	
Clerical Personnel		55,122	
Overtime Pay		70,931	
Other Salaries and Wages		82,823	
Social Security		126,827	
State Retirement		129,174	
Medical Insurance		201,573	
Dental Insurance		10,573	
Unemployment Compensation		4,128	
Communication		31,058	
Contracts with Private Agencies		2,848	
Dues and Memberships		2,150	
Evaluation and Testing		1,800	
Maintenance Agreements		8,204	
Maintenance and Repair Services - Equipment		3,319	
Maintenance and Repair Services - Vehicles		45,071	
Printing, Stationery, and Forms		393	
Travel		3,496	
Gasoline		227,205	
Law Enforcement Supplies		6,949	
Office Supplies		2,735	
Uniforms		587	
Data Processing Equipment		1,437	
Law Enforcement Equipment		2,718	
Office Equipment		125	
Total Sheriff's Department			\$ 2,510,320

Traffic Control

Contracts with Other Public Agencies	\$	10,375	
Road Signs		5,777	
Total Traffic Control			16,152

Administration of the Sexual Offender Registry

Law Enforcement Supplies	\$	800	
Total Administration of the Sexual Offender Registry			800

Jail

Deputy(ies)	\$	215,072	
Medical Personnel		113,335	
Guards		648,242	
Clerical Personnel		47,421	
Attendants		8,427	
Cafeteria Personnel		32,784	
Overtime Pay		60,000	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Bonus Payments	\$	11,822	
Other Salaries and Wages		43,098	
Social Security		88,930	
State Retirement		72,336	
Medical Insurance		162,418	
Dental Insurance		9,049	
Unemployment Compensation		5,440	
Communication		17,153	
Contracts with Private Agencies		48,100	
Evaluation and Testing		3,100	
Maintenance Agreements		11,411	
Maintenance and Repair Services - Equipment		408	
Medical and Dental Services		662,578	
Printing, Stationery, and Forms		1,507	
Transportation - Other than Students		3,261	
Travel		2,910	
Custodial Supplies		33,906	
Electricity		100,083	
Food Supplies		306,991	
Law Enforcement Supplies		4,123	
Natural Gas		29,025	
Office Supplies		4,654	
Periodicals		460	
Prisoners Clothing		6,862	
Uniforms		1,469	
Water and Sewer		56,274	
Total Jail			\$ 2,812,649

Juvenile Services

Supervisor/Director	\$	42,283	
Youth Service Officer(s)		155,796	
Salary Supplements		9,000	
Other Salaries and Wages		6,050	
In-service Training		875	
Social Security		15,549	
State Retirement		16,810	
Medical Insurance		27,517	
Dental Insurance		1,504	
Unemployment Compensation		601	
Communication		2,196	
Contracts with Government Agencies		30,934	
Maintenance Agreements		1,594	
Travel		3,881	
Other Contracted Services		1,682	
Office Supplies		2,239	
Data Processing Equipment		3,165	
Total Juvenile Services			321,676

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Rural Fire Protection

Contributions	\$ 282,000	
Total Rural Fire Protection		\$ 282,000

Civil Defense

Supervisor/Director	\$ 40,546	
Deputy(ies)	32,938	
Social Security	5,122	
State Retirement	6,261	
Medical Insurance	9,196	
Dental Insurance	516	
Unemployment Compensation	180	
Communication	5,879	
Dues and Memberships	453	
Maintenance and Repair Services - Vehicles	973	
Travel	1,964	
Food Supplies	1,026	
Gasoline	8,097	
Office Supplies	2,208	
Uniforms	914	
Other Supplies and Materials	991	
In Service/Staff Development	534	
Other Charges	7,406	
Communication Equipment	22,687	
Other Equipment	1,390	
Total Civil Defense		149,281

Rescue Squad

Contributions	\$ 16,815	
Total Rescue Squad		16,815

County Coroner/Medical Examiner

Medical and Dental Services	\$ 53,372	
Total County Coroner/Medical Examiner		53,372

Other Public Safety

Supervisor/Director	\$ 44,857	
Salary Supplements	29,227	
Dispatchers/Radio Operators	457,127	
Educational Assistants	39,330	
Overtime Pay	19,924	
Other Salaries and Wages	21,384	
Social Security	44,379	
State Retirement	47,232	
Medical Insurance	89,071	
Dental Insurance	4,661	
Unemployment Compensation	1,964	
Total Other Public Safety		799,156

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare

Local Health Center

Medical Personnel	\$	137,088	
Clerical Personnel		153,293	
Educational Assistants		81,878	
Social Security		27,969	
State Retirement		26,886	
Medical Insurance		53,270	
Dental Insurance		2,538	
Unemployment Compensation		1,477	
Communication		9,941	
Contributions		20,000	
Maintenance and Repair Services - Buildings		2,476	
Travel		13,363	
Custodial Supplies		8	
Drugs and Medical Supplies		72	
Office Supplies		470	
Utilities		9,046	
Other Supplies and Materials		569	
Liability Insurance		98	
In Service/Staff Development		200	
Other Charges		3,655	
Total Local Health Center			\$ 544,297

Rabies and Animal Control

Supervisor/Director	\$	31,943	
Deputy(ies)		21,663	
Overtime Pay		2,793	
Social Security		4,299	
State Retirement		4,805	
Medical Insurance		9,402	
Dental Insurance		516	
Unemployment Compensation		180	
Communication		3,228	
Maintenance and Repair Services - Buildings		708	
Maintenance and Repair Services - Vehicles		2,411	
Veterinary Services		1,380	
Animal Food and Supplies		87	
Custodial Supplies		833	
Drugs and Medical Supplies		691	
Gasoline		6,486	
Office Supplies		977	
Uniforms		558	
Utilities		1,200	
Communication Equipment		50	
Other Equipment		1,708	
Total Rabies and Animal Control			95,918

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Alcohol and Drug Programs

Other Supplies and Materials	\$ 2,000	
Total Alcohol and Drug Programs		\$ 2,000

Appropriation to State

Contributions	\$ 82,378	
Total Appropriation to State		82,378

General Welfare Assistance

Contributions	\$ 3,846	
Total General Welfare Assistance		3,846

Other Waste Disposal

Disposal Fees	\$ 24,396	
Total Other Waste Disposal		24,396

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$ 59,478	
Tax Relief Program	142,058	
Total Senior Citizens Assistance		201,536

Libraries

Librarians	\$ 501,325	
Social Security	36,277	
State Retirement	31,474	
Medical Insurance	66,756	
Dental Insurance	3,481	
Unemployment Compensation	2,425	
Communication	6,685	
Data Processing Services	483	
Dues and Memberships	640	
Janitorial Services	13,500	
Maintenance Agreements	43,680	
Maintenance and Repair Services - Buildings	84	
Maintenance and Repair Services - Equipment	594	
Printing, Stationery, and Forms	344	
Travel	2,115	
Other Contracted Services	9,118	
Riprap	25,040	
Library Books/Media	70,233	
Office Supplies	10,649	
Periodicals	2,406	
Utilities	43,477	
Other Supplies and Materials	13,737	
Data Processing Equipment	297	
Office Equipment	12,321	
Total Libraries		897,141

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Other Social, Cultural, and Recreational

Librarians	\$	1,296	
Social Security		95	
State Retirement		41	
Unemployment Compensation		6	
Other Contracted Services		333	
Riprap		1,795	
Library Books/Media		2,620	
Other Supplies and Materials		5,723	
Office Equipment		948	
Total Other Social, Cultural, and Recreational			\$ 12,857

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	82,553	
Secretary(ies)		49,860	
Social Security		824	
State Retirement		918	
Unemployment Compensation		90	
Other Fringe Benefits		40,188	
Communication		679	
Contracts with Private Agencies		43,874	
Travel		1,067	
Data Processing Supplies		1,000	
Utilities		1,923	
Other Charges		1,000	
Total Agricultural Extension Service			223,976

Soil Conservation

Secretary(ies)	\$	33,926	
Other Salaries and Wages		26,002	
Social Security		3,964	
State Retirement		5,106	
Medical Insurance		11,883	
Dental Insurance		516	
Unemployment Compensation		180	
Contributions		8,500	
Total Soil Conservation			90,077

Other Operations

Industrial Development

Contributions	\$	250,818	
Total Industrial Development			250,818

Veterans' Services

Clerical Personnel	\$	6,910	
Social Security		529	
Unemployment Compensation		69	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services (Cont.)

Communication	\$	775	
Dues and Memberships		25	
Travel		541	
Electricity		1,300	
Natural Gas		675	
Office Supplies		36	
Water and Sewer		525	
Total Veterans' Services			\$ 11,385

Other Charges

Judgments	\$	35,000	
Liability Insurance		266,454	
Premiums on Corporate Surety Bonds		100	
Trustee's Commission		188,941	
Workers' Compensation Insurance		292,639	
Liability Claims		2,635	
Loss from Joint Venture		78,074	
Other Charges		34,072	
Total Other Charges			897,915

Contributions to Other Agencies

Contributions	\$	14,450	
Total Contributions to Other Agencies			14,450

Payments to Cities

Contributions	\$	28,500	
Total Payments to Cities			28,500

Miscellaneous

Instructional Supplies and Materials	\$	7,500	
Other Charges		400,316	
Total Miscellaneous			407,816

Principal on Debt

General Government

Principal on Other Loans	\$	350,000	
Total General Government			350,000

Interest on Debt

General Government

Interest on Other Loans	\$	13,125	
Total General Government			13,125

Total General Fund \$ 16,453,043

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Supervisor/Director	\$	47,589	
Secretary(ies)		33,926	
Overtime Pay		2,027	
In-service Training		275	
Social Security		6,258	
State Retirement		7,097	
Medical Insurance		11,458	
Dental Insurance		516	
Unemployment Compensation		142	
Communication		2,330	
Maintenance and Repair Services - Buildings		3,150	
Postal Charges		1,181	
Travel		109	
Custodial Supplies		469	
Utilities		10,765	
Other Supplies and Materials		3,252	
Trustee's Commission		20,681	
Other Charges		11,581	
Total Sanitation Management			\$ 162,806

Waste Pickup

Truck Drivers	\$	111,863	
Guards		24,186	
Overtime Pay		14,101	
Social Security		10,789	
State Retirement		7,337	
Medical Insurance		29,328	
Dental Insurance		1,032	
Unemployment Compensation		450	
Contracts with Government Agencies		21,236	
Contracts with Private Agencies		290,109	
Maintenance and Repair Services - Equipment		882	
Maintenance and Repair Services - Vehicles		16,665	
Medical and Dental Services		265	
Diesel Fuel		64,712	
Garage Supplies		2,027	
Gasoline		8,716	
Tires and Tubes		11,267	
Uniforms		2,198	
Other Supplies and Materials		3,252	
Vehicle and Equipment Insurance		10,446	
Motor Vehicles		220,460	
Total Waste Pickup			851,321

Convenience Centers

Attendants	\$	137,235	
Overtime Pay		5,358	

(Continued)

Exhibit K-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Convenience Centers (Cont.)

Other Salaries and Wages	\$	23,723	
Social Security		12,511	
State Retirement		5,754	
Medical Insurance		30,804	
Dental Insurance		2,256	
Unemployment Compensation		1,179	
Communication		5,194	
Maintenance and Repair Services - Buildings		2,519	
Maintenance and Repair Services - Equipment		23,775	
Rentals		7,560	
Crushed Stone		158	
Electricity		8,083	
Other Equipment		4,995	
Total Convenience Centers			\$ 271,104

Other Waste Collection

Supervisor/Director	\$	14,001	
Secretary(ies)		8,653	
Overtime Pay		140	
Social Security		1,718	
State Retirement		1,963	
Unemployment Compensation		38	
Contracts with Government Agencies		1,306	
Contracts with Private Agencies		38,098	
Contracts with Vehicle Owners		1,962	
Maintenance and Repair Services - Equipment		713	
Office Supplies		180	
Other Equipment		180	
Total Other Waste Collection			68,952

Other Operations

Other Charges

Workers' Compensation Insurance	\$	28,362	
Total Other Charges			28,362

Total Solid Waste/Sanitation Fund \$ 1,382,545

Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Assistant(s)	\$	45,254	
Supervisor/Director		57,224	
Accountants/Bookkeepers		27,487	
Medical Personnel		816,846	
Overtime Pay		488,083	
In-service Training		2,531	
Social Security		106,965	

(Continued)

Exhibit K-7

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

State Retirement	\$	89,185	
Medical Insurance		151,987	
Dental Insurance		6,883	
Unemployment Compensation		4,518	
Communication		17,076	
Consultants		3,000	
Dues and Memberships		680	
Operating Lease Payments		2,624	
Licenses		3,267	
Maintenance and Repair Services - Equipment		13,163	
Maintenance and Repair Services - Vehicles		68,665	
Travel		928	
Other Contracted Services		42,684	
Custodial Supplies		2,078	
Drugs and Medical Supplies		60,443	
Gasoline		96,273	
Office Supplies		2,808	
Tires and Tubes		6,740	
Uniforms		1,242	
Utilities		27,610	
Other Supplies and Materials		2,919	
Liability Insurance		19,840	
Trustee's Commission		28,474	
Vehicle and Equipment Insurance		33,443	
Data Processing Equipment		22,332	
Motor Vehicles		92,661	
Total Ambulance/Emergency Medical Services			\$ 2,345,913
Total Ambulance Service Fund			\$ 2,345,913

Local Purpose Tax Fund

Other Operations

Industrial Development

Contracts with Government Agencies	\$	75,000	
Engineering Services		735	
Other Contracted Services		6,733	
Utilities		616	
Trustee's Commission		3,814	
Land		30,000	
Total Industrial Development			\$ 116,898
Total Local Purpose Tax Fund			116,898

Drug Control Fund

Public Safety

Drug Enforcement

Confidential Drug Enforcement Payments	\$	10,000	
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(Continued)

Exhibit K-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Dues and Memberships	\$	1,009	
Maintenance and Repair Services - Buildings		132	
Maintenance and Repair Services - Equipment		719	
Maintenance and Repair Services - Vehicles		4,797	
Travel		20,671	
Instructional Supplies and Materials		5,269	
Law Enforcement Supplies		3,639	
Prisoners Clothing		2,700	
Uniforms		3,041	
Refunds		25,951	
Trustee's Commission		145	
Communication Equipment		4,870	
Data Processing Equipment		13,008	
Furniture and Fixtures		1,435	
Law Enforcement Equipment		43,850	
Motor Vehicles		195,882	
Total Drug Enforcement			\$ 337,118

Total Drug Control Fund \$ 337,118

Constitutional Officers - Fees Fund

Administration of Justice

Circuit Court

Constitutional Officers' Operating Expenses	\$	664	
Total Circuit Court			\$ 664

Total Constitutional Officers - Fees Fund 664

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	81,208	
Assistant(s)		46,883	
Supervisor/Director		31,429	
Secretary(ies)		31,429	
Board and Committee Members Fees		5,650	
Social Security		15,040	
State Retirement		16,269	
Life Insurance		1,333	
Medical Insurance		36,540	
Dental Insurance		1,031	
Unemployment Compensation		810	
Accounting Services		12,000	
Dues and Memberships		3,445	
Evaluation and Testing		885	
Legal Services		812	
Maintenance and Repair Services - Office Equipment		500	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Travel	\$	303	
Other Contracted Services		418	
Office Supplies		822	
Other Charges		1,940	
Total Administration			\$ 288,747

Highway and Bridge Maintenance

Equipment Operators	\$	359,566	
Social Security		27,507	
State Retirement		21,985	
Life Insurance		4,695	
Medical Insurance		134,307	
Dental Insurance		3,242	
Unemployment Compensation		4,755	
Other Contracted Services		473,318	
Asphalt - Cold Mix		8,041	
Asphalt - Liquid		300,643	
Concrete		386	
Crushed Stone		100,754	
Pipe - Concrete		5,005	
Road Signs		5,640	
Salt		4,820	
Other Supplies and Materials		25,504	
Total Highway and Bridge Maintenance			1,480,168

Operation and Maintenance of Equipment

Mechanic(s)	\$	89,977	
Social Security		6,883	
State Retirement		7,666	
Life Insurance		667	
Medical Insurance		19,348	
Dental Insurance		774	
Unemployment Compensation		548	
Laundry Service		2,632	
Towing Services		100	
Diesel Fuel		74,998	
Equipment and Machinery Parts		95,446	
Garage Supplies		1,629	
Gasoline		51,229	
Lubricants		5,091	
Tires and Tubes		13,468	
Other Supplies and Materials		3,363	
Total Operation and Maintenance of Equipment			373,819

Other Charges

Communication	\$	3,921	
Electricity		5,790	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Natural Gas	\$	5,376	
Water and Sewer		547	
Liability Insurance		40,101	
Trustee's Commission		19,458	
Workers' Compensation Insurance		87,633	
Other Charges		600	
Total Other Charges			\$ 163,426

Capital Outlay

Highway Equipment	\$	44,750	
Motor Vehicles		7,700	
Total Capital Outlay			52,450

Principal on Debt

Highways and Streets

Principal on Notes	\$	82,000	
Total Highways and Streets			82,000

Interest on Debt

Highways and Streets

Interest on Notes	\$	8,290	
Total Highways and Streets			8,290

Total Highway/Public Works Fund \$ 2,448,900

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	460,000	
Principal on Notes		45,000	
Principal on Other Loans		380,000	
Total General Government			\$ 885,000

Interest on Debt

General Government

Interest on Bonds	\$	49,000	
Interest on Notes		227,056	
Interest on Other Loans		144,472	
Total General Government			420,528

Other Debt Service

General Government

Fiscal Agent Charges	\$	2,768	
Trustee's Commission		37,624	
Total General Government			40,392

Total General Debt Service Fund 1,345,920

(Continued)

Exhibit K-7

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

<u>Rural Debt Service Fund</u>		
<u>Principal on Debt</u>		
<u>Education</u>		
Principal on Bonds	\$ 925,000	
Principal on Other Loans	495,313	
Total Education		\$ 1,420,313
<u>Interest on Debt</u>		
<u>Education</u>		
Interest on Bonds	\$ 1,864,591	
Interest on Other Loans	452,863	
Total Education		2,317,454
<u>Other Debt Service</u>		
<u>Education</u>		
Fiscal Agent Charges	\$ 6,250	
Trustee's Commission	43,698	
Total Education		49,948
 Total Rural Debt Service Fund		 \$ 3,787,715
<u>General Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>General Administration Projects</u>		
Trustee's Commission	\$ 2,929	
Building Improvements	275,000	
Total General Administration Projects		\$ 277,929
<u>Public Safety Projects</u>		
Architects	\$ 110,483	
Consultants	15,000	
Contracts with Private Agencies	12,050,316	
Legal Services	312	
Permits	350	
Total Public Safety Projects		12,176,461
<u>Public Health and Welfare Projects</u>		
Other Supplies and Materials	\$ 3,873	
Site Development	160,250	
Total Public Health and Welfare Projects		164,123
<u>Capital Projects - Donated</u>		
<u>Capital Projects Donated to School Department</u>		
Contributions	\$ 300,000	
Total Capital Projects Donated to School Department		300,000
 Total General Capital Projects Fund		 12,918,513

(Continued)

Exhibit K-7

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

<u>Education Capital Projects Fund</u>			
<u>Other Debt Service</u>			
<u>Education</u>			
Underwriter's Discount	\$	323,325	
Other Debt Issuance Charges		<u>250,470</u>	
Total Education	\$		573,795
<u>Capital Projects - Donated</u>			
<u>Capital Projects Donated to School Department</u>			
Contributions	\$	<u>20,294,060</u>	
Total Capital Projects Donated to School Department			<u>20,294,060</u>
Total Education Capital Projects Fund			<u>\$ 20,867,855</u>
Total Governmental Funds - Primary Government			<u>\$ 62,005,084</u>

Exhibit K-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 10,414,088	
Career Ladder Program	73,648	
Career Ladder Extended Contracts	20,710	
Homebound Teachers	19,317	
Instructional Computer Personnel	61,824	
Educational Assistants	243,562	
Other Salaries and Wages	11,203	
Certified Substitute Teachers	34,840	
Non-certified Substitute Teachers	130,903	
Social Security	638,214	
State Retirement	949,103	
Life Insurance	72,472	
Medical Insurance	2,022,147	
Dental Insurance	133,469	
Employer Medicare	150,608	
Communication	92,932	
Maintenance and Repair Services - Equipment	17,741	
Other Contracted Services	8,904	
Instructional Supplies and Materials	161,554	
Textbooks	296,610	
Other Supplies and Materials	116,113	
Other Charges	30,896	
Regular Instruction Equipment	421,258	
Total Regular Instruction Program		\$ 16,122,116

Alternative Instruction Program

Other Charges	\$ 7,632	
Total Alternative Instruction Program		7,632

Special Education Program

Teachers	\$ 1,650,388
Career Ladder Program	14,675
Homebound Teachers	8,093
Educational Assistants	203,882
Speech Pathologist	209,097
Other Salaries and Wages	136,477
Certified Substitute Teachers	2,190
Non-certified Substitute Teachers	14,788
Social Security	127,117
State Retirement	187,890
Life Insurance	16,852
Medical Insurance	442,070
Dental Insurance	38,685
Employer Medicare	30,114
Maintenance and Repair Services - Equipment	1,725
Other Contracted Services	149,729

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Instructional Supplies and Materials	\$	23,290	
Other Supplies and Materials		22,356	
Other Charges		4,348	
Special Education Equipment		5,800	
Total Special Education Program			\$ 3,289,566

Vocational Education Program

Teachers	\$	924,927	
Career Ladder Program		5,000	
Educational Assistants		14,292	
Certified Substitute Teachers		2,995	
Non-certified Substitute Teachers		12,170	
Social Security		55,695	
State Retirement		82,673	
Life Insurance		6,168	
Medical Insurance		172,046	
Dental Insurance		11,220	
Employer Medicare		13,246	
Instructional Supplies and Materials		41,674	
Vocational Instruction Equipment		559	
Total Vocational Education Program			1,342,665

Student Body Education Program

Other Salaries and Wages	\$	41,268	
Social Security		2,395	
State Retirement		3,458	
Employer Medicare		560	
Other Charges		11,685	
Total Student Body Education Program			59,366

Support Services

Attendance

Supervisor/Director	\$	64,443	
Career Ladder Program		1,000	
Secretary(ies)		29,182	
Social Security		5,489	
State Retirement		8,298	
Life Insurance		605	
Medical Insurance		14,809	
Dental Insurance		1,129	
Employer Medicare		1,284	
Travel		1,517	
Other Contracted Services		11,637	
Other Supplies and Materials		1,036	
Attendance Equipment		2,810	
Total Attendance			143,239

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services

Supervisor/Director	\$	54,987	
Career Ladder Program		417	
Medical Personnel		388,274	
Secretary(ies)		10,060	
Other Salaries and Wages		40,370	
Social Security		28,160	
State Retirement		38,936	
Life Insurance		3,049	
Medical Insurance		88,221	
Dental Insurance		5,536	
Employer Medicare		6,734	
Travel		3,120	
Other Supplies and Materials		17,746	
In Service/Staff Development		8,798	
Other Charges		7,109	
Health Equipment		2,979	
Other Capital Outlay		13,010	
Total Health Services			\$ 717,506

Other Student Support

Career Ladder Program	\$	3,000	
Guidance Personnel		573,291	
Psychological Personnel		23,425	
Secretary(ies)		70,090	
Social Security		39,510	
State Retirement		59,265	
Life Insurance		4,264	
Medical Insurance		132,133	
Dental Insurance		8,373	
Employer Medicare		9,240	
Evaluation and Testing		57,445	
Travel		1,493	
Total Other Student Support			981,529

Regular Instruction Program

Supervisor/Director	\$	314,148	
Career Ladder Program		7,000	
Career Ladder Extended Contracts		4,000	
Librarians		400,326	
Secretary(ies)		65,097	
Other Salaries and Wages		74,576	
Social Security		49,409	
State Retirement		76,004	
Life Insurance		5,406	
Medical Insurance		154,056	
Dental Insurance		10,430	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Employer Medicare	\$	11,555	
Travel		24,178	
Library Books/Media		24,907	
Other Supplies and Materials		4,223	
In Service/Staff Development		56,333	
Other Charges		8,712	
Other Equipment		5,552	
Total Regular Instruction Program			\$ 1,295,912

Special Education Program

Supervisor/Director	\$	65,301	
Career Ladder Program		1,000	
Psychological Personnel		134,708	
Secretary(ies)		19,198	
Other Salaries and Wages		2,443	
Social Security		12,655	
State Retirement		19,680	
Life Insurance		1,209	
Medical Insurance		33,899	
Dental Insurance		1,829	
Employer Medicare		2,960	
Communication		4,395	
Maintenance and Repair Services - Equipment		2,915	
Travel		6,830	
Other Supplies and Materials		4,783	
In Service/Staff Development		6,802	
Other Charges		3,179	
Total Special Education Program			323,786

Vocational Education Program

Supervisor/Director	\$	38,499	
Social Security		2,387	
State Retirement		3,419	
Life Insurance		43	
Medical Insurance		2,602	
Employer Medicare		558	
Communication		42	
Travel		1,913	
Total Vocational Education Program			49,463

Other Programs

On-behalf Payments to OPEB	\$	237,033	
Total Other Programs			237,033

Board of Education

Secretary to Board	\$	484	
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(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Board and Committee Members Fees	\$	8,790	
Social Security		340	
State Retirement		41	
Life Insurance		3,600	
Medical Insurance		186,495	
Dental Insurance		7,500	
Unemployment Compensation		6,956	
Employer Medicare		133	
Audit Services		5,400	
Bank Charges		1,280	
Dues and Memberships		6,765	
Legal Services		12,385	
Travel		4,961	
Liability Insurance		301,680	
Trustee's Commission		254,695	
Workers' Compensation Insurance		320,163	
In Service/Staff Development		17,636	
Other Charges		69,118	
Other Equipment		4,921	
Total Board of Education			\$ 1,213,343

Director of Schools

County Official/Administrative Officer	\$	109,620	
Career Ladder Program		1,000	
Secretary(ies)		35,562	
Clerical Personnel		24,076	
Other Salaries and Wages		712	
Social Security		10,397	
State Retirement		14,904	
Life Insurance		893	
Medical Insurance		24,656	
Dental Insurance		1,129	
Employer Medicare		2,442	
Communication		9,379	
Dues and Memberships		3,358	
Maintenance and Repair Services - Equipment		15,758	
Postal Charges		2,452	
Travel		4,572	
Office Supplies		7,755	
Utilities		27,395	
In Service/Staff Development		1,631	
Total Director of Schools			297,691

Office of the Principal

Principals	\$	615,957	
Career Ladder Program		6,000	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Accountants/Bookkeepers	\$	53,175	
Assistant Principals		304,341	
Secretary(ies)		281,027	
Social Security		73,197	
State Retirement		110,305	
Life Insurance		8,622	
Medical Insurance		218,957	
Dental Insurance		43,625	
Employer Medicare		17,120	
Communication		29,249	
Travel		3,117	
Office Supplies		4,598	
Other Charges		961	
Total Office of the Principal			\$ 1,770,251

Fiscal Services

Supervisor/Director	\$	45,431	
Accountants/Bookkeepers		158,199	
Social Security		11,381	
State Retirement		16,267	
Life Insurance		1,485	
Medical Insurance		34,560	
Dental Insurance		2,257	
Employer Medicare		2,838	
Travel		152	
Other Contracted Services		20,336	
Other Supplies and Materials		1,434	
In Service/Staff Development		1,600	
Administration Equipment		7,218	
Total Fiscal Services			303,158

Operation of Plant

Custodial Personnel	\$	546,121	
Social Security		31,718	
State Retirement		39,565	
Life Insurance		7,083	
Medical Insurance		155,151	
Dental Insurance		13,544	
Employer Medicare		7,607	
Laundry Service		7,628	
Electricity		988,646	
Natural Gas		74,142	
Propane Gas		5,821	
Water and Sewer		85,260	
Other Supplies and Materials		84,250	
Total Operation of Plant			2,046,536

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

Assistant(s)	\$	17,150	
Supervisor/Director		45,784	
Maintenance Personnel		231,342	
Other Salaries and Wages		6,211	
Social Security		17,828	
State Retirement		25,070	
Life Insurance		2,447	
Medical Insurance		61,409	
Dental Insurance		4,515	
Employer Medicare		4,169	
Communication		4,802	
Maintenance and Repair Services - Buildings		2,181	
Maintenance and Repair Services - Equipment		9,698	
Other Supplies and Materials		158,363	
In Service/Staff Development		333	
Maintenance Equipment		32,356	
Total Maintenance of Plant			\$ 623,658

Transportation

Supervisor/Director	\$	59,603	
Mechanic(s)		114,056	
Bus Drivers		767,454	
Clerical Personnel		42,708	
Social Security		56,661	
State Retirement		77,658	
Life Insurance		17,690	
Medical Insurance		430,668	
Dental Insurance		6,772	
Employer Medicare		13,251	
Communication		1,815	
Laundry Service		7,093	
Travel		1,518	
Other Contracted Services		860	
Diesel Fuel		270,407	
Gasoline		23,554	
Office Supplies		1,567	
Tires and Tubes		35,871	
Utilities		14,717	
Vehicle Parts		107,802	
Other Supplies and Materials		101	
In Service/Staff Development		1,024	
Other Charges		13,864	
Administration Equipment		2,358	
Communication Equipment		18,727	
Total Transportation			2,087,799

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services

Community Services

Other Salaries and Wages	\$	230,484	
Social Security		14,182	
State Retirement		6,436	
Life Insurance		223	
Medical Insurance		18,465	
Dental Insurance		1,609	
Employer Medicare		3,171	
Communication		2,318	
Travel		6,277	
Other Contracted Services		59,880	
Food Supplies		7,516	
Other Supplies and Materials		63,572	
In Service/Staff Development		21,818	
Other Charges		16,622	
Total Community Services			\$ 452,573

Early Childhood Education

Teachers	\$	319,874	
Educational Assistants		88,794	
Other Salaries and Wages		29,623	
Certified Substitute Teachers		480	
Non-certified Substitute Teachers		3,616	
Social Security		23,133	
State Retirement		36,103	
Life Insurance		3,355	
Medical Insurance		117,945	
Dental Insurance		7,494	
Employer Medicare		5,785	
Communication		1,700	
Travel		1,904	
Instructional Supplies and Materials		4,036	
Other Supplies and Materials		6,321	
Other Charges		750	
Other Equipment		3,345	
Total Early Childhood Education			654,258

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	93,356	
Other Equipment		5,301	
Other Capital Outlay		129,992	
Total Regular Capital Outlay			228,649

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	71,429	
Total Education			71,429

Total General Purpose School Fund \$ 34,319,158

(Continued)

Exhibit K-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	590,623	
Educational Assistants		27,386	
Other Salaries and Wages		137,455	
Certified Substitute Teachers		11,355	
Non-certified Substitute Teachers		31,188	
Social Security		44,697	
State Retirement		62,133	
Life Insurance		2,839	
Medical Insurance		122,949	
Employer Medicare		10,900	
Instructional Supplies and Materials		52,348	
Other Supplies and Materials		375	
Regular Instruction Equipment		47,369	
Total Regular Instruction Program			\$ 1,141,617

Special Education Program

Teachers	\$	36,340	
Educational Assistants		404,477	
Other Salaries and Wages		19,119	
Certified Substitute Teachers		2,100	
Non-certified Substitute Teachers		14,985	
Social Security		27,409	
State Retirement		35,845	
Life Insurance		5,509	
Medical Insurance		214,766	
Employer Medicare		6,424	
Maintenance and Repair Services - Equipment		1,229	
Instructional Supplies and Materials		1,536	
Other Supplies and Materials		5,043	
Other Charges		185	
Total Special Education Program			774,967

Vocational Education Program

Maintenance and Repair Services - Equipment	\$	1,803	
Instructional Supplies and Materials		15,220	
Other Charges		900	
Vocational Instruction Equipment		41,360	
Total Vocational Education Program			59,283

Support Services

Other Student Support

Other Salaries and Wages	\$	8,363	
Social Security		513	
State Retirement		743	
Employer Medicare		120	
Evaluation and Testing		2,000	

(Continued)

Exhibit K-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

Travel	\$	21,996	
Other Supplies and Materials		7,340	
Other Charges		4,280	
Total Other Student Support			\$ 45,355

Regular Instruction Program

Supervisor/Director	\$	34,208	
Secretary(ies)		22,629	
Other Salaries and Wages		228,028	
Social Security		17,498	
State Retirement		25,215	
Life Insurance		655	
Medical Insurance		36,656	
Employer Medicare		4,092	
Travel		1,015	
Other Supplies and Materials		2,550	
In Service/Staff Development		93,894	
Total Regular Instruction Program			466,440

Special Education Program

Secretary(ies)	\$	19,198	
Social Security		1,190	
State Retirement		1,636	
Life Insurance		95	
Medical Insurance		4,404	
Employer Medicare		278	
Communication		784	
Travel		619	
Other Contracted Services		17,598	
Other Supplies and Materials		328	
In Service/Staff Development		1,622	
Other Charges		668	
Total Special Education Program			48,420

Vocational Education Program

Travel	\$	1,535	
Other Supplies and Materials		639	
In Service/Staff Development		483	
Total Vocational Education Program			2,657

Total School Federal Projects Fund \$ 2,538,739

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	62,465	
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(Continued)

Exhibit K-8

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

Central Cafeteria Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Food Service (Cont.)

Accountants/Bookkeepers	\$	28,199	
Cafeteria Personnel		663,933	
Other Salaries and Wages		17,861	
Social Security		43,723	
State Retirement		57,176	
Life Insurance		7,433	
Medical Insurance		296,176	
Dental Insurance		10,455	
Disability Insurance		1,811	
Employer Medicare		10,226	
Accounting Services		295	
Communication		1,534	
Maintenance and Repair Services - Equipment		24,665	
Travel		14,211	
Other Contracted Services		13,031	
Food Preparation Supplies		92,336	
Food Supplies		982,889	
Office Supplies		6,766	
USDA - Commodities		172,576	
Other Supplies and Materials		4,391	
In Service/Staff Development		12,250	
Other Charges		4,247	
Administration Equipment		455	
Food Service Equipment		27,063	
Total Food Service			\$ 2,556,167

Total Central Cafeteria Fund \$ 2,556,167

Other Capital Projects Fund

Capital Projects

Education Capital Projects

Other Salaries and Wages	\$	3,644	
Social Security		217	
State Retirement		206	
Employer Medicare		51	
Architects		113,384	
Engineering Services		127,219	
Other Charges		668	
Building Construction		18,907,598	
Building Improvements		499,515	
Data Processing Equipment		624,803	
Regular Instruction Equipment		12,587	
Site Development		1,031,907	
Health Equipment		11,221	
Other Construction		561,156	
Total Education Capital Projects			\$ 21,894,176

Total Other Capital Projects Fund 21,894,176

Total Governmental Funds - Coffee County School Department \$ 61,308,240

Exhibit K-9

Coffee County, Tennessee
Schedule of Detailed Revenues and Expenses
Proprietary Fund
For the Year Ended June 30, 2014

	Enterprise Fund
	Wayside Acres Sewer Fund
<hr/>	
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Water Treatment Charges	\$ 16,613
Other General Service Charges	18,448
Total Operating Revenues	<u>\$ 35,061</u>
Total Revenues	<u>\$ 35,061</u>
 <u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Public Health and Welfare</u>	
Communication	\$ 637
Engineering Services	5,260
Maintenance and Repair Services - Equipment	1,082
Permits	400
Other Contracted Services	14,030
Electricity	3,811
Water and Sewer	84
Other Supplies and Materials	533
Liability Insurance	650
Depreciation	26,951
Total Operating Expenses	<u>\$ 53,438</u>
<u>Nonoperating Expenses</u>	
Interest on Other Loans	\$ 12,408
Total Nonoperating Expenses	<u>\$ 12,408</u>
Total Expenses	<u>\$ 65,846</u>

Exhibit K-10

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

	Cities - Sales Tax Fund	City School ADA- Tulahoma Fund	City School ADA- Manchester Fund	Total
<u>Cash Receipts</u>				
Current Property Taxes	\$ 0	\$ 5,482,868	\$ 2,140,791	\$ 7,623,659
Trustee's Collections - Prior Years	0	167,830	65,529	233,359
Trustee's Collections - Bankruptcy	0	3,345	1,314	4,659
Circuit/Clerk and Master Collections - Prior Years	0	87,416	34,043	121,459
Interest and Penalty	0	58,926	22,987	81,913
Payments in-Lieu-of Taxes - TVA	0	399	156	555
Payments in-Lieu-of Taxes - Local Utilities	0	5,426	2,118	7,544
Local Option Sales Tax	13,893,935	0	0	13,893,935
Mixed Drink Tax	0	455	178	633
Interstate Telecommunications Tax	0	1,861	726	2,587
Marriage Licenses	0	1,586	620	2,206
Alcoholic Beverage Tax	0	2,695	1,052	3,747
Total Cash Receipts	\$ 13,893,935	\$ 5,812,807	\$ 2,269,514	\$ 21,976,256
<u>Cash Disbursements</u>				
Remittance of Revenues Collected	\$ 13,754,994	\$ 5,629,840	\$ 2,269,622	\$ 21,654,456
Trustee's Commission	138,941	115,417	45,066	299,424
Total Cash Disbursements	\$ 13,893,935	\$ 5,745,257	\$ 2,314,688	\$ 21,953,880
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 67,550	\$ (45,174)	\$ 22,376
Cash Balance, July 1, 2013	0	37,654	15,541	53,195
Cash Balance, June 30, 2014	\$ 0	\$ 105,204	\$ (29,633)	\$ 75,571

SINGLE AUDIT SECTION



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

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Coffee County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Coffee County's basic financial statements, and have issued our report thereon dated February 13, 2015. Our report includes a reference to other auditors who audited the financial statements of the Coffee County Emergency Communications District, the Public Building Authority of Coffee County, and the Industrial Board of Coffee County as described in our report on Coffee 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 Coffee 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 Coffee County's internal control. Accordingly, we do not express an opinion on the effectiveness of Coffee 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: 2014-001.

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: 2014-002, 2014-003, 2014-008, 2014-009, and 2014-010.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coffee County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items: 2014-004, 2014-005, 2014-006, and 2014-007.

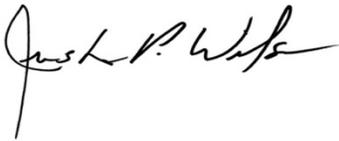
Coffee County's Responses to Findings

Coffee County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Coffee 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 Coffee 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

February 13, 2015

JPW/kp



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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

We have audited Coffee 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 Coffee County's major federal programs for the year ended

June 30, 2014. Coffee 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 Coffee 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 Coffee County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Coffee County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control Over Compliance

Management of Coffee 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 Coffee 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 Coffee 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.

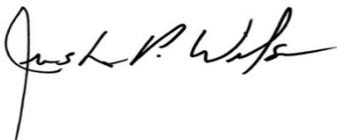
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any 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 Coffee County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Coffee County's basic financial statements. We issued our report thereon dated February 13, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 13, 2015

JPW/kp

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Passed-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	\$ 429,655
National School Lunch Program	10.555	N/A	1,144,042 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	172,576 (3)
Total U.S. Department of Agriculture			<u>\$ 1,746,273</u>
U.S. Department of Defense:			
Passed-through State Department of General Services:			
Section 1033 Excess Property Program	12.Unknown	N/A	<u>\$ 1,184,639</u>
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Home Investment Partnership Program	14.239	HM-10-10	<u>\$ 400,316</u>
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	<u>\$ 13,200</u>
U.S. Department of Transportation:			
Passed-through Governor's Highway Safety Office:			
Alcohol Open Container Requirements	20.607	(2)	<u>\$ 2,978</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title 1 Grants to Local Educational Agencies	84.010	N/A	\$ 1,179,926
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	843,034
Special Education - Preschool Grants	84.173	N/A	23,151
Career and Technical Education - Basic Grants to States	84.048	N/A	85,215
Rural Education	84.358	N/A	66,650
Improving Teacher Quality State Grants	84.367	N/A	136,813
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants	84.395	N/A	254,329
Passed through City of Tullahoma Board of Education:			
English Language Acquisition Grants	84.365	N/A	4,251
Total U.S. Department of Education			<u>\$ 2,593,369</u>
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	N/A	<u>\$ 10,640</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Mental Health and Developmental Disabilities:			
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	(2)	\$ 79,763
Drug-free Communities Support Program Grants	93.276	5H79SP015691	123,037
Block Grants for Prevention and Treatment of Substance Abuse	93.959	(2)	72,126
Passed-through State Department of Children's Services:			
Temporary Assistance for Needy Families	93.558	(2)	13,277
Total U.S. Department of Health and Human Services			<u>\$ 288,203</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(2)	\$ 33,350
Homeland Security Grant Program	97.067	(2)	16,030
Total U.S. Department of Homeland Security			<u>\$ 49,380</u>
Total Expenditures of Federal Awards			<u>\$ 6,288,998</u>

(Continued)

Coffee 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>			
Early Childhood Education - State Department of Education	N/A	(2)	\$ 647,398
ConnectTenn - State Department of Education	N/A	(2)	12,879
Arts Student Ticket Subsidy - State Arts Commission	N/A	(2)	1,033
Statewide Student Management System - State Department of Education	N/A	(2)	11,637
Family Resource Center - State Department of Education	N/A	(2)	59,223
Safe Schools - State Department of Education	N/A	(2)	23,087
Coordinated School Health - State Department of Education	N/A	(2)	85,000
Project Diabetes Initiative Services	N/A	(2)	14,222
Energy Efficient Schools Initiative - State Department of Environment and Conservation	N/A	(2)	18,806
Juvenile Services Program - State Commission on Children and Youth	N/A	(2)	9,000
Economic Development Projects - Three Star - State Department of Economic and Community Development	N/A	(2)	7,500
Tennessee Agriculture Enhancement Program Grant - State Department of Agriculture	N/A	(2)	1,000
State Computer HAVA Grant - Tennessee Secretary of State	N/A	(2)	560
Litter Program - State Department of Transportation	N/A	(2)	43,730
Local Health Services - State Department of Health	N/A	(2)	485,750
Library Technology Grant - State Library and Archives	N/A	(2)	1,500
Archives Development Program Grants - State Library and Archives	N/A	(2)	1,197
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	34,199
Total State Grants			<u>\$ 1,457,721</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 \$1,316,618.

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

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

OFFICE OF DIRECTOR OF SCHOOLS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-003	197	Insurance payroll liability accounts were not reconciled monthly

OFFICE OF REGISTER OF DEEDS

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-006	199	Multiple employees operated from the same cash drawer

OFFICES OF DIRECTOR OF SCHOOLS, TRUSTEE, REGISTER OF DEEDS, AND SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-007	199	Duties were not segregated adequately

COFFEE COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on Coffee County's financial statements is unmodified.
2. The audit of the financial statements of Coffee County disclosed significant deficiencies in internal control. One of these deficiencies was considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that were material to the financial statements.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), the Section 1033 Excess Property Program (CFDA No. 12.Unknown), and the Home Investment Partnership Program (CFDA No. 14.239) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Coffee 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 director of school's written responses are paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICE OF DIRECTOR OF SCHOOLS

FINDING 2014-001

THE GENERAL PURPOSE SCHOOL FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION

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

At June 30, 2014, certain general ledger account balances in the General Purpose School fund were not materially correct, and audit adjustments totaling \$785,177 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the School Department to have adequate controls over the maintenance of its accounting records. Material audit adjustments were required because the department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We agree with the auditor's finding, and the following actions are being taken to improve the situation. The most significant attribute in this situation is the non-reconciliation of payroll liability accounts. Currently, to prevent any additional material misrepresentation of the financial statements, the Statement of Expenditures and Encumbrances is being reviewed and analyzed each month, and any adjusting entries are being posted in a timely fashion. In addition, all line-items are compared to the budget to ensure proper coding and/or allocations. As a general note, this was not a prior-year finding, and we believe employee turnover during the year-end process contributed to this finding.

FINDING 2014-002

INSURANCE PAYROLL LIABILITY ACCOUNTS WERE NOT RECONCILED MONTHLY

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

General ledger payroll liability accounts were not reconciled with subsidiary payroll records and payments each month in the General Purpose School, School Federal Projects, and Central Cafeteria funds. As a result, unidentified balances accumulated in the liability accounts for several payroll deductions. Sound business practices dictate that payroll liability accounts should be reconciled with billings monthly. The failure to regularly reconcile payroll liability accounts is a significant deficiency that increases the risk that errors will not be discovered and corrected in a timely manner. This deficiency exists because management failed to correct the finding noted in the prior-year audit report.

RECOMMENDATION

General ledger payroll liability accounts should be reconciled monthly with payroll reports and payments, and any errors discovered should be corrected promptly.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We agree with the auditor's finding, and the following actions are being taken to improve the situation. We are currently working on a plan to ensure monthly reconciliations between payroll expenditures and liability accounts. This deficiency has not been completely corrected, but steps are being reviewed, and the reconciliation process has started, which includes meetings between payroll, benefits, and finance on how to handle exceptions properly. In February 2015, we plan to hire another employee who will work closely with both payroll and benefits in order for any differences to be researched and corrected in a timely manner and monthly reconciliations to occur. Also, we have contacted other school districts to review their processes in order to evaluate what will be the most efficient and effective plan for us to implement. In addition, we have contacted our software provider to ensure we are well trained in all the capabilities our system has to offer as well as our insurance providers on an improved way of classified reporting.

FINDING 2014-003

THE OTHER CAPITAL PROJECTS FUND HAD A DEFICIT IN UNASSIGNED FUND BALANCE AT JUNE 30 2014

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

At June 30, 2014, the Other Capital Projects Fund had a deficit of \$511,911 in unassigned fund balance. This deficit resulted from expenditures in excess of available funds. Sound business practices dictate that expenditures be held within available funds. The deficit in unassigned fund balance was liquidated subsequent to June 30, 2014.

RECOMMENDATION

Officials should take steps to ensure that expenditures are held within available funding.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We agree with the auditor's finding, and the following actions will be taken to improve the situation. The deficit was caused by unrecorded account payables at June 30, 2014. To correct this situation, prior to year-end, accruals will be reviewed to prevent a deficit in the fund balance.

FINDING 2014-004

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

Expenditures exceeded appropriations approved by the County Commission in the Special Education Program and Community Services major appropriation categories (the legal level of control) of the General Purpose School Fund by \$3,421 and \$8,905, respectively. Section 5-9-401, *Tennessee Code Annotated*, states that "All funds from whatever source derived, including, but not limited to taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies." This deficiency exists because management failed to stay within the spending limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

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

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We agree with the auditor's finding, and the following actions are being taken to improve the situation. Currently, each month the Statements of Expenditures and Encumbrances are distributed to the director, the deputy director of schools, and the director of finance. Accounts are reviewed and analysis made on needed line items with entries being posted in a timely fashion. In addition, all functions are compared to the budget to ensure proper coding and/or allocations. When needed, budget amendments and transfers are done in a timely fashion to ensure expenditures do not exceed appropriations.

OFFICE OF TRUSTEE

FINDING 2014-005

THE TRUSTEE DID NOT REQUIRE A DEPOSITORY TO ADEQUATELY COLLATERALIZE FUNDS

(Noncompliance Under *Government Auditing Standards*)

The trustee did not require one depository holding county funds to pledge sufficient securities to protect funds that exceeded Federal Deposit Insurance Corporation (FDIC) coverage. At June 30, 2014, deposits exceeded FDIC coverage and collateral securities pledged by \$279,031. Section 5-8-201, *Tennessee Code Annotated*, provides for county officials to require any bank that is a depository of county funds to deposit in an escrow account in a second bank collateral security equal to 105 percent of such county funds. This deficiency is the result of a lack of management oversight. The failure to adequately collateralize funds could result in a loss for the county.

RECOMMENDATION

The trustee should require all depositories to pledge sufficient securities to protect county funds exceeding FDIC coverage as required by state statute.

OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

FINDING 2014-006

THE OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS DID NOT FILE AN ANNUAL FINANCIAL REPORT WITH THE COUNTY MAYOR AND COUNTY CLERK

(Noncompliance Under *Government Auditing Standards*)

The Offices of Circuit, General Sessions, and Juvenile Courts Clerk did prepare an annual financial report; however, the annual financial report was not filed with the county mayor and the county clerk. Section 5-8-505, *Tennessee Code Annotated*, states, "All appointive or elective county public officials, official county boards, committees and commissions ... having in their charge and custody public funds or moneys are required to file with the county mayor and with the county clerk ... an annual financial report" This deficiency is the result of a lack of management oversight.

RECOMMENDATION

The offices should file their annual financial report with the county mayor and the county clerk as required by state statute.

FINDING 2014-007

EXECUTION DOCKET TRIAL BALANCES WERE NOT PREPARED FOR CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS

(Noncompliance Under *Government Auditing Standards*)

Execution docket cause balances were not prepared for Circuit, General Sessions, and Juvenile Courts as required by Section 18-2-103, *Tennessee Code Annotated (TCA)*. Consequently, we were unable to reconcile cash journal accounts with cause balances. Furthermore, we were unable to determine if the clerk had complied with provisions of the Unclaimed Property Act, Section 66-29-110, *TCA*. This statute provides that any funds held by the courts for more than one year and unclaimed by the owner are considered abandoned. Section 66-29-113, *TCA*, further requires these funds to be reported and paid to the state Treasurer's Office. Cash journals in Circuit, General Sessions, and Juvenile Courts reflected court funds of \$269,257, \$280,648, and \$9,052, respectively, at June 30, 2014, that we were unable to identify. This deficiency exists due to the failure of management to make sure the computer software was able to prepare an execution docket trial balance.

RECOMMENDATION

Execution docket cause balances should be prepared and reconciled with cash journal accounts for Circuit, General Sessions, and Juvenile Courts as required by state statute. To further comply with state statutes, the clerk should report and pay to the state Treasurer's Office any unclaimed funds held for more than one year.

FINDING 2014-008

THE OFFICES' SOFTWARE DID NOT HAVE ADEQUATE APPLICATION CONTROLS

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

The following internal control deficiencies related to software were identified:

- A. Users with deletion permissions can delete cases with receipt history and/or current balances without leaving an adequate audit trail.
- B. Users can alter the "Paid Amount" on the bill of cost without leaving an adequate audit trail.
- C. Users can alter/delete receipts without leaving an adequate audit trail.
- D. A general ledger account with an existing balance can be deleted from the application. If deleted, the related account information is removed from the application.

Sound business practices dictate that proper computer application controls be implemented. Since the vendor did not design the system with proper controls, inappropriate system activity could occur.

RECOMMENDATION

Users should not have the capability to delete cases or alter the “Paid Amount” on the bill of cost. Any correction to receipts should be made by using a void option that retains the original receipt information. Also, the capability to delete a general ledger account with an existing balance should be removed.

OFFICE OF REGISTER OF DEEDS

FINDING 2014-009

MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER

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

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

RECOMMENDATION

The register of deeds should assign each employee their own cash drawer.

OFFICES OF DIRECTOR OF SCHOOLS, TRUSTEE, REGISTER OF DEEDS, AND SHERIFF

FINDING 2014-010

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 Director of Schools, Trustee, Register of Deeds, and Sheriff. 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 give reasonable assurance of the reliability of 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 finding exists because management failed 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 – DIRECTOR OF SCHOOLS

We agree with the auditor's finding, and will try to improve the situation. Unfortunately, due to limited personnel and budget, we are not able to segregate all duties but are seeking ways to efficiently improve this internal control issue.

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

There were no findings and questioned costs for federal programs.

BEST PRACTICE

Accounting literature describes a best practice as a recommended policy, procedure, or technique that aids management in improving financial performance. Historically, a best practice has consistently shown superior results over conventional methods.

The Division of Local Government Audit strongly believes that the item noted below is a best practice that should be adopted by the governing body as a means of significantly improving accountability and the quality of services provided to the citizens of Coffee County.

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

Coffee County operates under the provisions of the Fiscal Control Acts of 1957 for central purchasing covering the funds controlled by the county mayor and the road superintendent. Also, the county operates under the provisions of a local resolution, which creates the Office of Director of Accounts and Budgets. Under this resolution, the director of accounts and budgets directs the operation of the funds under the control of the county mayor. For years, the director of accounts and budgets has also performed all accounting and budgeting functions for the county's Highway Department; however, there is no state law or local resolution governing this arrangement in Coffee County. The nature and operation of this informal arrangement has created a type of Office of Central Accounting and Budgeting similar to that created by the adoption of the County Fiscal Procedure Law of 1957. However, neither this arrangement nor the 1957 Act includes the county's School Department.

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 Coffee 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.

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

There were no audit findings relative to federal awards presented in the current-year's Schedule of Findings and Questioned Costs. There was an audit finding relative to federal awards presented in the prior-year's Schedule of Findings and Questioned Costs.

Office of Director of Schools – Summary Schedule of Prior-year's Finding

FINDING 2013-008

The School Department took action to ensure compliance with TRAM directives, including the preparation of the required risk assessment and action plans.