



**ANNUAL FINANCIAL REPORT
JOHNSON COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2014



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

COMPTROLLER OF THE TREASURY
JUSTIN P. WILSON

DIVISION OF LOCAL GOVERNMENT AUDIT
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Director

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Audit Manager

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Auditor 4

MARIE TIDWELL, CPA
GREG BRUSH, CISA
State Auditors

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

JOHNSON COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

Our report on Johnson County's financial statements are unmodified.

Our audit resulted in three findings and recommendations, which we have reviewed with Johnson 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:

OFFICES OF DIRECTOR OF SCHOOLS, DIRECTOR OF ACCOUNTS AND BUDGETS, AND TRUSTEE

- ◆ Deficiencies were noted with cash management of the School Federal Projects Fund.

OFFICE OF SHERIFF

- ◆ Profits earned from commissary operations were not remitted to the county monthly.

OFFICES OF CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF

- ◆ Duties were not segregated adequately.

INTRODUCTORY SECTION

Johnson County Officials

June 30, 2014

Officials

Larry Potter, County Mayor
James Moody, Road Superintendent
Morris Woodring, Director of Schools
Carolyn Sue Hensley, Trustee
Matthew Lewis, Assessor of Property
Tammie Fenner, County Clerk
Carolyn Hawkins, Circuit and General Sessions Courts Clerk
Sherrie Fenner, Clerk and Master
Patricia Hartley, Register of Deeds
William Reece, Sheriff
Dustin Shearin, Purchasing Agent
Russell Robinson, Director of Accounts and Budgets

Board of County Commissioners

Fred Phipps, Chairman
Bill Adams
John Brookshire
Lester Dunn
Jerry Gentry
Robert Grindstaff
Evelyn Hill
Huey Long

Jimmy Lowe
Gina Meade
Chris Pierce
Jonathan Pleasant
Jack Proffitt
Rick Snyder
Kenneth Taylor

Board of Education

Gerald Buckles, Chairman
Howard Carlton
Brad Dunn

Bill Gambill
Kevin Long

Audit Committee

Huey Long, Chairman
Sally Snyder

Gina Meade

FINANCIAL SECTION



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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Tennessee, as of June 30, 2014, and the respective changes in financial position thereof and the respective budgetary comparison for the General and Highway/Public Works Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note V.B., Johnson 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 65-67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Johnson 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 Johnson 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 Johnson County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 Johnson County School Department (a discretely presented component unit), and miscellaneous schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

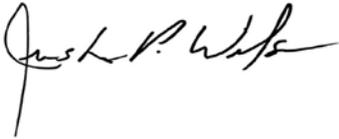
The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2014, on our consideration of Johnson 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 Johnson 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 long vertical stroke at the end.

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 20, 2014

JPW/yu

BASIC FINANCIAL STATEMENTS

Exhibit A

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

	<u>Primary Governmental Activities</u>	<u>Component Unit Johnson County School Department</u>
<u>ASSETS</u>		
Cash and Equivalents	\$ 1,548	\$ 57,821
Equity in Pooled Cash and Investments	7,931,428	3,549,355
Accounts Receivable	78,010	0
Due from Other Governments	1,061,634	463,452
Property Taxes Receivable	3,198,979	2,895,917
Allowance for Uncollectible Property Taxes	(96,811)	(87,639)
Prepaid Items	0	9,641
Unamortized Discount on Debt	7,112	0
Capital Assets:		
Assets Not Depreciated:		
Land	830,378	946,939
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	7,142,135	13,580,784
Infrastructure	2,719,767	392,409
Other Capital Assets	707,492	1,379,301
Total Assets	<u>\$ 23,581,672</u>	<u>\$ 23,187,980</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Charge on Refunding	<u>\$ 110,557</u>	<u>\$ 0</u>
Total Deferred Outflows of Resources	<u>\$ 110,557</u>	<u>\$ 0</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 122,172	\$ 115,989
Accrued Payroll	0	47,806
Payroll Deductions Payable	75,215	493,777
Cash Overdraft	0	59,978
Accrued Interest Payable	87,819	0
Due to State of Tennessee	5,282	0
Other Current Liabilities	0	52,551
Noncurrent Liabilities:		
Due Within One Year	988,773	49,357
Due in More Than One Year (net of unamortized premium on debt)	14,318,591	0
Total Liabilities	<u>\$ 15,597,852</u>	<u>\$ 819,458</u>

(Continued)

Exhibit A

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

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Johnson County School Department</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 2,943,947	\$ 2,665,047
Total Deferred Inflows of Resources	<u>\$ 2,943,947</u>	<u>\$ 2,665,047</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 6,082,890	\$ 16,299,433
Restricted for:		
General Government	77,402	0
Finance	16,218	0
Administration of Justice	40,158	0
Public Safety	82,956	0
Public Health and Welfare	43,808	0
Highways	103,662	0
Education	0	863,808
Capital Outlay	883,664	0
Unrestricted	<u>(2,180,328)</u>	<u>2,540,234</u>
Total Net Position	<u>\$ 5,150,430</u>	<u>\$ 19,703,475</u>

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

Exhibit B

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

Functions/Programs	Program Revenues						Net (Expense) Revenue and Changes in Net Position		Component Unit
	Expenses	Charges for Services	Operating		Capital Grants and Contributions	Primary		Johnson County School Department	
			Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Governmental Activities		
Primary Government:									
Governmental Activities:									
General Government	\$ 1,606,015	\$ 810,865	\$ 53,220	\$ 104,757	\$ (637,173)	\$ 0	\$ 0	0	0
Finance	710,722	411,982	0	0	(298,740)	0	(298,740)	0	0
Administration of Justice	593,750	374,311	9,400	0	(210,039)	0	(210,039)	0	0
Public Safety	3,115,125	1,270,705	29,350	41,190	(1,773,880)	0	(1,773,880)	0	0
Public Health and Welfare	1,323,311	464,260	171,792	574,768	(112,491)	0	(112,491)	0	0
Social, Cultural, and Recreational Services	223,842	0	26,070	58,457	(139,315)	0	(139,315)	0	0
Agriculture and Natural Resources	71,348	0	0	0	(71,348)	0	(71,348)	0	0
Highways	2,218,282	17,889	1,500,790	577,478	(122,125)	0	(122,125)	0	0
Education	354,350	0	0	0	(354,350)	0	(354,350)	0	0
Interest on Long-term Debt	519,539	0	379,181	0	(140,358)	0	(140,358)	0	0
Total Primary Government	\$ 10,736,284	\$ 3,350,012	\$ 2,169,803	\$ 1,356,650	\$ (3,859,819)	\$ 0	\$ (3,859,819)	\$ 0	0
Component Unit:									
Johnson County School Department	\$ 22,574,933	\$ 451,685	\$ 3,889,297	\$ 352,552	\$ 0	\$ (17,881,399)	\$ (17,881,399)	0	0
Total Component Unit	\$ 22,574,933	\$ 451,685	\$ 3,889,297	\$ 352,552	\$ 0	\$ (17,881,399)	\$ (17,881,399)	0	0

(Continued)

Exhibit B

Johnson County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Component Unit	
					Primary Governmental Activities	Johnson County School Department
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$ 2,297,291	\$ 2,746,671
Property Taxes Levied for Debt Service					734,567	0
Local Option Sales Taxes					266,475	697,923
Hotel/Motel Tax					15,663	0
Wheel Tax					610,275	0
Litigation Tax - General					12,263	0
Litigation Tax - Special Purpose					44,714	0
Litigation Tax - Jail, Workhouse, or Courthouse					19,294	0
Business Tax					61,405	0
Mineral Severance Tax					917	0
Bank Excise Tax					14,356	0
Wholesale Beer Tax					156,588	0
Other Local Taxes					0	3,722
Grants and Contributions Not Restricted to Specific Programs					766,952	13,121,832
Unrestricted Investment Income					69,176	61,736
Miscellaneous					97,276	249,732
Gain on Disposal of Capital Assets					60,794	0
Total General Revenues					\$ 5,228,006	\$ 16,881,616
Change in Net Position					\$ 1,368,187	\$ (999,783)
Net Position, July 1, 2013					3,782,243	20,703,258
Net Position, June 30, 2014					\$ 5,150,430	\$ 19,703,475

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

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Governmental Funds	
\$	0	0	0	0	1,548	\$ 1,548
Cash	1,687,087	108,450	4,931,322	1,204,569	7,931,428	\$ 7,931,428
Equity in Pooled Cash and Investments	43,646	0	0	34,364	78,010	\$ 78,010
Accounts Receivable	618,392	269,373	148,763	25,106	1,061,634	\$ 1,061,634
Due from Other Governments	1,070	17,450	257,117	2,327	277,964	\$ 277,964
Due from Other Funds	1,986,734	0	774,490	437,755	3,198,979	\$ 3,198,979
Property Taxes Receivable	(60,124)	0	(23,439)	(13,248)	(96,811)	\$ (96,811)
Allowance for Uncollectible Property Taxes						
Total Assets	\$ 4,276,805	\$ 395,273	\$ 6,088,253	\$ 1,692,421	\$ 12,452,752	\$ 12,452,752

ASSETS

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

Total Assets

LIABILITIES

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

DEFERRED INFLOWS OF RESOURCES

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

\$	109,401	8,639	0	4,132	122,172	\$ 122,172
	58,936	16,279	0	0	75,215	\$ 75,215
	37,227	0	0	240,737	277,964	\$ 277,964
	2,582	2,700	0	0	5,282	\$ 5,282
\$	208,146	27,618	0	244,869	480,633	\$ 480,633
\$	1,828,346	0	712,745	402,856	2,943,947	\$ 2,943,947
	91,484	0	35,663	20,157	147,304	\$ 147,304
	113,226	135,602	78,708	0	327,536	\$ 327,536
\$	2,033,056	135,602	827,116	423,013	3,418,787	\$ 3,418,787

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other		
				Governmental Funds		
\$	77,402	0	0	0	0	77,402
	16,218	0	0	0	0	16,218
	40,158	0	0	0	0	40,158
	40,004	0	0	42,952	0	82,956
	43,808	0	0	0	0	43,808
	0	3,200	0	0	0	3,200
	0	0	0	868,159	0	868,159
	0	0	0	71,486	0	71,486
	0	0	0	11,428	0	11,428
	0	228,853	0	0	0	228,853
	0	0	0	30,514	0	30,514
	0	0	5,261,137	0	0	5,261,137
	630,912	0	0	0	0	630,912
	274,227	0	0	0	0	274,227
	912,874	0	0	0	0	912,874
\$	2,035,603	232,053	5,261,137	1,024,539	\$	8,553,332
\$	4,276,805	395,273	6,088,253	1,692,421	\$	12,452,752

FUND BALANCES

Restricted:	
Restricted for General Government	
Restricted for Finance	
Restricted for Administration of Justice	
Restricted for Public Safety	
Restricted for Public Health and Welfare	
Restricted for Highways/Public Works	
Restricted for Capital Outlay	
Committed:	
Committed for Public Health and Welfare	
Committed for Social, Cultural, and Recreational Services	
Committed for Highways/Public Works	
Committed for Capital Outlay	
Committed for Debt Service	
Assigned:	
Assigned for General Government	
Assigned for Public Safety	
Unassigned	
Total Fund Balances	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	

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

Exhibit C-2

Johnson 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)		\$	8,553,332
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	830,378	
Add: other capital assets net of accumulated depreciation		707,492	
Add: buildings and improvements net of accumulated depreciation		7,142,135	
Add: infrastructure net of accumulated depreciation		<u>2,719,767</u>	11,399,772
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: notes payable	\$	(20,000)	
Less: other loans payable		(136,061)	
Less: bonds payable		(12,035,000)	
Less: capital leases payable		(124,659)	
Add: deferred amount on refunding		110,557	
Add: deferred charges - discount on debt		7,112	
Less: compensated absences payable		(211,811)	
Less: landfill postclosure care costs		(1,202,414)	
Less: other postemployment benefits liability		(1,554,532)	
Less: accrued interest on bonds, notes, and other loans payable		(87,819)	
Less: other deferred revenue - premium on debt		<u>(22,887)</u>	(15,277,514)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>474,840</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>5,150,430</u></u>

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

Exhibit C-3

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds	Governmental Funds	
<u>Revenues</u>						
Local Taxes	\$ 2,933,570	\$ 917	\$ 833,557	\$ 452,584	\$ 4,220,628	
Licenses and Permits	44,066	0	0	0	44,066	
Fines, Forfeitures, and Penalties	139,505	0	0	11,895	151,400	
Charges for Current Services	44,399	0	0	458,287	502,686	
Other Local Revenues	719,460	66,469	0	146,316	932,245	
Fees Received from County Officials	716,392	0	0	0	716,392	
State of Tennessee	2,257,297	1,759,014	0	73,451	4,089,762	
Federal Government	664,565	279,731	0	0	944,296	
Other Governments and Citizens Groups	8,712	12,727	403,701	24,788	449,928	
Total Revenues	\$ 7,527,966	\$ 2,118,858	\$ 1,237,258	\$ 1,167,321	\$ 12,051,403	
<u>Expenditures</u>						
Current:						
General Government	\$ 616,376	\$ 0	\$ 0	\$ 276	\$ 616,652	
Finance	741,015	0	0	0	741,015	
Administration of Justice	589,407	0	0	0	589,407	
Public Safety	2,848,366	0	0	25,434	2,873,800	
Public Health and Welfare	219,926	0	0	525,875	745,801	
Social, Cultural, and Recreational Services	93,167	0	0	61,502	154,669	
Agriculture and Natural Resources	79,884	0	0	0	79,884	
Other Operations	1,437,174	0	0	0	1,437,174	
Highways	40,302	2,334,972	0	0	2,375,274	
Debt Service:						
Principal on Debt	0	0	768,155	0	768,155	
Interest on Debt	0	0	506,656	0	506,656	
Other Debt Service	0	0	24,420	0	24,420	

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Governmental Funds	
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0	\$ 0	\$ 0	\$ 483,020	\$ 483,020	\$ 483,020
Capital Projects - Donated	0	0	0	190,270	190,270	190,270
Total Expenditures	\$ 6,665,617	\$ 2,334,972	\$ 1,299,231	\$ 1,286,377	\$ 11,586,197	\$ 11,586,197
Excess (Deficiency) of Revenues Over Expenditures	\$ 862,349	\$ (216,114)	\$ (61,973)	\$ (119,056)	\$ 465,206	\$ 465,206
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 190,270	\$ 190,270	\$ 190,270
Insurance Recovery	17,549	18,629	0	19,149	55,327	55,327
Transfers In	0	228,853	228,853	30,514	488,220	488,220
Transfers Out	(488,220)	0	0	0	(488,220)	(488,220)
Total Other Financing Sources (Uses)	\$ (470,671)	\$ 247,482	\$ 228,853	\$ 239,933	\$ 245,597	\$ 245,597
Net Change in Fund Balances	\$ 391,678	\$ 31,368	\$ 166,880	\$ 120,877	\$ 710,803	\$ 710,803
Fund Balance, July 1, 2013	1,643,925	200,685	5,094,257	903,662	7,842,529	7,842,529
Fund Balance, June 30, 2014	\$ 2,035,603	\$ 232,053	\$ 5,261,137	\$ 1,024,539	\$ 8,553,332	\$ 8,553,332

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

Exhibit C-4

Johnson 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)		\$ 710,803
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 739,676	
Less: current-year depreciation expense	<u>(631,801)</u>	107,875
<p>(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$ 474,840	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(397,252)</u>	77,588
<p>(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 effect of these differences in the treatment of long-term debt and related items:</p>		
Less: capital lease proceeds	\$ (190,270)	
Add: change in premium on debt issuances	1,635	
Add: principal payments on bonds	630,000	
Add: principal payments on other loans	48,024	
Add: principal payments on capital leases	90,131	
Less: contributions from the School Department for capital leases	(24,520)	
Less: change in unamortized discount on debt	(555)	
Less: change in deferred amount on refunding debt	<u>(17,833)</u>	536,612
<p>(4) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.</p>		
Change in accrued interest payable	\$ 3,870	
Change in compensated absences payable	51,988	
Change in landfill postclosure care costs	(2,468)	
Change in other postemployment benefits liability	<u>(118,081)</u>	<u>(64,691)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,368,187</u>

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

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 2,933,570	\$ 0	\$ 0	\$ 2,933,570	\$ 2,915,486	\$ 2,926,036	\$ 7,534
Licenses and Permits	44,066	0	0	44,066	32,000	43,620	446
Fines, Forfeitures, and Penalties	139,505	0	0	139,505	53,300	121,336	18,169
Charges for Current Services	44,399	0	0	44,399	2,700	37,736	6,663
Other Local Revenues	719,460	0	0	719,460	685,862	853,272	(133,812)
Fees Received from County Officials	716,392	0	0	716,392	705,500	705,500	10,892
State of Tennessee	2,257,297	0	0	2,257,297	1,983,216	2,156,657	100,640
Federal Government	664,565	0	0	664,565	61,000	890,280	(225,715)
Other Governments and Citizens Groups	8,712	0	0	8,712	9,000	12,350	(3,638)
Total Revenues	\$ 7,527,966	\$ 0	\$ 0	\$ 7,527,966	\$ 6,448,064	\$ 7,746,787	\$ (218,821)
Expenditures							
General Government							
County Commission	\$ 78,453	\$ 0	\$ 50	\$ 78,503	\$ 79,600	\$ 79,663	\$ 1,160
Board of Equalization	1,010	0	0	1,010	1,200	1,200	190
Other Boards and Committees	1,600	0	0	1,600	3,000	3,000	1,400
County Mayor/Executive	129,041	0	1,970	131,011	132,777	132,777	1,766
County Attorney	7,678	0	80	7,758	10,700	10,700	2,942
Election Commission	174,987	0	501	175,488	188,152	179,755	4,267
Register of Deeds	119,542	0	0	119,542	114,011	122,163	2,621
County Buildings	104,065	(986)	2,433	105,512	101,595	107,913	2,401
Finance							
Accounting and Budgeting	205,033	0	3,996	209,029	177,784	210,779	1,750
Purchasing	53,447	(1,788)	2,229	53,888	36,341	54,047	159
Property Assessor's Office	121,185	0	30	121,215	130,440	131,478	10,263
Reappraisal Program	33,235	(872)	0	32,363	33,810	33,810	1,447
County Trustee's Office	122,524	0	150	122,674	123,445	123,445	771
County Clerk's Office	205,591	0	0	205,591	208,143	211,142	5,551
Administration of Justice							
Circuit Court	249,200	(350)	292	249,142	255,629	255,659	6,517
General Sessions Court	118,145	(48)	50	118,147	118,280	118,280	133

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice (Cont.)</u>							
Chancery Court	\$ 132,583	\$ (1,550)	18	\$ 131,071	\$ 131,204	\$ 133,617	\$ 2,546
Juvenile Court	86,243	0	800	87,043	101,184	101,184	14,141
Courtroom Security	3,236	(2,371)	3,601	4,466	0	4,486	20
<u>Public Safety</u>							
Sheriff's Department	1,448,835	(13,180)	8,287	1,443,942	1,360,838	1,470,399	26,457
Administration of the Sexual Offender Registry	450	0	0	450	0	450	0
Jail	1,076,484	(93,552)	54,820	1,037,752	1,158,356	1,164,644	126,892
Fire Prevention and Control	151,000	0	0	151,000	151,000	151,000	0
Civil Defense	85,165	(46)	718	85,837	81,642	97,638	11,801
Other Emergency Management	66,600	0	0	66,600	66,600	66,600	0
Inspection and Regulation	17,019	(110)	116	17,025	16,636	17,636	611
County Coroner/Medical Examiner	2,813	0	0	2,813	2,293	2,823	10
<u>Public Health and Welfare</u>							
Local Health Center	191,821	(75)	2,582	194,328	361,474	365,474	171,146
Rabies and Animal Control	1,319	(151)	0	1,168	4,000	4,000	2,832
Regional Mental Health Center	5,300	0	0	5,300	5,300	5,300	0
Appropriation to State	15,435	0	0	15,435	15,435	15,435	0
Sanitation Management	0	0	0	0	82,162	85,162	85,162
Other Public Health and Welfare	6,051	0	140	6,191	0	50,000	43,809
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	61,506	0	0	61,506	61,887	61,887	381
Libraries	4,776	0	0	4,776	0	38,788	34,012
Other Social, Cultural, and Recreational	26,885	0	0	26,885	29,975	27,636	751
<u>Agriculture and Natural Resources</u>							
Agricultural Extension Service	60,385	0	0	60,385	71,738	71,738	11,353
Soil Conservation	19,499	0	0	19,499	20,493	20,493	994
<u>Other Operations</u>							
Tourism	15,000	0	0	15,000	15,000	17,339	2,339
Other Economic and Community Development	548,314	0	0	548,314	0	795,156	246,842
Airport	34,200	(10,529)	80	23,751	16,200	101,140	77,389

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Other Operations (Cont.)</u>							
Veterans' Services	\$ 27,258	\$ 0	\$ 93	\$ 27,351	\$ 27,447	\$ 27,447	\$ 96
Other Charges	570,815	0	0	570,815	617,350	619,020	48,205
Contributions to Other Agencies	18,780	0	0	18,780	16,518	18,785	5
Employee Benefits	16,993	0	0	16,993	23,279	25,224	8,231
Miscellaneous	205,814	(60)	1,617	207,371	202,800	213,626	6,255
Highways							
Litter and Trash Collection	40,302	(1,779)	2,830	41,353	44,123	44,123	2,770
Total Expenditures	\$ 6,665,617	\$ (127,427)	\$ 87,483	\$ 6,625,673	\$ 6,349,841	\$ 7,594,061	\$ 968,388
Excess (Deficiency) of Revenues Over Expenditures	\$ 862,349	\$ 127,427	\$ (87,483)	\$ 902,293	\$ 98,223	\$ 152,726	\$ 749,567
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 17,549	\$ 0	\$ 0	\$ 17,549	\$ 0	\$ 16,254	\$ 1,295
Transfers Out	(488,220)	0	0	(488,220)	(544,000)	(544,000)	55,780
Total Other Financing Sources	\$ (470,671)	\$ 0	\$ 0	\$ (470,671)	\$ (544,000)	\$ (527,746)	\$ 57,075
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 391,678	\$ 127,427	\$ (87,483)	\$ 431,622	\$ (445,777)	\$ (375,020)	\$ 806,642
Fund Balance, June 30, 2014	1,643,925	(127,427)	0	1,516,498	831,681	879,125	637,373
	\$ 2,035,603	\$ 0	\$ (87,483)	\$ 1,948,120	\$ 385,904	\$ 504,105	\$ 1,444,015

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

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 917	\$ 0	\$ 0	\$ 917	\$ 0	\$ 715	\$ 202
Other Local Revenues	66,469	0	0	66,469	0	65,586	883
State of Tennessee	1,759,014	0	0	1,759,014	1,425,734	1,723,481	35,533
Federal Government	279,731	0	0	279,731	24,000	279,728	3
Other Governments and Citizens Groups	12,727	0	0	12,727	0	12,727	0
Total Revenues	\$ 2,118,858	\$ 0	\$ 0	\$ 2,118,858	\$ 1,449,734	\$ 2,082,237	\$ 36,621
<u>Expenditures</u>							
<u>Highways</u>							
Administration	\$ 136,387	\$ (250)	\$ 100	\$ 136,237	\$ 151,573	\$ 151,573	\$ 15,336
Highway and Bridge Maintenance	1,231,738	(30,809)	14,500	1,215,429	1,031,020	1,266,501	51,072
Operation and Maintenance of Equipment	337,082	(27,988)	18,493	327,587	273,500	380,062	52,475
Other Charges	90,330	(2,791)	413	87,952	77,450	81,325	(6,627)
Employee Benefits	85,609	0	0	85,609	82,600	85,949	340
Capital Outlay	453,826	(385)	0	453,441	101,000	475,388	21,947
Total Expenditures	\$ 2,334,972	\$ (62,223)	\$ 33,506	\$ 2,306,255	\$ 1,717,143	\$ 2,440,798	\$ 134,543
Excess (Deficiency) of Revenues Over Expenditures	\$ (216,114)	\$ 62,223	\$ (33,506)	\$ (187,397)	\$ (267,409)	\$ (358,561)	\$ 171,164
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 18,629	\$ 0	\$ 0	\$ 18,629	\$ 0	\$ 18,629	\$ 0
Transfers In	228,853	0	0	228,853	255,000	255,000	(26,147)
Total Other Financing Sources	\$ 247,482	\$ 0	\$ 0	\$ 247,482	\$ 255,000	\$ 273,629	\$ (26,147)
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 31,368	\$ 62,223	\$ (33,506)	\$ 60,085	\$ (12,409)	\$ (84,932)	\$ 145,017
Fund Balance, July 1, 2013	200,685	(62,223)	0	138,462	114,179	114,179	24,283
Fund Balance, June 30, 2014	\$ 232,053	\$ 0	\$ (33,506)	\$ 198,547	\$ 101,770	\$ 29,247	\$ 169,300

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 351,466
Equity in Pooled Cash and Investments	56,250
Accounts Receivable	4,679
Due from Other Governments	<u>77,479</u>
Total Assets	<u><u>\$ 489,874</u></u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 133,729
Due to Litigants, Heirs, and Others	<u>356,145</u>
Total Liabilities	<u><u>\$ 489,874</u></u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Johnson 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 Johnson County:

A. Reporting Entity

Johnson County is a public municipal corporation governed by an elected 15-member board. As required by GAAP, these financial statements present Johnson County (the primary government) and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

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

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

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

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

Administrative Office:

Johnson County Emergency
Communications District
999 Honeysuckle Street
Mountain City, TN 37683

Related Organization – The Johnson County Industrial Commission is a related organization of Johnson County. The county’s officials are responsible for appointing the members of the Johnson County Industrial Commission; however, the county’s accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

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

Johnson County issues all debt for the discretely presented Johnson County School Department. Net debt issues of \$190,270 were contributed by the county to the School Department during the year ended June 30, 2014.

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

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

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

Fund financial statements of Johnson 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. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental category. Johnson County has no proprietary funds to report.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. 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. Johnson County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest

on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

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

Fiduciary 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.

Johnson County reports the following major governmental funds:

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

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

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

Additionally, Johnson County reports the following fund types:

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

Agency Funds – These funds account for amounts collected in an agency capacity by the constitutional officers, local sales taxes received by the state to be forwarded to the various cities in Johnson County, and assets held in a custodial capacity for the Doe Mountain Recreation Authority. 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 Johnson County School Department reports the following major governmental funds:

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

School Federal Projects Fund – This special revenue fund accounts for restricted federal revenues, which must be expended on specific education programs.

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

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

1. Deposits and Investments

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

The county trustee maintains a cash and internal investment pool that is used by all funds and the discretely presented Johnson 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 Fund. Johnson 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.

Long-term receivables between funds, as reported in Due from Other Funds in the General Debt Service Fund financial statements, are included in committed fund balance.

All property taxes receivable are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 1.62 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. Other current liabilities of the discretely presented School Department's General Purpose School Fund consist primarily of balances of employee flexible spending accounts.

3. Prepaid Items

Prepaid items on the Statement of Net Position consist of amounts prepaid for other post-employment benefits (OPEB) in the School Department. This resulted from contributions exceeding cumulative annual OPEB costs.

4. Capital Assets

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	7 - 39
Machinery and Equipment	5 - 15
Other Capital Assets	5 - 15
Infrastructure:	
Roads	9 - 20
Bridges	75
School Infrastructure	15

5. Deferred Outflows/Inflows of Resources

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

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

6. Compensated Absences

It is the county's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits, which will be paid to employees upon separation of service. All vacation and sick pay is accrued when incurred in the government-wide financial statements for the county. A liability for vacation and sick pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

It is the policy of the Johnson County School Department to permit noncertified employees to accumulate a limited amount of earned but unused vacation benefits, which will be paid upon separation from service. All vacation pay is accrued when incurred in the government-wide financial statements for the School Department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements. Also, the general policy of the School Department permits all professional personnel (teachers) to accumulate an unlimited amount of unused sick leave days. There is

no liability for unpaid accumulated sick leave since the School Department does not have a policy to pay any amounts when employees separate from service.

7. Long-term Obligations

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

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

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

8. Net Position and Fund Balances

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

- a. Net investment in capital assets – Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors,

grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

- c. Unrestricted net position – All other net position that does not meet the definition of restricted or net investment in capital assets.

As of June 30, 2014, Johnson County had \$7,018.845 in outstanding debt for capital purposes for the discretely presented Johnson County School Department. This debt is a liability of Johnson County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Johnson 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 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 and the Board of Education are authorized bodies to make assignments by resolution. Assigned fund balance in the General Fund includes fund balance approved for use in the budget for fiscal year ending June 30, 2015 (\$312,489), encumbrances (\$87,483), and amounts assigned by the commission for public safety (\$210,288) and various other purposes (\$294,879). Assigned fund balance in the discretely presented School Department’s General Purpose School Fund includes fund balance approved for use in the budget for fiscal year ending June 30, 2015 (\$445,307), encumbrances of (\$113,437), and amounts assigned by the board for various purposes within Instruction (\$330,228), Support (\$164,644), and Capital Outlay (\$635,436).

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 Johnson County School Department

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

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

Primary Government

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

Discretely Presented Johnson County School Department

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

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

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 Community Development/Industrial Park and Other 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, Other Boards and Committees, 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.

At June 30, 2014, Johnson County had the following significant encumbrance:

Fund	Description	Amount
Primary Government:		
Nonmajor Fund:		
General Capital Projects	Bus	\$ 77,599

B. Fund Deficit

The School Federal Projects Fund (special revenue fund) of the discretely presented Johnson County School Department had a negative unassigned fund balance of \$87,115 at June 30, 2014. This negative unassigned fund balance was liquidated when revenues were recognized after June 30, 2014.

C. Cash Overdraft

The discretely presented School Department's School Federal Projects Fund had a cash overdraft of \$59,978 at June 30, 2014. This cash overdraft resulted from grant reimbursements not being requested in a timely manner and the issuance of warrants exceeding cash on deposit with the county trustee. The cash overdraft was liquidated subsequent to June 30, 2014.

D. Expenditures Exceeded Appropriations

Expenditures exceeded appropriations approved by the County Commission in certain major appropriation categories (the legal level of control) in the following funds:

Fund/Major Appropriation Category	Amount Overspent
<u>Primary Government</u>	
Highway/Public Works Fund:	
Other Charges	\$ 6,627
<u>Discretely Presented School Department</u>	
General Purpose School Fund:	
Operation of Plant	8,240

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

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

Deposits

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

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

Primary Government

Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 830,378	\$ 0	\$ 0	\$ 830,378
Construction in Progress	983,599	111,026	(1,094,625)	0
Total Capital Assets Not Depreciated	\$ 1,813,977	\$ 111,026	\$ (1,094,625)	\$ 830,378
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,225,081	\$ 0	\$ 0	\$ 11,225,081
Other Capital Assets	3,481,375	236,440	(98,792)	3,619,023
Infrastructure	2,266,249	1,486,835	0	3,753,084
Total Capital Assets Depreciated	\$ 16,972,705	\$ 1,723,275	\$ (98,792)	\$ 18,597,188
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,809,244	\$ 273,702	\$ 0	\$ 4,082,946
Other Capital Assets	2,833,700	176,623	(98,792)	2,911,531
Infrastructure	851,841	181,476	0	1,033,317
Total Accumulated Depreciation	\$ 7,494,785	\$ 631,801	\$ (98,792)	\$ 8,027,794
Total Capital Assets Depreciated, Net	\$ 9,477,920	\$ 1,091,474	\$ 0	\$ 10,569,394
Governmental Activities Capital Assets, Net	\$ 11,291,897	\$ 1,202,500	\$ (1,094,625)	\$ 11,399,772

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

Governmental Activities:

General Government	\$ 160,532
Finance	2,533
Administration of Justice	5,388
Public Safety	202,291
Public Health and Welfare	67,143
Social, Cultural, and Recreational Services	16,497
Highways/Public Works	<u>177,417</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 631,801</u></u>

Discretely Presented Johnson County School Department

Governmental Activities:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 946,939	\$ 0	\$ 0	\$ 946,939
Total Capital Assets Not Depreciated	<u>\$ 946,939</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 946,939</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 23,977,982	\$ 26,931	\$ 0	\$ 24,004,913
Other Capital Assets	3,850,268	467,541	(133,390)	4,184,419
Infrastructure	<u>2,197,973</u>	<u>20,790</u>	<u>0</u>	<u>2,218,763</u>
Total Capital Assets Depreciated	<u>\$ 30,026,223</u>	<u>\$ 515,262</u>	<u>\$ (133,390)</u>	<u>\$ 30,408,095</u>

Governmental Activities (Cont.):

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Less Accumulated Depreciated For:				
Buildings and Improvements	\$ 9,834,543	\$ 589,586	\$ 0	\$ 10,424,129
Other Capital Assets	2,584,155	354,353	(133,390)	2,805,118
Infrastructure	1,682,443	143,911	0	1,826,354
Total Accumulated Depreciation	<u>\$ 14,101,141</u>	<u>\$ 1,087,850</u>	<u>\$ (133,390)</u>	<u>\$ 15,055,601</u>
Total Capital Assets Depreciated, Net	<u>\$ 15,925,082</u>	<u>\$ (572,588)</u>	<u>\$ 0</u>	<u>\$ 15,352,494</u>

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

Governmental Activities:

Instruction	\$ 835,585
Support Services	245,498
Operation of Non-instructional Services	<u>6,767</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,087,850</u></u>

C. 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	\$ 1,070
Highway/Public Works	General	17,450
General Debt Service	"	17,450
"	Nonmajor governmental	239,667
Nonmajor governmental	General	2,327
Discretely Presented School Department:		
General Purpose School	School Federal Projects	26,481

The amount due to the General Debt Service Fund from the nonmajor governmental funds resulted from long-term interfund loans. The amount of these loans not expected to be received within one year is \$166,668. See Note IV.G. for further details of these loans.

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

Interfund Transfers:

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

Primary Government

Transfers Out	Transfers In		
	Highway/ Public Works Fund	General Debt Service Fund	Nonmajor Governmental Fund
General Fund	\$ 228,853	\$ 228,853	\$ 30,514

Discretely Presented Johnson County School Department

Transfers Out	Transfers In	
	General Purpose School Fund	School Federal Projects Fund
General Purpose School Fund	\$ 0	\$ 156,291
School Federal Projects Fund	24,192	0
Total	\$ 24,192	\$ 156,291

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

D. Capital Lease

On August 27, 2013, Johnson County entered into a two-year lease-purchase agreement for the School Department for Apple iPads. The terms of the agreement require total lease payments of \$190,270 plus interest of 3.49 percent. Title to the equipment transferred to the School Department immediately upon acceptance of each item of equipment. In the government-wide financial statements, the equipment was expensed in the year of acquisition because those items did not meet criteria of the county's capitalization policy.

Future minimum lease payments and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

Year Ending June 30	Governmental Funds
2015	\$ 65,612
2016	65,610
Total Minimum Lease Payments	\$ 131,222
Less: Amount Representing Interest	(6,563)
Present Value of Minimum Lease Payments	<u>\$ 124,659</u>

E. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

Johnson County issues general obligation bonds and other loans to provide funds for the acquisition and construction of major capital facilities for the primary government and the discretely presented School Department. In addition, general obligation bonds have been issued to refund other general obligation bonds and 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 23 years for bonds, up to two 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, other loans, and notes included in long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

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

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds -				
Refunding	1.5 to 4.5 %	6-1-28	\$ 7,095,000	\$ 5,500,000
School Refunding Bonds	3 to 4.125	4-1-25	8,535,000	6,535,000
Capital Outlay Notes	0	7-31-14	20,000	20,000
Other Loans	0	4-1-17	336,161	136,061
Capital Lease	3.49	8-27-15	190,270	124,659

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 655,000	\$ 483,984	\$ 1,138,984
2016	685,000	455,809	1,140,809
2017	705,000	431,359	1,136,359
2018	735,000	404,271	1,139,271
2019	760,000	375,726	1,135,726
2020-2024	4,315,000	1,393,053	5,708,053
2025-2028	4,180,000	433,129	4,613,129
Total	\$ 12,035,000	\$ 3,977,331	\$ 16,012,331

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 20,000	\$ 0	\$ 20,000
Total	\$ 20,000	\$ 0	\$ 20,000

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2015	\$ 48,024	\$ 0	\$ 48,024
2016	48,024	0	48,024
2017	40,013	0	40,013
Total	\$ 136,061	\$ 0	\$ 136,061

During the year, the Johnson County School Department contributed \$403,701 to the primary government's General Debt Service Fund to be applied toward the retirement of general obligation debt that was issued by the county for school capital purposes.

There is \$5,261,137 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, other loans, notes, and capital leases outstanding totaled \$675, based on the 2010 federal census.

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	Capital Lease
Balance, July 1, 2013	\$ 12,665,000	\$ 20,000	\$ 184,085	\$ 24,520
Additions	0	0	0	190,270
Reductions	(630,000)	0	(48,024)	(90,131)
Balance, June 30, 2014	<u>\$ 12,035,000</u>	<u>\$ 20,000</u>	<u>\$ 136,061</u>	<u>\$ 124,659</u>
Balance Due Within One Year	<u>\$ 655,000</u>	<u>\$ 20,000</u>	<u>\$ 48,024</u>	<u>\$ 61,261</u>

	Compensated Absences	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2013	\$ 263,799	\$ 1,199,946	\$ 1,436,451
Additions	123,359	17,999	142,480
Reductions	(175,347)	(15,531)	(24,399)
Balance, June 30, 2014	<u>\$ 211,811</u>	<u>\$ 1,202,414</u>	<u>\$ 1,554,532</u>
Balance Due Within One Year	<u>\$ 132,166</u>	<u>\$ 72,322</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 15,284,477
Less: Balance Due Within One Year	(988,773)
Add: Unamortized Premium on Debt	<u>22,887</u>

Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 14,318,591</u>
--	----------------------

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

Discretely Presented Johnson County School Department

Changes in Long-term Obligations

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

Governmental Activities:	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	\$ 50,106	\$ 86,499
Additions	56,909	490,089
Reductions	(57,658)	(586,229)
Balance, June 30, 2014	<u>\$ 49,357</u>	<u>\$ (9,641)</u>
Balance Due Within One Year	<u>\$ 49,357</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 39,716
Add: Amount Reported as Prepaid Item	9,641
Less: Balance Due Within One Year	<u>(49,357)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 0</u>

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

F. On-Behalf Payments – Discretely Presented Johnson County School Department

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Johnson 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 made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2014, were \$111,811 and \$10,913 respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

G. Internal Financing

In-lieu-of issuing debt with financial institutions, Johnson County often chooses to internally finance various projects with idle county funds. Internally reported notes receivable from idle funds due to the General Debt Service Fund from the Solid Waste/Sanitation and Community Development/Industrial Park funds are reflected below:

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date
Solid Waste Equipment	\$ 119,000	0%	6-21-12	6-1-15
Building Rehabilitation	300,000	0	11-30-10	9-16-19

	Outstanding 7-1-13	Issued During Period	Paid and/or Matured During Period	Outstanding 6-30-14
Solid Waste Equipment	\$ 79,333	\$ 0	\$ 39,666	\$ 39,667
Building Rehabilitation	200,000	0	0	200,000
Total	\$ 279,333	\$ 0	\$ 39,666	\$ 239,667

H. Short-term Debt

Johnson County issued revenue anticipation notes of \$86,000 in advance of revenue collections and deposited the proceeds in the Highway/Public Works Fund. These notes were necessary because funds were not available to meet obligations coming due before current revenue collections. Short-term debt activity for the year ended June 30, 2014, was as follows:

	Balance 7-1-13	Issued	Paid	Balance 6-30-14
Tax Anticipation Notes - Highway/Public Works Fund	\$ 0	\$ 86,000	\$ (86,000)	\$ 0

V. OTHER INFORMATION

A. Risk Management

Primary Government

The county is exposed to various risks related to general liability, property, and casualty losses. The county decided it was more economically feasible to join a public entity risk pool instead of purchasing commercial insurance for

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

Johnson County decided it was more economically feasible to join a public entity risk pool as opposed to purchasing commercial insurance for workers' compensation coverage. The county joined the Local Government Workers' Compensation Fund (LGWCF). The county pays an annual premium to the LGWCF for its workers' compensation coverage. The creation of the LGWCF provides for it to be self-sustaining through member premiums.

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

Discretely Presented Johnson County School Department

The 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, *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 Statement 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, James Moody left the Office of Road Superintendent and was succeeded by Darrell Reece, Carolyn Sue Hensley left the Office of Trustee and was succeeded by Lisa Crowder, Carolyn Hawkins left the Office of Circuit and General Sessions Court Clerk and was succeeded by Melissa Hollaway, and Patricia Hartley left the Office of Register of Deeds and was succeeded by Freida May Gwinn.

D. Contingent Liabilities

The county is involved in several pending lawsuits. Based on letters from attorneys, management estimates that the potential claims not covered by insurance resulting from such litigation would not materially affect the financial statements.

E. Changes in Administration

On July 31, 2013, Douglas Hammons left the Office of Purchasing Agent and was succeeded by Dustin Shearin.

On November 30, 2013, Peggy Horne left the Office of Director of Accounts and Budgets and was succeeded by Russell Robinson.

On May 31, 2014, Tony Jennings left the Office of Road Superintendent and was succeeded by James Moody.

On June 30, 2014, Morris Woodring left the Office of Director of Schools and was succeeded by Mischelle Simcox.

F. Landfill Closure and Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Johnson County closed its sanitary landfill in 1997. The \$1,202,414 reported as postclosure care liability at June 30, 2014, represents amounts 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.

G. Joint Ventures

Primary Government

The Upper East Tennessee Juvenile Detention Center was formed through cooperative agreements between Johnson County and the counties of Carter, Greene, Hawkins, Sullivan, Unicoi, and Washington for the operation of a program to divert youth from commitment to Department of Correction facilities. This program is governed by a board of directors designated by the counties. The board of directors has contracted with Universal Health Services to undertake the management of this program. Operation costs to the counties are allocated according to percentages based on population. Johnson County's participation cost percentage is 3.7 percent. The county also pays a daily fee for each individual from the county using the facility.

Johnson County does not retain an equity interest in this joint venture. Complete financial statements for the above-noted joint venture can be obtained from its administrative office at the following address:

Upper East Tennessee Regional
Juvenile Detention Center
307 Wesley Street
Johnson City, TN 37601

Discretely Presented School Department

The discretely presented School Department participates in the Northeast Tennessee Cooperative (NETCO). The cooperative was established through a

contractual agreement between the Boards of Education of Johnson County and various other counties and cities in the upper East Tennessee area. The cooperative was authorized through Chapter 49 of *Tennessee Code Annotated*, and was established to obtain lower prices for food supplies, materials, equipment, and services by combining the purchasing requirements of each member's school food service systems. The cooperative has contracted with a coordinating district (Johnson City School System) and a service provider to provide this service. NETCO is governed by a representative committee, including one representative from each of the member districts and an executive council, consisting of the chair, vice chair, secretary, treasurer, and a member-at-large from the representative committee.

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

Northeast Tennessee Cooperative
100 East Maple Street
P.O. Box 1517
Johnson City, TN 37605

H. Jointly Governed Organization

Primary Government

The East Tennessee Regional Agribusiness Marketing Authority was established through Title 64 of *Tennessee Code Annotated*, and includes the counties of Claiborne, Cocke, Grainger, Hamblen, Hancock, Hawkins, Jefferson, Johnson, Sullivan, Unicoi, and Washington. The purpose of the authority is to establish and operate a market for agricultural products of the region through a food distribution center. The authority is governed by a Board of Directors consisting of the county mayors/executives of each county or the county mayor's/executive's designee and one nonvoting member representing each of the following: the Tennessee Department of Agriculture and the University of Tennessee's Agriculture Extension Service. An executive committee, consisting of the chairman, vice-chairman, secretary, and treasurer of the Board of Directors, along with the center's manager as an ex-officio member, is in charge of the daily operations of the center.

I. Retirement Commitments

Plan Description

Employees of Johnson 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. Johnson County has authorized mandatory retirement for its public safety officers. Public safety officers can retire at age 55 with five years of service or at any age with 25 years of service and receive a supplemental bridge payment between the mandatory retirement age and 62. 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 Johnson 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

Johnson 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 11.71 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, Johnson County's annual pension cost of \$668,604 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using

techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was three years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	\$668,604	100%	\$0
6-30-13	663,559	100	0
6-30-12	648,479	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 95.12 percent funded. The actuarial accrued liability for benefits was \$18.49 million, and the actuarial value of assets was \$17.59 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.9 million. The covered payroll (annual payroll of active employees covered by the plan) was \$5.34 million, and the ratio of the UAAL to the covered payroll was 16.87 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 Johnson County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service

who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 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 \$785,473, \$775,419, and \$771,108, respectively, equal to the required contributions for each year.

J. Other Postemployment Benefits (OPEB)

Plan Description

Johnson County and the School Department participate in the state-administered Local Education Group Insurance Plan and the Local Government 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 8-27-302, *Tennessee Code Annotated (TCA)*, for local education employees and Section 8-27-207, *TCA*, for local governments. Prior to reaching the age of 65, all members have the option of choosing between the standard or partnership preferred provider organization (PPO) plan for healthcare benefits. Subsequent to age 65, members who are also in the state's retirement system may participate in a state-administered Medicare Supplement Plan that does not include pharmacy. The plans are reported in the State of Tennessee Comprehensive Annual Financial

Report (CAFR). The CAFR is available on the state's website at <http://tn.gov/finance/act/cafr.html>.

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plans are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. Johnson County and the School Department contributed \$24,399 and \$586,229, respectively, for postemployment benefits during the year ended June 30, 2014.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 490,000	\$ 141,000
Interest on the NOPEBO	3,460	57,458
Adjustment to the ARC	(3,371)	(55,978)
Annual OPEB cost	<u>\$ 490,089</u>	<u>\$ 142,480</u>
Amount of contribution	<u>(586,229)</u>	<u>(24,399)</u>
Increase/decrease in NOPEBO	\$ (96,140)	\$ 118,081
Net OPEB obligation, 7-1-13	<u>86,499</u>	<u>1,436,451</u>
Net OPEB obligation, 6-30-14	<u><u>\$ (9,641)</u></u>	<u><u>\$ 1,554,532</u></u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Education Group	\$ 453,766	65 %	\$ 620,465
6-30-13	"	470,198	214	86,499
6-30-14	"	490,089	120	(9,621)
6-30-12	Local Government Group	425,538	1	1,014,744
6-30-13	"	428,504	1	1,436,451

Funded Status and Funding Progress

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

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 5,147,000	\$ 904,000
Actuarial value of plan assets	\$ 544,407	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 4,602,593	\$ 904,000
Actuarial value of assets as a % of the AAL	11%	0%
Covered payroll (active plan members)	\$ 9,852,628	\$ 3,378,226
UAAL as a % of covered payroll	47%	27%

The Board of Education has placed funds with the Tennessee School Board Association (TSBA) GASB 45 Trust to be used to pre-fund a portion of the School Department's OPEB liability. The assets of the GASB 45 Trust are commingled with other participants' funds for investment purposes, but are held in an irrevocable trust for each plan participant and may be used only for the payment of benefits to the members of the plan in accordance with the terms of their plan. At June 30, 2014, the Board of Education's balance with the GASB 45 Trust was \$700,367. The TSBA GASB 45 Trust procures an annual audit, which may be obtained from the TSBA at 525 Brick Church Park Drive, Nashville, TN 37207.

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

Actuarial Methods and Assumptions

Calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2013 actuarial valuation for the Local Government Plan and the Local Education Plan, the projected unit credit actuarial cost method was used, and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate was 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.

K. Office of Central Accounting and Budgeting

Johnson County operates under provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting and budgeting covering funds administered by the county mayor, road superintendent, and director of schools. These funds were maintained in the Office of Central Accounting under the supervision of the director of accounts and budgets.

L. Purchasing Laws

Office of County Mayor and Road Superintendent

Purchasing procedures for the Offices of County Mayor and Road Superintendent are conducted under provisions of Section 5-14-101, et seq., *Tennessee Code Annotated (TCA)*. Purchasing procedures for the Office of Road Superintendent are also governed by provisions of the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for purchases exceeding \$10,000 to be made on a competitive bid basis.

Office of Director of Schools

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

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit E-1

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

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial 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	\$ 17,585	\$ 18,487	\$ 901	95.12 %	\$ 5,343	16.87 %
7-1-11	15,486	16,351	865	94.71	5,351	16.17
7-1-09	12,612	13,654	1,042	92.37	5,305	19.64

Exhibit E-2

Johnson County, Tennessee
 Schedule of Funding Progress – Other Postemployment Benefits Plans
 Primary Government and Discretely Presented Johnson 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)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-10	\$ 0	\$ 680	\$ 680	0	\$ 3,252	20.9 %
"	7-1-11	0	2,849	2,849	0	3,433	83
"	7-1-13	0	904	904	0	3,378	26.8
<u>DISCRETELY PRESENTED JOHNSON COUNTY SCHOOL DEPARTMENT</u>							
Commercial Group	7-1-10	0	5,329	5,329	0	9,737	54.7
Local Education Group*	7-1-11	150	5,448	5,298	2.8	11,820	44.8
"	7-1-13	544	5,147	4,603	10.6	9,853	46.7

* The School Department joined the Local Education Group Insurance Fund effective January 1, 2012.

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

NONE

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

Nonmajor Governmental Funds

Special Revenue Funds

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

Public Library Fund – The Public Library Fund is used to account for revenues committed or restricted for library operations.

Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for transactions involving solid waste collection.

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.

Capital Projects Funds

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

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

Community Development/Industrial Park Fund – The Community Development/Industrial Park Fund is used to account for community development and industrial expansion in the county.

Other Capital Projects Fund – The Other Capital Projects Fund is used to account for the Trails Grant program.

Exhibit F-1

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

	Special Revenue Funds					Capital Projects Funds
	Public Library	Solid Waste/ Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	
Cash	\$ 300	\$ 250	\$ 0	\$ 998	\$ 1,548	\$ 0
Equity in Pooled Cash and Investments	11,452	83,374	42,952	0	137,778	763,358
Accounts Receivable	0	30,992	0	72	31,064	0
Due from Other Governments	0	0	0	0	0	0
Due from Other Funds	0	0	0	0	0	2,327
Property Taxes Receivable	0	101,021	0	0	101,021	336,734
Allowance for Uncollectible Property Taxes	0	(3,057)	0	0	(3,057)	(10,191)
Total Assets	\$ 11,752	\$ 212,580	\$ 42,952	\$ 1,070	\$ 268,354	\$ 1,092,228

ASSETS

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

LIABILITIES

Accounts Payable
 Due to Other Funds
 Total Liabilities

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
 Deferred Delinquent Property Taxes
 Total Deferred Inflows of Resources

(Continued)

Exhibit F-1

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

	Special Revenue Funds					Capital Projects Funds
	Public Library	Solid Waste/ Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 42,952	\$ 0	\$ 42,952	\$ 0
Restricted for Capital Outlay	0	0	0	0	0	736,320
Committed:						
Committed for Public Health and Welfare	0	71,486	0	0	71,486	0
Committed for Social, Cultural, and Recreational Services	11,428	0	0	0	11,428	0
Committed for Capital Outlay	0	0	0	0	0	30,514
Total Fund Balances	\$ 11,428	\$ 71,486	\$ 42,952	\$ 0	\$ 125,866	\$ 766,834
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 11,752	\$ 212,580	\$ 42,952	\$ 1,070	\$ 268,354	\$ 1,092,228

(Continued)

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	Community Development/ Industrial Park	Other Capital Projects	Total		
\$	0 \$	0 \$	0 \$	0 \$	1,548
Equity in Pooled Cash and Investments	299,932	3,501	1,066,791		1,204,569
Accounts Receivable	3,300	0	3,300		34,364
Due from Other Governments	14,994	10,112	25,106		25,106
Due from Other Funds	0	0	2,327		2,327
Property Taxes Receivable	0	0	336,734		437,755
Allowance for Uncollectible Property Taxes	0	0	(10,191)		(13,248)
Total Assets	\$ 318,226 \$	13,613 \$	1,424,067 \$		1,692,421

ASSETS

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

Total Assets

LIABILITIES

Accounts Payable
 Due to Other Funds
 Total Liabilities

\$	0 \$	0 \$	0 \$	0 \$	4,132
	200,000	0	200,000		240,737
\$	200,000 \$	0 \$	200,000 \$		244,869

DEFERRED INFLOWS OF RESOURCES

Deferred Current Property Taxes
 Deferred Delinquent Property Taxes
 Total Deferred Inflows of Resources

\$	0 \$	0 \$	309,889 \$		402,856
	0	0	15,505		20,157
\$	0 \$	0 \$	325,394 \$		423,013

(Continued)

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

	Capital Projects Funds (Cont.)			Total Nonmajor Governmental Funds
	Community Development/ Industrial Park	Other Capital Projects	Total	
\$	0 \$	0 \$	0 \$	42,952
	118,226	13,613	868,159	868,159
	0	0	0	71,486
	0	0	0	11,428
	0	0	30,514	30,514
\$	118,226 \$	13,613 \$	898,673 \$	1,024,539
\$	318,226 \$	13,613 \$	1,424,067 \$	1,692,421

FUND BALANCES

Restricted:	
Restricted for Public Safety	42,952
Restricted for Capital Outlay	868,159
Committed:	
Committed for Public Health and Welfare	71,486
Committed for Social, Cultural, and Recreational Services	11,428
Committed for Capital Outlay	30,514
Total Fund Balances	1,024,539
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	1,692,421

Exhibit F-2

Johnson 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 Funds
	Public Library	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	
<u>Revenues</u>						
Local Taxes	\$ 36,698	\$ 96,007	\$ 0	\$ 0	\$ 132,705	\$ 319,879
Fines, Forfeitures, and Penalties	0	0	11,895	0	11,895	0
Charges for Current Services	45	457,966	0	276	458,287	0
Other Local Revenues	270	6,734	0	0	7,004	0
State of Tennessee	1,296	0	0	0	1,296	0
Other Governments and Citizens Groups	24,788	0	0	0	24,788	0
Total Revenues	\$ 63,097	\$ 560,707	\$ 11,895	\$ 276	\$ 635,975	\$ 319,879
<u>Expenditures</u>						
Current:						
General Government	\$ 0	\$ 0	\$ 0	\$ 276	\$ 276	\$ 0
Public Safety	0	0	25,434	0	25,434	0
Public Health and Welfare	0	525,875	0	0	525,875	0
Social, Cultural, and Recreational Services	61,502	0	0	0	61,502	0
Capital Projects	0	0	0	0	0	392,709
Capital Projects - Donated	0	0	0	0	0	190,270
Total Expenditures	\$ 61,502	\$ 525,875	\$ 25,434	\$ 276	\$ 613,087	\$ 582,979
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,595	\$ 34,832	\$ (13,539)	\$ 0	\$ 22,888	\$ (263,100)
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 190,270
Insurance Recovery	0	19,149	0	0	19,149	0

(Continued)

Exhibit F-2

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

	Special Revenue Funds					Capital Projects Funds
	Public Library	Solid Waste/ Sanitation	Drug Control	Constitu- tional Officers - Fees	Total	
Other Financing Sources (Uses) (Cont.)						
Transfers In	\$ 0 \$	0 \$	0 \$	0 \$	0 \$	30,514
Total Other Financing Sources (Uses)	\$ 0 \$	19,149 \$	0 \$	0 \$	19,149 \$	220,784
Net Change in Fund Balances	\$ 1,595 \$	53,981 \$	(13,539) \$	0 \$	42,037 \$	(42,316)
Fund Balance, July 1, 2013	9,833	17,505	56,491	0	83,829	809,150
Fund Balance, June 30, 2014	\$ 11,428 \$	71,486 \$	42,952 \$	0 \$	125,866 \$	766,834

(Continued)

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

	Capital Projects Funds (Cont.)				Total Nonmajor Governmental Funds
	Community Development/ Industrial Park	Other Capital Projects	Total		
<u>Revenues</u>					
Local Taxes	\$ 0	\$ 0	\$ 319,879	\$ 452,584	
Fines, Forfeitures, and Penalties	0	0	0	11,895	
Charges for Current Services	0	0	0	458,287	
Other Local Revenues	139,163	149	139,312	146,316	
State of Tennessee	14,994	57,161	72,155	73,451	
Other Governments and Citizens Groups	0	0	0	24,788	
Total Revenues	\$ 154,157	\$ 57,310	\$ 531,346	\$ 1,167,321	
<u>Expenditures</u>					
Current:					
General Government	\$ 0	\$ 0	\$ 0	276	
Public Safety	0	0	0	25,434	
Public Health and Welfare	0	0	0	525,875	
Social, Cultural, and Recreational Services	0	0	0	61,502	
Capital Projects	38,335	51,976	483,020	483,020	
Capital Projects - Donated	0	0	190,270	190,270	
Total Expenditures	\$ 38,335	\$ 51,976	\$ 673,290	\$ 1,286,377	
Excess (Deficiency) of Revenues Over Expenditures	\$ 115,822	\$ 5,334	\$ (141,944)	\$ (119,056)	
<u>Other Financing Sources (Uses)</u>					
Capital Leases Issued	\$ 0	\$ 0	\$ 190,270	\$ 190,270	
Insurance Recovery	0	0	0	19,149	

(Continued)

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

	Capital Projects Funds (Cont.)			Total Nonmajor Governmental Funds
	Community Development/ Industrial Park	Other Capital Projects	Total	
Other Financing Sources (Uses) (Cont.)				
Transfers In	\$ 0	\$ 0	\$ 30,514	\$ 30,514
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 220,784	\$ 239,933
Net Change in Fund Balances	\$ 115,822	\$ 5,334	\$ 78,840	\$ 120,877
Fund Balance, July 1, 2013	2,404	8,279	819,833	903,662
Fund Balance, June 30, 2014	\$ 118,226	\$ 13,613	\$ 898,673	\$ 1,024,539

Exhibit F-3

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 36,698	\$ 0	\$ 0	\$ 36,698	\$ 36,698	\$ 36,698	\$ 0
Charges for Current Services	45	0	0	45	0	45	0
Other Local Revenues	270	0	0	270	0	270	0
State of Tennessee	1,296	0	0	1,296	0	979	317
Other Governments and Citizens Groups	24,788	0	0	24,788	15,497	23,756	1,032
Total Revenues	\$ 63,097	\$ 0	\$ 0	\$ 63,097	\$ 52,195	\$ 61,748	\$ 1,349
<u>Expenditures</u>							
Social, Cultural, and Recreational Services							
Libraries	\$ 61,502	(124)	47	\$ 61,425	\$ 52,195	\$ 62,464	\$ 1,039
Total Expenditures	\$ 61,502	(124)	47	\$ 61,425	\$ 52,195	\$ 62,464	\$ 1,039
Excess (Deficiency) of Revenues Over Expenditures	\$ 1,595	\$ 124	(47)	\$ 1,672	\$ 0	(716)	\$ 2,388
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 1,595	\$ 124	(47)	\$ 1,672	\$ 0	(716)	\$ 2,388
	9,833	(124)	0	9,709	9,708	9,708	1
Fund Balance, June 30, 2014	\$ 11,428	\$ 0	(47)	\$ 11,381	\$ 9,708	\$ 8,992	\$ 2,389

Exhibit F-4

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

	Actual (GAAP Basis)	Less:		Add:		Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		7/1/2013 Encumbrances	6/30/2014 Encumbrances	7/1/2013 Encumbrances	6/30/2014 Encumbrances		Original	Final	
Revenues									
Local Taxes	\$ 96,007 \$	0 \$	0 \$	0 \$	0 \$	96,007 \$	92,145 \$	92,145 \$	3,862
Charges for Current Services	457,966	0	0	0	0	457,966	394,716	424,716	33,250
Other Local Revenues	6,734	0	0	0	0	6,734	0	6,734	0
Total Revenues	\$ 560,707 \$	0 \$	0 \$	0 \$	0 \$	560,707 \$	486,861 \$	523,595 \$	37,112
Expenditures									
Public Health and Welfare									
Sanitation Management	\$ 525,875 \$	(364) \$	14,861 \$	14,861 \$	14,861 \$	540,372 \$	486,913 \$	542,796 \$	2,424
Total Expenditures	\$ 525,875 \$	(364) \$	14,861 \$	14,861 \$	14,861 \$	540,372 \$	486,913 \$	542,796 \$	2,424
Excess (Deficiency) of Revenues Over Expenditures	\$ 34,832 \$	364 \$	(14,861) \$	(14,861) \$	(14,861) \$	20,335 \$	(52) \$	(19,201) \$	39,536
Other Financing Sources (Uses)									
Insurance Recovery	\$ 19,149 \$	0 \$	0 \$	0 \$	0 \$	19,149 \$	0 \$	19,149 \$	0
Total Other Financing Sources	\$ 19,149 \$	0 \$	0 \$	0 \$	0 \$	19,149 \$	0 \$	19,149 \$	0
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 53,981 \$	364 \$	(14,861) \$	(14,861) \$	(14,861) \$	39,484 \$	(52) \$	(52) \$	39,536
	17,505	(364)	0	0	0	17,141	16,618	16,618	523
Fund Balance, June 30, 2014	\$ 71,486 \$	0 \$	(14,861) \$	(14,861) \$	(14,861) \$	56,625 \$	16,566 \$	16,566 \$	40,059

Exhibit F-5

Johnson 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	\$ 11,895	\$ 0	\$ 8,736	\$ 3,159
Total Revenues	\$ 11,895	\$ 0	\$ 8,736	\$ 3,159
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 25,434	\$ 22,750	\$ 31,486	\$ 6,052
Total Expenditures	\$ 25,434	\$ 22,750	\$ 31,486	\$ 6,052
Excess (Deficiency) of Revenues Over Expenditures	\$ (13,539)	\$ (22,750)	\$ (22,750)	\$ 9,211
Net Change in Fund Balance	\$ (13,539)	\$ (22,750)	\$ (22,750)	\$ 9,211
Fund Balance, July 1, 2013	56,491	56,491	56,491	0
Fund Balance, June 30, 2014	\$ 42,952	\$ 33,741	\$ 33,741	\$ 9,211

Exhibit F-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Local Taxes	\$ 319,879	\$ 0	\$ 0	\$ 319,879	\$ 296,583	\$ 296,583	\$ 23,296
Total Revenues	\$ 319,879	\$ 0	\$ 0	\$ 319,879	\$ 296,583	\$ 296,583	\$ 23,296
<u>Expenditures</u>							
<u>Capital Projects</u>							
General Administration Projects	\$ 234,639	\$ 0	\$ 77,599	\$ 312,238	\$ 262,010	\$ 369,891	\$ 57,653
Highway and Street Capital Projects	158,070	(156,613)	0	1,457	34,000	34,000	32,543
<u>Capital Projects - Donated</u>							
Capital Projects Donated to School Department	190,270	0	0	190,270	0	190,270	0
Total Expenditures	\$ 582,979	\$ (156,613)	\$ 77,599	\$ 503,965	\$ 296,010	\$ 594,161	\$ 90,196
Excess (Deficiency) of Revenues Over Expenditures	\$ (263,100)	\$ 156,613	\$ (77,599)	\$ (184,086)	\$ 573	\$ (297,578)	\$ 113,492
<u>Other Financing Sources (Uses)</u>							
Capital Leases Issued	\$ 190,270	\$ 0	\$ 0	\$ 190,270	\$ 0	\$ 190,270	\$ 0
Transfers In	30,514	0	0	30,514	34,000	34,000	(3,486)
Total Other Financing Sources	\$ 220,784	\$ 0	\$ 0	\$ 220,784	\$ 34,000	\$ 224,270	\$ (3,486)
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (42,316)	\$ 156,613	\$ (77,599)	\$ 36,698	\$ 34,573	\$ (73,308)	\$ 110,006
	809,150	(156,613)	0	652,537	651,225	651,225	1,312
Fund Balance, June 30, 2014	\$ 766,834	\$ 0	\$ (77,599)	\$ 689,235	\$ 685,798	\$ 577,917	\$ 111,318

Major Governmental Fund

General Debt Service Fund

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

Exhibit G

Johnson 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	\$ 833,557	\$ 1,461,064	\$ 763,141	\$ 70,416
Other Governments and Citizens Groups	403,701	0	403,701	0
Total Revenues	<u>\$ 1,237,258</u>	<u>\$ 1,461,064</u>	<u>\$ 1,166,842</u>	<u>\$ 70,416</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 170,000	0	170,000	0
Education	598,155	777,501	618,155	20,000
<u>Interest on Debt</u>				
General Government	223,875	36,113	223,876	1
Education	282,781	0	298,893	16,112
<u>Other Debt Service</u>				
General Government	22,622	383,763	26,000	3,378
Education	1,798	720,000	22,077	20,279
Total Expenditures	<u>\$ 1,299,231</u>	<u>\$ 1,917,377</u>	<u>\$ 1,359,001</u>	<u>\$ 59,770</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (61,973)</u>	<u>\$ (456,313)</u>	<u>\$ (192,159)</u>	<u>\$ 130,186</u>
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 228,853	\$ 519,154	\$ 255,000	\$ (26,147)
Total Other Financing Sources	<u>\$ 228,853</u>	<u>\$ 519,154</u>	<u>\$ 255,000</u>	<u>\$ (26,147)</u>
Net Change in Fund Balance	\$ 166,880	\$ 62,841	\$ 62,841	\$ 104,039
Fund Balance, July 1, 2013	<u>5,094,257</u>	<u>5,200,699</u>	<u>5,200,699</u>	<u>(106,442)</u>
Fund Balance, June 30, 2014	<u>\$ 5,261,137</u>	<u>\$ 5,263,540</u>	<u>\$ 5,263,540</u>	<u>\$ (2,403)</u>

Fiduciary Funds

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

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

Constitutional Officers - Agency Fund – The Constitutional Officers - Agency Fund is used to account for amounts collected in an agency capacity by the county clerk, circuit and general sessions 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.

Other Agency Fund – The Other Agency Fund is used to account for amounts received and disbursed in an agency capacity for the Doe Mountain Recreation Authority.

Exhibit H-1

Johnson 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	Other Agency	Total
<u>ASSETS</u>				
Cash	\$ 0	\$ 351,466	\$ 0	\$ 351,466
Equity in Pooled Cash and Investments	0	0	56,250	56,250
Accounts Receivable	0	4,679	0	4,679
Due from Other Governments	77,479	0	0	77,479
Total Assets	<u>\$ 77,479</u>	<u>\$ 356,145</u>	<u>\$ 56,250</u>	<u>\$ 489,874</u>
<u>LIABILITIES</u>				
Due to Other Taxing Units	\$ 77,479	\$ 0	\$ 56,250	\$ 133,729
Due to Litigants, Heirs, and Others	0	356,145	0	356,145
Total Liabilities	<u>\$ 77,479</u>	<u>\$ 356,145</u>	<u>\$ 56,250</u>	<u>\$ 489,874</u>

Exhibit H-2

Johnson 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	\$ 444,486	\$ 444,486	\$ 0
Due from Other Governments	76,837	77,479	76,837	77,479
Total Assets	\$ 76,837	\$ 521,965	\$ 521,323	\$ 77,479
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 76,837	\$ 521,965	\$ 521,323	\$ 77,479
Total Liabilities	\$ 76,837	\$ 521,965	\$ 521,323	\$ 77,479
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 311,062	\$ 4,293,789	\$ 4,253,385	\$ 351,466
Accounts Receivable	3,546	4,679	3,546	4,679
Total Assets	\$ 314,608	\$ 4,298,468	\$ 4,256,931	\$ 356,145
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 314,608	\$ 4,298,468	\$ 4,256,931	\$ 356,145
Total Liabilities	\$ 314,608	\$ 4,298,468	\$ 4,256,931	\$ 356,145
<u>Other Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 12,435	\$ 64,839	\$ 21,024	\$ 56,250
Total Assets	\$ 12,435	\$ 64,839	\$ 21,024	\$ 56,250
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 12,435	\$ 64,839	\$ 21,024	\$ 56,250
Total Liabilities	\$ 12,435	\$ 64,839	\$ 21,024	\$ 56,250
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 311,062	\$ 4,293,789	\$ 4,253,385	\$ 351,466
Equity in Pooled Cash and Investments	12,435	509,325	465,510	56,250
Accounts Receivable	3,546	4,679	3,546	4,679
Due from Other Governments	76,837	77,479	76,837	77,479
Total Assets	\$ 403,880	\$ 4,885,272	\$ 4,799,278	\$ 489,874
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 89,272	\$ 586,804	\$ 542,347	\$ 133,729
Due to Litigants, Heirs, and Others	314,608	4,298,468	4,256,931	356,145
Total Liabilities	\$ 403,880	\$ 4,885,272	\$ 4,799,278	\$ 489,874

Johnson County School Department

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

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

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

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

Other Education Special Revenue Fund – The Other Education Special Revenue Fund is used to account for a Headstart program, which is funded by charges for services.

Exhibit I-1

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

Functions/Programs	Program Revenues			Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities					
Governmental Activities:								
Instruction	\$ 12,945,546	\$ 90	\$ 2,403,490	\$ 190,270	\$ (10,351,696)			
Support Services	7,751,025	100,803	316,287	162,282	(7,171,653)			
Operation of Non-instructional Services	1,878,362	350,792	1,169,520	0	(358,050)			
Total Governmental Activities	\$ 22,574,933	\$ 451,685	\$ 3,889,297	\$ 352,552	\$ (17,881,399)			
General Revenues:								
Taxes:								
Property Taxes Levied for General Purposes					\$ 2,746,671			
Local Option Sales Taxes					697,923			
Interstate Telecommunications Tax					3,722			
Grants and Contributions Not Restricted for Specific Programs					13,121,832			
Unrestricted Investment Income					61,736			
Miscellaneous					249,732			
Total General Revenues					\$ 16,881,616			
Change in Net Position					\$ (999,783)			
Net Position, July 1, 2013					20,703,258			
Net Position, June 30, 2014					\$ 19,703,475			

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

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Purpose School	School Federal Projects	Other	Governmental Funds	
ASSETS					
Cash	\$ 57,821	\$ 0	\$ 0	\$ 0	\$ 57,821
Equity in Pooled Cash and Investments	2,973,072	0	576,283	0	3,549,355
Due from Other Governments	238,831	191,267	33,354	0	463,452
Due from Other Funds	26,481	0	0	0	26,481
Property Taxes Receivable	2,895,917	0	0	0	2,895,917
Allowance for Uncollectible Property Taxes	(87,639)	0	0	0	(87,639)
Total Assets	\$ 6,104,483	\$ 191,267	\$ 609,637	\$ 0	\$ 6,905,387
LIABILITIES					
Accounts Payable	\$ 115,789	\$ 200	\$ 0	\$ 0	\$ 115,989
Accrued Payroll	47,806	0	0	0	47,806
Payroll Deductions Payable	411,552	41,723	40,502	0	493,777
Cash Overdraft	0	59,978	0	0	59,978
Due to Other Funds	0	26,481	0	0	26,481
Other Current Liabilities	52,551	0	0	0	52,551
Total Liabilities	\$ 627,698	\$ 128,382	\$ 40,502	\$ 0	\$ 796,582
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 2,665,047	\$ 0	\$ 0	\$ 0	\$ 2,665,047
Deferred Delinquent Property Taxes	133,348	0	0	0	133,348
Total Deferred Inflows of Resources	\$ 2,798,395	\$ 0	\$ 0	\$ 0	\$ 2,798,395

(Continued)

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

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Purpose School	School Federal Projects	Other	Governmental Funds	
\$	294,673	\$ 0	\$ 569,135	\$	863,808
	12,323	150,000	0		162,323
	1,689,052	0	0		1,689,052
	682,342	(87,115)	0		595,227
\$	2,678,390	\$ 62,885	\$ 569,135	\$	3,310,410
\$	6,104,483	\$ 191,267	\$ 609,637	\$	6,905,387

FUND BALANCES

Restricted:	
Restricted for Education	
Committed:	
Committed for Education	
Assigned:	
Assigned for Education	
Unassigned	
Total Fund Balances	
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	

Exhibit I-3

Johnson County, Tennessee
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Discretely Presented Johnson 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 I-2)		\$ 3,310,410
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 946,939	
Add: buildings and improvements net of accumulated depreciation	13,580,784	
Add: other capital assets net of accumulated depreciation	1,379,301	
Add: infrastructure net of accumulated depreciation	<u>392,409</u>	16,299,433
(2) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		133,348
(3) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (49,357)	
Add: other postemployment benefits liability (prepaid)	<u>9,641</u>	<u>(39,716)</u>
Net position of governmental activities (Exhibit A)		<u>\$ 19,703,475</u>

Exhibit I-4

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

	Major Funds		Nonmajor Funds		Total Governmental Funds
	General Purpose School	School Federal Projects	Other Governmental Funds	Governmental Funds	
<u>Revenues</u>					
Local Taxes	\$ 3,452,678	\$ 0	\$ 0	\$ 0	\$ 3,452,678
Licenses and Permits	1,409	0	0	0	1,409
Charges for Current Services	175,136	0	738,085	0	913,221
Other Local Revenues	321,999	0	2,473	0	324,472
State of Tennessee	12,962,239	0	0	0	12,962,239
Federal Government	208,054	2,196,009	1,155,882	0	3,559,945
Other Governments and Citizens Groups	190,270	0	0	0	190,270
Total Revenues	\$ 17,311,785	\$ 2,196,009	\$ 1,896,440	\$ 0	\$ 21,404,234
<u>Expenditures</u>					
Current:					
Instruction	\$ 9,898,408	\$ 1,667,047	\$ 324,036	\$ 0	\$ 11,889,491
Support Services	6,973,220	604,799	137,500	0	7,715,519
Operation of Non-instructional Services	480,195	0	1,401,375	0	1,881,570
Capital Outlay	150,734	0	0	0	150,734
Debt Service:					
Other Debt Service	403,701	0	0	0	403,701
Total Expenditures	\$ 17,906,258	\$ 2,271,846	\$ 1,862,911	\$ 0	\$ 22,041,015
Excess (Deficiency) of Revenues Over Expenditures	\$ (594,473)	\$ (75,837)	\$ 33,529	\$ 0	\$ (636,781)
<u>Other Financing Sources (Uses)</u>					
Insurance Recovery	\$ 79,543	\$ 0	\$ 0	\$ 0	\$ 79,543
Transfers In	24,192	156,291	0	0	180,483

(Continued)

Exhibit I-4

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General Purpose School	School Federal Projects	Other	Governmental Funds		
<u>Other Financing Sources (Uses) (Cont.)</u>						
Transfers Out	\$ (156,291)	\$ (24,192)	\$ 0	\$ 0	\$ (180,483)	
Total Other Financing Sources (Uses)	\$ (52,556)	\$ 132,099	\$ 0	\$ 0	\$ 79,543	
Net Change in Fund Balances	\$ (647,029)	\$ 56,262	\$ 33,529	\$ 33,529	\$ (557,238)	
Fund Balance, July 1, 2013	3,325,419	6,623	535,606	535,606	3,867,648	
Fund Balance, June 30, 2014	\$ 2,678,390	\$ 62,885	\$ 569,135	\$ 569,135	\$ 3,310,410	

Exhibit I-5

Johnson County, Tennessee
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Discretely Presented Johnson 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 changes in fund balances - total governmental funds (Exhibit I-4)		\$	(557,238)
(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	\$	352,980	
Less: current-year depreciation expense		<u>(1,087,850)</u>	(734,870)
(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			162,282
(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	\$	133,348	
Less: deferred delinquent property taxes and other deferred June 30, 2013		<u>(124,714)</u>	8,634
(4) The issuance of long-term debt (e.g., capital 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.			
Add: principal contributions on lease for primary government			24,520
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in compensated absences payable	\$	749	
Change in other postemployment benefits liability		<u>96,140</u>	<u>96,889</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ (999,783)</u>

Exhibit I-6

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

	<u>Special Revenue Funds</u>		
	Central Cafeteria	Other Education Special Revenue	Total Nonmajor Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 571,370	\$ 4,913	\$ 576,283
Due from Other Governments	27,152	6,202	33,354
Total Assets	<u>\$ 598,522</u>	<u>\$ 11,115</u>	<u>\$ 609,637</u>
<u>LIABILITIES</u>			
Payroll Deductions Payable	\$ 29,387	\$ 11,115	\$ 40,502
Total Liabilities	<u>\$ 29,387</u>	<u>\$ 11,115</u>	<u>\$ 40,502</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 569,135	\$ 0	\$ 569,135
Total Fund Balances	<u>\$ 569,135</u>	<u>\$ 0</u>	<u>\$ 569,135</u>
Total Liabilities and Fund Balances	<u>\$ 598,522</u>	<u>\$ 11,115</u>	<u>\$ 609,637</u>

Exhibit I-7

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

	<u>Special Revenue Funds</u>		
	Central Cafeteria	Other Education Special Revenue	Total Nonmajor Governmental Funds
<u>Revenues</u>			
Charges for Current Services	\$ 276,549	\$ 461,536	\$ 738,085
Other Local Revenues	2,473	0	2,473
Federal Government	1,155,882	0	1,155,882
Total Revenues	<u>\$ 1,434,904</u>	<u>\$ 461,536</u>	<u>\$ 1,896,440</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 0	\$ 324,036	\$ 324,036
Support Services	0	137,500	137,500
Operation of Non-instructional Services	1,401,375	0	1,401,375
Total Expenditures	<u>\$ 1,401,375</u>	<u>\$ 461,536</u>	<u>\$ 1,862,911</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 33,529</u>	<u>\$ 0</u>	<u>\$ 33,529</u>
Net Change in Fund Balances	\$ 33,529	\$ 0	\$ 33,529
Fund Balance, July 1, 2013	<u>535,606</u>	<u>0</u>	<u>535,606</u>
Fund Balance, June 30, 2014	<u>\$ 569,135</u>	<u>\$ 0</u>	<u>\$ 569,135</u>

Exhibit I-8

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

	Actual (GAAP Basis)	Less:		Add:	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Encumbrances 7/1/2013	Encumbrances 6/30/2014			Original	Final	
<u>Revenues</u>								
Local Taxes	\$ 3,452,678	\$ 0	\$ 0	\$ 3,452,678	\$ 3,394,501	\$ 3,394,501	\$ 58,177	
Licenses and Permits	1,409	0	0	1,409	1,250	1,250	159	
Charges for Current Services	175,136	0	0	175,136	139,600	176,372	(1,236)	
Other Local Revenues	321,999	0	0	321,999	138,027	319,582	2,417	
State of Tennessee	12,962,239	0	0	12,962,239	12,856,912	13,017,206	(54,967)	
Federal Government	208,054	0	0	208,054	217,864	253,775	(45,721)	
Other Governments and Citizens Groups	190,270	0	0	190,270	0	190,270	0	
Total Revenues	\$ 17,311,785	\$ 0	\$ 0	\$ 17,311,785	\$ 16,748,154	\$ 17,352,956	\$ (41,171)	
<u>Expenditures</u>								
<u>Instruction</u>								
Regular Instruction Program	\$ 7,675,937	\$ (138,178)	\$ 9,995	\$ 7,547,754	\$ 7,419,286	\$ 7,766,633	\$ 218,879	
Alternative Instruction Program	158,136	0	0	158,136	170,116	170,116	11,980	
Special Education Program	986,865	0	170	987,035	1,013,045	1,013,083	26,048	
Vocational Education Program	978,118	(4,838)	4,762	978,042	983,748	1,009,229	31,187	
Adult Education Program	99,352	0	0	99,352	83,293	118,115	18,763	
<u>Support Services</u>								
Attendance	81,319	0	0	81,319	82,957	82,957	1,638	
Health Services	258,231	(4,000)	13,000	267,231	260,898	276,385	9,154	
Other Student Support	387,357	0	0	387,357	375,023	394,295	6,938	
Regular Instruction Program	647,629	(53)	255	647,831	748,186	662,554	14,723	
Alternative Instruction Program	0	0	0	0	1,000	1,000	1,000	
Special Education Program	117,530	0	0	117,530	119,797	119,797	2,267	
Vocational Education Program	89,520	0	0	89,520	91,508	91,508	1,988	
Adult Programs	100,706	0	0	100,706	113,025	126,084	25,378	
Other Programs	122,724	0	0	122,724	0	122,724	0	
Board of Education	589,971	(262)	443	590,152	554,723	724,152	134,000	
Director of Schools	217,179	(400)	847	217,626	216,896	222,021	4,395	
Office of the Principal	1,071,663	0	0	1,071,663	1,147,181	1,167,213	95,550	
Fiscal Services	91,957	0	0	91,957	92,596	92,597	640	

(Continued)

Exhibit I-8

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Support Services (Cont.)</u>							
Human Services/Personnel	\$ 59,405	\$ 0	\$ 0	\$ 59,405	\$ 61,369	\$ 61,369	\$ 1,964
Operation of Plant	1,748,504	(35,018)	1,000	1,714,486	1,638,128	1,706,246	(8,240)
Maintenance of Plant	334,094	(66,632)	5,904	273,366	267,118	275,762	2,396
Transportation	1,031,403	(103,959)	56,780	984,224	895,775	992,698	8,474
Central and Other	24,028	0	0	24,028	25,279	25,279	1,251
<u>Operation of Non-instructional Services</u>							
Food Service	105,646	0	0	105,646	106,912	106,912	1,266
Community Services	83,313	(2,307)	3,882	84,888	85,000	85,313	425
Early Childhood Education	291,236	0	8,609	299,845	310,586	310,627	10,782
<u>Capital Outlay</u>							
Regular Capital Outlay	150,734	(135,667)	7,790	22,857	42,500	111,905	89,048
<u>Other Debt Service</u>							
Education	403,701	0	0	403,701	312,178	403,701	0
<u>Total Expenditures</u>	<u>\$ 17,906,258</u>	<u>\$ (491,314)</u>	<u>\$ 113,437</u>	<u>\$ 17,528,381</u>	<u>\$ 17,218,123</u>	<u>\$ 18,240,275</u>	<u>\$ 711,894</u>
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	<u>\$ (594,473)</u>	<u>\$ 491,314</u>	<u>\$ (113,437)</u>	<u>\$ (216,596)</u>	<u>\$ (469,969)</u>	<u>\$ (887,319)</u>	<u>\$ 670,723</u>
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 79,543	\$ 0	\$ 0	\$ 79,543	\$ 0	\$ 70,797	\$ 8,746
Transfers In	24,192	0	0	24,192	69,802	79,805	(55,613)
Transfers Out	(156,291)	0	0	(156,291)	0	(156,291)	0
<u>Total Other Financing Sources</u>	<u>\$ (52,556)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (52,556)</u>	<u>\$ 69,802</u>	<u>\$ (5,689)</u>	<u>\$ (46,867)</u>
<u>Net Change in Fund Balance</u> <u>Fund Balance, July 1, 2013</u>	<u>\$ (647,029)</u>	<u>\$ 491,314</u>	<u>\$ (113,437)</u>	<u>\$ (269,152)</u>	<u>\$ (400,167)</u>	<u>\$ (893,008)</u>	<u>\$ 623,856</u>
	<u>3,325,419</u>	<u>(491,314)</u>	<u>0</u>	<u>2,834,105</u>	<u>2,666,866</u>	<u>2,666,866</u>	<u>167,239</u>
<u>Fund Balance, June 30, 2014</u>	<u>\$ 2,678,390</u>	<u>\$ 0</u>	<u>\$ (113,437)</u>	<u>\$ 2,564,953</u>	<u>\$ 2,266,699</u>	<u>\$ 1,773,858</u>	<u>\$ 791,095</u>

Exhibit I-9

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Revenues</u>							
Federal Government	\$ 2,196,009	\$ 0	\$ 0	\$ 2,196,009	\$ 3,261,915	\$ 3,330,100	\$ (1,134,091)
Total Revenues	\$ 2,196,009	\$ 0	\$ 0	\$ 2,196,009	\$ 3,261,915	\$ 3,330,100	\$ (1,134,091)
<u>Expenditures</u>							
<u>Instruction</u>							
Regular Instruction Program	\$ 1,255,117	\$ (3,828)	\$ 2,881	\$ 1,254,170	\$ 1,782,650	\$ 1,837,675	\$ 583,505
Special Education Program	388,378	(1,142)	0	387,236	409,825	409,121	21,885
Vocational Education Program	23,552	0	0	23,552	25,330	25,330	1,778
<u>Support Services</u>							
Other Student Support	21,314	0	0	21,314	39,567	36,053	14,739
Regular Instruction Program	508,346	(52)	1,761	510,055	892,209	915,434	405,379
Special Education Program	2,000	0	0	2,000	1,250	2,000	0
Fiscal Services	2,988	0	0	2,988	2,988	2,988	0
Transportation	70,151	0	0	70,151	76,569	76,569	6,418
Total Expenditures	\$ 2,271,846	\$ (5,022)	\$ 4,642	\$ 2,271,466	\$ 3,230,388	\$ 3,305,170	\$ 1,033,704
Excess (Deficiency) of Revenues Over Expenditures	\$ (75,837)	\$ 5,022	\$ (4,642)	\$ (75,457)	\$ 31,527	\$ 24,930	\$ (100,387)
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 156,291	\$ 0	\$ 0	\$ 156,291	\$ 0	\$ 156,291	\$ 0
Transfers Out	(24,192)	0	0	(24,192)	(33,127)	(32,821)	8,629
Total Other Financing Sources	\$ 132,099	\$ 0	\$ 0	\$ 132,099	\$ (33,127)	\$ 123,470	\$ 8,629
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 56,262	\$ 5,022	\$ (4,642)	\$ 56,642	\$ (1,600)	\$ 148,400	\$ (91,758)
	6,623	(5,022)	0	1,601	1,600	1,600	1
Fund Balance, June 30, 2014	\$ 62,885	\$ 0	\$ (4,642)	\$ 58,243	\$ 0	\$ 150,000	\$ (91,757)

Exhibit I-10

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Johnson 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	\$ 276,549	\$ 370,200	\$ 370,200	\$ (93,651)
Other Local Revenues	2,473	3,000	3,000	(527)
Federal Government	1,155,882	1,101,244	1,101,244	54,638
Total Revenues	<u>\$ 1,434,904</u>	<u>\$ 1,474,444</u>	<u>\$ 1,474,444</u>	<u>\$ (39,540)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 1,401,375	\$ 1,474,444	\$ 1,564,444	\$ 163,069
Total Expenditures	<u>\$ 1,401,375</u>	<u>\$ 1,474,444</u>	<u>\$ 1,564,444</u>	<u>\$ 163,069</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 33,529</u>	<u>\$ 0</u>	<u>\$ (90,000)</u>	<u>\$ 123,529</u>
Net Change in Fund Balance	\$ 33,529	\$ 0	\$ (90,000)	\$ 123,529
Fund Balance, July 1, 2013	535,606	535,606	535,606	0
Fund Balance, June 30, 2014	<u>\$ 569,135</u>	<u>\$ 535,606</u>	<u>\$ 445,606</u>	<u>\$ 123,529</u>

Exhibit I-11

Johnson County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Johnson County School Department
Other Education Special Revenue 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	\$ 461,536	\$ 506,580	\$ 506,580	\$ (45,044)
Total Revenues	\$ 461,536	\$ 506,580	\$ 506,580	\$ (45,044)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 324,036	\$ 353,480	\$ 353,480	\$ 29,444
<u>Support Services</u>				
Attendance	55,730	67,329	67,329	11,599
Health Services	14,619	16,903	16,903	2,284
Regular Instruction Program	67,151	68,868	68,868	1,717
Total Expenditures	\$ 461,536	\$ 506,580	\$ 506,580	\$ 45,044
Excess (Deficiency) of Revenues Over Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Net Change in Fund Balance	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balance, July 1, 2013	0	3	3	(3)
Fund Balance, June 30, 2014	\$ 0	\$ 3	\$ 3	\$ (3)

MISCELLANEOUS SCHEDULES

Exhibit J-1

Johnson County, Tennessee
 Schedule of Changes in Long-term Notes, Other Loans, Bonds, and Capital Leases
 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								
Tarr Loan	\$ 20,000	0%	7-31-12	7-31-14	\$ 20,000	0 \$	0 \$	20,000
Total Payable through General Debt Service Fund					\$ 20,000	0 \$	0 \$	20,000
Total Notes Payable	\$				\$ 20,000	0 \$	0 \$	20,000
<u>OTHER LOANS PAYABLE</u>								
Payable through General Debt Service Fund								
Energy Efficient Schools Initiative	336,161	0	6-2-10	4-1-17	\$ 184,085	0 \$	48,024 \$	136,061
Total Payable through General Debt Service Fund					\$ 184,085	0 \$	48,024 \$	136,061
Total Other Loans Payable					\$ 184,085	0 \$	48,024 \$	136,061
<u>BONDS PAYABLE</u>								
Payable through General Debt Service Fund								
General Obligation Refunding (2004)	1,435,000	1.5 to 4.5	3-3-04	4-1-27	\$ 395,000	0 \$	20,000 \$	375,000
School Refunding Bonds, Series 2005	8,535,000	3 to 4.125	5-27-05	4-1-25	6,995,000	0	460,000	6,535,000
General Refunding Bonds, Series 2010	5,660,000	2 to 4.125	1-25-10	6-1-28	5,275,000	0	150,000	5,125,000
Total Payable through General Debt Service Fund					\$ 12,665,000	0 \$	630,000 \$	12,035,000
Total Bonds Payable					\$ 12,665,000	0 \$	630,000 \$	12,035,000
<u>CAPITAL LEASES PAYABLE</u>								
Payable through General Debt Service Fund								
Computer Equipment	73,280	6.04	6-21-12	6-21-14	\$ 24,520	0 \$	24,520 \$	0
Apple iPads	190,270	3.49	8-27-13	8-27-15	0	190,270	65,611	124,659
Total Payable through General Debt Service Fund					\$ 24,520	190,270 \$	90,131 \$	124,659
Total Capital Leases Payable					\$ 24,520	190,270 \$	90,131 \$	124,659

Exhibit J-2

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

Year Ending June 30	Notes		
	Principal	Interest	Total
2015	\$ 20,000	\$ 0	\$ 20,000
Total	\$ 20,000	\$ 0	\$ 20,000

Year Ending June 30	Other Loans		
	Principal	Interest	Total
2015	\$ 48,024	\$ 0	\$ 48,024
2016	48,024	0	48,024
2017	40,013	0	40,013
Total	\$ 136,061	\$ 0	\$ 136,061

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 655,000	483,984	\$ 1,138,984
2016	685,000	455,809	1,140,809
2017	705,000	431,359	1,136,359
2018	735,000	404,271	1,139,271
2019	760,000	375,726	1,135,726
2020	790,000	345,326	1,135,326
2021	830,000	313,726	1,143,726
2022	865,000	280,496	1,145,496
2023	895,000	245,196	1,140,196
2024	935,000	208,309	1,143,309
2025	975,000	169,935	1,144,935
2026	1,035,000	129,895	1,164,895
2027	1,080,000	88,337	1,168,337
2028	1,090,000	44,962	1,134,962
Total	\$ 12,035,000	\$ 3,977,331	\$ 16,012,331

(Continued)

Exhibit J-2

Johnson County, Tennessee

Schedule of Long-term Debt Requirements by Year (Cont.)

Year Ending June 30	Capital Leases		
	Principal	Interest	Total
2015	\$ 61,261	\$ 4,351	\$ 65,612
2016	63,398	2,212	65,610
Total	\$ 124,659	\$ 6,563	\$ 131,222

Exhibit J-3

Johnson County, Tennessee
Schedule of Transfers
Primary Government and Discretely Presented Johnson 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>			
General	Highway/Public Works	Allocate wheel tax	\$ 228,853
"	General Debt Service	"	228,853
"	General Capital Projects	"	<u>30,514</u>
Total Transfers Primary Government			<u>\$ 488,220</u>
<u>DISCRETELY PRESENTED JOHNSON</u> <u>COUNTY SCHOOL DEPARTMENT</u>			
General Purpose School Fund	School Federal Projects Fund	Funds for cash flows	\$ 150,000
"	"	Grant matching funds	6,291
School Federal Projects	General Purpose School	Indirect costs	<u>24,192</u>
Total Transfers Discretely Presented Johnson County School Department			<u>\$ 180,483</u>

Exhibit J-4

Johnson County, Tennessee
Schedule of Salaries and Official Bonds of Principal Officials
Primary Government and Discretely Presented Johnson 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	\$ 71,184	\$ 10,000	Western Surety Company
Road Superintendent:				
Tony Jennings (7-1-13 through 5-31-14)	Section 8-24-102, TCA	62,145	100,000	"
James Moody (6-1-14 through 6-30-14)	Section 8-24-102, TCA	3,169 (1)	100,000	"
Director of Schools	State Board of Education and County Board of Education	87,667 (2)	50,000	"
Trustee	Section 8-24-102, TCA	61,632	647,000	"
Assessor of Property	Section 8-24-102, TCA	61,632	10,000	"
Director of Accounts and Budgets:				
Peggy Horne (7-1-13 through 11-30-13)	County Commission	53,266 (3)	100,000	"
Russell Robinson (12-1-13 through 6-30-14)	County Commission	27,243	100,000	"
County Clerk	Section 8-24-102, TCA	61,632	50,000	"
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	61,632	50,000	"
Clerk and Master	Section 8-24-102, TCA	61,632	50,000	"
Register of Deeds	Section 8-24-102, TCA	61,632	25,000	"
Sheriff	Section 8-24-102, TCA	67,795	25,000	"
Purchasing Agent:				
Douglas Hammons (7-1-13 through 7-31-13)	County Commission	19,820 (4)	25,000	"
Dustin Shearin (8-1-13 through 6-30-14)	County Commission	22,473	10,000	"
Employee Blanket Bonds:				
Public Employees Dishonesty - County Departments			150,000	Local Government Insurance Pool
Public Employees Dishonesty - School Department			150,000	Tennessee Risk Management Trust

(1) Paid from supervisor salary line item, not county official line item.
(2) Includes \$1,000 for a chief executive officer's training supplement, does not include bonus of \$500.
(3) Includes \$29,776 for unused accrued vacation/sick pay.
(4) Includes \$16,114 for unused accrued vacation/sick pay.

Exhibit J-5

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

	Special Revenue Funds						Highway / Public Works
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 1,723,559	\$ 0	\$ 87,613	\$ 0	\$ 0	\$ 0	0
Trustee's Collections - Prior Year	95,399	0	5,204	0	0	0	0
Circuit/Clerk and Master Collections - Prior Years	34,789	0	1,840	0	0	0	0
Interest and Penalty	16,592	0	897	0	0	0	0
Payments in-Lieu-of Taxes - T.V.A.	2,430	0	0	0	0	0	0
<u>County Local Option Taxes</u>							
Local Option Sales Tax	131,683	36,698	0	0	0	0	0
Hotel/Motel Tax	15,663	0	0	0	0	0	0
Wheel Tax	610,275	0	0	0	0	0	0
Litigation Tax - General	12,263	0	0	0	0	0	0
Litigation Tax - Special Purpose	44,714	0	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	19,294	0	0	0	0	0	0
Business Tax	61,405	0	0	0	0	0	0
Mineral Severance Tax	0	0	0	0	0	0	917
<u>Statutory Local Taxes</u>							
Bank Excise Tax	8,916	0	453	0	0	0	0
Wholesale Beer Tax	156,588	0	0	0	0	0	0
Total Local Taxes	\$ 2,933,570	\$ 36,698	\$ 96,007	\$ 0	\$ 0	\$ 0	917
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Cable TV Franchise	\$ 40,829	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>Permits</u>							
Beer Permits	2,138	0	0	0	0	0	0
Other Permits	1,099	0	0	0	0	0	0
Total Licenses and Permits	\$ 44,066	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0

(Continued)

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

	Special Revenue Funds						
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Highway / Public Works	
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	16,414 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Jail Fees	2,383	0	0	0	0	0	0
Data Entry Fee - Circuit Court	438	0	0	0	0	0	0
Courtroom Security Fee	1,926	0	0	0	0	0	0
<u>Criminal Court</u>							
Officers Costs	2,587	0	0	0	0	0	0
Drug Control Fines	758	0	0	806	0	0	0
Drug Court Fees	750	0	0	0	0	0	0
<u>General Sessions Court</u>							
Fines	33,266	0	0	0	0	0	0
Officers Costs	20,086	0	0	0	0	0	0
Game and Fish Fines	270	0	0	0	0	0	0
Drug Control Fines	1,643	0	0	1,661	0	0	0
Drug Court Fees	1,818	0	0	0	0	0	0
Jail Fees	19,873	0	0	0	0	0	0
DUI Treatment Fines	2,033	0	0	0	0	0	0
Data Entry Fee - General Sessions Court	9,124	0	0	0	0	0	0
Courtroom Security Fee	9,829	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	78	0	0	0	0	0	0
Data Entry Fee - Chancery Court	1,092	0	0	0	0	0	0
Courtroom Security Fee	76	0	0	0	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	15,061	0	0	9,428	0	0	0
Total Fines, Forfeitures, and Penalties	\$ 139,505 \$	0 \$	0 \$	11,895 \$	0 \$	0 \$	0

(Continued)

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

	Special Revenue Funds						Highway / Public Works
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees		
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Self-insurance Premiums/Contributions	\$ 3,873	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Tippling Fees	0	0	457,966	0	0	0	0
<u>Fees</u>							
Airport Fees	2,030	0	0	0	0	0	0
Copy Fees	3,701	45	0	0	0	0	0
Telephone Commissions	17,891	0	0	0	0	0	0
Vending Machine Collections	714	0	0	0	0	0	0
Constitutional Officers' Fees and Commissions	0	0	0	0	276	0	0
Data Processing Fee - Register	5,622	0	0	0	0	0	0
Probation Fees	58	0	0	0	0	0	0
Data Processing Fee - Sheriff	1,459	0	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	1,500	0	0	0	0	0	0
Data Processing Fee - County Clerk	7,551	0	0	0	0	0	0
Total Charges for Current Services	\$ 44,399	\$ 45	\$ 457,966	\$ 0	\$ 276	\$ 0	0
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	\$ 69,176	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Lease/Rentals	71,027	0	0	0	0	0	0
Sale of Materials and Supplies	3,321	0	6,294	0	0	0	5,162
Commissary Sales	3,940	0	0	0	0	0	0
Sale of Gasoline	478,792	0	0	0	0	0	0
Retirees' Insurance Payments	2,124	0	0	0	0	0	0
Miscellaneous Refunds	86,735	270	440	0	0	0	4,858

(Continued)

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

	Special Revenue Funds						Highway / Public Works
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees		
<u>Other Local Revenues (Cont.)</u>							
<u>Nonrecurring Items</u>							
Sale of Equipment	3,384 \$	0 \$	0 \$	0 \$	0 \$	0 \$	56,449
Sale of Property	961	0	0	0	0	0	0
Total Other Local Revenues	719,460 \$	270 \$	6,734 \$	0 \$	0 \$	0 \$	66,469
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	209,059 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Circuit Court Clerk	55,641	0	0	0	0	0	0
General Sessions Court Clerk	129,600	0	0	0	0	0	0
Clerk and Master	62,101	0	0	0	0	0	0
Register	65,373	0	0	0	0	0	0
Sheriff	621	0	0	0	0	0	0
Trustee	193,997	0	0	0	0	0	0
Total Fees Received from County Officials	716,392 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	9,400 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Airport Maintenance Program	67,939	0	0	0	0	0	0
Aging Programs	18,760	0	0	0	0	0	0
Health and Welfare Grants							
Other Health and Welfare Grants	50,000	0	0	0	0	0	0
<u>Public Works Grants</u>							
State Aid Program	0	0	0	0	0	0	297,747
Litter Program	36,634	0	0	0	0	0	0

(Continued)

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

	Special Revenue Funds						Highway / Public Works
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees		
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues</u>							
Income Tax	\$ 183,302	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Beer Tax	9,456	0	0	0	0	0	0
Alcoholic Beverage Tax	36,188	0	0	0	0	0	0
Mixed Drink Tax	672	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	475,815	0	0	0	0	0	0
Contracted Prisoner Boarding	1,211,267	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	1,448,103
Petroleum Special Tax	0	0	0	0	0	0	13,164
Registrar's Salary Supplement	15,164	0	0	0	0	0	0
Other State Grants	36,818	1,296	0	0	0	0	0
Other State Revenues	105,882	0	0	0	0	0	0
Total State of Tennessee	\$ 2,257,297	\$ 1,296	\$ 0	\$ 0	\$ 0	\$ 0	1,759,014
<u>Federal Government</u>							
<u>Federal Through State</u>							
Appalachian Regional Commission	\$ 1,282	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Community Development	319,033	0	0	0	0	0	0
Homeland Security Grants	48,765	0	0	0	0	0	0
Other Federal through State	18,925	0	0	0	0	0	279,731
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	276,560	0	0	0	0	0	0
Total Federal Government	\$ 664,565	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	279,731

(Continued)

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

	Special Revenue Funds						Highway / Public Works
	General	Public Library	Solid Waste / Sanitation	Drug Control	Constitu- tional Officers - Fees		
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Contracted Services	6,475	0	0	0	0	0	12,727
<u>Citizens Groups</u>							
Donations	2,237	9,291	0	0	0	0	0
Other	0	15,497	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 8,712	\$ 24,788	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,727
Total	\$ 7,527,966	\$ 63,097	\$ 560,707	\$ 11,895	\$ 276	\$ 2,118,858	

(Continued)

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

	Debt Service		Capital Projects Funds				Total	
	Fund		General Debt Service	General Capital Projects	Community Development/Industrial Park	Other Capital Projects		
<u>Local Taxes</u>								
<u>County Property Taxes</u>								
Current Property Tax	\$	671,675	\$	292,032	\$	0	\$	2,774,879
Trustee's Collections - Prior Year		39,895		17,345		0		157,843
Circuit/Clerk and Master Collections - Prior Years		13,811		6,004		0		56,444
Interest and Penalty		6,876		2,987		0		27,352
Payments in-Lieu-of Taxes - T.V.A.		0		0		0		2,430
<u>County Local Option Taxes</u>								
Local Option Sales Tax		97,824		0		0		266,205
Hotel/Motel Tax		0		0		0		15,663
Wheel Tax		0		0		0		610,275
Litigation Tax - General		0		0		0		12,263
Litigation Tax - Special Purpose		0		0		0		44,714
Litigation Tax - Jail, Workhouse, or Courthouse		0		0		0		19,294
Business Tax		0		0		0		61,405
Mineral Severance Tax		0		0		0		917
<u>Statutory Local Taxes</u>								
Bank Excise Tax		3,476		1,511		0		14,356
Wholesale Beer Tax		0		0		0		156,588
Total Local Taxes	\$	833,557	\$	319,879	\$	0	\$	4,220,628
<u>Licenses and Permits</u>								
<u>Licenses</u>								
Cable TV Franchise	\$	0	\$	0	\$	0	\$	40,829
<u>Permits</u>								
Beer Permits		0		0		0		2,138
Other Permits		0		0		0		1,099
Total Licenses and Permits	\$	0	\$	0	\$	0	\$	44,066

(Continued)

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

	Debt Service Fund		Capital Projects Funds				Total
	General Debt Service	General Capital Projects	General Capital Projects	Community Development/Industrial Park	Other Capital Projects		
<u>Fines, Forfeitures, and Penalties</u>							
<u>Circuit Court</u>							
Fines	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	16,414	
Jail Fees	0	0	0	0	0	2,383	
Data Entry Fee - Circuit Court	0	0	0	0	0	438	
Courtroom Security Fee	0	0	0	0	0	1,926	
<u>Criminal Court</u>							
Officers Costs	0	0	0	0	0	2,587	
Drug Control Fines	0	0	0	0	0	1,564	
Drug Court Fees	0	0	0	0	0	750	
<u>General Sessions Court</u>							
Fines	0	0	0	0	0	33,266	
Officers Costs	0	0	0	0	0	20,086	
Game and Fish Fines	0	0	0	0	0	270	
Drug Control Fines	0	0	0	0	0	3,304	
Drug Court Fees	0	0	0	0	0	1,818	
Jail Fees	0	0	0	0	0	19,873	
DUI Treatment Fines	0	0	0	0	0	2,033	
Data Entry Fee - General Sessions Court	0	0	0	0	0	9,124	
Courtroom Security Fee	0	0	0	0	0	9,829	
<u>Chancery Court</u>							
Officers Costs	0	0	0	0	0	78	
Data Entry Fee - Chancery Court	0	0	0	0	0	1,092	
Courtroom Security Fee	0	0	0	0	0	76	
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	0	0	0	0	0	24,489	
Total Fines, Forfeitures, and Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	151,400	

(Continued)

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

	Debt Service Fund		Capital Projects Funds				Total
	General Debt Service	General Capital Projects	Community Development/Industrial Park	Other Capital Projects			
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Self-insurance Premiums/Contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	3,873
Tippling Fees	0	0	0	0	0	0	457,966
<u>Fees</u>							
Airport Fees	0	0	0	0	0	0	2,030
Copy Fees	0	0	0	0	0	0	3,746
Telephone Commissions	0	0	0	0	0	0	17,891
Vending Machine Collections	0	0	0	0	0	0	714
Constitutional Officers' Fees and Commissions	0	0	0	0	0	0	276
Data Processing Fee - Register	0	0	0	0	0	0	5,622
Probation Fees	0	0	0	0	0	0	58
Data Processing Fee - Sheriff	0	0	0	0	0	0	1,459
Sexual Offender Registration Fee - Sheriff	0	0	0	0	0	0	1,500
Data Processing Fee - County Clerk	0	0	0	0	0	0	7,551
Total Charges for Current Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 502,686
<u>Other Local Revenues</u>							
<u>Recurring Items</u>							
Investment Income	0	0	0	0	0	0	69,176
Lease/Rentals	0	0	136,264	0	0	0	207,291
Sale of Materials and Supplies	0	0	199	0	0	0	14,976
Commissary Sales	0	0	0	0	0	0	3,940
Sale of Gasoline	0	0	0	0	0	0	478,792
Retirees' Insurance Payments	0	0	0	0	0	0	2,124
Miscellaneous Refunds	0	0	2,700	149	0	0	95,152

(Continued)

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

	Debt Service		Capital Projects Funds				Total
	Fund		General Debt Service	General Capital Projects	Community Development/Industrial Park	Other Capital Projects	
<u>Other Local Revenues (Cont.)</u>							
<u>Nonrecurring Items</u>							
Sale of Equipment	\$	0 \$	0 \$	0 \$	0 \$	0 \$	59,833
Sale of Property		0	0	0	0	0	961
<u>Total Other Local Revenues</u>	\$	0 \$	0 \$	139,163 \$	149 \$	0 \$	932,245
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$	0 \$	0 \$	0 \$	0 \$	0 \$	209,059
Circuit Court Clerk		0	0	0	0	0	55,641
General Sessions Court Clerk		0	0	0	0	0	129,600
Clerk and Master		0	0	0	0	0	62,101
Register		0	0	0	0	0	65,373
Sheriff		0	0	0	0	0	621
Trustee		0	0	0	0	0	193,997
<u>Total Fees Received from County Officials</u>	\$	0 \$	0 \$	0 \$	0 \$	0 \$	716,392
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$	0 \$	0 \$	0 \$	0 \$	0 \$	9,400
Airport Maintenance Program		0	0	0	0	0	67,939
Aging Programs		0	0	0	0	0	18,760
Health and Welfare Grants		0	0	0	0	0	50,000
<u>Public Works Grants</u>							
State Aid Program		0	0	0	0	0	297,747
Litter Program		0	0	0	0	0	36,634

(Continued)

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

	Debt Service Fund		Capital Projects Funds				Total
	General Debt Service	General Capital Projects	General Capital Projects	Community Development/Industrial Park	Other Capital Projects		
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues</u>							
Income Tax	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 183,302	
Beer Tax	0	0	0	0	0	9,456	
Alcoholic Beverage Tax	0	0	0	0	0	36,188	
Mixed Drink Tax	0	0	0	0	0	672	
State Revenue Sharing - T.V.A.	0	0	0	0	0	475,815	
Contracted Prisoner Boarding	0	0	0	0	0	1,211,267	
Gasoline and Motor Fuel Tax	0	0	0	0	0	1,448,103	
Petroleum Special Tax	0	0	0	0	0	13,164	
Registrar's Salary Supplement	0	0	0	0	0	15,164	
Other State Grants	0	0	14,994	0	57,161	110,269	
Other State Revenues	0	0	0	0	0	105,882	
Total State of Tennessee	\$ 0	\$ 0	\$ 14,994	\$ 57,161	\$ 0	\$ 4,089,762	
<u>Federal Government</u>							
<u>Federal Through State</u>							
Appalachian Regional Commission	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,282	
Community Development	0	0	0	0	0	319,033	
Homeland Security Grants	0	0	0	0	0	48,765	
Other Federal through State	0	0	0	0	0	298,656	
<u>Direct Federal Revenue</u>							
Other Direct Federal Revenue	0	0	0	0	0	276,560	
Total Federal Government	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 944,296	

(Continued)

Exhibit J-5

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

	Debt Service	Capital Projects Funds					Total
	Fund	General Debt Service	General Capital Projects	Community Development/Industrial Park	Other Capital Projects		
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Contributions	\$	403,701	\$ 0	\$ 0	\$ 0	\$ 0	403,701
Contracted Services		0	0	0	0	0	19,202
<u>Citizens Groups</u>		0	0	0	0	0	11,528
Donations							
Other		0	0	0	0	0	15,497
Total Other Governments and Citizens Groups	\$	403,701	\$ 0	\$ 0	\$ 0	\$ 0	449,928
Total	\$	1,237,258	\$ 319,879	\$ 154,157	\$ 57,310	\$ 12,051,403	

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

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Other Education Special Revenue		
<u>Local Taxes</u>						
<u>County Property Taxes</u>						
Current Property Tax	\$ 2,511,481	\$ 0	\$ 0	\$ 0	\$ 2,511,481	
Trustee's Collections - Prior Year	149,170	0	0	0	149,170	
Circuit/Clerk and Master Collections - Prior Years	51,673	0	0	0	51,673	
Interest and Penalty	25,713	0	0	0	25,713	
<u>County Local Option Taxes</u>						
Local Option Sales Tax	697,923	0	0	0	697,923	
<u>Statutory Local Taxes</u>						
Bank Excise Tax	12,996	0	0	0	12,996	
Interstate Telecommunications Tax	3,722	0	0	0	3,722	
Total Local Taxes	\$ 3,452,678	\$ 0	\$ 0	\$ 0	\$ 3,452,678	
<u>Licenses and Permits</u>						
<u>Licenses</u>						
Marriage Licenses	\$ 1,254	\$ 0	\$ 0	\$ 0	\$ 1,254	
<u>Permits</u>						
Other Permits	155	0	0	0	155	
Total Licenses and Permits	\$ 1,409	\$ 0	\$ 0	\$ 0	\$ 1,409	
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Other	\$ 90	\$ 0	\$ 0	\$ 0	\$ 90	
Lunch Payments - Children	0	0	139,467	0	139,467	
Lunch Payments - Adults	0	0	31,753	0	31,753	
Income from Breakfast	0	0	8	0	8	

(Continued)

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

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Special Revenue	Other	
<u>Charges for Current Services (Cont.)</u>						
<u>Education Charges (Cont.)</u>						
A la carte Sales	\$ 0	\$ 0	\$ 105,321	\$ 0	\$ 0	\$ 105,321
Contract for Instructional Services with Other LEAs	0	0	0	461,536	0	461,536
Receipts from Individual Schools	57,037	0	0	0	0	57,037
Community Service Fees - Children	74,243	0	0	0	0	74,243
TBI Criminal Background Fee	3,660	0	0	0	0	3,660
<u>Other Charges for Services</u>						
Other Charges for Services	40,106	0	0	0	0	40,106
Total Charges for Current Services	\$ 175,136	\$ 0	\$ 276,549	\$ 461,536	\$ 0	\$ 913,221
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 59,263	\$ 0	\$ 2,473	\$ 0	\$ 0	\$ 61,736
Retirees' Insurance Payments	110,820	0	0	0	0	110,820
Miscellaneous Refunds	126,441	0	0	0	0	126,441
<u>Nonrecurring Items</u>						
Sale of Equipment	12,316	0	0	0	0	12,316
Contributions and Gifts	13,159	0	0	0	0	13,159
Total Other Local Revenues	\$ 321,999	\$ 0	\$ 2,473	\$ 0	\$ 0	\$ 324,472
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 122,724	\$ 0	\$ 0	\$ 0	\$ 0	\$ 122,724
<u>State Education Funds</u>						
Basic Education Program	12,040,000	0	0	0	0	12,040,000

(Continued)

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

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Special Revenue	Other	
<u>State of Tennessee (Cont.)</u>						
<u>State Education Funds (Cont.)</u>						
Early Childhood Education	\$ 299,845	\$ 0	\$ 0	\$ 0	\$ 0	299,845
School Food Service	13,638	0	0	0	0	13,638
Other State Education Funds	372,701	0	0	0	0	372,701
Career Ladder Program	79,486	0	0	0	0	79,486
Career Ladder - Extended Contract	25,345	0	0	0	0	25,345
<u>Other State Revenues</u>						
Other State Grants	8,500	0	0	0	0	8,500
Total State of Tennessee	\$ 12,962,239	\$ 0	\$ 0	\$ 0	\$ 0	12,962,239
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	\$ 0	\$ 0	\$ 737,162	\$ 0	\$ 0	737,162
USDA - Commodities	0	0	99,003	0	0	99,003
Breakfast	0	0	306,847	0	0	306,847
USDA - Other	0	0	12,870	0	0	12,870
Adult Education State Grant Program	138,754	0	0	0	0	138,754
Vocational Education - Basic Grants to States	0	37,625	0	0	0	37,625
Title I Grants to Local Education Agencies	0	998,282	0	0	0	998,282
Special Education - Grants to States	0	453,052	0	0	0	453,052
Special Education Preschool Grants	0	11,897	0	0	0	11,897
Safe and Drug-free Schools - State Grants	0	86,000	0	0	0	86,000
Rural Education	0	45,470	0	0	0	45,470
Eisenhower Professional Development State Grants	0	126,714	0	0	0	126,714
Race-to-the-Top - ARRA	0	231,224	0	0	0	231,224

(Continued)

Exhibit J-6

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

	Special Revenue Funds					Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Special Revenue	Other	
<u>Federal Government (Cont.)</u>						
<u>Federal Through State (Cont.)</u>						
Other Federal through State	\$ 69,300	\$ 205,745	\$ 0	\$ 0	\$ 0	\$ 275,045
Total Federal Government	\$ 208,054	\$ 2,196,009	\$ 1,155,882	\$ 0	\$ 0	\$ 3,559,945
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	\$ 190,270	\$ 0	\$ 0	\$ 0	\$ 0	\$ 190,270
Total Other Governments and Citizens Groups	\$ 190,270	\$ 0	\$ 0	\$ 0	\$ 0	\$ 190,270
Total	\$ 17,311,785	\$ 2,196,009	\$ 1,434,904	\$ 461,536	\$ 21,404,234	

Exhibit J-7

Johnson 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	\$	35,800	
Social Security		1,902	
State Retirement		2,708	
Medical Insurance		11,950	
Employer Medicare		471	
Audit Services		5,473	
Dues and Memberships		4,525	
Financial Advisory Services		1,250	
Travel		14,083	
Other Supplies and Materials		291	
Total County Commission			\$ 78,453

Board of Equalization

Board and Committee Members Fees	\$	1,010	
Total Board of Equalization			1,010

Other Boards and Committees

Board and Committee Members Fees	\$	1,600	
Total Other Boards and Committees			1,600

County Mayor/Executive

County Official/Administrative Officer	\$	71,184	
Secretary(ies)		24,794	
Social Security		5,600	
State Retirement		10,886	
Medical Insurance		14,098	
Unemployment Compensation		111	
Employer Medicare		1,310	
Office Supplies		508	
Office Equipment		550	
Total County Mayor/Executive			129,041

County Attorney

Other Salaries and Wages	\$	6,000	
Advertising		78	
Legal Services		1,600	
Total County Attorney			7,678

Election Commission

County Official/Administrative Officer	\$	55,468	
Deputy(ies)		26,083	
Clerical Personnel		296	
Other Salaries and Wages		595	
Election Commission		2,750	
Social Security		4,814	
State Retirement		9,332	
Medical Insurance		9,265	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Unemployment Compensation	\$	117	
Employer Medicare		1,126	
Data Processing Services		12,746	
Dues and Memberships		500	
Legal Notices, Recording, and Court Costs		169	
Printing, Stationery, and Forms		1,398	
Equipment Parts - Light		90	
Office Supplies		1,068	
In Service/Staff Development		4,663	
Data Processing Equipment		4,315	
Office Equipment		4,914	
Voting Machines		35,278	
Total Election Commission	\$		174,987

Register of Deeds

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		25,233	
Social Security		5,240	
State Retirement		9,885	
Medical Insurance		5,853	
Unemployment Compensation		108	
Employer Medicare		1,225	
Data Processing Services		4,353	
Dues and Memberships		150	
Printing, Stationery, and Forms		626	
Office Supplies		980	
Office Equipment		4,257	
Total Register of Deeds			119,542

County Buildings

Custodial Personnel	\$	22,342	
Social Security		1,299	
State Retirement		2,542	
Medical Insurance		6,098	
Unemployment Compensation		108	
Employer Medicare		304	
Maintenance Agreements		982	
Maintenance and Repair Services - Buildings		15,559	
Custodial Supplies		5,532	
Electricity		37,908	
Natural Gas		5,131	
Uniforms		1,682	
Water and Sewer		3,948	
Other Charges		364	
Building Improvements		266	
Total County Buildings			104,065

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance

Accounting and Budgeting

Supervisor/Director	\$	80,509	
Data Processing Personnel		63,137	
Social Security		7,899	
State Retirement		12,961	
Medical Insurance		21,877	
Unemployment Compensation		454	
Employer Medicare		1,847	
Data Processing Services		8,531	
Printing, Stationery, and Forms		5,485	
Office Supplies		801	
Office Equipment		1,532	
Total Accounting and Budgeting			\$ 205,033

Purchasing

County Official/Administrative Officer	\$	42,293	
Social Security		2,520	
State Retirement		2,938	
Medical Insurance		1,334	
Unemployment Compensation		103	
Employer Medicare		589	
Advertising		328	
Office Supplies		3,254	
Office Equipment		88	
Total Purchasing			53,447

Property Assessor's Office

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		21,573	
Social Security		4,819	
State Retirement		9,469	
Medical Insurance		11,951	
Unemployment Compensation		108	
Employer Medicare		1,127	
Advertising		62	
Postal Charges		570	
Printing, Stationery, and Forms		410	
Other Contracted Services		8,000	
Office Supplies		377	
Office Equipment		1,087	
Total Property Assessor's Office			121,185

Reappraisal Program

Clerical Personnel	\$	19,612	
Social Security		1,103	
State Retirement		2,232	
Medical Insurance		5,853	
Unemployment Compensation		108	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program (Cont.)

Employer Medicare	\$	258	
Data Processing Services		4,069	
Total Reappraisal Program			\$ 33,235

County Trustee's Office

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		22,094	
Other Salaries and Wages		3,226	
Social Security		4,950	
State Retirement		9,528	
Medical Insurance		12,195	
Unemployment Compensation		147	
Employer Medicare		1,204	
Advertising		126	
Dues and Memberships		10	
Printing, Stationery, and Forms		917	
Office Supplies		518	
Data Processing Equipment		5,758	
Office Equipment		219	
Total County Trustee's Office			122,524

County Clerk's Office

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		25,380	
Other Salaries and Wages		48,748	
Social Security		7,573	
State Retirement		13,492	
Medical Insurance		25,513	
Unemployment Compensation		533	
Employer Medicare		1,771	
Dues and Memberships		2,135	
Printing, Stationery, and Forms		2,817	
Office Supplies		889	
Data Processing Equipment		12,259	
Office Equipment		2,849	
Total County Clerk's Office			205,591

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	61,632	
Other Salaries and Wages		98,310	
Jury and Witness Expense		13,758	
Social Security		9,377	
State Retirement		18,240	
Medical Insurance		26,587	
Unemployment Compensation		394	
Employer Medicare		2,193	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Circuit Court (Cont.)

Data Processing Services	\$	9,343	
Dues and Memberships		60	
Printing, Stationery, and Forms		4,057	
Office Supplies		4,948	
Office Equipment		301	
Total Circuit Court			\$ 249,200

General Sessions Court

Judge(s)	\$	88,216	
Social Security		5,369	
State Retirement		10,039	
Medical Insurance		6,098	
Employer Medicare		1,256	
Printing, Stationery, and Forms		6,175	
Office Supplies		479	
Office Equipment		513	
Total General Sessions Court			118,145

Chancery Court

County Official/Administrative Officer	\$	61,632	
Deputy(ies)		26,152	
Social Security		4,762	
State Retirement		8,529	
Medical Insurance		13,385	
Unemployment Compensation		206	
Employer Medicare		1,114	
Data Processing Services		12,412	
Dues and Memberships		60	
Printing, Stationery, and Forms		1,082	
Office Supplies		2,723	
Office Equipment		526	
Total Chancery Court			132,583

Juvenile Court

Social Workers	\$	24,052	
Secretary(ies)		9,399	
Social Security		1,984	
State Retirement		3,807	
Medical Insurance		7,430	
Unemployment Compensation		146	
Employer Medicare		464	
Other Contracted Services		34,434	
Office Supplies		423	
Other Supplies and Materials		4,104	
Total Juvenile Court			86,243

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

<u>Courtroom Security</u>		
Other Supplies and Materials	\$	3,236
Total Courtroom Security		\$ 3,236

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	67,795	
Deputy(ies)		389,668	
Investigator(s)		107,280	
Youth Service Officer(s)		19,354	
Guards		145,269	
Secretary(ies)		57,411	
Overtime Pay		47,477	
Other Salaries and Wages		14,037	
In-service Training		10,474	
Social Security		49,028	
State Retirement		113,257	
Medical Insurance		136,517	
Unemployment Compensation		3,266	
Employer Medicare		11,568	
Communication		22,582	
Contracts with Other Public Agencies		501	
Data Processing Services		7,971	
Dues and Memberships		1,500	
Maintenance and Repair Services - Vehicles		155,681	
Postal Charges		2,514	
Printing, Stationery, and Forms		1,578	
Travel		5,390	
Other Contracted Services		15,769	
Law Enforcement Supplies		5,570	
Office Supplies		3,036	
Uniforms		7,506	
Judgments		717	
Other Charges		6,972	
Data Processing Equipment		2,161	
Law Enforcement Equipment		32,916	
Office Equipment		4,070	
Total Sheriff's Department			1,448,835

Administration of the Sexual Offender Registry

Other Charges	\$	450	
Total Administration of the Sexual Offender Registry			450

Jail

Medical Personnel	\$	32,699	
Guards		377,492	
Maintenance Personnel		20,450	
Overtime Pay		22,114	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

In-service Training	\$	540	
Social Security		25,775	
State Retirement		36,250	
Medical Insurance		78,269	
Unemployment Compensation		2,863	
Employer Medicare		6,028	
Data Processing Services		63,500	
Maintenance and Repair Services - Buildings		34,653	
Printing, Stationery, and Forms		1,030	
Custodial Supplies		19,547	
Drugs and Medical Supplies		71,161	
Electricity		56,067	
Food Supplies		144,499	
Natural Gas		24,893	
Office Supplies		2,946	
Uniforms		1,769	
Water and Sewer		33,277	
Other Supplies and Materials		5,686	
Food Service Equipment		6,423	
Office Equipment		3,092	
Other Equipment		2,361	
Other Construction		3,100	
Total Jail			\$ 1,076,484

Fire Prevention and Control

Contracts with Other Public Agencies	\$	1,000	
Contributions		150,000	
Total Fire Prevention and Control			151,000

Civil Defense

Supervisor/Director	\$	35,893	
Secretary(ies)		6,170	
Social Security		2,469	
State Retirement		4,321	
Medical Insurance		5,853	
Unemployment Compensation		170	
Employer Medicare		577	
Communication		3,596	
Other Contracted Services		526	
Law Enforcement Supplies		9,498	
Other Supplies and Materials		4,230	
Liability Insurance		304	
Other Charges		821	
Maintenance Equipment		1,945	
Office Equipment		546	
Other Equipment		8,246	
Total Civil Defense			85,165

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Other Emergency Management

Other Contracted Services	\$ 66,600	
Total Other Emergency Management		\$ 66,600

Inspection and Regulation

Secretary(ies)	\$ 12,227	
Social Security	720	
State Retirement	1,392	
Medical Insurance	1,872	
Unemployment Compensation	54	
Employer Medicare	168	
Office Supplies	163	
Other Charges	423	
Total Inspection and Regulation		17,019

County Coroner/Medical Examiner

Medical Personnel	\$ 1,800	
Social Security	74	
Employer Medicare	17	
Other Supplies and Materials	922	
Total County Coroner/Medical Examiner		2,813

Public Health and Welfare

Local Health Center

Salary Supplements	\$ 2,604	
Custodial Personnel	19,125	
Other Salaries and Wages	72,015	
Social Security	4,300	
State Retirement	7,229	
Medical Insurance	5,885	
Unemployment Compensation	299	
Employer Medicare	1,006	
Other Fringe Benefits	5,699	
Communication	164	
Contracts with Other Public Agencies	35,107	
Dues and Memberships	200	
Postal Charges	2,000	
Travel	4,612	
Custodial Supplies	3,211	
Office Supplies	891	
Utilities	17,170	
Other Supplies and Materials	10,304	
Total Local Health Center		191,821

Rabies and Animal Control

Other Charges	\$ 1,319	
Total Rabies and Animal Control		1,319

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Regional Mental Health Center

Other Charges	\$ 5,300	
Total Regional Mental Health Center		\$ 5,300

Appropriation to State

Other Contracted Services	\$ 15,435	
Total Appropriation to State		15,435

Other Public Health and Welfare

Travel	\$ 1,318	
Other Supplies and Materials	2,342	
In Service/Staff Development	2,391	
Total Other Public Health and Welfare		6,051

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Supervisor/Director	\$ 20,342	
Bus Drivers	18,033	
Social Security	2,119	
State Retirement	4,313	
Medical Insurance	5,853	
Unemployment Compensation	221	
Employer Medicare	495	
Communication	2,299	
Utilities	5,597	
Health Equipment	2,234	
Total Senior Citizens Assistance		61,506

Libraries

Office Supplies	\$ 77	
Utilities	76	
Other Charges	4,623	
Total Libraries		4,776

Other Social, Cultural, and Recreational

Contributions	\$ 1,500	
Other Contracted Services	25,000	
Other Charges	385	
Total Other Social, Cultural, and Recreational		26,885

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$ 32,840	
Secretary(ies)	6,160	
Social Security	2,532	
State Retirement	5,127	
Unemployment Compensation	56	
Employer Medicare	570	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Communication	\$	2,073	
Maintenance Agreements		450	
Travel		5,000	
Other Contracted Services		769	
Other Supplies and Materials		2,811	
Office Equipment		1,997	
Total Agricultural Extension Service			\$ 60,385

Soil Conservation

Secretary(ies)	\$	16,346	
Social Security		961	
State Retirement		1,860	
Unemployment Compensation		107	
Employer Medicare		225	
Total Soil Conservation			19,499

Other Operations

Tourism

Contributions	\$	12,661	
Other Charges		2,339	
Total Tourism			15,000

Other Economic and Community Development

Consultants	\$	19,500	
Contracts with Other Public Agencies		528,814	
Total Other Economic and Community Development			548,314

Airport

Communication	\$	1,608	
Maintenance and Repair Services - Buildings		3,974	
Travel		1,489	
Electricity		699	
Liability Insurance		1,200	
Airport Improvement		15,515	
Site Development		9,715	
Total Airport			34,200

Veterans' Services

Secretary(ies)	\$	12,227	
Other Salaries and Wages		9,360	
Social Security		1,301	
State Retirement		1,392	
Medical Insurance		1,872	
Unemployment Compensation		158	
Employer Medicare		304	
Dues and Memberships		449	
Office Supplies		195	
Total Veterans' Services			27,258

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Other Charges

Diesel Fuel	\$	332,182	
Gasoline		116,440	
Trustee's Commission		52,865	
Workers' Compensation Insurance		56,617	
Other Charges		12,711	
Total Other Charges			\$ 570,815

Contributions to Other Agencies

Contracts with Other Public Agencies	\$	10,000	
Contributions		6,513	
Remittance of Revenue Collected		2,267	
Total Contributions to Other Agencies			18,780

Employee Benefits

Life Insurance	\$	1,778	
Medical Insurance		5,156	
Other Fringe Benefits		10,059	
Total Employee Benefits			16,993

Miscellaneous

Other Salaries and Wages	\$	1,400	
Social Security		87	
Unemployment Compensation		17	
Employer Medicare		20	
Communication		26,294	
Evaluation and Testing		1,796	
Legal Notices, Recording, and Court Costs		131	
Maintenance and Repair Services - Buildings		1,098	
Pauper Burials		500	
Postal Charges		26,235	
Duplicating Supplies		12,693	
Electricity		7,111	
Water and Sewer		2,410	
Liability Insurance		103,172	
Premiums on Corporate Surety Bonds		8,212	
Other Charges		14,638	
Total Miscellaneous			205,814

Highways

Litter and Trash Collection

Other Salaries and Wages	\$	18,163	
Social Security		1,077	
State Retirement		2,067	
Medical Insurance		6,098	
Unemployment Compensation		124	
Employer Medicare		252	
Communication		1,676	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Highways (Cont.)

Litter and Trash Collection (Cont.)

Maintenance and Repair Services - Vehicles	\$	2,462	
Other Contracted Services		4,043	
Other Supplies and Materials		1,452	
Other Charges		2,888	
Total Litter and Trash Collection			<u>\$ 40,302</u>

Total General Fund \$ 6,665,617

Public Library Fund

Social, Cultural, and Recreational Services

Libraries

Bonus Payments	\$	800	
Other Salaries and Wages		31,056	
Social Security		1,933	
Unemployment Compensation		274	
Employer Medicare		452	
Communication		2,065	
Data Processing Services		3,948	
Maintenance and Repair Services - Buildings		3,876	
Postal Charges		416	
Electricity		5,148	
Library Books/Media		3,344	
Office Supplies		1,571	
Periodicals		153	
Water and Sewer		229	
Other Supplies and Materials		1,202	
Trustee's Commission		368	
Other Charges		225	
Data Processing Equipment		3,244	
Office Equipment		1,198	
Total Libraries			<u>\$ 61,502</u>

Total Public Library Fund 61,502

Solid Waste/Sanitation Fund

Public Health and Welfare

Sanitation Management

Equipment Operators	\$	60,996	
Other Salaries and Wages		6,170	
Social Security		4,072	
State Retirement		7,177	
Life Insurance		53	
Medical Insurance		6,098	
Unemployment Compensation		409	
Employer Medicare		952	
Other Fringe Benefits		98	
Communication		1,630	

(Continued)

Exhibit J-7

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

Solid Waste/Sanitation Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Management (Cont.)

Data Processing Services	\$	1,910	
Maintenance and Repair Services - Equipment		5,647	
Other Contracted Services		372,484	
Custodial Supplies		674	
Diesel Fuel		5,740	
Electricity		5,789	
Gasoline		4,063	
Office Supplies		70	
Uniforms		3,288	
Water and Sewer		1,191	
Other Supplies and Materials		259	
Liability Insurance		7,899	
Trustee's Commission		6,368	
Workers' Compensation Insurance		9,265	
Other Charges		8,736	
Office Equipment		1,196	
Site Development		3,641	
Total Sanitation Management			\$ 525,875

Total Solid Waste/Sanitation Fund \$ 525,875

Drug Control Fund

Public Safety

Drug Enforcement

Deputy(ies)	\$	17,000	
Confidential Drug Enforcement Payments		5,000	
Maintenance and Repair Services - Vehicles		860	
Law Enforcement Supplies		2,551	
Trustee's Commission		23	
Total Drug Enforcement			\$ 25,434

Total Drug Control Fund 25,434

Constitutional Officers - Fees Fund

General Government

Other General Administration

Other Charges	\$	276	
Total Other General Administration			\$ 276

Total Constitutional Officers - Fees Fund 276

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	62,145	
Supervisor/Director		41,200	
Board and Committee Members Fees		624	

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Social Security	\$	6,113	
State Retirement		11,761	
Medical Insurance		10,786	
Unemployment Compensation		270	
Employer Medicare		1,439	
Travel		150	
Office Supplies		1,051	
Office Equipment		848	
Total Administration			\$ 136,387

Highway and Bridge Maintenance

Laborers	\$	615,240	
Social Security		35,316	
State Retirement		61,882	
Medical Insurance		156,611	
Unemployment Compensation		8,610	
Employer Medicare		8,312	
Asphalt - Liquid		114,574	
Crushed Stone		187,563	
Pipe		33,916	
Road Signs		5,351	
Wood Products		4,363	
Total Highway and Bridge Maintenance			1,231,738

Operation and Maintenance of Equipment

Laundry Service	\$	4,690	
Diesel Fuel		127,672	
Equipment and Machinery Parts		125,787	
Garage Supplies		20,587	
Gasoline		29,559	
Lubricants		12,405	
Tires and Tubes		16,382	
Total Operation and Maintenance of Equipment			337,082

Other Charges

Communication	\$	8,360	
Diesel Fuel		5,920	
Electricity		6,440	
Gasoline		2,119	
Water and Sewer		905	
Liability Insurance		34,343	
Premiums on Corporate Surety Bonds		350	
Trustee's Commission		14,561	
Other Charges		17,332	
Total Other Charges			90,330

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Life Insurance	\$	561	
Medical Insurance		5,644	
Other Fringe Benefits		4,304	
Workers' Compensation Insurance		75,100	
Total Employee Benefits			\$ 85,609

Capital Outlay

Other Contracted Services	\$	574	
Other Supplies and Materials		1,024	
Other Charges		346	
Building Construction		3,462	
Highway Construction		347,229	
Highway Equipment		38,591	
Other Construction		62,600	
Total Capital Outlay			<u>453,826</u>

Total Highway/Public Works Fund \$ 2,334,972

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	170,000	
Total General Government			\$ 170,000

Education

Principal on Bonds	\$	460,000	
Principal on Capital Leases		90,131	
Principal on Other Loans		48,024	
Total Education			598,155

Interest on Debt

General Government

Interest on Bonds	\$	223,875	
Total General Government			223,875

Education

Interest on Bonds	\$	281,389	
Interest on Capital Leases		1,392	
Total Education			282,781

Other Debt Service

General Government

Trustee's Commission	\$	22,622	
Total General Government			22,622

Education

Other Debt Service	\$	1,798	
Total Education			<u>1,798</u>

Total General Debt Service Fund 1,299,231

(Continued)

Exhibit J-7

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

<u>General Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>General Administration Projects</u>			
Trustee's Commission	\$	6,357	
Law Enforcement Equipment		66,000	
Transportation Equipment		162,282	
Total General Administration Projects			\$ 234,639
<u>Highway and Street Capital Projects</u>			
Bridge Construction	\$	1,457	
Highway Equipment		156,613	
Total Highway and Street Capital Projects			158,070
<u>Capital Projects - Donated</u>			
<u>Capital Projects Donated to School Department</u>			
Contributions	\$	190,270	
Total Capital Projects Donated to School Department			<u>190,270</u>
Total General Capital Projects Fund			\$ 582,979
<u>Community Development/Industrial Park Fund</u>			
<u>Capital Projects</u>			
<u>General Administration Projects</u>			
Communication	\$	3,487	
Data Processing Services		17,448	
Other Contracted Services		12,100	
Electricity		1,362	
Water and Sewer		1,228	
Other Charges		850	
Site Development		1,860	
Total General Administration Projects			<u>\$ 38,335</u>
Total Community Development/Industrial Park Fund			38,335
<u>Other Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Social, Cultural, and Recreation Projects</u>			
Other Charges	\$	51,121	
Other Construction		855	
Total Social, Cultural, and Recreation Projects			<u>\$ 51,976</u>
Total Other Capital Projects Fund			<u>51,976</u>
Total Governmental Funds - Primary Government			<u>\$ 11,586,197</u>

Exhibit J-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$	4,628,566	
Career Ladder Program		48,060	
Career Ladder Extended Contracts		20,140	
Homebound Teachers		41,890	
Educational Assistants		97,170	
Bonus Payments		63,150	
Other Salaries and Wages		28,707	
Certified Substitute Teachers		5,724	
Non-certified Substitute Teachers		74,752	
Social Security		295,499	
State Retirement		429,630	
Medical Insurance		1,001,151	
Unemployment Compensation		9,636	
Employer Medicare		69,335	
Operating Lease Payments		22,279	
Maintenance and Repair Services - Equipment		7,183	
Tuition		75,000	
Other Contracted Services		37,269	
Instructional Supplies and Materials		176,689	
Textbooks		156,141	
Other Supplies and Materials		10,413	
Other Charges		7,640	
Regular Instruction Equipment		369,913	
Total Regular Instruction Program			\$ 7,675,937

Alternative Instruction Program

Teachers	\$	90,450	
Career Ladder Program		1,000	
Clerical Personnel		13,342	
Educational Assistants		9,858	
Bonus Payments		2,000	
Non-certified Substitute Teachers		1,271	
Social Security		7,150	
State Retirement		10,963	
Medical Insurance		18,067	
Unemployment Compensation		299	
Employer Medicare		1,690	
Other Contracted Services		1,100	
Instructional Supplies and Materials		946	
Total Alternative Instruction Program			158,136

Special Education Program

Teachers	\$	453,791	
Career Ladder Program		3,000	
Homebound Teachers		10,572	
Educational Assistants		55,825	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Speech Pathologist	\$	104,368	
Bonus Payments		9,875	
Other Salaries and Wages		6,575	
Non-certified Substitute Teachers		15,082	
Social Security		38,738	
State Retirement		56,125	
Medical Insurance		105,240	
Unemployment Compensation		1,532	
Employer Medicare		9,116	
Other Fringe Benefits		5,534	
Contracts with Private Agencies		68,892	
Other Contracted Services		28,194	
Instructional Supplies and Materials		14,406	
Total Special Education Program			\$ 986,865

Vocational Education Program

Teachers	\$	561,458	
Career Ladder Program		4,000	
Secretary(ies)		2,693	
Clerical Personnel		14,827	
Educational Assistants		24,770	
Bonus Payments		9,500	
Other Salaries and Wages		52,971	
Non-certified Substitute Teachers		18,009	
Social Security		40,852	
State Retirement		59,228	
Medical Insurance		109,437	
Unemployment Compensation		1,570	
Employer Medicare		9,554	
Operating Lease Payments		2,876	
Maintenance and Repair Services - Equipment		2,807	
Other Contracted Services		2,233	
Instructional Supplies and Materials		15,640	
T&I Construction Materials		19,391	
Other Supplies and Materials		5,044	
Other Charges		3,193	
Vocational Instruction Equipment		18,065	
Total Vocational Education Program			978,118

Adult Education Program

Teachers	\$	68,274	
Career Ladder Program		1,000	
Bonus Payments		500	
Social Security		4,187	
State Retirement		4,123	
Medical Insurance		6,427	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Adult Education Program (Cont.)

Unemployment Compensation	\$	221	
Employer Medicare		979	
Other Fringe Benefits		371	
Other Contracted Services		300	
Instructional Supplies and Materials		3,776	
Other Charges		8,810	
Other Equipment		384	
Total Adult Education Program			\$ 99,352

Support Services

Attendance

Supervisor/Director	\$	60,171	
Career Ladder Program		1,000	
Bonus Payments		500	
Social Security		3,493	
State Retirement		5,476	
Medical Insurance		7,044	
Unemployment Compensation		74	
Employer Medicare		817	
Travel		208	
In Service/Staff Development		2,536	
Total Attendance			81,319

Health Services

Medical Personnel	\$	108,092	
Bonus Payments		3,375	
Other Salaries and Wages		57,466	
Social Security		10,030	
State Retirement		18,016	
Medical Insurance		29,872	
Unemployment Compensation		515	
Employer Medicare		2,346	
Other Fringe Benefits		299	
Travel		1,232	
Other Contracted Services		2,282	
Drugs and Medical Supplies		5,406	
Other Supplies and Materials		9,738	
In Service/Staff Development		3,643	
Other Charges		5,919	
Total Health Services			258,231

Other Student Support

Career Ladder Program	\$	2,000	
Guidance Personnel		231,121	
Bonus Payments		2,500	
Social Security		14,443	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support (Cont.)

State Retirement	\$	20,924	
Medical Insurance		29,955	
Unemployment Compensation		329	
Employer Medicare		3,378	
Other Fringe Benefits		3,760	
Evaluation and Testing		5,962	
Travel		1,755	
Other Contracted Services		29,281	
Other Supplies and Materials		5,562	
In Service/Staff Development		3,260	
Other Charges		33,127	
Total Other Student Support	\$		387,357

Regular Instruction Program

Supervisor/Director	\$	137,487	
Career Ladder Program		2,000	
Librarians		236,758	
Instructional Computer Personnel		56,331	
Bonus Payments		3,925	
Other Salaries and Wages		14,907	
Social Security		26,801	
State Retirement		41,495	
Medical Insurance		57,995	
Unemployment Compensation		741	
Employer Medicare		6,407	
Operating Lease Payments		2,988	
Travel		5,730	
Other Contracted Services		7,460	
Library Books/Media		24,001	
Periodicals		6,000	
Other Supplies and Materials		777	
In Service/Staff Development		13,619	
Other Equipment		2,207	
Total Regular Instruction Program			647,629

Special Education Program

Supervisor/Director	\$	36,364	
Psychological Personnel		33,376	
Secretary(ies)		13,324	
Bonus Payments		1,015	
In-service Training		500	
Social Security		5,099	
State Retirement		7,849	
Medical Insurance		3,466	
Unemployment Compensation		147	
Employer Medicare		1,192	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Other Fringe Benefits	\$	366	
Travel		11,036	
Other Supplies and Materials		384	
In Service/Staff Development		3,412	
Total Special Education Program			\$ 117,530

Vocational Education Program

Supervisor/Director	\$	65,911	
Career Ladder Program		1,000	
Bonus Payments		500	
Social Security		4,161	
State Retirement		5,942	
Medical Insurance		6,027	
Unemployment Compensation		78	
Employer Medicare		973	
Travel		88	
In Service/Staff Development		4,840	
Total Vocational Education Program			89,520

Adult Programs

Supervisor/Director	\$	50,564	
Clerical Personnel		23,353	
Bonus Payments		930	
In-service Training		160	
Social Security		4,592	
State Retirement		7,252	
Medical Insurance		6,027	
Unemployment Compensation		170	
Employer Medicare		1,074	
Other Fringe Benefits		310	
Travel		1,961	
In Service/Staff Development		4,313	
Total Adult Programs			100,706

Other Programs

On-behalf Payments to OPEB	\$	122,724	
Total Other Programs			122,724

Board of Education

Secretary to Board	\$	1,530	
Other Salaries and Wages		1,400	
Board and Committee Members Fees		12,000	
Social Security		915	
State Retirement		806	
Life Insurance		6,966	
Medical Insurance		383	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Board of Education (Cont.)

Unemployment Compensation	\$	71	
Employer Medicare		215	
Other Fringe Benefits		125,002	
Audit Services		11,002	
Dues and Memberships		4,579	
Legal Services		824	
Other Contracted Services		7,994	
Liability Insurance		172,954	
Trustee's Commission		85,913	
Workers' Compensation Insurance		137,059	
In Service/Staff Development		11,746	
Criminal Investigation of Applicants - TBI		3,660	
Other Charges		4,952	
Total Board of Education			\$ 589,971

Director of Schools

County Official/Administrative Officer	\$	87,667	
Clerical Personnel		20,788	
Bonus Payments		1,000	
Social Security		6,670	
State Retirement		10,252	
Medical Insurance		12,054	
Unemployment Compensation		148	
Employer Medicare		1,560	
Communication		41,879	
Operating Lease Payments		3,648	
Postal Charges		4,030	
Other Contracted Services		9,542	
Office Supplies		3,078	
In Service/Staff Development		5,645	
Other Charges		8,593	
Administration Equipment		625	
Total Director of Schools			217,179

Office of the Principal

Principals	\$	433,609	
Career Ladder Program		4,000	
Assistant Principals		149,327	
Secretary(ies)		166,064	
Bonus Payments		9,830	
Social Security		45,107	
State Retirement		70,299	
Medical Insurance		93,511	
Unemployment Compensation		1,658	
Employer Medicare		10,769	
Communication		62,795	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Office of the Principal (Cont.)

Dues and Memberships	\$	4,550	
Operating Lease Payments		4,576	
Postal Charges		351	
Travel		242	
Other Contracted Services		1,241	
Office Supplies		3,880	
Other Supplies and Materials		1,000	
In Service/Staff Development		5,050	
Other Charges		2,597	
Administration Equipment		1,207	
Total Office of the Principal			\$ 1,071,663

Fiscal Services

Supervisor/Director	\$	34,108	
Accountants/Bookkeepers		31,683	
Bonus Payments		875	
Social Security		3,994	
State Retirement		7,541	
Medical Insurance		10,592	
Unemployment Compensation		149	
Employer Medicare		934	
Travel		178	
Office Supplies		592	
In Service/Staff Development		720	
Other Charges		154	
Administration Equipment		437	
Total Fiscal Services			91,957

Human Services/Personnel

Supervisor/Director	\$	11,369	
Clerical Personnel		30,901	
Bonus Payments		625	
Social Security		2,574	
State Retirement		4,858	
Medical Insurance		7,413	
Unemployment Compensation		92	
Employer Medicare		602	
Travel		28	
In Service/Staff Development		506	
Administration Equipment		437	
Total Human Services/Personnel			59,405

Operation of Plant

Guards	\$	60,515	
Custodial Personnel		336,814	
Bonus Payments		11,250	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Other Salaries and Wages	\$	15,037	
Social Security		25,113	
State Retirement		39,342	
Medical Insurance		145,596	
Unemployment Compensation		1,966	
Employer Medicare		5,873	
Janitorial Services		60	
Disposal Fees		750	
Other Contracted Services		262,063	
Custodial Supplies		93,784	
Electricity		512,805	
Natural Gas		134,088	
Water and Sewer		44,057	
Other Supplies and Materials		34,015	
In Service/Staff Development		2,699	
Other Charges		1,588	
Plant Operation Equipment		21,089	
Total Operation of Plant			\$ 1,748,504

Maintenance of Plant

Maintenance Personnel	\$	98,235	
Bonus Payments		1,000	
Social Security		5,937	
State Retirement		11,294	
Medical Insurance		19,913	
Unemployment Compensation		233	
Employer Medicare		1,388	
Maintenance and Repair Services - Buildings		62,614	
Maintenance and Repair Services - Equipment		11,094	
Other Contracted Services		3,819	
General Construction Materials		4,050	
Other Supplies and Materials		96,346	
In Service/Staff Development		700	
Other Charges		796	
Maintenance Equipment		16,675	
Total Maintenance of Plant			334,094

Transportation

Supervisor/Director	\$	46,221	
Mechanic(s)		51,926	
Bus Drivers		224,196	
Clerical Personnel		21,488	
Bonus Payments		14,094	
Social Security		21,092	
State Retirement		37,085	
Medical Insurance		149,270	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Transportation (Cont.)

Unemployment Compensation	\$	1,887	
Employer Medicare		4,933	
Other Fringe Benefits		594	
Communication		2,688	
Medical and Dental Services		2,845	
Rentals		2,273	
Travel		835	
Other Contracted Services		4,406	
Diesel Fuel		171,463	
Equipment and Machinery Parts		2,603	
Garage Supplies		1,778	
Gasoline		28,899	
Lubricants		1,109	
Tires and Tubes		11,574	
Vehicle Parts		51,936	
Other Supplies and Materials		3,935	
In Service/Staff Development		2,052	
Other Charges		7,145	
Transportation Equipment		163,076	
Total Transportation			\$ 1,031,403

Central and Other

Data Processing Personnel	\$	10,469	
Bonus Payments		170	
Social Security		632	
State Retirement		1,211	
Medical Insurance		2,652	
Unemployment Compensation		26	
Employer Medicare		148	
Travel		785	
Other Contracted Services		4,257	
Data Processing Supplies		553	
In Service/Staff Development		1,525	
Data Processing Equipment		1,600	
Total Central and Other			24,028

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	56,858	
Accountants/Bookkeepers		21,250	
Bonus Payments		1,000	
Social Security		4,790	
State Retirement		7,569	
Medical Insurance		12,054	
Unemployment Compensation		145	
Employer Medicare		1,120	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Food Service (Cont.)

Travel	\$	422	
Other Supplies and Materials		438	
Total Food Service			\$ 105,646

Community Services

Other Salaries and Wages	\$	60,364	
Social Security		4,067	
State Retirement		4,909	
Medical Insurance		3,978	
Unemployment Compensation		366	
Employer Medicare		974	
Food Supplies		2,509	
In Service/Staff Development		390	
Other Charges		5,756	
Total Community Services			83,313

Early Childhood Education

Supervisor/Director	\$	11,674	
Teachers		127,293	
Educational Assistants		37,871	
Bonus Payments		3,600	
Other Salaries and Wages		16,857	
Non-certified Substitute Teachers		2,062	
Social Security		11,911	
State Retirement		18,459	
Medical Insurance		33,600	
Unemployment Compensation		582	
Employer Medicare		2,795	
Other Fringe Benefits		880	
Travel		957	
Instructional Supplies and Materials		12,781	
In Service/Staff Development		3,782	
Other Charges		6,132	
Total Early Childhood Education			291,236

Capital Outlay

Regular Capital Outlay

Engineering Services	\$	240	
Building Improvements		129,667	
Site Development		5,914	
Other Capital Outlay		14,913	
Total Regular Capital Outlay			150,734

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$	403,701	
Total Education			403,701

Total General Purpose School Fund \$ 17,906,258

(Continued)

Exhibit J-8

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

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$	525,716	
Educational Assistants		104,004	
Bonus Payments		12,715	
Other Salaries and Wages		165,253	
Non-certified Substitute Teachers		8,846	
Social Security		46,843	
State Retirement		63,979	
Medical Insurance		94,254	
Unemployment Compensation		3,152	
Employer Medicare		11,498	
Other Fringe Benefits		3,408	
Other Contracted Services		4,143	
Instructional Supplies and Materials		166,267	
Other Charges		915	
Regular Instruction Equipment		44,124	
Total Regular Instruction Program	\$		1,255,117

Special Education Program

Teachers	\$	85,725	
Educational Assistants		142,901	
Speech Pathologist		8,431	
Bonus Payments		7,375	
Non-certified Substitute Teachers		9,518	
Social Security		15,055	
State Retirement		24,686	
Medical Insurance		83,853	
Unemployment Compensation		1,144	
Employer Medicare		3,523	
Other Fringe Benefits		1,447	
Instructional Supplies and Materials		4,720	
Total Special Education Program			388,378

Vocational Education Program

Other Supplies and Materials	\$	746	
Vocational Instruction Equipment		22,806	
Total Vocational Education Program			23,552

Support Services

Other Student Support

Other Salaries and Wages	\$	2,525	
Social Security		157	
State Retirement		224	
Employer Medicare		37	
Other Fringe Benefits		11	
Travel		4,569	
Other Supplies and Materials		7,468	
In Service/Staff Development		6,323	
Total Other Student Support			21,314

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program

Supervisor/Director	\$	76,231	
Instructional Computer Personnel		14,921	
Secretary(ies)		7,107	
Bonus Payments		1,415	
Other Salaries and Wages		113,700	
In-service Training		188,698	
Social Security		21,985	
State Retirement		32,278	
Medical Insurance		13,032	
Unemployment Compensation		529	
Employer Medicare		5,778	
Other Fringe Benefits		1,732	
Travel		508	
Other Supplies and Materials		815	
In Service/Staff Development		29,617	
Total Regular Instruction Program	\$		508,346

Special Education Program

In Service/Staff Development	\$	2,000	
Total Special Education Program			2,000

Fiscal Services

Accountants/Bookkeepers	\$	2,502	
Social Security		155	
State Retirement		285	
Employer Medicare		36	
Other Fringe Benefits		10	
Total Fiscal Services			2,988

Transportation

Bus Drivers	\$	26,941	
Bonus Payments		1,500	
Other Salaries and Wages		15,255	
Social Security		2,600	
State Retirement		3,275	
Medical Insurance		18,081	
Unemployment Compensation		315	
Employer Medicare		608	
Other Fringe Benefits		1,576	
Total Transportation			70,151

Total School Federal Projects Fund \$ 2,271,846

(Continued)

Exhibit J-8

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

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Cafeteria Personnel	\$	356,558	
Bonus Payments		15,300	
Social Security		21,386	
State Retirement		39,678	
Medical Insurance		152,169	
Unemployment Compensation		2,267	
Employer Medicare		5,002	
Other Fringe Benefits		12,373	
Communication		1,393	
Maintenance and Repair Services - Equipment		24,456	
Transportation - Other than Students		5,934	
Travel		2,943	
Other Contracted Services		40,397	
Food Preparation Supplies		53,678	
Food Supplies		510,566	
Uniforms		2,818	
USDA - Commodities		99,003	
Other Supplies and Materials		295	
Other Charges		29,797	
Food Service Equipment		25,362	
Total Food Service			\$ 1,401,375

Total Central Cafeteria Fund

\$ 1,401,375

Other Education Special Revenue Fund

Instruction

Regular Instruction Program

Teachers	\$	159,010	
Educational Assistants		44,498	
Bonus Payments		4,500	
Other Salaries and Wages		8,242	
Non-certified Substitute Teachers		5,508	
Social Security		13,248	
State Retirement		19,592	
Medical Insurance		48,185	
Unemployment Compensation		633	
Employer Medicare		3,115	
Other Fringe Benefits		933	
Instructional Supplies and Materials		11,432	
Other Supplies and Materials		65	
Other Charges		5,075	
Total Regular Instruction Program			\$ 324,036

Support Services

Attendance

Social Workers	\$	34,975	
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(Continued)

Exhibit J-8

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

<u>Other Education Special Revenue Fund (Cont.)</u>		
<u>Support Services (Cont.)</u>		
<u>Attendance (Cont.)</u>		
Bonus Payments	\$	1,000
Social Security		1,796
State Retirement		3,441
Medical Insurance		9,594
Unemployment Compensation		195
Employer Medicare		503
Other Fringe Benefits		155
Travel		746
Other Supplies and Materials		3,325
Total Attendance		<u>55,730</u>
	\$	55,730
<u>Health Services</u>		
Medical Personnel	\$	9,537
Bonus Payments		125
Social Security		599
State Retirement		1,100
Medical Insurance		731
Unemployment Compensation		21
Employer Medicare		140
Other Fringe Benefits		335
Other Contracted Services		690
Drugs and Medical Supplies		1,341
Total Health Services		<u>14,619</u>
		14,619
<u>Regular Instruction Program</u>		
Supervisor/Director	\$	46,696
Bonus Payments		400
Social Security		2,890
State Retirement		4,182
Medical Insurance		4,797
Unemployment Compensation		64
Employer Medicare		676
Other Fringe Benefits		203
Travel		56
Other Supplies and Materials		760
In Service/Staff Development		6,427
Total Regular Instruction Program		<u>67,151</u>
		67,151
Total Other Education Special Revenue Fund		<u>\$ 461,536</u>
Total Governmental Funds - Johnson County School Department		<u>\$ 22,041,015</u>

Exhibit J-9

Johnson 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	\$ 444,486
Total Cash Receipts	<u>\$ 444,486</u>
 <u>Cash Disbursements</u>	
Remittance of Revenues Collected	\$ 440,041
Trustee's Commissions	4,445
Total Cash Disbursements	<u>\$ 444,486</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>

SINGLE AUDIT SECTION



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

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

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Johnson County's basic financial statements, and have issued our report thereon dated November 20, 2014.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material*

weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies: 2014-001(A,B) and 2014-003.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Johnson 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: 2014-001(C) and 2014-002.

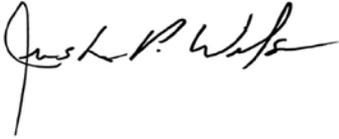
Johnson County's Response to Findings

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

Purpose of this Report

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

Very truly yours,

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

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

November 20, 2014

JPW/yu



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

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

In our opinion, Johnson 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 Johnson 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 Johnson 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 Johnson County's internal control over compliance.

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

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

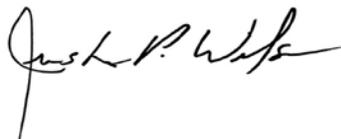
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Johnson County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Johnson County's basic financial statements. We issued our report thereon dated November 20, 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

November 20, 2014

JPW/yu

Johnson 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:			
Direct Program:			
Schools and Roads - Grants to States	10.665	N/A	\$ 92,400
Emergency Watershed Protection Program	10.923	N/A	256,631
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	306,847
National School Lunch Program	10.555	N/A	737,163 (3)
Summer Food Service Program for Children	10.559	N/A	12,870
Passed-through State Department of Agriculture:			
Child Nutrition Cluster:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	99,003 (3)
Total U.S. Department of Agriculture			<u>\$ 1,504,914</u>
U.S. Department of Housing and Urban Development:			
Passed-through State Department of Economic and Community Development:			
Community Development Block Grants/State's Program	14.228	N/A	\$ 319,033
Total U.S. Department of Housing and Urban Development			<u>\$ 319,033</u>
U.S. Bureau of Land Management, Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 20,825
Total U.S. Bureau of Land Management, Department of the Interior			<u>\$ 20,825</u>
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Airport Improvement Program	20.106	N/A	\$ 5,400
Passed-through State Department of Environment and Conservation:			
Recreational Trails Program	20.219	N/A	57,161
Total U.S. Department of Transportation			<u>\$ 62,561</u>
U.S. Environmental Protection Agency:			
Direct Program:			
Congressionally Mandated Projects	66.202	XP-95403109	\$ 255,735
Total U.S. Environmental Protection Agency			<u>\$ 255,735</u>
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 997,085
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	455,787
Special Education - Preschool Grants	84.173	N/A	11,897
Career and Technical Education - Basic Grants to States	84.048	N/A	37,625
Twenty-first Century Community Learning Centers	84.287	(2)	87,143
Rural Education	84.358	N/A	45,478
Improving Teacher Quality State Grants	84.367	N/A	125,955
Teacher Incentive Fund	84.374	N/A	233,458
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	231,074
Passed-through State Department of Labor and Workforce Development:			
Adult Education - Basic Grants to States	84.002	(2)	138,754
Passed-through State Higher Education Commission:			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	(2)	70,536
Total U.S. Department of Education			<u>\$ 2,434,792</u>

(Continued)

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Election Assistance Administration:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	(2)	\$ 34,977
Total U.S. Election Assistance Administration			\$ 34,977
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Emergency Management Performance Grants	97.042	(2)	\$ 26,500
Homeland Security Grant Program	97.067	(2)	22,265
Total U.S. Department of Homeland Security			\$ 48,765
Total Expenditures of Federal Awards			\$ 4,681,602

State Grants

	Contract Number		
Juvenile Services Program - State Commission on Children and Youth	N/A	(2)	\$ 9,400
Airport Maintenance - State Department of Transportation	N/A	(2)	62,539
Aging Program - First Tennessee Development District	N/A	(2)	18,760
Health Department Program - State Department of Health	N/A	GG-1437378-00	103,032
State Aid Program - State Department of Transportation	N/A	(2)	297,747
Litter Program - State Department of Transportation	N/A	(2)	36,634
Art Student Ticket Subsidy - Tennessee Arts Commission through State Department of Education	N/A	(2)	8,500
Adult Basic Education - State Department of Education	N/A	(2)	46,251
Family Resource Center Grant - State Department of Education	N/A	(2)	29,612
Safe Schools Act Grant - State Department of Education	N/A	(2)	14,700
Connect TN - State Department of Education	N/A	(2)	6,357
Safe Student Management System Grant - State Department of Education	N/A	(2)	5,993
Early Childhood Education Pilot Project - State Department of Education	N/A	(2)	299,845
Coordinated School Health Program - State Department of Education	N/A	(2)	100,000
Total State Grants			\$ 1,039,370

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) The total for CFDA No. 10.555 is \$836,166.

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

OFFICES OF DIRECTOR OF SCHOOLS, DIRECTOR OF ACCOUNTS AND BUDGETS, AND TRUSTEE

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-001	155	Warrants were issued on the School Federal Projects Fund that exceeded cash on deposit with the county trustee, and the trustee paid warrants issued on the School Federal Projects Fund that exceeded available funds

OFFICES OF CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF

<u>Finding Number</u>	<u>Page Number</u>	<u>Subject</u>
2013-003	156	Duties were not segregated adequately

JOHNSON COUNTY, TENNESSEE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

PART I, SUMMARY OF AUDITOR'S RESULTS

1. Our report on the financial statements of Johnson County is unmodified.
2. The audit of the financial statements of Johnson County disclosed significant deficiencies in internal control. None of these deficiencies is considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Johnson County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program, National School Lunch Program, and Summer Food Service Program for Children (CFDA Nos. 10.553, 10.555, and 10.559); the Community Development Block Grants/State's Program (CFDA No. 14.228); the Title I Grants to Local Education Agencies (CFDA No. 84.010); and the Special Education Cluster: Special Education – Grants to States, and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Johnson 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 sheriff's written response is paraphrased in this report. Other management officials did not provide responses for inclusion in this report.

OFFICES OF DIRECTOR OF SCHOOLS, DIRECTOR OF ACCOUNTS AND BUDGETS, AND TRUSTEE

FINDING 2014-001 **DEFICIENCIES WERE NOTED WITH CASH MANAGEMENT OF THE SCHOOL FEDERAL PROJECTS FUND**
(A. and B. – Internal Control – Significant Deficiency Under *Government Auditing Standards*; C. – Noncompliance Under *Government Auditing Standards*)

School Department personnel failed to request reimbursement for grant expenditures related to the Teacher Incentive Fund program on a timely basis. Requests totaling \$92,516 were not submitted to the Tennessee Department of Education for reimbursement until August 18, 2014. These reimbursement requests were for disbursements made during the period October 2013 through June 2014. These reimbursements have not been reflected as receivables in the financial statements of this report since they were not requested prior to June 30, 2014, and were not available to meet current obligations.

School Department personnel and the Office of Accounts and Budgets issued warrants exceeding cash on deposit with the county trustee, and the trustee continued to pay warrants that exceeded available cash. These weaknesses in cash management procedures resulted in the following deficiencies in the School Federal Projects Fund:

- A. The School Federal Projects Fund had a deficit unassigned fund balance of \$87,115 at June 30, 2014.
- B. Warrants were issued on the School Federal Projects Fund that exceeded cash on deposit with the county trustee by \$59,978 at June 30, 2014. Sound business practices dictate that expenditures be held within available funds.
- C. The trustee paid warrants issued on the School Federal Projects Fund that exceeded the available cash balance on deposit by \$9,496. Section 8-11-104(5), *Tennessee Code Annotated*, prohibits the trustee from paying a warrant if sufficient funds are not available.

During the year, funds totaling \$150,000 were transferred from the General Purpose School Fund for cash flow purposes; however, even with this transfer, the deficit unassigned fund balance and the cash overdrafts occurred. Sound business practices dictate that cash flow should be monitored to ensure that funds are sufficient to meet current obligations. The

unassigned fund deficit and the cash overdraft were liquidated with the receipt of the Teacher Incentive Fund reimbursements subsequent to June 30, 2014.

RECOMMENDATION

School Department personnel should monitor their cash balance, and requests for reimbursements for disbursements from grant funds should be made on a timely basis. School Department personnel and the director of accounts and budgets should not issue warrants exceeding cash on deposit with the county trustee, and the trustee should not pay warrants that exceed available cash as required by state statute.

OFFICES OF SHERIFF

FINDING 2014-002

PROFITS EARNED FROM COMMISSARY OPERATIONS WERE NOT REMITTED TO THE COUNTY MONTHLY (Noncompliance Under *Government Auditing Standards*)

Profits from commissary operations were not remitted to the county trustee monthly. The state attorney general opined in November 1989 that profits earned from commissary operations are local revenues and should be administered as any other local revenue. Section 8-24-103, *Tennessee Code Annotated*, provides that all funds earned by the Sheriff's Department should be reported to the county trustee monthly. In August 2014, the department remitted \$80,000 in accumulated commissary profits to the county trustee.

This deficiency resulted from a lack of management oversight. The practice of not remitting profits to the county trustee monthly increases the risks of fraud and misappropriation of county assets.

RECOMMENDATION

Profits from commissary operations should be remitted to the county trustee monthly.

MANAGEMENT'S RESPONSE - SHERIFF

This finding refers to this office not having remitted profits from the commissary operations. I had no knowledge that these profits were to be remitted to the county trustee monthly. I was however aware that all other receivables were to be remitted, and I have done so since my employment in 2006. There have only been two occasions that I have remitted profits; one on September 6, 2011, for \$30,000 and on March 14, 2013, for \$50,000. Most recently I remitted \$80,000 on August 1, 2014, due to the recommendation and new knowledge that these monies should have been remitted. Subsequently, I have remitted profits every month. I was fully aware that the profits were accumulating, but had no knowledge that the monies were to be disbursed and remitted to the county trustee. In summary, the recommendation has been followed, and all funds are now being remitted to the county trustee.

OFFICES OF CLERK AND MASTER, REGISTER OF DEEDS, AND SHERIFF

FINDING 2014-003

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

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

**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 Johnson County.

JOHNSON COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF PURCHASING FOR ALL DEPARTMENTS

Johnson County operates under provisions of the Fiscal Control Acts of 1957. These acts provide for a central system of accounting and budgeting covering funds administered by the county mayor, road superintendent, and director of schools. These funds were maintained in the Office of Central Accounting under the supervision of the director of accounts and budgets.

The Fiscal Control Acts of 1957 also include provisions for centralized purchasing for funds maintained by the county mayor and road superintendent. However, purchasing procedures for the School Department are governed by purchasing laws applicable to schools as set forth in Section 49-2-203, *Tennessee Code Annotated*, which provides for the county Board of Education, through its executive committee (director of schools and chairman of the Board of Education), to make all purchases. Sound business practices dictate that establishing a central system would significantly improve internal controls over the purchasing process. The absence of a central system of purchasing has been a management decision by the County Commission, resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of purchasing for all county departments.

**JOHNSON 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.