

**ANNUAL FINANCIAL REPORT**  
**DEKALB COUNTY, TENNESSEE**



**FOR THE YEAR ENDED JUNE 30, 2014**



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

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

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

***STEVE REEDER, CPA, CGFM, CFE  
Audit Manager***

***ANITA SCARLETT, CPA  
Auditor 4***

***MELODIE HODGES, CFE  
KELLEY J. McNEAL, CPA, CGFM  
State Auditors***

**This financial report is available at [www.comptroller.tn.gov](http://www.comptroller.tn.gov)**

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# *Summary of Audit Findings*

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

## *Scope*

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

## *Results*

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

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

## *Findings*

The following are summaries of the audit findings:

### **OFFICE OF COUNTY MAYOR**

- ◆ The Solid Waste Disposal Fund had a deficit in unrestricted net position.
- 

### **OFFICE OF ROAD SUPERVISOR**

- ◆ The office did not maintain adequate controls over consumable assets.
- 

### **OFFICE OF DIRECTOR OF SCHOOLS**

- ◆ Material audit adjustments were required for proper financial statement presentation.
  - ◆ The School Federal Projects Fund had a cash overdraft.
  - ◆ The office processed and distributed payroll checks inappropriately.
- 

### **OFFICE OF TRUSTEE**

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

**OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS  
CLERK**

- ◆ Execution docket trial balances for Circuit and General Sessions Courts did not reconcile with general ledger accounts.
- 

**OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS  
CLERK; AND REGISTER OF DEEDS**

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

**OFFICES OF ROAD SUPERVISOR, TRUSTEE, REGISTER OF DEEDS,  
AND SHERIFF**

- ◆ Duties were not segregated adequately.
- 

**DEKALB COUNTY COMMISSION**

- ◆ The County Commission's Audit Committee is not a functioning committee.

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# INTRODUCTORY SECTION

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# DeKalb County Officials

## June 30, 2014

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### **Officials**

Mike Foster, County Mayor  
Kenny Edge, Road Supervisor  
Mark Willoughby, Director of Schools  
Sean Driver, Trustee  
Scott Cantrell, Assessor of Property  
Michael Clayborn, County Clerk  
Katherine Pack, Circuit, General Sessions, and Juvenile Courts Clerk  
Debra Malone, Clerk and Master  
Jeffery McMillen, Register of Deeds  
Patrick Ray, Sheriff

### **Board of County Commissioners**

Mike Foster, County Mayor, Chairman  
Jerry Adcock  
Jeff Barnes  
Jack Barton  
Wayne Cantrell  
Mason Carter  
Elmer Ellis  
Marshall Ferrell

John Green  
Bradley Hendrix  
Bobby Joines  
David McDowell  
Jimmy Poss  
Jerry Scott  
Larry Summers

### **Board of Education**

Johnny Lattimore, Chairman  
W.J. Evins, III  
John David Foutch  
Billy Miller  
Kenny Rhody  
Charles Robinson  
Doug Stephens

### **Purchasing Committee**

Larry Summers, Chairman  
Mike Foster, County Mayor  
Kenny Edge, Road Supervisor  
Mark Willoughby, Director of Schools  
Bobby Joines  
Jerry Scott

### **Audit Committee**

David McDowell, Chairman  
Mike Foster, County Mayor  
Jerry Adcock  
Mason Carter  
Bradley Hendrix  
Tom Janney  
Jimmy Poss

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## FINANCIAL SECTION

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

Independent Auditor's Report

DeKalb County Mayor and  
Board of County Commissioners  
DeKalb 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 DeKalb 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 DeKalb County Emergency Communications District, which represent 4.44 percent, 5.71 percent, and 2.88 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the DeKalb County Emergency Communications District, is based solely on the report of the

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

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

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

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DeKalb 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, Local Purpose Tax, and Highway/Public Works funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in Note V.B., DeKalb 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 77-79 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary and Other Information*

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

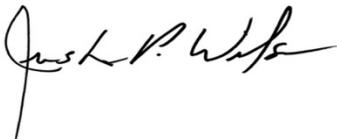
The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the DeKalb County School Department (a discretely presented component unit), and miscellaneous 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 by us. In our opinion, based on our audit and the procedures performed as described above, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the DeKalb County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2014, on our consideration of DeKalb 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 DeKalb County's internal control over financial reporting and compliance.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent vertical stroke at the beginning.

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

December 18, 2014

JPW/kp

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# BASIC FINANCIAL STATEMENTS

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Exhibit A

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

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	DeKalb County School Department	DeKalb County Emergency Communications District	
<b>ASSETS</b>						
Cash	\$ 27,965	\$ 3,627,319	\$ 3,655,284	\$ 0	\$ 759,796	
Equity in Pooled Cash and Investments	7,405,007	14,951	7,419,958	6,091,019	0	
Accounts Receivable	1,163,699	42,513	1,206,212	7,371	2,458	
Allowance for Uncollectibles	(453,407)	93,483	(359,924)	0	0	
Due from Other Governments	816,193	0	816,193	556,144	7,968	
Due from Primary Government	0	0	0	2,560	0	
Due from Component Units	2,368,343	0	2,368,343	0	0	
Property Taxes Receivable	5,192,895	0	5,192,895	2,673,159	0	
Allowance for Uncollectible Property Taxes	(158,275)	0	(158,275)	(81,356)	0	
Prepaid Items	0	0	0	0	24,694	
Capital Assets:						
Assets Not Depreciated:						
Land	836,116	1,341,050	2,177,166	736,256	0	
Construction in Progress	0	0	0	3,533,401	0	
Assets Net of Accumulated Depreciation:						
Buildings and Improvements	4,153,518	0	4,153,518	7,873,863	9,354	
Landfill Facilities and Development	0	134,319	134,319	0	0	
Other Capital Assets	1,612,388	415,848	2,028,236	1,776,291	271,005	
Infrastructure	3,336,952	0	3,336,952	0	0	
Total Assets	\$ 26,301,394	\$ 5,669,483	\$ 31,970,877	\$ 23,168,708	\$ 1,075,275	
<b>LIABILITIES</b>						
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,578	
Accrued Payroll	0	0	0	0	8,363	
Payroll Deductions Payable	2,463	0	2,463	0	816	
Cash Overdraft	0	0	0	26,060	0	
Contracts Payable	0	0	0	115,702	0	
Retainage Payable	0	0	0	6,090	0	

(Continued)

Exhibit A

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

	Primary Government		Total	Component Units		
	Governmental Activities	Business-type Activities		DeKalb County School Department	DeKalb County Emergency Communications District	
<u>LIABILITIES (CONT.)</u>						
Due to Primary Government	\$ 0	\$ 0	\$ 0	\$ 2,368,343	\$ 0	\$ 0
Due to Component Units	2,560	0	2,560	0	0	0
Due to State of Tennessee	795	0	795	3,014	0	0
Accrued Interest Payable	60,340	0	60,340	0	0	0
Noncurrent Liabilities:						
Due Within One Year	1,413,565	106,260	1,519,825	0	0	0
Due in More Than One Year	11,326,515	6,562,473	17,888,988	580,466	0	0
Total Liabilities	\$ 12,806,238	\$ 6,668,733	\$ 19,474,971	\$ 3,099,675	\$ 11,757	\$ 11,757
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Revenue - Current Property Taxes	\$ 4,900,290	\$ 0	\$ 4,900,290	\$ 2,518,699	\$ 0	\$ 0
Total Deferred Inflows of Resources	\$ 4,900,290	\$ 0	\$ 4,900,290	\$ 2,518,699	\$ 0	\$ 0
<u>NET POSITION</u>						
Net Investment in Capital Assets	\$ 8,232,317	\$ 1,891,217	\$ 10,123,534	\$ 13,919,811	\$ 280,359	\$ 280,359
Restricted for:						
General Government	14,220	0	14,220	0	0	0
Administration of Justice	42,334	0	42,334	0	0	0
Public Safety	53,417	0	53,417	0	0	0
Public Health and Welfare	65,062	0	65,062	0	0	0
Social, Cultural, and Recreational Services	138,474	0	138,474	0	0	0
Highways	1,464,653	0	1,464,653	0	0	0
Education	901,345	0	901,345	671,440	0	0
Debt Service	1,178,912	0	1,178,912	0	0	0
Capital Projects	800,131	0	800,131	991,686	0	0
Unrestricted	(4,295,999)	(2,890,467)	(7,186,466)	1,967,397	783,159	783,159
Total Net Position	\$ 8,594,866	\$ (999,250)	\$ 7,595,616	\$ 17,550,334	\$ 1,063,518	\$ 1,063,518

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

Exhibit B

DeKalb 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	DeKalb County				
						Governmental Activities	Primary Government Business-type Activities	School Department	Emergency Communications District	
Primary Government:										
Governmental Activities:										
General Government	\$ 1,821,560	\$ 180,852	\$ 42,838	\$ 0	\$ (1,597,870)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Finance	522,184	443,017	0	0	(79,167)	0	0	0	0	0
Administration of Justice	608,874	362,521	9,000	0	(237,353)	0	0	0	0	0
Public Safety	3,425,636	196,836	203,892	0	(3,024,908)	0	0	0	0	0
Public Health and Welfare	1,670,298	1,131,638	135,044	272,214	(131,402)	0	0	0	0	0
Social, Cultural, and Recreational Services	204,751	70,024	0	24,559	(110,168)	0	0	0	0	0
Agriculture and Natural Resources	78,358	0	1,100	0	(77,258)	0	0	0	0	0
Highways	2,370,064	292	1,470,750	388,114	(510,908)	0	0	0	0	0
Education	2,338,400	0	0	0	(2,338,400)	0	0	0	0	0
Interest on Long-term Debt	279,273	0	24,062	0	(255,211)	0	0	0	0	0
Total Governmental Activities	\$ 13,319,398	\$ 2,385,180	\$ 1,886,686	\$ 684,887	\$ (8,362,645)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Business-type Activities:										
Landfill	\$ 1,608,640	\$ 104,066	\$ 11,956	\$ 912,100	\$ 0	\$ (580,518)	\$ 0	\$ 0	\$ 0	\$ 0
Total Business-type Activities	\$ 1,608,640	\$ 104,066	\$ 11,956	\$ 912,100	\$ 0	\$ (580,518)	\$ 0	\$ 0	\$ 0	\$ 0
Total Primary Government	\$ 14,928,038	\$ 2,489,246	\$ 1,898,642	\$ 1,596,987	\$ (8,362,645)	\$ (580,518)	\$ (8,943,163)	\$ 0	\$ 0	\$ 0
Component Units:										
School Department	\$ 25,837,792	\$ 337,165	\$ 3,380,315	\$ 2,321,576	\$ 0	\$ 0	\$ 0	\$ (19,798,736)	\$ 0	\$ 0
Emergency Communications District	585,373	160,297	193,161	0	0	0	0	0	(231,915)	0
Total Component Units	\$ 26,423,165	\$ 497,462	\$ 3,573,476	\$ 2,321,576	\$ 0	\$ 0	\$ 0	\$ (19,798,736)	\$ 0	\$ (231,915)

(Continued)

Exhibit B

DeKalb 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	DeKalb County School Department	DeKalb County Emergency Communications District		
General Revenues:										
Taxes:										
Property Taxes Levied for General Purposes				\$ 4,456,381	\$ 95,306	\$ 4,551,687	\$ 2,591,071	\$ 0		
Property Taxes Levied for Debt Service				564,906	0	564,906	0	0		
Local Option Sales Taxes				2,395,794	385,379	2,781,173	0	0		
Litigation Taxes				68,078	0	68,078	0	0		
Business Tax				139,894	0	139,894	0	0		
Hotel/Motel Tax				0	48,515	48,515	0	0		
Mineral Severance Tax				19,882	0	19,882	0	0		
Bank Excise Tax				0	83,777	83,777	0	0		
Wholesale Beer Tax				0	75,426	75,426	0	0		
Alcoholic Beverage Tax				0	36,981	36,981	0	0		
State Revenue Sharing - T.V.A.				0	397,308	397,308	0	0		
Other Local Taxes				1,217	0	1,217	1,891	0		
Grants and Contributions Not Restricted to Specific Programs				207,790	0	207,790	17,013,755	398,201		
Unrestricted Investment Earnings				90,964	90,407	181,371	1,946	11,802		
Miscellaneous				256,689	0	256,689	64,816	0		
Total General Revenues				\$ 8,201,595	\$ 1,213,099	\$ 9,414,694	\$ 19,673,479	\$ 410,003		
Insurance Recovery				0	0	0	6,516	0		
Change in Net Position				\$ (161,050)	\$ 632,581	\$ 471,531	\$ (118,741)	\$ 178,088		
Net Position, July 1, 2013				8,755,916	(1,631,831)	7,124,085	17,669,075	885,430		
Net Position, June 30, 2014				\$ 8,594,866	\$ (999,250)	\$ 7,595,616	\$ 17,550,334	\$ 1,063,518		

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

Exhibit C-1

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Local Purpose Tax	Highway / Public Works	General Debt Service	Other	Governmental Funds	
<u>ASSETS</u>							
Cash	\$ 525	\$ 0	\$ 0	\$ 0	\$ 0	\$ 27,440	\$ 27,965
Equity in Pooled Cash and Investments	3,452,983	966,044	624,032	1,509,897	852,051	852,051	7,405,007
Accounts Receivable	1,147,790	0	10,993	0	4,916	4,916	1,163,699
Allowance for Uncollectibles	(453,407)	0	0	0	0	0	(453,407)
Due from Other Governments	108,586	438,924	268,683	0	0	0	816,193
Due from Other Funds	5,088	0	0	0	0	0	5,088
Property Taxes Receivable	3,979,601	0	145,595	582,381	485,318	485,318	5,192,895
Allowance for Uncollectible Property Taxes	(121,295)	0	(4,437)	(17,751)	(14,792)	(14,792)	(158,275)
Total Assets	\$ 8,119,871	\$ 1,404,968	\$ 1,044,866	\$ 2,074,527	\$ 1,354,933	\$ 1,354,933	\$ 13,999,165
<u>LIABILITIES</u>							
Payroll Deductions Payable	\$ 2,463	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,463
Due to Other Funds	0	0	0	0	5,088	5,088	5,088
Due to Component Units	2,560	0	0	0	0	0	2,560
Due to State of Tennessee	795	0	0	0	0	0	795
Total Liabilities	\$ 5,818	\$ 0	\$ 0	\$ 0	\$ 5,088	\$ 5,088	\$ 10,906
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Deferred Current Property Taxes	\$ 3,755,149	\$ 0	\$ 137,662	\$ 549,534	\$ 457,945	\$ 457,945	\$ 4,900,290
Deferred Delinquent Property Taxes	103,157	0	3,496	15,096	12,581	12,581	134,330
Other Deferred/Unavailable Revenue	622,547	226,056	128,262	0	0	0	976,865
Total Deferred Inflows of Resources	\$ 4,480,853	\$ 226,056	\$ 269,420	\$ 564,630	\$ 470,526	\$ 470,526	\$ 6,011,485

(Continued)

Exhibit C-1

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

	Major Funds				Nonmajor Funds		Total Governmental Funds
	General	Local Purpose Tax	Highway / Public Works	General Debt Service	Other		
					Governmental Funds	Governmental Funds	
<u>FUND BALANCES</u>							
Restricted:							
Restricted for General Government	\$ 14,220	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	14,220
Restricted for Administration of Justice	42,334	0	0	0	0	0	42,334
Restricted for Public Safety	7,070	0	0	0	46,347	0	53,417
Restricted for Social Health and Welfare	65,062	0	0	0	0	0	65,062
Restricted for Cultural, and Recreational Services	138,474	0	0	0	0	0	138,474
Restricted for Highways/Public Works	0	0	775,446	0	0	0	775,446
Restricted for Education	0	1,178,912	0	0	0	0	1,178,912
Restricted for Capital Outlay	0	0	0	0	787,550	0	787,550
Restricted for Debt Service	0	0	0	1,509,897	0	0	1,509,897
Committed:							
Committed for General Government	0	0	0	0	18,154	0	18,154
Committed for Finance	0	0	0	0	27,268	0	27,268
Unassigned	3,366,040	0	0	0	0	0	3,366,040
<b>Total Fund Balances</b>	<b>\$ 3,633,200</b>	<b>\$ 1,178,912</b>	<b>\$ 775,446</b>	<b>\$ 1,509,897</b>	<b>\$ 879,319</b>	<b>\$ 0</b>	<b>\$ 7,976,774</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 8,119,871</b>	<b>\$ 1,404,968</b>	<b>\$ 1,044,866</b>	<b>\$ 2,074,527</b>	<b>\$ 1,354,933</b>	<b>\$ 0</b>	<b>\$ 13,999,165</b>

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

Exhibit C-2

DeKalb 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)		\$ 7,976,774
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 836,116	
Add: infrastructure net of accumulated depreciation	3,336,952	
Add: buildings and improvements net of accumulated depreciation	4,153,518	
Add: other capital assets net of accumulated depreciation	<u>1,612,388</u>	9,938,974
(2) Long-term liabilities are not due and payable in the current-period and therefore are not reported in the governmental funds.		
Less: bonds payable	\$ (9,280,000)	
Less: notes payable	(3,140,000)	
Less: other loans payable	(118,343)	
Add: debt to be contributed by the School Department	2,368,343	
Less: compensated absences payable	(5,859)	
Less: accrued interest on notes and bonds	(60,340)	
Less: unamortized premium on debt	(87,164)	
Less: other postemployment benefits liability	<u>(108,714)</u>	(10,432,077)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>1,111,195</u>
Net position of governmental activities (Exhibit A)		<u>\$ 8,594,866</u>

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

Exhibit C-3

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

	Major Funds				
	General	Local Purpose Tax	Highway / Public Works	General Debt Service	Education Capital Projects
<u>Revenues</u>					
Local Taxes	\$ 3,994,452	\$ 2,362,657	\$ 160,852	\$ 561,516	\$ 0
Licenses and Permits	44,760	0	0	0	0
Fines, Forfeitures, and Penalties	93,965	0	0	0	0
Charges for Current Services	1,147,341	0	0	0	0
Other Local Revenues	344,155	0	153,593	0	0
Fees Received from County Officials	655,073	0	0	0	0
State of Tennessee	521,841	0	1,858,864	0	0
Federal Government	328,053	0	20,174	0	0
Other Governments and Citizens Groups	78,127	0	15,908	83,233	0
Total Revenues	\$ 7,207,767	\$ 2,362,657	\$ 2,209,391	\$ 644,749	\$ 0

Expenditures

Current:					
General Government	\$ 1,340,844	\$ 0	\$ 0	\$ 0	\$ 0
Finance	409,293	0	0	0	0
Administration of Justice	607,635	0	0	0	0
Public Safety	2,965,888	0	0	0	0
Public Health and Welfare	1,352,348	0	0	0	0
Social, Cultural, and Recreational Services	186,572	0	0	0	0
Agriculture and Natural Resources	71,057	0	0	0	0
Other Operations	428,313	0	0	0	0
Highways	0	0	1,875,731	0	0
Support Services	0	0	0	0	0
Debt Service:					
Principal on Debt	0	0	0	1,209,171	0
Interest on Debt	0	0	0	267,164	0

(Continued)

Exhibit C-3

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

	Major Funds				
	General	Local Purpose Tax	Highway / Public Works	General Debt Service	Education Capital Projects
<u>Expenditures (Cont.)</u>					
Debt Service (Cont.)					
Other Debt Service	\$ 0	\$ 0	\$ 0	\$ 12,561	\$ 0
Capital Projects	0	1,563,427	0	0	67,020
Capital Projects - Donated	0	0	0	0	2,957,953
Total Expenditures	\$ 7,361,950	\$ 1,563,427	\$ 1,875,731	\$ 1,488,896	\$ 3,024,973
Excess (Deficiency) of Revenues Over Expenditures	\$ (154,183)	\$ 799,230	\$ 333,660	\$ (844,147)	\$ (3,024,973)
<u>Other Financing Sources (Uses)</u>					
Bonds Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,000,000
Premiums on Debt Issued	0	0	0	0	24,973
Transfers In	0	0	0	766,399	0
Transfers Out	0	(766,399)	0	0	0
Total Other Financing Sources (Uses)	\$ 0	\$ (766,399)	\$ 0	\$ 766,399	\$ 3,024,973
Net Change in Fund Balances Fund Balance, July 1, 2013	\$ (154,183)	\$ 32,831	\$ 333,660	\$ (77,748)	\$ 0
	3,787,383	1,146,081	441,786	1,587,645	0
Fund Balance, June 30, 2014	\$ 3,633,200	\$ 1,178,912	\$ 775,446	\$ 1,509,897	\$ 0

(Continued)

Exhibit C-3

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds	Funds	Funds
<u>Revenues</u>			
Local Taxes	\$ 524,430	\$	7,603,907
Licenses and Permits	0		44,760
Fines, Forfeitures, and Penalties	25,804		119,769
Charges for Current Services	117,421		1,264,762
Other Local Revenues	300		498,048
Fees Received from County Officials	0		655,073
State of Tennessee	0		2,380,705
Federal Government	0		348,227
Other Governments and Citizens Groups	0		177,268
Total Revenues	<u>\$ 667,955</u>	<u>\$</u>	<u>13,092,519</u>
<u>Expenditures</u>			
Current:			
General Government	\$ 50,277	\$	1,391,121
Finance	112,891		522,184
Administration of Justice	1,239		608,874
Public Safety	17,898		2,983,786
Public Health and Welfare	0		1,352,348
Social, Cultural, and Recreational Services	0		186,572
Agriculture and Natural Resources	0		71,057
Other Operations	137		428,450
Highways	0		1,875,731
Support Services	6,424		6,424
Debt Service:			
Principal on Debt	0		1,209,171
Interest on Debt	0		267,164

(Continued)

Exhibit C-3

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

	Nonmajor Funds		Total Governmental Funds
	Other Govern- mental Funds	Funds	Funds
<u>Expenditures (Cont.)</u>			
Debt Service (Cont.)			
Other Debt Service	0	\$	12,561
Capital Projects	304,969		1,935,416
Capital Projects - Donated	0		2,957,953
Total Expenditures	493,835	\$	15,808,812
Excess (Deficiency) of Revenues Over Expenditures	174,120	\$	(2,716,293)
<u>Other Financing Sources (Uses)</u>			
Bonds Issued	0	\$	3,000,000
Premiums on Debt Issued	0		24,973
Transfers In	0		766,399
Transfers Out	0		(766,399)
Total Other Financing Sources (Uses)	0	\$	3,024,973
Net Change in Fund Balances	174,120	\$	308,680
Fund Balance, July 1, 2013	705,199		7,668,094
Fund Balance, June 30, 2014	879,319	\$	7,976,774

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

Exhibit C-4

DeKalb 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)		\$ 308,680
(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:		
Less: current-year depreciation expense		(947,162)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$ 1,111,195	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(993,346)</u>	117,849
(3) The issuance of long-term debt (e.g., bonds, notes, other loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Less: bond proceeds	\$ (3,000,000)	
Add: increase in long-term debt to be contributed by the School Department	2,250,000	
Less: change in premium on debt issuances	(17,822)	
Less: principal on other loans contributed by the School Department	(59,171)	
Add: principal payments on notes	260,000	
Add: principal payments on other loans	59,171	
Add: principal payments on bonds	<u>890,000</u>	382,178
(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable on bonds	\$ (12,964)	
Change in accrued interest payable on notes	855	
Change in compensated absences payable	(595)	
Change in other postemployment benefits liability	<u>(9,891)</u>	<u>(22,595)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (161,050)</u>

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

Exhibit C-5

DeKalb County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<b>Revenues</b>				
Local Taxes	\$ 3,994,452	\$ 3,879,778	\$ 3,879,778	\$ 114,674
Licenses and Permits	44,760	24,600	24,600	20,160
Fines, Forfeitures, and Penalties	93,965	95,512	95,512	(1,547)
Charges for Current Services	1,147,341	1,149,285	1,149,285	(1,944)
Other Local Revenues	344,155	264,250	391,843	(47,688)
Fees Received from County Officials	655,073	784,850	784,850	(129,777)
State of Tennessee	521,841	654,700	712,502	(190,661)
Federal Government	328,053	37,775	334,748	(6,695)
Other Governments and Citizens Groups	78,127	73,839	73,839	4,288
<b>Total Revenues</b>	<b>\$ 7,207,767</b>	<b>\$ 6,964,589</b>	<b>\$ 7,446,957</b>	<b>\$ (239,190)</b>
<b>Expenditures</b>				
<u>General Government</u>				
County Commission	\$ 87,031	\$ 113,139	\$ 113,139	\$ 26,108
Board of Equalization	1,605	4,100	4,100	2,495
Beer Board	3,051	3,880	3,930	879
County Mayor/Executive	156,483	176,767	176,767	20,284
County Attorney	18,271	22,000	22,000	3,729
Election Commission	197,622	174,049	210,759	13,137
Register of Deeds	157,273	153,116	161,066	3,793
Planning	12,768	13,968	13,968	1,200
County Buildings	288,023	230,016	323,345	35,322
Other Facilities	80,531	75,366	93,366	12,835
Other General Administration	338,186	361,635	362,035	23,849
<u>Finance</u>				
Property Assessor's Office	195,926	199,135	199,135	3,209
County Trustee's Office	36,209	164,648	166,300	130,091
County Clerk's Office	177,158	185,780	185,780	8,622
<u>Administration of Justice</u>				
Circuit Court	182,118	202,303	204,703	22,585
General Sessions Court	117,052	122,078	122,078	5,026
Drug Court	116,273	133,001	133,214	16,941
Chancery Court	117,737	120,339	122,388	4,651
Juvenile Court	38,524	48,164	48,164	9,640
Judicial Commissioners	35,931	37,075	37,075	1,144
<u>Public Safety</u>				
Sheriff's Department	1,424,478	1,484,060	1,495,740	71,262
Special Patrols	45,941	49,179	49,179	3,238
Traffic Control	18,035	18,501	18,501	466
Correctional Incentive Program Improvements	1,020,439	1,118,520	1,135,884	115,445
Fire Prevention and Control	145,245	151,750	176,509	31,264
Civil Defense	8,897	3,500	9,800	903
Other Emergency Management	235,547	119,895	237,415	1,868
County Coroner/Medical Examiner	50,485	41,000	49,800	(685)
Other Public Safety	16,821	16,821	16,821	0
<u>Public Health and Welfare</u>				
Local Health Center	130,070	133,856	166,519	36,449
Rabies and Animal Control	969	11,000	11,000	10,031
Ambulance/Emergency Medical Services	1,214,129	1,460,476	1,464,043	249,914

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Regional Mental Health Center	\$ 7,180	\$ 7,180	\$ 7,180	\$ 0
General Welfare Assistance	0	2,750	2,750	2,750
<u>Social, Cultural, and Recreational Services</u>				
Senior Citizens Assistance	25,039	26,935	26,935	1,896
Libraries	149,389	160,534	160,534	11,145
Other Social, Cultural, and Recreational	12,144	0	141,542	129,398
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	38,543	49,990	49,990	11,447
Soil Conservation	32,514	34,063	34,063	1,549
<u>Other Operations</u>				
Industrial Development	3,396	10,045	5,045	1,649
Other Economic and Community Development	256,658	27,000	263,544	6,886
Veterans' Services	11,807	15,000	13,700	1,893
Other Charges	102,594	92,168	105,468	2,874
Contributions to Other Agencies	20,495	42,571	32,711	12,216
Employee Benefits	5,828	9,500	9,500	3,672
Miscellaneous	27,535	45,478	33,238	5,703
Total Expenditures	<u>\$ 7,361,950</u>	<u>\$ 7,672,331</u>	<u>\$ 8,420,723</u>	<u>\$ 1,058,773</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>\$ (154,183)</u>	<u>\$ (707,742)</u>	<u>\$ (973,766)</u>	<u>\$ 819,583</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 19,146</u>	<u>\$ (19,146)</u>
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 19,146</u>	<u>\$ (19,146)</u>
Net Change in Fund Balance	<u>\$ (154,183)</u>	<u>\$ (707,742)</u>	<u>\$ (954,620)</u>	<u>\$ 800,437</u>
Fund Balance, July 1, 2013	<u>3,787,383</u>	<u>2,938,574</u>	<u>2,938,574</u>	<u>848,809</u>
Fund Balance, June 30, 2014	<u>\$ 3,633,200</u>	<u>\$ 2,230,832</u>	<u>\$ 1,983,954</u>	<u>\$ 1,649,246</u>

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

Exhibit C-6

DeKalb County, Tennessee  
Statement 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	\$ 2,362,657	\$ 2,215,000	\$ 2,215,000	\$ 147,657
Total Revenues	\$ 2,362,657	\$ 2,215,000	\$ 2,215,000	\$ 147,657
<u>Expenditures</u>				
<u>Capital Projects</u>				
Other General Government Projects	\$ 1,563,427	\$ 2,330,764	\$ 1,564,365	\$ 938
Total Expenditures	\$ 1,563,427	\$ 2,330,764	\$ 1,564,365	\$ 938
Excess (Deficiency) of Revenues Over Expenditures	\$ 799,230	\$ (115,764)	\$ 650,635	\$ 148,595
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ (766,399)	\$ 0	\$ (766,399)	\$ 0
Total Other Financing Sources	\$ (766,399)	\$ 0	\$ (766,399)	\$ 0
Net Change in Fund Balance	\$ 32,831	\$ (115,764)	\$ (115,764)	\$ 148,595
Fund Balance, July 1, 2013	1,146,081	1,174,006	1,174,006	(27,925)
Fund Balance, June 30, 2014	\$ 1,178,912	\$ 1,058,242	\$ 1,058,242	\$ 120,670

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

Exhibit C-7

DeKalb County, Tennessee  
Statement of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Highway/Public Works Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 160,852	\$ 151,134	\$ 154,788	\$ 6,064
Other Local Revenues	153,593	0	51,170	102,423
State of Tennessee	1,858,864	1,846,805	1,846,805	12,059
Federal Government	20,174	0	20,175	(1)
Other Governments and Citizens Groups	15,908	0	15,909	(1)
Total Revenues	<u>\$ 2,209,391</u>	<u>\$ 1,997,939</u>	<u>\$ 2,088,847</u>	<u>\$ 120,544</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 144,463	\$ 177,617	\$ 177,617	\$ 33,154
Highway and Bridge Maintenance	1,005,743	987,367	1,069,367	63,624
Operation and Maintenance of Equipment	271,592	382,000	380,000	108,408
Quarry Operations	144,249	224,164	224,164	79,915
Other Charges	102,375	101,500	104,780	2,405
Employee Benefits	196,616	238,000	236,000	39,384
Capital Outlay	10,693	20,000	20,000	9,307
Total Expenditures	<u>\$ 1,875,731</u>	<u>\$ 2,130,648</u>	<u>\$ 2,211,928</u>	<u>\$ 336,197</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 333,660</u>	<u>\$ (132,709)</u>	<u>\$ (123,081)</u>	<u>\$ 456,741</u>
Net Change in Fund Balance	\$ 333,660	\$ (132,709)	\$ (123,081)	\$ 456,741
Fund Balance, July 1, 2013	<u>441,786</u>	<u>378,632</u>	<u>378,632</u>	<u>63,154</u>
Fund Balance, June 30, 2014	<u>\$ 775,446</u>	<u>\$ 245,923</u>	<u>\$ 255,551</u>	<u>\$ 519,895</u>

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

Exhibit D-1

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

	Business-type Activities - Major Enterprise Fund
	<u>Solid Waste Disposal Fund</u>
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 3,642,270
Accounts Receivable	42,513
Due from Other Governments	93,483
Total Current Assets	<u>\$ 3,778,266</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 1,341,050
Assets Net of Accumulated Depreciated:	
Landfill Facilities and Development	134,319
Machinery and Equipment	415,848
Total Noncurrent Assets	<u>\$ 1,891,217</u>
Total Assets	<u>\$ 5,669,483</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accrued Liability for Landfill Closure/Postclosure Care Costs	\$ 106,260
Total Current Liabilities	<u>\$ 106,260</u>
Noncurrent Liabilities:	
Accrued Liability for Landfill Closure/Postclosure Care Costs	\$ 6,562,473
Total Noncurrent Liabilities	<u>\$ 6,562,473</u>
Total Liabilities	<u>\$ 6,668,733</u>
<u>NET POSITION</u>	
Investment in Capital Assets	\$ 1,891,217
Unrestricted (Deficit)	<u>(2,890,467)</u>
Total Net Position	<u>\$ (999,250)</u>

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

Exhibit D-2

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

	Business-type Activities - Major Enterprise Fund
	<u>Solid Waste Disposal Fund</u>
<u>Operating Revenues</u>	
Charges for Current Services	\$ 102,460
Other Local Revenues	1,606
Total Operating Revenues	<u>\$ 104,066</u>
<u>Operating Expenses</u>	
Waste Pickup	\$ 73,474
Convenience Centers	213,209
Transfer Stations	67,305
Landfill Operation and Maintenance	903,405
Depreciation	338,192
Other Waste Disposal	13,055
Total Operating Expenses	<u>\$ 1,608,640</u>
Operating Income (Loss)	<u>\$ (1,504,574)</u>
<u>Nonoperating Revenues (Expenses)</u>	
Local Taxes	\$ 688,403
State Taxes	434,289
Investment Income	90,407
Grants	11,956
Total Nonoperating Revenues (Expenses)	<u>\$ 1,225,055</u>
Income (Loss) Before Contributions	\$ (279,519)
Capital Contributions - City	<u>912,100</u>
Change in Net Position	\$ 632,581
Net Position, July 1, 2013	<u>(1,631,831)</u>
Net Position, June 30, 2014	<u><u>\$ (999,250)</u></u>

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

Exhibit D-3

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

	<u>Business-type Activities - Major Enterprise Fund Solid Waste Disposal Fund</u>
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 105,690
Payments to Suppliers	(494,855)
Payments to Employees	(511,424)
Other Payments	(13,055)
Net Cash Provided By (Used In) Operating Activities	<u>\$ (913,644)</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Local Taxes	\$ 686,699
State Revenues	434,289
Grants Received	4,582
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 1,125,570</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	<u>\$ 90,407</u>
Net Increase (Decrease) in Cash	\$ 302,333
Cash, July 1, 2013	<u>3,339,937</u>
Cash, June 30, 2014	<u>\$ 3,642,270</u>
<u>Reconciliation of Net Operating Loss to Net Cash Provided By (Used In)</u>	
<u>Operating Activities</u>	
Operating Income (Loss)	\$ (1,504,574)
Adjustment to Reconcile Net Operating Loss to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	338,192
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	1,624
Increase (Decrease) in Landfill Closure/Postclosure Care Costs	<u>251,114</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ (913,644)</u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 1,440,669
Due from Other Governments	175,642
Notes Receivable - Long-term	<u>106,900</u>
Total Assets	<u>\$ 1,723,211</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 175,642
Due to Litigants, Heirs, and Others	<u>1,547,569</u>
Total Liabilities	<u>\$ 1,723,211</u>

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

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**DEKALB COUNTY, TENNESSEE**  
**Index of Notes to the Financial Statements**

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DeKalb 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 DeKalb County:

**A. Reporting Entity**

DeKalb County is a public municipal corporation governed by an elected 14-member board. As required by GAAP, these financial statements present DeKalb County (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 DeKalb County School Department operates the public school system in the county, and the voters of DeKalb 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 DeKalb County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of DeKalb County, and the 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 Development Board of DeKalb County provides assistance in industrial recruitment in DeKalb County, and the DeKalb County Commission appoints its eight-member board. The authority acted as a decision-making board and did not have any financial activity during the year.

The DeKalb 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. The Industrial Development Board did not have any financial activity during the year; therefore, there were no financial statements to report. Complete financial statements of the DeKalb County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

DeKalb County Emergency Communications District  
P.O. Box 346  
Smithville, TN 37166

**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 DeKalb 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.

DeKalb County issues all debt for the discretely presented DeKalb County School Department. Net debt issues totaling \$2,957,953 were contributed by the county to the School Department during the year ended June 30, 2014.

Separate financial statements are provided for governmental funds, the proprietary fund, and fiduciary funds. The fiduciary funds are excluded from

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

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

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

Fund financial statements of DeKalb 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 outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. DeKalb County reports only one proprietary fund, an enterprise fund.

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

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

amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

Proprietary fund and fiduciary fund 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.

DeKalb 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.

**Local Purpose Tax Fund** – This special revenue fund accounts for local sales tax collections, which are disbursed to other county funds and component units. Local option sales tax is the foundational revenue of this fund.

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

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

**Education Capital Projects Fund** – This fund accounts for debt issued by DeKalb County that is subsequently contributed to the discretely presented DeKalb County School Department for building repairs and renovations.

DeKalb County reports the following major enterprise fund:

**Solid Waste Disposal Fund** – This fund accounts for the county’s solid waste landfill operations.

Additionally, DeKalb County reports the following fund type:

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

The discretely presented DeKalb 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.

**Education Capital Projects Fund** – This fund is used to account for the receipt of debt issued by DeKalb County and contributed to the School Department for building repairs and renovations.

Additionally, the DeKalb 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 transactions at the county's landfill. 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. Operating expenses for the enterprise fund include waste collection, landfill operation, administrative expenses, and employee benefits.

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 and cash with the clerks, register of deeds, and sheriff.

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 DeKalb 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 and Solid Waste Disposal funds. DeKalb 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 service 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 1.8 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.

Retainage payable in the discretely presented Education Capital Projects Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the discretely presented Education Capital Projects Fund.

### **3. Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental 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 \$15,000 or more and an estimated useful life of more than one year (five years for the School Department). 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 DeKalb County and the discretely presented DeKalb County School Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 - 40
Other Capital Assets	5 - 15
Infrastructure:	
Roads	8 - 20
Bridges	30

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

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

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

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

**5. Compensated Absences**

**Primary Government**

It is the county's policy, except for the Highway Department, not to allow for the accumulation of unused vacation and sick days beyond year end. The Highway Department's policy permits employees to accumulate earned but unused vacation/sick leave benefits up to 20 days. All vacation/sick leave pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation/sick leave pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

Vested or accumulated vacation leave is accrued when incurred in proprietary funds using the accrual basis of accounting. However, DeKalb County's proprietary fund did not have accrued leave because the county's policy does not allow for the accumulation of unused vacation and sick days beyond year end.

**Discretely Presented DeKalb County School Department**

It is the policy of the discretely presented DeKalb County School Department to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service with the government. Vacation leave does not accumulate beyond year end.

**6. 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 reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner

over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

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

## **7. 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, DeKalb County had \$8,463,343 in outstanding debt for capital purposes for the discretely presented DeKalb County School Department. This debt is a liability of DeKalb County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, DeKalb 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.

## **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 DeKalb 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 DeKalb 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 Fund (special revenue fund), which is not budgeted, and the primary government's and the discretely presented School Department's Education 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/Executive, 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 GAAP basis is presented on the face of each budgetary schedule.

**B. Unrestricted Net Position Deficit**

The Solid Waste Disposal Fund had a deficit in unrestricted net position of \$2,890,467 at June 30, 2014. This deficit primarily resulted from the recognition of a liability of \$6,668,733 in the financial statements for costs associated with closing the county's landfills and monitoring the landfills for 30 years after closure. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements.

**C. Cash Overdraft**

The discretely presented School Federal Projects Fund had a cash overdraft of \$26,060 at June 30, 2014. This cash overdraft resulted from the issuance of checks exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2014.

**D. County Mayor Indicted on Charges Related to His Position as Chairman of the Upper Cumberland Development District**

On September 24, 2013, the county mayor was indicted by a federal Grand Jury on one count of providing false, fictitious, and fraudulent statements to the Upper Cumberland Development District's Board of Directors. Charges against the county mayor were dropped on February 18, 2014.

**E. Expenditures Exceeded Appropriations**

Expenditures exceeded appropriations approved by the County Commission in the County Coroner/Medical Examiner major appropriation category (the legal level of control) in the General Fund by \$685. Expenditures that exceed appropriations are a violation of state statute. These expenditures in excess of appropriations were funded by available fund balance.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

DeKalb County and the DeKalb 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, depositing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

**Deposits**

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

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

**Investments**

**Legal Provisions.** Counties are authorized to make direct investments in bonds, notes, or treasury bills of the U.S. government and obligations guaranteed by the U.S. government or any of its agencies; deposits at state

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

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

**B. Notes Receivable**

In a prior year, the county sold its hospital to a private corporation. On May 10, 1971, the chancellor ordered that a portion of the proceeds of this sale be used to provide loans to "...deserving young men and women, who are preparing themselves for the practice of medicine or the practice of nursing..." These proceeds were deposited in the Office of Clerk and Master and were earmarked for loans to students in medical-related fields. Notes receivable of \$106,900 in the Constitutional Officers - Agency Fund represent the total of these student loans outstanding at June 30, 2014. These loans are repayable to the county over a ten-year period after the student leaves school with an interest rate two percent below the prime interest rate as published in the *Wall Street Journal*.

**C. 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	\$ 836,116	\$ 0	\$ 836,116
Total Capital Assets Not Depreciated	<u>\$ 836,116</u>	<u>\$ 0</u>	<u>\$ 836,116</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 7,279,809	\$ 0	\$ 7,279,809
Roads and Bridges	17,343,509	0	17,343,509
Other Capital Assets	3,791,642	0	3,791,642
Total Capital Assets Depreciated	<u>\$ 28,414,960</u>	<u>\$ 0</u>	<u>\$ 28,414,960</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 2,822,957	\$ 303,334	\$ 3,126,291
Roads and Bridges	13,608,323	398,234	14,006,557
Other Capital Assets	1,933,660	245,594	2,179,254
Total Accumulated Depreciation	<u>\$ 18,364,940</u>	<u>\$ 947,162</u>	<u>\$ 19,312,102</u>
Total Capital Assets Depreciated, Net	<u>\$ 10,050,020</u>	<u>\$ (947,162)</u>	<u>\$ 9,102,858</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,886,136</u>	<u>\$ (947,162)</u>	<u>\$ 9,938,974</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	\$ 206,870
Public Safety	178,558
Public Health and Welfare	49,817
Social, Cultural, and Recreational Services	18,179
Highways/Public Works	<u>493,738</u>
 Total Depreciation Expense - Governmental Activities	 <u><u>\$ 947,162</u></u>

**Business-type Activities:**

	Balance 7-1-13	Increases	Balance 6-30-14
Capital Assets Not Depreciated:			
Land	\$ 428,950	\$ 912,100	\$ 1,341,050
Total Capital Assets Not Depreciated	<u>\$ 428,950</u>	<u>\$ 912,100</u>	<u>\$ 1,341,050</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 30,000	\$ 0	\$ 30,000
Machinery and Equipment	1,053,215	0	1,053,215
Landfill Facilities and Development	<u>2,683,638</u>	<u>0</u>	<u>2,683,638</u>
Total Capital Assets Depreciated	<u>\$ 3,766,853</u>	<u>\$ 0</u>	<u>\$ 3,766,853</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 30,000	\$ 0	\$ 30,000
Machinery and Equipment	567,815	69,552	637,367
Landfill Facilities and Development	<u>2,280,679</u>	<u>268,640</u>	<u>2,549,319</u>
Total Accumulated Depreciation	<u>\$ 2,878,494</u>	<u>\$ 338,192</u>	<u>\$ 3,216,686</u>
Total Capital Assets Depreciated, Net	<u>\$ 888,359</u>	<u>\$ (338,192)</u>	<u>\$ 550,167</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,317,309</u>	<u>\$ 573,908</u>	<u>\$ 1,891,217</u>

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

Depreciation expense of \$338,192 was recorded by the Solid Waste Disposal Fund.

**Discretely Presented DeKalb County School Department**

**Governmental Activities:**

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 736,256	\$ 0	\$ 0	\$ 736,256
Construction in Progress	0	3,533,401	0	3,533,401
<b>Total Capital Assets Not Depreciated</b>	<b>\$ 736,256</b>	<b>\$ 3,533,401</b>	<b>\$ 0</b>	<b>\$ 4,269,657</b>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 14,599,792	\$ 650,000	\$ 0	\$ 15,249,792
Other Capital Assets	3,220,179	288,795	(187,033)	3,321,941
<b>Total Capital Assets Depreciated</b>	<b>\$ 17,819,971</b>	<b>\$ 938,795</b>	<b>\$ (187,033)</b>	<b>\$ 18,571,733</b>
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 7,064,636	\$ 311,293	\$ 0	\$ 7,375,929
Other Capital Assets	1,516,064	206,680	(177,094)	1,545,650
<b>Total Accumulated Depreciation</b>	<b>\$ 8,580,700</b>	<b>\$ 517,973</b>	<b>\$ (177,094)</b>	<b>\$ 8,921,579</b>
<b>Total Capital Assets Depreciated, Net</b>	<b>\$ 9,239,271</b>	<b>\$ 420,822</b>	<b>\$ (9,939)</b>	<b>\$ 9,650,154</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 9,975,527</b>	<b>\$ 3,954,223</b>	<b>\$ (9,939)</b>	<b>\$ 13,919,811</b>

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

**Governmental Activities:**

Instruction	\$ 304,613
Support Services	<u>213,360</u>
<b>Total Depreciation Expense - Governmental Activities</b>	<b><u>\$ 517,973</u></b>

**D. Construction Commitments**

At June 30, 2014, the discretely presented DeKalb County School Department had uncompleted construction contracts of approximately \$929,046 for the construction of a safe room, roof repairs, cafeteria renovations, and energy management projects. A portion of the funding for these future expenditures has been received from contributions from the primary government, and the remaining funds are expected from state and federal grants.

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

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: General	Nonmajor governmental	\$ 5,088

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

**Due to/from Primary Government and Component Unit:**

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
Primary Government: Governmental Activities	Component Unit: School Department	\$ 2,368,343
Component Unit: School Department General Purpose School	Primary Government: General	2,560

The Due to Primary Government is the balance of bonds and other loans issued by the county for the School Department. The School Department has agreed to contribute the funds annually to retire these bonds and other loans. These long-term obligations are reflected in governmental activities on the Statement of Net Position.

The Due to the Component Unit is to correct a proration error by the Office of Trustee for tax collections received by the Office of Clerk and Master.

**Interfund Transfers:**

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

**Primary Government**

	<u>Transfer In</u>
	General Debt Service Fund
<u>Transfer Out</u>	
Local Purpose Tax Fund	\$ 766,399

**Discretely Presented DeKalb County School Department**

	<u>Transfer In</u>
	General Purpose School Fund
<u>Transfer Out</u>	
Nonmajor governmental funds	\$ 3,041

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

**F. Long-term Obligations**

**Primary Government**

**General Obligation Bonds, Notes, and Other Loans**

DeKalb 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 loans. Capital outlay notes are also issued to fund capital facilities and other capital outlay purchases, such as equipment.

General obligation bonds, capital outlay notes, and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds, capital outlay notes, and other loans outstanding were issued for original terms of up to 16 years for bonds, up to 12 years for notes, and up to seven years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, and other loans outstanding as of June 30, 2014, are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds	2 to 3.5 %	10-1-28	\$ 8,000,000	\$ 6,870,000
General Obligation Bonds - Refunding	.1 to 5.5	3-1-19	7,930,000	2,410,000
Capital Outlay Notes	1 to 2	3-1-25	3,400,000	3,140,000
Other Loans	0	3-15-16	414,198	118,343

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 1,090,000	\$ 222,602	\$ 1,312,602
2016	920,000	191,453	1,111,453
2017	940,000	166,454	1,106,454
2018	955,000	154,971	1,109,971
2019	970,000	142,341	1,112,341
2020-2024	2,845,000	493,263	3,338,263
2025-2029	1,560,000	106,444	1,666,444
Total	\$ 9,280,000	\$ 1,477,528	\$ 10,757,528

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 260,000	\$ 54,513	\$ 314,513
2016	265,000	51,231	316,231
2017	270,000	47,550	317,550
2018	275,000	43,463	318,463
2019	275,000	38,650	313,650
2020-2024	1,480,000	106,700	1,586,700
2025	315,000	3,150	318,150
Total	\$ 3,140,000	\$ 345,257	\$ 3,485,257

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2015	\$ 59,171	\$ 0	\$ 59,171
2016	59,172	0	59,172
Total	<u>\$ 118,343</u>	<u>\$ 0</u>	<u>\$ 118,343</u>

There is \$1,509,897 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, and other loans totaled \$670, 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</u>	
<u>Contributions from the General Purpose School Fund</u>	
Energy Efficiency Loan	\$ 118,343
<u>Bonds</u>	
<u>Contributions from the General Purpose School Fund</u>	
General Obligation School Bonds, Series 2013	<u>2,250,000</u>
Total	<u>\$ 2,368,343</u>

#### 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
	<hr/>		
Balance, July 1, 2013	\$ 7,170,000	\$ 3,400,000	\$ 177,514
Additions	3,000,000	0	0
Reductions	(890,000)	(260,000)	(59,171)
	<hr/>		
Balance, June 30, 2014	<u>\$ 9,280,000</u>	<u>\$ 3,140,000</u>	<u>\$ 118,343</u>
	<hr/>		
Balance Due Within One Year	<u>\$ 1,090,000</u>	<u>\$ 260,000</u>	<u>\$ 59,171</u>

	Other Postemployment Benefits	Compensated Absences
	<hr/>	
Balance, July 1, 2013	\$ 98,823	\$ 5,264
Additions	11,102	11,868
Reductions	(1,211)	(11,273)
	<hr/>	
Balance, June 30, 2014	<u>\$ 108,714</u>	<u>\$ 5,859</u>
	<hr/>	
Balance Due Within One Year	<u>\$ 0</u>	<u>\$ 4,394</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 12,652,916
Less: Balance Due Within One Year	(1,413,565)
Add: Unamortized Premium on Debt	<u>87,164</u>
	<hr/>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 11,326,515</u>

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

**DeKalb County Solid Waste Disposal Fund (enterprise fund)**

Changes in Long-term Obligations

Long-term obligations activity for the Solid Waste Disposal Fund (enterprise fund) for the year ended June 30, 2014, was as follows:

Business-type Activities:

	Closure/ Postclosure Care Costs
	<u>                    </u>
Balance, July 1, 2013	\$ 6,417,619
Additions	289,868
Reductions	<u>(38,754)</u>
Balance, June 30, 2014	<u>\$ 6,668,733</u>
Balance Due Within One Year	<u>\$ 106,260</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 6,668,733
Less: Balance Due Within One Year	<u>(106,260)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 6,562,473</u>

**Discretely Presented DeKalb County School Department**

Changes in Long-term Obligations

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

Governmental Activities:

	Other Postemployment Benefits
	<u>                    </u>
Balance, July 1, 2013	\$ 598,701
Additions	145,617
Reductions	<u>(163,852)</u>
Balance, June 30, 2014	<u>\$ 580,466</u>
Balance Due Within One Year	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 580,466
Less: Balance Due Within One Year	<u>0</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 580,466</u>

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

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the DeKalb 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 \$65,771 and \$25,507, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

**V. OTHER INFORMATION**

**A. Risk Management**

**Primary Government**

The county is exposed to various risks related to general liability, property, casualty, and workers' compensation. The county participates in the Local Government Property and Casualty Fund (LGPCF) and the Local Government Workers' Compensation Fund (LGWCF) as opposed to purchasing commercial insurance for these risks. The LGPCF and LGWCF are public entity risk pools established by the Tennessee County Services Association, an association of member counties. The county pays annual premiums to these pools for their insurance coverage. These pools are to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims exceeding \$100,000 for each insured event.

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

### **Discretely Presented DeKalb County School Department**

The discretely presented DeKalb 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 annual premiums to the TN-RMT for its general liability, property, casualty, and workers' compensation insurance coverage. The creation of 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, *Tennessee Code Annotated (TCA)*, all local education agencies are eligible to participate. The LEGIF is included in the Comprehensive Annual Financial Report of the State of Tennessee, but the state does not retain any risk for losses by this fund. Section 8-27-303, *TCA*, provides for the LEGIF to be self-sustaining through member premiums.

### **B. Accounting Changes**

Provisions of Governmental Accounting Standards Board (GASB) Statement No. 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 August 31, 2014, Mike Foster left the Office of County Mayor and was succeeded by Tim Stribling, Kenny Edge left the Office of Road Supervisor

and was succeeded by Wallace Agee, and Michael Clayborn left the Office of County Clerk and was succeeded by James Poss.

**D. Contingent Liabilities**

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

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

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. DeKalb County closed the Midway landfill in 1994 and the Felts Tract in 2002. The \$6,668,733 reported as postclosure care liability at June 30, 2014, represents \$697,109 for the Midway landfill and \$458,149 for the Felts Tract based on what it would cost to perform all postclosure care in 2014. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The amount reported as landfill closure postclosure care liability at June 30, 2014, also represents the cumulative amount reported to date based on the use of 100 percent of the estimated capacity of the extension landfill (\$1,289,956) and 87 percent estimated capacity of the lateral expansion (\$4,223,519). The county will recognize the remaining estimated costs of the closure and postclosure care of \$631,100 for the lateral expansion if or as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2014. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

**F. Retirement Commitments**

**1. Tennessee Consolidated Retirement System (TCRS)**

**Plan Description**

Employees of DeKalb 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 DeKalb 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**

DeKalb 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 6.26 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 county's annual pension cost of \$420,976 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), and (d) projected 3.5 percent annual increase in the Social Security wage base. 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 four 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	\$420,976	100%	\$0
6-30-13	407,403	100	0
6-30-12	403,656	100	0

**Funded Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the plan was 96.54 percent funded. The actuarial accrued liability for benefits was \$11.43 million, and the actuarial value of assets was \$11.04 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.4 million. The covered payroll (annual payroll of active employees covered by the plan) was \$6 million, and the ratio of the UAAL to the covered payroll was 6.58 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 DeKalb County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries.

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

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson Building, Nashville, TN 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs/Schools](http://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 \$995,164, \$988,603, and \$981,111, respectively, equal to the required contributions for each year.

## **2. Deferred Compensation**

The School Department offers its employees a deferred compensation plan established pursuant to IRC Section 403(b). All costs of administering and funding the program are the responsibility of plan participants. The 403(b) plan assets remain the property of the contributing employees and are not presented in the accompanying financial statements. IRC Section 403(b) establishes participation, contribution, and withdrawal provisions for the plan.

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

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is 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 employer in the plan develops a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants, however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. During the year ended June 30, 2014, the county and the discretely presented School Department contributed \$1,211 and \$163,852, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Government Group Plan	Local Education Group Plan
ARC	\$ 11,000	\$ 145,000
Interest on the NOPEBO	3,953	23,948
Adjustment to the ARC	(3,851)	(23,331)
Annual OPEB cost	\$ 11,102	\$ 145,617
Amount of contribution	(1,211)	(163,852)
Increase/decrease in NOPEBO	\$ 9,891	\$ (18,235)
Net OPEB obligation, 7-1-13	98,823	598,701
Net OPEB obligation, 6-30-14	\$ 108,714	\$ 580,466

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	\$ 18,837	13 %	\$ 82,556
6-30-13	"	18,797	13	98,823
6-30-14	"	11,102	11	108,714
6-30-12	Local Education Group	271,222	47	459,003
6-30-13	"	273,871	49	598,701
6-30-14	"	145,617	113	580,466

### 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)	\$ 64,000	\$ 1,421,000
Actuarial value of plan assets	\$ 0	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 64,000	\$ 1,421,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 4,229,123	\$ 14,225,378
UAAL as a % of covered payroll	2%	10%

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 Group 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 healthcare 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.

**H. Purchasing Laws**

Offices of County Mayor and Road Supervisor

Purchasing procedures for the funds administered by the county mayor and road supervisor are governed by provisions of Chapter 63, Private Acts of 1979, as amended. Purchasing procedures for the Highway Department are also governed by Section 54-7-113, *Tennessee Code Annotated (TCA)*, (Uniform Road Law). Chapter 63, Private Acts of 1979, as amended, provides for the establishment of a Purchasing Committee and designates the county mayor as purchasing agent for purchases approved by the committee. All purchases of materials, supplies, equipment, or services estimated to exceed \$10,000 are required to be made by the Purchasing Committee on the basis of competitive bids solicited through newspaper advertisement. Other purchases may be made by the department heads. Requisitions and purchase orders are required for all purchases.

Office of Director of Schools

Purchasing procedures for the discretely presented DeKalb County School Department are governed by provisions of Chapter 63, Private Acts of 1979, as amended, and by Section 49-2-203, *TCA*. Chapter 63, Private Acts of 1979, as amended, provides for the establishment of a Purchasing Committee and designates the county mayor as purchasing agent for purchases approved by the committee. All purchases of materials, supplies, equipment, or services estimated to exceed \$10,000 are required to be made by the Purchasing Committee on the basis of competitive bids solicited through newspaper advertisement. Other purchases may be made by the department heads. Requisitions and purchase orders are required for all purchases.

**VI. OTHER NOTES – DISCRETELY PRESENTED DEKALB COUNTY EMERGENCY COMMUNICATIONS DISTRICT**

**A. Summary of Significant Accounting Policies**

The DeKalb County Emergency Communications District was established for the purpose of providing an enhanced level of 911 services to DeKalb 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 DeKalb County. The DeKalb County Emergency Communications District is run by a board of directors, which is appointed by DeKalb County. The district must file a budget with DeKalb County each year. Any bond issued by the district is subject to approval by DeKalb County.

The district uses the accrual basis of accounting. 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. 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 and Improvements	S/L	10 - 40	\$ 2,380
Furniture and Fixtures	S/L	5 - 10	1,033
Office Equipment	S/L	5 - 10	452
Communications Equipment	S/L	5 - 10	31,273
Vehicles	S/L	5	<u>3,167</u>
Total			<u>\$ 38,305</u>

2. **Major Source of Revenue**

The major source of operating revenue is emergency telephone and wireless surcharges. Nonoperating revenue consists of a grant given by the state Emergency Communications Board to help the district employ dispatchers, and help with interest, other refunds, and reimbursements.

B. **Cash and Investments**

*Tennessee Code Annotated (TCA)*, requires Tennessee banks and savings and loan associations to secure a governmental entity's deposits by pledging government securities as collateral. The market value of pledged securities must equal 105 percent of the entity's deposits. The entity may waive collateral requirements for deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation or Savings Association Insurance Fund.

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

Checking - Regions Bank	\$ 75,547
Checking - Wilson Bank and Trust	61,791
CD - DeKalb Community Bank	223,726
CD - First Bank	44,155
CD - Liberty State Bank	254,237
CD - State Farm Bank	<u>100,340</u>
 Total Deposits	 <u><u>\$ 759,796</u></u>

At June 30, 2014, the carrying amount of the DeKalb County Emergency Communications District's cash deposits was \$759,796. The district's deposit accounts are covered up to \$250,000 by the Federal Deposit Insurance Corporation. Any amounts over \$250,000 are still covered since First Bank, Liberty State Bank, and DeKalb Community Bank (a branch of Wilson Bank & Trust) 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, TCA.

**C. Bonding**

DeKalb County Emergency Communications District has a workers' compensation policy, which covered employees of the district at June 30, 2014. Other risk areas include theft, property damage, and public liability, which are covered by the policy of the county. There have been no losses or settlements that exceeded coverage during the past three years.

**D. Capital Assets**

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

Assets	Balance 7-1-13	Additions	Retirements	Balance 6-30-14
Communication Equipment	\$ 195,017	\$ 199,275	\$ (21,130)	\$ 373,162
Furniture and Fixtures	10,330	0	0	10,330
Buildings and Improvements	31,644	0	0	31,644
Vehicles	19,500	0	0	19,500
Office Equipment	5,050	0	0	5,050
 Total	 \$ 261,541	 \$ 199,275	 \$ (21,130)	 \$ 439,686

Assets	Accumulated Depreciation 7-1-13	Current-year Depreciation	Current-year Retirements	Accumulated Depreciation 6-30-14
Communication				
Equipment	\$ 101,932	\$ 31,273	\$ (21,130)	\$ 112,075
Furniture and Fixtures	8,781	1,033	0	9,814
Buildings and				
Improvements	19,910	2,380	0	22,290
Vehicles	7,233	3,167	0	10,400
Office Equipment	4,296	452	0	4,748
Total	\$ 142,152	\$ 38,305	\$ (21,130)	\$ 159,327

**E. Cash and Cash Equivalents**

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

**F. Accounts Receivable/Due from State**

The amounts due to the district from the wireless charges and other government agencies include the following:

Ben Lomand	\$ 495
State of Tennessee ECB	<u>7,968</u>
Total	<u><u>\$ 8,463</u></u>

**G. Compensated Absences**

There were no compensated absences for June 30, 2014.

**H. Subsequent Events**

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

**I. Calculation of Invested in Capital Assets**

Net Book Value	\$ 280,359
Current and Non-current Debt	<u>0</u>
Net Invested in Capital Assets	<u><u>\$ 280,359</u></u>

**J. Budgetary Information**

As stated in Note VI.A., the district must file a budget with DeKalb County each year and be approved by the Board of Directors. The budget is prepared on the accrual basis of accounting. Compliance with the legally adopted budget is required at the line-item level.

**K. Pension Plan**

**Plan Description**

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

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

**Funding Policy**

The DeKalb County Emergency Communications District requires employees to contribute five percent of earnable compensation. The district is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 4.79 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The

contribution requirement for the district is established and may be amended by the TCRS Board of Trustees.

**Annual Pension Cost**

For the year ended June 30, 2014, the district’s annual pension cost of \$15,106 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 five-year period. The district’s unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was 17 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	\$ 15,106	100 %	\$ 0
6-30-13	15,652	100	0
6-30-12	17,653	100	0

**Funded Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the plan was 69.45 percent funded. The actuarial accrued liability for benefits was \$.27 million, and the actuarial value of assets was \$.19 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.08 million. The covered payroll (annual payroll of active employees covered by the plan) was \$.32 million, and the ratio of the UAAL to the covered payroll was 25.31 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.

The annual required contribution was calculated using the aggregate actuarial cost method. Since the aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for the purpose, and this information is intended to serve as a surrogate for the funded status and funding progress of the plan.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit F-1

DeKalb County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented DeKalb 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	\$ 11,036	\$ 11,432	\$ 395	96.54 %	\$ 6,005	6.58 %
7-1-11	9,339	10,076	737	92.68	5,924	12.44
7-1-09	7,173	7,173	0	100.00	5,537	0.00

Exhibit F-2

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

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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)
Local Government Group	7-1-10	\$ 0	\$ 285	\$ 285	0	\$ 1,532	19 %
"	7-1-11	0	108	108	0	2,932	4
"	7-1-13	0	64	64	0	4,229	2
Local Education Group	7-1-10	0	1,741	1,741	0	9,674	18
"	7-1-11	0	2,465	2,465	0	13,491	18
"	7-1-13	0	1,421	1,421	0	14,225	10

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

NONE

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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Courthouse and Jail Maintenance Fund – The Courthouse and Jail Maintenance Fund is used to account for a special tax levied by private act on litigation.

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.

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## General Capital Projects Fund

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

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Exhibit G-1

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

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects	
Cash	\$ 0	\$ 0	\$ 27,440	\$ 27,440	\$ 0	\$ 27,440
Equity in Pooled Cash and Investments	18,154	46,347	0	64,501	787,550	852,051
Accounts Receivable	0	0	4,916	4,916	0	4,916
Property Taxes Receivable	0	0	0	0	485,318	485,318
Allowance for Uncollectible Property Taxes	0	0	0	0	(14,792)	(14,792)
Total Assets	\$ 18,154	\$ 46,347	\$ 32,356	\$ 96,857	\$ 1,258,076	\$ 1,354,933

ASSETS

LIABILITIES

Due to Other Funds	\$ 0	\$ 0	\$ 5,088	\$ 5,088	\$ 0	\$ 5,088
Total Liabilities	\$ 0	\$ 0	\$ 5,088	\$ 5,088	\$ 0	\$ 5,088

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 457,945	\$ 457,945
Deferred Delinquent Property Taxes	0	0	0	0	12,581	12,581
Total Deferred Inflows of Resources	\$ 0	\$ 0	\$ 0	\$ 0	\$ 470,526	\$ 470,526

FUND BALANCES

Restricted:						
Restricted for Public Safety	\$ 0	\$ 46,347	\$ 0	\$ 46,347	\$ 0	\$ 46,347
Restricted for Capital Outlay	0	0	0	0	787,550	787,550

(Continued)

Exhibit G-1

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

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	General Capital Projects		
\$	18,154	0	0	0	0	18,154
	0	0	27,268		0	27,268
\$	18,154	46,347	27,268	787,550		879,319
\$	18,154	46,347	32,356	1,258,076		1,354,933

FUND BALANCES (Cont.)

Committed:  
 Committed for General Government 18,154 \$  
 Committed for Finance 27,268  
 Total Fund Balances 91,769 \$  
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances 96,857 \$

Exhibit G-2

DeKalb 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				Capital Projects Fund		Total Nonmajor Governmental Funds
	Courthouse and Jail Maintenance	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects	Total	
<u>Revenues</u>							
Local Taxes	\$ 56,286	\$ 0	\$ 0	\$ 56,286	\$ 468,144	\$ 524,430	
Fines, Forfeitures, and Penalties	0	25,804	0	25,804	0	25,804	
Charges for Current Services	0	0	117,421	117,421	0	117,421	
Other Local Revenues	0	300	0	300	0	300	
Total Revenues	\$ 56,286	\$ 26,104	\$ 117,421	\$ 199,811	\$ 468,144	\$ 667,955	
<u>Expenditures</u>							
Current:							
General Government	\$ 50,277	\$ 0	\$ 0	\$ 50,277	\$ 0	\$ 50,277	
Finance	0	0	112,891	112,891	0	112,891	
Administration of Justice	0	0	1,239	1,239	0	1,239	
Public Safety	0	17,898	0	17,898	0	17,898	
Other Operations	0	137	0	137	0	137	
Support Services	0	6,424	0	6,424	0	6,424	
Capital Projects	0	0	0	0	304,969	304,969	
Total Expenditures	\$ 50,277	\$ 24,459	\$ 114,130	\$ 188,866	\$ 304,969	\$ 493,835	
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,009	\$ 1,645	\$ 3,291	\$ 10,945	\$ 163,175	\$ 174,120	
Net Change in Fund Balances	\$ 6,009	\$ 1,645	\$ 3,291	\$ 10,945	\$ 163,175	\$ 174,120	
Fund Balance, July 1, 2013	12,145	44,702	23,977	80,824	624,375	705,199	
Fund Balance, June 30, 2014	\$ 18,154	\$ 46,347	\$ 27,268	\$ 91,769	\$ 787,550	\$ 879,319	

Exhibit G-3

DeKalb County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Courthouse and Jail Maintenance Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 56,286	\$ 59,300	\$ 59,300	\$ (3,014)
Total Revenues	\$ 56,286	\$ 59,300	\$ 59,300	\$ (3,014)
<u>Expenditures</u>				
<u>General Government</u>				
County Buildings	\$ 50,277	\$ 50,152	\$ 52,152	\$ 1,875
Total Expenditures	\$ 50,277	\$ 50,152	\$ 52,152	\$ 1,875
Excess (Deficiency) of Revenues Over Expenditures	\$ 6,009	\$ 9,148	\$ 7,148	\$ (1,139)
Net Change in Fund Balance	\$ 6,009	\$ 9,148	\$ 7,148	\$ (1,139)
Fund Balance, July 1, 2013	12,145	20,111	20,111	(7,966)
Fund Balance, June 30, 2014	\$ 18,154	\$ 29,259	\$ 27,259	\$ (9,105)

Exhibit G-4

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Fines, Forfeitures, and Penalties	\$ 25,804	\$ 20,000	\$ 20,991	\$ 4,813
Other Local Revenues	300	510	810	(510)
Total Revenues	<u>\$ 26,104</u>	<u>\$ 20,510</u>	<u>\$ 21,801</u>	<u>\$ 4,303</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Sheriff's Department	\$ 2,898	\$ 23,276	\$ 24,143	\$ 21,245
Drug Enforcement	15,000	10,000	20,000	5,000
<u>Other Operations</u>				
Other Charges	137	236	236	99
<u>Support Services</u>				
Other Student Support	6,424	6,000	6,424	0
Total Expenditures	<u>\$ 24,459</u>	<u>\$ 39,512</u>	<u>\$ 50,803</u>	<u>\$ 26,344</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 1,645</u>	<u>\$ (19,002)</u>	<u>\$ (29,002)</u>	<u>\$ 30,647</u>
Net Change in Fund Balance	\$ 1,645	\$ (19,002)	\$ (29,002)	\$ 30,647
Fund Balance, July 1, 2013	44,702	43,336	43,336	1,366
Fund Balance, June 30, 2014	<u>\$ 46,347</u>	<u>\$ 24,334</u>	<u>\$ 14,334</u>	<u>\$ 32,013</u>

Exhibit G-5

DeKalb County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
General Capital Projects Fund  
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 468,144	\$ 453,101	\$ 453,101	\$ 15,043
Total Revenues	\$ 468,144	\$ 453,101	\$ 453,101	\$ 15,043
<u>Expenditures</u>				
<u>Capital Projects</u>				
General Administration Projects	\$ 114,137	\$ 104,680	\$ 115,999	\$ 1,862
Public Safety Projects	190,832	232,700	223,668	32,836
Total Expenditures	\$ 304,969	\$ 337,380	\$ 339,667	\$ 34,698
Excess (Deficiency) of Revenues Over Expenditures	\$ 163,175	\$ 115,721	\$ 113,434	\$ 49,741
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 0	\$ 0	\$ 2,287	\$ (2,287)
Total Other Financing Sources	\$ 0	\$ 0	\$ 2,287	\$ (2,287)
Net Change in Fund Balance	\$ 163,175	\$ 115,721	\$ 115,721	\$ 47,454
Fund Balance, July 1, 2013	624,375	575,049	575,049	49,326
Fund Balance, June 30, 2014	\$ 787,550	\$ 690,770	\$ 690,770	\$ 96,780

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit H

DeKalb 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	\$ 561,516	\$ 543,721	\$ 543,721	\$ 17,795
Other Governments and Citizens Groups	83,233	0	83,686	(453)
Total Revenues	<u>\$ 644,749</u>	<u>\$ 543,721</u>	<u>\$ 627,407</u>	<u>\$ 17,342</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 490,000	\$ 490,000	\$ 490,000	0
Education	719,171	660,000	719,171	0
<u>Interest on Debt</u>				
General Government	131,997	132,450	131,997	0
Education	135,167	104,899	137,353	2,186
<u>Other Debt Service</u>				
General Government	12,561	27,702	27,702	15,141
Education	0	1,500	1,500	1,500
Total Expenditures	<u>\$ 1,488,896</u>	<u>\$ 1,416,551</u>	<u>\$ 1,507,723</u>	<u>\$ 18,827</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (844,147)</u>	<u>\$ (872,830)</u>	<u>\$ (880,316)</u>	<u>\$ 36,169</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 766,399	\$ 766,399	\$ 766,399	0
Total Other Financing Sources	<u>\$ 766,399</u>	<u>\$ 766,399</u>	<u>\$ 766,399</u>	<u>\$ 0</u>
Net Change in Fund Balance	\$ (77,748)	(106,431)	(113,917)	36,169
Fund Balance, July 1, 2013	<u>1,587,645</u>	<u>1,544,607</u>	<u>1,544,607</u>	<u>43,038</u>
Fund Balance, June 30, 2014	<u>\$ 1,509,897</u>	<u>\$ 1,438,176</u>	<u>\$ 1,430,690</u>	<u>\$ 79,207</u>

# Fiduciary Funds

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

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

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

Exhibit I-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 1,440,669	\$ 1,440,669
Due from Other Governments	175,642	0	175,642
Notes Receivable - Long-term	0	106,900	106,900
Total Assets	<u>\$ 175,642</u>	<u>\$ 1,547,569</u>	<u>\$ 1,723,211</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 175,642	\$ 0	\$ 175,642
Due to Litigants, Heirs, and Others	0	1,547,569	1,547,569
Total Liabilities	<u>\$ 175,642</u>	<u>\$ 1,547,569</u>	<u>\$ 1,723,211</u>

Exhibit I-2

DeKalb 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	\$ 987,017	\$ 987,017	\$ 0
Due from Other Governments	159,226	175,642	159,226	175,642
Total Assets	\$ 159,226	\$ 1,162,659	\$ 1,146,243	\$ 175,642
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 159,226	\$ 1,162,659	\$ 1,146,243	\$ 175,642
Total Liabilities	\$ 159,226	\$ 1,162,659	\$ 1,146,243	\$ 175,642
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,494,639	\$ 12,294,974	\$ 13,348,944	\$ 1,440,669
Notes Receivable - Long-term	101,171	20,000	14,271	106,900
Total Assets	\$ 2,595,810	\$ 12,314,974	\$ 13,363,215	\$ 1,547,569
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,595,810	\$ 12,314,974	\$ 13,363,215	\$ 1,547,569
Total Liabilities	\$ 2,595,810	\$ 12,314,974	\$ 13,363,215	\$ 1,547,569
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,494,639	\$ 12,294,974	\$ 13,348,944	\$ 1,440,669
Equity in Pooled Cash and Investments	0	987,017	987,017	0
Due from Other Governments	159,226	175,642	159,226	175,642
Notes Receivable - Long-term	101,171	20,000	14,271	106,900
Total Assets	\$ 2,755,036	\$ 13,477,633	\$ 14,509,458	\$ 1,723,211
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 159,226	\$ 1,162,659	\$ 1,146,243	\$ 175,642
Due to Litigants, Heirs, and Others	2,595,810	12,314,974	13,363,215	1,547,569
Total Liabilities	\$ 2,755,036	\$ 13,477,633	\$ 14,509,458	\$ 1,723,211

# DeKalb County School Department

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

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

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

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

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

Exhibit J-1

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Instruction	\$ 20,010,320	\$ 0	\$ 1,868,335	\$ (15,820,409)
Support Services	3,650,687	38,604	268,587	(3,343,496)
Operation of Non-instructional Services	2,152,723	298,561	1,243,393	(610,769)
Interest on Long-term Debt	24,062	0	0	(24,062)
<b>Total Governmental Activities</b>	<b>\$ 25,837,792</b>	<b>\$ 337,165</b>	<b>\$ 3,380,315</b>	<b>\$ (19,798,736)</b>
General Revenues:				
Taxes:				
Property Taxes Levied for General Purposes				\$ 2,591,071
Other Local Taxes				1,891
Grants and Contributions Not Restricted to Specific Programs				17,013,755
Unrestricted Investment Earnings				1,946
Miscellaneous				64,816
<b>Total General Revenues</b>				<b>\$ 19,673,479</b>
Insurance Recovery				\$ 6,516
Change in Net Position				\$ (118,741)
Net Position, July 1, 2013				17,669,075
Net Position, June 30, 2014				<u>\$ 17,550,334</u>

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

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Purpose School	Education Capital Projects	Other	Governmental Funds	
\$ 4,726,790	\$ 825,843	\$ 538,386	\$ 6,091,019		
7,371	0	0	7,371		
44,312	287,635	224,197	556,144		
2,560	0	0	2,560		
2,673,159	0	0	2,673,159		
(81,356)	0	0	(81,356)		
<b>\$ 7,372,836</b>	<b>\$ 1,113,478</b>	<b>\$ 762,583</b>	<b>\$ 9,248,897</b>		

ASSETS

Equity in Pooled Cash and Investments	
Accounts Receivable	
Due from Other Governments	
Due from Primary Government	
Property Taxes Receivable	
Allowance for Uncollectible Property Taxes	
<b>Total Assets</b>	

LIABILITIES

Cash Overdraft	\$ 0	\$ 0	\$ 26,060	\$ 26,060
Contracts Payable	0	115,702	0	115,702
Retainage Payable	0	6,090	0	6,090
Due to State of Tennessee	3,014	0	0	3,014
<b>Total Liabilities</b>	<b>\$ 3,014</b>	<b>\$ 121,792</b>	<b>\$ 26,060</b>	<b>\$ 150,866</b>

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes	\$ 2,518,699	\$ 0	\$ 0	\$ 2,518,699
Deferred Delinquent Property Taxes	69,190	0	0	69,190
<b>Total Deferred Inflows of Resources</b>	<b>\$ 2,587,889</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,587,889</b>

FUND BALANCES

Restricted:				
Restricted for Education	\$ 14,917	\$ 0	\$ 656,523	\$ 671,440

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Purpose School	Education Capital Projects		Other Governmental Funds		
\$	0	\$ 991,686	\$	0	\$	991,686
	3,775,915	0		80,000		3,855,915
	10,725	0		0		10,725
	980,376	0		0		980,376
\$	4,781,933	\$ 991,686	\$	736,523	\$	6,510,142
\$	7,372,836	\$ 1,113,478	\$	762,583	\$	9,248,897

FUND BALANCES (Cont.)

Restricted (Cont.):	
Restricted for Capital Outlay	
Committed:	
Committed for Education	
Assigned:	
Assigned for Education	
Unassigned	
Total Fund Balances	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	

Exhibit J-3

DeKalb County, Tennessee  
Reconciliation of the Balance Sheet of Governmental Funds to  
the Statement of Net Position  
Discretely Presented DeKalb 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)		\$	6,510,142
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	736,256	
Add: construction in progress		3,533,401	
Add: buildings and improvements net of accumulated depreciation		7,873,863	
Add: other capital assets net of accumulated depreciation		<u>1,776,291</u>	13,919,811
(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 the primary government debt for bonds	\$	(2,250,000)	
Less: contributions due on the primary government debt for other loans		(118,343)	
Less: other postemployment benefits liability		<u>(580,466)</u>	(2,948,809)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>69,190</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>17,550,334</u></u>

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Purpose School	Education Capital Projects	Other Governmental Funds	Other Governmental Funds	Governmental Funds	
<u>Revenues</u>						
Local Taxes	\$ 2,588,145	\$ 0	\$ 0	\$ 0	\$ 2,588,145	
Licenses and Permits	2,035	0	0	0	2,035	
Charges for Current Services	38,604	0	298,561	0	337,165	
Other Local Revenues	71,521	0	6,559	0	78,080	
State of Tennessee	15,145,353	137,660	0	0	15,283,013	
Federal Government	321,942	825,963	3,378,922	0	4,526,827	
Other Governments and Citizens Groups	1,540,000	2,957,953	0	0	4,497,953	
Total Revenues	\$ 19,707,600	\$ 3,921,576	\$ 3,684,042	\$ 0	\$ 27,313,218	
<u>Expenditures</u>						
Current:						
Instruction	\$ 12,128,384	\$ 0	\$ 1,658,576	\$ 0	\$ 13,786,960	
Support Services	6,906,332	0	490,666	0	7,396,998	
Operation of Non-instructional Services	615,246	0	1,537,477	0	2,152,723	
Capital Outlay	237,798	0	0	0	237,798	
Debt Service:						
Principal on Debt	59,171	0	0	0	59,171	
Interest on Debt	24,062	0	0	0	24,062	
Capital Projects	0	5,557,270	0	0	5,557,270	
Total Expenditures	\$ 19,970,993	\$ 5,557,270	\$ 3,686,719	\$ 0	\$ 29,214,982	
Excess (Deficiency) of Revenues Over Expenditures	\$ (263,393)	\$ (1,635,694)	\$ (2,677)	\$ 0	\$ (1,901,764)	

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Purpose School	Education Capital Projects	Other	Governmental Funds		
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 6,516	\$ 0	\$ 0	\$ 0	\$ 0	6,516
Transfers In	3,041	0	0	0	0	3,041
Transfers Out	0	0	0	(3,041)	(3,041)	(3,041)
Total Other Financing Sources (Uses)	\$ 9,557	\$ 0	\$ 0	\$ (3,041)	\$ (3,041)	6,516
Net Change in Fund Balances	\$ (253,836)	\$ (1,635,694)	\$ (5,718)	\$ 742,241	\$ (1,895,248)	(1,895,248)
Fund Balance, July 1, 2013	5,035,769	2,627,380			8,405,390	8,405,390
Fund Balance, June 30, 2014	\$ 4,781,933	\$ 991,686	\$ 736,523	\$ 6,510,142		6,510,142

Exhibit J-5

DeKalb County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures,  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
Discretely Presented DeKalb 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)		\$ (1,895,248)
(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	\$ 3,822,196	
Less: current-year depreciation expense	<u>(517,973)</u>	3,304,223
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net position.		
Add: assets donated and capitalized	\$ 650,000	
Less: book value of capital assets disposed	<u>(9,939)</u>	640,061
(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	\$ 69,190	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(64,373)</u>	4,817
(4) The contribution of long-term debt (e.g., bonds, notes, other loans, leases) 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.		
Less: bond proceeds contributed from the primary government	\$ (2,250,000)	
Add: principal contributed on other loans to the primary government	<u>59,171</u>	(2,190,829)
(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 other postemployment benefits liability		<u>18,235</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ (118,741)</u>

Exhibit J-6

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

	<u>Special Revenue Funds</u>		
	School Federal Projects	Central Cafeteria	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 0	\$ 538,386	\$ 538,386
Due from Other Governments	106,060	118,137	224,197
Total Assets	<u>\$ 106,060</u>	<u>\$ 656,523</u>	<u>\$ 762,583</u>
<u>LIABILITIES</u>			
Cash Overdraft	\$ 26,060	\$ 0	\$ 26,060
Total Liabilities	<u>\$ 26,060</u>	<u>\$ 0</u>	<u>\$ 26,060</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 0	\$ 656,523	\$ 656,523
Committed:			
Committed for Education	80,000	0	80,000
Total Fund Balances	<u>\$ 80,000</u>	<u>\$ 656,523</u>	<u>\$ 736,523</u>
Total Liabilities and Fund Balances	<u>\$ 106,060</u>	<u>\$ 656,523</u>	<u>\$ 762,583</u>

Exhibit J-7

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

	Special Revenue Funds		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	
<u>Revenues</u>			
Charges for Current Services	\$ 0	\$ 298,561	\$ 298,561
Other Local Revenues	0	6,559	6,559
Federal Government	2,152,283	1,226,639	3,378,922
Total Revenues	\$ 2,152,283	\$ 1,531,759	\$ 3,684,042
<u>Expenditures</u>			
Current:			
Instruction	\$ 1,658,576	\$ 0	\$ 1,658,576
Support Services	490,666	0	490,666
Operation of Non-instructional Services	0	1,537,477	1,537,477
Total Expenditures	\$ 2,149,242	\$ 1,537,477	\$ 3,686,719
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,041	\$ (5,718)	\$ (2,677)
<u>Other Financing Sources (Uses)</u>			
Transfers Out	\$ (3,041)	\$ 0	\$ (3,041)
Total Other Financing Sources (Uses)	\$ (3,041)	\$ 0	\$ (3,041)
Net Change in Fund Balances	\$ 0	\$ (5,718)	\$ (5,718)
Fund Balance, July 1, 2013	80,000	662,241	742,241
Fund Balance, June 30, 2014	\$ 80,000	\$ 656,523	\$ 736,523

## Exhibit J-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 2,588,145	\$ 2,471,148	\$ 2,471,148	\$ 116,997
Licenses and Permits	2,035	1,000	1,000	1,035
Charges for Current Services	38,604	42,000	42,000	(3,396)
Other Local Revenues	71,521	60,000	60,000	11,521
State of Tennessee	15,145,353	14,944,176	15,225,654	(80,301)
Federal Government	321,942	240,000	240,000	81,942
Other Governments and Citizens Groups	1,540,000	1,540,000	1,540,000	0
Total Revenues	\$ 19,707,600	\$ 19,298,324	\$ 19,579,802	\$ 127,798
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 9,592,406	\$ 9,721,266	\$ 9,721,266	\$ 128,860
Alternative Instruction Program	98,135	103,238	103,238	5,103
Special Education Program	1,801,144	1,920,016	1,920,016	118,872
Vocational Education Program	636,699	651,480	651,480	14,781
<u>Support Services</u>				
Attendance	129,927	131,732	131,732	1,805
Health Services	322,812	333,721	333,721	10,909
Other Student Support	446,624	472,616	472,616	25,992
Regular Instruction Program	688,873	771,050	771,050	82,177
Special Education Program	424,903	454,490	454,490	29,587
Other Programs	91,278	0	91,278	0
Board of Education	331,435	343,058	343,058	11,623
Director of Schools	167,264	176,340	176,340	9,076
Office of the Principal	1,235,874	1,320,595	1,320,595	84,721
Fiscal Services	165,112	165,780	165,780	668
Operation of Plant	1,184,747	1,286,075	1,262,012	77,265
Maintenance of Plant	273,516	331,435	331,435	57,919
Transportation	1,443,967	1,475,925	1,489,925	45,958
<u>Operation of Non-instructional Services</u>				
Food Service	51,533	58,295	58,295	6,762
Community Services	123,575	0	176,200	52,625
Early Childhood Education	440,138	476,000	476,000	35,862
<u>Capital Outlay</u>				
Regular Capital Outlay	237,798	300,000	300,000	62,202
<u>Principal on Debt</u>				
Education	59,171	59,172	59,172	1
<u>Interest on Debt</u>				
Education	24,062	0	24,063	1
Total Expenditures	\$ 19,970,993	\$ 20,552,284	\$ 20,833,762	\$ 862,769
Excess (Deficiency) of Revenues Over Expenditures	\$ (263,393)	\$ (1,253,960)	\$ (1,253,960)	\$ 990,567

(Continued)

Exhibit J-8

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 6,516	\$ 10,000	\$ 10,000	\$ (3,484)
Transfers In	3,041	6,000	6,000	(2,959)
Total Other Financing Sources	<u>\$ 9,557</u>	<u>\$ 16,000</u>	<u>\$ 16,000</u>	<u>\$ (6,443)</u>
Net Change in Fund Balance	\$ (253,836)	\$ (1,237,960)	\$ (1,237,960)	\$ 984,124
Fund Balance, July 1, 2013	<u>5,035,769</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>35,769</u>
Fund Balance, June 30, 2014	<u>\$ 4,781,933</u>	<u>\$ 3,762,040</u>	<u>\$ 3,762,040</u>	<u>\$ 1,019,893</u>

Exhibit J-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 2,152,283	\$ 2,096,047	\$ 2,481,884	\$ (329,601)
Total Revenues	\$ 2,152,283	\$ 2,096,047	\$ 2,481,884	\$ (329,601)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 1,096,506	\$ 1,094,361	\$ 1,265,558	\$ 169,052
Special Education Program	523,870	510,106	570,320	46,450
Vocational Education Program	38,200	37,795	38,200	0
<u>Support Services</u>				
Other Student Support	15,016	17,271	16,485	1,469
Regular Instruction Program	298,914	317,189	387,976	89,062
Special Education Program	148,736	179,710	172,304	23,568
Vocational Education Program	1,181	800	1,181	0
Transportation	26,819	25,735	26,819	0
Total Expenditures	\$ 2,149,242	\$ 2,182,967	\$ 2,478,843	\$ 329,601
Excess (Deficiency) of Revenues Over Expenditures	\$ 3,041	\$ (86,920)	\$ 3,041	\$ 0
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 0	\$ 89,961	\$ 0	\$ 0
Transfers Out	(3,041)	(3,041)	(3,041)	0
Total Other Financing Sources	\$ (3,041)	\$ 86,920	\$ (3,041)	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2013	80,000	0	0	80,000
Fund Balance, June 30, 2014	\$ 80,000	\$ 0	\$ 0	\$ 80,000

Exhibit J-10

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Charges for Current Services	\$ 298,561	\$ 525,000	\$ 525,000	\$ (226,439)
Other Local Revenues	6,559	17,000	17,000	(10,441)
Federal Government	1,226,639	1,404,000	1,404,000	(177,361)
Total Revenues	<u>\$ 1,531,759</u>	<u>\$ 1,946,000</u>	<u>\$ 1,946,000</u>	<u>\$ (414,241)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 1,537,477	\$ 2,066,245	\$ 2,066,245	\$ 528,768
Total Expenditures	<u>\$ 1,537,477</u>	<u>\$ 2,066,245</u>	<u>\$ 2,066,245</u>	<u>\$ 528,768</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (5,718)</u>	<u>\$ (120,245)</u>	<u>\$ (120,245)</u>	<u>\$ 114,527</u>
Net Change in Fund Balance	\$ (5,718)	\$ (120,245)	\$ (120,245)	\$ 114,527
Fund Balance, July 1, 2013	<u>662,241</u>	<u>502,388</u>	<u>502,388</u>	<u>159,853</u>
Fund Balance, June 30, 2014	<u><u>\$ 656,523</u></u>	<u><u>\$ 382,143</u></u>	<u><u>\$ 382,143</u></u>	<u><u>\$ 274,380</u></u>

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## MISCELLANEOUS SCHEDULES

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Exhibit K-1

DeKalb 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
<u>NOTES PAYABLE</u>								
Payable through General Debt Service Fund								
School Capital Outlay Notes, Series 2012	\$ 3,400,000	1 to 2 %	9-21-12	3-1-25	\$ 3,400,000	\$ 0	\$ 260,000	\$ 3,140,000
Total Notes Payable					\$ 3,400,000	\$ 0	\$ 260,000	\$ 3,140,000
<u>OTHER LOANS PAYABLE</u>								
Contributions Due by the School Department from the								
General Purpose School Fund to the General Debt Service Fund								
Energy Efficiency Loan	414,198	0	2-11-09	3-15-16	\$ 177,514	\$ 0	\$ 59,171	\$ 118,343
Total Other Loans Payable					\$ 177,514	\$ 0	\$ 59,171	\$ 118,343
<u>BONDS PAYABLE</u>								
Payable through General Debt Service Fund								
Refunding Bonds, Series 2003	7,930,000	.1 to 5.5	4-24-03	3-1-19	\$ 3,010,000	\$ 0	\$ 600,000	\$ 2,410,000
General Obligation Bonds, Series 2010	5,000,000	2 to 3.5	6-10-10	6-1-25	4,160,000	0	290,000	3,870,000
General Obligation School Bonds, Series 2013	750,000	2 to 3.25	10-28-13	10-1-28	0	750,000	0	750,000
Total Payable through General Debt Service Fund					\$ 7,170,000	\$ 750,000	\$ 890,000	\$ 7,030,000
Contributions Due by the School Department from the								
General Purpose School Fund to the General Debt Service Fund								
General Obligation School Bonds, Series 2013	2,250,000	2 to 3.25	10-28-13	10-1-28	\$ 0	\$ 2,250,000	\$ 0	\$ 2,250,000
Total Bonds Payable					\$ 7,170,000	\$ 3,000,000	\$ 890,000	\$ 9,280,000

Exhibit K-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 260,000	\$ 54,513	\$ 314,513
2016	265,000	51,231	316,231
2017	270,000	47,550	317,550
2018	275,000	43,463	318,463
2019	275,000	38,650	313,650
2020	285,000	33,050	318,050
2021	290,000	27,300	317,300
2022	295,000	21,450	316,450
2023	300,000	15,500	315,500
2024	310,000	9,400	319,400
2025	315,000	3,150	318,150
Total	<u>\$ 3,140,000</u>	<u>\$ 345,257</u>	<u>\$ 3,485,257</u>

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2015	\$ 59,171	\$ 0	\$ 59,171
2016	59,172	0	59,172
Total	<u>\$ 118,343</u>	<u>\$ 0</u>	<u>\$ 118,343</u>

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 1,090,000	\$ 222,602	\$ 1,312,602
2016	920,000	191,453	1,111,453
2017	940,000	166,454	1,106,454
2018	955,000	154,971	1,109,971
2019	970,000	142,341	1,112,341
2020	530,000	129,210	659,210
2021	550,000	115,339	665,339
2022	570,000	100,045	670,045
2023	585,000	83,313	668,313
2024	610,000	65,356	675,356
2025	635,000	46,222	681,222
2026	220,000	25,485	245,485
2027	225,000	18,975	243,975
2028	235,000	11,780	246,780
2029	245,000	3,982	248,982
Total	<u>\$ 9,280,000</u>	<u>\$ 1,477,528</u>	<u>\$ 10,757,528</u>

Exhibit K-3

DeKalb County, Tennessee  
Schedule of Notes Receivable  
For the Year Ended June 30, 2014

Description	Original Amount of Loan	Date of Issue	Date of Maturity	Interest Rate	Balance 6-30-13	Loaned During Period	Retired During Period	Balance 6-30-14
<u>Constitutional Officers - Agency Fund</u>								
Sliger	\$ 5,265	1-4-1995	(1)	(2)	220 \$	0 \$	220 \$	0
Snow	18,000	7-13-04	(1)	(2)	16,189	211	0	16,400
N. Cantrell	15,762	1-10-06	(1)	(2)	1,762	0	1,762	0
Johnson	12,500	12-19-07	(1)	(2)	12,500	0	0	12,500
Sutherly	8,000	2-21-07	(1)	(2)	8,000	0	0	8,000
Snipes	10,000	1-3-08	(1)	(2)	10,000	0	0	10,000
Raymond	20,000	7-20-09	(1)	(2)	12,500	0	12,500	0
Scott	60,000	5-4-12	(1)	(2)	40,000	20,000	0	60,000
Total					\$ 101,171 \$	20,211 \$	14,482 \$	106,900

(1) Ten years after borrower graduates school.

(2) Two percent below prime interest rate as published in the *Wall Street Journal*.

Exhibit K-4

DeKalb County, Tennessee  
Schedule of Transfers  
Primary Government and Discretely Presented DeKalb 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>			
Local Purpose Tax	General Debt Service	School debt	\$ <u>766,399</u>
<u>DISCRETELY PRESENTED DEKALB COUNTY SCHOOL DEPARTMENT</u>			
School Federal Projects	General Purpose School	Indirect costs	\$ <u>3,041</u>

DeKalb County, Tennessee  
Schedule of Salaries and Official Bonds of Principal Officials  
Primary Government and Discretely Presented DeKalb 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, and Chairman of Roads, Chapter 156, Private Acts of 1943, as amended	\$ 71,784 (1)	\$ 50,000	State Farm Fire and Casualty Company
Road Supervisor	Section 8-24-102, TCA, and DeKalb County Commission	69,295 (2)	100,000	RLI Insurance Company
Director of Schools	State Board of Education and DeKalb County Board of Education	104,615 (3)	(5)	
Trustee	Section 8-24-102, TCA	61,632	743,800	RLI Insurance Company
Assessor of Property	Section 8-24-102, TCA	61,632	50,000	"
County Clerk	Section 8-24-102, TCA	61,632	50,000	"
Circuit, General Sessions, and Juvenile Courts Clerk	Section 8-24-102, TCA	61,632	50,000	"
Clerk and Master	Section 8-24-102, TCA, and Chancery Court Judge	61,632 (4)	75,000	"
Register of Deeds	Section 8-24-102, TCA	61,632	25,000	"
Sheriff	Section 8-24-102, TCA	67,795	25,000	"
Employee Blanket Bond Coverage:				
Public Employee Dishonesty - County Departments			150,000	Local Government Insurance Pool
Public Employee Dishonesty - School Department			150,000	Tennessee Risk Management Trust

- (1) Includes a \$600 payment for serving as chairman of roads paid from the Highway/Public Works Fund.
- (2) Includes additional compensation of \$1,500 for maintaining E-911 road signs.
- (3) Includes a chief executive officer training supplement of \$1,000.
- (4) Does not include special commissioner fees of \$6,710.
- (5) The director of schools is covered by the \$150,000 employee blanket bond.

Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 3,652,503	\$ 0	\$ 0	\$ 0	\$ 0	133,632
Trustee's Collections - Prior Year	91,395	0	0	0	0	3,345
Trustee's Collections - Bankruptcy	178	0	0	0	0	6
Circuit/Clerk and Master Collections - Prior Years	74,112	0	0	0	0	3,132
Interest and Penalty	20,997	0	0	0	0	769
Pickup Taxes	2,364	0	0	0	0	86
<u>County Local Option Taxes</u>						
Local Option Sales Tax	0	0	2,362,657	0	0	0
Litigation Tax - General	487	51,658	0	0	0	0
Litigation Tax - Special Purpose	11,305	4,296	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	0	332	0	0	0	0
Business Tax	139,894	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	19,882
<u>Statutory Local Taxes</u>						
Interstate Telecommunications Tax	1,217	0	0	0	0	0
Total Local Taxes	\$ 3,994,452	\$ 56,286	\$ 2,362,657	\$ 0	\$ 0	\$ 160,852
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Cable TV Franchise	\$ 41,002	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Permits</u>						
Beer Permits	3,758	0	0	0	0	0
Total Licenses and Permits	\$ 44,760	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	\$ 8,014	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Officers Costs	4,449	0	0	0	0	0
Drug Control Fines	1,392	0	0	1,392	0	0
Drug Court Fees	1,106	0	0	81	0	0
Jail Fees	1,380	0	0	0	0	0
DUI Treatment Fines	1,439	0	0	0	0	0
Data Entry Fee - Circuit Court	774	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	15,787	0	0	0	0	0
Officers Costs	18,580	0	0	0	0	0
Game and Fish Fines	1,177	0	0	0	0	0
Drug Control Fines	962	0	0	962	0	0
Drug Court Fees	3,937	0	0	0	0	0
Jail Fees	3,715	0	0	0	0	0
DUI Treatment Fines	3,592	0	0	0	0	0
Data Entry Fee - General Sessions Court	7,071	0	0	0	0	0
Courtroom Security Fee	112	0	0	0	0	0
<u>Juvenile Court</u>						
Fines	2,582	0	0	0	0	0
Officers Costs	2,714	0	0	0	0	0
Data Entry Fee - Juvenile Court	466	0	0	0	0	0
Courtroom Security Fee	8	0	0	0	0	0
<u>Chancery Court</u>						
Data Entry Fee - Chancery Court	2,730	0	0	0	0	0
Courtroom Security Fee	21	0	0	0	0	0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Fines, Forfeitures, and Penalties (Cont.)</u>						
<u>Other Courts - In-county</u>						
Fines	\$ 11,957	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Judicial District Drug Program</u>						
Drug Task Force Forfeitures and Seizures	0	0	0	15,770	0	0
<u>Other Fines, Forfeitures, and Penalties</u>						
Proceeds from Confiscated Property	0	0	0	7,599	0	0
<u>Total Fines, Forfeitures, and Penalties</u>	\$ 93,965	\$ 0	\$ 0	\$ 25,804	\$ 0	\$ 0
<u>Charges for Current Services</u>						
<u>General Service Charges</u>						
Patient Charges	\$ 1,052,143	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other General Service Charges	1,581	0	0	0	0	0
<u>Fees</u>						
Recreation Fees	56,930	0	0	0	0	0
Library Fees	13,094	0	0	0	0	0
Telephone Commissions	12,823	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	117,421	0
Data Processing Fee - Register	6,330	0	0	0	0	0
Data Processing Fee - Sheriff	180	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,950	0	0	0	0	0
<u>Education Charges</u>						
TBI Criminal Background Fee	2,310	0	0	0	0	0
<u>Total Charges for Current Services</u>	\$ 1,147,341	\$ 0	\$ 0	\$ 0	\$ 117,421	\$ 0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 90,964	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Lease/Rentals	60,140	0	0	0	0	0
Sale of Materials and Supplies	0	0	0	0	0	100
Commissary Sales	3,275	0	0	0	0	0
Cobra Insurance Payments	0	0	0	0	0	292
Miscellaneous Refunds	136,251	0	0	0	0	51,069
<u>Nonrecurring Items</u>						
Sale of Equipment	28,567	0	0	0	0	10,993
Contributions and Gifts	9,899	0	0	300	0	91,139
<u>Other Local Revenues</u>						
Other Local Revenues	15,059	0	0	0	0	0
<u>Total Other Local Revenues</u>	\$ 344,155	\$ 0	\$ 0	\$ 300	\$ 0	\$ 153,593
<u>Fees Received from County Officials</u>						
<u>Excess Fees</u>						
Trustee	\$ 145,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
<u>Fees in-Lieu-of Salary</u>						
County Clerk	180,596	0	0	0	0	0
Circuit Court Clerk	43,804	0	0	0	0	0
General Sessions Court Clerk	111,696	0	0	0	0	0
Clerk and Master	87,475	0	0	0	0	0
Juvenile Court Clerk	7,376	0	0	0	0	0
Register	69,522	0	0	0	0	0
Sheriff	9,604	0	0	0	0	0
<u>Total Fees Received from County Officials</u>	\$ 655,073	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
Juvenile Services Program	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Aging Programs	2,777	0	0	0	0	0
Public Safety Grants						
Drug Control Grants	101,757	0	0	0	0	0
<u>Health and Welfare Grants</u>						
Health Department Programs	99,319	0	0	0	0	0
<u>Public Works Grants</u>						
State Aid Program	0	0	0	0	0	388,114
Litter Program	28,548	0	0	0	0	0
<u>Other State Revenues</u>						
Income Tax	79,841	0	0	0	0	0
Mixed Drink Tax	26,611	0	0	0	0	0
Emergency Hospital - Prisoners	15,099	0	0	0	0	0
Contracted Prisoner Boarding	126,216	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,457,241
Petroleum Special Tax	0	0	0	0	0	13,509
Registrar's Salary Supplement	15,164	0	0	0	0	0
Other State Grants	8,600	0	0	0	0	0
Other State Revenues	8,909	0	0	0	0	0
Total State of Tennessee	\$ 521,841	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,858,864
<u>Federal Government</u>						
<u>Federal Through State</u>						
Community Development	\$ 235,544	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Disaster Relief	0	0	0	0	0	20,174

(Continued)

Exhibit K-6

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

	Special Revenue Funds					
	General	Courthouse and Jail Maintenance	Local Purpose Tax	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Medicaid	\$ 4,400	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Other Federal through State	36,670	0	0	0	0	0
<u>Direct Federal Revenue</u>						
Police Service (Lake Area)	26,880	0	0	0	0	0
Other Direct Federal Revenue	24,559	0	0	0	0	0
Total Federal Government	\$ 328,053	\$ 0	\$ 0	\$ 0	\$ 0	\$ 20,174
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,908
Contributions	78,127	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 78,127	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,908
Total	\$ 7,207,767	\$ 56,286	\$ 2,362,657	\$ 26,104	\$ 117,421	\$ 2,209,391

(Continued)

Exhibit K-6

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

	Debt Service		Capital		Total
	Fund	Projects	Fund	Projects	
	General	General	General	General	
	Debt	Debt	Capital	Capital	
	Service	Service	Projects	Projects	
<u>Local Taxes</u>					
County Property Taxes					
Current Property Tax	\$ 534,518	\$	445,422	\$	4,766,075
Trustee's Collections - Prior Year	13,382		11,135		119,257
Trustee's Collections - Bankruptcy	26		22		232
Circuit/Clerk and Master Collections - Prior Years	10,172		8,719		96,135
Interest and Penalty	3,072		2,558		27,396
Pickup Taxes	346		288		3,084
County Local Option Taxes					
Local Option Sales Tax	0		0		2,362,657
Litigation Tax - General	0		0		52,145
Litigation Tax - Special Purpose	0		0		15,601
Litigation Tax - Jail, Workhouse, or Courthouse	0		0		332
Business Tax	0		0		139,894
Mineral Severance Tax	0		0		19,882
Statutory Local Taxes					
Interstate Telecommunications Tax	0		0		1,217
Total Local Taxes	\$ 561,516	\$	468,144	\$	7,603,907
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Cable TV Franchise	\$ 0	\$	0	\$	41,002
Permits					
Beer Permits	0		0		3,758
Total Licenses and Permits	\$ 0	\$	0	\$	44,760

(Continued)

Exhibit K-6

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

	Debt Service Fund		Capital Projects Fund		Total
	General Debt Service		General Capital Projects		
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines	\$	0	0	\$	8,014
Officers Costs		0	0		4,449
Drug Control Fines		0	0		2,784
Drug Court Fees		0	0		1,187
Jail Fees		0	0		1,380
DUI Treatment Fines		0	0		1,439
Data Entry Fee - Circuit Court		0	0		774
<u>General Sessions Court</u>					
Fines		0	0		15,787
Officers Costs		0	0		18,580
Game and Fish Fines		0	0		1,177
Drug Control Fines		0	0		1,924
Drug Court Fees		0	0		3,937
Jail Fees		0	0		3,715
DUI Treatment Fines		0	0		3,592
Data Entry Fee - General Sessions Court		0	0		7,071
Courtroom Security Fee		0	0		112
<u>Juvenile Court</u>					
Fines		0	0		2,582
Officers Costs		0	0		2,714
Data Entry Fee - Juvenile Court		0	0		466
Courtroom Security Fee		0	0		8
<u>Chancery Court</u>					
Data Entry Fee - Chancery Court		0	0		2,730
Courtroom Security Fee		0	0		21

(Continued)

Exhibit K-6

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

	Debt Service Fund		Capital Projects Fund		Total
	General Debt Service		General Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>Other Courts - In-county</u>					
Fines	\$	0 \$	0 \$	0 \$	11,957
<u>Judicial District Drug Program</u>					
Drug Task Force Forfeitures and Seizures		0	0	0	15,770
<u>Other Fines, Forfeitures, and Penalties</u>					
Proceeds from Confiscated Property		0	0	0	7,599
Total Fines, Forfeitures, and Penalties	\$	0 \$	0 \$	0 \$	119,769
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	\$	0 \$	0 \$	0 \$	1,052,143
Other General Service Charges		0	0	0	1,581
<u>Fees</u>					
Recreation Fees		0	0	0	56,930
Library Fees		0	0	0	13,094
Telephone Commissions		0	0	0	12,823
Constitutional Officers' Fees and Commissions		0	0	0	117,421
Data Processing Fee - Register		0	0	0	6,330
Data Processing Fee - Sheriff		0	0	0	180
Sexual Offender Registration Fee - Sheriff		0	0	0	1,950
<u>Education Charges</u>					
TBI Criminal Background Fee		0	0	0	2,310
Total Charges for Current Services	\$	0 \$	0 \$	0 \$	1,264,762

(Continued)

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

	Debt Service Fund		Capital Projects Fund		Total
	General Debt Service	General Capital Projects	General Capital Projects	General Capital Projects	
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	0 \$	0 \$	0 \$	0 \$	90,964
Lease/Rentals	0	0	0	0	60,140
Sale of Materials and Supplies	0	0	0	0	100
Commissary Sales	0	0	0	0	3,275
Cobra Insurance Payments	0	0	0	0	292
Miscellaneous Refunds	0	0	0	0	187,320
<u>Nonrecurring Items</u>					
Sale of Equipment	0	0	0	0	39,560
Contributions and Gifts	0	0	0	0	101,338
<u>Other Local Revenues</u>					
Other Local Revenues	0	0	0	0	15,059
<u>Total Other Local Revenues</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>498,048</u>
<u>Fees Received from County Officials</u>					
<u>Excess Fees</u>					
Trustee	0 \$	0 \$	0 \$	0 \$	145,000
<u>Fees in-Lieu-of Salary</u>					
County Clerk	0	0	0	0	180,596
Circuit Court Clerk	0	0	0	0	43,804
General Sessions Court Clerk	0	0	0	0	111,696
Clerk and Master	0	0	0	0	87,475
Juvenile Court Clerk	0	0	0	0	7,376
Register	0	0	0	0	69,522
Sheriff	0	0	0	0	9,604
<u>Total Fees Received from County Officials</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>655,073</u>

(Continued)

Exhibit K-6

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

	Debt Service Fund		Capital Projects Fund		Total
	General Debt Service	0 \$	General Capital Projects	0 \$	
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program		0 \$		0 \$	9,000
Aging Programs		0		0	2,777
Public Safety Grants					
Drug Control Grants		0		0	101,757
<u>Health and Welfare Grants</u>					
Health Department Programs		0		0	99,319
<u>Public Works Grants</u>					
State Aid Program		0		0	388,114
Litter Program		0		0	28,548
<u>Other State Revenues</u>					
Income Tax		0		0	79,841
Mixed Drink Tax		0		0	26,611
Emergency Hospital - Prisoners		0		0	15,099
Contracted Prisoner Boarding		0		0	126,216
Gasoline and Motor Fuel Tax		0		0	1,457,241
Petroleum Special Tax		0		0	13,509
Registrar's Salary Supplement		0		0	15,164
Other State Grants		0		0	8,600
Other State Revenues		0		0	8,909
Total State of Tennessee		0 \$		0 \$	2,380,705
<u>Federal Government</u>					
<u>Federal Through State</u>					
Community Development		0 \$		0 \$	235,544
Disaster Relief		0		0	20,174

(Continued)

Exhibit K-6

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

	Debt Service		Capital		Total
	Fund	Projects	Fund	Projects	
	General Debt Service	General Capital Projects	General Debt Service	General Capital Projects	
<u>Federal Government (Cont.)</u>					
<u>Federal Through State (Cont.)</u>					
Medicaid	\$ 0	\$ 0	\$ 0	\$ 0	4,400
Other Federal through State	0	0	0	0	36,670
<u>Direct Federal Revenue</u>					
Police Service (Lake Area)	0	0	0	0	26,880
Other Direct Federal Revenue	0	0	0	0	24,559
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	348,227
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Paving and Maintenance	\$ 0	\$ 0	\$ 0	\$ 0	15,908
Contributions	83,233	0	0	0	161,360
Total Other Governments and Citizens Groups	\$ 83,233	\$ 0	\$ 0	\$ 0	177,268
Total	\$ 644,749	\$ 468,144	\$ 13,092	\$ 519	

Exhibit K-7

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

	General Purpose School	Special Revenue Funds			Capital Projects Fund		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects			
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 2,453,712	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,453,712
Trustee's Collections - Prior Year	61,339	0	0	0	0	0	61,339
Trustee's Collections - Bankruptcy	120	0	0	0	0	0	120
Circuit/Clerk and Master Collections - Prior Years	55,138	0	0	0	0	0	55,138
Interest and Penalty	14,360	0	0	0	0	0	14,360
Pickup Taxes	1,585	0	0	0	0	0	1,585
<u>Statutory Local Taxes</u>							
Interstate Telecommunications Tax	1,891	0	0	0	0	0	1,891
Total Local Taxes	\$ 2,588,145	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,588,145
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Marriage Licenses	\$ 2,035	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,035
Total Licenses and Permits	\$ 2,035	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,035
<u>Charges for Current Services</u>							
<u>Education Charges</u>							
Lunch Payments - Children	\$ 0	\$ 0	\$ 166,667	\$ 0	\$ 0	\$ 0	166,667
Lunch Payments - Adults	0	0	35,929	0	0	0	35,929
Income from Breakfast	0	0	24,369	0	0	0	24,369
A la carte Sales	0	0	71,596	0	0	0	71,596
Receipts from Individual Schools	37,942	0	0	0	0	0	37,942
<u>Other Charges for Services</u>							
Other Charges for Services	662	0	0	0	0	0	662
Total Charges for Current Services	\$ 38,604	\$ 0	\$ 298,561	\$ 0	\$ 0	\$ 0	337,165

(Continued)

Exhibit K-7

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

	General Purpose School	Special Revenue Funds			Capital Projects Fund		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects			
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	0 \$	0 \$	1,946 \$	0 \$	0 \$	1,946	
Sale of Recycled Materials	7,440	0	237	0	0	7,677	
E-Rate Funding	27,506	0	0	0	0	27,506	
Miscellaneous Refunds	22,548	0	4,171	0	0	26,719	
<u>Nonrecurring Items</u>							
Sale of Equipment	7,875	0	205	0	0	8,080	
Damages Recovered from Individuals	334	0	0	0	0	334	
Contributions and Gifts	5,818	0	0	0	0	5,818	
<b>Total Other Local Revenues</b>	<b>71,521 \$</b>	<b>0 \$</b>	<b>6,559 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>78,080</b>	
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
On-behalf Contributions for OPEB	91,278 \$	0 \$	0 \$	0 \$	0 \$	91,278	
<u>Public Safety Grants</u>							
Other Public Safety Grants	0	0	0	137,660	0	137,660	
<u>State Education Funds</u>							
Basic Education Program	14,026,000	0	0	0	0	14,026,000	
Early Childhood Education	440,137	0	0	0	0	440,137	
School Food Service	16,754	0	0	0	0	16,754	
Other State Education Funds	460,257	0	0	0	0	460,257	
Career Ladder Program	74,742	0	0	0	0	74,742	
Career Ladder - Extended Contract	32,620	0	0	0	0	32,620	
<u>Other State Revenues</u>							
Other State Grants	3,565	0	0	0	0	3,565	
<b>Total State of Tennessee</b>	<b>15,145,353 \$</b>	<b>0 \$</b>	<b>0 \$</b>	<b>137,660 \$</b>	<b>0 \$</b>	<b>15,283,013</b>	

(Continued)

Exhibit K-7

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

	General Purpose School	Special Revenue Funds			Capital Projects Fund		Total
		School Federal Projects	Central Cafeteria	Education Capital Projects			
<u>Federal Government</u>							
<u>Federal Through State</u>							
USDA School Lunch Program	\$ 0	\$ 0	\$ 832,890	\$ 0	\$ 0	\$ 832,890	
USDA - Commodities	0	0	88,118	0	0	88,118	
Breakfast	0	0	286,003	0	0	286,003	
USDA - Other	0	0	19,628	0	0	19,628	
Vocational Education - Basic Grants to States	0	46,895	0	0	0	46,895	
Title I Grants to Local Education Agencies	0	843,916	0	0	0	843,916	
Special Education - Grants to States	153,211	653,098	0	0	0	806,309	
Special Education Preschool Grants	12,882	19,511	0	0	0	32,393	
English Language Acquisition Grants	0	13,732	0	0	0	13,732	
Safe and Drug-free Schools - State Grants	0	205,500	0	0	0	205,500	
Rural Education	0	61,332	0	0	0	61,332	
Eisenhower Professional Development State Grants	0	121,573	0	0	0	121,573	
Homeland Security Grants	0	0	0	0	825,963	825,963	
Race-to-the-Top - ARRA	0	186,726	0	0	0	186,726	
<u>Direct Federal Revenue</u>	155,849	0	0	0	0	155,849	
Public Law 874 - Maintenance and Operation	321,942	2,152,283	1,226,639	0	825,963	4,526,827	
Total Federal Government	\$ 321,942	\$ 2,152,283	\$ 1,226,639	\$ 0	\$ 825,963	\$ 4,526,827	
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 1,540,000	\$ 0	\$ 0	\$ 0	\$ 2,957,953	\$ 4,497,953	
Total Other Governments and Citizens Groups	\$ 1,540,000	\$ 0	\$ 0	\$ 0	\$ 2,957,953	\$ 4,497,953	
Total	\$ 19,707,600	\$ 2,152,283	\$ 1,531,759	\$ 0	\$ 3,921,576	\$ 27,313,218	

Exhibit K-8

DeKalb 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	\$	40,425	
Social Security		2,506	
State Retirement		2,043	
Unemployment Compensation		164	
Employer Medicare		586	
Audit Services		5,617	
Fiscal Agent Charges		15,000	
Legal Notices, Recording, and Court Costs		4,557	
Tax Relief Program		16,113	
Other Charges		20	
Total County Commission	\$		87,031

Board of Equalization

Board and Committee Members Fees	\$	1,605	
Total Board of Equalization			1,605

Beer Board

Board and Committee Members Fees	\$	3,006	
Social Security		19	
State Retirement		19	
Unemployment Compensation		3	
Employer Medicare		4	
Total Beer Board			3,051

County Mayor/Executive

County Official/Administrative Officer	\$	71,184	
Assistant(s)		51,364	
Part-time Personnel		2,030	
Social Security		7,323	
State Retirement		3,237	
Employee and Dependent Insurance		4,838	
Unemployment Compensation		235	
Employer Medicare		1,713	
Data Processing Services		8,078	
Travel		1,284	
Office Supplies		4,540	
Other Charges		657	
Total County Mayor/Executive			156,483

County Attorney

County Official/Administrative Officer	\$	18,000	
Travel		271	
Total County Attorney			18,271

Election Commission

County Official/Administrative Officer	\$	55,468	
Part-time Personnel		2,220	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Other Salaries and Wages	\$	24,932	
Election Commission		2,550	
Election Workers		15,637	
In-service Training		715	
Social Security		4,166	
State Retirement		5,033	
Employee and Dependent Insurance		5,630	
Unemployment Compensation		252	
Employer Medicare		974	
Advertising		1,500	
Communication		512	
Maintenance and Repair Services - Equipment		175	
Printing, Stationery, and Forms		2,417	
Travel		1,260	
Other Contracted Services		48,423	
Office Supplies		2,046	
Other Charges		23,712	
Total Election Commission	\$		197,622

Register of Deeds

County Official/Administrative Officer	\$	61,632	
Assistant(s)		52,864	
Social Security		6,627	
State Retirement		7,167	
Employee and Dependent Insurance		5,630	
Unemployment Compensation		252	
Employer Medicare		1,550	
Other Contracted Services		3,052	
Office Supplies		1,036	
Other Supplies and Materials		1,355	
Data Processing Equipment		16,108	
Total Register of Deeds			157,273

Planning

Board and Committee Members Fees	\$	3,400	
Social Security		65	
State Retirement		31	
Unemployment Compensation		7	
Employer Medicare		15	
Other Contracted Services		9,250	
Total Planning			12,768

County Buildings

Custodial Personnel	\$	42,634	
Social Security		2,440	
State Retirement		2,669	
Employee and Dependent Insurance		4,600	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

General Government (Cont.)

County Buildings (Cont.)

Unemployment Compensation	\$	252	
Employer Medicare		571	
Maintenance and Repair Services - Buildings		125,790	
Utilities		109,067	
Total County Buildings			\$ 288,023

Other Facilities

Part-time Personnel	\$	46,189	
Other Salaries and Wages		8,300	
Social Security		2,864	
Unemployment Compensation		545	
Employer Medicare		670	
Office Supplies		508	
Other Supplies and Materials		2,852	
Other Charges		11,103	
Other Equipment		7,500	
Total Other Facilities			80,531

Other General Administration

Other Salaries and Wages	\$	4,200	
Social Security		234	
State Retirement		263	
Employee and Dependent Insurance		386	
Unemployment Compensation		17	
Employer Medicare		55	
Communication		41,904	
Dues and Memberships		8,233	
Operating Lease Payments		13,838	
Postal Charges		31,817	
Office Supplies		2,243	
Periodicals		254	
Liability Insurance		105,833	
Premiums on Corporate Surety Bonds		977	
Workers' Compensation Insurance		127,932	
Total Other General Administration			338,186

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	61,632	
Assistant(s)		25,682	
Secretary(ies)		25,682	
Other Salaries and Wages		28,579	
Social Security		8,072	
State Retirement		8,862	
Employee and Dependent Insurance		9,200	
Unemployment Compensation		504	
Employer Medicare		1,888	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Data Processing Services	\$	2,411	
Travel		30	
Other Contracted Services		20,692	
Gasoline		1,716	
Office Supplies		976	
Total Property Assessor's Office			\$ 195,926

County Trustee's Office

Social Security	\$	6,716	
State Retirement		7,026	
Employee and Dependent Insurance		2,815	
Unemployment Compensation		252	
Employer Medicare		1,571	
Data Processing Services		16,054	
Legal Notices, Recording, and Court Costs		500	
Office Supplies		1,275	
Total County Trustee's Office			36,209

County Clerk's Office

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		75,395	
Social Security		8,036	
State Retirement		8,578	
Employee and Dependent Insurance		5,630	
Unemployment Compensation		478	
Employer Medicare		1,879	
Contracts with Private Agencies		12,678	
Office Supplies		1,875	
Other Charges		977	
Total County Clerk's Office			177,158

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		68,773	
Part-time Personnel		2,610	
Jury and Witness Expense		4,596	
Social Security		7,927	
State Retirement		8,163	
Employee and Dependent Insurance		2,815	
Unemployment Compensation		514	
Employer Medicare		1,854	
Data Processing Services		12,852	
Office Supplies		5,671	
Other Charges		2,311	
Data Processing Equipment		2,400	
Total Circuit Court			182,118

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court

Judge(s)	\$	88,131	
Secretary(ies)		8,762	
Social Security		5,539	
State Retirement		5,517	
Employee and Dependent Insurance		2,815	
Unemployment Compensation		124	
Employer Medicare		1,295	
Travel		848	
Office Supplies		2,498	
Other Charges		1,523	
Total General Sessions Court			\$ 117,052

Drug Court

Other Salaries and Wages	\$	63,472	
Social Security		3,658	
State Retirement		3,412	
Employee and Dependent Insurance		2,609	
Unemployment Compensation		635	
Employer Medicare		855	
Communication		3,344	
Travel		12,003	
Other Contracted Services		14,419	
Drugs and Medical Supplies		5,567	
Office Supplies		2,219	
Other Charges		4,080	
Total Drug Court			116,273

Chancery Court

County Official/Administrative Officer	\$	61,632	
Secretary(ies)		26,432	
Social Security		4,707	
State Retirement		5,513	
Employee and Dependent Insurance		5,630	
Unemployment Compensation		252	
Employer Medicare		1,101	
Data Processing Services		7,081	
Office Supplies		1,861	
Other Charges		1,479	
Data Processing Equipment		2,049	
Total Chancery Court			117,737

Juvenile Court

Youth Service Officer(s)	\$	27,284	
Social Security		1,402	
State Retirement		1,708	
Employee and Dependent Insurance		2,815	
Unemployment Compensation		126	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Employer Medicare	\$	328	
Contracts with Other Public Agencies		3,525	
Data Processing Services		449	
Other Charges		887	
Total Juvenile Court			\$ 38,524

Judicial Commissioners

County Official/Administrative Officer	\$	32,752	
Social Security		2,031	
Unemployment Compensation		373	
Employer Medicare		475	
Dues and Memberships		300	
Total Judicial Commissioners			35,931

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	67,795	
Deputy(ies)		771,253	
Overtime Pay		45,772	
In-service Training		21,606	
Social Security		52,477	
State Retirement		55,416	
Employee and Dependent Insurance		27,882	
Unemployment Compensation		3,660	
Employer Medicare		12,273	
Communication		17,866	
Contracts with Private Agencies		1,716	
Contributions		1,500	
Maintenance and Repair Services - Vehicles		72,276	
Travel		4,409	
Gasoline		110,557	
Law Enforcement Supplies		38,474	
Office Supplies		8,881	
Tires and Tubes		2,763	
Uniforms		21,350	
Utilities		64,729	
Other Supplies and Materials		14,573	
Other Charges		250	
Data Processing Equipment		3,500	
Motor Vehicles		3,500	
Total Sheriff's Department			1,424,478

Special Patrols

Guards	\$	28,627	
Other Salaries and Wages		4,200	
Social Security		2,006	
State Retirement		2,055	

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Special Patrols (Cont.)

Employee and Dependent Insurance	\$	406	
Unemployment Compensation		144	
Employer Medicare		469	
Gasoline		3,065	
Instructional Supplies and Materials		4,696	
Other Charges		273	
Total Special Patrols			\$ 45,941

Traffic Control

Part-time Personnel	\$	16,701	
Social Security		913	
Unemployment Compensation		208	
Employer Medicare		213	
Total Traffic Control			18,035

Correctional Incentive Program Improvements

Cafeteria Personnel	\$	20,274	
Other Salaries and Wages		540,121	
Social Security		32,723	
State Retirement		35,046	
Employee and Dependent Insurance		37,775	
Unemployment Compensation		3,342	
Employer Medicare		7,653	
Contracts with Private Agencies		96,464	
Medical and Dental Services		68,090	
Food Supplies		138,280	
Other Supplies and Materials		25,403	
Other Charges		15,268	
Total Correctional Incentive Program Improvements			1,020,439

Fire Prevention and Control

In-service Training	\$	13,770	
Forest Resource Services		1,500	
Maintenance and Repair Services - Buildings		4,422	
Maintenance and Repair Services - Equipment		15,912	
Equipment and Machinery Parts		13,944	
Gasoline		32,726	
Instructional Supplies and Materials		640	
Utilities		22,982	
Other Supplies and Materials		3,218	
Liability Insurance		2,757	
Other Charges		24,312	
Communication Equipment		5,430	
Other Equipment		3,632	
Total Fire Prevention and Control			145,245

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense

Other Charges	\$	2,597	
Motor Vehicles		6,300	
Total Civil Defense			\$ 8,897

Other Emergency Management

Contributions	\$	113,595	
Liability Insurance		4,432	
Communication Equipment		117,520	
Total Other Emergency Management			235,547

County Coroner/Medical Examiner

Evaluation and Testing	\$	32,760	
Medical and Dental Services		9,600	
Other Contracted Services		8,125	
Total County Coroner/Medical Examiner			50,485

Other Public Safety

Contributions	\$	16,821	
Total Other Public Safety			16,821

Public Health and Welfare

Local Health Center

Social Workers	\$	35,974	
Medical Personnel		26,995	
Custodial Personnel		3,000	
Social Security		3,827	
State Retirement		1,690	
Employee and Dependent Insurance		2,000	
Unemployment Compensation		411	
Employer Medicare		895	
Communication		1,847	
Contracts with Government Agencies		8,406	
Maintenance and Repair Services - Equipment		21	
Travel		2,190	
Custodial Supplies		1,181	
General Construction Materials		7,145	
Instructional Supplies and Materials		4,260	
Office Supplies		1,398	
Utilities		11,536	
Other Supplies and Materials		6,978	
Other Charges		10,316	
Total Local Health Center			130,070

Rabies and Animal Control

Veterinary Services	\$	969	
Total Rabies and Animal Control			969

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services

Medical Personnel	\$	442,471	
Secretary(ies)		24,492	
Part-time Personnel		247,547	
In-service Training		2,866	
Social Security		42,009	
State Retirement		34,985	
Employee and Dependent Insurance		39,808	
Unemployment Compensation		3,360	
Employer Medicare		9,825	
Advertising		150	
Communication		6,264	
Licenses		2,180	
Maintenance and Repair Services - Buildings		16,766	
Maintenance and Repair Services - Equipment		3,712	
Maintenance and Repair Services - Vehicles		31,055	
Printing, Stationery, and Forms		1,168	
Disposal Fees		254	
Other Contracted Services		15,606	
Custodial Supplies		1,904	
Diesel Fuel		47,807	
Drugs and Medical Supplies		40,859	
Instructional Supplies and Materials		2,245	
Office Supplies		4,387	
Uniforms		3,726	
Utilities		7,290	
Other Supplies and Materials		4,402	
Liability Insurance		76,000	
Refunds		16,392	
Workers' Compensation Insurance		77,515	
Other Charges		7,084	
Total Ambulance/Emergency Medical Services			\$ 1,214,129

Regional Mental Health Center

Contributions	\$	7,180	
Total Regional Mental Health Center			7,180

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Clerical Personnel	\$	18,524	
Social Security		844	
State Retirement		1,160	
Employee and Dependent Insurance		2,815	
Unemployment Compensation		126	
Employer Medicare		197	
Travel		47	
Other Supplies and Materials		1,326	
Total Senior Citizens Assistance			25,039

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Librarians	\$	26,432	
Clerical Personnel		39,004	
Part-time Personnel		28,602	
Social Security		5,707	
State Retirement		4,096	
Employee and Dependent Insurance		3,570	
Unemployment Compensation		783	
Employer Medicare		1,335	
Communication		7,421	
Library Books/Media		9,575	
Periodicals		1,498	
Utilities		10,895	
Other Supplies and Materials		8,981	
Other Equipment		1,490	
Total Libraries			\$ 149,389

Other Social, Cultural, and Recreational

Other Charges	\$	12,144	
Total Other Social, Cultural, and Recreational			12,144

Agriculture and Natural Resources

Agricultural Extension Service

Assistant(s)	\$	11,225	
Supervisor/Director		11,108	
Clerical Personnel		9,083	
Other Fringe Benefits		7,127	
Total Agricultural Extension Service			38,543

Soil Conservation

Secretary(ies)	\$	26,432	
Social Security		1,204	
State Retirement		1,655	
Employee and Dependent Insurance		2,815	
Unemployment Compensation		126	
Employer Medicare		282	
Total Soil Conservation			32,514

Other Operations

Industrial Development

Other Charges	\$	3,396	
Total Industrial Development			3,396

Other Economic and Community Development

Contributions	\$	15,000	
Engineering Services		1,060	
Other Charges		5,054	
Other Construction		235,544	
Total Other Economic and Community Development			256,658

(Continued)

Exhibit K-8

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

Supervisor/Director	\$	10,000	
Social Security		620	
Unemployment Compensation		142	
Employer Medicare		145	
Travel		900	
Total Veterans' Services			\$ 11,807

Other Charges

Contributions	\$	7,200	
Trustee's Commission		95,394	
Total Other Charges			102,594

Contributions to Other Agencies

Contributions	\$	20,495	
Total Contributions to Other Agencies			20,495

Employee Benefits

Employee and Dependent Insurance	\$	5,123	
Unemployment Compensation		705	
Total Employee Benefits			5,828

Miscellaneous

Laborers	\$	8,430	
Pauper Burials		2,050	
Road Signs		7,065	
Other Charges		9,990	
Total Miscellaneous			27,535

Total General Fund \$ 7,361,950

Courthouse and Jail Maintenance Fund

General Government

County Buildings

Maintenance and Repair Services - Buildings	\$	24,631	
Custodial Supplies		25,078	
Trustee's Commission		568	
Total County Buildings			\$ 50,277

Total Courthouse and Jail Maintenance Fund 50,277

Local Purpose Tax Fund

Capital Projects

Other General Government Projects

Contributions	\$	1,540,000	
Trustee's Commission		23,427	
Total Other General Government Projects			\$ 1,563,427

Total Local Purpose Tax Fund 1,563,427

(Continued)

Exhibit K-8

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

<u>Drug Control Fund</u>		
<u>Public Safety</u>		
<u>Sheriff's Department</u>		
Other Charges	\$ 2,898	
Total Sheriff's Department		\$ 2,898
<u>Drug Enforcement</u>		
Confidential Drug Enforcement Payments	\$ 15,000	
Total Drug Enforcement		15,000
<u>Other Operations</u>		
<u>Other Charges</u>		
Trustee's Commission	\$ 137	
Total Other Charges		137
<u>Support Services</u>		
<u>Other Student Support</u>		
Other Supplies and Materials	\$ 6,424	
Total Other Student Support		<u>6,424</u>
Total Drug Control Fund		\$ 24,459
<u>Constitutional Officers - Fees Fund</u>		
<u>Finance</u>		
<u>County Trustee's Office</u>		
Constitutional Officers' Operating Expenses	\$ 112,743	
Total County Trustee's Office		\$ 112,743
<u>County Clerk's Office</u>		
Constitutional Officers' Operating Expenses	\$ 148	
Total County Clerk's Office		148
<u>Administration of Justice</u>		
<u>Circuit Court Clerk</u>		
Constitutional Officers' Operating Expenses	\$ 45	
Total Circuit Court Clerk		45
<u>General Sessions Court Clerk</u>		
Constitutional Officers' Operating Expenses	\$ 46	
Total General Sessions Court Clerk		46
<u>Chancery Court</u>		
Constitutional Officers' Operating Expenses	\$ 1,103	
Total Chancery Court		1,103
<u>Juvenile Court Clerk</u>		
Constitutional Officers' Operating Expenses	\$ 45	
Total Juvenile Court Clerk		<u>45</u>
Total Constitutional Officers - Fees Fund		114,130

(Continued)

Exhibit K-8

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

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	69,295	
Accountants/Bookkeepers		25,744	
Secretary(ies)		24,278	
Board and Committee Members Fees		600	
Communication		4,424	
Data Processing Services		4,927	
Dues and Memberships		2,883	
Rentals		1,269	
Travel		21	
Electricity		4,637	
Natural Gas		5,100	
Office Supplies		1,122	
Water and Sewer		163	
Total Administration			\$ 144,463

Highway and Bridge Maintenance

Foremen	\$	31,573	
Equipment Operators		72,727	
Truck Drivers		70,210	
Laborers		44,998	
Rentals		9,941	
Other Contracted Services		16,633	
Asphalt - Liquid		664,837	
Concrete		526	
Crushed Stone		76,444	
Pipe - Metal		10,449	
Structural Steel		1,071	
Wood Products		3,990	
Other Supplies and Materials		2,344	
Total Highway and Bridge Maintenance			1,005,743

Operation and Maintenance of Equipment

Mechanic(s)	\$	37,803	
Maintenance and Repair Services - Equipment		6,470	
Diesel Fuel		106,365	
Equipment and Machinery Parts		41,037	
Garage Supplies		6,368	
Gasoline		40,314	
Small Tools		1,653	
Tires and Tubes		31,582	
Total Operation and Maintenance of Equipment			271,592

Quarry Operations

Foremen	\$	27,040	
Equipment Operators		46,735	
Explosive and Drilling Services		23,595	
Maintenance and Repair Services - Equipment		13,106	

(Continued)

Exhibit K-8

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Quarry Operations (Cont.)

Electricity	\$	17,999	
Equipment and Machinery Parts		15,774	
Total Quarry Operations			\$ 144,249

Other Charges

Liability Insurance	\$	39,595	
Trustee's Commission		17,617	
Workers' Compensation Insurance		44,679	
Other Charges		484	
Total Other Charges			102,375

Employee Benefits

Social Security	\$	34,577	
State Retirement		28,202	
Employee and Dependent Insurance		131,168	
Unemployment Compensation		2,669	
Total Employee Benefits			196,616

Capital Outlay

Land	\$	2,975	
Motor Vehicles		7,718	
Total Capital Outlay			10,693

Total Highway/Public Works Fund \$ 1,875,731

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	490,000	
Total General Government			\$ 490,000

Education

Principal on Bonds	\$	400,000	
Principal on Notes		260,000	
Principal on Other Loans		59,171	
Total Education			719,171

Interest on Debt

General Government

Interest on Bonds	\$	131,997	
Total General Government			131,997

Education

Interest on Bonds	\$	77,729	
Interest on Notes		57,438	
Total Education			135,167

(Continued)

Exhibit K-8

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

<u>General Debt Service Fund (Cont.)</u>		
<u>Other Debt Service</u>		
<u>General Government</u>		
Trustee's Commission	\$ 11,161	
Other Debt Service	1,400	
Total General Government		\$ 12,561
Total General Debt Service Fund		\$ 1,488,896
 <u>General Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>General Administration Projects</u>		
Trustee's Commission	\$ 9,301	
Building Construction	98,117	
Other Equipment	2,370	
Other Construction	4,349	
Total General Administration Projects		\$ 114,137
 <u>Public Safety Projects</u>		
Building Construction	\$ 2,446	
Building Improvements	30,600	
Furniture and Fixtures	4,219	
Motor Vehicles	131,000	
Other Equipment	22,567	
Total Public Safety Projects		190,832
Total General Capital Projects Fund		304,969
 <u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Other General Government Projects</u>		
Underwriter's Discount	\$ 26,007	
Other Debt Issuance Charges	41,013	
Total Other General Government Projects		\$ 67,020
 <u>Capital Projects - Donated</u>		
<u>Capital Projects Donated to School Department</u>		
Contributions	\$ 2,957,953	
Total Capital Projects Donated to School Department		2,957,953
Total Education Capital Projects Fund		3,024,973
Total Governmental Funds - Primary Government		\$ 15,808,812

Exhibit K-9

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	6,377,798	
Career Ladder Program		34,578	
Career Ladder Extended Contracts		2,250	
Educational Assistants		128,861	
Other Salaries and Wages		42,153	
Certified Substitute Teachers		83,796	
Non-certified Substitute Teachers		68,257	
Social Security		377,742	
State Retirement		578,654	
Medical Insurance		1,005,028	
Dental Insurance		63,108	
Unemployment Compensation		10,982	
Employer Medicare		88,708	
Instructional Supplies and Materials		67,444	
Textbooks		298,398	
Fee Waivers		12,598	
Other Charges		10,367	
Regular Instruction Equipment		341,684	
Total Regular Instruction Program			\$ 9,592,406

Alternative Instruction Program

Teachers	\$	58,575	
Career Ladder Program		3,000	
Educational Assistants		13,439	
Social Security		4,297	
State Retirement		6,309	
Medical Insurance		10,961	
Dental Insurance		439	
Unemployment Compensation		110	
Employer Medicare		1,005	
Total Alternative Instruction Program			98,135

Special Education Program

Teachers	\$	1,105,387	
Career Ladder Program		6,000	
Homebound Teachers		47,103	
Educational Assistants		165,111	
Speech Pathologist		23,324	
Certified Substitute Teachers		3,686	
Non-certified Substitute Teachers		13,253	
Social Security		76,806	
State Retirement		113,539	
Medical Insurance		174,204	
Dental Insurance		12,151	
Unemployment Compensation		2,645	
Employer Medicare		18,035	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Contracts with Other School Systems	\$	30,000	
Other Contracted Services		7,968	
Instructional Supplies and Materials		499	
Other Supplies and Materials		1,433	
Total Special Education Program			\$ 1,801,144

Vocational Education Program

Teachers	\$	429,652	
Career Ladder Program		1,000	
Career Ladder Extended Contracts		1,350	
Other Salaries and Wages		35,895	
Certified Substitute Teachers		4,696	
Non-certified Substitute Teachers		4,930	
Social Security		27,203	
State Retirement		40,613	
Medical Insurance		68,318	
Dental Insurance		3,950	
Unemployment Compensation		728	
Employer Medicare		6,364	
Instructional Supplies and Materials		12,000	
Total Vocational Education Program			636,699

Support Services

Attendance

Supervisor/Director	\$	55,962	
Career Ladder Program		1,000	
Clerical Personnel		27,247	
Social Security		4,944	
State Retirement		6,764	
Medical Insurance		6,718	
Dental Insurance		366	
Unemployment Compensation		121	
Employer Medicare		1,156	
Travel		1,282	
Other Contracted Services		21,545	
Other Supplies and Materials		848	
Attendance Equipment		1,974	
Total Attendance			129,927

Health Services

Supervisor/Director	\$	64,861	
Medical Personnel		155,605	
Clerical Personnel		13,538	
Social Security		12,583	
State Retirement		19,577	
Medical Insurance		48,000	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Health Services (Cont.)

Dental Insurance	\$	2,192	
Unemployment Compensation		362	
Employer Medicare		2,943	
Travel		923	
Other Contracted Services		448	
Drugs and Medical Supplies		1,142	
Other Supplies and Materials		638	
Total Health Services			\$ 322,812

Other Student Support

Career Ladder Program	\$	1,000	
Guidance Personnel		273,472	
Social Security		15,603	
State Retirement		24,373	
Medical Insurance		34,076	
Dental Insurance		2,633	
Unemployment Compensation		360	
Employer Medicare		3,649	
Contracts with Government Agencies		78,127	
Evaluation and Testing		10,546	
Other Supplies and Materials		2,785	
Total Other Student Support			446,624

Regular Instruction Program

Supervisor/Director	\$	128,145	
Career Ladder Program		5,000	
Career Ladder Extended Contracts		2,250	
Librarians		237,823	
Instructional Computer Personnel		72,415	
Educational Assistants		27,725	
Social Security		27,360	
State Retirement		37,327	
Medical Insurance		47,348	
Dental Insurance		3,068	
Unemployment Compensation		768	
Employer Medicare		6,399	
Maintenance and Repair Services - Equipment		59,195	
Travel		910	
Other Contracted Services		2,000	
Food Supplies		11,922	
Library Books/Media		15,862	
Other Supplies and Materials		3,356	
Total Regular Instruction Program			688,873

Special Education Program

Supervisor/Director	\$	66,660	
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(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Career Ladder Program	\$	1,765	
Psychological Personnel		76,002	
Social Security		8,326	
State Retirement		12,825	
Medical Insurance		15,305	
Dental Insurance		876	
Unemployment Compensation		181	
Employer Medicare		1,947	
Travel		3,699	
Other Contracted Services		237,317	
Total Special Education Program	\$		424,903

Other Programs

On-behalf Payments to OPEB	\$	91,278	
Total Other Programs			91,278

Board of Education

Board and Committee Members Fees	\$	4,965	
Social Security		308	
Employer Medicare		72	
Audit Services		6,500	
Dues and Memberships		10,128	
Legal Services		6,272	
Travel		960	
Other Contracted Services		1,515	
Liability Insurance		35,337	
Trustee's Commission		80,503	
Workers' Compensation Insurance		176,951	
Refund to Applicant for Criminal Investigation		3,024	
Other Charges		4,900	
Total Board of Education			331,435

Director of Schools

County Official/Administrative Officer	\$	103,615	
Career Ladder Program		1,000	
Social Security		6,075	
State Retirement		9,290	
Medical Insurance		10,558	
Dental Insurance		437	
Unemployment Compensation		60	
Employer Medicare		1,421	
Communication		29,630	
Dues and Memberships		160	
Postal Charges		2,930	
Travel		1,926	
Other Charges		162	
Total Director of Schools			167,264

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal

Principals	\$	334,266	
Career Ladder Program		7,000	
Career Ladder Extended Contracts		15,705	
Assistant Principals		322,081	
Secretary(ies)		278,399	
Social Security		54,712	
State Retirement		77,728	
Medical Insurance		98,001	
Dental Insurance		4,375	
Unemployment Compensation		1,441	
Employer Medicare		12,796	
Communication		13,700	
Dues and Memberships		3,625	
Travel		1,416	
Other Contracted Services		7,299	
Other Charges		3,330	
Total Office of the Principal			\$ 1,235,874

Fiscal Services

Accountants/Bookkeepers	\$	69,572	
Secretary(ies)		36,312	
Social Security		5,652	
State Retirement		6,628	
Medical Insurance		13,159	
Unemployment Compensation		181	
Employer Medicare		1,322	
Data Processing Services		5,894	
Travel		1,844	
Other Contracted Services		20,195	
Data Processing Supplies		512	
Office Supplies		2,219	
Other Charges		60	
Administration Equipment		1,562	
Total Fiscal Services			165,112

Operation of Plant

Custodial Personnel	\$	323,913	
Other Salaries and Wages		3,120	
Social Security		18,247	
State Retirement		18,490	
Medical Insurance		33,870	
Unemployment Compensation		1,228	
Employer Medicare		4,267	
Permits		1,855	
Other Contracted Services		2,410	
Custodial Supplies		41,056	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Electricity	\$	454,266	
Natural Gas		128,435	
Uniforms		3,736	
Water and Sewer		34,289	
Other Supplies and Materials		29,457	
Boiler Insurance		6,000	
Building and Contents Insurance		80,108	
Total Operation of Plant			\$ 1,184,747

Maintenance of Plant

Supervisor/Director	\$	51,979	
Maintenance Personnel		76,262	
Other Salaries and Wages		5,976	
Social Security		7,543	
State Retirement		8,362	
Medical Insurance		17,818	
Unemployment Compensation		313	
Employer Medicare		1,764	
Pest Control		3,600	
Travel		444	
Other Contracted Services		4,486	
Other Supplies and Materials		94,369	
Maintenance Equipment		600	
Total Maintenance of Plant			273,516

Transportation

Supervisor/Director	\$	32,710	
Mechanic(s)		57,492	
Bus Drivers		444,782	
Other Salaries and Wages		80,736	
Social Security		36,239	
State Retirement		37,957	
Medical Insurance		29,088	
Unemployment Compensation		2,234	
Employer Medicare		8,475	
Contracts with Other School Systems		3,000	
Maintenance and Repair Services - Equipment		140	
Travel		300	
Other Contracted Services		29,680	
Diesel Fuel		207,178	
Food Supplies		166	
Garage Supplies		174	
Gasoline		21,682	
Lubricants		5,703	
Tires and Tubes		16,660	
Uniforms		4,253	

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Vehicle Parts	\$	62,396	
Other Supplies and Materials		10,477	
Vehicle and Equipment Insurance		56,000	
Transportation Equipment		296,445	
Total Transportation			\$ 1,443,967

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	45,187	
Social Security		2,802	
State Retirement		2,829	
Unemployment Compensation		60	
Employer Medicare		655	
Total Food Service			51,533

Community Services

Teachers	\$	102,398	
Bus Drivers		1,410	
Social Security		6,395	
State Retirement		9,181	
Unemployment Compensation		70	
Employer Medicare		1,496	
Other Supplies and Materials		2,625	
Total Community Services			123,575

Early Childhood Education

Supervisor/Director	\$	3,375	
Teachers		211,925	
Clerical Personnel		2,477	
Educational Assistants		90,317	
Certified Substitute Teachers		2,412	
Non-certified Substitute Teachers		7,747	
Social Security		17,702	
State Retirement		24,928	
Medical Insurance		39,446	
Dental Insurance		2,185	
Unemployment Compensation		718	
Employer Medicare		4,175	
Communication		1,908	
Travel		1,183	
Other Contracted Services		8,290	
Food Supplies		2,109	
Instructional Supplies and Materials		5,941	
Other Supplies and Materials		13,300	
Total Early Childhood Education			440,138

(Continued)

Exhibit K-9

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

General Purpose School Fund (Cont.)

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	2,253	
Furniture and Fixtures		5,679	
Heating and Air Conditioning Equipment		1,729	
Other Capital Outlay		228,137	
Total Regular Capital Outlay			\$ 237,798

Principal on Debt

Education

Debt Service Contribution to Primary Government	\$	59,171	
Total Education			59,171

Interest on Debt

Education

Debt Service Contribution to Primary Government	\$	24,062	
Total Education			24,062

Total General Purpose School Fund \$ 19,970,993

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	641,818	
Educational Assistants		65,485	
Other Salaries and Wages		42,358	
Certified Substitute Teachers		1,197	
Non-certified Substitute Teachers		4,814	
Social Security		42,763	
State Retirement		64,338	
Medical Insurance		101,332	
Dental Insurance		5,193	
Unemployment Compensation		1,134	
Employer Medicare		10,018	
Instructional Supplies and Materials		116,056	
Total Regular Instruction Program			\$ 1,096,506

Special Education Program

Teachers	\$	72,160	
Educational Assistants		252,399	
Other Salaries and Wages		44,512	
Certified Substitute Teachers		2,142	
Non-certified Substitute Teachers		11,505	
Social Security		20,603	
State Retirement		24,881	
Medical Insurance		51,597	
Dental Insurance		1,317	
Unemployment Compensation		1,425	

(Continued)

Exhibit K-9

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Employer Medicare	\$	5,006	
Instructional Supplies and Materials		19,316	
Other Supplies and Materials		10,156	
Special Education Equipment		6,851	
Total Special Education Program			\$ 523,870

Vocational Education Program

Instructional Supplies and Materials	\$	10,374	
Vocational Instruction Equipment		27,826	
Total Vocational Education Program			38,200

Support Services

Other Student Support

Travel	\$	7,434	
Other Charges		7,582	
Total Other Student Support			15,016

Regular Instruction Program

Supervisor/Director	\$	88,785	
Other Salaries and Wages		28,257	
In-service Training		1,045	
Non-certified Substitute Teachers		58	
Social Security		5,712	
State Retirement		8,789	
Medical Insurance		10,866	
Dental Insurance		437	
Unemployment Compensation		147	
Employer Medicare		1,597	
Travel		11,309	
Other Supplies and Materials		4,328	
In Service/Staff Development		137,584	
Total Regular Instruction Program			298,914

Special Education Program

Psychological Personnel	\$	42,597	
Secretary(ies)		35,280	
Other Salaries and Wages		19,322	
Social Security		5,677	
State Retirement		7,707	
Medical Insurance		5,737	
Dental Insurance		439	
Unemployment Compensation		181	
Employer Medicare		1,328	
Travel		1,208	
Other Supplies and Materials		6,019	
In Service/Staff Development		23,241	
Total Special Education Program			148,736

(Continued)

Exhibit K-9

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

<u>School Federal Projects Fund (Cont.)</u>		
<u>Support Services (Cont.)</u>		
<u>Vocational Education Program</u>		
Travel	\$ 1,181	
Total Vocational Education Program		\$ 1,181
 <u>Transportation</u>		
Bus Drivers	\$ 23,496	
Social Security	1,457	
State Retirement	1,459	
Unemployment Compensation	66	
Employer Medicare	341	
Total Transportation		<u>26,819</u>
Total School Federal Projects Fund		\$ 2,149,242
 <u>Central Cafeteria Fund</u>		
<u>Operation of Non-instructional Services</u>		
<u>Food Service</u>		
Supervisor/Director	\$ 4,108	
Accountants/Bookkeepers	35,280	
Cafeteria Personnel	436,601	
Social Security	25,710	
State Retirement	26,578	
Medical Insurance	53,310	
Unemployment Compensation	1,998	
Employer Medicare	6,067	
Communication	2,587	
Maintenance and Repair Services - Equipment	5,441	
Travel	5,601	
Other Contracted Services	1,965	
Food Supplies	705,210	
USDA - Commodities	88,118	
Other Supplies and Materials	14,977	
In Service/Staff Development	3,022	
Other Charges	7,113	
Food Service Equipment	113,791	
Total Food Service		<u>\$ 1,537,477</u>
Total Central Cafeteria Fund		1,537,477
 <u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Architects	\$ 74,902	
Permits	250	
Building Construction	3,455,309	
Building Improvements	211,167	
Other Capital Outlay	1,815,642	
Total Education Capital Projects		<u>\$ 5,557,270</u>
Total Education Capital Projects Fund		<u>5,557,270</u>
Total Governmental Funds - DeKalb County School Department		<u><u>\$ 29,214,982</u></u>

Exhibit K-10

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

	Business-type Activities - Enterprise Fund Solid Waste Disposal Fund
<hr/>	
<u>Revenues</u>	
<u>Operating Revenues</u>	
<u>Charges for Current Services</u>	
Residential Waste Collection Charge	\$ 4,300
Tipping Fees	98,160
Total Charges for Current Services	<u>\$ 102,460</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Sale of Recycled Materials	\$ 1,600
Miscellaneous Refunds	6
Total Other Local Revenues	<u>\$ 1,606</u>
Total Operating Revenue	<u>\$ 104,066</u>
<u>Nonoperating Revenues</u>	
<u>Local Taxes</u>	
Trustee's Collections - Prior Year	\$ 2
Payments in-Lieu-of Taxes - T.V.A.	109
Payments in-Lieu-of Taxes - Other	95,195
Local Option Sales Tax	385,379
Hotel/Motel Tax	48,515
Bank Excise Tax	83,777
Wholesale Beer Tax	75,426
Total Local Taxes	<u>\$ 688,403</u>
<u>Other Local Revenues</u>	
<u>Recurring Items</u>	
Investment Income	\$ 90,407
Total Other Local Revenues	<u>\$ 90,407</u>
<u>State of Tennessee</u>	
<u>Other State of Tennessee Revenues</u>	
Alcoholic Beverage Tax	\$ 36,981
State Revenue Sharing - T.V.A.	397,308
Solid Waste Grants	11,956
Total State of Tennessee	<u>\$ 446,245</u>
<u>Other Governments and Citizens Groups</u>	
<u>Other Governments</u>	
Contributions	<u>\$ 912,100</u>
Total Nonoperating Revenues	<u>\$ 2,137,155</u>
Total Revenues	<u><u>\$ 2,241,221</u></u>

(Continued)

Exhibit K-10

DeKalb County, Tennessee  
Schedule of Detailed Revenues and Expenses  
Proprietary Fund (Cont.)

	Business-type Activities - <u>Enterprise Fund</u> Solid Waste Disposal Fund
<hr/>	
<u>Expenses</u>	
<u>Operating Expenses</u>	
<u>Waste Pickup</u>	
Laborers	\$ 50,104
Social Security	3,106
State Retirement	3,137
Unemployment Compensation	234
Employer Medicare	726
Maintenance and Repair Services - Vehicles	16,167
Total Waste Pickup	<u>\$ 73,474</u>
 <u>Convenience Centers</u>	
Laborers	\$ 187,883
Social Security	11,649
Unemployment Compensation	2,447
Employer Medicare	2,724
Communication	3,424
Other Supplies and Materials	5,082
Total Convenience Centers	<u>\$ 213,209</u>
 <u>Transfer Stations</u>	
Engineering Services	\$ 53,853
Other Construction	13,452
	<u>\$ 67,305</u>
 <u>Landfill Operation and Maintenance</u>	
Laborers	\$ 195,101
Overtime Pay	17,032
Social Security	12,380
State Retirement	10,497
Employee and Dependent Insurance	10,200
Unemployment Compensation	1,309
Employer Medicare	2,895
Communication	611
Engineering Services	8,110
Operating Lease Payments	18,411
Maintenance and Repair Services - Vehicles	85,006
Rentals	15,714
Travel	428
Other Contracted Services	37,214
Crushed Stone	4,847
Diesel Fuel	137,607
Utilities	12,670
Other Supplies and Materials	17,006
Depreciation	338,192
Landfill Closure/Postclosure Care Costs	289,868
Other Charges	11,589
Other Construction	14,910
Total Landfill Operation and Maintenance	<u>\$ 1,241,597</u>
 <u>Other Waste Disposal</u>	
Trustee's Commission	\$ 13,055
Total Other Waste Disposal	<u>\$ 13,055</u>
 Total Operating Expenses	<u><u>\$ 1,608,640</u></u>

Exhibit K-11

DeKalb County, Tennessee  
Schedule of Detailed Receipts, Disbursements,  
and Changes in Cash Balance - City Agency Fund  
For the Year Ended June 30, 2014

	Cities - Sales Tax Fund
<hr/>	
<u>Cash Receipts</u>	
Local Option Sales Tax	<u>\$ 987,017</u>
<u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 977,147
Trustee's Commission	9,870
Total Cash Disbursements	<u>\$ 987,017</u>
Excess of Cash Receipts Over (Under) Cash Disbursements	\$ 0
Cash Balance, July 1, 2013	<u>0</u>
Cash Balance, June 30, 2014	<u><u>\$ 0</u></u>

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## SINGLE AUDIT SECTION

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

**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

DeKalb County Mayor and  
Board of County Commissioners  
DeKalb 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 DeKalb County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise DeKalb County's basic financial statements, and have issued our report thereon dated December 18, 2014. Our report includes a reference to other auditors who audited the financial statements of the discretely presented DeKalb County Emergency Communications District as described in our report on DeKalb 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 DeKalb 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 DeKalb County's internal control. Accordingly, we do not express an opinion on the effectiveness of DeKalb 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 a deficiency described in the accompanying Schedule of Findings and Questioned Costs to be a material weakness: 2014-003.

*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: 2014-001, 2014-002, 2014-004, 2014-005, 2014-008, and 2014-009.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether DeKalb 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 2014-006, 2014-007, and 2014-010.

## **DeKalb County's Response to Findings**

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

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results 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 DeKalb 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 prominent initial "J" and a long, sweeping underline.

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

December 18, 2014

JPW/kp



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

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

We have audited DeKalb 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 DeKalb County's major federal programs for the year ended June 30, 2014. DeKalb 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 DeKalb 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 DeKalb 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 DeKalb County's compliance.

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

In our opinion, DeKalb 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 DeKalb 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 DeKalb 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 DeKalb 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

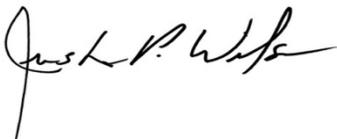
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 DeKalb County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise DeKalb County's basic financial statements. We issued our report thereon dated December 18, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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

December 18, 2014

JPW/kp

DeKalb 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	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	\$ 88,118 (3)
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	286,003
National School Lunch Program	10.555	N/A	852,518 (3)
Total U.S. Department of Agriculture			\$ 1,226,639
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	(2)	\$ 235,544
Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(2)	\$ 1,500
U.S. Department of Education:			
Direct Program:			
Impact Aid	84.041	N/A	\$ 155,849
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	843,916
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	806,309
Special Education - Preschool Grants	84.173	N/A	32,393
Career and Technical Education - Basic Grants to States	84.048	N/A	46,895
Twenty-first Century Community Learning Centers	84.287	N/A	205,800
Rural Education	84.358	N/A	61,332
English Language Acquisition Grants	84.365	N/A	13,432
Improving Teacher Quality State Grants	84.367	N/A	121,573
State Fiscal Stabilization Fund - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	186,726
Total U.S. Department of Education			\$ 2,474,225
U.S. Election Assistance Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	\$ 35,170
U.S. Department of Homeland Security:			
Direct Program:			
Staffing for Adequate Fire and Emergency Response (SAFER)	97.084	N/A	\$ 24,559
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	20,174
Hazard Mitigation Grant	97.039	M1974HF100F2011	825,963
Total U.S. Department of Homeland Security			\$ 870,696
Total Expenditures of Federal Awards			\$ 4,843,774

(Continued)

DeKalb 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>			
Litter Program - State Department of Transportation	N/A	(2)	\$ 28,548
Agricultural Enhancement Program - State Department of Agriculture	N/A	(2)	1,100
ThreeStar Grant Program - State Department of Economic and Community Development	N/A	(2)	7,500
Youth Services Program - State Commission on Children and Youth	N/A	GG1029752-01	9,000
Adult Drug Court Grant - State Office of Criminal Justice Programs	N/A	(2)	63,960
Juvenile Drug Court Grant - State Office of Criminal Justice Programs	N/A	(2)	37,797
Rural Local Health Services - State Department of Health	N/A	GG1437509	73,657
Early Childhood Education (Pre-K) - State Department of Education	N/A	(2)	440,137
Coordinated School Health - State Department of Education	N/A	(2)	100,000
ConnectTenn - State Department of Education	N/A	(2)	8,424
Star Student Management System - State Department of Education	N/A	(2)	7,692
Technology Grant - State Department of Education	N/A	(2)	203,303
Lottery Education Afterschool Programs - State Department of Education	N/A	(2)	133,867
Student Ticket Subsidy Grant - Tennessee Arts Commission	N/A	(2)	3,565
Safe Space - Tennessee Emergency Management Agency	N/A	(2)	137,660
Used Oil Grant - State Department of Environment and Conservation	N/A	(2)	6,868
Waste Tire Grant - State Department of Environment and Conservation	N/A	(2)	5,092
Total State Grants			\$ 1,268,170

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 \$940,636.

DeKalb 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 DeKalb County, Tennessee, for the year ended June 30, 2013, which have not been corrected.

**OFFICE OF COUNTY MAYOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-001	153	The Solid Waste Disposal Fund had a deficit in unrestricted net position

**OFFICE OF ROAD SUPERVISOR**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-003	154	The office did not maintain adequate controls over consumable assets

**OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-005	154	Execution docket trial balances for Circuit and General Sessions Courts did not reconcile with general ledger accounts

**OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK;  
AND REGISTER OF DEEDS**

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-006	155	Multiple employees operated from the same cash drawer

**OFFICES OF ROAD SUPERVISOR, TRUSTEE, REGISTER OF DEEDS, AND SHERIFF**

Finding Number	Page Number	Subject
2013-008	156	Duties were not segregated adequately

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**DEKALB COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2014**

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

1. Our report on the financial statements of DeKalb County is unmodified.
2. The audit of the financial statements of DeKalb 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 of DeKalb County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Title I Grants to Local Educational Agencies (CFDA No 84.010), the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), the State Fiscal Stabilization Fund – Race-to-the-Top Incentive Grants (CFDA No. 84.395), and the Hazard Mitigation Grant (CFDA No. 97.039) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. DeKalb 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 schools provided a written response, which is included in this report. Other management officials did not provide responses for inclusion in this report.

### **OFFICE OF COUNTY MAYOR**

#### **FINDING 2014-001**

#### **THE SOLID WASTE DISPOSAL FUND HAD A DEFICIT IN UNRESTRICTED NET POSITION**

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

The Solid Waste Disposal Fund had a deficit of \$2,890,467 in unrestricted net position at June 30, 2014. This deficit resulted from the recognition of a liability totaling \$6,668,733 in the financial statements for costs associated with closing the county's landfill and monitoring the landfill for 30 years after its closure. The county intends to fund this liability on a pay-as-you-go basis. Generally accepted accounting principles and state statutes require that such costs be reflected in the financial statements. This deficiency exists due to the failure of management to correct the finding noted in the prior-year audit report.

#### **RECOMMENDATION**

County officials should develop and implement a plan that would fund the deficit in unrestricted net position.

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### **OFFICE OF ROAD SUPERVISOR**

#### **FINDING 2014-002**

#### **THE OFFICE DID NOT MAINTAIN ADEQUATE CONTROLS OVER CONSUMABLE ASSETS**

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

The office did not maintain inventory records of consumable assets, such as fuel and tile. Generally accepted accounting principles require accountability for all consumable assets. This deficiency can be attributed to the failure of management to correct the finding noted in the prior-year audit report. The failure to maintain adequate records of consumable assets weakens controls over these assets and increases the risk of inventory loss.

## RECOMMENDATION

The office should maintain records of consumable assets, such as fuel and tile. Furthermore, personnel independent of maintaining the inventory should periodically verify these records.

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## OFFICE OF DIRECTOR OF SCHOOLS

### FINDING 2014-003

### **MATERIAL AUDIT ADJUSTMENTS WERE REQUIRED FOR PROPER FINANCIAL STATEMENT PRESENTATION**

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

At June 30, 2014, certain general ledger account balances in the Education Capital Projects Fund were not materially correct, and audit adjustments totaling \$409,427 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the DeKalb County School Department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the School 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 School 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. This deficiency was the result of a lack of management oversight. 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.

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### FINDING 2014-004

### **THE SCHOOL FEDERAL PROJECTS FUND HAD A CASH OVERDRAFT**

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

The School Federal Projects Fund had a cash overdraft of \$26,060 at June 30, 2014. Sound business practices dictate that expenditures be held within available funds. This cash overdraft resulted from the issuance of checks exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2014.

RECOMMENDATION

The office should not issue checks in excess of cash on deposit with the county trustee.

MANAGEMENT'S RESPONSE – DIRECTOR OF SCHOOLS

We currently have an \$80,000 reserve in federal projects to cover any cash overdrafts. This unfortunately, was not enough to cover our accounts receivable at year-end since the reimbursement request dated May 30 for the Twenty-first Century Community Learning Centers was not received until July 7, 2014, along with our other June requests. Had we received this request of \$35,753 in June, we would have had sufficient funds to cover the cash overdraft.

FINDING 2014-005

**THE OFFICE PROCESSED AND DISTRIBUTED PAYROLL CHECKS INAPPROPRIATELY**

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

The School Department processed and distributed payroll checks to 12-month support staff on the fifth day of each month for that month's salary, in effect paying these employees for work that had not yet been performed. If an employee were to leave service prior to the end of the month, the School Department would have to attempt to recover the overpayment of wages. This deficiency is the result of a Board of Education policy dictating the pay date for these employees.

RECOMMENDATION

School officials should not issue payroll checks to employees before they earn the compensation.

OFFICE OF TRUSTEE

FINDING 2014-006

**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. During the year, deposits exceeded FDIC coverage and collateral securities pledged by \$1,214,067; however, funds were adequately secured at June 30, 2014. 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.

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## OFFICE OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK

### FINDING 2014-007

### **EXECUTION DOCKET TRIAL BALANCES FOR CIRCUIT AND GENERAL SESSIONS COURTS DID NOT RECONCILE WITH GENERAL LEDGER ACCOUNTS**

(Noncompliance Under *Government Auditing Standards*)

As of June 30, 2014, the circuit and general sessions courts clerk had prepared trial balances of execution docket cause balances for Circuit Court and General Sessions Court as required by Section 18-2-103, *Tennessee Code Annotated (TCA)*. However, these trial balances failed to reconcile with general ledger accounts by \$6,679 and \$2,937, respectively. Therefore, we were unable to determine if the clerk had complied with provisions of the Unclaimed Property Act, Section 6-29-113, *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. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

## RECOMMENDATION

Execution docket trial balances should be reconciled with general ledger accounts. Any funds held by the court for one year and unclaimed by the owner are considered abandoned and should be reported and paid to the state Treasurer's Office in compliance with state statutes.

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## OFFICES OF CIRCUIT, GENERAL SESSIONS, AND JUVENILE COURTS CLERK; AND REGISTER OF DEEDS

### FINDING 2014-008

### **MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER**

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

Multiple employees operated from the same cash drawer in the Offices of Circuit, General Sessions, and Juvenile Courts Clerk; and the 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 official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision by the official resulting in a loss of control over assets and is the result of management's failure to correct the finding noted in the prior-year audit report.

#### RECOMMENDATION

Officials should assign each employee their own cash drawer.

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### OFFICES OF ROAD SUPERVISOR, TRUSTEE, REGISTER OF DEEDS, AND SHERIFF

#### FINDING 2014-009

#### **DUTIES WERE NOT SEGREGATED ADEQUATELY**

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

Duties were not segregated adequately among officials and employees in the Offices of Road Supervisor, Trustee, Register of Deeds, and Sheriff. Officials and employees responsible for maintaining the accounting records in these offices 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 deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

#### RECOMMENDATION

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

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### DEKALB COUNTY COMMISSION

#### FINDING 2014-010

#### **THE COUNTY COMMISSION'S AUDIT COMMITTEE IS NOT A FUNCTIONING COMMITTEE**

(Noncompliance Under Government Auditing Standards)

DeKalb County participates in the ThreeStar Program through the Tennessee Department of Economic and Community Development to assist the county's community development efforts in competing for jobs and attracting industry. One of the requirements of the ThreeStar Program is that the county must create and maintain an Audit Committee. DeKalb County created an Audit Committee on May 11, 2011, as provided by Section 9-3-405, *Tennessee Code Annotated*; however, there are minutes from only one meeting on July 30, 2013, to document that this Audit Committee has met or conducted business.

Without a functioning Audit Committee, the County Commission does not have independent and objective reviews of the financial reporting process, internal controls, the audit function, and monitoring management's plans to address various risks.

#### RECOMMENDATION

The County Commission's Audit Committee should be a functioning committee, maintain minutes of its meetings, and annually present a written committee report detailing how it discharged its duties and any committee recommendations to the full County Commission.

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

There were no findings and questioned costs for federal awards.

## **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 DeKalb County.

### **DEKALB COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING AND BUDGETING**

DeKalb County does not have a central system of accounting and budgeting. Sound business practices dictate that establishing a central system of accounting and budgeting would significantly improve internal controls over the accounting and budgeting processes. The absence of a central system of accounting and budgeting 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 and budgeting is a best practice and would significantly improve accountability and the quality of services provided to the citizens of DeKalb 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 and budgeting covering all county departments.

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

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