

**ANNUAL FINANCIAL REPORT
LAUDERDALE COUNTY, TENNESSEE**



FOR THE YEAR ENDED JUNE 30, 2014



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

***COMPTROLLER OF THE TREASURY
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This financial report is available at www.comptroller.tn.gov

LAUDERDALE COUNTY, TENNESSEE

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Summary of Audit Findings

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

Scope

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

Results

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

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

Findings

The following are summaries of the audit findings:

OFFICE OF COUNTY MAYOR

- ◆ The Landfill Office had deficiencies in computer system backup procedures.
-

OFFICE OF HIGHWAY COMMISSIONER

- ◆ The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation.
 - ◆ Purchases were made without obtaining competitive bids.
-

OFFICES OF COUNTY MAYOR, HIGHWAY COMMISSIONER, AND DIRECTOR OF SCHOOLS

- ◆ Expenditures exceeded appropriations.
-

OFFICE OF SHERIFF

- ◆ Inventory records were not maintained for seized property.
- ◆ The office had accounting deficiencies.

**COUNTY AMBULANCE AUTHORITY AND OFFICES OF TRUSTEE,
GENERAL SESSIONS COURT CLERK, CLERK AND MASTER, AND
SHERIFF**

- ◆ Duties were not segregated adequately.
-

**OFFICES OF COUNTY CLERK, CIRCUIT COURT CLERK, AND CLERK
AND MASTER**

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

LAUDERDALE COUNTY

- ◆ Lauderdale County has a material recurring audit finding.

INTRODUCTORY SECTION

Lauderdale County Officials

June 30, 2014

Officials

Rod Schuh, County Mayor
Roland Henderson, Highway Commissioner
Shawn Kimble, Director of Schools
Judy Conrad, Trustee
Renate Jennings, Assessor of Property
Linda Summar, County Clerk
Richard Jennings, Circuit and General Sessions Courts Clerk
Sandra Burnham, Clerk and Master
Annie Laura Jennings, Register of Deeds
Steve Sanders, Sheriff

Board of County Commissioners

Rod Schuh, County Mayor, Chairman	Angie Phillips
Kathy Alston	Eugene Pugh
James Buckner	Todd Rankin
Tommy Dunavant	Rob Reviere
Gene Edwards	Tommy Sanders
Jesse Edwards	Dwight Shoemake, Sr.
Ronnie Elder	Lynnwood Shoemake
Don Fisher	Coy Summar
John Gaines	Lowell Tillman, Jr.
Danny Hartsfield	Debora Tyus
Sandra Hughes	Daniel Walker
Dennis King	Garey Woodard
Monty McWilliams	

Board of Education

Robert Harris, Chairman	Roy Harkness, Sr.
Eva Drain	Melinda Hutcherson
Sheila Ferrell	Terry Sellers
Cynthia Glenn	Austin Thompson, Jr.

Audit Committee

Larry Shelby, Chairman
Martha Drumwright
Eugene Pugh
Chris White

FINANCIAL SECTION



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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JAMES K. POLK STATE OFFICE BUILDING
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Independent Auditor's Report

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

To the County Mayor and County Commissioners:

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lauderdale County Ambulance Authority (a nonmajor special revenue fund), which represent 19 percent, 95 percent, and 98 percent, respectively, of the assets, net position, and revenues of the aggregate remaining information. Also, we did not audit the financial statements of the discretely presented Lauderdale County Water System. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Lauderdale County Water System, is based solely on the report of the other

auditors. We were unable to determine Lauderdale County Water System's respective percentage of the assets, net position, and revenues of the aggregate discretely presented component units because the Lauderdale County Emergency Communications District, a component unit requiring discrete presentation, was not available for inclusion in the county's financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lauderdale County, Tennessee, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, and 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 Principles

As described in Note V.B., Lauderdale 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 79 - 81 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 Lauderdale 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 Lauderdale County School Department (a discretely presented component unit), and the 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 Lauderdale County School Department (a discretely presented component unit), and the miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and

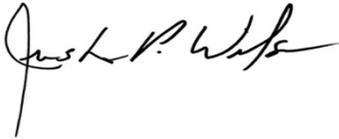
other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2015, on our consideration of Lauderdale 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 Lauderdale County's internal control over financial reporting and compliance.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 13, 2015

JPW/yu

BASIC FINANCIAL STATEMENTS

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

	Primary Government		Component Units	
	Governmental Activities	Business-type Activities	Lauderdale County School Department	Lauderdale County Water System
ASSETS				
Cash	\$ 80,674	\$ 0	\$ 0	\$ 479,930
Equity in Pooled Cash and Investments	6,419,512	1,232,441	3,526,899	1,965,954
Inventories	0	0	0	44,899
Accounts Receivable	852,426	33,871	11,276	122,040
Allowance for Uncollectibles	(183,349)	0	0	0
Due from Other Governments	2,479,356	8,062	904,612	0
Due from Component Units	380,987	0	0	0
Property Taxes Receivable	7,275,594	0	3,586,856	0
Allowance for Uncollectible Property Taxes	(194,038)	0	(95,660)	0
Prepaid Items	0	0	0	3,931
Accrued Interest Receivable	0	0	23,797	0
Capital Assets:				
Assets Not Depreciated:				
Land	915,927	160,000	1,378,648	10,000
Assets Net of Accumulated Depreciation:				
Buildings and Improvements	5,193,401	199,653	18,593,428	3,739,972
Infrastructure	1,916,895	0	161,143	0
Other Capital Assets	1,534,562	185,543	2,625,833	105,208
Total Assets	\$ 26,671,947	\$ 1,819,570	\$ 30,716,832	\$ 6,471,934

DEFERRED OUTFLOWS OF RESOURCES

Deferred Charge on Refunding	\$ 198,881	\$ 0	\$ 0	\$ 0
Total Deferred Outflows of Resources	\$ 198,881	\$ 0	\$ 0	\$ 0

(Continued)

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

	Primary Government			Component Units	
	Business-type Activities		Total	Lauderdale County School Department	Lauderdale County Water System
	Governmental Activities	Business-type Activities			
<u>LIABILITIES</u>					
Accounts Payable	\$ 72,212	\$ 21,463	\$ 93,675	\$ 38,541	\$ 3,437
Accrued Payroll	30,062	0	30,062	0	23,819
Payroll Deductions Payable	133,794	4,294	138,088	629,104	0
Contracts Payable	0	0	0	14,570	0
Retainage Payable	0	0	0	66,048	0
Due to Primary Government	0	0	0	380,987	0
Due to State of Tennessee	4,403	0	4,403	0	0
Accrued Interest Payable	60,390	0	60,390	0	0
Customer Deposits Payable	0	0	0	0	197,974
Health Insurance Payments	1,143	0	1,143	0	0
Noncurrent Liabilities:					
Due Within One Year	1,805,680	6,974	1,812,654	0	0
Due in More Than One Year (net of unamortized premium on debt)	10,712,616	149,000	10,861,616	1,059,201	0
Total Liabilities	\$ 12,820,300	\$ 181,731	\$ 13,002,031	\$ 2,188,451	\$ 225,230
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Deferred Current Property Taxes	\$ 6,437,812	\$ 0	\$ 6,437,812	\$ 3,173,831	\$ 0
Total Deferred Inflows of Resources	\$ 6,437,812	\$ 0	\$ 6,437,812	\$ 3,173,831	\$ 0
<u>NET POSITION</u>					
Net Investment in Capital Assets	\$ 8,825,748	\$ 545,196	\$ 9,370,944	\$ 22,759,052	\$ 3,855,180
Restricted for:					
Administration of Justice	56,529	0	56,529	0	0
Public Safety	37,678	0	37,678	0	0
Public Health and Welfare	723,919	0	723,919	0	0
Social, Cultural, and Recreational Services	149,589	0	149,589	0	0
Highways/Public Works	787,794	0	787,794	0	0
Debt Service	3,362,318	0	3,362,318	0	0
Capital Projects	0	0	0	8,819	0
Education	0	0	0	352,782	0
Operation of Non-instructional Services	0	0	0	648,107	0
Unrestricted	(6,330,859)	1,092,643	(5,238,216)	1,585,790	2,391,524
Total Net Position	\$ 7,612,716	\$ 1,637,839	\$ 9,250,555	\$ 25,354,550	\$ 6,246,704

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

Exhibit B

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

Functions/Programs	Net (Expense) Revenue and Changes in Net Position									
	Program Revenues					Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Lauderdale County School Department	Lauderdale County Water System	
Primary Government:										
Governmental Activities:										
General Government	\$ 1,600,087	\$ 179,438	\$ 15,917	\$ 57,810	\$ (1,346,922)	\$ 0	\$ (1,346,922)	\$ 0	\$ 0	0
Finance	773,703	641,070	0	0	(132,633)	0	(132,633)	0	0	0
Administration of Justice	1,778,698	530,189	82,285	0	(1,166,224)	0	(1,166,224)	0	0	0
Public Safety	4,680,427	1,131,991	132,509	0	(3,415,927)	0	(3,415,927)	0	0	0
Public Health and Welfare	1,837,180	1,392,592	239,219	0	(205,369)	0	(205,369)	0	0	0
Social, Cultural, and Recreational Services	410,455	6,208	82,718	0	(321,529)	0	(321,529)	0	0	0
Agriculture and Natural Resources	251,624	0	18,000	0	(233,624)	0	(233,624)	0	0	0
Highways/Public Works	3,055,095	17,325	1,733,828	60,906	(1,243,036)	0	(1,243,036)	0	0	0
Education	404,009	0	0	0	(404,009)	0	(404,009)	0	0	0
Interest on Long-term Debt	365,542	16,687	1,481,731	0	1,132,876	0	1,132,876	0	0	0
Total Governmental Activities	\$ 15,156,820	\$ 3,915,500	\$ 3,786,207	\$ 118,716	\$ (7,336,397)	\$ 0	\$ (7,336,397)	\$ 0	\$ 0	0
Business-type Activities:										
Solid Waste Disposal	\$ 484,233	\$ 467,850	\$ 10,580	\$ 0	\$ 0	\$ (5,803)	\$ (5,803)	\$ 0	\$ 0	0
Total Primary Government	\$ 15,641,053	\$ 4,383,350	\$ 3,796,787	\$ 118,716	\$ (7,336,397)	\$ (5,803)	\$ (7,342,200)	\$ 0	\$ 0	0
Component Units:										
Lauderdale County School Department	\$ 41,243,950	\$ 509,172	\$ 8,081,841	\$ 2,084,339	\$ 0	\$ 0	\$ 0	\$ (30,568,598)	\$ 0	0
Lauderdale County Water System	1,160,161	1,295,041	0	0	0	0	0	0	0	134,880
Total Component Units	\$ 42,404,111	\$ 1,804,213	\$ 8,081,841	\$ 2,084,339	\$ 0	\$ 0	\$ 0	\$ (30,568,598)	\$ 0	134,880

(Continued)

Exhibit B

Lauderdale County, Tennessee
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position				Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Lauderdale County School Department	Lauderdale County Water System	
					Governmental Activities	Business-type Activities			Total
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes		\$ 6,226,900	\$ 0	\$ 0	\$ 6,226,900	\$ 3,392,914	\$ 0	\$ 0	\$ 0
Property Taxes Levied for Debt Service		656,376	0	0	656,376	0	0	0	0
Local Option Sales Taxes		0	0	0	0	1,764,174	0	0	0
Wheel Tax		968,267	0	0	968,267	175,986	0	0	0
Litigation Taxes		111,366	0	0	111,366	0	0	0	0
Business Tax		100,418	0	0	100,418	0	0	0	0
Wholesale Beer Tax		46,361	0	0	46,361	0	0	0	0
Other Local Taxes		28,033	0	0	28,033	3,083	0	0	0
Grants and Contributions Not Restricted to Specific Programs		506,720	0	0	506,720	26,344,330	0	0	0
Unrestricted Investment Income		5,007	4,944	0	9,951	99,872	8,517	0	0
Miscellaneous		75,372	4,825	0	80,197	128,625	0	0	0
Total General Revenues		\$ 8,724,820	\$ 9,769	\$ 8,734,589	\$ 8,734,589	\$ 31,908,984	\$ 8,517	\$ 0	\$ 8,517
Change in Net Position		\$ 1,388,423	\$ 3,966	\$ 1,392,389	\$ 1,392,389	\$ 1,340,386	\$ 143,397	\$ 0	\$ 143,397
Net Position, July 1, 2013		6,224,293	1,633,873	7,858,166	7,858,166	24,014,164	6,103,307	0	6,103,307
Net Position, June 30, 2014		\$ 7,612,716	\$ 1,637,839	\$ 9,250,555	\$ 9,250,555	\$ 25,354,550	\$ 6,246,704	\$ 0	\$ 6,246,704

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

Lauderdale 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	
ASSETS						
Cash	\$ 0	\$ 0	\$ 0	\$ 80,674	\$ 80,674	\$ 80,674
Equity in Pooled Cash and Investments	4,324,868	647,753	1,414,242	32,649	6,419,512	6,419,512
Accounts Receivable	15,323	208	0	836,895	852,426	852,426
Allowance for Uncollectibles	0	0	0	(183,349)	(183,349)	(183,349)
Due from Other Governments	363,862	324,239	1,791,255	0	2,479,356	2,479,356
Due from Other Funds	1,061	0	0	0	1,061	1,061
Property Taxes Receivable	5,664,581	904,954	706,059	0	7,275,594	7,275,594
Allowance for Uncollectible Property Taxes	(151,072)	(24,135)	(18,831)	0	(194,038)	(194,038)
Total Assets	\$ 10,218,623	\$ 1,853,019	\$ 3,892,725	\$ 766,869	\$ 16,731,236	\$ 16,731,236

LIABILITIES

Accounts Payable	\$ 64,739	\$ 0	\$ 0	\$ 7,473	\$ 72,212
Accrued Payroll	0	711	0	29,351	30,062
Payroll Deductions Payable	124,445	9,349	0	0	133,794
Due to Other Funds	0	0	0	1,061	1,061
Due to State of Tennessee	4,403	0	0	0	4,403
Health Insurance Payments	0	1,143	0	0	1,143
Total Liabilities	\$ 193,587	\$ 11,203	\$ 0	\$ 37,885	\$ 242,675
DEFERRED INFLOWS OF RESOURCES					
Deferred Current Property Taxes	\$ 5,012,307	\$ 800,749	\$ 624,756	\$ 0	\$ 6,437,812
Deferred Delinquent Property Taxes	484,811	77,453	60,437	0	622,701
Other Deferred/Unavailable Revenue	103,774	154,704	0	0	258,478
Total Deferred Inflows of Resources	\$ 5,600,892	\$ 1,032,906	\$ 685,193	\$ 0	\$ 7,318,991

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Governmental Funds	
FUND BALANCES						
Restricted:						
Restricted for Administration of Justice	\$ 46,178	\$ 0	\$ 0	\$ 0	\$ 0	46,178
Restricted for Public Safety	7,487	0	0	30,191	0	37,678
Restricted for Public Health and Welfare	14,941	0	0	695,154	0	710,095
Restricted for Social, Cultural, and Recreational Services	145,950	0	0	3,639	0	149,589
Restricted for Highways/Public Works	0	555,637	0	0	0	555,637
Restricted for Debt Service	0	0	3,163,390	0	0	3,163,390
Committed:						
Committed for Highways/Public Works	0	253,273	0	0	0	253,273
Committed for Debt Service	0	0	44,142	0	0	44,142
Unassigned	4,209,588	0	0	0	0	4,209,588
Total Fund Balances	\$ 4,424,144	\$ 808,910	\$ 3,207,532	\$ 728,984	\$ 0	\$ 9,169,570
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,218,623	\$ 1,853,019	\$ 3,892,725	\$ 766,869	\$ 0	\$ 16,731,236

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

Exhibit C-2

Lauderdale 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)		\$	9,169,570
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	915,927	
Add: buildings and improvements net of accumulated depreciation		5,193,401	
Add: infrastructure net of accumulated depreciation		1,916,895	
Add: other capital assets net of accumulated depreciation		<u>1,534,562</u>	9,560,785
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: note payable	\$	(71,427)	
Less: other loans payable		(2,810,945)	
Less: bonds payable		(9,130,000)	
Less: capital lease payable		(380,987)	
Add: debt to be contributed by the School Department		380,987	
Less: accrued interest on bonds and capital lease		(60,390)	
Less: other deferred revenue - premium on debt		(124,937)	
Add: deferred amount on refunding		<u>198,881</u>	(11,998,818)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>881,179</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>7,612,716</u></u>

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

Exhibit C-3

Lauderdale 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	
<u>Revenues</u>						
Local Taxes	\$ 6,384,739	\$ 931,043	\$ 667,418	\$ 1,279	\$ 7,984,479	
Licenses and Permits	23,054	635	496	0	24,185	
Fines, Forfeitures, and Penalties	148,959	0	0	21,928	170,887	
Charges for Current Services	79,624	0	0	1,391,461	1,471,085	
Other Local Revenues	145,124	26,741	1,951	56	173,872	
Fees Received from County Officials	1,076,324	0	0	0	1,076,324	
State of Tennessee	1,431,072	1,879,940	0	0	3,311,012	
Federal Government	124,597	7,802	0	0	132,399	
Other Governments and Citizens Groups	321,438	0	1,615,230	0	1,936,668	
Total Revenues	\$ 9,734,931	\$ 2,846,161	\$ 2,285,095	\$ 1,414,724	\$ 16,280,911	
<u>Expenditures</u>						
Current:						
General Government	\$ 1,138,763	\$ 0	\$ 0	\$ 0	\$ 1,138,763	
Finance	683,757	0	0	0	683,757	
Administration of Justice	1,577,517	0	0	6,670	1,584,187	
Public Safety	4,228,654	0	0	2,140	4,230,794	
Public Health and Welfare	457,620	0	0	1,189,092	1,646,712	
Social, Cultural, and Recreational Services	211,098	0	0	1,209	212,307	
Agriculture and Natural Resources	225,108	0	0	0	225,108	
Other Operations	913,779	0	0	0	913,779	
Highways	0	2,929,109	0	0	2,929,109	
Instruction	59,397	0	0	0	59,397	
Debt Service:						
Principal on Debt	0	0	2,221,692	0	2,221,692	
Interest on Debt	0	0	368,632	0	368,632	

(Continued)

Lauderdale 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>					
Debt Service (Cont.)					
Other Debt Service	\$ 0	\$ 0	\$ 118,324	\$ 0	\$ 118,324
Capital Projects	0	0	0	859,098	859,098
Total Expenditures	\$ 9,495,693	\$ 2,929,109	\$ 2,708,648	\$ 2,058,209	\$ 17,191,659
Excess (Deficiency) of Revenues Over Expenditures	\$ 239,238	\$ (82,948)	\$ (423,553)	\$ (643,485)	\$ (910,748)
<u>Other Financing Sources (Uses)</u>					
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 514,486	\$ 514,486
Insurance Recovery	73,114	6,485	0	0	79,599
Total Other Financing Sources (Uses)	\$ 73,114	\$ 6,485	\$ 0	\$ 514,486	\$ 594,085
Net Change in Fund Balances Fund Balance, July 1, 2013	\$ 312,352	\$ (76,463)	\$ (423,553)	\$ (128,999)	\$ (316,663)
	4,111,792	885,373	3,631,085	857,983	9,486,233
Fund Balance, June 30, 2014	\$ 4,424,144	\$ 808,910	\$ 3,207,532	\$ 728,984	\$ 9,169,570

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

Exhibit C-4

Lauderdale 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)		\$ (316,663)
<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	\$ 471,663	
Less: current-year depreciation expense	<u>(1,202,708)</u>	(731,045)
<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	\$ 881,179	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(500,035)</u>	381,144
<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 net effect of these differences in the treatment of long-term debt and related items.</p>		
Add: principal payments on notes	\$ 79,762	
Add: principal payments on other loans	213,431	
Add: principal payments on bonds	1,795,000	
Add: principal payments on capital lease	133,499	
Less: capital lease proceeds	(514,486)	
Add: capital lease proceeds contributed to the School Department	514,486	
Less: contributions from the School Department for a capital lease	(133,499)	
Add: change in premium on debt issuances	16,687	
Less: change in deferred amount on refunding debt	<u>(52,983)</u>	2,051,897
<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		<u>3,090</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,388,423</u>

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

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 6,384,739	\$ 6,241,609	\$ 6,242,359	\$ 142,380
Licenses and Permits	23,054	20,500	20,500	2,554
Fines, Forfeitures, and Penalties	148,959	119,245	119,245	29,714
Charges for Current Services	79,624	79,000	79,000	624
Other Local Revenues	145,124	134,100	134,100	11,024
Fees Received from County Officials	1,076,324	966,000	966,000	110,324
State of Tennessee	1,431,072	1,424,917	1,505,426	(74,354)
Federal Government	124,597	103,179	128,470	(3,873)
Other Governments and Citizens Groups	321,438	268,000	268,000	53,438
Total Revenues	\$ 9,734,931	\$ 9,356,550	\$ 9,463,100	\$ 271,831
<u>Expenditures</u>				
<u>General Government</u>				
County Commission	\$ 46,937	\$ 60,458	\$ 60,458	\$ 13,521
County Mayor/Executive	232,961	237,928	237,928	4,967
County Attorney	7,360	25,000	25,000	17,640
Election Commission	254,212	198,442	258,377	4,165
Register of Deeds	129,460	138,664	138,664	9,204
Development	107,454	130,000	130,000	22,546
Planning	14,355	26,779	26,779	12,424
County Buildings	342,019	332,367	357,367	15,348
Other General Administration	4,005	4,315	4,315	310
<u>Finance</u>				
Property Assessor's Office	195,518	198,868	198,868	3,350
Reappraisal Program	29,415	32,800	32,800	3,385
County Trustee's Office	188,339	193,434	193,434	5,095
County Clerk's Office	270,485	281,486	281,486	11,001
<u>Administration of Justice</u>				
Circuit Court	228,431	244,483	244,483	16,052
General Sessions Judge	99,725	101,446	101,446	1,721
General Sessions Court Clerk	305,764	311,785	311,785	6,021
Chancery Court	153,191	160,386	160,386	7,195
Juvenile Court	706,835	741,597	741,597	34,762
Other Administration of Justice	68,571	68,571	68,571	0
Victims Assistance Programs	15,000	15,000	15,000	0
<u>Public Safety</u>				
Sheriff's Department	2,125,470	2,258,877	2,270,744	145,274
Administration of the Sexual Offender Registry	3,355	1,500	3,855	500
Jail	1,848,203	1,851,973	1,895,798	47,595
Fire Prevention and Control	130,294	53,046	133,046	2,752
Civil Defense	37,383	20,000	45,291	7,908
Rescue Squad	4,052	4,052	4,052	0
Other Emergency Management	79,897	86,553	86,553	6,656
<u>Public Health and Welfare</u>				
Local Health Center	48,436	58,112	58,112	9,676
Rabies and Animal Control	87,739	97,614	97,614	9,875
Dental Health Program	157,131	171,900	171,900	14,769
Alcohol and Drug Programs	48,832	50,000	50,000	1,168
Other Local Health Services	59,914	69,623	69,623	9,709

(Continued)

Exhibit C-5

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Expenditures (Cont.)</u>				
<u>Public Health and Welfare (Cont.)</u>				
Sanitation Education/Information	\$ 49,069	\$ 50,688	\$ 50,688	\$ 1,619
Other Public Health and Welfare	6,499	0	23,449	16,950
<u>Social, Cultural, and Recreational Services</u>				
Libraries	172,998	181,682	181,682	8,684
Parks and Fair Boards	38,100	38,100	38,100	0
<u>Agriculture and Natural Resources</u>				
Agricultural Extension Service	107,715	109,781	113,531	5,816
Soil Conservation	117,393	121,063	121,063	3,670
<u>Other Operations</u>				
Housing and Urban Development	20,968	28,179	28,179	7,211
Veterans' Services	17,586	18,017	18,017	431
Other Charges	193,083	192,210	192,210	(873)
Contributions to Other Agencies	165,612	166,500	167,891	2,279
Employee Benefits	511,669	355,000	536,000	24,331
Miscellaneous	4,861	23,750	23,750	18,889
<u>Instruction</u>				
Student Body Education Program	59,397	67,725	67,725	8,328
Total Expenditures	\$ 9,495,693	\$ 9,579,754	\$ 10,037,617	\$ 541,924
Excess (Deficiency) of Revenues Over Expenditures				
	\$ 239,238	\$ (223,204)	\$ (574,517)	\$ 813,755
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 73,114	\$ 0	\$ 25,000	\$ 48,114
Total Other Financing Sources	\$ 73,114	\$ 0	\$ 25,000	\$ 48,114
Net Change in Fund Balance				
Fund Balance, July 1, 2013	\$ 4,111,792	\$ 4,084,096	\$ 4,084,096	\$ 27,696
Fund Balance, June 30, 2014	\$ 4,424,144	\$ 3,860,892	\$ 3,534,579	\$ 889,565

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

Exhibit C-6

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 931,043	\$ 930,614	\$ 930,614	\$ 429
Licenses and Permits	635	850	850	(215)
Other Local Revenues	26,741	5,000	4,853	21,888
State of Tennessee	1,879,940	2,367,170	2,367,170	(487,230)
Federal Government	7,802	0	0	7,802
Total Revenues	<u>\$ 2,846,161</u>	<u>\$ 3,303,634</u>	<u>\$ 3,303,487</u>	<u>\$ (457,326)</u>
<u>Expenditures</u>				
<u>Highways</u>				
Administration	\$ 194,853	\$ 200,195	\$ 200,570	\$ 5,717
Highway and Bridge Maintenance	1,187,937	1,475,058	1,474,536	286,599
Operation and Maintenance of Equipment	566,876	628,784	665,470	98,594
Other Charges	148,292	128,695	146,495	(1,797)
Employee Benefits	405,033	455,940	455,940	50,907
Capital Outlay	426,118	1,137,000	1,137,000	710,882
Total Expenditures	<u>\$ 2,929,109</u>	<u>\$ 4,025,672</u>	<u>\$ 4,080,011</u>	<u>\$ 1,150,902</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (82,948)</u>	<u>\$ (722,038)</u>	<u>\$ (776,524)</u>	<u>\$ 693,576</u>
<u>Other Financing Sources (Uses)</u>				
Insurance Recovery	\$ 6,485	\$ 25,000	\$ 25,000	\$ (18,515)
Total Other Financing Sources	<u>\$ 6,485</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ (18,515)</u>
Net Change in Fund Balance	\$ (76,463)	\$ (697,038)	\$ (751,524)	\$ 675,061
Fund Balance, July 1, 2013	885,373	1,224,134	1,224,134	(338,761)
Fund Balance, June 30, 2014	<u>\$ 808,910</u>	<u>\$ 527,096</u>	<u>\$ 472,610</u>	<u>\$ 336,300</u>

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

Exhibit D-1

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

	Business-type Activities
	<u>Major Fund</u>
	Solid Waste Disposal
<u>ASSETS</u>	
Current Assets:	
Equity in Pooled Cash and Investments	\$ 1,232,441
Accounts Receivable	33,871
Due from Other Governments	8,062
Total Current Assets	<u>\$ 1,274,374</u>
Noncurrent Assets:	
Capital Assets:	
Assets Not Depreciated:	
Land	\$ 160,000
Assets Net of Accumulated Depreciation:	
Buildings and Improvements	199,653
Other Capital Assets	185,543
Total Noncurrent Assets	<u>\$ 545,196</u>
Total Assets	<u>\$ 1,819,570</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 21,463
Payroll Deductions Payable	4,294
Total Current Liabilities	<u>\$ 25,757</u>
Noncurrent Liabilities:	
Due Within One Year	\$ 6,974
Due in More Than One Year	149,000
Total Noncurrent Liabilities	<u>\$ 155,974</u>
Total Liabilities	<u>\$ 181,731</u>
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 545,196
Unrestricted	1,092,643
Total Net Position	<u>\$ 1,637,839</u>

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

Exhibit D-2

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

	Business-type Activities
	<u>Major Fund</u>
	Solid Waste Disposal
<u>Operating Revenues</u>	
Tipping Fees	\$ 465,389
Other General Service Charges	600
Sale of Recycled Materials	1,861
Miscellaneous Refunds	4,825
Total Operating Revenues	<u>\$ 472,675</u>
<u>Operating Expenses</u>	
Supervisor/Director	\$ 24,353
Salary Supplements	5,000
Equipment Operators	49,286
Bonus Payments	1,800
Social Security	4,155
State Retirement	5,992
Employee and Dependent Insurance	27,303
Employer Medicare	972
Communication	1,263
Contracts with Private Agencies	260,328
Dues and Memberships	100
Maintenance Agreements	5,500
Maintenance and Repair Services - Buildings	7,542
Maintenance and Repair Services - Equipment	6,455
Travel	1,612
Diesel Fuel	9,048
Gasoline	1,518
Office Supplies	902
Utilities	2,970
Other Supplies and Materials	1,609
Building and Contents Insurance	500
Medical Claims	5,986
Trustee's Commission	61
Vehicle and Equipment Insurance	402
Worker's Compensation Insurance	3,136
Depreciation	53,570
Landfill Closure/Postclosure Care Costs	2,305
Office Equipment	565
Total Operating Expenses	<u>\$ 484,233</u>
Operating Income (Loss)	<u>\$ (11,558)</u>

(Continued)

Exhibit D-2

Lauderdale County, Tennessee
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund (Cont.)

	Business-type Activities
	<u>Major Fund</u>
	Solid Waste Disposal
	<u> </u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment Income	\$ 4,944
Solid Waste Grants	8,062
Disaster Relief Grants	<u>2,518</u>
Total Nonoperating Revenues (Expenses)	<u>\$ 15,524</u>
Change in Net Position	\$ 3,966
Net Position, July 1, 2013	<u>1,633,873</u>
Net Position, June 30, 2014	<u>\$ 1,637,839</u>

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

Exhibit D-3

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

	Business-type Activities
	<u>Major Fund</u>
	Solid Waste Disposal
<u>Cash Flows from Operating Activities</u>	
Receipts from Customers and Users	\$ 456,456
Receipts from Others	7,286
Payments for Waste Collections and Disposal Activity	(427,542)
Net Cash Provided By (Used In) Operating Activities	<u>\$ 36,200</u>
<u>Cash Flows from Noncapital Financing Activities</u>	
Receipts from Grants	\$ 10,580
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>\$ 10,580</u>
<u>Cash Flows from Investing Activities</u>	
Interest on Investments	\$ 4,944
Net Cash Provided By (Used In) Investing Activities	<u>\$ 4,944</u>
Increase (Decrease) in Cash	\$ 51,724
Cash, July 1, 2013	<u>1,180,717</u>
Cash, June 30, 2014	<u><u>\$ 1,232,441</u></u>
<u>Reconciliation of Net Operating Income (Loss)</u> <u>to Net Cash Provided By (Used In) Operating Activities</u>	
Operating Income (Loss)	\$ (11,558)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:	
Depreciation	53,570
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(2,750)
(Increase) Decrease in Due from Other Governments	(6,183)
Increase (Decrease) in Accounts Payable	4,425
Increase (Decrease) in Payroll Deductions Payable	3,364
Increase (Decrease) in Accrued Liability for Landfill Closure/Postclosure Care Costs	<u>(4,668)</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 36,200</u>
<u>Reconciliation of Cash With Statement of Net Position</u>	
Cash Per Net Position	\$ 1,232,441
Cash, June 30, 2014	<u><u>\$ 1,232,441</u></u>

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

Exhibit E

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 684,719
Equity in Pooled Cash and Investments	1,970,851
Accounts Receivable	3,845
Due from Other Governments	<u>376,308</u>
Total Assets	<u>\$ 3,035,723</u>
<u>LIABILITIES</u>	
Due to Cities	\$ 168,757
Due to Other Taxing Units	1,782,473
Due to Litigants, Heirs, and Others	839,182
Due to Joint Ventures	<u>245,311</u>
Total Liabilities	<u>\$ 3,035,723</u>

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lauderdale 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 Lauderdale County:

A. Reporting Entity

Lauderdale County is a public municipal corporation governed by an elected 24-member board. As required by GAAP, these financial statements present Lauderdale 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 Lauderdale County School Department operates the public school system in the county, and the voters of Lauderdale 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 Lauderdale County Water System provides water to the residents of Lauderdale County in unincorporated areas. The system's governing body is appointed by the Lauderdale County Commission, and its operating budget is subject to the County Commission's approval.

The Lauderdale County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Lauderdale County, and the Lauderdale 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 Lauderdale 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 Lauderdale 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 Lauderdale County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Lauderdale County Water System and the Lauderdale County Emergency Communications District can be obtained from their administrative offices at the following addresses:

Administrative Offices:

Lauderdale County Water System
551 Central Curve Road
P.O. Box 527
Ripley, TN 38063

Lauderdale County Emergency Communications District
671 Highway 51 South
P.O. Box 142
Ripley, TN 38063

Related Organization – The Lauderdale County Industrial Development Board is a related organization of Lauderdale County. The county’s officials are responsible for appointing the members of the board, but the county’s accountability for the organization does not extend beyond making the appointments.

B. Government-wide and Fund Financial Statements

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

Lauderdale County issues all debt for the discretely presented Lauderdale County School Department. Net debt issues of \$514,486 were contributed to the School Department during the year ended June 30, 2014.

Separate financial statements are provided for governmental funds, the proprietary fund (enterprise fund), and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and the major enterprise fund are reported as separate columns in the fund financial statements.

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

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

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

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

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

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

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

Lauderdale 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.

Lauderdale County reports the following major proprietary fund:

Solid Waste Disposal Fund – This fund accounts for solid waste disposal operations of the Lauderdale County landfill.

Additionally, Lauderdale County reports the following fund types:

Capital Projects Fund – The Education Capital Projects Fund is used to account for debt issued by Lauderdale County that is subsequently contributed to the discretely presented Lauderdale County School Department for construction and renovation projects.

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 Lauderdale County, federal funds used to account for the repairs and upgrade of the waste water system for the City of Ripley, and state grants and other restricted revenues held for the benefit of the Judicial District Drug Task Force, and restricted revenues held for the benefit of the Office of District Attorney General. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They do, however, use the accrual basis of accounting to recognize receivables and payables.

The discretely presented Lauderdale 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 is used to account 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.

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

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

1. Deposits and Investments

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

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

The county trustee maintains a cash and internal investment pool that is used by all funds (with the exception of the Lauderdale County Ambulance Service, special revenue fund), the discretely presented Lauderdale County School Department, and the discretely presented Lauderdale County Water System. 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 School Department's General Purpose School Fund. Lauderdale County, the School Department, and the Water System have adopted a policy of reporting U.S. Treasury obligations, U.S. agency obligations, and repurchase agreements with maturities of one year or less when purchased on the balance sheet at amortized cost. Certificates of deposit are reported at cost. Investments in the State Treasurer's Investment Pool are reported at fair value. The State Treasurer's Investment Pool is not registered with the Securities and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Accordingly, the pool qualifies as a 2a7-like pool and is reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. State statutes require the state treasurer to administer the pool under the same terms and conditions, including collateral requirements, as prescribed for other funds invested by the state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

2. Receivables and Payables

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

All ambulance and property taxes receivable are shown with an allowance for uncollectibles. Ambulance receivables allowance for uncollectibles is based on historical collection data. The allowance for uncollectible property taxes is equal to 2.67 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.

Retainage payable in the discretely presented Lauderdale County School Department's General Purpose School Fund represents amounts withheld from payments made on construction contracts pending completion of the projects. These amounts are held by the county trustee as Equity in Pooled Cash and Investments in the General Purpose School Fund.

3. Capital Assets

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental and business-type columns in the government-wide financial statements. Capital assets (excluding the Lauderdale County Ambulance Authority, special revenue fund) 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	20 - 40
Other Capital Assets	5 - 20
Infrastructure:	
Roads	20
Bridges	20 - 30

4. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources,

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

5. Compensated Absences

The general policy of Lauderdale County (with the exception of sick leave for employees of the Highway Department) does not allow employees to accumulate sick and vacation days beyond the end of the fiscal year. The Highway Department's policy allows employees to accumulate up to 72 days sick leave; however, the granting of sick leave has no guaranteed payment attached and therefore is not required to be accrued or recorded.

The School Department's personnel policy does not allow employees to accumulate vacation days beyond the end of the fiscal year. Professional personnel are allowed to accumulate an unlimited amount of sick leave days and full-time non-professional employees can accumulate a limited amount of sick leave days based upon the number of months employed. 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 with the government.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Debt premiums and discounts are deferred and are 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 landfill postclosure care costs and other postemployment benefits, are recognized to the extent that the liabilities have matured (come due for payment) each period.

7. Net Position and Fund Balance

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

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

As of June 30, 2014, Lauderdale County had \$11,659,359 in outstanding debt for capital purposes for the discretely presented Lauderdale County School Department. This debt is a liability of Lauderdale County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Lauderdale County has incurred a liability significantly decreasing its unrestricted net position with no corresponding increase in the county's capital assets.

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

amounts in any of these unrestricted fund balance classifications could be used.

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

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

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

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

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

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

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

Primary Government

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

Discretely Presented Lauderdale County School Department

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

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

Primary Government

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net changes 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 Lauderdale County School Department

Exhibit J-5 includes explanations of the nature of individual elements of items required to reconcile the net changes 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 funds (special revenue fund), which is not budgeted, and the county's Education Capital Projects Fund, which adopts 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, County Mayor/Executive, County Attorney, Election Commission, etc.). Management may make revisions within major categories, but only the County Commission may transfer appropriations between major categories. During the year, several supplementary appropriations were necessary.

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

B. Expenditures Exceeded Appropriations

Expenditures exceeded total appropriations in the Ambulance Service Fund by \$73,792. Also, expenditures exceeded appropriations approved by the County Commission in the following major appropriation categories (the legal level of control) of the following funds:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
Primary Government:	
General:	
Other Charges	\$ 873
Highway/Public Works:	
Other Charges	1,797
School Department:	
General Purpose School:	
Support Services - Operation of Plant	7,055
Operation of Non-instructional Services - Early Childhood Education	284

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Lauderdale County (with the exception of the Lauderdale County Ambulance Service, special revenue fund), the Lauderdale County School Department, and the Lauderdale County Water System participate in an internal cash and investment pool through the Office of Trustee. The county trustee is the treasurer of the county and in this capacity is responsible for receiving, disbursing, and investing most county funds. Each fund's portion of this pool is displayed on the balance sheets or statements of net position as Equity in

Pooled Cash and Investments. Cash reflected on the balance sheets or statements of net position represents nonpooled amounts held separately by individual funds.

Deposits

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

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

Investments

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

The county had no pooled and nonpooled investments as of June 30, 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	\$ 912,427	\$ 3,500	\$ 0	\$ 915,927
Total Capital Assets Not Depreciated	<u>\$ 912,427</u>	<u>\$ 3,500</u>	<u>\$ 0</u>	<u>\$ 915,927</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 11,285,308	\$ 0	\$ 0	\$ 11,285,308
Infrastructure	2,635,633	0	0	2,635,633
Other Capital Assets	6,289,718	468,163	(136,326)	6,621,555
Total Capital Assets Depreciated	<u>\$ 20,210,659</u>	<u>\$ 468,163</u>	<u>\$ (136,326)</u>	<u>\$ 20,542,496</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 5,652,681	\$ 439,226	\$ 0	\$ 6,091,907
Infrastructure	626,117	92,621	0	718,738
Other Capital Assets	4,552,458	670,861	(136,326)	5,086,993
Total Accumulated Depreciation	<u>\$ 10,831,256</u>	<u>\$ 1,202,708</u>	<u>\$ (136,326)</u>	<u>\$ 11,897,638</u>
Total Capital Assets Depreciated, Net	<u>\$ 9,379,403</u>	<u>\$ (734,545)</u>	<u>\$ 0</u>	<u>\$ 8,644,858</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,291,830</u>	<u>\$ (731,045)</u>	<u>\$ 0</u>	<u>\$ 9,560,785</u>

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

Governmental Activities:

General Government	\$	48,509
Finance		16,517
Administration of Justice		91,672
Public Safety		367,632
Public Health and Welfare		141,967
Social, Cultural, and Recreational Services		42,421
Highway/Public Works		<u>493,990</u>
 Total Depreciation Expense - Governmental Activities		 <u><u>\$ 1,202,708</u></u>

Primary Government - Business-type Activities:

	Balance 7-1-13	Increases	Balance 6-30-14
Capital Assets Not Depreciated:			
Land	\$ 160,000	\$ 0	\$ 160,000
Total Capital Assets Not Depreciated	<u>\$ 160,000</u>	<u>\$ 0</u>	<u>\$ 160,000</u>
Capital Assets Depreciated:			
Buildings and Improvements	\$ 300,418	\$ 0	\$ 300,418
Other Capital Assets	761,564	0	761,564
Total Capital Assets Depreciated	<u>\$ 1,061,982</u>	<u>\$ 0</u>	<u>\$ 1,061,982</u>
Less Accumulated Depreciation For:			
Buildings and Improvements	\$ 93,254	\$ 7,511	\$ 100,765
Other Capital Assets	529,962	46,059	576,021
Total Accumulated Depreciation	<u>\$ 623,216</u>	<u>\$ 53,570</u>	<u>\$ 676,786</u>
Total Capital Assets Depreciated, Net	<u>\$ 438,766</u>	<u>\$ (53,570)</u>	<u>\$ 385,196</u>
Business-type Activities Capital Assets, Net	<u>\$ 598,766</u>	<u>\$ (53,570)</u>	<u>\$ 545,196</u>

The business-type activities had no decreases in capital assets during the year. Depreciation expense for the business-type activities was \$53,570.

**Discretely Presented Lauderdale County School Department –
Governmental Activities:**

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 1,378,648	\$ 0	\$ 0	\$ 1,378,648
Construction in Progress	813,835	0	(813,835)	0
Total Capital Assets Not Depreciated	<u>\$ 2,192,483</u>	<u>\$ 0</u>	<u>\$ (813,835)</u>	<u>\$ 1,378,648</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 37,105,203	\$ 2,597,700	\$ (226,293)	\$ 39,476,610
Infrastructure	233,000	0	0	233,000
Other Capital Assets	6,689,843	488,467	0	7,178,310
Total Capital Assets Depreciated	<u>\$ 44,028,046</u>	<u>\$ 3,086,167</u>	<u>\$ (226,293)</u>	<u>\$ 46,887,920</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 20,150,609	\$ 958,866	\$ (226,293)	\$ 20,883,182
Infrastructure	60,207	11,650	0	71,857
Other Capital Assets	4,138,962	413,515	0	4,552,477
Total Accumulated Depreciation	<u>\$ 24,349,778</u>	<u>\$ 1,384,031</u>	<u>\$ (226,293)</u>	<u>\$ 25,507,516</u>
Total Capital Assets Depreciated, Net	<u>\$ 19,678,268</u>	<u>\$ 1,702,136</u>	<u>\$ 0</u>	<u>\$ 21,380,404</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,870,751</u>	<u>\$ 1,702,136</u>	<u>\$ (813,835)</u>	<u>\$ 22,759,052</u>

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

Governmental Activities:

Instruction	\$ 1,030,877
Support Services	306,163
Operation of Non-instructional Services	<u>46,991</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,384,031</u>

C. Interfund Receivables, Payables, and Transfers

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

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor governmental	\$ 1,061

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

Due to/from Primary Government and Component Unit:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Primary Government: Governmental Activities	Component Unit: School Department: Governmental Activities	\$ 380,987

The amount reflected in governmental activities as Due to the Primary Government from the discretely presented School Department is the balance of the capital lease issued by the county for the School Department as discussed in Note IV.E. The School Department has agreed to contribute the funds necessary to retire the debt.

Interfund Transfer:

An interfund transfer for the year ended June 30, 2014, consisted of the following amount:

Discretely Presented Lauderdale County School Department

<u>Transfer Out</u>	<u>Transfer In</u>
	General Purpose School Fund
School Federal Projects Fund	\$ 30,249

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

D. Capital Lease

On August 30, 2013, Lauderdale County entered into a three-year lease-purchase agreement for the School Department for computers. Terms of the agreement require total lease payments of \$514,486 plus interest of 2.54 percent. The School Department is making contributions to the primary government's General Debt Service Fund for these lease payments. In the government-wide financial statements, the computers were 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, are as follows:

Year Ending June 30	Governmental Funds
2015	\$ 133,499
2016	133,499
2017	<u>133,498</u>
Total Minimum Lease Payments	\$ 400,496
Less: Amount Representing Interest	<u>(19,509)</u>
 Present Value of Minimum Lease Payments	 \$ <u><u>380,987</u></u>

E. Long-term Obligations

Primary Government

General Obligation Bonds, Notes, and Other Loans

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

General obligation bonds, 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 ten years for bonds, up to seven years for notes, and up to 17 years for other loans. Repayment terms are generally structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds, notes, and other loans included in long-term debt as of June 30, 2014, will be retired from the General Debt Service Fund.

General obligation bonds, capital outlay notes, other loans, 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	2 to 4 %	4-1-22	\$ 13,835,000	\$ 9,130,000
Capital Outlay Note	0	8-15-14	500,000	71,427
Other Loans	Variable	9-15-27	3,523,000	2,810,945
Capital Lease	2.54	8-30-16	514,486	380,987

During the 2008-09 year, Lauderdale County entered into a loan agreement with the Montgomery County Public Building Authority. Under this agreement, the authority loaned \$1,000,000 to Lauderdale County for various renovation and improvement projects. This loan is repayable at an interest rate that is a tax-exempt variable rate determined by the remarketing agent daily or weekly, depending on the particular program. In addition, the county pays various other fees (trustee, letter of credit, and debt remarketing) in connection with this loan. At June 30, 2014, the variable interest rate was .28 percent and other fees totaled .67 percent of the outstanding loan principal with an annual \$1,020 trustee payment.

During the 2010-11 year, Lauderdale County entered into a loan agreement with the Tennessee State School Board Authority. Under this loan agreement, the authority loaned Lauderdale County \$2,523,000 for rehabilitation and repairs of county school buildings. This loan earns interest monthly based upon the local government investment pool rate, which is netted against the annual principal payment. The county pays an annual administrative fee of \$2,018 under this agreement. The loan retirement schedule also includes equal monthly payments of interest; however, the county will semi-annually receive a federal interest subsidy, which will offset these payments.

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

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 1,395,000	\$ 212,444	\$ 1,607,444
2016	1,440,000	168,244	1,608,244
2017	1,485,000	129,044	1,614,044
2018	1,065,000	99,344	1,164,344
2019	1,000,000	78,044	1,078,044
2020-2022	2,745,000	113,411	2,858,411
Total	<u>\$ 9,130,000</u>	<u>\$ 800,531</u>	<u>\$ 9,930,531</u>

Year Ending June 30	Note	
	Principal	Total
2015	\$ 71,427	\$ 71,427
Total	<u>\$ 71,427</u>	<u>\$ 71,427</u>

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2015	\$ 215,431	\$ 124,370	\$ 7,956	\$ 347,757
2016	216,431	124,208	7,568	348,207
2017	218,431	124,043	7,172	349,646
2018	220,431	123,872	6,764	351,067
2019	222,431	123,695	6,342	352,468
2020-2024	1,138,156	615,652	24,947	1,778,755
2025-2028	579,634	379,207	8,095	966,936
Total	<u>\$ 2,810,945</u>	<u>\$ 1,615,047</u>	<u>\$ 68,844</u>	<u>\$ 4,494,836</u>

There is \$3,207,532 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds, notes, other loans, and the capital lease totaled \$446, based on the 2010 federal census.

The School Department is currently contributing funds to service the debt issued on its behalf by the primary government as noted in the table below. This debt is reflected in the government-wide financial statements as Due to the Primary Government in the financial statements of the School Department and as Due from Component Units in the financial statements of the primary government.

<u>Description of Indebtedness</u>	<u>Outstanding 6-30-14</u>
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Capital Lease Payable

Contributions from the General Purpose School Fund

Laptop Computers	\$ 380,987
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Changes in Long-term Obligations

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

Governmental Activities:

	Bonds	Notes
Balance, July 1, 2013	\$ 10,925,000	\$ 151,189
Reductions	(1,795,000)	(79,762)
Balance, June 30, 2014	\$ 9,130,000	\$ 71,427
Balance Due Within One Year	\$ 1,395,000	\$ 71,427

	Other Loans	Capital Lease
Balance, July 1, 2013	\$ 3,024,376	\$ 0
Additions	0	514,486
Reductions	(213,431)	(133,499)
Balance, June 30, 2014	\$ 2,810,945	\$ 380,987
Balance Due Within One Year	\$ 215,431	\$ 123,822

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 12,393,359
Less: Balance Due Within One Year	(1,805,680)
Add: Unamortized Premium on Debt	124,937
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	\$ 10,712,616

Lauderdale County Solid Waste Disposal Fund (enterprise fund)

Changes in Long-term Obligations

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

Business-type Activities:

	<u>Postclosure Care Costs</u>
Balance, July 1, 2013	\$ 160,642
Additions	2,305
Reductions	<u>(6,973)</u>
Balance, June 30, 2014	<u>\$ 155,974</u>
Balance Due Within One Year	<u>\$ 6,974</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 155,974
Less: Balance Due Within One Year	<u>(6,974)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 149,000</u>

Discretely Presented Lauderdale County School Department

Changes in Long-term Obligations

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

	Other Postemployment Benefits
Balance, July 1, 2013	\$ 1,075,210
Additions	400,107
Reductions	(416,116)
Balance, June 30, 2014	<u>\$ 1,059,201</u>
Balance Due Within One Year	<u>\$ 0</u>

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

F. Pledges of Future Revenues

Local Option Sales Tax Revenues Pledged

In 1995, the citizens of Lauderdale County voted to increase the local option sales tax rate from two percent to 2.75 percent. The county and all local incorporated municipalities pledged their additional sales tax collections generated from the .75 percent increase to repay \$9 million and \$8 million in general obligation school bonds issued December 1, 1995, and March 1, 1996, respectively, to finance school construction/renovations and to provide salary improvements and/or increases for classroom teachers and principals for a period of ten years after the \$17 million school bonds are repaid. The county has pledged 100 percent of its .75 percent increase in sales tax collections for ten years, and the incorporated municipalities have pledged 100 percent for the first applicable year with a decrease of ten percent annually. This 1995 pledge continues for 52 percent of the refunding school bonds issued April 18, 2012, which were used for the second refunding involving the initial December 1, 1995, and March 1, 1996, general obligation school bonds issues, which have now been retired. The Series 2012 refunding bonds are also guaranteed by the county in the event the additional sales tax revenues are insufficient to meet the debt service requirements on the bonds. Total principal and interest requirements for the bonds are \$4,457,804 payable semiannually through April 1, 2022. For the current year, principal and interest paid and sales tax revenues generated by the increase and other School Department revenues pledged were \$798,169 and \$1,054,625, respectively.

Component Unit Revenues Pledged for Primary Government Debt

The Lauderdale County School Department pledged, as security for bonds issued by Lauderdale County, \$1,200,000 annually with \$600,000 from its

collections generated from 1.5 percent of a sales tax levy and \$600,000 from restricted funds received from the state for capital outlay purposes. The \$9,230,000 school refunding bonds issued by Lauderdale County in April 2012 were to provide financing for the refunding of other school bonds used for school construction and renovations and are payable through 2022. In addition, \$1,505,000 of the bonds issued by Lauderdale County in 2006 to provide financing for school refunding is payable through 2016. For the current year, principal and interest paid and revenues generated and appropriated by the School Department were \$779,475 and \$1,200,000, respectively.

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

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Lauderdale County School Department. These payments are made by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan. Both of these plans are administered by the State of Tennessee and reported in the state's Comprehensive Annual Financial Report. Payments by the state to the Local Education Group Insurance Plan and the Medicare Supplement Plan for the year ended June 30, 2014, were \$88,791 and \$31,437, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

V. OTHER INFORMATION

A. Risk Management

Employee Health Insurance

Primary Government

Lauderdale County purchases commercial insurance for the risks associated with employee health coverage. Pre-65 age retirees are not allowed to remain in the program.

Discretely Presented Lauderdale County School Department

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

Liability, Property, Casualty, and Workers' Compensation Insurance

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

B. Accounting Changes

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

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

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

C. Subsequent Events

On August 31, 2014, Ron Schuh left the Office of County Mayor and was succeeded by Maurice Gaines, and Annie Laura Jennings left the Office of Register of Deeds and was succeeded by Greg Summar. On January 12, 2015, Roland Henderson left the Office of Highway Commissioner and was succeeded by Derek Kissell.

D. Contingent Liabilities

Lauderdale County is contingently liable for 46.38 percent (\$2,240,000) of the \$4,830,000 general obligation lease rental revenue bonds issued by the Town of Ripley Industrial Development Board for the redevelopment of the county's property located within the Courthouse Square Revitalization Zone. As of June 30, 2014, future principal requirements were \$3,900,000, and future interest requirements were \$935,490.

There are several pending lawsuits in which the county is involved. Any potential claims against the county not covered by insurance resulting from such litigation should not materially affect the county's financial statements.

E. Landfill Closure/Postclosure Care Costs

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

State and federal laws and regulations require the county to place a final cover on its sanitary landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the county reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. Lauderdale County closed its sanitary landfill in 2001. The \$155,974 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.

F. Joint Ventures

The Twenty-fifth Judicial District Drug Task Force (DTF) is a joint venture formed by an interlocal agreement between the district attorney general of the Twenty-fifth Judicial District, Fayette, Hardeman, Lauderdale, McNairy, and Tipton counties and various cities within these counties. The purpose of the DTF is to provide multi-jurisdictional law enforcement to promote the investigation and prosecution of drug-related activities. Funds for the operations of the DTF come primarily from federal grants, drug fines, and the forfeiture of drug-related assets to the DTF. The DTF is overseen by the district attorney general and is governed by a board of directors including the district attorney general, sheriffs, and police chiefs of participating law enforcement agencies within each judicial district. Lauderdale County made no contributions to the DTF for the year ended June 30, 2014.

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

The Lauderdale County Economic and Community Development Board (LCECD) is a joint venture between Lauderdale County, the City of Ripley, and the towns of Halls, Henning, and Gates. The board is comprised of the county, city and town mayors, and various other individuals for a total of 31 members. The purpose of the organization is to foster communications relative to economic and community development between and among governmental entities, industry, and private citizens. The county and cities provide the funding for the organization with membership dues based on population percentages. Lauderdale County contributed dues of \$35,000 to the LCECD for the year ended June 30, 2014.

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

Administrative Offices:

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

HTL Advantage
1469 South Main Street
Covington, TN 38019

Lauderdale County Economic and
Community Development Board
123 S. Jefferson Street
Ripley, TN 38063

G. Retirement Commitments

Plan Description

Employees of Lauderdale County are members of the Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members at the age of 55. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the system after July 1, 1979, become vested after five years

of service, and members joining prior to July 1, 1979, were vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. Political subdivisions such as Lauderdale 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

Lauderdale County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2014, was 8.87 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, Lauderdale County's annual pension cost of \$831,271 to TCRS was equal to the county's required and actual contributions. The required contribution was determined as part of the July 1, 2011, actuarial valuation using the frozen entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) rate of return on investment of present and future assets of 7.5 percent a year compounded annually, (b) projected three percent annual rate of inflation, (c) projected salary increases of 4.75 percent (graded) annual rate (no explicit assumption is made regarding the portion attributable to the effects of inflation on salaries), (d) projected 3.5 percent annual increase in the Social Security wage base, and (e) projected postretirement increases of 2.5 percent annually. The actuarial value of assets was determined using techniques that smooth the effect of short-term volatility in the market value of total investments over a ten-year period. The county's unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The remaining amortization period at July 1, 2011, was two years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

Trend Information

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-14	\$831,271	100%	\$0
6-30-13	834,619	100	0
6-30-12	803,968	100	0

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the plan was 97.39 percent funded. The actuarial accrued liability for benefits was \$29.34 million, and the actuarial value of assets was \$28.58 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$.76 million. The covered payroll (annual payroll of active employees covered by the plan) was \$8.72 million, and the ratio of the UAAL to the covered payroll was 8.77 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 Lauderdale County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by

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

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

Funding Policy

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2014, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2014, 2013, and 2012, were \$1,527,707, \$1,519,861, and \$1,534,002, respectively, equal to the required contributions for each year.

H. Other Postemployment Benefits (OPEB)

Plan Description

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

Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plan is self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and

statistical techniques to establish premium rates. The employer in the plan develops its own contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state provides a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The School Department pays \$100 per month toward the cost of health insurance premiums for retired certified staff who meet the following criteria:

1. Thirty years of total teaching experience
2. Twenty years of the experience in Lauderdale County
3. Covered under the group insurance plan at the time of retirement
4. Younger than 65

During the year ended June 30, 2014, the Lauderdale School Department contributed \$416,116 for postemployment health insurance premiums.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan
ARC	\$ 399,000
Interest on the NOPEBO	43,008
Adjustment to the ARC	(41,901)
Annual OPEB cost	\$ 400,107
Amount of contribution	(416,116)
Increase/decrease in NOPEBO	\$ (16,009)
Net OPEB obligation, 7-1-13	1,075,210
Net OPEB obligation, 6-30-14	\$ 1,059,201

Fiscal Year Ended	Plan	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Education Group	\$ 531,286	63.09 %	\$ 893,068
6-30-13	"	535,804	66.01	1,075,210
6-30-14	"	400,107	104.00	1,059,201

Funded Status and Funding Progress

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

	Local Education Group Plan
Actuarial valuation date	7-1-13
Actuarial accrued liability (AAL)	\$ 3,355,000
Actuarial value of plan assets	\$ 0
Unfunded actuarial accrued liability (UAAL)	\$ 3,355,000
Actuarial value of assets as a % of the AAL	0%
Covered payroll (active plan members)	\$ 19,380,978
UAAL as a % of covered payroll	17%

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 Education Plan, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual health care cost trend rate of 7.5 percent for fiscal year 2014. The trend will decrease to seven percent in fiscal year 2015 and then will be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. The rate includes a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

I. Purchasing Laws

Office of County Mayor

Purchasing procedures for the County Mayor's Office are governed by the County Purchasing Law of 1983, Sections 5-14-201 through 5-14-206, *Tennessee Code Annotated (TCA)*. This act provides for all purchases exceeding \$10,000 (excluding emergency purchases) to be made based on competitive bids solicited through newspaper advertisement.

Office of Highway Commissioner

Purchasing procedures for the Highway Department are governed by Chapter 304, Private Acts of 1929 and provisions of Section 54-7-113, *TCA* (Uniform Road Law), which require all purchases exceeding \$10,000 to be made on the basis of publicly advertised competitive bids.

Office of Director of Schools

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

VI. OTHER NOTES – LAUDERDALE COUNTY AMBULANCE AUTHORITY (SPECIAL REVENUE FUND)

A. Summary of Significant Accounting Policies

The Lauderdale County Ambulance Authority is a special revenue fund of Lauderdale County, Tennessee. Financial statements of the authority are consolidated into the financial statements of Lauderdale County, Tennessee. The authority is governed by a committee of the Lauderdale County Commission and provides ambulance services to the citizens of Lauderdale County.

The accounting and reporting policies of the authority relating to the activities included in the accompanying financial statements conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*. GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, along with the subsequent GASB pronouncements (Statements and

Interpretations), and constitutes GAAP for governmental units. The more significant accounting policies of the authority are described below:

1. Reporting Entity

The authority, for financial purposes, includes all the funds relevant to the operations of the Lauderdale County Ambulance Authority.

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

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 are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Accounts receivable are reduced by an allowance for uncollectible accounts. The authority has one fund, which is a self-balancing account comprised of its assets, liabilities, fund equity, revenues, and expenditures.

B. Cash and Investments

Cash and cash equivalents consist of the following:

	Balance <u>6-30-14</u>
Cash in Bank	\$ 79,613

Cash in bank is insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Under the laws of Tennessee, the authority is authorized to invest with obligations of the United States or its agencies, direct obligations of the State of Tennessee or its agencies, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, and certificates of deposit insured by a Federal Deposit Insurance Corporation or the Tennessee Collateral Pool. During the year ended June 30, 2014, the authority did not own any types of securities other than those permitted by state statute.

C. Capital Assets

Capital assets are comprised of equipment purchased by the authority for the past nine years. All capital assets are capitalized and depreciated in the government-wide statements. Capital assets are recorded as expenditures of the current period in the governmental fund financial statements. Assets

purchased prior to July 1, 2004, are reflected within the financial statements of Lauderdale County in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34 (as amended by Statement No. 37).

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.

Depreciation of capital assets is computed and recorded by the straight-line method over the estimated useful lives of the assets. Estimated useful lives of the vehicles and equipment are five years. Total depreciation expense was \$86,111 for the year ended June 30, 2014.

Capital assets are summarized as follows:

	Balance 7-1-13	Additions	Balance 6-30-14
Capital Assets Depreciated:			
Vehicles	\$ 527,239	\$ 0	\$ 527,239
Equipment	126,825	0	126,825
Total Capital Assets Being Depreciated	<u>\$ 654,064</u>	<u>\$ 0</u>	<u>\$ 654,064</u>
Less Accumulated Depreciation For:			
Vehicles	\$ 257,240	\$ 70,806	\$ 328,046
Equipment	71,544	15,305	86,849
Total Depreciation	<u>\$ 328,784</u>	<u>\$ 86,111</u>	<u>\$ 414,895</u>
Total Capital Assets, Net of Depreciation	<u>\$ 325,280</u>	<u>\$ (86,111)</u>	<u>\$ 239,169</u>

D. Allowance for Uncollectible Accounts

The authority's allowance for estimated uncollectible receivables at June 30, 2014, was \$183,349.

E. Compensated Absences

The authority pays employees the value of all accumulated vacation and personal days prior to the end of the fiscal year. Therefore, no compensated absences are reflected within these statements.

F. Estimates

Management is required to make estimates and assumptions that may affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

G. Fund Equity

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, or unassigned. Nonspendable fund balance cannot be spent because of its form. Restricted fund balance has limitations imposed by the creditors, grantors, or contributors or by enabling legislation or constitutional provisions. Committed fund balance is a limitation imposed by the authority's board through approval of resolutions. Assigned fund balance is a limitation imposed by a designee of the authority's board. Unassigned fund balance is the net resources in excess of what can be properly classified in one of the above categories.

When both restricted and unrestricted fund balances are available for use, it is the authority's policy to use restricted fund balance first, then unrestricted fund balance. Furthermore, committed fund balances are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

H. Stewardship, Compliance, and Accountability

Budgetary information – An annual budget is adopted by the Ambulance Committee of the Lauderdale County Commission on a basis consistent with generally accepted accounting principles, and the budget is approved by the Lauderdale County Commission. Amendments require the approval of the County Commission. All annual appropriations lapse at fiscal year end.

Excess of expenditures over appropriations – Revenues exceeded budgeted revenues and total expenditures exceeded total budgeted expenditures. The authority had a material excess of expenditures over appropriations.

I. Pension Plan

The pension fund of the Lauderdale County Ambulance Authority is included in the total retirement program for Lauderdale County, Tennessee, under the Tennessee Consolidated Retirement System. Five percent is deducted from the employees' checks, and the county pays a percentage match of 8.87 percent to fund the employees retirement. Retirement is based on 30 years of service or reaching the age of 60. For details relative to the funding status and progress, actuarial determined contribution requirements and contributions made, and trend information, refer to Note V.G.

J. Risk Management

The authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The authority has purchased commercial insurance for all of the above risks. Settled claims have not exceeded this coverage in any of the past three years.

K. Concentration of Credit Risk

The authority receives its operating funds from governmental agencies, private insurance companies, and citizens served. While the authority has a broad consumer base, the ability to pay is dependent on the economic conditions of the area and the policies of the various governmental agencies and private insurance.

VII. OTHER NOTES – DISCRETELY PRESENTED LAUDERDALE COUNTY WATER SYSTEM

A. Reporting Entity

The Lauderdale County Water System was created in 1974. The Lauderdale County Commission appoints the system's five-member board, approves the system's operating budget, and is liable for any unpaid debt of the water system. The water system provides water service to unincorporated areas of Lauderdale County. Financial statements of the water system are incorporated into the financial statements of Lauderdale County, Tennessee, as a component unit.

B. Summary of Significant Accounting Policies

Basis of Presentation and Accounting

The financial statements of Lauderdale County Water System have been prepared in conformity with accounting principles applicable to governmental units, which are generally accepted in the United States of America. GASB is the accepted standard setting body for establishing accounting and financial reporting principles.

The Lauderdale County Water System is a proprietary fund; its operating revenues result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives essentially equal values. Nonoperating revenues, such as interest income, result from nonexchange transactions or ancillary activities.

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions on behalf of the Lauderdale County Water System, the reporting entity. Revenues are reported when earned, and expenses are

recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Deposits and Investments

The water system's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Under the laws of Tennessee, the water system is authorized to invest in obligations of the United States or any of its agencies, direct obligations of the State of Tennessee or its agencies, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, certificates of deposit if insured by the Federal Deposit Insurance Corporation or the Tennessee Collateral Pool. During the year ended June 30, 2014, the water system did not own any types of securities other than those permitted by statute.

Investments for the water system are in the form of certificates of deposit and are reported at fair value.

Capital Assets

Purchased or constructed capital assets are reported at cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

<u>Asset</u>	<u>Years</u>
Utility Plant in Service	10 - 50
Equipment	2 - 10

Receivable

Accounts receivable arise from water services rendered to the customers of the water system. The board of directors authorizes write-downs of customer billings due to leaks and write-offs of accounts considered uncollectible. Amounts subsequently collected from a bad-debt write-off are recorded as income.

GASB Statements

The water system adopted Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial*

Reporting Guidance Contained in Pre-November 30, 1989 GASB and AICPA Pronouncements, required for fiscal periods beginning after December 15, 2011, in 2013. This statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance, included in certain FASB and AICPA pronouncements issued prior to November 30, 1989, which does not conflict with or contradict GASB pronouncements. The adoption of this statement did not have a material effect on the water system's financial condition or results of operations.

The water system also adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, in 2013. The objective of this statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in statements of financial position. The statement was implemented retroactively and resulted in a change in presentation of the balance sheet to what is now referred to as the Statement of Net Position and the term "net assets" was changed to "net position" throughout the financial statements. The adoption of the statement did not impact amounts reported in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Compensated Absences

The water system accrues vacation and compensated time for its employees to use in future periods.

Inventory

Inventory of supplies are recorded at historical cost using the first-in first-out method.

Risk Management

The water system is exposed to various risks or losses related to tort; theft of, damage to assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2014, the water system was covered by insurance for these various risks at a cost it considered to be economically justifiable. There were no significant reductions in coverage the past fiscal year and there were no settlements exceeding commercial insurance coverage in any of the past three years.

Restricted Resources

The water system elects to use restricted assets before unrestricted assets when the situation arises where either can be used.

C. Deposits and Investments

The water system's deposits and investments at June 30, 2014, consisted of the following:

Deposits:	
Cash on Hand	\$ 245
Cash in Bank	479,685
Cash on Deposit With County Trustee	<u>815,954</u>
Total Cash and Cash Equivalentents	<u>\$ 1,295,884</u>
Investments:	
Certificates of Deposit Managed by County Trustee	<u>\$ 1,150,000</u>

The water system's deposits and investments at June 30, 2014, were covered either by federal depository insurance, the Tennessee Collateral Pool, or securities held by the custodial bank in the county trustee's name.

Interest Rate Risk. To minimize exposure to declines in fair value, the certificates of deposit have staggering maturity rates with maturity dates of one year.

Custodial Credit Risk. The certificates of deposit are held in the Lauderdale County Trustee's Office name for the benefit of the water system and are not subject to custodial credit risk.

Concentrations of Credit Risk. The certificates of deposit are not subject to concentrations of credit risk as the custodial banks are either a member of the Tennessee Collateral Pool or provide securities held by the custodial bank as security for the funds invested.

D. Capital Assets

Capital assets are summarized as follows:

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 10,000	\$ 0	\$ 0	\$ 10,000
Total Capital Assets Not Depreciated	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,000</u>
Capital Assets Depreciated:				
Water Plant	\$ 8,264,879	\$ 20,490	\$ 0	\$ 8,285,369
Plant Equipment	90,390	4,457	0	94,847
Office Equipment	51,154	845	(902)	51,097
Equipment	294,599	0	0	294,599
Total Capital Assets Depreciated	<u>\$ 8,701,022</u>	<u>\$ 25,792</u>	<u>\$ (902)</u>	<u>\$ 8,725,912</u>
Less Accumulated Depreciation:				
Water Plant	\$ 4,312,791	\$ 232,606	\$ 0	\$ 4,545,397
Plant Equipment	46,405	6,225	0	52,630
Office Equipment	38,680	5,145	(709)	43,116
Equipment	215,764	23,825	0	239,589
Total Accumulated Depreciation	<u>\$ 4,613,640</u>	<u>\$ 267,801</u>	<u>\$ (709)</u>	<u>\$ 4,880,732</u>
Total Capital Assets Depreciated, Net	<u>\$ 4,087,382</u>	<u>\$ (242,009)</u>	<u>\$ (193)</u>	<u>\$ 3,845,180</u>
Business-type Activities Capital Assets, Net	<u>\$ 4,097,382</u>	<u>\$ (242,009)</u>	<u>\$ (193)</u>	<u>\$ 3,855,180</u>

E. Stewardship, Compliance, and Accountability

An annual budget is adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year-end. Some expenditures exceeded appropriations.

F. Concentration of Credit Risk

The water system receives its operating funds from fees charged to water customers in Lauderdale County, Tennessee. While the water system has a broad consumer base, the ability of customers to pay their accounts is dependent on the economic conditions of the area.

G. Retirement Plan

Employees of the water system are members of Lauderdale County's Political Subdivision Pension Plan (PSPP), an agent multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). The retirement plan for the water system was included in the total retirement program for Lauderdale County. Lauderdale County required employees to contribute five percent of earnable compensation, and the water system is required to contribute at an actuarially determined rate. The rate for the fiscal year ended June 30, 2014, was 8.87 percent of annual covered payroll. Retirement is based on 30 years of service or reaching the age of 60. For details relative to the funding status, contributions, retirement requirements, actuarial information, and trend information for the Lauderdale County plan, see Note V.F.

**REQUIRED SUPPLEMENTARY
INFORMATION**

Exhibit F-1

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

(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Frozen Entry Age (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7-1-13	\$ 28,579	\$ 29,344	\$ 765	97.39 %	\$ 8,723	8.77 %
7-1-11	25,648	26,547	899	96.61	8,393	10.72
7-1-09	21,012	21,379	367	98.28	8,418	4.36

Exhibit F-2

Lauderdale County, Tennessee
Schedule of Funding Progress – Other Postemployment Benefits Plan
Discretely Presented Lauderdale County School Department
June 30, 2014

(Dollar amounts in thousands)

Plan	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Unfunded AAL (UAAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAAL as a Percentage of Covered Payroll ((b-a)/c)
Local Education Group	7-1-10	\$ 0	\$ 4,219	\$ 4,219	0 %	\$ 16,027	26 %
"	7-1-11	0	4,265	4,265	0	16,945	25
"	7-1-13	0	3,355	3,355	0	19,381	17

LAUDERDALE 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.

Law Library Fund – The Law Library Fund is used to account for a special tax levied by private act on litigation. Proceeds of the tax must be expended for the benefit of the county’s law library.

Ambulance Service Fund – The Ambulance Service Fund is used to account for transactions of the county’s ambulance service.

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 Fund

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.

Education Capital Projects Fund – The Education Capital Projects Fund is used to account for debt issued by Lauderdale County that is subsequently contributed to the discretely presented Lauderdale County School Department for construction and renovation projects.

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

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Law Library	Ambulance Service	Drug Control	Constitu- tional Officers - Fees		
Cash	\$ 0	\$ 79,613	\$ 0	\$ 0	\$ 1,061	\$ 80,674
Equity in Pooled Cash and Investments	3,689	0	28,960	0	0	32,649
Accounts Receivable	0	835,664	1,231	0	0	836,895
Allowance for Uncollectibles	0	(183,349)	0	0	0	(183,349)
Total Assets	\$ 3,689	\$ 731,928	\$ 30,191	\$ 1,061	\$ 1,061	\$ 766,869
Accounts Payable	\$ 50	\$ 7,423	\$ 0	\$ 0	\$ 0	\$ 7,473
Accrued Payroll	0	29,351	0	0	0	29,351
Due to Other Funds	0	0	0	1,061	0	1,061
Total Liabilities	\$ 50	\$ 36,774	\$ 0	\$ 1,061	\$ 1,061	\$ 37,885
FUND BALANCES						
Restricted:						
Restricted for Public Safety	\$ 0	\$ 0	\$ 30,191	\$ 0	\$ 0	\$ 30,191
Restricted for Public Health and Welfare	0	695,154	0	0	0	695,154
Restricted for Social, Cultural, and Recreational Services	3,639	0	0	0	0	3,639
Total Fund Balances	\$ 3,639	\$ 695,154	\$ 30,191	\$ 0	\$ 0	\$ 728,984
Total Liabilities and Fund Balances	\$ 3,689	\$ 731,928	\$ 30,191	\$ 1,061	\$ 1,061	\$ 766,869

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

	Special Revenue Funds					Total
	Law Library	Ambulance Service	Drug Control	Constitu- tional Officers - Fees		
<u>Revenues</u>						
Local Taxes	\$ 1,279	\$ 0	\$ 0	\$ 0	\$ 0	1,279
Fines, Forfeitures, and Penalties	0	0	21,928	0	0	21,928
Charges for Current Services	0	1,384,791	0	6,670	0	1,391,461
Other Local Revenues	0	0	0	0	0	0
Total Revenues	\$ 1,279	\$ 1,384,791	\$ 21,928	\$ 6,670	\$ 6,670	\$ 1,414,668
<u>Expenditures</u>						
Current:						
Administration of Justice	\$ 0	\$ 0	\$ 0	\$ 6,670	\$ 0	6,670
Public Safety	0	0	2,140	0	0	2,140
Public Health and Welfare	0	1,189,092	0	0	0	1,189,092
Social, Cultural, and Recreational Services	1,209	0	0	0	0	1,209
Capital Projects	0	0	0	0	0	0
Total Expenditures	\$ 1,209	\$ 1,189,092	\$ 2,140	\$ 6,670	\$ 6,670	\$ 1,199,111
Excess (Deficiency) of Revenues Over Expenditures	\$ 70	\$ 195,699	\$ 19,788	\$ 0	\$ 0	215,557
<u>Other Financing Sources (Uses)</u>						
Capital Leases Issued	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Net Change in Fund Balances Fund Balance, July 1, 2013	\$ 70	\$ 195,699	\$ 19,788	\$ 0	\$ 0	215,557
Fund Balance, July 1, 2013	3,569	499,455	10,403	0	0	513,427
Fund Balance, June 30, 2014	\$ 3,639	\$ 695,154	\$ 30,191	\$ 0	\$ 0	728,984

(Continued)

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

	Capital Projects Fund	Total Nonmajor Governmental Funds
<u>Revenues</u>		
Local Taxes	0 \$	1,279
Fines, Forfeitures, and Penalties	0	21,928
Charges for Current Services	0	1,391,461
Other Local Revenues	56	56
Total Revenues	<u>56 \$</u>	<u>1,414,724</u>
<u>Expenditures</u>		
Current:		
Administration of Justice	0 \$	6,670
Public Safety	0	2,140
Public Health and Welfare	0	1,189,092
Social, Cultural, and Recreational Services	0	1,209
Capital Projects	859,098	859,098
Total Expenditures	<u>859,098 \$</u>	<u>2,058,209</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(859,042) \$</u>	<u>(643,485)</u>
<u>Other Financing Sources (Uses)</u>		
Capital Leases Issued	514,486 \$	514,486
Total Other Financing Sources (Uses)	<u>514,486 \$</u>	<u>514,486</u>
Net Change in Fund Balances Fund Balance, July 1, 2013	<u>(344,556) \$</u>	<u>(128,999)</u>
Fund Balance, July 1, 2013	344,556	857,983
Fund Balance, June 30, 2014	<u>0 \$</u>	<u>728,984</u>

Exhibit G-3

Lauderdale County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Law Library Fund
For the Year Ended June 30, 2014

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Local Taxes	\$ 1,279	\$ 1,000	\$ 1,000	\$ 279
Total Revenues	\$ 1,279	\$ 1,000	\$ 1,000	\$ 279
<u>Expenditures</u>				
<u>Social, Cultural, and Recreational Services</u>				
Libraries	\$ 1,209	\$ 2,020	\$ 2,020	\$ 811
Total Expenditures	\$ 1,209	\$ 2,020	\$ 2,020	\$ 811
Excess (Deficiency) of Revenues Over Expenditures	\$ 70	\$ (1,020)	\$ (1,020)	\$ 1,090
Net Change in Fund Balance	\$ 70	\$ (1,020)	\$ (1,020)	\$ 1,090
Fund Balance, July 1, 2013	3,569	3,634	3,634	(65)
Fund Balance, June 30, 2014	\$ 3,639	\$ 2,614	\$ 2,614	\$ 1,025

Exhibit G-4

Lauderdale County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Ambulance Service 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	\$ 1,384,791	\$ 1,100,000	\$ 1,100,000	\$ 284,791
Total Revenues	\$ 1,384,791	\$ 1,100,000	\$ 1,100,000	\$ 284,791
<u>Expenditures</u>				
<u>Public Health and Welfare</u>				
Ambulance/Emergency Medical Services	\$ 1,189,092	\$ 1,115,300	\$ 1,115,300	\$ (73,792)
Total Expenditures	\$ 1,189,092	\$ 1,115,300	\$ 1,115,300	\$ (73,792)
Excess (Deficiency) of Revenues Over Expenditures	\$ 195,699	\$ (15,300)	\$ (15,300)	\$ 210,999
Net Change in Fund Balance	\$ 195,699	\$ (15,300)	\$ (15,300)	\$ 210,999
Fund Balance, July 1, 2013	499,455	499,455	499,455	0
Fund Balance, June 30, 2014	\$ 695,154	\$ 484,155	\$ 484,155	\$ 210,999

Exhibit G-5

Lauderdale 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	\$ 21,928	\$ 8,600	\$ 8,600	\$ 13,328
Federal Government	0	1,000	1,000	(1,000)
Total Revenues	<u>\$ 21,928</u>	<u>\$ 9,600</u>	<u>\$ 9,600</u>	<u>\$ 12,328</u>
<u>Expenditures</u>				
<u>Public Safety</u>				
Drug Enforcement	\$ 2,140	\$ 11,500	\$ 11,500	\$ 9,360
Total Expenditures	<u>\$ 2,140</u>	<u>\$ 11,500</u>	<u>\$ 11,500</u>	<u>\$ 9,360</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 19,788</u>	<u>\$ (1,900)</u>	<u>\$ (1,900)</u>	<u>\$ 21,688</u>
Net Change in Fund Balance	\$ 19,788	\$ (1,900)	\$ (1,900)	\$ 21,688
Fund Balance, July 1, 2013	10,403	10,052	10,052	351
Fund Balance, June 30, 2014	<u>\$ 30,191</u>	<u>\$ 8,152</u>	<u>\$ 8,152</u>	<u>\$ 22,039</u>

Major Governmental Fund

General Debt Service Fund

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

Exhibit H

Lauderdale 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	\$ 667,418	\$ 651,246	\$ 651,246	\$ 16,172
Licenses and Permits	496	400	400	96
Other Local Revenues	1,951	0	0	1,951
Other Governments and Citizens Groups	1,615,230	1,969,837	2,103,336	(488,106)
Total Revenues	<u>\$ 2,285,095</u>	<u>\$ 2,621,483</u>	<u>\$ 2,754,982</u>	<u>\$ (469,887)</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 484,333	\$ 552,333	\$ 484,333	\$ 0
Education	1,737,359	1,603,860	1,737,359	0
<u>Interest on Debt</u>				
General Government	18,738	85,100	56,300	37,562
Education	349,894	362,959	362,959	13,065
<u>Other Debt Service</u>				
General Government	115,858	25,600	122,400	6,542
Education	2,466	3,018	3,018	552
Total Expenditures	<u>\$ 2,708,648</u>	<u>\$ 2,632,870</u>	<u>\$ 2,766,369</u>	<u>\$ 57,721</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (423,553)</u>	<u>\$ (11,387)</u>	<u>\$ (11,387)</u>	<u>\$ (412,166)</u>
Net Change in Fund Balance	\$ (423,553)	\$ (11,387)	\$ (11,387)	\$ (412,166)
Fund Balance, July 1, 2013	<u>3,631,085</u>	<u>3,791,076</u>	<u>3,791,076</u>	<u>(159,991)</u>
Fund Balance, June 30, 2014	<u>\$ 3,207,532</u>	<u>\$ 3,779,689</u>	<u>\$ 3,779,689</u>	<u>\$ (572,157)</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.

Local Sales Tax Fund – The Local Sales Tax Fund is used to account for certain local option sales tax collections that are to be used for the retirement of school debt.

Community Development – Agency Fund – The Community Development - Agency Fund is used to account for the repairs and upgrade of the waste water system for the City of Ripley funded through a Community Development Block Grant.

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.

Judicial District Drug Fund – The Judicial District Drug Fund is used to account for grants and other restricted revenues for the benefit of the multi-jurisdictional drug task force, which was created by contract (mutual aid agreement) between the participating city and county governments.

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

Exhibit I-1

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

	Agency Funds				Total
	Local Sales Tax	Constitu- tional Officers - Agency	Judicial District Drug	District Attorney General	
<u>ASSETS</u>					
Cash	\$ 0	\$ 684,719	\$ 0	\$ 0	\$ 684,719
Equity in Pooled Cash and Investments	1,582,241	0	239,352	149,258	1,970,851
Accounts Receivable	0	3,845	0	0	3,845
Due from Other Governments	368,989	0	5,959	1,360	376,308
Total Assets	\$ 1,951,230	\$ 688,564	\$ 245,311	\$ 150,618	\$ 3,035,723
<u>LIABILITIES</u>					
Due to Cities	\$ 168,757	\$ 0	\$ 0	\$ 0	\$ 168,757
Due to Other Taxing Units	1,782,473	0	0	0	1,782,473
Due to Litigants, Heirs, and Others	0	688,564	0	150,618	839,182
Due to Joint Ventures	0	0	245,311	0	245,311
Total Liabilities	\$ 1,951,230	\$ 688,564	\$ 245,311	\$ 150,618	\$ 3,035,723

Exhibit I-2

Lauderdale 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>Local Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 2,075,528	\$ 2,113,555	\$ 2,606,842	\$ 1,582,241
Due from Other Governments	361,107	368,989	361,107	368,989
Total Assets	\$ 2,436,635	\$ 2,482,544	\$ 2,967,949	\$ 1,951,230
<u>Liabilities</u>				
Due to Cities	\$ 166,056	\$ 168,757	\$ 166,056	\$ 168,757
Due to Other Taxing Units	2,270,579	2,313,787	2,801,893	1,782,473
Total Liabilities	\$ 2,436,635	\$ 2,482,544	\$ 2,967,949	\$ 1,951,230
<u>Community Development - Agency Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 17,897	\$ 17,897	\$ 0
Total Assets	\$ 0	\$ 17,897	\$ 17,897	\$ 0
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 0	\$ 17,897	\$ 17,897	\$ 0
Total Liabilities	\$ 0	\$ 17,897	\$ 17,897	\$ 0
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 652,959	\$ 4,784,411	\$ 4,752,651	\$ 684,719
Accounts Receivable	2,373	3,845	2,373	3,845
Total Assets	\$ 655,332	\$ 4,788,256	\$ 4,755,024	\$ 688,564
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 655,332	\$ 4,788,256	\$ 4,755,024	\$ 688,564
Total Liabilities	\$ 655,332	\$ 4,788,256	\$ 4,755,024	\$ 688,564
<u>Judicial District Drug Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 289,505	\$ 181,761	\$ 231,914	\$ 239,352
Due from Other Governments	5,455	5,959	5,455	5,959
Total Assets	\$ 294,960	\$ 187,720	\$ 237,369	\$ 245,311
<u>Liabilities</u>				
Due to Joint Ventures	\$ 294,960	\$ 187,720	\$ 237,369	\$ 245,311
Total Liabilities	\$ 294,960	\$ 187,720	\$ 237,369	\$ 245,311

(Continued)

Exhibit I-2

Lauderdale County, Tennessee

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>District Attorney General Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 129,492	\$ 32,234	\$ 12,468	\$ 149,258
Due from Other Governments	1,670	1,360	1,670	1,360
Total Assets	<u>\$ 131,162</u>	<u>\$ 33,594</u>	<u>\$ 14,138</u>	<u>\$ 150,618</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 131,162	\$ 33,594	\$ 14,138	\$ 150,618
Total Liabilities	<u>\$ 131,162</u>	<u>\$ 33,594</u>	<u>\$ 14,138</u>	<u>\$ 150,618</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 652,959	\$ 4,784,411	\$ 4,752,651	\$ 684,719
Equity in Pooled Cash and Investments	2,494,525	2,345,447	2,869,121	1,970,851
Accounts Receivable	2,373	3,845	2,373	3,845
Due from Other Governments	368,232	376,308	368,232	376,308
Total Assets	<u>\$ 3,518,089</u>	<u>\$ 7,510,011</u>	<u>\$ 7,992,377</u>	<u>\$ 3,035,723</u>
<u>Liabilities</u>				
Due to Cities	\$ 166,056	\$ 168,757	\$ 166,056	\$ 168,757
Due to Other Taxing Units	2,270,579	2,331,684	2,819,790	1,782,473
Due to Litigants, Heirs, and Others	786,494	4,821,850	4,769,162	839,182
Due to Joint Ventures	294,960	187,720	237,369	245,311
Total Liabilities	<u>\$ 3,518,089</u>	<u>\$ 7,510,011</u>	<u>\$ 7,992,377</u>	<u>\$ 3,035,723</u>

Lauderdale County School Department

This section presents combining and individual fund financial statements for the Lauderdale County School Department, a discretely presented component unit. The School Department uses a General Fund and two 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.

Exhibit J-1

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

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 25,476,606	\$ 32,128	\$ 3,664,908	\$ 1,971,748	\$ (19,807,822)
Support Services	11,368,245	54,416	1,084,357	112,591	(10,116,881)
Operation of Non-instructional Services	4,399,099	422,628	3,332,576	0	(643,895)
Total Governmental Activities	\$ 41,243,950	\$ 509,172	\$ 8,081,841	\$ 2,084,339	\$ (30,568,598)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes					\$ 3,392,914
Local Option Sales Taxes					1,764,174
Wheel Tax					175,986
Other Local Taxes					3,083
Grants and Contributions Not Restricted for Specific Programs					26,344,330
Unrestricted Investment Income					99,872
Miscellaneous					128,625
Total General Revenues					\$ 31,908,984
Change in Net Position					\$ 1,340,386
Net Position, July 1, 2013					24,014,164
Net Position, June 30, 2014					\$ 25,354,550

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

	Major Funds			Nonmajor Fund		Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria			
<u>ASSETS</u>						
Equity in Pooled Cash and Investments	\$ 2,748,646	\$ 332,119	\$ 446,134	\$	\$	\$ 3,526,899
Accounts Receivable	11,276	0	0	0	0	11,276
Due from Other Governments	509,722	192,917	201,973	0	0	904,612
Property Taxes Receivable	3,586,856	0	0	0	0	3,586,856
Allowance for Uncollectible Property Taxes	(95,660)	0	0	0	0	(95,660)
Accrued Interest Receivable	23,797	0	0	0	0	23,797
Total Assets	\$ 6,784,637	\$ 525,036	\$ 648,107	\$	\$	\$ 7,957,780
<u>LIABILITIES</u>						
Accounts Payable	\$ 31,404	\$ 7,137	\$ 0	\$ 0	\$ 0	\$ 38,541
Payroll Deductions Payable	549,211	79,893	0	0	0	629,104
Contracts Payable	14,570	0	0	0	0	14,570
Retainage Payable	66,048	0	0	0	0	66,048
Total Liabilities	\$ 661,233	\$ 87,030	\$ 0	\$ 0	\$ 0	\$ 748,263
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred Current Property Taxes	\$ 3,173,831	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,173,831
Deferred Delinquent Property Taxes	307,000	0	0	0	0	307,000
Other Deferred/Unavailable Revenue	155,369	0	0	0	0	155,369
Total Deferred Inflows of Resources	\$ 3,636,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,636,200

(Continued)

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

	Major Funds			Nonmajor Fund		Total Governmental Funds
	General Purpose School	School Federal Projects	Central Cafeteria			
\$	14,776	\$ 338,006	\$ 0	\$ 648,107	0	352,782
	0	0	0	648,107	0	648,107
	8,819	0	0	0	0	8,819
	12,759	0	0	0	0	12,759
	5,334	100,000	0	0	0	105,334
	2,445,516	0	0	0	0	2,445,516
\$	2,487,204	\$ 438,006	\$ 648,107	\$ 648,107	\$ 0	3,573,317
\$	6,784,637	\$ 525,036	\$ 648,107	\$ 648,107	\$ 0	7,957,780

FUND BALANCES

Restricted:
 Restricted for Education
 Restricted for Operation of Non-instructional Services
 Restricted for Capital Outlay
 Committed:
 Committed for Instruction
 Assigned:
 Assigned for Education
 Unassigned
 Total Fund Balances

Total Liabilities, Deferred Inflows of Resources, and Fund Balances

Exhibit J-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit J-2)		\$	3,573,317
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	1,378,648	
Add: buildings and improvements net of accumulated depreciation		18,593,428	
Add: infrastructure net of accumulated depreciation		161,143	
Add: other capital assets net of accumulated depreciation		<u>2,625,833</u>	22,759,052
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: contributions due on primary government debt for a capital lease	\$	(380,987)	
Less: other postemployment benefits liability		<u>(1,059,201)</u>	(1,440,188)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>462,369</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>25,354,550</u></u>

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

	Major Funds			Nonmajor Fund		Total Governmental Funds
	General Purpose School	School Federal Projects		Central Cafeteria		
<u>Revenues</u>						
Local Taxes	\$ 5,269,194	\$ 0	\$ 0	\$ 0	\$ 0	5,269,194
Licenses and Permits	4,390	0	0	0	0	4,390
Fines, Forfeitures, and Penalties	783	0	0	0	0	783
Charges for Current Services	83,243	0	0	422,628	0	505,871
Other Local Revenues	189,009	0	0	46,621	0	235,630
State of Tennessee	26,291,272	0	0	26,121	0	26,317,393
Federal Government	1,863,349	4,681,197	0	2,345,788	0	8,890,334
Other Governments and Citizens Groups	1,768,256	0	0	0	0	1,768,256
Total Revenues	\$ 35,469,496	\$ 4,681,197	\$ 2,841,158	\$ 2,841,158	\$ 0	\$ 42,991,851
<u>Expenditures</u>						
Current:						
Instruction	\$ 19,581,985	\$ 3,593,422	\$ 0	\$ 0	\$ 0	23,175,407
Support Services	10,909,670	585,447	0	0	0	11,495,117
Operation of Non-instructional Services	1,213,213	190,162	0	2,941,806	0	4,345,181
Capital Outlay	1,982,977	0	0	0	0	1,982,977
Debt Service:						
Other Debt Service	1,333,499	0	0	0	0	1,333,499
Total Expenditures	\$ 35,021,344	\$ 4,369,031	\$ 2,941,806	\$ 2,941,806	\$ 0	\$ 42,332,181
Excess (Deficiency) of Revenues Over Expenditures	\$ 448,152	\$ 312,166	\$ (100,648)	\$ (100,648)	\$ 0	\$ 659,670

(Continued)

Exhibit J-4

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

	Major Funds			Nonmajor Fund		Total Governmental Funds
	General Purpose School	School Federal Projects		Central Cafeteria		
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 50,422	\$ 0	\$ 0	\$ 0	\$ 0	50,422
Transfers In	30,249	0	0	0	0	30,249
Transfers Out	0	(30,249)	0	0	0	(30,249)
Total Other Financing Sources (Uses)	\$ 80,671	\$ (30,249)	\$ 0	\$ 0	\$ 0	50,422
Net Change in Fund Balances	\$ 528,823	\$ 281,917	\$ (100,648)	\$ (100,648)	\$ 710,092	710,092
Fund Balance, July 1, 2013	1,958,381	156,089	748,755	748,755	2,863,225	2,863,225
Fund Balance, June 30, 2014	\$ 2,487,204	\$ 438,006	\$ 648,107	\$ 648,107	\$ 3,573,317	3,573,317

Exhibit J-5

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

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

Net change in fund balances - total governmental funds (Exhibit J-4)		\$ 710,092
<p>(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:</p>		
Add: capital assets purchased in the current period	\$ 2,272,332	
Less: current-year depreciation expense	<u>(1,384,031)</u>	888,301
<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	\$ 462,369	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(355,398)</u>	106,971
<p>(3) The issuance of long-term debt (e.g., 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.</p>		
Less: capital lease proceeds contributed by the primary government	\$ (514,486)	
Add: principal contribution on a capital lease to the primary government	<u>133,499</u>	(380,987)
<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 other postemployment benefits liability		<u>16,009</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 1,340,386</u>

Exhibit J-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
Revenues							
Local Taxes	\$ 5,269,194	\$ 0	\$ 0	\$ 5,269,194	\$ 5,312,046	\$ 5,312,746	\$ (43,552)
Licenses and Permits	4,390	0	0	4,390	3,800	3,800	590
Fines, Forfeitures, and Penalties	783	0	0	783	1,000	1,000	(217)
Charges for Current Services	83,243	0	0	83,243	22,000	90,741	(7,498)
Other Local Revenues	189,009	0	0	189,009	100,500	139,779	49,230
State of Tennessee	26,291,272	0	0	26,291,272	24,592,131	26,307,977	(16,705)
Federal Government	1,863,349	0	0	1,863,349	63,000	1,747,908	115,441
Other Governments and Citizens Groups	1,768,256	0	0	1,768,256	864,601	811,476	956,780
Total Revenues	\$ 35,469,496	\$ 0	\$ 0	\$ 35,469,496	\$ 30,959,078	\$ 34,415,427	\$ 1,054,069
Expenditures							
Instruction							
Regular Instruction Program	\$ 15,991,091	(396)	\$ 364	\$ 15,991,059	\$ 16,084,546	\$ 16,460,927	\$ 469,868
Special Education Program	2,670,966	0	0	2,670,966	2,689,545	2,741,980	71,014
Vocational Education Program	919,928	0	1,600	921,528	1,001,878	1,004,250	82,722
Support Services							
Attendance	31,860	0	0	31,860	35,448	35,448	3,588
Health Services	236,928	0	0	236,928	164,457	265,708	28,780
Other Student Support	954,387	0	0	954,387	961,525	1,025,626	71,239
Regular Instruction Program	702,679	0	0	702,679	699,482	731,828	29,149
Special Education Program	560,694	0	0	560,694	468,698	564,624	3,930
Vocational Education Program	92,378	0	0	92,378	104,537	104,537	12,159
Other Programs	120,228	0	0	120,228	105,000	120,228	0
Board of Education	388,687	0	0	388,687	459,943	459,943	71,256
Director of Schools	361,498	0	175	361,673	368,384	376,487	14,814
Office of the Principal	2,534,005	0	3,195	2,537,200	2,141,957	2,620,749	83,549
Fiscal Services	138,038	0	0	138,038	163,281	163,841	25,803
Operation of Plant	2,266,813	0	0	2,266,813	2,186,124	2,259,758	(7,055)
Maintenance of Plant	919,219	(3,356)	0	915,863	724,380	920,258	4,395
Transportation	1,481,404	0	0	1,481,404	1,578,504	1,551,604	70,200

(Continued)

Exhibit J-6

Lauderdale County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual (Budgetary Basis) and Budget
Discretely Presented Lauderdale 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>							
Central and Other	\$ 120,852	\$ 0	\$ 0	\$ 120,852	\$ 117,859	\$ 130,769	\$ 9,917
<u>Operation of Non-instructional Services</u>							
Community Services	225,023	0	0	225,023	35,518	229,580	4,557
Early Childhood Education	988,190	(15,195)	0	972,995	0	972,711	(284)
<u>Capital Outlay</u>							
Regular Capital Outlay	1,982,977	(1,297,905)	8,819	693,891	14,436	900,995	207,104
<u>Principal on Debt</u>							
Education	0	0	0	0	150,000	16,501	16,501
<u>Other Debt Service</u>							
Education	1,333,499	0	0	1,333,499	1,200,000	1,333,499	0
<u>Total Expenditures</u>	<u>\$ 35,021,344</u>	<u>\$ (1,316,852)</u>	<u>\$ 14,153</u>	<u>\$ 33,718,645</u>	<u>\$ 31,455,502</u>	<u>\$ 34,991,851</u>	<u>\$ 1,273,206</u>
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ 448,152	\$ 1,316,852	\$ (14,153)	\$ 1,750,851	\$ (496,424)	\$ (576,424)	\$ 2,327,275
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 50,422	\$ 0	\$ 0	\$ 50,422	\$ 0	\$ 0	\$ 50,422
Transfers In	30,249	0	0	30,249	25,000	25,000	5,249
<u>Total Other Financing Sources</u>	<u>\$ 80,671</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 80,671</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 55,671</u>
<u>Net Change in Fund Balance</u> <u>Fund Balance, July 1, 2013</u>	<u>\$ 528,823</u>	<u>\$ 1,316,852</u>	<u>\$ (14,153)</u>	<u>\$ 1,831,522</u>	<u>\$ (471,424)</u>	<u>\$ (551,424)</u>	<u>\$ 2,382,946</u>
<u>Fund Balance, June 30, 2014</u>	<u>\$ 1,958,381</u>	<u>\$ (1,316,852)</u>	<u>\$ 0</u>	<u>\$ 641,529</u>	<u>\$ 2,223,264</u>	<u>\$ 2,223,264</u>	<u>\$ (1,581,755)</u>
<u>Fund Balance, June 30, 2014</u>	<u>\$ 2,487,204</u>	<u>\$ 0</u>	<u>\$ (14,153)</u>	<u>\$ 2,473,051</u>	<u>\$ 1,751,840</u>	<u>\$ 1,671,840</u>	<u>\$ 801,211</u>

Exhibit J-7

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Federal Government	\$ 4,681,197 \$	0 \$	4,681,197 \$	4,185,204 \$	4,871,843 \$	(190,646)
Total Revenues	\$ 4,681,197 \$	0 \$	4,681,197 \$	4,185,204 \$	4,871,843 \$	(190,646)
<u>Expenditures</u>						
<u>Instruction</u>						
Regular Instruction Program	\$ 2,484,352 \$	13,850 \$	2,498,202 \$	2,148,629 \$	2,796,843 \$	298,641
Special Education Program	1,060,012	0	1,060,012	1,076,582	1,081,701	21,689
Vocational Education Program	49,058	3,352	52,410	51,118	52,696	286
<u>Support Services</u>						
Other Student Support	79,110	0	79,110	93,473	103,091	23,981
Regular Instruction Program	433,560	0	433,560	481,232	535,842	102,282
Special Education Program	38	0	38	1,071	1,071	1,033
Vocational Education Program	3,260	0	3,260	2,500	3,500	240
Office of the Principal	54,494	0	54,494	88,385	61,056	6,562
Transportation	14,985	0	14,985	12,700	33,200	18,215
<u>Operation of Non-instructional Services</u>						
Community Services	190,162	0	190,162	184,988	197,383	7,221
Total Expenditures	\$ 4,369,031 \$	17,202 \$	4,386,233 \$	4,140,678 \$	4,866,383 \$	480,150
Excess (Deficiency) of Revenues Over Expenditures	\$ 312,166 \$	(17,202) \$	294,964 \$	44,526 \$	5,460 \$	289,504
<u>Other Financing Sources (Uses)</u>						
Transfers Out	\$ (30,249) \$	0 \$	(30,249) \$	(19,434) \$	(30,368) \$	119
Total Other Financing Sources	\$ (30,249) \$	0 \$	(30,249) \$	(19,434) \$	(30,368) \$	119

(Continued)

Exhibit J-7

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 281,917 \$ 156,089	(17,202) \$ 0	264,715 \$ 156,089	25,092 \$ 24,908	(24,908) \$ 24,908	289,623 131,181
Fund Balance, June 30, 2014	\$ 438,006 \$	(17,202) \$	420,804 \$	50,000 \$	0 \$	420,804

Exhibit J-8

Lauderdale County, Tennessee
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Actual and Budget
Discretely Presented Lauderdale 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	\$ 422,628	\$ 549,479	\$ 549,479	\$ (126,851)
Other Local Revenues	46,621	1,200	1,200	45,421
State of Tennessee	26,121	25,000	25,000	1,121
Federal Government	2,345,788	2,346,003	2,346,003	(215)
Total Revenues	<u>\$ 2,841,158</u>	<u>\$ 2,921,682</u>	<u>\$ 2,921,682</u>	<u>\$ (80,524)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 2,941,806	\$ 3,140,363	\$ 3,140,363	\$ 198,557
Total Expenditures	<u>\$ 2,941,806</u>	<u>\$ 3,140,363</u>	<u>\$ 3,140,363</u>	<u>\$ 198,557</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (100,648)</u>	<u>\$ (218,681)</u>	<u>\$ (218,681)</u>	<u>\$ 118,033</u>
Net Change in Fund Balance	\$ (100,648)	\$ (218,681)	\$ (218,681)	\$ 118,033
Fund Balance, July 1, 2013	<u>748,755</u>	<u>651,365</u>	<u>651,365</u>	<u>97,390</u>
Fund Balance, June 30, 2014	<u>\$ 648,107</u>	<u>\$ 432,684</u>	<u>\$ 432,684</u>	<u>\$ 215,423</u>

MISCELLANEOUS SCHEDULES

Exhibit K-1

Lauderdale County, Tennessee
Schedule of Changes in Long-term Notes, Other Loans, Bonds, and Capital Lease
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 <u>General Debt Service Fund</u>								
Health Department Construction	\$ 300,000	0 %	11-7-04	9-1-13	\$ 8,333	\$ 0	\$ 8,333	\$ 0
School Energy Efficiency Loan	500,000	0	8-21-07	8-15-14	142,856	0	71,429	71,427
Total Notes Payable					\$ 151,189	\$ 0	\$ 79,762	\$ 71,427
<u>OTHER LOANS PAYABLE</u>								
Payable through <u>General Debt Service Fund</u>								
Public Works Projects	1,000,000	Variable	1-28-09	5-25-25	\$ 790,000	\$ 0	\$ 56,000	\$ 734,000
Qualified School Construction Bonds, Series 2010	2,523,000	(1)	10-7-10	9-15-27	2,234,376	0	157,431	2,076,945
Total Other Loans Payable					\$ 3,024,376	\$ 0	\$ 213,431	\$ 2,810,945
<u>BONDS PAYABLE</u>								
Payable through <u>General Debt Service Fund</u>								
G.O. Refunding, Series 2006	4,605,000	3.75 to 4	5-10-06	4-1-16	\$ 1,790,000	\$ 0	\$ 455,000	\$ 1,335,000
G.O. School Refunding, Series 2012	9,230,000	2 to 2.25	4-18-12	4-1-22	9,135,000	0	1,340,000	7,795,000
Total Bonds Payable					\$ 10,925,000	\$ 0	\$ 1,795,000	\$ 9,130,000
<u>CAPITAL LEASE PAYABLE</u>								
Contributions Due by School Department from the <u>General Purpose School Fund to the General Debt Service Fund</u>	514,486	2.54	8-30-13	8-30-16	\$ 0	\$ 514,486	\$ 133,499	\$ 380,987
Laptop Computers								
Total Capital Lease Payable					\$ 0	\$ 514,486	\$ 133,499	\$ 380,987

(1) Interest rate of approximately 4.85 percent is offset by a federal interest subsidy.

Exhibit K-2

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

Year Ending June 30	Note	
	Principal	Total
2015	\$ 71,427	\$ 71,427
Total	\$ 71,427	\$ 71,427

Year Ending June 30	Other Loans			
	Principal	Interest (1)	Other Fees	Total
2015	\$ 215,431	\$ 124,370	\$ 7,956	\$ 347,757
2016	216,431	124,208	7,568	348,206
2017	218,431	124,043	7,172	349,646
2018	220,431	123,872	6,764	351,066
2019	222,431	123,695	6,342	352,468
2020	224,431	123,513	5,906	353,850
2021	225,431	123,326	5,457	354,214
2022	227,431	123,135	5,002	355,568
2023	229,431	122,939	4,533	356,903
2024	231,431	122,738	4,050	358,219
2025	234,431	122,531	3,554	360,516
2026	157,431	122,315	2,018	281,764
2027	172,928	122,315	2,018	297,261
2028	14,845	12,046	505	27,396
Total	\$ 2,810,945	\$ 1,615,047	\$ 68,844	\$ 4,494,836

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 1,395,000	\$ 212,444	\$ 1,607,444
2016	1,440,000	168,244	1,608,244
2017	1,485,000	129,044	1,614,044
2018	1,065,000	99,344	1,164,344
2019	1,000,000	78,044	1,078,044
2020	1,000,000	58,044	1,058,044
2021	975,000	38,044	1,013,044
2022	770,000	17,323	787,323
Total	\$ 9,130,000	\$ 800,531	\$ 9,930,531

Year Ending June 30	Capital Lease		
	Principal	Interest	Total
2015	\$ 123,822	\$ 9,677	\$ 133,499
2016	126,967	6,532	133,499
2017	130,198	3,300	133,499
Total	\$ 380,987	\$ 19,509	\$ 400,496

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

Exhibit K-3

Lauderdale County, Tennessee
Schedule of Transfers
Discretely Presented Lauderdale County School Department
For the Year Ended June 30, 2014

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
School Federal Projects	General Purpose School	Indirect costs	<u>\$ 30,249</u>
Total Transfers Discretely Presented Lauderdale County School Department			<u><u>\$ 30,249</u></u>

Exhibit K-4

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

Official	Authorization for Salary	Salary Paid During Period	Bond	Surety
County Mayor	Section 8-24-102, TCA, and County Commission	\$ 77,304	\$ 50,000	RLI Insurance Company
Highway Commissioner	Chapter 304, Private Acts of 1929, as amended, and County Commission	72,195	100,000	"
Director of Schools	State Board of Education and County	110,000 (1)	150,000	Tennessee Risk Management Trust
Trustee	Board of Education	65,632	1,162,100	RLI Insurance Company
Assessor of Property	Section 8-24-102, TCA	65,632	50,000	Western Surety Company
County Clerk	Section 8-24-102, TCA	65,632	50,000	RLI Insurance Company
Circuit and General Sessions Courts Clerk	Section 8-24-102, TCA	65,632	50,000	"
Clerk and Master	Section 8-24-102, TCA	65,632 (2)	300,000	"
Register of Deeds	and Chancery Court Judge	65,632	25,000	"
Sheriff	Section 8-24-102, TCA	72,195 (3)	25,000	"
Employees Blanket Bonds:				
Public Employee Dishonesty - County Departments			150,000	Tennessee Risk Management Trust
Public Employee Dishonesty - School Department			150,000	"

- (1) Does not include a chief executive officer training supplement of \$1,000, a travel allowance of \$7,800, and a bonus payment of \$600.
- (2) Does not include special commissioner fees of \$6,670.
- (3) Does not include a law enforcement training supplement of \$600.

Exhibit K-5

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

	Special Revenue Funds						Highway / Public Works
	General	Law Library	Ambulance Service	Drug Control	Constitu- tional Officers - Fees		
<u>Local Taxes</u>							
<u>County Property Taxes</u>							
Current Property Tax	\$ 4,649,816	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	742,717
Trustee's Collections - Prior Year	196,258	0	0	0	0	0	29,597
Circuit/Clerk and Master Collections - Prior Years	202,081	0	0	0	0	0	32,382
Interest and Penalty	35,781	0	0	0	0	0	5,505
Payments in-Lieu-of Taxes - T.V.A.	544	0	0	0	0	0	87
Payments in-Lieu-of Taxes - Local Utilities	56,731	0	0	0	0	0	9,062
Payments in-Lieu-of Taxes - Other	83,654	0	0	0	0	0	20,471
<u>County Local Option Taxes</u>							
Hotel/Motel Tax	19,478	0	0	0	0	0	0
Wheel Tax	880,160	0	0	0	0	0	88,107
Litigation Tax - General	66,852	0	0	0	0	0	0
Litigation Tax - Special Purpose	13,960	1,279	0	0	0	0	0
Litigation Tax - Jail, Workhouse, or Courthouse	3,387	0	0	0	0	0	0
Litigation Tax - Courthouse Security	86	0	0	0	0	0	0
Business Tax	100,772	0	0	0	0	0	0
Mixed Drink Tax	766	0	0	0	0	0	0
<u>Statutory Local Taxes</u>							
Bank Excise Tax	19,503	0	0	0	0	0	3,115
Wholesale Beer Tax	46,361	0	0	0	0	0	0
Interstate Telecommunications Tax	8,549	0	0	0	0	0	0
Total Local Taxes	\$ 6,384,739	\$ 1,279	\$ 0	\$ 0	\$ 0	\$ 0	\$ 931,043
<u>Licenses and Permits</u>							
<u>Licenses</u>							
Animal Registration	\$ 7,684	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Cable TV Franchise	3,976	0	0	0	0	0	635

(Continued)

Exhibit K-5

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Licenses and Permits (Cont.)</u>						
<u>Permits</u>						
Beer Permits	950 \$	0 \$	0 \$	0 \$	0 \$	0
Building Permits	7,144	0	0	0	0	0
Other Permits	3,300	0	0	0	0	0
Total Licenses and Permits	23,054 \$	0 \$	0 \$	0 \$	0 \$	635
<u>Fines, Forfeitures, and Penalties</u>						
<u>Circuit Court</u>						
Fines	2,394 \$	0 \$	0 \$	0 \$	0 \$	0
Officers Costs	6,705	0	0	0	0	0
Drug Control Fines	386	0	0	396	0	0
Drug Court Fees	645	0	0	0	0	0
Jail Fees	3,743	0	0	0	0	0
DUI Treatment Fines	285	0	0	0	0	0
Data Entry Fee - Circuit Court	1,848	0	0	0	0	0
Victims Assistance Assessments	2,930	0	0	0	0	0
<u>Criminal Court</u>						
DUI Treatment Fines	190	0	0	0	0	0
<u>General Sessions Court</u>						
Fines	30,830	0	0	0	0	0
Fines for Littering	214	0	0	0	0	0
Officers Costs	17,907	0	0	0	0	0
Game and Fish Fines	524	0	0	0	0	0
Drug Control Fines	1,607	0	0	1,607	0	0
Drug Court Fees	3,414	0	0	0	0	0
Jail Fees	17,714	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds						Highway / Public Works
	General	Law Library	Ambulance Service	Drug Control	Constitu- tional Officers - Fees		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>							
<u>General Sessions Court (Cont.)</u>							
DUI Treatment Fines	7,621 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0
Data Entry Fee - General Sessions Court	9,446	0	0	0	0	0	0
Victims Assistance Assessments	20,704	0	0	0	0	0	0
<u>Juvenile Court</u>							
Fines	4,141	0	0	0	0	0	0
<u>Chancery Court</u>							
Officers Costs	2,377	0	0	0	0	0	0
Data Entry Fee - Chancery Court	4,534	0	0	0	0	0	0
<u>Judicial District Drug Program</u>							
Drug Task Force Forfeitures and Seizures	0	0	0	19,925	0	0	0
<u>Other Fines, Forfeitures, and Penalties</u>							
Proceeds from Confiscated Property	8,500	0	0	0	0	0	0
Other Fines, Forfeitures, and Penalties	300	0	0	0	0	0	0
Total Fines, Forfeitures, and Penalties	148,959 \$	0 \$	0 \$	21,928 \$	0 \$	0 \$	0
<u>Charges for Current Services</u>							
<u>General Service Charges</u>							
Patient Charges	0 \$	0 \$	1,384,791 \$	0 \$	0 \$	0 \$	0
Fees							
Subdivision Lot Fees	250	0	0	0	0	0	0
Recreation Fees	1,125	0	0	0	0	0	0
Copy Fees	1,385	0	0	0	0	0	0
Library Fees	5,083	0	0	0	0	0	0
Telephone Commissions	58,505	0	0	0	0	0	0
Special Commissioner Fees/Special Master Fees	0	0	0	0	6,670	0	0

(Continued)

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

	Special Revenue Funds					
	General	Law Library	Ambulance Service	Drug Control	Constitutional Officers - Fees	Highway / Public Works
<u>Charges for Current Services (Cont.)</u>						
<u>Fees (Cont.)</u>						
Data Processing Fee - Register	5,996 \$	0 \$	0 \$	0 \$	0 \$	0
Data Processing Fee - Sheriff	1,316	0	0	0	0	0
Sexual Offender Registration Fee - Sheriff	3,900	0	0	0	0	0
Data Processing Fee - County Clerk	1,556	0	0	0	0	0
Education Charges						
Tuition - Other	508	0	0	0	0	0
Total Charges for Current Services	79,624 \$	0 \$	1,384,791 \$	0 \$	6,670 \$	0
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	3,000 \$	0 \$	0 \$	0 \$	0 \$	0
Lease/Rentals	3,300	0	0	0	0	0
Commissary Sales	18,558	0	0	0	0	0
Sale of Maps	120	0	0	0	0	0
Sale of Recycled Materials	117	0	0	0	0	0
E-Rate Funding	2,569	0	0	0	0	0
Commodity Rebates	2,378	0	0	0	0	0
Miscellaneous Refunds	27,207	0	0	0	0	1,341
Expenditure Credits	87,000	0	0	0	0	17,325
<u>Nonrecurring Items</u>						
Sale of Equipment	0	0	0	0	0	8,075
Sale of Property	775	0	0	0	0	0
Damages Recovered from Individuals	100	0	0	0	0	0
Total Other Local Revenues	145,124 \$	0 \$	0 \$	0 \$	0 \$	26,741

(Continued)

Exhibit K-5

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

	Special Revenue Funds						Highway / Public Works
	General	Law Library	Ambulance Service	Drug Control	Constitu- tional Officers - Fees		
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of Salary</u>							
County Clerk	\$ 299,588	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Circuit Court Clerk	96,469	0	0	0	0	0	0
General Sessions Court Clerk	152,436	0	0	0	0	0	0
Clerk and Master	112,019	0	0	0	0	0	0
Register	65,120	0	0	0	0	0	0
Sheriff	10,886	0	0	0	0	0	0
Trustee	339,806	0	0	0	0	0	0
Total Fees Received from County Officials	\$ 1,076,324	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 16,110	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Other General Government Grants	1,750	0	0	0	0	0	0
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	16,200	0	0	0	0	0	0
Safe and Drug-free Schools and Communities	48,782	0	0	0	0	0	0
<u>Health and Welfare Grants</u>							
Health Department Programs	143,308	0	0	0	0	0	0
Other Health and Welfare Grants	23,449	0	0	0	0	0	0
<u>Public Works Grants</u>							
State Aid Program	0	0	0	0	0	0	60,906
Litter Program	35,300	0	0	0	0	0	0
<u>State Education Funds</u>							
Adult Vocational	21,978	0	0	0	0	0	0

(Continued)

Exhibit K-5

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

	Special Revenue Funds						Highway / Public Works
	General	Law Library	Ambulance Service	Drug Control	Constitu- tional Officers - Fees		
<u>State of Tennessee (Cont.)</u>							
<u>Other State Revenues</u>							
Income Tax	\$ 13,937	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Beer Tax	17,806	0	0	0	0	0	0
Alcoholic Beverage Tax	56,091	0	0	0	0	0	0
State Revenue Sharing - T.V.A.	132,135	0	0	0	0	0	87,029
Contracted Prisoner Boarding	765,068	0	0	0	0	0	0
Gasoline and Motor Fuel Tax	0	0	0	0	0	0	1,711,935
Petroleum Special Tax	0	0	0	0	0	0	20,070
Registrar's Salary Supplement	15,164	0	0	0	0	0	0
Other State Grants	114,994	0	0	0	0	0	0
Other State Revenues	9,000	0	0	0	0	0	0
Total State of Tennessee	\$ 1,431,072	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	1,879,940
<u>Federal Government</u>							
<u>Federal Through State</u>							
USDA - Other	\$ 9,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Civil Defense Reimbursement	28,000	0	0	0	0	0	0
Disaster Relief	753	0	0	0	0	0	7,802
Homeland Security Grants	37,383	0	0	0	0	0	0
Law Enforcement Grants	24,233	0	0	0	0	0	0
<u>Direct Federal Revenue</u>							
FHA Grant	20,968	0	0	0	0	0	0
Other Direct Federal Revenue	4,260	0	0	0	0	0	0
Total Federal Government	\$ 124,597	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	7,802

(Continued)

Exhibit K-5

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

	Special Revenue Funds						
	General	Law Library	Ambulance Service	Drug Control	Constitu- tional Officers - Fees	Highway / Public Works	
<u>Other Governments and Citizens Groups</u>							
<u>Other Governments</u>							
Prisoner Board	\$ 229	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Contributions	221,236	0	0	0	0	0	0
Contracted Services	59,119	0	0	0	0	0	0
<u>Citizens Groups</u>							
Donations	40,854	0	0	0	0	0	0
Total Other Governments and Citizens Groups	\$ 321,438	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0
Total	\$ 9,734,931	\$ 1,279	\$ 1,384,791	\$ 21,928	\$ 6,670	\$ 2,846,161	0

(Continued)

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

	Debt Service Fund		Capital Projects Fund		Total
	General Debt Service	Education Capital Projects	Education Capital Projects	Education Capital Projects	
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 579,544	\$ 0	\$ 0	\$ 0	5,972,077
Trustee's Collections - Prior Year	25,598	0	0	0	251,453
Circuit/Clerk and Master Collections - Prior Years	11,886	0	0	0	246,349
Interest and Penalty	4,591	0	0	0	45,877
Payments in-Lieu-of Taxes - T.V.A.	68	0	0	0	699
Payments in-Lieu-of Taxes - Local Utilities	7,071	0	0	0	72,864
Payments in-Lieu-of Taxes - Other	10,427	0	0	0	114,552
<u>County Local Option Taxes</u>					
Hotel/Motel Tax	0	0	0	0	19,478
Wheel Tax	0	0	0	0	968,267
Litigation Tax - General	0	0	0	0	66,852
Litigation Tax - Special Purpose	0	0	0	0	15,239
Litigation Tax - Jail, Workhouse, or Courthouse	25,802	0	0	0	29,189
Litigation Tax - Courthouse Security	0	0	0	0	86
Business Tax	0	0	0	0	100,772
Mixed Drink Tax	0	0	0	0	766
<u>Statutory Local Taxes</u>					
Bank Excise Tax	2,431	0	0	0	25,049
Wholesale Beer Tax	0	0	0	0	46,361
Interstate Telecommunications Tax	0	0	0	0	8,549
Total Local Taxes	\$ 667,418	\$ 0	\$ 0	\$ 0	7,984,479
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Animal Registration	0	0	0	0	7,684
Cable TV Franchise	496	0	0	0	5,107

(Continued)

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

	Debt Service Fund		Capital Projects Fund		Total
	General	Debt Service	Education	Capital Projects	
<u>Licenses and Permits (Cont.)</u>					
<u>Permits</u>					
Beer Permits		0 \$	0 \$		950
Building Permits		0	0		7,144
Other Permits		0	0		3,300
Total Licenses and Permits		496 \$	0 \$		24,185
<u>Fines, Forfeitures, and Penalties</u>					
<u>Circuit Court</u>					
Fines		0 \$	0 \$		2,394
Officers Costs		0	0		6,705
Drug Control Fines		0	0		782
Drug Court Fees		0	0		645
Jail Fees		0	0		3,743
DUI Treatment Fines		0	0		285
Data Entry Fee - Circuit Court		0	0		1,848
Victims Assistance Assessments		0	0		2,930
<u>Criminal Court</u>					
DUI Treatment Fines		0	0		190
<u>General Sessions Court</u>					
Fines		0	0		30,830
Fines for Littering		0	0		214
Officers Costs		0	0		17,907
Game and Fish Fines		0	0		524
Drug Control Fines		0	0		3,214
Drug Court Fees		0	0		3,414
Jail Fees		0	0		17,714

(Continued)

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

	Debt Service Fund		Capital Projects Fund		Total
	General Debt Service		Education Capital Projects		
<u>Fines, Forfeitures, and Penalties (Cont.)</u>					
<u>General Sessions Court (Cont.)</u>					
DUI Treatment Fines	\$	0 \$	0 \$	0 \$	7,621
Data Entry Fee - General Sessions Court		0	0	0	9,446
Victims Assistance Assessments		0	0	0	20,704
Juvenile Court					
Fines		0	0	0	4,141
Chancery Court					
Officers Costs		0	0	0	2,377
Data Entry Fee - Chancery Court		0	0	0	4,534
Judicial District Drug Program					
Drug Task Force Forfeitures and Seizures		0	0	0	19,925
Other Fines, Forfeitures, and Penalties					
Proceeds from Confiscated Property		0	0	0	8,500
Other Fines, Forfeitures, and Penalties		0	0	0	300
Total Fines, Forfeitures, and Penalties	\$	0 \$	0 \$	0 \$	170,887
<u>Charges for Current Services</u>					
<u>General Service Charges</u>					
Patient Charges	\$	0 \$	0 \$	0 \$	1,384,791
Fees					
Subdivision Lot Fees		0	0	0	250
Recreation Fees		0	0	0	1,125
Copy Fees		0	0	0	1,385
Library Fees		0	0	0	5,083
Telephone Commissions		0	0	0	58,505
Special Commissioner Fees/Special Master Fees		0	0	0	6,670

(Continued)

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

	Debt Service Fund		Capital Projects Fund		Total
	General Debt Service		Education Capital Projects		
<u>Charges for Current Services (Cont.)</u>					
<u>Fees (Cont.)</u>					
Data Processing Fee - Register		0 \$	0 \$		5,996
Data Processing Fee - Sheriff		0	0		1,316
Sexual Offender Registration Fee - Sheriff		0	0		3,900
Data Processing Fee - County Clerk		0	0		1,556
<u>Education Charges</u>					
Tuition - Other		0	0		508
Total Charges for Current Services		0 \$	0 \$		1,471,085
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income		1,951 \$	56 \$		5,007
Lease/Rentals		0	0		3,300
Commissary Sales		0	0		18,558
Sale of Maps		0	0		120
Sale of Recycled Materials		0	0		117
E-Rate Funding		0	0		2,569
Commodity Rebates		0	0		2,378
Miscellaneous Refunds		0	0		28,548
Expenditure Credits		0	0		104,325
<u>Nonrecurring Items</u>					
Sale of Equipment		0	0		8,075
Sale of Property		0	0		775
Damages Recovered from Individuals		0	0		100
Total Other Local Revenues		1,951 \$	56 \$		173,872

(Continued)

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

	Debt Service Fund		Capital Projects Fund		Total
	General Debt Service		Education Capital Projects		
<u>Fees Received from County Officials</u>					
<u>Fees in-Lieu-of Salary</u>					
County Clerk	\$	0	\$	0	299,588
Circuit Court Clerk		0		0	96,469
General Sessions Court Clerk		0		0	152,436
Clerk and Master		0		0	112,019
Register		0		0	65,120
Sheriff		0		0	10,886
Trustee		0		0	339,806
Total Fees Received from County Officials	\$	0	\$	0	1,076,324
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
Juvenile Services Program	\$	0	\$	0	16,110
Other General Government Grants		0		0	1,750
<u>Public Safety Grants</u>					
Law Enforcement Training Programs		0		0	16,200
Safe and Drug-free Schools and Communities		0		0	48,782
<u>Health and Welfare Grants</u>					
Health Department Programs		0		0	143,308
Other Health and Welfare Grants		0		0	23,449
<u>Public Works Grants</u>					
State Aid Program		0		0	60,906
Litter Program		0		0	35,300
<u>State Education Funds</u>					
Adult Vocational		0		0	21,978

(Continued)

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

	Debt Service Fund		Capital Projects Fund		Total
	General Debt Service		Education Capital Projects		
<u>State of Tennessee (Cont.)</u>					
<u>Other State Revenues</u>					
Income Tax	\$	0 \$	0 \$	0 \$	13,937
Beer Tax		0	0	0	17,806
Alcoholic Beverage Tax		0	0	0	56,091
State Revenue Sharing - T.V.A.		0	0	0	219,164
Contracted Prisoner Boarding		0	0	0	765,068
Gasoline and Motor Fuel Tax		0	0	0	1,711,935
Petroleum Special Tax		0	0	0	20,070
Registrar's Salary Supplement		0	0	0	15,164
Other State Grants		0	0	0	114,994
Other State Revenues		0	0	0	9,000
Total State of Tennessee	\$	0 \$	0 \$	0 \$	3,311,012
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA - Other	\$	0 \$	0 \$	0 \$	9,000
Civil Defense Reimbursement		0	0	0	28,000
Disaster Relief		0	0	0	8,555
Homeland Security Grants		0	0	0	37,383
Law Enforcement Grants		0	0	0	24,233
<u>Direct Federal Revenue</u>					
FHA Grant		0	0	0	20,968
Other Direct Federal Revenue		0	0	0	4,260
Total Federal Government	\$	0 \$	0 \$	0 \$	132,399

(Continued)

Exhibit K-5

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

	Debt Service Fund		Capital Projects Fund		Total
	General	Debt Service	Education Capital	Projects	
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Prisoner Board		0 \$	0 \$		229
Contributions	1,615,230		0		1,836,466
Contracted Services	0		0		59,119
<u>Citizens Groups</u>					
Donations	0		0		40,854
Total Other Governments and Citizens Groups	\$ 1,615,230	\$ 0	\$ 0	\$ 0	\$ 1,936,668
Total	\$ 2,285,095	\$ 56	\$ 56	\$ 16,280,911	

Exhibit K-6

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

	General Purpose School	Special Revenue Funds			Total
		School Federal Projects	Central Cafeteria		
<u>Local Taxes</u>					
<u>County Property Taxes</u>					
Current Property Tax	\$ 2,944,096	\$ 0	\$ 0	\$ 0	\$ 2,944,096
Trustee's Collections - Prior Year	110,615	0	0	0	110,615
Circuit/Clerk and Master Collections - Prior Years	122,437	0	0	0	122,437
Interest and Penalty	20,716	0	0	0	20,716
Payments in-Lieu-of Taxes - T.V.A.	345	0	0	0	345
Payments in-Lieu-of Taxes - Local Utilities	35,921	0	0	0	35,921
Payments in-Lieu-of Taxes - Other	79,572	0	0	0	79,572
<u>County Local Option Taxes</u>					
Local Option Sales Tax	1,761,376	0	0	0	1,761,376
Wheel Tax	175,986	0	0	0	175,986
Mixed Drink Tax	1,557	0	0	0	1,557
<u>Statutory Local Taxes</u>					
Bank Excise Tax	12,349	0	0	0	12,349
Interstate Telecommunications Tax	2,834	0	0	0	2,834
Other Statutory Local Taxes	1,390	0	0	0	1,390
Total Local Taxes	\$ 5,269,194	\$ 0	\$ 0	\$ 0	\$ 5,269,194
<u>Licenses and Permits</u>					
<u>Licenses</u>					
Marriage Licenses	1,872	0	0	0	1,872
Cable TV Franchise	2,518	0	0	0	2,518
Total Licenses and Permits	\$ 4,390	\$ 0	\$ 0	\$ 0	\$ 4,390

(Continued)

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

	General Purpose School	Special Revenue Funds			Total
		School Federal Projects	Central Cafeteria		
<u>Fines, Forfeitures, and Penalties</u>					
<u>Juvenile Court</u>					
Fines	783 \$	0 \$	0 \$	0 \$	783
<u>Total Fines, Forfeitures, and Penalties</u>	<u>783 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>783</u>
<u>Charges for Current Services</u>					
<u>Education Charges</u>					
Tuition - Regular Day Students	825 \$	0 \$	0 \$	0 \$	825
Lunch Payments - Children	0	0	167,441	0	167,441
Lunch Payments - Adults	0	0	57,972	0	57,972
Income from Breakfast	0	0	4,449	0	4,449
Special Milk Sales	0	0	4,083	0	4,083
A la carte Sales	0	0	148,030	0	148,030
Contract for Instructional Services with Other LEAs	54,416	0	0	0	54,416
<u>Other Charges for Services</u>					
Other Charges for Services	28,002	0	40,653	0	68,655
<u>Total Charges for Current Services</u>	<u>83,243 \$</u>	<u>0 \$</u>	<u>422,628 \$</u>	<u>0 \$</u>	<u>505,871</u>
<u>Other Local Revenues</u>					
<u>Recurring Items</u>					
Investment Income	99,872 \$	0 \$	695 \$	0	100,567
Lease/Rentals	600	0	0	0	600
E-Rate Funding	50,087	0	0	0	50,087
Miscellaneous Refunds	16,382	0	45,926	0	62,308
<u>Nonrecurring Items</u>					
Sale of Equipment	2,445	0	0	0	2,445

(Continued)

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

	General Purpose School	Special Revenue Funds			Total
		School Federal Projects	Central Cafeteria		
<u>Other Local Revenues (Cont.)</u>					
<u>Nonrecurring Items (Cont.)</u>					
Damages Recovered from Individuals	\$ 13,185	\$ 0	\$ 0	\$ 0	13,185
Contributions and Gifts	3,849	0	0	0	3,849
<u>Other Local Revenues</u>	2,589	0	0	0	2,589
Other Local Revenues	\$ 189,009	\$ 0	\$ 46,621	\$ 0	235,630
Total Other Local Revenues					
<u>State of Tennessee</u>					
<u>General Government Grants</u>					
On-behalf Contributions for OPEB	\$ 120,228	\$ 0	\$ 0	\$ 0	120,228
<u>State Education Funds</u>					
Basic Education Program	23,825,001	0	0	0	23,825,001
Early Childhood Education	956,964	0	0	0	956,964
School Food Service	0	0	26,121	0	26,121
Driver Education	6,845	0	0	0	6,845
Other State Education Funds	752,549	0	0	0	752,549
Career Ladder Program	131,977	0	0	0	131,977
Career Ladder - Extended Contract	59,920	0	0	0	59,920
Other Vocational	6,714	0	0	0	6,714
<u>Other State Revenues</u>					
State Revenue Sharing - T.V.A.	427,864	0	0	0	427,864
Other State Grants	3,210	0	0	0	3,210
Total State of Tennessee	\$ 26,291,272	\$ 0	\$ 26,121	\$ 0	26,317,393

(Continued)

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

	General Purpose School	Special Revenue Funds			Total
		School Federal Projects	Central Cafeteria		
<u>Federal Government</u>					
<u>Federal Through State</u>					
USDA School Lunch Program	\$ 0 \$	0 \$	1,391,636 \$		1,391,636
USDA - Commodities	0	0	174,944		174,944
Breakfast	0	0	725,441		725,441
USDA - Other	0	0	53,767		53,767
Vocational Education - Basic Grants to States	0	78,637	0		78,637
Title I Grants to Local Education Agencies	0	1,951,787	0		1,951,787
Special Education - Grants to States	56,290	1,019,261	0		1,075,551
Special Education Preschool Grants	1,426	46,577	0		48,003
Safe and Drug-free Schools - State Grants	0	192,196	0		192,196
Rural Education	0	78,730	0		78,730
Eisenhower Professional Development State Grants	0	216,178	0		216,178
Disaster Relief	1,627,192	0	0		1,627,192
Race-to-the-Top - ARRA	0	1,097,831	0		1,097,831
<u>Direct Federal Revenue</u>	65,850	0	0		65,850
ROTC Reimbursement	112,591	0	0		112,591
Tax Credit Bond Rebate					
Total Federal Government	\$ 1,863,349 \$	\$ 4,681,197 \$	\$ 2,345,788 \$		\$ 8,890,334
<u>Other Governments and Citizens Groups</u>					
<u>Other Governments</u>					
Contributions	\$ 1,719,042 \$	0 \$	0 \$		1,719,042
Citizens Groups	49,214	0	0		49,214
Donations	\$ 1,768,256 \$	0 \$	0 \$		\$ 1,768,256
Total Other Governments and Citizens Groups	\$ 35,469,496 \$	\$ 4,681,197 \$	\$ 2,841,158 \$		\$ 42,991,851

Exhibit K-7

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

General FundGeneral GovernmentCounty Commission

Board and Committee Members Fees	\$	31,716	
Social Security		1,958	
State Retirement		1,365	
Employer Medicare		458	
Audit Services		8,345	
Dues and Memberships		2,862	
Travel		125	
Workers' Compensation Insurance		108	
Total County Commission			\$ 46,937

County Mayor/Executive

County Official/Administrative Officer	\$	77,304	
Accountants/Bookkeepers		64,410	
Salary Supplements		1,500	
Part-time Personnel		9,978	
Bonus Payments		1,450	
Social Security		8,762	
State Retirement		12,687	
Employee and Dependent Insurance		23,099	
Employer Medicare		2,049	
Communication		960	
Contracts with Private Agencies		6,943	
Dues and Memberships		1,550	
Postal Charges		12,500	
Travel		1,839	
Office Supplies		4,615	
Other Supplies and Materials		1,182	
Workers' Compensation Insurance		304	
Land		1,179	
Office Equipment		650	
Total County Mayor/Executive			232,961

County Attorney

Legal Services	\$	7,360	
Total County Attorney			7,360

Election Commission

County Official/Administrative Officer	\$	59,068	
Deputy(ies)		50,350	
Clerical Personnel		6,760	
Bonus Payments		1,450	
Election Commission		2,775	
Social Security		6,834	
State Retirement		9,812	
Employee and Dependent Insurance		19,558	
Employer Medicare		1,619	
Communication		3,666	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Contracts with Private Agencies	\$	13,401	
Dues and Memberships		200	
Legal Notices, Recording, and Court Costs		901	
Printing, Stationery, and Forms		271	
Travel		2,845	
Data Processing Supplies		1,269	
Electricity		3,961	
Natural Gas		1,481	
Office Supplies		2,491	
Water and Sewer		900	
Other Supplies and Materials		1,215	
Workers' Compensation Insurance		264	
In Service/Staff Development		2,676	
Office Equipment		2,973	
Voting Machines		57,472	
Total Election Commission			\$ 254,212

Register of Deeds

County Official/Administrative Officer	\$	65,632	
Deputy(ies)		28,093	
Bonus Payments		600	
Social Security		5,630	
State Retirement		8,367	
Employee and Dependent Insurance		3,812	
Employer Medicare		1,317	
Communication		860	
Contracts with Other Public Agencies		10,048	
Dues and Memberships		603	
Travel		268	
Office Supplies		4,016	
Workers' Compensation Insurance		214	
Total Register of Deeds			129,460

Development

Consultants	\$	60,000	
Contracts with Government Agencies		35,000	
Other Charges		12,454	
Total Development			107,454

Planning

Materials Supervisor	\$	7,086	
Salary Supplements		2,585	
Bonus Payments		250	
Board and Committee Members Fees		445	
Social Security		643	
Employer Medicare		150	
Advertising		212	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

General Government (Cont.)

Planning (Cont.)

Communication	\$	1,099	
Remittance of Revenue Collected		1,675	
Office Supplies		46	
Workers' Compensation Insurance		164	
Total Planning			\$ 14,355

County Buildings

Custodial Personnel	\$	24,102	
Maintenance Personnel		38,872	
Part-time Personnel		8,958	
Bonus Payments		1,450	
Social Security		4,161	
State Retirement		5,692	
Employee and Dependent Insurance		13,596	
Employer Medicare		973	
Maintenance and Repair Services - Buildings		156,635	
Maintenance and Repair Services - Vehicles		243	
Custodial Supplies		4,682	
Electricity		23,100	
Water and Sewer		7,790	
Other Supplies and Materials		94	
Building and Contents Insurance		25,124	
Workers' Compensation Insurance		1,354	
Communication Equipment		25,193	
Total County Buildings			342,019

Other General Administration

Other Salaries and Wages	\$	3,720	
Social Security		231	
Employer Medicare		54	
Total Other General Administration			4,005

Finance

Property Assessor's Office

County Official/Administrative Officer	\$	65,632	
Deputy(ies)		59,705	
Bonus Payments		1,200	
Board and Committee Members Fees		1,330	
Social Security		7,113	
State Retirement		11,224	
Employee and Dependent Insurance		21,934	
Employer Medicare		1,663	
Communication		930	
Contracts with Government Agencies		4,503	
Contracts with Other Public Agencies		3,000	
Contracts with Private Agencies		9,787	
Dues and Memberships		1,565	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

Property Assessor's Office (Cont.)

Travel	\$	2,451	
Office Supplies		2,400	
Workers' Compensation Insurance		1,081	
Total Property Assessor's Office			\$ 195,518

Reappraisal Program

Part-time Personnel	\$	22,250	
Bonus Payments		250	
Social Security		1,395	
Employer Medicare		326	
Contracts with Government Agencies		2,510	
Postal Charges		1,200	
Travel		1,484	
Total Reappraisal Program			29,415

County Trustee's Office

County Official/Administrative Officer	\$	65,632	
Deputy(ies)		58,224	
Bonus Payments		1,200	
Board and Committee Members Fees		300	
Social Security		6,898	
State Retirement		11,093	
Employee and Dependent Insurance		23,489	
Employer Medicare		1,615	
Communication		1,851	
Contracts with Government Agencies		3,632	
Contracts with Private Agencies		6,695	
Dues and Memberships		703	
Legal Notices, Recording, and Court Costs		178	
Travel		3,016	
Office Supplies		3,353	
Workers' Compensation Insurance		248	
Office Equipment		212	
Total County Trustee's Office			188,339

County Clerk's Office

County Official/Administrative Officer	\$	65,632	
Deputy(ies)		126,540	
Bonus Payments		3,000	
Social Security		11,317	
State Retirement		15,475	
Employee and Dependent Insurance		18,555	
Employer Medicare		2,647	
Communication		2,341	
Contracts with Other Public Agencies		15,841	
Dues and Memberships		478	
Travel		63	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Remittance of Revenue Collected	\$	673	
Office Supplies		6,934	
Workers' Compensation Insurance		339	
Office Equipment		650	
Total County Clerk's Office			\$ 270,485

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	65,632	
Deputy(ies)		51,979	
Attendants		7,376	
Bonus Payments		1,450	
Jury and Witness Expense		9,433	
Social Security		7,137	
State Retirement		10,539	
Employee and Dependent Insurance		16,160	
Employer Medicare		1,705	
Communication		1,413	
Contracts with Other Public Agencies		9,803	
Contracts with Private Agencies		4,598	
Dues and Memberships		573	
Maintenance and Repair Services - Equipment		1,154	
Postal Charges		3,500	
Travel		1,729	
Remittance of Revenue Collected		721	
Office Supplies		13,211	
Workers' Compensation Insurance		362	
Other Charges		446	
Office Equipment		19,510	
Total Circuit Court			228,431

General Sessions Judge

Judge(s)	\$	81,310	
Social Security		4,895	
State Retirement		7,212	
Employee and Dependent Insurance		3,797	
Employer Medicare		1,145	
Dues and Memberships		375	
Travel		775	
Workers' Compensation Insurance		216	
Total General Sessions Judge			99,725

General Sessions Court Clerk

Deputy(ies)	\$	16,017	
Clerical Personnel		147,318	
Attendants		61,000	
Part-time Personnel		10,715	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

General Sessions Court Clerk (Cont.)

Bonus Payments	\$	5,200	
Social Security		13,395	
State Retirement		14,113	
Employee and Dependent Insurance		27,963	
Employer Medicare		3,224	
Communication		1,404	
Remittance of Revenue Collected		3,682	
Workers' Compensation Insurance		1,733	
Total General Sessions Court Clerk			\$ 305,764

Chancery Court

County Official/Administrative Officer	\$	65,632	
Deputy(ies)		24,967	
Attendants		10,184	
Part-time Personnel		15,002	
Bonus Payments		1,350	
Social Security		6,761	
State Retirement		8,089	
Employee and Dependent Insurance		3,864	
Employer Medicare		1,648	
Communication		1,663	
Contracts with Private Agencies		6,121	
Dues and Memberships		573	
Legal Notices, Recording, and Court Costs		3,595	
Office Supplies		3,274	
Workers' Compensation Insurance		468	
Total Chancery Court			153,191

Juvenile Court

County Official/Administrative Officer	\$	46,310	
Judge(s)		81,310	
Deputy(ies)		128,855	
Investigator(s)		65,181	
Probation Officer(s)		27,295	
Youth Service Officer(s)		34,262	
Salary Supplements		900	
Secretary(ies)		50,417	
Attendants		28,005	
Part-time Personnel		2,720	
Bonus Payments		7,350	
In-service Training		910	
Other Per Diem and Fees		265	
Social Security		26,923	
State Retirement		37,923	
Employee and Dependent Insurance		65,954	
Employer Medicare		6,397	
Communication		6,995	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Juvenile Court (Cont.)

Contracts with Private Agencies	\$	23,146	
Dues and Memberships		295	
Evaluation and Testing		2,865	
Maintenance and Repair Services - Equipment		1,990	
Maintenance and Repair Services - Vehicles		4,452	
Travel		4,996	
Gasoline		16,240	
Office Supplies		960	
Other Supplies and Materials		9,311	
Vehicle and Equipment Insurance		3,897	
Workers' Compensation Insurance		5,261	
Motor Vehicles		15,450	
Total Juvenile Court			\$ 706,835

Other Administration of Justice

Secretary(ies)	\$	4,494	
Part-time Personnel		35,135	
Social Security		2,719	
Handling Charges and Administrative Costs		4,980	
State Retirement		841	
Employer Medicare		636	
Communication		1,250	
Contracts with Private Agencies		2,000	
Maintenance and Repair Services - Equipment		1,991	
Postal Charges		500	
Data Processing Supplies		1,593	
Office Supplies		4,000	
Testing		1,907	
Other Supplies and Materials		5,418	
Workers' Compensation Insurance		400	
In Service/Staff Development		70	
Other Charges		637	
Total Other Administration of Justice			68,571

Victim Assistance Programs

Remittance of Revenue Collected	\$	15,000	
Total Victim Assistance Programs			15,000

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	72,195	
Assistant(s)		44,338	
Deputy(ies)		482,820	
Investigator(s)		171,063	
Accountants/Bookkeepers		28,265	
Salary Supplements		16,200	
Dispatchers/Radio Operators		209,207	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Guards	\$	25,235	
Clerical Personnel		22,745	
Part-time Personnel		46,611	
Overtime Pay		1,108	
Bonus Payments		19,000	
Other Salaries and Wages		15,361	
In-service Training		6,275	
Social Security		68,610	
State Retirement		90,510	
Employee and Dependent Insurance		129,034	
Employer Medicare		16,046	
Other Fringe Benefits		25,913	
Communication		17,845	
Dues and Memberships		2,103	
Maintenance and Repair Services - Equipment		10,031	
Maintenance and Repair Services - Vehicles		42,032	
Postal Charges		3,692	
Towing Services		3,165	
Travel		11,440	
Data Processing Supplies		2,680	
Diesel Fuel		331	
Electricity		95,006	
Gasoline		158,062	
Law Enforcement Supplies		22,590	
Natural Gas		21,905	
Office Supplies		8,352	
Tires and Tubes		9,474	
Uniforms		8,056	
Water and Sewer		39,706	
Other Supplies and Materials		5,781	
Liability Insurance		16,582	
Vehicle and Equipment Insurance		13,403	
Workers' Compensation Insurance		14,379	
Other Charges		6,228	
Motor Vehicles		118,810	
Office Equipment		3,281	
Total Sheriff's Department			\$ 2,125,470

Administration of the Sexual Offender Registry

Other Supplies and Materials	\$	3,355	
Total Administration of the Sexual Offender Registry			3,355

Jail

Captain(s)	\$	47,181	
Lieutenant(s)		59,216	
Sergeant(s)		180,647	
Accountants/Bookkeepers		25,756	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Medical Personnel	\$	61,140	
Salary Supplements		8,900	
Guards		452,990	
Cafeteria Personnel		36,483	
Part-time Personnel		48,506	
Overtime Pay		28,785	
Bonus Payments		18,400	
Other Salaries and Wages		3,750	
Social Security		57,078	
State Retirement		64,363	
Employee and Dependent Insurance		107,026	
Employer Medicare		13,349	
Communication		2,889	
Contracts with Private Agencies		13,440	
Medical and Dental Services		137,583	
Travel		3,487	
Other Contracted Services		28,469	
Custodial Supplies		28,124	
Drugs and Medical Supplies		63,356	
Food Preparation Supplies		21,209	
Food Supplies		256,069	
Office Supplies		12,514	
Prisoners Clothing		7,910	
Uniforms		7,808	
Other Supplies and Materials		14,586	
Workers' Compensation Insurance		14,828	
In Service/Staff Development		373	
Other Charges		17,920	
Communication Equipment		3,155	
Office Equipment		913	
Total Jail			\$ 1,848,203

Fire Prevention and Control

Part-time Personnel	\$	15,000	
Bonus Payments		250	
Social Security		946	
Employer Medicare		221	
Contracts with Government Agencies		2,000	
Gasoline		5,174	
Utilities		5,158	
Other Supplies and Materials		5,352	
Building and Contents Insurance		1,180	
Vehicle and Equipment Insurance		5,364	
Workers' Compensation Insurance		2,577	
In Service/Staff Development		228	
Other Charges		5,601	
Building Construction		81,243	
Total Fire Prevention and Control			130,294

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Safety (Cont.)

Civil Defense

Other Equipment	\$	37,383	
Total Civil Defense			\$ 37,383

Rescue Squad

Contributions	\$	1,708	
Building and Contents Insurance		800	
Vehicle and Equipment Insurance		1,544	
Total Rescue Squad			4,052

Other Emergency Management

Supervisor/Director	\$	46,556	
Bonus Payments		600	
Social Security		2,640	
State Retirement		4,183	
Employee and Dependent Insurance		9,739	
Employer Medicare		617	
Communication		2,892	
Dues and Memberships		82	
Maintenance and Repair Services - Vehicles		1,061	
Travel		274	
Gasoline		6,824	
Office Supplies		336	
Other Supplies and Materials		786	
Vehicle and Equipment Insurance		1,116	
Workers' Compensation Insurance		791	
Other Charges		1,400	
Total Other Emergency Management			79,897

Public Health and Welfare

Local Health Center

Communication	\$	2,292	
Janitorial Services		10,290	
Maintenance and Repair Services - Buildings		7,507	
Postal Charges		204	
Other Contracted Services		10,584	
Drugs and Medical Supplies		1,022	
Office Supplies		600	
Utilities		15,937	
Total Local Health Center			48,436

Rabies and Animal Control

Part-time Personnel	\$	42,711	
Bonus Payments		750	
Social Security		2,678	
State Retirement		249	
Employer Medicare		626	
Communication		1,387	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Rabies and Animal Control (Cont.)

Maintenance and Repair Services - Vehicles	\$	857	
Veterinary Services		4,151	
Animal Food and Supplies		7,452	
Custodial Supplies		1,645	
Gasoline		6,887	
Utilities		10,251	
Other Supplies and Materials		3,351	
Vehicle and Equipment Insurance		296	
Workers' Compensation Insurance		918	
Other Equipment		3,530	
Total Rabies and Animal Control			\$ 87,739

Dental Health Program

Medical Personnel	\$	24,326	
Clerical Personnel		44,344	
Educational Assistants		48,277	
Social Security		6,764	
State Retirement		6,532	
Employee and Dependent Insurance		12,913	
Employer Medicare		1,582	
Travel		4,570	
Medical Claims		6,223	
Workers' Compensation Insurance		1,600	
Total Dental Health Program			157,131

Alcohol and Drug Programs

Other Salaries and Wages	\$	3,120	
Social Security		193	
State Retirement		277	
Employer Medicare		45	
Communication		606	
Contracts with Private Agencies		27,338	
Dues and Memberships		650	
Postal Charges		120	
Printing, Stationery, and Forms		1,560	
Rentals		3,600	
Travel		2,659	
Instructional Supplies and Materials		7,988	
Office Supplies		676	
Total Alcohol and Drug Programs			48,832

Other Local Health Services

Contracts with Government Agencies	\$	4,172	
Contracts with Other Public Agencies		29,100	
Other Contracted Services		26,642	
Total Other Local Health Services			59,914

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Sanitation Education/Information

Guards	\$	25,235	
Clerical Personnel		1,899	
Bonus Payments		600	
Social Security		1,458	
State Retirement		2,397	
Employee and Dependent Insurance		9,756	
Employer Medicare		341	
Contracts with Other Public Agencies		6,950	
Workers' Compensation Insurance		433	
Total Sanitation Education/Information			\$ 49,069

Other Public Health and Welfare

Remittance of Revenue Collected	\$	6,499	
Total Other Public Health and Welfare			6,499

Social, Cultural, and Recreational Services

Libraries

Librarians	\$	81,925	
Bonus Payments		1,800	
Social Security		4,605	
State Retirement		7,426	
Employee and Dependent Insurance		17,307	
Employer Medicare		1,077	
Communication		4,236	
Contributions		23,308	
Maintenance and Repair Services - Buildings		6,304	
Library Books/Media		5,392	
Office Supplies		2,938	
Utilities		12,259	
Workers' Compensation Insurance		112	
Office Equipment		4,309	
Total Libraries			172,998

Parks and Fair Boards

Contributions	\$	38,100	
Total Parks and Fair Boards			38,100

Agriculture and Natural Resources

Agricultural Extension Service

Salary Supplements	\$	48,206	
Part-time Personnel		3,765	
Social Security		4,073	
State Retirement		6,700	
Employer Medicare		70	
Communication		2,305	
Contracts with Government Agencies		17,022	
Dues and Memberships		385	

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agricultural Extension Service (Cont.)

Janitorial Services	\$	79	
Maintenance and Repair Services - Buildings		2,262	
Maintenance and Repair Services - Equipment		3,187	
Travel		5,079	
Other Contracted Services		6,394	
Electricity		5,275	
Natural Gas		1,618	
Water and Sewer		1,240	
Workers' Compensation Insurance		55	
Total Agricultural Extension Service			\$ 107,715

Soil Conservation

Assessment Personnel	\$	59,128	
Secretary(ies)		23,137	
Bonus Payments		1,800	
Social Security		4,688	
State Retirement		7,243	
Employee and Dependent Insurance		19,573	
Employer Medicare		1,096	
Workers' Compensation Insurance		728	
Total Soil Conservation			117,393

Other Operations

Housing and Urban Development

Remittance of Revenue Collected	\$	20,968	
Total Housing and Urban Development			20,968

Veterans' Services

Supervisor/Director	\$	13,475	
Bonus Payments		250	
Social Security		851	
Employer Medicare		199	
Communication		853	
Travel		613	
Office Supplies		1,323	
Workers' Compensation Insurance		22	
Total Veterans' Services			17,586

Other Charges

Liability Insurance	\$	47,210	
Trustee's Commission		126,897	
Other Charges		18,976	
Total Other Charges			193,083

Contributions to Other Agencies

Contributions	\$	165,612	
Total Contributions to Other Agencies			165,612

(Continued)

Exhibit K-7

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

General Fund (Cont.)

Other Operations (Cont.)

Employee Benefits

Medical Claims	\$ 511,669	
Total Employee Benefits		\$ 511,669

Miscellaneous

Advertising	\$ 1,446	
Other Contracted Services	1,588	
Other Supplies and Materials	502	
Other Charges	1,325	
Total Miscellaneous		4,861

Instruction

Student Body Education Program

Supervisor/Director	\$ 35,000	
Social Security	2,170	
Employer Medicare	508	
Communication	3,284	
Consultants	7,820	
Contributions	10,570	
Workers' Compensation Insurance	45	
Total Student Body Education Program		59,397

Total General Fund		\$ 9,495,693
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Law Library Fund

Social, Cultural, and Recreational Services

Libraries

Library Books/Media	\$ 1,196	
Trustee's Commission	13	
Total Libraries		\$ 1,209

Total Law Library Fund		1,209
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Ambulance Service Fund

Public Health and Welfare

Ambulance/Emergency Medical Services

Medical Personnel	\$ 673,659
In-service Training	220
Social Security	54,457
State Retirement	30,051
Medical Insurance	74,397
Communication	5,031
Debt Collection Services	95,065
Dues and Memberships	340
Licenses	2,000
Maintenance and Repair Services - Equipment	43,950
Travel	746
Other Contracted Services	5,450

(Continued)

Exhibit K-7

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

Ambulance Service Fund (Cont.)

Public Health and Welfare (Cont.)

Ambulance/Emergency Medical Services (Cont.)

Data Processing Supplies	\$	2,585	
Diesel Fuel		72,891	
Drugs and Medical Supplies		25,405	
Office Supplies		4,863	
Uniforms		2,005	
Utilities		5,784	
Liability Insurance		89,443	
Other Charges		750	
Total Ambulance/Emergency Medical Services			\$ 1,189,092

Total Ambulance Service Fund \$ 1,189,092

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	1,140	
Confidential Drug Enforcement Payments		1,000	
Total Drug Enforcement			\$ 2,140

Total Drug Control Fund 2,140

Constitutional Officers - Fees Fund

Administration of Justice

Chancery Court

Constitutional Officers' Operating Expenses	\$	6,670	
Total Chancery Court			\$ 6,670

Total Constitutional Officers - Fees Fund 6,670

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	72,195	
Accountants/Bookkeepers		62,089	
Bonus Payments		1,200	
Communication		5,775	
Data Processing Services		8,555	
Dues and Memberships		3,542	
Legal Notices, Recording, and Court Costs		775	
Maintenance and Repair Services - Equipment		100	
Medical and Dental Services		729	
Postal Charges		588	
Printing, Stationery, and Forms		242	
Travel		1,198	
Other Contracted Services		5,958	
Custodial Supplies		1,827	
Data Processing Supplies		48	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Administration (Cont.)

Drugs and Medical Supplies	\$	17	
Electricity		13,121	
Natural Gas		8,624	
Office Supplies		789	
Water and Sewer		7,298	
Other Charges		183	
Total Administration			\$ 194,853

Highway and Bridge Maintenance

Foremen	\$	116,009	
Equipment Operators		622,040	
Truck Drivers		103,481	
Laborers		27,638	
Bonus Payments		15,703	
Other Contracted Services		1,370	
Asphalt - Cold Mix		10,307	
Asphalt - Liquid		140,137	
Crushed Stone		75,755	
General Construction Materials		373	
Other Road Materials		1,961	
Pipe - Metal		37,119	
Road Signs		3,968	
Small Tools		3,019	
Chemicals		26,769	
Other Supplies and Materials		2,288	
Total Highway and Bridge Maintenance			1,187,937

Operation and Maintenance of Equipment

Mechanic(s)	\$	72,584	
Bonus Payments		1,200	
Laundry Service		15,250	
Maintenance and Repair Services - Equipment		51,740	
Other Contracted Services		1,665	
Diesel Fuel		187,764	
Equipment and Machinery Parts		95,725	
Garage Supplies		5,534	
Gasoline		48,640	
Lubricants		11,993	
Small Tools		9,354	
Tires and Tubes		30,465	
Other Supplies and Materials		1,065	
Other Charges		33,897	
Total Operation and Maintenance of Equipment			566,876

Other Charges

Building and Contents Insurance	\$	49,244	
Liability Insurance		3,465	

(Continued)

Exhibit K-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Other Charges (Cont.)

Premiums on Corporate Surety Bonds	\$	395	
Trustee's Commission		34,905	
Workers' Compensation Insurance		60,283	
Total Other Charges			\$ 148,292

Employee Benefits

Social Security	\$	76,732	
State Retirement		96,948	
Employee and Dependent Insurance		154,369	
Other Fringe Benefits		1,744	
Medical Claims		75,240	
Total Employee Benefits			405,033

Capital Outlay

Engineering Services	\$	44,775	
Bridge Construction		69,495	
Communication Equipment		5,768	
Highway Equipment		306,080	
Total Capital Outlay			426,118

Total Highway/Public Works Fund \$ 2,929,109

General Debt Service Fund

Principal on Debt

General Government

Principal on Bonds	\$	420,000	
Principal on Notes		8,333	
Principal on Other Loans		56,000	
Total General Government			\$ 484,333

Education

Principal on Bonds	\$	1,375,000	
Principal on Notes		71,429	
Principal on Capital Leases		133,499	
Principal on Other Loans		157,431	
Total Education			1,737,359

Interest on Debt

General Government

Interest on Bonds	\$	16,800	
Interest on Other Loans		1,938	
Total General Government			18,738

Education

Interest on Bonds	\$	240,644	
Interest on Other Loans		109,250	
Total Education			349,894

(Continued)

Exhibit K-7

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

<u>General Debt Service Fund (Cont.)</u>			
<u>Other Debt Service</u>			
<u>General Government</u>			
Contributions	\$	96,800	
Trustee's Commission		12,871	
Other Debt Issuance Charges		6,187	
Total General Government		<u>115,858</u>	\$ 115,858
<u>Education</u>			
Other Debt Issuance Charges	\$	2,016	
Other Debt Service		450	
Total Education		<u>2,466</u>	2,466
Total General Debt Service Fund			\$ 2,708,648
<u>Education Capital Projects Fund</u>			
<u>Capital Projects</u>			
<u>Education Capital Projects</u>			
Contributions	\$	859,098	
Total Education Capital Projects		<u>859,098</u>	\$ 859,098
Total Education Capital Projects Fund			<u>859,098</u>
Total Governmental Funds - Primary Government			<u>\$ 17,191,659</u>

Exhibit K-8

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 9,813,784	
Career Ladder Program	82,000	
Career Ladder Extended Contracts	29,050	
Educational Assistants	503,248	
Other Salaries and Wages	225,268	
Non-certified Substitute Teachers	160,862	
Social Security	642,506	
State Retirement	942,410	
Medical Insurance	2,460,632	
Unemployment Compensation	18,177	
Employer Medicare	150,507	
Other Contracted Services	289,277	
Instructional Supplies and Materials	106,410	
Textbooks	13,865	
Other Supplies and Materials	8,279	
Other Charges	1,561	
Regular Instruction Equipment	543,255	
Total Regular Instruction Program		\$ 15,991,091

Special Education Program

Teachers	\$ 1,847,971	
Career Ladder Program	13,000	
Career Ladder Extended Contracts	11,000	
Homebound Teachers	3,522	
Educational Assistants	39,897	
Social Security	112,415	
State Retirement	167,338	
Medical Insurance	425,624	
Employer Medicare	26,056	
Instructional Supplies and Materials	19,191	
Other Supplies and Materials	4,952	
Total Special Education Program		2,670,966

Vocational Education Program

Teachers	\$ 666,673	
Career Ladder Program	2,000	
Career Ladder Extended Contracts	2,000	
Social Security	40,093	
State Retirement	59,733	
Medical Insurance	130,871	
Employer Medicare	9,377	
Instructional Supplies and Materials	8,031	
Other Supplies and Materials	1,150	
Total Vocational Education Program		919,928

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services

Attendance

Supervisor/Director	\$	12,056	
Social Security		731	
State Retirement		1,071	
Medical Insurance		2,396	
Employer Medicare		171	
Travel		939	
Other Supplies and Materials		14,496	
Total Attendance			\$ 31,860

Health Services

Medical Personnel	\$	140,416	
Other Salaries and Wages		21,663	
Social Security		8,604	
State Retirement		12,505	
Medical Insurance		40,299	
Employer Medicare		2,012	
Travel		4,444	
Other Supplies and Materials		6,985	
Total Health Services			236,928

Other Student Support

Supervisor/Director	\$	18,388	
Career Ladder Program		3,000	
Guidance Personnel		491,920	
Social Security		30,421	
State Retirement		45,582	
Medical Insurance		118,928	
Employer Medicare		7,117	
Evaluation and Testing		20,694	
Other Contracted Services		213,236	
Other Supplies and Materials		5,101	
Total Other Student Support			954,387

Regular Instruction Program

Supervisor/Director	\$	69,934	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		1,000	
Librarians		278,468	
Materials Supervisor		69,934	
Instructional Computer Personnel		4,800	
Other Salaries and Wages		42,375	
Social Security		27,817	
State Retirement		40,769	
Medical Insurance		106,273	
Employer Medicare		6,506	
Travel		6,235	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Regular Instruction Program (Cont.)

Library Books/Media	\$	8,781	
In Service/Staff Development		36,787	
Total Regular Instruction Program			\$ 702,679

Special Education Program

Supervisor/Director	\$	73,551	
Psychological Personnel		47,417	
Secretary(ies)		61,157	
Social Security		10,839	
State Retirement		16,167	
Medical Insurance		24,453	
Employer Medicare		2,535	
Travel		37,385	
Other Contracted Services		269,037	
Other Supplies and Materials		2,933	
In Service/Staff Development		15,220	
Total Special Education Program			560,694

Vocational Education Program

Supervisor/Director	\$	69,934	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		300	
Social Security		4,472	
State Retirement		6,503	
Medical Insurance		5,927	
Employer Medicare		1,044	
Travel		1,198	
Total Vocational Education Program			92,378

Other Programs

On-behalf Payments to OPEB	\$	120,228	
Total Other Programs			120,228

Board of Education

Board and Committee Members Fees	\$	11,675	
Social Security		724	
State Retirement		854	
Employer Medicare		169	
Audit Services		4,600	
Dues and Memberships		13,902	
Legal Services		9,140	
Travel		16,235	
Liability Insurance		55,732	
Premiums on Corporate Surety Bonds		2,153	
Trustee's Commission		143,829	
Workers' Compensation Insurance		119,839	
Other Charges		9,835	
Total Board of Education			388,687

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools

County Official/Administrative Officer	\$	110,000	
Assistant(s)		83,837	
Career Ladder Program		1,000	
Social Security		11,426	
State Retirement		17,301	
Medical Insurance		22,037	
Employer Medicare		2,746	
Other Fringe Benefits		8,223	
Communication		75,024	
Postal Charges		4,409	
Travel		4,122	
Remittance of Revenue Collected		589	
Office Supplies		9,745	
Administration Equipment		11,039	
Total Director of Schools			\$ 361,498

Office of the Principal

Principals	\$	580,081	
Career Ladder Program		7,000	
Assistant Principals		528,062	
Secretary(ies)		369,126	
Clerical Personnel		52,080	
Social Security		89,168	
State Retirement		134,953	
Medical Insurance		307,690	
Employer Medicare		20,854	
Travel		698	
Other Charges		3,200	
Administration Equipment		441,093	
Total Office of the Principal			2,534,005

Fiscal Services

Supervisor/Director	\$	71,750	
Accountants/Bookkeepers		15,591	
Secretary(ies)		13,473	
Social Security		4,724	
State Retirement		6,159	
Medical Insurance		9,344	
Employer Medicare		516	
Travel		194	
Other Contracted Services		16,287	
Total Fiscal Services			138,038

Operation of Plant

Supervisor/Director	\$	62,500	
Custodial Personnel		161,445	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Operation of Plant (Cont.)

Social Security	\$	13,068	
State Retirement		18,761	
Medical Insurance		20,740	
Employer Medicare		3,056	
Other Contracted Services		865,956	
Electricity		664,895	
Natural Gas		334,529	
Building and Contents Insurance		121,863	
Total Operation of Plant			\$ 2,266,813

Maintenance of Plant

Maintenance Personnel	\$	268,931	
Other Salaries and Wages		127,847	
Social Security		23,482	
State Retirement		20,916	
Medical Insurance		41,536	
Employer Medicare		5,492	
Maintenance and Repair Services - Buildings		71,243	
Maintenance and Repair Services - Equipment		82,438	
Travel		4,885	
Other Contracted Services		123,005	
Other Supplies and Materials		72,029	
Maintenance Equipment		77,415	
Total Maintenance of Plant			919,219

Transportation

Supervisor/Director	\$	55,163	
Mechanic(s)		90,705	
Bus Drivers		616,909	
Other Salaries and Wages		46,125	
Social Security		49,671	
State Retirement		16,490	
Medical Insurance		22,089	
Employer Medicare		11,619	
Other Fringe Benefits		8,913	
Gasoline		263,886	
Tires and Tubes		16,626	
Vehicle Parts		68,114	
Other Supplies and Materials		10,538	
Vehicle and Equipment Insurance		31,906	
Transportation Equipment		172,650	
Total Transportation			1,481,404

Central and Other

Secretary(ies)	\$	16,222	
Clerical Personnel		21,411	

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Central and Other (Cont.)

Other Salaries and Wages	\$	49,667	
Social Security		4,710	
State Retirement		7,744	
Medical Insurance		19,996	
Employer Medicare		1,102	
Total Central and Other			\$ 120,852

Operation of Non-instructional Services

Community Services

Supervisor/Director	\$	30,645	
Teachers		81,224	
Other Salaries and Wages		38,873	
Social Security		9,030	
State Retirement		12,978	
Medical Insurance		4,652	
Employer Medicare		2,112	
Travel		5,609	
Other Supplies and Materials		28,224	
Indirect Cost		1,676	
Refunds		10,000	
Total Community Services			225,023

Early Childhood Education

Supervisor/Director	\$	60,281	
Teachers		341,548	
Clerical Personnel		13,245	
Educational Assistants		154,138	
Non-certified Substitute Teachers		8,000	
Social Security		33,193	
State Retirement		50,529	
Medical Insurance		113,750	
Employer Medicare		7,763	
Communication		1,270	
Consultants		600	
Contracts with Private Agencies		103,581	
Other Contracted Services		2,000	
Instructional Supplies and Materials		47,956	
Other Supplies and Materials		4,122	
In Service/Staff Development		11,838	
Other Charges		1,201	
Other Equipment		33,175	
Total Early Childhood Education			988,190

Capital Outlay

Regular Capital Outlay

Building Improvements	\$	1,982,977	
Total Regular Capital Outlay			1,982,977

(Continued)

Exhibit K-8

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

General Purpose School Fund (Cont.)

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 1,333,499	
Total Education		\$ 1,333,499

Total General Purpose School Fund \$ 35,021,344

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 1,039,959	
Educational Assistants	179,741	
Non-certified Substitute Teachers	63,044	
Social Security	71,607	
State Retirement	107,979	
Medical Insurance	253,516	
Employer Medicare	16,747	
Other Contracted Services	304,643	
Instructional Supplies and Materials	294,624	
Other Supplies and Materials	13,500	
Regular Instruction Equipment	138,992	
Total Regular Instruction Program		\$ 2,484,352

Special Education Program

Teachers	\$ 122,004	
Educational Assistants	644,306	
Social Security	44,572	
State Retirement	65,120	
Medical Insurance	160,603	
Employer Medicare	10,424	
Instructional Supplies and Materials	8,946	
Other Supplies and Materials	4,037	
Total Special Education Program		1,060,012

Vocational Education Program

Other Contracted Services	\$ 7,362	
Instructional Supplies and Materials	4,654	
Vocational Instruction Equipment	37,042	
Total Vocational Education Program		49,058

Support Services

Other Student Support

Other Salaries and Wages	\$ 1,700	
Social Security	105	
State Retirement	151	
Employer Medicare	25	
Travel	20,374	
Other Contracted Services	56,090	

(Continued)

Exhibit K-8

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

<u>School Federal Projects Fund (Cont.)</u>		
<u>Support Services (Cont.)</u>		
<u>Other Student Support (Cont.)</u>		
Other Supplies and Materials	\$	100
Other Charges		565
Total Other Student Support		\$ 79,110
 <u>Regular Instruction Program</u>		
Supervisor/Director	\$	135,152
Secretary(ies)		15,000
Social Security		9,938
State Retirement		14,894
Medical Insurance		29,224
Employer Medicare		2,913
Travel		1,978
In Service/Staff Development		224,461
Total Regular Instruction Program		433,560
 <u>Special Education Program</u>		
In Service/Staff Development	\$	38
Total Special Education Program		38
 <u>Vocational Education Program</u>		
Travel	\$	3,260
Total Vocational Education Program		3,260
 <u>Office of the Principal</u>		
In Service/Staff Development	\$	54,494
Total Office of the Principal		54,494
 <u>Transportation</u>		
Bus Drivers	\$	9,712
Social Security		602
Employer Medicare		141
Gasoline		4,530
Total Transportation		14,985
 <u>Operation of Non-instructional Services</u>		
<u>Community Services</u>		
Supervisor/Director	\$	42,904
Teachers		89,341
Other Salaries and Wages		4,198
Social Security		8,572
State Retirement		11,723
Medical Insurance		5,711
Employer Medicare		2,005
Travel		5,690
Other Contracted Services		1,995
Other Supplies and Materials		18,023
Total Community Services		190,162
Total School Federal Projects Fund		\$ 4,369,031

(Continued)

Exhibit K-8

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

<u>Central Cafeteria Fund</u>		
<u>Operation of Non-instructional Services</u>		
<u>Food Service</u>		
Supervisor/Director	\$	63,489
Accountants/Bookkeepers		31,438
Cafeteria Personnel		875,196
Other Salaries and Wages		5,413
Social Security		56,617
State Retirement		70,255
Medical Insurance		163,275
Unemployment Compensation		2,004
Employer Medicare		13,171
Maintenance and Repair Services - Equipment		20,534
Payments to Schools - Other		900
Transportation - Other than Students		13,202
Travel		4,445
Other Contracted Services		40,658
Food Supplies		1,199,650
Uniforms		10,294
Utilities		76,993
USDA - Commodities		174,944
Other Supplies and Materials		27,603
Trustee's Commission		7
Workers' Compensation Insurance		45,000
In Service/Staff Development		5,876
Food Service Equipment		40,842
Total Food Service		<u>2,941,806</u>
	\$	<u>2,941,806</u>
Total Central Cafeteria Fund		\$ <u>2,941,806</u>
Total Governmental Funds - Lauderdale County School Department		\$ <u><u>42,332,181</u></u>

Exhibit K-9

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

	<u>Local Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 2,113,555
Total Cash Receipts	<u>\$ 2,113,555</u>
<u>Cash Disbursements</u>	
Contributions:	
General Debt Service Fund	\$ 769,837
General Purpose School Fund	860,000
Remittance of Revenues Collected	955,870
Trustee's Commission	21,135
Total Cash Disbursements	<u>\$ 2,606,842</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ (493,287)
Cash Balance, July 1, 2013	<u>2,075,528</u>
Cash Balance, June 30, 2014	<u><u>\$ 1,582,241</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

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

To the County Mayor and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lauderdale County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Lauderdale County's basic financial statements, and have issued our report thereon dated February 13, 2015. Our report includes a reference to other auditors who audited the financial statements of the Lauderdale County Ambulance Authority (a nonmajor special revenue fund) and the discretely presented Lauderdale County Water System, as described in our report on Lauderdale County's financial statements. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses: 2014-002 and 2014-009.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies: 2014-005, 2014-006, 2014-007, and 2014-008.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lauderdale 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, 2014-003, and 2014-004.

Lauderdale County's Response to Findings

Lauderdale County's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Lauderdale 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 Lauderdale County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,

A handwritten signature in black ink, appearing to read "Justin P. Wilson". The signature is fluid and cursive, with a prominent initial "J" and "W".

Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 13, 2015

JPW/yu



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY
DEPARTMENT OF AUDIT
DIVISION OF LOCAL GOVERNMENT AUDIT
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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

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

To the County Mayor and Board of County Commissioners:

Report on Compliance for Each Major Federal Program

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

Opinion on Each Major Federal Program

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

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

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

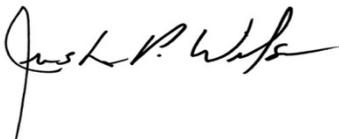
consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lauderdale County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Lauderdale County's basic financial statements. We issued our report thereon dated February 13, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson
Comptroller of the Treasury
Nashville, Tennessee

February 13, 2015

JPW/yu

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

Federal/Pass-through Agency/State Grantor Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture:			
Passed-through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	\$ 725,441
National School Lunch Program	10.555	N/A	1,406,877 (3)
Fresh Fruit and Vegetable Program	10.582	N/A	38,526
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	174,944 (3)
Rural Business Opportunity Grants	10.773	N/A	21,978
Passed-through State Department of Health:			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Z-13-44026-00	14,521
Direct Program:			
Environmental Quality Incentives Program	10.912	68-4741-1-044	9,000
Total U.S. Department of Agriculture			\$ 2,391,287
U.S. Department of Housing and Urban Development:			
Passed-through Tennessee Housing Development Agency:			
Supportive Housing Program	14.235	TN37C707009	\$ 20,968
Total U.S. Department of Housing and Urban Development			\$ 20,968
U.S. Department of the Interior:			
Direct Program:			
Payments in-Lieu-of Taxes	15.226	N/A	\$ 222,332
Total U.S. Department of the Interior			\$ 222,332
U.S. Department of Labor:			
Passed-through Dyersburg State Community College:			
WIA Youth Activities	17.259	(2)	\$ 29,315
Total U.S. Department of Labor			\$ 29,315
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
Alcohol Open Container Requirements	20.607	154AL-12-64	\$ 24,233
Total U.S. Department of Transportation			\$ 24,233
U.S. Institute of Museum and Library Services:			
Passed-through Tennessee Secretary of State:			
Grants to States	45.310	(2)	\$ 1,750
Total U.S. Institute of Museum and Library Services			\$ 1,750
U.S. Department of Education:			
Passed-through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 1,806,556
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	1,082,037
Special Education - Preschool Grants	84.173	N/A	45,842
Career and Technical Education - Basic Grants to States	84.048	N/A	75,338
Twenty-first Century Community Learning Centers	84.287	N/A	192,078
Rural Education	84.358	N/A	82,449
Improving Teacher Quality State Grants	84.367	N/A	229,696
School Improvement Grants	84.377	N/A	56,571
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive			
Grants, Recovery Act	84.395	N/A	886,429
Total U.S. Department of Education			\$ 4,456,996

(Continued)

Lauderdale 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 Commission:			
Passed-through Tennessee Secretary of State:			
Help America Vote Act Requirements Payments	90.401	30510-00213-47	\$ 57,810
Total U.S. Election Assistance Commission			<u>\$ 57,810</u>
U.S. Department of Health and Human Services:			
Passed-through State Department of Education:			
Promoting Safe and Stable Families	93.556	(2)	\$ 29,612
Passed-through State Department of Health:			
Family Planning Services	93.217	Z-13-44026-00	3,945
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505	Z-13-44026-00	3,751
Medical Assistance Program	93.778	Z-13-44026-00	16,923
HIV Prevention Activities - Health Department Based	93.940	Z-13-44026-00	1,291
Block Grants for Prevention and Treatment of Substance Abuse	93.959	GG-1339802	48,782
Maternal and Child Health Services Block Grant to the States	93.994	Z-13-44026-00	16,169
Total U.S. Department of Health and Human Services			<u>\$ 120,473</u>
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA -1979-DR-TN	\$ 11,073
Hazard Mitigation Grant	97.039	FEMA-DR-1909-TN	1,423,793
Emergency Management Performance Grants	97.042	(2)	28,000
Homeland Security Grant Program	97.067	10UASI-LAUD	37,383
Total U.S. Department of Homeland Security			<u>\$ 1,500,249</u>
Total Expenditures of Federal Awards			<u>\$ 8,825,413</u>
<u>State Grants</u>			
Juvenile Court Improvement Funds - State Commission on Children and Youth	N/A	GG-10-29743	\$ 16,110
Local Health Services - State Department of Health	N/A	Z-13-44026-00	86,708
Litter Grant - State Department of Transportation	N/A	Z-13-LIT049	35,300
Animal Friendly Spay/Neuter Grant Program - State Department of Health	N/A	(2)	1,360
Juvenile Justice and Delinquency Prevention - State Commission on Children and Youth	N/A	GG-12-35256	55,824
Agriculture Resources Conservation Fund Program - State Department of Agriculture	N/A	Z-08-21409-01	9,000
Early Childhood Education - State Department of Education	N/A	(2)	956,964
ACT/EXP Internet Connectivity - State Department of Education	N/A	(2)	5,519
Statewide Student Management System - State Department of Education	N/A	(2)	11,955
ConnectTN - State Department of Education	N/A	(2)	12,961
Safe Schools - State Department of Education	N/A	(2)	29,000
Coordinated School Health - State Department of Education	N/A	(2)	132,216
Lottery for Education: After School Programs - State Department of Education	N/A	(2)	158,359
High Schools That Work - State Department of Education	N/A	(2)	6,714
State Ticket Subsidy - Tennessee Arts Commission	N/A	(2)	3,210
Hazard Mitigation Grant - State Department of Military	N/A	(2)	203,399
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	(2)	8,062
Total State Grants			<u>\$ 1,732,661</u>

CFDA = Catalog of Federal Domestic Assistance

N/A = Not Applicable

(1) Presented in conformity with generally accepted accounting principles using the modified accrual basis of accounting.

(2) Information not available.

(3) Total for CFDA No. 10.555 is \$1,581,821.

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

OFFICE OF HIGHWAY COMMISSIONER

Finding Number	Page Number	Subject
2013-003	173	The Highway/Public Works Fund required material audit adjustments for proper financial statement presentation

OFFICE OF SHERIFF

Finding Number	Page Number	Subject
2013-009	177	Inventory records were not maintained for seized property
2013-010	177	The office had accounting deficiencies
2013-011	177	Duties were not segregated adequately

LAUDERDALE COUNTY

Finding Number	Page Number	Subject
2013-012	178	Lauderdale County has a material recurring audit finding

LAUDERDALE 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 Lauderdale County is unmodified.
2. The audit of the financial statements of Lauderdale County disclosed significant deficiencies in internal control. Two of these deficiencies were considered to be material weaknesses.
3. The audit disclosed no instances of noncompliance that were material to the financial statements of Lauderdale County.
4. The audit disclosed no significant deficiencies in internal controls over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), Title I Grants to Local Educational Agencies (CFDA No. 84.010), the Special Education Cluster: Special Education – Grants to States and Special Education – Preschool Grants (CFDA Nos. 84.027 and 84.173), and State Fiscal Stabilization Fund (SFSF) – Race-to-the-Top Incentive Grants, Recovery Act (CFDA No. 84.395) were determined to be major programs.
8. A \$300,000 threshold was used to distinguish between Type A and Type B federal programs.
9. Lauderdale County did not qualify as a low-risk auditee.

PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

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

OFFICE OF COUNTY MAYOR

FINDING 2014-001

THE LANDFILL OFFICE HAD DEFICIENCIES IN COMPUTER SYSTEM BACKUP PROCEDURES

(Noncompliance Under *Government Auditing Standards*)

System backups were not stored off-site. Section 10-7-121, *Tennessee Code Annotated*, provides that records required to be retained by any government official may be maintained on a computer or removable storage media as long as certain standards are met. One of these standards requires that all data generated and stored within the computer system be copied to storage media daily, and media more than one week old be stored at an off-site location. This deficiency is the result of management's failure to implement adequate disaster recovery planning procedures. In the event of a disaster, all backup data could be destroyed, resulting in costly delays in generating and recording information accounted for through the automated process. Proper system backup procedures were implemented in June 2014.

RECOMMENDATION

Management should ensure backups are rotated off-site on a weekly basis.

OFFICE OF HIGHWAY COMMISSIONER

FINDING 2014-002

THE HIGHWAY/PUBLIC WORKS FUND REQUIRED MATERIAL AUDIT ADJUSTMENTS FOR PROPER FINANCIAL STATEMENT PRESENTATION

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

At June 30, 2014, certain general ledger account balances in the Highway/Public Works Fund were not materially correct, and audit adjustments totaling \$436,868 were required for the financial statements to be materially correct at year-end. Generally accepted accounting principles require the Highway Department to have adequate internal controls over the maintenance of its accounting records. Material audit adjustments were required because the department's financial reporting system did not prevent, detect, or correct potential misstatements in the accounting records. It is a strong indicator of a material weakness in internal controls if the department has ineffective controls over the maintenance of its accounting records, which are used to prepare the financial statements, including the related notes to the financial statements. This deficiency is the result of

management's failure to correct the finding noted in the prior-year audit report. We presented audit adjustments to management that they approved and posted to properly present the financial statements in this report.

RECOMMENDATION

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

FINDING 2014-003

PURCHASES WERE MADE WITHOUT OBTAINING COMPETITIVE BIDS

(Noncompliance Under *Government Auditing Standards*)

As part of our audit procedures to obtain reasonable assurance that bids were properly solicited, we reviewed certain purchases that were just below or above the \$10,000 bid limit. The following deficiencies were noted from the review of invoices:

- A. Competitive bids were not solicited for the purchase of a used 2007 Freightliner truck for \$38,400. Since the truck was used, Section 12-3-1202, *Tennessee Code Annotated (TCA)*, permits the purchase of used equipment without competitive bidding if certain documentation is obtained and conditions met. However, adequate documentation was not obtained prior to the purchase. As a result, the best and lowest price may not have been obtained for the purchase of this used vehicle.
- B. Competitive bids were not solicited for herbicides totaling \$26,747. The failure to solicit competitive bids could result in the department paying more than the most competitive price.

Purchasing procedures for the Highway Department are governed by Chapter 304, Private Acts of 1929, and provisions of the Uniform Road Law, Section 54-7-113, *TCA*. These statutes provide for purchases exceeding \$10,000 to be made after public advertisement and the solicitation of competitive bids. These deficiencies are the result of a lack of management oversight.

RECOMMENDATION

All purchases should be made in compliance with applicable state statutes.

OFFICES OF COUNTY MAYOR, HIGHWAY COMMISSIONER, AND DIRECTOR OF SCHOOLS

FINDING 2014-004

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

We noted the following budgetary deficiencies:

- A. Expenditures exceeded total appropriations approved by the County Commission in the County Ambulance Authority by \$73,792.
- B. Expenditures exceeded appropriations approved by the County Commission at the major appropriation category level (the legal level of control) of the following funds:

<u>Fund/Major Appropriation Category</u>	<u>Amount Overspent</u>
General:	
Other Charges	\$ 873
Highway/Public Works:	
Other Charges	1,797
General Purpose School:	
Support Services - Operation of Plant	7,055
Operation of Non-instructional Services - Early Childhood Education	284

Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to, taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs for the various departments, commissions, institutions, boards, offices, and agencies of county governments shall be appropriated to such use by the county legislative bodies.” This deficiency exists because management failed to hold spending to the limits authorized by the County Commission, which resulted in unauthorized expenditures.

RECOMMENDATION

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

MANAGEMENT’S RESPONSE – DIRECTOR OF SCHOOLS

Management concurs with the finding. All budget categories are balanced yearly to ensure no major category is overspent according to the budget approved by the County Commission. This was an oversight in the closeout process and will be monitored closely throughout the yearly budget cycle.

OFFICE OF SHERIFF

FINDING 2014-005

INVENTORY RECORDS WERE NOT MAINTAINED FOR SEIZED PROPERTY

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

The Sheriff's Department did not maintain inventory records of seized property such as cash, vehicles, and personal property. Therefore, we were unable to determine if the office accounted for all of the seized property properly. The failure to adequately inventory seized property increases the risk of loss. This deficiency is the result of management's failure to correct the finding noted in the prior-year audit report.

RECOMMENDATION

A perpetual inventory log should be maintained for all seized property. At a minimum, this log should include the following: date received, defendant, case number, description, location, signatures of individuals signing evidence in and out, and disposition.

FINDING 2014-006

THE OFFICE HAD ACCOUNTING DEFICIENCIES

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

The official cash journal and annual financial report did not properly reflect the operations of the office. Receipts (\$109,436) and disbursements (\$107,692) for commissary operations were not posted to the cash journal or the annual financial report. These operations were determined by substantive testing and alternative auditing procedures and have been included in the financial statements of this report.

RECOMMENDATION

The official cash journal and annual financial report should accurately reflect all operations of the Sheriff's Department.

COUNTY AMBULANCE AUTHORITY AND OFFICES OF TRUSTEE, GENERAL SESSIONS COURT CLERK, CLERK AND MASTER, AND SHERIFF

FINDING 2014-007

DUTIES WERE NOT SEGREGATED ADEQUATELY

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

Duties were not segregated adequately among the official and employees in the County Ambulance Authority and Offices of Trustee, General Sessions Court Clerk, Clerk and Master, and Sheriff. 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 and is a significant deficiency in internal controls that increases the risk of unauthorized transactions.

RECOMMENDATION

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

OFFICES OF COUNTY CLERK, CIRCUIT COURT CLERK, AND CLERK AND MASTER

FINDING 2014-008

MULTIPLE EMPLOYEES OPERATED FROM THE SAME CASH DRAWER

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

Multiple employees operated from the same cash drawer in the Offices of County Clerk, Circuit Court Clerk, and Clerk and Master. Good internal controls dictate that each employee have their own cash drawer, start the day with a standard fixed amount of cash, and remove all but the beginning amount at the end of the day. This amount should be verified to the employee's receipts at the end of each day. Failure to adhere to this control regimen greatly increases the risk that a cash shortage may not be detected in a timely manner. Furthermore, in the event of a cash shortage, the official would not be able to determine who was responsible for the shortage because multiple employees were working from one cash drawer. This deficiency has been a management decision by the officials resulting in a loss of control over assets.

RECOMMENDATION

Officials should assign each employee their own cash drawer.

MANAGEMENT'S RESPONSE – COUNTY CLERK

I corrected this finding as soon as it was brought to my attention. Each of the six employees now has their own cash drawer.

LAUDERDALE COUNTY

FINDING 2014-009

**LAUDERDALE COUNTY HAS A MATERIAL RECURRING
AUDIT FINDING**

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

Lauderdale County has a material audit finding that has been reported in its Annual Financial Report for three or more consecutive years. This recurring material finding is listed below:

<u>Finding Numbers</u>	<u>Description</u>
2014-002, 2013-003, 12.03	Some funds required material audit adjustments for proper financial statement presentation.

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

RECOMMENDATION

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

**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 Lauderdale County.

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

Lauderdale County does not have a central system of accounting, budgeting, and purchasing. Sound business practices dictate that establishing a central system would significantly improve internal controls over the accounting, budgeting, and purchasing processes. The absence of a central system of accounting, budgeting, and purchasing has been a management decision by the County Commission resulting in decentralization and some duplication of effort. We recommend the adoption of the County Financial Management System of 1981 or a private act, which would provide for a central system of accounting, budgeting, and purchasing covering all county departments.

**LAUDERDALE 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.