



**ANNUAL FINANCIAL REPORT  
TIPTON COUNTY, TENNESSEE**



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



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

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

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

***JAN PAGE, CPA, CFE  
Audit Manager***

***LEE ANN WEST, CPA, CGFM  
Auditor 4***

***JUSTIN NEAL, CPA  
ELISHA CROWELL, CISA, CFE  
State Auditors***

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

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## TIPTON COUNTY, TENNESSEE

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## ***Summary of Audit Finding***

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

### ***Scope***

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

### ***Results***

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

Our audit resulted in one finding and recommendation, which we have reviewed with Tipton County management. The detailed finding and recommendation are included in the Single Audit section of this report.

### ***Finding***

The following is a summary of the audit finding:

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

- ◆ The office had deficiencies in budget operations.

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# INTRODUCTORY SECTION

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Tipton County Officials  
June 30, 2014

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**Officials**

Jeff Huffman, County Executive  
Shannon Reed, Director of Public Works  
Dr. William Bibb, Jr., Director of Schools  
Kristie Maxwell, Trustee  
Rose Cousar, Assessor of Property  
Mary Gaither, County Clerk  
Mike Forbess, Circuit, General Sessions, and Juvenile Courts Clerk  
Virginia Gray, Clerk and Master  
Claudia Peeler, Register of Deeds  
Jeffrey Chumley, Sheriff  
Walter Thomas Bailey, Director of Accounts and Budget

**Board of County Commissioners**

Jeff Huffman, County Executive, Chairman	Arnold McIntyre
James Adkins	Jeff Scott
Quincy Barlow	Dale Smith
Steve Bringle	James Lamont Sneed
Terry Colin	Mike Sterling
John Delancey	Glenn Turner
Thomas Dunavant	Harold Twisdale
Courtney Fee	Robert Wilson
Johnnie Jones	Rusty Wooten
Jeff Mason	

**Board of Education**

Marty Burlison, Chairman	Kay Scott
Alvis Ferrell	Phillip Grant Shipley, Jr.
Chris Fisher	Thomas Taylor
Marty Haywood	Farrel Vincent
Richard Ellis Joyner	

**Audit Committee**

Arnold McIntyre, Chairman  
Quincy Barlow  
Robert Wilson

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## FINANCIAL SECTION

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

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

**Report on the Financial Statements**

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

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

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

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

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

### ***Opinions***

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

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

As described in Note V.B., Tipton 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 benefit plans on pages 62-64 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 Tipton 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 Tipton County School Department (a discretely presented component unit), and miscellaneous schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Tipton County School Department (a discretely presented component unit), and miscellaneous schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds and the General Debt Service Fund, combining and individual fund financial statements of the Tipton 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.

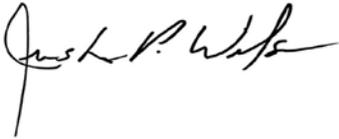
The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2014, on our consideration of Tipton 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 Tipton County's internal control over financial reporting and compliance.

Very truly yours,

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

Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 8, 2014

JPW/yu

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# **BASIC FINANCIAL STATEMENTS**

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Exhibit A

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

	Primary Government Governmental Activities	Component Unit Tipton County School Department
<u>ASSETS</u>		
Cash	\$ 30,893	\$ 0
Equity in Pooled Cash and Investments	26,523,459	15,765,339
Accounts Receivable	106,400	0
Due from Other Governments	809,346	1,070,351
Property Taxes Receivable	12,649,266	11,415,191
Allowance for Uncollectible Property Taxes	(501,172)	(452,277)
Accrued Interest Receivable	16,920	0
Capital Assets Not Depreciated:		
Land	2,228,266	3,596,156
Construction in Progress	0	28,250
Assets Net of Accumulated Depreciation:		
Buildings and Improvements	2,175,696	27,313,703
Infrastructure	8,749,044	83,835
Other Capital Assets	2,698,343	4,215,858
Total Assets	<u>\$ 55,486,461</u>	<u>\$ 63,036,406</u>
<u>LIABILITIES</u>		
Accounts Payable	\$ 0	\$ 2,242
Payroll Deductions Payable	208,563	2,482,761
Accrued Interest Payable	52,173	0
Due to State of Tennessee	10,774	0
Noncurrent Liabilities:		
Due Within One Year	3,008,289	263,885
Due in More Than One Year	29,172,572	3,951,521
Total Liabilities	<u>\$ 32,452,371</u>	<u>\$ 6,700,409</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Current Property Taxes	\$ 11,847,727	\$ 10,691,851
Total Deferred Inflows of Resources	<u>\$ 11,847,727</u>	<u>\$ 10,691,851</u>

(Continued)

Exhibit A

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

	Primary Government <u>Governmental Activities</u>	<u>Component Unit</u> Tipton County School Department
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 13,528,349	\$ 35,237,802
Restricted for:		
General Government	134,115	0
Finance	6,057	0
Administration of Justice	175,524	0
Public Safety	251,647	0
Public Health and Welfare	12,655	0
Highway/Public Works	1,675,307	0
Debt Service	9,341,915	0
Capital Projects	1,507,904	1,291,465
Education	0	337,222
Operation of Non-instructional Services	0	2,107,188
Unrestricted	<u>(15,447,110)</u>	<u>6,670,469</u>
Total Net Position	<u>\$ 11,186,363</u>	<u>\$ 45,644,146</u>

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

Exhibit B

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

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government	
				Capital Grants and Contributions	Government Total
				Governmental Activities	Tipton County School Department
Primary Government:					
Governmental Activities:					
General Government	\$ 3,563,577	\$ 388,423	\$ 639,664	\$ 163,313	\$ (2,372,177)
Finance	1,445,580	1,247,081	750	0	(197,749)
Administration of Justice	1,620,308	1,196,693	5,678	0	(417,937)
Public Safety	8,530,562	584,714	120,393	161,424	(7,664,031)
Public Health and Welfare	2,346,193	435,363	421,084	999	(1,488,747)
Social, Cultural, and Recreational Services	389,057	25,887	173,658	0	(189,512)
Agriculture and Natural Resources	152,355	0	0	0	(152,355)
Highways/Public Works	4,874,370	2,916	1,985,758	976,098	(1,909,598)
Interest on Long-term Debt	273,512	0	0	0	(273,512)
Total Primary Government	\$ 23,195,514	\$ 3,881,077	\$ 3,346,985	\$ 1,301,834	\$ (14,665,618)
Component Unit:					
Tipton County School Department	\$ 93,370,366	\$ 2,428,581	\$ 10,570,194	\$ 30,105	\$ (80,341,486)
Total Component Unit	\$ 93,370,366	\$ 2,428,581	\$ 10,570,194	\$ 30,105	\$ (80,341,486)

(Continued)

Exhibit B

Tipton County, Tennessee  
Statement of Activities (Cont.)

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary	Component Unit
				Government Total	Tipton County School Department
	Expenses	Governmental Activities			
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes			\$ 8,643,952	\$	10,904,292
Property Taxes Levied for Debt Service			3,438,354		0
Local Option Sales Taxes			435,050		4,271,428
Wheel Tax			3,208,950		0
Litigation Tax			240,101		0
Business Tax			180,485		167,192
Wholesale Beer Tax			178,000		0
Other Local Taxes			130,489		28,284
Grants and Contributions Not Restricted to Specific Programs			1,677,715		62,781,156
Unrestricted Investment Income			309,268		0
Miscellaneous			161,508		45,673
Total General Revenues			\$ 18,603,872	\$	78,198,025
Change in Net Position			\$ 3,938,254	\$	(2,143,461)
Net Position, July 1, 2013			7,248,109		47,787,607
Net Position, June 30, 2014			\$ 11,186,363	\$	45,644,146

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

Tipton 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		
Cash	\$ 0	\$ 0	\$ 0	\$ 30,893	\$ 30,893	\$ 30,893
Equity in Pooled Cash and Investments	11,035,284	1,630,279	10,321,378	3,536,518	26,523,459	26,523,459
Accounts Receivable	38,300	21,429	0	46,671	106,400	106,400
Due from Other Governments	247,637	561,650	59	0	809,346	809,346
Due from Other Funds	75,490	0	0	0	75,490	75,490
Property Taxes Receivable	8,330,004	719,877	3,599,385	0	12,649,266	12,649,266
Allowance for Uncollectible Property Taxes	(330,040)	(28,522)	(142,610)	0	(501,172)	(501,172)
Accrued Interest Receivable	0	0	16,920	0	16,920	16,920
Total Assets	\$ 19,396,675	\$ 2,904,713	\$ 13,795,132	\$ 3,614,082	\$ 39,710,602	\$ 39,710,602

ASSETS

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

Total Assets

LIABILITIES

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

DEFERRED INFLOWS OF RESOURCES

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

\$ 158,894	\$ 44,157	\$ 0	\$ 5,512	\$ 208,563
0	0	0	75,490	75,490
10,774	0	0	0	10,774
0	0	2,124	0	2,124
\$ 169,668	\$ 44,157	\$ 2,124	\$ 81,002	\$ 296,951
\$ 7,802,162	\$ 674,261	\$ 3,371,304	\$ 0	\$ 11,847,727
141,677	12,244	60,706	0	214,627
83,669	158,500	0	0	242,169
\$ 8,027,508	\$ 845,005	\$ 3,432,010	\$ 0	\$ 12,304,523

(Continued)

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other	Governmental Funds	
<b>Restricted:</b>						
Restricted for General Government	\$ 1,242	\$ 0	\$ 0	\$ 0	\$ 0	1,242
Restricted for Finance	6,057	0	0	0	0	6,057
Restricted for Administration of Justice	175,524	0	0	0	0	175,524
Restricted for Public Safety	32,066	0	0	219,581	0	251,647
Restricted for Public Health and Welfare	36,526	0	0	0	0	36,526
Restricted for Other Operations	132,873	0	0	0	0	132,873
Restricted for Highways/Public Works	0	1,595,548	0	0	0	1,595,548
Restricted for Debt Service	0	0	9,331,258	0	0	9,331,258
Restricted for Capital Projects	0	0	0	1,507,904	0	1,507,904
<b>Committed:</b>						
Committed for Public Health and Welfare	0	0	0	1,805,595	0	1,805,595
Committed for Highways/Public Works	0	420,003	0	0	0	420,003
Committed for Debt Service	0	0	1,029,740	0	0	1,029,740
Committed for Other Purposes	237,791	0	0	0	0	237,791
<b>Assigned:</b>						
Assigned for General Government	1,073	0	0	0	0	1,073
Assigned for Finance	7,400	0	0	0	0	7,400
Assigned for Administration of Justice	5,319	0	0	0	0	5,319
Assigned for Public Safety	53,481	0	0	0	0	53,481
Assigned for Public Health and Welfare	903,602	0	0	0	0	903,602
Assigned for Social, Cultural, and Recreational Services	1,114	0	0	0	0	1,114
Assigned for Other Operations	662	0	0	0	0	662
Unassigned	9,604,769	0	0	0	0	9,604,769
<b>Total Fund Balances</b>	<b>\$ 11,199,499</b>	<b>\$ 2,015,551</b>	<b>\$ 10,360,998</b>	<b>\$ 3,533,080</b>	<b>\$ 27,109,128</b>	
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 19,396,675</b>	<b>\$ 2,904,713</b>	<b>\$ 13,795,132</b>	<b>\$ 3,614,082</b>	<b>\$ 39,710,602</b>	

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

Exhibit C-2

Tipton 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)		\$	27,109,128
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			
Add: land	\$	2,228,266	
Add: buildings and improvements net of accumulated depreciation		2,175,696	
Add: infrastructure net of accumulated depreciation		8,749,044	
Add: other capital assets net of accumulated depreciation		<u>2,698,343</u>	15,851,349
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.			
Less: other loans payable	\$	(21,470,189)	
Less: bonds payable		(4,750,000)	
Less: compensated absences payable		(545,237)	
Less: landfill closure/postclosure care costs		(359,582)	
Less: other postemployment benefits liability		(5,055,853)	
Less: accrued interest on bonds		(52,173)	
Add: accrued interest on bonds paid late at fund level		<u>2,124</u>	(32,230,910)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.			<u>456,796</u>
Net position of governmental activities (Exhibit A)		\$	<u><u>11,186,363</u></u>

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

Exhibit C-3

Tipton 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	\$ 11,139,910	\$ 2,331,690	\$ 3,745,895	\$ 0	\$ 0	\$ 17,217,495
Licenses and Permits	151,852	0	0	0	0	151,852
Fines, Forfeitures, and Penalties	335,632	0	0	144,773	0	480,405
Charges for Current Services	223,415	2,916	0	268,084	0	494,415
Other Local Revenues	148,385	82,290	309,268	112,848	0	652,791
Fees Received from County Officials	2,286,688	0	0	0	0	2,286,688
State of Tennessee	1,011,870	2,802,110	0	850,137	0	4,664,117
Federal Government	143,282	159,919	0	33,977	0	337,178
Other Governments and Citizens Groups	313,599	0	600,000	0	0	913,599
Total Revenues	\$ 15,754,633	\$ 5,378,925	\$ 4,655,163	\$ 1,409,819	\$ 0	\$ 27,198,540

<u>Expenditures</u>						
Current:						
General Government	\$ 1,963,716	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,963,716
Finance	1,445,894	0	0	0	0	1,445,894
Administration of Justice	1,566,427	0	0	0	0	1,566,427
Public Safety	8,062,758	0	0	105,712	0	8,168,470
Public Health and Welfare	977,979	0	0	28,106	0	1,006,085
Social, Cultural, and Recreational Services	375,572	0	0	0	0	375,572
Agriculture and Natural Resources	153,549	0	0	0	0	153,549
Other Operations	717,486	0	0	0	0	717,486
Highways	0	6,166,952	0	1,231,928	0	7,398,880
Debt Service:						
Principal on Debt	0	0	3,941,300	0	0	3,941,300
Interest on Debt	0	0	278,073	0	0	278,073
Other Debt Service	0	0	235,870	0	0	235,870

(Continued)

Exhibit C-3

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

	Major Funds			Nonmajor Funds		Total Governmental Funds
	General	Highway / Public Works	General Debt Service	Other Governmental Funds		
<u>Expenditures (Cont.)</u>						
Capital Projects	\$ 0 \$	0 \$	0 \$	454,467 \$		454,467
Total Expenditures	\$ 15,263,381 \$	6,166,952 \$	4,455,243 \$	1,820,213 \$		27,705,789
Excess (Deficiency) of Revenues Over Expenditures	\$ 491,252 \$	(788,027) \$	199,920 \$	(410,394) \$		(507,249)
<u>Other Financing Sources (Uses)</u>						
Insurance Recovery	\$ 25,219 \$	0 \$	0 \$	0 \$		25,219
Total Other Financing Sources (Uses)	\$ 25,219 \$	0 \$	0 \$	0 \$		25,219
Net Change in Fund Balances	\$ 516,471 \$	(788,027) \$	199,920 \$	(410,394) \$		(482,030)
Fund Balance, July 1, 2013	10,683,028	2,803,578	10,161,078	3,943,474		27,591,158
Fund Balance, June 30, 2014	\$ 11,199,499 \$	2,015,551 \$	10,360,998 \$	3,533,080 \$		27,109,128

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

Exhibit C-4

Tipton 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)		\$ (482,030)
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:		
Add: capital assets purchased in the current period	\$ 2,445,677	
Less: current-year depreciation expense	<u>(1,393,605)</u>	1,052,072
(2) The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net position.		
Less: book value of capital assets disposed		(16,185)
(3) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$ 456,796	
Less: deferred delinquent property taxes and other deferred June 30, 2013	<u>(521,568)</u>	(64,772)
(4) The issuance of long-term debt (e.g., other loans, bonds, etc.) 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.		
Add: principal payments on other loans	\$ 3,441,300	
Add: principal payments on bonds	<u>500,000</u>	3,941,300
(5) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued interest payable	\$ 4,561	
Change in compensated absences payable	(738)	
Change in landfill closure/postclosure care costs	22,792	
Change in other postemployment benefits liability	<u>(518,746)</u>	<u>(492,131)</u>
Change in net position of governmental activities (Exhibit B)		<u>\$ 3,938,254</u>

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

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 11,139,910	\$ 0	\$ 0	\$ 11,139,910	\$ 10,569,370	\$ 10,570,470	\$ 569,440
Licenses and Permits	151,852	0	0	151,852	131,000	131,000	20,852
Fines, Forfeitures, and Penalties	335,632	0	0	335,632	353,785	353,785	(18,153)
Charges for Current Services	223,415	0	0	223,415	174,150	174,150	49,265
Other Local Revenues	148,385	0	0	148,385	120,800	120,800	27,585
Fees Received from County Officials	2,286,688	0	0	2,286,688	2,250,000	2,250,000	36,688
State of Tennessee	1,011,870	0	0	1,011,870	1,076,193	1,075,093	(63,223)
Federal Government	143,282	0	0	143,282	100,023	100,023	43,259
Other Governments and Citizens Groups	313,599	0	0	313,599	181,334	181,334	132,265
<b>Total Revenues</b>	<b>\$ 15,754,633</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 15,754,633</b>	<b>\$ 14,956,655</b>	<b>\$ 14,956,655</b>	<b>\$ 797,978</b>
<b>Expenditures</b>							
<b>General Government</b>							
County Commission	\$ 161,090	(5,167)	224	\$ 156,147	\$ 171,200	\$ 171,200	\$ 15,053
Beer Board	1,160	0	0	1,160	3,380	3,380	2,220
County Mayor/Executive	286,598	0	0	286,598	324,390	324,390	37,792
Election Commission	353,027	(361)	583	353,249	379,819	379,819	26,570
Register of Deeds	314,915	(10,498)	0	304,417	306,003	311,503	7,086
Planning	281,733	(332)	0	281,401	297,533	297,533	16,132
Building	313,766	(287)	196	313,675	350,709	350,709	37,034
Codes Compliance	11,991	0	0	11,991	12,711	12,711	720
Geographical Information Systems	160,124	0	0	160,124	176,965	176,965	16,841
County Buildings	79,312	(180)	70	79,202	107,120	107,120	27,918
<b>Finance</b>							
Accounting and Budgeting	183,721	0	0	183,721	234,916	234,916	51,195
Property Assessor's Office	409,878	(106)	7,400	417,172	459,797	459,797	42,625
Reappraisal Program	47,974	0	0	47,974	55,127	55,127	7,153
County Trustee's Office	331,618	(5,000)	0	326,618	341,233	341,233	14,615
County Clerk's Office	472,703	0	0	472,703	486,132	486,132	13,429

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original		
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Administration of Justice</u>							
Circuit Court	\$ 643,347	\$ (1,025)	\$ 132	\$ 642,454	\$ 685,846	\$ 685,846	\$ 43,392
Criminal Court	46,581	0	0	46,581	50,500	50,500	3,919
General Sessions Court	300,809	0	0	300,809	305,379	305,379	4,570
Drug Court	10,772	0	0	10,772	15,000	15,000	4,228
Chancery Court	271,317	(117)	0	271,200	342,005	342,005	70,805
Juvenile Court	123,043	(104)	5,187	128,126	149,268	149,268	21,142
Probate Court	103,383	0	0	103,383	118,977	118,977	15,594
Other Administration of Justice	36,545	(100)	0	36,445	60,090	60,090	23,645
Victims Assistance Programs	30,630	0	0	30,630	39,400	42,400	11,770
<u>Public Safety</u>							
Sheriff's Department	4,779,191	(31,347)	6,748	4,754,592	4,683,109	4,780,601	26,009
Administration of the Sexual Offender Registry	6,157	0	0	6,157	8,000	8,000	1,843
Jail	2,368,802	(3,500)	46,126	2,411,428	2,662,161	2,729,653	318,225
Workhouse	204,279	(491)	607	204,395	230,733	249,690	45,295
Fire Prevention and Control	291,787	(22,727)	0	269,060	283,001	283,001	13,941
Civil Defense	209,523	0	0	209,523	259,056	259,056	49,533
Other Emergency Management	203,019	0	0	203,019	203,025	203,025	6
<u>Public Health and Welfare</u>							
Local Health Center	86,113	(315)	319	86,117	98,200	98,200	12,083
Rabies and Animal Control	295,251	0	0	295,251	328,104	328,104	32,853
Ambulance/Emergency Medical Services	134,474	0	0	134,474	131,000	135,500	1,026
Dental Health Program	327,625	(273)	0	327,352	349,400	349,400	22,048
General Welfare Assistance	23,162	0	0	23,162	34,903	34,903	11,741
Sanitation Management	111,354	(264)	168	111,258	142,428	142,428	31,170
<u>Social, Cultural, and Recreational Services</u>							
Senior Citizens Assistance	62,000	0	0	62,000	62,000	62,000	0
Libraries	241,715	(1,289)	1,114	241,540	319,927	319,927	78,387
Parks and Fair Boards	18,357	0	0	18,357	33,500	33,500	15,143
Other Social, Cultural, and Recreational	53,500	0	0	53,500	3,500	53,500	0

(Continued)

Exhibit C-5

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<u>Expenditures (Cont.)</u>							
<u>Agriculture and Natural Resources</u>							
Agriculture Extension Service	\$ 81,784	\$ (6)	\$ 0	\$ 81,778	\$ 104,552	\$ 104,552	\$ 22,774
Soil Conservation	71,765	0	0	71,765	103,812	103,812	32,047
<u>Other Operations</u>							
Tourism	68,000	0	0	68,000	68,000	68,000	0
Industrial Development	261,645	(108)	0	261,537	539,502	493,354	231,817
Veterans' Services	17,562	0	644	18,206	21,836	21,836	3,630
Employee Benefits	12,502	0	0	12,502	15,000	15,000	2,498
Miscellaneous	357,777	0	18	357,795	428,617	467,265	109,470
Total Expenditures	\$ 15,263,381	\$ (83,597)	\$ 69,536	\$ 15,249,320	\$ 16,586,866	\$ 16,826,307	\$ 1,576,987
Excess (Deficiency) of Revenues Over Expenditures	\$ 491,252	\$ 83,597	\$ (69,536)	\$ 505,313	\$ (1,630,211)	\$ (1,869,652)	\$ 2,374,965
<u>Other Financing Sources (Uses)</u>							
Insurance Recovery	\$ 25,219	\$ 0	\$ 0	\$ 25,219	\$ 0	\$ 0	\$ 25,219
Transfers In	0	0	0	0	85,000	85,000	(85,000)
Total Other Financing Sources	\$ 25,219	\$ 0	\$ 0	\$ 25,219	\$ 85,000	\$ 85,000	\$ (59,781)
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 516,471	\$ 83,597	\$ (69,536)	\$ 530,532	\$ (1,545,211)	\$ (1,784,652)	\$ 2,315,184
Fund Balance, July 1, 2013	10,683,028	(83,597)	0	10,599,431	8,520,531	8,520,531	2,078,900
Fund Balance, June 30, 2014	\$ 11,199,499	\$ 0	\$ (69,536)	\$ 11,129,963	\$ 6,975,320	\$ 6,735,879	\$ 4,394,084

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

Exhibit C-6

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Local Taxes	\$ 2,331,690	\$ 0	\$ 0	\$ 2,331,690	\$ 2,296,186	\$ 2,296,186	\$ 35,504
Charges for Current Services	2,916	0	0	2,916	3,500	3,500	(584)
Other Local Revenues	82,290	0	0	82,290	28,900	45,000	37,290
State of Tennessee	2,802,110	0	0	2,802,110	2,785,730	2,785,730	16,380
Federal Government	159,919	0	0	159,919	865,000	865,000	(705,081)
<b>Total Revenues</b>	<b>\$ 5,378,925</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 5,378,925</b>	<b>\$ 5,979,316</b>	<b>\$ 5,995,416</b>	<b>\$ (616,491)</b>
<b>Expenditures</b>							
<b>Highways</b>							
Administration	\$ 480,147	\$ 0	\$ 0	\$ 480,147	\$ 528,959	\$ 517,059	\$ 36,912
Highway and Bridge Maintenance	2,586,291	(17,000)	0	2,569,291	2,543,764	2,776,464	207,173
Operation and Maintenance of Equipment	646,683	0	39	646,722	689,831	699,831	53,109
Other Charges	271,365	0	0	271,365	273,500	289,600	18,235
Employee Benefits	758,384	0	0	758,384	813,535	813,535	55,151
Capital Outlay	1,424,082	(22,832)	82,100	1,483,350	1,726,500	1,512,200	28,850
<b>Total Expenditures</b>	<b>\$ 6,166,952</b>	<b>\$ (39,832)</b>	<b>\$ 82,139</b>	<b>\$ 6,209,259</b>	<b>\$ 6,576,089</b>	<b>\$ 6,608,689</b>	<b>\$ 399,430</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ (788,027)</b>	<b>\$ 39,832</b>	<b>\$ (82,139)</b>	<b>\$ (830,334)</b>	<b>\$ (596,773)</b>	<b>\$ (613,273)</b>	<b>\$ (217,061)</b>
<b>Net Change in Fund Balance Fund Balance, July 1, 2013</b>	<b>\$ (788,027)</b>	<b>\$ 39,832</b>	<b>\$ (82,139)</b>	<b>\$ (830,334)</b>	<b>\$ (596,773)</b>	<b>\$ (613,273)</b>	<b>\$ (217,061)</b>
<b>Fund Balance, July 1, 2013</b>	<b>2,803,578</b>	<b>(39,832)</b>	<b>0</b>	<b>2,763,746</b>	<b>2,132,475</b>	<b>2,132,475</b>	<b>631,271</b>
<b>Fund Balance, June 30, 2014</b>	<b>\$ 2,015,551</b>	<b>\$ 0</b>	<b>\$ (82,139)</b>	<b>\$ 1,933,412</b>	<b>\$ 1,535,702</b>	<b>\$ 1,519,202</b>	<b>\$ 414,210</b>

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

Exhibit D

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

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ 2,982,017
Due from Other Governments	<u>642,600</u>
Total Assets	<u>\$ 3,624,617</u>
<u>LIABILITIES</u>	
Due to Other Taxing Units	\$ 642,600
Due to Litigants, Heirs, and Others	<u>2,982,017</u>
Total Liabilities	<u>\$ 3,624,617</u>

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

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

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

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Tipton 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 Tipton County:

**A. Reporting Entity**

Tipton County is a public municipal corporation governed by an elected 18-member board. As required by GAAP, these financial statements present Tipton 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 Tipton County School Department operates the public school system in the county, and the voters of Tipton 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 Tipton County Emergency Communications District provides a simplified means of securing emergency services through a uniform emergency number for the residents of Tipton County, and the Tipton 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 Tipton 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 Tipton 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 Tipton County Emergency Communications District were not available in time for inclusion, as previously mentioned. Complete financial statements of the Tipton County Emergency Communications District can be obtained from its administrative office at the following address:

Administrative Office:

Tipton County Emergency Communications District  
220 Highway 51 North, Suite 4  
Covington, TN 38019

**B. Government-wide and Fund Financial Statements**

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

Tipton County issues all debt for the discretely presented Tipton County School Department. There were no debt issues contributed by the county to the School Department during the year ended June 30, 2014.

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

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

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

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

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All other governmental funds are aggregated into a single column on the fund financial statements. 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. Tipton County considers grants and similar revenues to be available if they are collected within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recognized as fund liabilities when due or when amounts have been accumulated in the General Debt Service Fund for payments to be made early in the following year.

Property taxes for the period levied, in-lieu-of tax payments, sales taxes, interest, and miscellaneous taxes are all considered to be susceptible to accrual and have been recognized as revenues of the current period. Applicable business taxes, litigation taxes, state-shared excise taxes, fines, forfeitures, and penalties are not susceptible to accrual since they are not

measurable (reasonably estimable). All other revenue items are considered to be measurable and available only when the county receives cash.

Fiduciary 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.

Tipton County reports the following major governmental funds:

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

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

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

Additionally, Tipton County reports the following fund types:

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

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

The discretely presented Tipton County School Department reports the following major governmental fund:

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

Additionally, the Tipton County School Department reports the following fund types:

**Special Revenue Funds** – These funds account for and report the proceeds of specific revenue sources that are restricted or committed

to expenditure for specified purposes other than debt service or capital projects.

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

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

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

**1. Deposits and Investments**

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

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

state treasurer. All other investments are reported at fair value. No investments required to be reported at fair value were held at the balance sheet date.

## **2. Receivables and Payables**

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

Property taxes receivables are shown with an allowance for uncollectibles. The allowance for uncollectible property taxes is equal to 2.07 percent of total taxes levied.

Property taxes receivable are recognized as of the date an enforceable legal claim to the taxable property arises. This date is January 1 and is referred to as the lien date. However, revenues from property taxes are recognized in the period for which the taxes are levied, which is the ensuing fiscal year. Since the receivable is recognized before the period of revenue recognition, the entire amount of the receivable, less an estimated allowance for uncollectible taxes, is reported as a deferred inflow of resources as of June 30.

Property taxes receivable are also reported as of June 30 for the taxes that are levied, collected, and reported as revenue during the current fiscal year. These property taxes receivable are presented on the balance sheet as a deferred inflow of resources to reflect amounts not available as of June 30. Property taxes collected within 30 days of year-end are considered available and accrued. The allowance for uncollectible taxes represents the estimated amount of the receivable that will be filed in court for collection. Delinquent taxes filed in court for collection are not included in taxes receivable since they are neither measurable nor available.

Property taxes are levied as of the first Monday in October. Taxes become delinquent and begin accumulating interest and penalty the following March 1. Suit must be filed in Chancery Court between the following February 1 to April 1 for any remaining unpaid taxes. Additional costs attach to delinquent taxes after a court suit has been filed.

## **3. Capital Assets**

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

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as

assets with an initial, individual cost of \$15,000 or more and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25
Other Capital Assets	5, 10, or 12
Infrastructure:	
Roads	10 or 20
Bridges	5, 15, or 30

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

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

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

It is the county's and the discretely presented School Department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since Tipton County and the School Department do not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements for the county and the School Department. A liability for vacation pay is reported in governmental funds only if amounts have matured, for example, as a result of employee resignations and retirements.

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 amortized over the life of the new debt using the straight-line method. Debt issuance costs are expensed in the period incurred. In refunding transactions, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or a deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the refunded debt or the life of the new debt issued, whichever is shorter.

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

Only the matured portion (the portion that has come due for payment) of long-term indebtedness, including bonds payable, is recognized as a liability and expenditure in the governmental fund financial statements. Liabilities and expenditures for other long-term obligations, including compensated absences, landfill 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, 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.
- d. 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, Tipton County had \$23,897,189 in outstanding debt for capital purposes for the discretely presented Tipton County School Department. The debt is a liability of Tipton County, but the capital assets acquired are reported in the financial statements of the School Department. Therefore, Tipton 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 the general government. The Board of Education makes assignments for the School Department.

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

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

**Primary Government**

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

**Discretely Presented Tipton County School Department**

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

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

**Primary Government**

Exhibit C-4 includes explanations of the nature of individual elements of items required to reconcile the net change in fund balances – total

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

### **Discretely Presented Tipton County School Department**

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

## **III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **A. Budgetary Information**

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

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

The budgetary level of control is at the major category level established by the County Uniform Chart of Accounts, as prescribed by the Comptroller of the Treasury of the State of Tennessee. Major categories are at the department level (examples of General Fund major categories: County Commission, Beer Board, County Mayor/Executive, 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 appropriations approved by the County Commission in the Instruction - Special Education Program major appropriation category (the legal level of control) of the discretely presented School Department's General Purpose School Fund by \$10,372. Expenditures that exceed appropriations are a violation of state statutes. These expenditures in excess of appropriations were funded by available fund balance.

C. **Appropriations Exceeded Estimated Available Funds**

The budget and subsequent amendments approved by the County Commission for the discretely presented School Department's School Federal Projects Fund resulted in appropriations exceeding estimated available funding by \$96,655.

IV. **DETAILED NOTES ON ALL FUNDS**

A. **Deposits and Investments**

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

**Deposits**

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

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

**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	\$ 2,228,266	\$ 0	\$ 0	\$ 2,228,266
Total Capital Assets Not Depreciated	<u>\$ 2,228,266</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 2,228,266</u>
Capital Assets Depreciated:				
Buildings and Improvements	\$ 5,803,637	\$ 59,190	\$ 0	\$ 5,862,827
Infrastructure	27,115,335	1,729,155	0	28,844,490
Other Capital Assets	9,431,707	657,332	(61,196)	10,027,843
Total Capital Assets Depreciated	<u>\$ 42,350,679</u>	<u>\$ 2,445,677</u>	<u>\$ (61,196)</u>	<u>\$ 44,735,160</u>

**Governmental Activities (Cont.):**

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Less Accumulated Depreciation For:				
Buildings and Improvements	\$ 3,488,439	\$ 198,692	\$ 0	\$ 3,687,131
Infrastructure	19,390,413	705,033	0	20,095,446
Other Capital Assets	6,884,631	489,880	(45,011)	7,329,500
Total Accumulated Depreciation	\$ 29,763,483	\$ 1,393,605	\$ (45,011)	\$ 31,112,077
Total Capital Assets Depreciated, Net	\$ 12,587,196	\$ 1,052,072	\$ (16,185)	\$ 13,623,083
Governmental Activities Capital Assets, Net	\$ 14,815,462	\$ 1,052,072	\$ (16,185)	\$ 15,851,349

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

**Governmental Activities:**

General Government	\$ 145,799
Administration of Justice	52,586
Public Safety	287,680
Public Health and Welfare	13,718
Social, Cultural, and Recreational Services	12,720
Other Operations	4,444
Highways/Public Works	876,658
Total Depreciation Expense - Governmental Activities	\$ 1,393,605

**Discretely Presented Tipton County School Department**

**Governmental Activities:**

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets Not Depreciated:				
Land	\$ 3,596,156	\$ 0	\$ 0	\$ 3,596,156
Construction in Progress	28,250	0	0	28,250
Total Capital Assets Not Depreciated	\$ 3,624,406	\$ 0	\$ 0	\$ 3,624,406

**Governmental Activities (Cont.):**

	Balance 7-1-13	Increases	Decreases	Balance 6-30-14
Capital Assets				
Depreciated:				
Buildings and				
Improvements	\$ 113,981,341	\$ 22,905	\$ 0	\$ 114,004,246
Infrastructure	92,296	0	0	92,296
Other Capital Assets	10,994,817	916,763	(573,914)	11,337,666
Total Capital Assets	<u>125,068,454</u>	<u>939,668</u>	<u>(573,914)</u>	<u>125,434,208</u>
Depreciated	<u>\$ 125,068,454</u>	<u>\$ 939,668</u>	<u>\$ (573,914)</u>	<u>\$ 125,434,208</u>
Less Accumulated				
Depreciated For:				
Buildings and				
Improvements	\$ 84,036,716	\$ 2,653,827	\$ 0	\$ 86,690,543
Infrastructure	3,846	4,615	0	8,461
Other Capital Assets	6,955,473	740,249	(573,914)	7,121,808
Total Accumulated	<u>90,996,035</u>	<u>3,398,691</u>	<u>(573,914)</u>	<u>93,820,812</u>
Depreciation	<u>\$ 90,996,035</u>	<u>\$ 3,398,691</u>	<u>\$ (573,914)</u>	<u>\$ 93,820,812</u>
Total Capital Assets				
Depreciated, Net	<u>\$ 34,072,419</u>	<u>\$ (2,459,023)</u>	<u>\$ 0</u>	<u>\$ 31,613,396</u>
Governmental Activities				
Capital Assets, Net	<u>\$ 37,696,825</u>	<u>\$ (2,459,023)</u>	<u>\$ 0</u>	<u>\$ 35,237,802</u>

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

**Governmental Activities:**

Instruction	\$ 2,278,473
Support Services	886,108
Operation of Non-instructional Services	<u>234,110</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 3,398,691</u></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:**

Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental	\$ 75,490

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.

**Interfund Transfers:**

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

**Discretely Presented Tipton County School Department**

Transfers Out	Transfers In	
	General Purpose School Fund	Nonmajor Governmental Funds
General Purpose School Fund	\$ 0	\$ 200,000
Nonmajor governmental funds	37,211	0

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. Long-term Obligations**

**Primary Government**

**General Obligation Bonds and Other Loans**

Tipton 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 and other loans are direct obligations and pledge the full faith and credit of the government. General obligation bonds and other loans outstanding were issued for original terms of up to 20 years for bonds and up to 20 years for other loans. Repayment terms are generally

structured with increasing amounts of principal maturing as interest requirements decrease over the term of the debt. All bonds 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 and other loans outstanding as of June 30, 2014, for governmental activities are as follows:

Type	Interest Rate	Final Maturity	Original Amount of Issue	Balance 6-30-14
General Obligation Bonds	2.5 to 4.625 %	4-1-22	\$ 9,000,000	\$ 4,750,000
Other Loans	Variable	5-25-27	36,325,689	21,470,189

During the 1998-99 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned Tipton County \$5,897,089. This loan is repayable at a variable interest rate based on the weekly Bank of America Thursday National Non-AMT Index (BOA). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2014, the variable interest rate was .28 percent based on the BOA rate, and other fees totaled .58 percent of the outstanding loan principal.

During the 2004-05 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$5,100,000 to Tipton County for school construction. This loan is repayable at a variable interest rate based on the daily London Interbank Offer Rate (LIBOR). In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2014, the variable interest rate was .28 percent based on the LIBOR rate, and other fees totaled .58 percent of the outstanding loan principal.

During the 2006-07 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$16,000,000 to Tipton County for school construction. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2014, the variable interest rate was .28 percent based on the LIBOR rate, and other fees totaled .58 percent of the outstanding loan principal.

During the 2008-09 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$6,228,600 to Tipton County for refinancing debt. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees (administration, debt

remarketing, etc.) in connection with this loan. At June 30, 2014, the variable interest rate was .28 percent based on the LIBOR rate, and other fees totaled .58 percent of the outstanding loan principal.

During the 2010-11 year, Tipton County entered into a loan agreement with the Montgomery County Public Building Authority. Under this loan agreement, the authority loaned \$3,100,000 to Tipton County for various capital projects. This loan is repayable at a variable interest rate based on the daily LIBOR. In addition, the county pays various other fees (administration, debt remarketing, etc.) in connection with this loan. At June 30, 2014, the variable interest rate was .06 percent based on the LIBOR rate, and other fees totaled one percent of the outstanding loan principal.

The annual requirements to amortize all general obligation bonds 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	\$ 500,000	\$ 202,975	\$ 702,975
2016	525,000	183,725	708,725
2017	550,000	162,725	712,725
2018	575,000	140,175	715,175
2019	600,000	116,025	716,025
2020-2022	2,000,000	184,225	2,184,225
Total	\$ 4,750,000	\$ 989,850	\$ 5,739,850

Year Ending June 30	Other Loans			
	Principal	Interest	Other Fees	Total
2015	\$ 2,047,100	\$ 55,169	\$ 139,139	\$ 2,241,408
2016	2,336,000	50,235	125,077	2,511,312
2017	2,394,000	44,534	108,837	2,547,371
2018	2,452,000	38,713	93,652	2,584,365
2019	2,412,089	32,772	78,064	2,522,925
2020-2024	6,438,000	96,616	212,316	6,746,932
2025-2027	3,391,000	19,267	40,944	3,451,211
Total	\$ 21,470,189	\$ 337,306	\$ 798,029	\$ 22,605,524

There is \$10,360,998 available in the General Debt Service Fund to service long-term debt. Debt per capita, including bonds and other loans totaled \$429, based on the 2010 federal census.

Changes in Long-term Obligations

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

**Governmental Activities:**

	Bonds	Other Loans	Compensated Absences
Balance, July 1, 2013	\$ 5,250,000	\$ 24,911,489	\$ 544,499
Additions	0	0	454,260
Reductions	(500,000)	(3,441,300)	(453,522)
Balance, June 30, 2014	<u>\$ 4,750,000</u>	<u>\$ 21,470,189</u>	<u>\$ 545,237</u>
Balance Due Within One Year	<u>\$ 500,000</u>	<u>\$ 2,047,100</u>	<u>\$ 433,083</u>

	Landfill Postclosure Care Costs	Other Postemployment Benefits
Balance, July 1, 2013	\$ 382,374	\$ 4,537,107
Additions	5,314	526,675
Reductions	(28,106)	(7,929)
Balance, June 30, 2014	<u>\$ 359,582</u>	<u>\$ 5,055,853</u>
Balance Due Within One Year	<u>\$ 28,106</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 32,180,861
Less: Balance Due Within One Year	<u>(3,008,289)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 29,172,572</u>

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

**Discretely Presented Tipton County School Department**

**Changes in Long-term Obligations**

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

**Governmental Activities:**

	Compensated Absences	Other Postemployment Benefits
Balance, July 1, 2013	\$ 595,436	\$ 3,668,788
Additions	252,854	782,781
Reductions	(263,885)	(820,568)
Balance, June 30, 2014	<u>\$ 584,405</u>	<u>\$ 3,631,001</u>
Balance Due Within One Year	<u>\$ 263,885</u>	<u>\$ 0</u>

Analysis of Noncurrent Liabilities Presented on Exhibit A:

Total Noncurrent Liabilities, June 30, 2014	\$ 4,215,406
Less: Balance Due Within One Year	<u>(263,885)</u>
Noncurrent Liabilities - Due in More Than One Year - Exhibit A	<u>\$ 3,951,521</u>

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

**E. On-Behalf Payments - Discretely Presented Tipton County School Department**

The State of Tennessee pays health insurance premiums for retired teachers on-behalf of the Tipton 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 \$151,273 and \$42,600, respectively. The School Department has recognized these on-behalf payments as revenues and expenditures in the General Purpose School Fund.

## V. OTHER INFORMATION

### A. Risk Management

#### Primary Government

##### Liability, Property, and Casualty

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

##### Workers' Compensation Insurance

Tipton County participates in the Local Government Workers' Compensation Fund (LGWCF), a public entity risk pool established under the provisions of Section 29-20-401, *Tennessee Code Annotated (TCA)*, by the Tennessee County Services Association to provide a program of workers' compensation coverage to employees of local governments. The county pays annual premiums to the LGWCF for its workers' compensation insurance coverage. The LGWCF is to be self-sustaining through member premiums. The LGWCF reinsures through commercial insurance companies for claims exceeding \$300,000.

##### Employee Health Insurance

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

#### Discretely Presented Tipton County School Department

##### Liability, Property, and Casualty

The discretely presented Tipton County School Department participates in the Local Government Property and Casualty Fund (LGPCF), which is a public entity risk pool established by the Tennessee County Services

Association, an association of member counties. The School Department pays annual premiums to the LGPCF for its general liability, property, and casualty insurance coverage. The creation of the LGPCF provides for it to be self-sustaining through member premiums. The LGPCF reinsures through commercial insurance companies for claims in excess of \$100,000 for each insured event.

#### Workers' Compensation Insurance

The School Department does not provide workers' compensation insurance coverage for its employees.

#### Employee Health Insurance

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

### **B. Accounting Changes**

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

GASB Statement No. 67 replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 25 and 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. Contingent Liabilities**

The attorneys for the county and School Department advised that there were no pending lawsuits, unasserted claims, or assessments that would materially affect the county or School Department's financial statements.

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

Tipton 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. Tipton County closed its sanitary landfill in 1998. The \$359,582 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.

**E. 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.

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. Tipton County contributed \$50,000 to HTL Advantage during the year.

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

Administrative Offices:

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

HTL Advantage  
1469 South Main Street  
Covington, TN 38019

**F. Retirement Commitments**

**Plan Description**

Information for this footnote for the year ended June 30, 2014, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented below is for the fiscal year ended June 30, 2013.

Employees of Tipton 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 Tipton 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**

Tipton County requires employees to contribute five percent of their earnable compensation to the plan. The county is required to contribute at an actuarially determined rate; the rate for the fiscal year ended June 30, 2013, was 9.71 percent of annual covered payroll. The contribution requirement of plan members is set by state statute. The contribution requirement for the county is established and may be amended by the TCRS Board of Trustees.

**Annual Pension Cost**

For the year ended June 30, 2013, the county’s annual pension cost of \$1,732,517 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 post retirement 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 four years. An actuarial valuation was performed as of July 1, 2011, which established contribution rates effective July 1, 2012.

**Trend Information**

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6-30-13	\$1,732,517	100%	\$0
6-30-12	1,706,481	100	0
6-30-11	1,797,982	100	0

## **Funded Status and Funding Progress**

As of July 1, 2011, the most recent actuarial valuation date, the plan was 91.74 percent funded. The actuarial accrued liability for benefits was \$46.55 million, and the actuarial value of assets was \$42.7 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$3.84 million. The covered payroll (annual payroll of active employees covered by the plan) was \$18.18 million, and the ratio of the UAAL to the covered payroll was 21.15 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 Tipton County School Department contributes to the State Employees, Teachers, and Higher Education Employees Pension Plan (SETHEEPP), a cost-sharing multiple-employer defined benefit pension plan administered by the Tennessee Consolidated Retirement System (TCRS). TCRS provides retirement benefits as well as death and disability benefits to plan members and their beneficiaries. Benefits are determined by a formula using the member's high five-year average salary and years of service. Members become eligible to retire at the age of 60 with five years of service or at any age with 30 years of service. A reduced retirement benefit is available to vested members who are at least 55 years of age or have 25 years of service. Disability benefits are available to active members with five years of service who become disabled and cannot engage in gainful employment. There is no service requirement for disability that is the result of an accident or injury occurring while the member was in the performance of duty. Members joining the plan on or after July 1, 1979, are vested after five years of service. Members joining prior to July 1, 1979, are vested after four years of service. Benefit provisions are established in state statute found in Title 8, Chapters 34-37 of *Tennessee Code Annotated*. State statutes are amended by the Tennessee General Assembly. A cost of living adjustment (COLA) is provided to retirees each July based on the percentage change in the Consumer Price Index (CPI) during the previous calendar year. No COLA is granted if the CPI increases less than one-half percent. The annual COLA is capped at three percent.

The TCRS issues a publicly available financial report that includes financial statements and required supplementary information for the SETHEEPP. That report may be obtained by writing to the Tennessee Treasury Department, Consolidated Retirement System, 10th Floor, Andrew Jackson

Building, Nashville, TN 37243-0230 or can be accessed at [www.tn.gov/treasury/tcrs/Schools](http://www.tn.gov/treasury/tcrs/Schools).

### **Funding Policy**

Most teachers are required by state statute to contribute five percent of their salaries to the plan. The employer contribution rate for the School Department is established at an actuarially determined rate. The employer rate for the fiscal year ended June 30, 2013, was 8.88 percent of annual covered payroll. The employer contribution requirement for the School Department is established and may be amended by the TCRS Board of Trustees. The employer's contributions to TCRS for the years ended June 30, 2013, 2012, and 2011 were \$3,914,574, \$3,869,804, and \$3,992,167, respectively, equal to the required contributions for each year.

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

#### Plan Description

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

#### Funding Policy

The premium requirements of plan members are established and may be amended by the insurance committee. The plans are self-insured and financed on a pay-as-you-go basis with the risk shared equally among the participants. Claims liabilities of the plan are periodically computed using actuarial and statistical techniques to establish premium rates. The employers in each plan develop a contribution policy in terms of subsidizing active employees or retired employees' premiums since the committee is not prescriptive on that issue. The state does not provide a subsidy for local government participants; however, the state does provide a partial subsidy to Local Education Agency pre-65 teachers and a full subsidy based on years of service for post-65 teachers in the Medicare Supplement Plan. The School Department makes a contribution toward the health insurance premium of the group medical plan for employees who retire with 20 years of service.

This contribution continues until the employee reaches age 65 and is Medicare eligible. Retirees' contributions vary depending on the insurance options they select. During the year ended June 30, 2014, Tipton County and the School Department contributed \$7,929 and \$820,568, respectively, for postemployment benefits.

Annual OPEB Cost and Net OPEB Obligation

	Local Education Group Plan	Local Government Group Plan
ARC	\$ 779,000	\$ 522,000
Interest on the NOPEBO	146,752	181,484
Adjustment to the ARC	(142,971)	(176,809)
Annual OPEB cost	\$ 782,781	\$ 526,675
Less: Amount of contribution	(820,568)	(7,929)
Increase/decrease in NOPEBO	\$ (37,787)	\$ 518,746
Net OPEB obligation, 7-1-13	3,668,788	4,537,107
Net OPEB obligation, 6-30-14	<u>\$ 3,631,001</u>	<u>\$ 5,055,853</u>

Fiscal Year Ended	Plans	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation at Year End
6-30-12	Local Education Group	\$ 1,453,024	41%	\$ 2,873,832
6-30-13	"	1,464,932	46	3,668,788
6-30-14	"	782,781	105	3,631,001
6-30-12	Local Government Group	706,229	3	3,846,729
6-30-13	"	710,540	3	4,537,107
6-30-14	"	526,675	2	5,055,853

Funded Status and Funding Progress

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

	Local Education Group Plan	Local Government Group Plan
Actuarial valuation date	7-1-13	7-1-13
Actuarial accrued liability (AAL)	\$ 6,576,000	\$ 3,490,000
Actuarial value of plan assets	\$ 0	\$ 0

Funded Status and Funding Progress (Cont.)

	Local Education Group Plan	Local Government Group Plan
Unfunded actuarial accrued liability (UAAL)	\$ 6,576,000	\$ 3,490,000
Actuarial value of assets as a % of the AAL	0%	0%
Covered payroll (active plan members)	\$ 53,163,303	\$ 7,792,964
UAAL as a % of covered payroll	12%	45%

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

Actuarial Methods and Assumptions

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

In the July 1, 2013, actuarial valuation for the Local Education Group and the Local Government Group plans, the projected unit credit actuarial cost method was used and the actuarial assumptions included a four percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 7.5 percent for fiscal year 2014. The trend will decrease to seven percent in fiscal year 2015 and then be reduced by decrements to an ultimate rate of 4.7 percent by fiscal year 2044. Both rates include a 2.5 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over a 30-year period beginning with July 1, 2007.

**H. Purchasing Laws**

Office of County Executive

Purchasing procedures for the County Executive's Office are governed by provisions of Chapter 518, Private Acts of 1941, as amended. This act

provides for the Purchasing Committee to make all purchases estimated to exceed \$10,000. Purchases estimated to be \$10,000 or less may be made by the county executive or other county officials. This act also requires that competitive bids be solicited by the Purchasing Committee through advertisement in a local newspaper on all purchases estimated to exceed \$10,000.

#### Office of Director of Public Works

Purchasing procedures for the Public Works Department are governed by provisions of Chapter 114, Private Acts of 1973, as amended, and the Uniform Road Law, Section 54-7-113, *Tennessee Code Annotated (TCA)*. These statutes provide for the Public Works Committee to make all purchases, and all purchases exceeding \$10,000 are to be made on a competitive basis solicited through public advertisement.

#### Office of Director of Schools

Purchasing procedures for the discretely presented Tipton 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.

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**REQUIRED SUPPLEMENTARY  
INFORMATION**

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Exhibit E-1

Tipton County, Tennessee  
Schedule of Funding Progress – Pension Plan  
Primary Government and Discretely Presented Tipton 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)
7-1-11	\$ 42,702	\$ 46,549	\$ 3,845	91.74%	\$ 18,177	21.15%
7-1-09	32,648	36,401	3,752	89.69	17,153	21.87
7-1-07	28,313	32,389	4,076	87.42	14,950	27.26

Information for this exhibit for the year ended June 30, 2014, was not available from the state Treasurer's Office in time for inclusion in this report; therefore, the information presented above is for the fiscal year ended June 30, 2013.

Exhibit E-2

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

(Dollar amounts in thousands)

Plans	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Projected Unit Credit (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>PRIMARY GOVERNMENT</u>							
Local Government Group	7-1-10	\$ 0	\$ 6,577	\$ 6,577	0%	\$ 7,965	82%
"	7-1-11	0	4,815	4,815	0	9,543	50
"	7-1-13	0	3,490	3,490	0	7,793	45
<u>DISCRETELY PRESENTED TIPTON COUNTY SCHOOL DEPARTMENT</u>							
Local Education Group	7-1-10	0	9,544	9,544	0	52,433	18
"	7-1-11	0	11,739	11,739	0	57,029	21
"	7-1-13	0	6,576	6,576	0	53,163	12

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

NONE

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

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# Nonmajor Governmental Funds

## Special Revenue Funds

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

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Solid Waste/Sanitation Fund – The Solid Waste/Sanitation Fund is used to account for Tipton County’s garbage collection operations.

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

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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.

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

Exhibit F-1

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

	Special Revenue Funds				Capital Projects Fund		Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Constitutional Officers - Fees	Total	General Capital Projects		
Cash	\$ 0	\$ 0	\$ 30,893	\$ 30,893	\$ 0	\$ 0	\$ 30,893
Equity in Pooled Cash and Investments	1,809,033	219,581	0	2,028,614	1,507,904		3,536,518
Accounts Receivable	2,074	0	44,597	46,671	0		46,671
<b>Total Assets</b>	<b>\$ 1,811,107</b>	<b>\$ 219,581</b>	<b>\$ 75,490</b>	<b>\$ 2,106,178</b>	<b>\$ 1,507,904</b>	<b>\$</b>	<b>\$ 3,614,082</b>
<u>LIABILITIES</u>							
Payroll Deductions Payable	\$ 5,512	\$ 0	\$ 0	\$ 5,512	\$ 0	\$ 0	\$ 5,512
Due to Other Funds	0	0	75,490	75,490	0	0	75,490
<b>Total Liabilities</b>	<b>\$ 5,512</b>	<b>\$ 0</b>	<b>\$ 75,490</b>	<b>\$ 81,002</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 81,002</b>
<u>FUND BALANCES</u>							
Restricted:							
Restricted for Public Safety	\$ 0	\$ 219,581	\$ 0	\$ 219,581	\$ 0	\$ 0	\$ 219,581
Restricted for Capital Projects	0	0	0	0	1,507,904		1,507,904
Committed:							
Committed for Public Health and Welfare	1,805,595	0	0	1,805,595	0	0	1,805,595
<b>Total Fund Balances</b>	<b>\$ 1,805,595</b>	<b>\$ 219,581</b>	<b>\$ 0</b>	<b>\$ 2,025,176</b>	<b>\$ 1,507,904</b>	<b>\$</b>	<b>\$ 3,533,080</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,811,107</b>	<b>\$ 219,581</b>	<b>\$ 75,490</b>	<b>\$ 2,106,178</b>	<b>\$ 1,507,904</b>	<b>\$</b>	<b>\$ 3,614,082</b>

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

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	Solid Waste / Sanitation	Drug Control	Total	General Capital Projects	Total	
<u>Revenues</u>						
Fines, Forfeitures, and Penalties	\$ 0 \$	144,773 \$	144,773 \$	0 \$	0 \$	144,773
Charges for Current Services	268,084	0	268,084	0	0	268,084
Other Local Revenues	112,848	0	112,848	0	0	112,848
State of Tennessee	850,137	0	850,137	0	0	850,137
Federal Government	0	33,977	33,977	0	0	33,977
Total Revenues	\$ 1,231,069 \$	178,750 \$	1,409,819 \$	0 \$	0 \$	1,409,819
<u>Expenditures</u>						
Current:						
Public Safety	\$ 0 \$	105,712 \$	105,712 \$	0 \$	0 \$	105,712
Public Health and Welfare	28,106	0	28,106	0	0	28,106
Highways	1,231,928	0	1,231,928	0	0	1,231,928
Capital Projects	0	0	0	454,467	454,467	454,467
Total Expenditures	\$ 1,260,034 \$	105,712 \$	1,365,746 \$	454,467 \$	454,467 \$	1,820,213
Excess (Deficiency) of Revenues Over Expenditures	\$ (28,965) \$	73,038 \$	44,073 \$	(454,467) \$	(410,394) \$	(410,394)
Net Change in Fund Balances	\$ (28,965) \$	73,038 \$	44,073 \$	(454,467) \$	(410,394) \$	(410,394)
Fund Balance, July 1, 2013	1,834,560	146,543	1,981,103	1,962,371	3,943,474	3,943,474
Fund Balance, June 30, 2014	\$ 1,805,595 \$	219,581 \$	2,025,176 \$	1,507,904 \$	3,533,080 \$	3,533,080

Exhibit F-3

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

	Actual (GAAP Basis)	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
				Original	Final	
<u>Revenues</u>						
Charges for Current Services	\$ 268,084 \$	0 \$	268,084 \$	277,500 \$	277,500 \$	(9,416)
Other Local Revenues	112,848	0	112,848	100,100	100,100	12,748
State of Tennessee	850,137	0	850,137	872,544	872,544	(22,407)
Total Revenues	\$ 1,231,069 \$	0 \$	1,231,069 \$	1,250,144 \$	1,250,144 \$	(19,075)
<u>Expenditures</u>						
Public Health and Welfare	\$ 28,106 \$	0 \$	28,106 \$	75,000 \$	75,000 \$	46,894
Postclosure Care Costs						
Highways						
Litter and Trash Collection	1,231,928	314	1,232,242	1,361,130	1,361,130	128,888
Total Expenditures	\$ 1,260,034 \$	314 \$	1,260,348 \$	1,436,130 \$	1,436,130 \$	175,782
Excess (Deficiency) of Revenues Over Expenditures	\$ (28,965) \$	(314) \$	(29,279) \$	(185,986) \$	(185,986) \$	156,707
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ (28,965) \$	(314) \$	(29,279) \$	(185,986) \$	(185,986) \$	156,707
	1,834,560	0	1,834,560	1,521,445	1,521,445	313,115
Fund Balance, June 30, 2014	\$ 1,805,595 \$	(314) \$	1,805,281 \$	1,335,459 \$	1,335,459 \$	469,822

Exhibit F-4

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

	Actual (GAAP Basis)	Less: Encumbrances 7/1/2013	Add: Encumbrances 6/30/2014	Actual Revenues/ Expenditures (Budgetary Basis)	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
					Original	Final	
<b>Revenues</b>							
Fines, Forfeitures, and Penalties	\$ 144,773	\$ 0	\$ 0	\$ 144,773	\$ 90,000	\$ 90,000	\$ 54,773
Other Local Revenues	0	0	0	0	1,100	1,100	(1,100)
State of Tennessee	0	0	0	0	500	500	(500)
Federal Government	33,977	0	0	33,977	100,000	100,000	(66,023)
<b>Total Revenues</b>	<b>\$ 178,750</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 178,750</b>	<b>\$ 191,600</b>	<b>\$ 191,600</b>	<b>(12,850)</b>
<b>Expenditures</b>							
<b>Public Safety</b>							
Drug Enforcement	\$ 105,712	\$ (399)	\$ 11,185	\$ 116,498	\$ 182,800	\$ 182,800	\$ 66,302
<b>Total Expenditures</b>	<b>\$ 105,712</b>	<b>\$ (399)</b>	<b>\$ 11,185</b>	<b>\$ 116,498</b>	<b>\$ 182,800</b>	<b>\$ 182,800</b>	<b>\$ 66,302</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ 73,038</b>	<b>\$ 399</b>	<b>\$ (11,185)</b>	<b>\$ 62,252</b>	<b>\$ 8,800</b>	<b>\$ 8,800</b>	<b>\$ 53,452</b>
<b>Net Change in Fund Balance Fund Balance, July 1, 2013</b>	<b>\$ 73,038</b>	<b>\$ 399</b>	<b>\$ (11,185)</b>	<b>\$ 62,252</b>	<b>\$ 8,800</b>	<b>\$ 8,800</b>	<b>\$ 53,452</b>
	146,543	(399)	0	146,144	180,249	180,249	(34,105)
<b>Fund Balance, June 30, 2014</b>	<b>\$ 219,581</b>	<b>\$ 0</b>	<b>\$ (11,185)</b>	<b>\$ 208,396</b>	<b>\$ 189,049</b>	<b>\$ 189,049</b>	<b>\$ 19,347</b>

# **Major Governmental Fund**

## **General Debt Service Fund**

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

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Exhibit G

Tipton 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	\$ 3,745,895	\$ 3,635,839	\$ 3,635,839	\$ 110,056
Other Local Revenues	309,268	200,000	200,000	109,268
Other Governments and Citizens Groups	600,000	600,000	600,000	0
Total Revenues	<u>\$ 4,655,163</u>	<u>\$ 4,435,839</u>	<u>\$ 4,435,839</u>	<u>\$ 219,324</u>
<u>Expenditures</u>				
<u>Principal on Debt</u>				
General Government	\$ 272,000	\$ 272,000	\$ 272,000	\$ 0
Education	3,669,300	3,669,300	3,669,300	0
<u>Interest on Debt</u>				
General Government	1,548	129,750	102,724	101,176
Education	276,525	1,273,393	1,140,400	863,875
<u>Other Debt Service</u>				
General Government	101,977	117,000	144,026	42,049
Education	133,893	30,000	162,093	28,200
Total Expenditures	<u>\$ 4,455,243</u>	<u>\$ 5,491,443</u>	<u>\$ 5,490,543</u>	<u>\$ 1,035,300</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 199,920</u>	<u>\$ (1,055,604)</u>	<u>\$ (1,054,704)</u>	<u>\$ 1,254,624</u>
<u>Other Financing Sources (Uses)</u>				
Transfers Out	\$ 0	\$ (2,000,000)	\$ (2,000,000)	\$ 2,000,000
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ (2,000,000)</u>	<u>\$ (2,000,000)</u>	<u>\$ 2,000,000</u>
Net Change in Fund Balance	\$ 199,920	\$ (3,055,604)	\$ (3,054,704)	\$ 3,254,624
Fund Balance, July 1, 2013	10,161,078	10,040,986	10,040,986	120,092
Fund Balance, June 30, 2014	<u>\$ 10,360,998</u>	<u>\$ 6,985,382</u>	<u>\$ 6,986,282</u>	<u>\$ 3,374,716</u>

# Fiduciary Funds

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

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

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

Exhibit H-1

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

	<u>Agency Funds</u>		
	Cities - Sales Tax	Constitu- tional Officers - Agency	Total
<u>ASSETS</u>			
Cash	\$ 0	\$ 2,982,017	\$ 2,982,017
Due from Other Governments	642,600	0	642,600
Total Assets	<u>\$ 642,600</u>	<u>\$ 2,982,017</u>	<u>\$ 3,624,617</u>
<u>LIABILITIES</u>			
Due to Other Taxing Units	\$ 642,600	\$ 0	\$ 642,600
Due to Litigants, Heirs, and Others	0	2,982,017	2,982,017
Total Liabilities	<u>\$ 642,600</u>	<u>\$ 2,982,017</u>	<u>\$ 3,624,617</u>

Exhibit H-2

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

	Beginning Balance	Additions	Deductions	Ending Balance
<u>Cities - Sales Tax Fund</u>				
<u>Assets</u>				
Equity in Pooled Cash and Investments	\$ 0	\$ 3,785,539	\$ 3,785,539	\$ 0
Due from Other Governments	615,825	642,600	615,825	642,600
Total Assets	<u>\$ 615,825</u>	<u>\$ 4,428,139</u>	<u>\$ 4,401,364</u>	<u>\$ 642,600</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 615,825	\$ 4,428,139	\$ 4,401,364	\$ 642,600
Total Liabilities	<u>\$ 615,825</u>	<u>\$ 4,428,139</u>	<u>\$ 4,401,364</u>	<u>\$ 642,600</u>
<u>Constitutional Officers - Agency Fund</u>				
<u>Assets</u>				
Cash	\$ 2,354,663	\$ 11,968,783	\$ 11,341,429	\$ 2,982,017
Total Assets	<u>\$ 2,354,663</u>	<u>\$ 11,968,783</u>	<u>\$ 11,341,429</u>	<u>\$ 2,982,017</u>
<u>Liabilities</u>				
Due to Litigants, Heirs, and Others	\$ 2,354,663	\$ 11,968,783	\$ 11,341,429	\$ 2,982,017
Total Liabilities	<u>\$ 2,354,663</u>	<u>\$ 11,968,783</u>	<u>\$ 11,341,429</u>	<u>\$ 2,982,017</u>
<u>Totals - All Agency Funds</u>				
<u>Assets</u>				
Cash	\$ 2,354,663	\$ 11,968,783	\$ 11,341,429	\$ 2,982,017
Equity in Pooled Cash and Investments	0	3,785,539	3,785,539	0
Due from Other Governments	615,825	642,600	615,825	642,600
Total Assets	<u>\$ 2,970,488</u>	<u>\$ 16,396,922</u>	<u>\$ 15,742,793</u>	<u>\$ 3,624,617</u>
<u>Liabilities</u>				
Due to Other Taxing Units	\$ 615,825	\$ 4,428,139	\$ 4,401,364	\$ 642,600
Due to Litigants, Heirs, and Others	2,354,663	11,968,783	11,341,429	2,982,017
Total Liabilities	<u>\$ 2,970,488</u>	<u>\$ 16,396,922</u>	<u>\$ 15,742,793</u>	<u>\$ 3,624,617</u>

# Tipton County School Department

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

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

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

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

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

Exhibit I-1

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

Functions/Programs	Program Revenues			Expenses	Net (Expense) Revenue and Changes in Net Position	
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Total	Governmental Activities
Governmental Activities:						
Instruction	\$ 60,866,264	\$ 914,369	\$ 4,311,961	\$ 0	\$ 0	\$ (55,639,934)
Support Services	24,495,137	0	1,709,394	30,105		(22,755,638)
Operation of Non-instructional Services	8,008,965	1,514,212	4,548,839	0		(1,945,914)
Total Governmental Activities	\$ 93,370,366	\$ 2,428,581	\$ 10,570,194	\$ 30,105	\$	\$ (80,341,486)
General Revenues:						
Taxes:						
Property Taxes Levied for General Purposes					\$	\$ 10,904,292
Local Option Sales Taxes						4,271,428
Business Tax						167,192
Other Local Taxes						28,284
Grants and Contributions Not Restricted to Specific Programs						62,781,156
Miscellaneous						45,673
Total General Revenues					\$	\$ 78,198,025
Change in Net Position					\$	\$ (2,143,461)
Net Position, July 1, 2013						47,787,607
Net Position, June 30, 2014					\$	\$ 45,644,146

Exhibit I-2

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

	<u>Major Fund</u>	<u>Nonmajor Funds</u>	
	General Purpose School	Other Govern- mental Funds	Total Governmental Funds
<u>ASSETS</u>			
Equity in Pooled Cash and Investments	\$ 12,190,183	\$ 3,575,156	\$ 15,765,339
Due from Other Governments	1,047,715	22,636	1,070,351
Property Taxes Receivable	11,415,191	0	11,415,191
Allowance for Uncollectible Property Taxes	(452,277)	0	(452,277)
Total Assets	<u>\$ 24,200,812</u>	<u>\$ 3,597,792</u>	<u>\$ 27,798,604</u>
<u>LIABILITIES</u>			
Accounts Payable	\$ 2,242	\$ 0	\$ 2,242
Payroll Deductions Payable	2,482,761	0	2,482,761
Total Liabilities	<u>\$ 2,485,003</u>	<u>\$ 0</u>	<u>\$ 2,485,003</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Current Property Taxes	\$ 10,691,851	\$ 0	\$ 10,691,851
Deferred Delinquent Property Taxes	193,363	0	193,363
Other Deferred/Unavailable Revenue	350,400	0	350,400
Total Deferred Inflows of Resources	<u>\$ 11,235,614</u>	<u>\$ 0</u>	<u>\$ 11,235,614</u>
<u>FUND BALANCES</u>			
Restricted:			
Restricted for Education	\$ 337,222	\$ 0	\$ 337,222
Restricted for Operation of Non-instructional Services	0	2,107,188	2,107,188
Restricted for Capital Projects	0	1,291,465	1,291,465
Assigned:			
Assigned for Education	0	199,139	199,139
Assigned for Support Services	3,764	0	3,764
Assigned for Operation of Non-instructional Services	828	0	828
Assigned for Capital Outlay	185,509	0	185,509
Unassigned	9,952,872	0	9,952,872
Total Fund Balances	<u>\$ 10,480,195</u>	<u>\$ 3,597,792</u>	<u>\$ 14,077,987</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,200,812</u>	<u>\$ 3,597,792</u>	<u>\$ 27,798,604</u>

Exhibit I-3

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

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

Total fund balances - balance sheet - governmental funds (Exhibit I-2)		\$ 14,077,987
(1) Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Add: land	\$ 3,596,156	
Add: construction in progress	28,250	
Add: buildings and improvements net of accumulated depreciation	27,313,703	
Add: infrastructure net of accumulated depreciation	83,835	
Add: other capital assets net of accumulated depreciation	<u>4,215,858</u>	35,237,802
(2) Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Less: compensated absences payable	\$ (584,405)	
Less: other postemployment benefits liability	<u>(3,631,001)</u>	(4,215,406)
(3) Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		<u>543,763</u>
Net position of governmental activities (Exhibit A)		<u>\$ 45,644,146</u>

Exhibit I-4

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

	<u>Major Fund</u>	<u>Nonmajor</u> <u>Funds</u>	
	General	Other	Total
	Purpose	Govern-	Governmental
	School	mental	Funds
		Funds	
<u>Revenues</u>			
Local Taxes	\$ 15,809,665	\$ 0	\$ 15,809,665
Licenses and Permits	4,757	0	4,757
Fines, Forfeitures, and Penalties	4,503	0	4,503
Charges for Current Services	1,045,626	1,282,395	2,328,021
Other Local Revenues	137,873	7,971	145,844
State of Tennessee	61,587,985	10,069	61,598,054
Federal Government	19,802	11,371,303	11,391,105
Total Revenues	<u>\$ 78,610,211</u>	<u>\$ 12,671,738</u>	<u>\$ 91,281,949</u>
<u>Expenditures</u>			
Current:			
Instruction	\$ 52,317,062	\$ 5,638,587	\$ 57,955,649
Support Services	23,068,562	1,318,050	24,386,612
Operation of Non-instructional Services	2,076,377	5,698,931	7,775,308
Capital Outlay	161,822	0	161,822
Debt Service:			
Other Debt Service	600,000	0	600,000
Capital Projects	0	80,770	80,770
Total Expenditures	<u>\$ 78,223,823</u>	<u>\$ 12,736,338</u>	<u>\$ 90,960,161</u>
Excess (Deficiency) of Revenues			
Over Expenditures	<u>\$ 386,388</u>	<u>\$ (64,600)</u>	<u>\$ 321,788</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	\$ 37,211	\$ 200,000	\$ 237,211
Transfers Out	(200,000)	(37,211)	(237,211)
Total Other Financing Sources (Uses)	<u>\$ (162,789)</u>	<u>\$ 162,789</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 223,599	\$ 98,189	\$ 321,788
Fund Balance, July 1, 2013	10,256,596	3,499,603	13,756,199
Fund Balance, June 30, 2014	<u>\$ 10,480,195</u>	<u>\$ 3,597,792</u>	<u>\$ 14,077,987</u>

Exhibit I-5

Tipton County, Tennessee  
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
Discretely Presented Tipton 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 I-4)		\$	321,788
(1) Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their useful lives and reported as depreciation expense. The difference between capital outlays and depreciation is itemized as follows:			
Add: capital assets purchased in the current period	\$	939,668	
Less: current-year depreciation expense		<u>(3,398,691)</u>	(2,459,023)
(2) Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Add: deferred delinquent property taxes and other deferred June 30, 2014	\$	543,763	
Less: deferred delinquent property taxes and other deferred June 30, 2013		<u>(598,807)</u>	(55,044)
(3) Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.			
Change in compensated absences payable	\$	11,031	
Change in other postemployment benefits liability		<u>37,787</u>	<u>48,818</u>
Change in net position of governmental activities (Exhibit B)			<u>\$ (2,143,461)</u>

Exhibit I-6

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

	Special Revenue Funds			Capital Projects Fund	Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total		
				Education Capital Projects	
\$ 176,503 \$	2,107,188 \$	2,283,691 \$	1,291,465 \$	3,575,156	
22,636	0	22,636	0	22,636	
\$ 199,139 \$	2,107,188 \$	2,306,327 \$	1,291,465 \$	3,597,792	
<u>ASSETS</u>					
Equity in Pooled Cash and Investments					
Due from Other Governments					
Total Assets					
<u>FUND BALANCES</u>					
Restricted:					
Restricted for Operation of Non-instructional Services	\$ 0 \$	2,107,188 \$	2,107,188 \$	0 \$	2,107,188
Restricted for Capital Projects	0	0	0	1,291,465	1,291,465
Assigned:					
Assigned for Education	199,139	0	199,139	0	199,139
Total Fund Balances	\$ 199,139 \$	2,107,188 \$	2,306,327 \$	1,291,465 \$	3,597,792

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

	Special Revenue Funds			Capital Projects Fund		Total Nonmajor Governmental Funds
	School Federal Projects	Central Cafeteria	Total	Education Capital Projects		
<u>Revenues</u>						
Charges for Current Services	\$ 0	\$ 1,282,395	\$ 1,282,395	\$ 0	\$ 0	\$ 1,282,395
Other Local Revenues	0	7,971	7,971	0	0	7,971
State of Tennessee	0	0	0	10,069	0	10,069
Federal Government	6,884,989	4,425,897	11,310,886	60,417	0	11,371,303
Total Revenues	\$ 6,884,989	\$ 5,716,263	\$ 12,601,252	\$ 70,486	\$ 0	\$ 12,671,738
<u>Expenditures</u>						
Current:						
Instruction	\$ 5,638,587	\$ 0	\$ 5,638,587	\$ 0	\$ 0	\$ 5,638,587
Support Services	1,318,050	0	1,318,050	0	0	1,318,050
Operation of Non-instructional Services	0	5,698,931	5,698,931	0	0	5,698,931
Capital Projects	0	0	0	80,770	0	80,770
Total Expenditures	\$ 6,956,637	\$ 5,698,931	\$ 12,655,568	\$ 80,770	\$ 0	\$ 12,736,338
Excess (Deficiency) of Revenues Over Expenditures	\$ (71,648)	\$ 17,332	\$ (54,316)	\$ (10,284)	\$ 0	\$ (64,600)
<u>Other Financing Sources (Uses)</u>						
Transfers In	\$ 200,000	\$ 0	\$ 200,000	\$ 0	\$ 0	\$ 200,000
Transfers Out	(37,211)	0	(37,211)	0	0	(37,211)
Total Other Financing Sources (Uses)	\$ 162,789	\$ 0	\$ 162,789	\$ 0	\$ 0	\$ 162,789
Net Change in Fund Balances	\$ 91,141	\$ 17,332	\$ 108,473	\$ (10,284)	\$ 0	\$ 98,189
Fund Balance, July 1, 2013	107,998	2,089,856	2,197,854	1,301,749	0	3,499,603
Fund Balance, June 30, 2014	\$ 199,139	\$ 2,107,188	\$ 2,306,327	\$ 1,291,465	\$ 0	\$ 3,597,792

Exhibit I-8

Tipton County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Tipton 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	
<b>Revenues</b>							
Local Taxes	\$ 15,809,665	\$ 0	\$ 0	\$ 15,809,665	\$ 15,755,000	\$ 15,855,000	\$ (45,335)
Licenses and Permits	4,757	0	0	4,757	5,000	5,000	(243)
Fines, Forfeitures, and Penalties	4,503	0	0	4,503	2,000	2,000	2,503
Charges for Current Services	1,045,626	0	0	1,045,626	1,055,000	1,130,000	(84,374)
Other Local Revenues	137,873	0	0	137,873	275,000	275,000	(137,127)
State of Tennessee	61,587,985	0	0	61,587,985	60,758,001	62,076,874	(488,889)
Federal Government	19,802	0	0	19,802	125,000	25,000	(5,198)
<b>Total Revenues</b>	<b>\$ 78,610,211</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 78,610,211</b>	<b>\$ 77,975,001</b>	<b>\$ 79,368,874</b>	<b>\$ (758,663)</b>
<b>Expenditures</b>							
<b>Instruction</b>							
Regular Instruction Program	\$ 41,024,057	\$ (2,624)	\$ 0	\$ 41,021,433	\$ 39,772,000	\$ 41,037,999	\$ 16,566
Alternative Instruction Program	834,991	0	0	834,991	858,000	858,000	23,009
Special Education Program	8,044,372	0	0	8,044,372	8,034,000	8,034,000	(10,372)
Vocational Education Program	2,413,642	(110)	0	2,413,532	2,456,000	2,456,000	42,468
Adult Education Program	0	0	0	0	55,000	0	0
<b>Support Services</b>							
Health Services	686,629	0	0	686,629	740,000	740,000	53,371
Other Student Support	1,628,211	(56)	0	1,628,155	1,758,000	1,673,000	44,845
Regular Instruction Program	1,893,029	0	211	1,893,240	1,800,000	1,931,000	37,760
Special Education Program	255,359	0	0	255,359	285,000	285,000	29,641
Vocational Education Program	130,183	0	0	130,183	131,000	131,000	817
Adult Programs	0	0	0	0	85,000	0	0
Other Programs	193,873	0	0	193,873	0	193,873	0
Board of Education	744,224	0	0	744,224	840,000	840,000	95,776
Director of Schools	252,618	0	0	252,618	277,000	277,000	24,382
Office of the Principal	5,631,676	0	0	5,631,676	5,805,000	5,805,000	173,324
Fiscal Services	450,462	(2,102)	67	448,427	495,000	495,000	46,573
Operation of Plant	3,748,051	0	0	3,748,051	3,961,000	3,961,000	212,949
Maintenance of Plant	1,408,713	(13,152)	3,486	1,399,047	1,594,000	1,594,000	194,953

(Continued)

Exhibit I-8

Tipton County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual (Budgetary Basis) and Budget  
Discretely Presented Tipton 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>							
<u>Transportation</u>							
<u>Operation of Non-instructional Services</u>							
Food Service	167,267	0	0	167,267	175,000	175,000	7,733
Community Services	877,811	0	828	878,639	900,000	975,000	96,361
Early Childhood Education	1,031,299	0	0	1,031,299	1,032,000	1,032,000	701
<u>Capital Outlay</u>							
Regular Capital Outlay	161,822	(76,870)	185,509	270,461	0	400,000	129,539
Other Debt Service							
<u>Education</u>							
Total Expenditures	600,000	0	0	600,000	600,000	600,000	0
	<u>\$ 78,223,823</u>	<u>\$ (95,164)</u>	<u>\$ 190,101</u>	<u>\$ 78,318,760</u>	<u>\$ 78,000,000</u>	<u>\$ 79,793,872</u>	<u>\$ 1,475,112</u>
<u>Excess (Deficiency) of Revenues</u> <u>Over Expenditures</u>	\$ 386,388	\$ 95,164	\$ (190,101)	\$ 291,451	\$ (24,999)	\$ (424,998)	\$ 716,449
<u>Other Financing Sources (Uses)</u>							
Transfers In	\$ 37,211	\$ 0	\$ 0	\$ 37,211	\$ 25,000	\$ 25,000	\$ 12,211
Transfers Out	(200,000)	0	0	(200,000)	0	(200,000)	0
Total Other Financing Sources	\$ (162,789)	\$ 0	\$ 0	\$ (162,789)	\$ 25,000	\$ (175,000)	\$ 12,211
Net Change in Fund Balance Fund Balance, July 1, 2013	\$ 223,599	\$ 95,164	\$ (190,101)	\$ 128,662	\$ 1	\$ (599,998)	\$ 728,660
	10,256,596	(95,164)	0	10,161,432	10,256,596	10,256,596	(95,164)
Fund Balance, June 30, 2014	<u>\$ 10,480,195</u>	<u>\$ 0</u>	<u>\$ (190,101)</u>	<u>\$ 10,290,094</u>	<u>\$ 10,256,597</u>	<u>\$ 9,656,598</u>	<u>\$ 633,496</u>

Exhibit I-9

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

	Actual	Budgeted Amounts		Variance with Final Budget - Positive (Negative)
		Original	Final	
<u>Revenues</u>				
Federal Government	\$ 6,884,989	\$ 5,003,546	\$ 8,273,892	\$ (1,388,903)
Total Revenues	\$ 6,884,989	\$ 5,003,546	\$ 8,273,892	\$ (1,388,903)
<u>Expenditures</u>				
<u>Instruction</u>				
Regular Instruction Program	\$ 3,364,611	\$ 1,757,791	\$ 4,234,384	\$ 869,773
Special Education Program	2,177,795	2,094,014	2,201,089	23,294
Vocational Education Program	96,181	94,346	96,181	0
<u>Support Services</u>				
Health Services	179,935	203,042	196,840	16,905
Other Student Support	59,100	58,995	75,839	16,739
Regular Instruction Program	767,033	583,561	1,215,693	448,660
Special Education Program	82,662	73,000	85,229	2,567
Vocational Education Program	2,817	3,000	2,817	0
Office of the Principal	32,714	40,229	32,714	0
Transportation	193,789	63,214	200,148	6,359
Total Expenditures	\$ 6,956,637	\$ 4,971,192	\$ 8,340,934	\$ 1,384,297
Excess (Deficiency) of Revenues Over Expenditures	\$ (71,648)	\$ 32,354	\$ (67,042)	\$ (4,606)
<u>Other Financing Sources (Uses)</u>				
Transfers In	\$ 200,000	\$ 0	\$ 0	\$ 200,000
Transfers Out	(37,211)	(32,354)	(40,958)	3,747
Total Other Financing Sources	\$ 162,789	\$ (32,354)	\$ (40,958)	\$ 203,747
Net Change in Fund Balance	\$ 91,141	\$ 0	\$ (108,000)	\$ 199,141
Fund Balance, July 1, 2013	107,998	11,345	11,345	96,653
Fund Balance, June 30, 2014	\$ 199,139	\$ 11,345	\$ (96,655)	\$ 295,794

Exhibit I-10

Tipton County, Tennessee  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Actual and Budget  
Discretely Presented Tipton 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	\$ 1,282,395	\$ 2,140,000	\$ 2,140,000	\$ (857,605)
Other Local Revenues	7,971	20,000	20,000	(12,029)
Federal Government	4,425,897	3,840,000	3,840,000	585,897
Total Revenues	<u>\$ 5,716,263</u>	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ (283,737)</u>
<u>Expenditures</u>				
<u>Operation of Non-instructional Services</u>				
Food Service	\$ 5,698,931	\$ 6,000,000	\$ 6,000,000	\$ 301,069
Total Expenditures	<u>\$ 5,698,931</u>	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>	<u>\$ 301,069</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ 17,332</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,332</u>
Net Change in Fund Balance	\$ 17,332	\$ 0	\$ 0	\$ 17,332
Fund Balance, July 1, 2013	<u>2,089,856</u>	<u>2,146,171</u>	<u>2,146,171</u>	<u>(56,315)</u>
Fund Balance, June 30, 2014	<u>\$ 2,107,188</u>	<u>\$ 2,146,171</u>	<u>\$ 2,146,171</u>	<u>\$ (38,983)</u>

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## MISCELLANEOUS SCHEDULES

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Exhibit J-1

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

Description of Indebtedness	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7-1-13	Paid and/or		
						Matured During Period	Outstanding 6-30-14	
<u>OTHER LOANS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
School Construction	\$ 5,000,000	Variable	9-8-1998	5-25-14	\$ 650,000	\$ 650,000	\$ 0	
School Construction	5,897,089	Variable	5-17-1999	5-25-19	4,697,089	300,000	4,397,089	
School Construction	5,100,000	Variable	7-21-04	5-25-22	2,834,000	292,000	2,542,000	
School Construction	16,000,000	Variable	4-30-07	5-25-27	12,608,000	666,000	11,942,000	
School Refunding	6,228,600	Variable	7-9-08	5-25-15	1,527,400	1,261,300	266,100	
Various Purposes	3,100,000	Variable	3-31-11	5-25-21	2,595,000	272,000	2,323,000	
Total Other Loans Payable					<u>\$ 24,911,489</u>	<u>\$ 3,441,300</u>	<u>\$ 21,470,189</u>	
<u>BONDS PAYABLE</u>								
<u>Payable through General Debt Service Fund</u>								
Elementary School	9,000,000	2.5 to 4.625 %	9-1-02	4-1-22	\$ 5,250,000	\$ 500,000	\$ 4,750,000	
Total Bonds Payable					<u>\$ 5,250,000</u>	<u>\$ 500,000</u>	<u>\$ 4,750,000</u>	

Exhibit J-2

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

Year Ending June 30	Other Loans			Total
	Principal	Interest	Other Fees	
2015	\$ 2,047,100	\$ 55,169	\$ 139,139	\$ 2,241,408
2016	2,336,000	50,235	125,077	2,511,312
2017	2,394,000	44,534	108,837	2,547,371
2018	2,452,000	38,713	93,652	2,584,365
2019	2,412,089	32,772	78,064	2,522,925
2020	1,579,000	26,989	62,435	1,668,424
2021	1,647,000	23,587	51,874	1,722,461
2022	1,188,000	18,488	39,653	1,246,141
2023	990,000	15,162	32,100	1,037,262
2024	1,034,000	12,390	26,254	1,072,644
2025	1,081,000	9,495	20,148	1,110,643
2026	1,130,000	6,468	13,764	1,150,232
2027	1,180,000	3,304	7,032	1,190,336
Total	\$ 21,470,189	\$ 337,306	\$ 798,029	\$ 22,605,524

Year Ending June 30	Bonds		
	Principal	Interest	Total
2015	\$ 500,000	\$ 202,975	\$ 702,975
2016	525,000	183,725	708,725
2017	550,000	162,725	712,725
2018	575,000	140,175	715,175
2019	600,000	116,025	716,025
2020	650,000	90,225	740,225
2021	650,000	61,625	711,625
2022	700,000	32,375	732,375
Total	\$ 4,750,000	\$ 989,850	\$ 5,739,850

Exhibit J-3

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

<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
General Purpose School	School Federal Projects	Operations	\$ 200,000
School Federal Projects	General Purpose School	Indirect costs	<u>37,211</u>
Total Transfers Discretely Presented Tipton County School Department			<u>\$ 237,211</u>

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

Official	Authorization for Salary	\$	110,870	\$	50,000	Travelers Casualty and Surety Company of America
			99,500		100,000	"
			126,795 (1)		100,000	"
			77,665	2,396,200		"
			77,665	50,000		"
			58,438	10,000		"
			77,665	50,000		"
			77,665	50,000		"
			77,665	75,000		"
			77,665	25,000		"
			86,630 (2)	50,000		"
Employees Bonds:					150,000	Local Government Property and Casualty Fund
Public Employee Dishonesty - County Departments					150,000	"
Public Employee Dishonesty - School Department						

(1) Includes a chief executive officer training supplement of \$1,000 and \$4,000 for serving as secretary to the Board of Education.

(2) Includes a law enforcement training supplement of \$1,200.

Exhibit J-5

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

	Special Revenue Funds							Debt Service	
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	Fund		Total		
					General	Debt Service			
<u>Local Taxes</u>									
<u>County Property Taxes</u>									
Current Property Tax	\$ 7,602,781	\$ 0	\$ 0	\$ 657,044	\$ 3,285,163	\$ 11,544,988			
Trustee's Collections - Prior Year	217,096	0	0	19,151	94,012	330,259			
Trustee's Collections - Bankruptcy	2,288	0	0	201	1,038	3,527			
Circuit/Clerk & Master Collections - Prior Years	140,419	0	0	12,156	61,024	213,599			
Interest and Penalty	40,699	0	0	3,545	17,562	61,806			
Payments in-Lieu-of-Taxes - T.V.A.	0	0	0	0	1,486	1,486			
Payments in-Lieu-of-Taxes - Other	494,550	0	0	24,761	121,215	640,526			
<u>County Local Option Taxes</u>									
Local Option Sales Tax	426,227	0	0	0	0	426,227			
Hotel/Motel Tax	121,685	0	0	0	0	121,685			
Wheel Tax	1,604,475	0	0	1,604,475	0	3,208,950			
Litigation Tax - General	183,092	0	0	0	0	183,092			
Litigation Tax - Jail, Workhouse, or Courthouse	0	0	0	0	57,009	57,009			
Business Tax	119,844	0	0	10,357	51,784	181,985			
Mixed Drink Tax	5,536	0	0	0	0	5,536			
<u>Statutory Local Taxes</u>									
Bank Excise Tax	0	0	0	0	55,602	55,602			
Wholesale Beer Tax	178,000	0	0	0	0	178,000			
Interstate Telecommunications Tax	3,218	0	0	0	0	3,218			
<b>Total Local Taxes</b>	<b>\$ 11,139,910</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,331,690</b>	<b>\$ 3,745,895</b>	<b>\$ 17,217,495</b>			
<u>Licenses and Permits</u>									
<u>Licenses</u>									
Animal Registration	\$ 54,511	\$ 0	\$ 0	\$ 0	\$ 0	\$ 54,511			
Cable TV Franchise	52,044	0	0	0	0	52,044			

(Continued)

Exhibit J-5

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

	Special Revenue Funds						Debt Service		Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	Fund		Total		
					General	Debt Service			
<u>Licenses and Permits (Cont.)</u>									
<u>Permits</u>									
Beer Permits	2,732 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	2,732	
Building Permits	42,565	0	0	0	0	0	0	42,565	
Total Licenses and Permits	<u>151,852 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>151,852</u>	
<u>Fines, Forfeitures, and Penalties</u>									
<u>Circuit Court</u>									
Fines	8,895 \$	0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	8,895	
Officers Costs	8,737	0	0	0	0	0	0	8,737	
Drug Control Fines	3,667	0	4,191	0	0	0	0	7,858	
Drug Court Fees	1,928	0	0	0	0	0	0	1,928	
Jail Fees	5,292	0	0	0	0	0	0	5,292	
DUI Treatment Fines	1,805	0	0	0	0	0	0	1,805	
Data Entry Fee - Circuit Court	480	0	0	0	0	0	0	480	
Victims Assistance Assessments	5,098	0	0	0	0	0	0	5,098	
<u>Criminal Court</u>									
Fines	33,801	0	0	0	0	0	0	33,801	
DUI Treatment Fines	618	0	0	0	0	0	0	618	
<u>General Sessions Court</u>									
Fines	38,494	0	0	0	0	0	0	38,494	
Officers Costs	61,945	0	0	0	0	0	0	61,945	
Game and Fish Fines	475	0	0	0	0	0	0	475	
Drug Control Fines	11,578	0	11,362	0	0	0	0	22,940	
Drug Court Fees	8,844	0	0	0	0	0	0	8,844	
Jail Fees	72,207	0	0	0	0	0	0	72,207	
DUI Treatment Fines	8,496	0	0	0	0	0	0	8,496	

(Continued)

Exhibit J-5

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

	Special Revenue Funds						Debt Service		Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	Fund		Total		
					General	Debt Service			
<u>Fines, Forfeitures, and Penalties (Cont.)</u>									
<u>General Sessions Court (Cont.)</u>									
Data Entry Fee - General Sessions Court	\$ 4,217	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,217	
Courtroom Security Fee	2,616	0	0	0	0	0	0	2,616	
Victims Assistance Assessments	24,412	0	0	0	0	0	0	24,412	
<u>Juvenile Court</u>									
Fines	499	0	0	0	0	0	0	499	
Officers Costs	1,751	0	0	0	0	0	0	1,751	
Data Entry Fee - Juvenile Court	137	0	0	0	0	0	0	137	
<u>Chancery Court</u>									
Officers Costs	2,263	0	0	0	0	0	0	2,263	
Data Entry Fee - Chancery Court	7,913	0	0	0	0	0	0	7,913	
<u>Other Fines, Forfeitures, and Penalties</u>									
Proceeds from Confiscated Property	19,149	0	129,220	0	0	0	0	148,369	
Other Fines, Forfeitures, and Penalties	315	0	0	0	0	0	0	315	
<b>Total Fines, Forfeitures, and Penalties</b>	<b>\$ 335,632</b>	<b>\$ 0</b>	<b>\$ 144,773</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 480,405</b>	
<u>Charges for Current Services</u>									
<u>General Service Charges</u>									
Tipping Fees	\$ 0	\$ 35,151	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,151	
Solid Waste Disposal Fees	0	1,833	0	0	0	0	0	1,833	
Other General Service Charges	82,450	0	0	0	0	0	0	82,450	
<u>Fees</u>									
Copy Fees	75	0	0	0	0	0	0	75	
Library Fees	25,887	0	0	0	0	0	0	25,887	
Greenbelt Late Application Fee	100	0	0	0	0	0	0	100	
Telephone Commissions	73,678	0	0	0	0	0	0	73,678	

(Continued)

Exhibit J-5

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

	Special Revenue Funds							Debt Service Fund	
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	Debt Service Fund		Total		
					General	Debt Service			
<u>Charges for Current Services (Cont.)</u>									
<u>Fees (Cont.)</u>									
Vending Machine Collections	\$ 296	\$ 0	\$ 0	\$ 2,916	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,212
Constitutional Officers' Fees and Commissions	2,100	0	0	0	0	0	0	0	2,100
Data Processing Fee - Register	17,714	0	0	0	0	0	0	0	17,714
Data Processing Fee - Sheriff	6,210	0	0	0	0	0	0	0	6,210
Sexual Offender Registration Fees - Sheriff	9,399	0	0	0	0	0	0	0	9,399
Data Processing Fee - County Clerk	5,506	0	0	0	0	0	0	0	5,506
<u>Other Charges for Services</u>									
Other Charges for Services	0	231,100	0	0	0	0	0	0	231,100
Total Charges for Current Services	\$ 223,415	\$ 268,084	\$ 0	\$ 2,916	\$ 0	\$ 0	\$ 0	\$ 0	\$ 494,415
<u>Other Local Revenues</u>									
<u>Recurring Items</u>									
Investment Income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 309,268	\$ 309,268
Lease/Rentals	25,206	0	0	0	0	0	0	0	25,206
Sale of Materials and Supplies	635	0	0	0	0	0	0	0	635
Commissary Sales	36,606	0	0	0	0	0	0	0	36,606
Sale of Gasoline	1,280	0	0	0	0	0	0	0	1,280
Sale of Maps	3,097	0	0	0	0	0	0	0	3,097
Sale of Recycled Materials	0	112,768	0	0	0	0	0	0	112,768
Retirees' Insurance Payments	0	0	0	5,093	0	0	0	0	5,093
Miscellaneous Refunds	41,921	80	0	45,876	0	0	0	0	87,877
<u>Nonrecurring Items</u>									
Revenue from Joint Ventures	27,500	0	0	0	0	0	0	0	27,500
Sale of Equipment	0	0	0	31,321	0	0	0	0	31,321
Damages Recovered from Individuals	132	0	0	0	0	0	0	0	132
Contributions and Gifts	2,423	0	0	0	0	0	0	0	2,423

(Continued)

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

	Special Revenue Funds				Debt Service		Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt	Service	
<u>Other Local Revenues (Cont.)</u>							
<u>Other Local Revenues</u>	\$ 9,585	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,585
Total Other Local Revenues	\$ 148,385	\$ 112,848	\$ 0	\$ 82,290	\$ 309,268	\$ 652,791	
<u>Fees Received from County Officials</u>							
<u>Fees in-Lieu-of-Salary</u>							
County Clerk	\$ 501,770	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 501,770
Circuit Court Clerk	119,051	0	0	0	0	0	119,051
General Sessions Court Clerk	351,117	0	0	0	0	0	351,117
Clerk and Master	256,391	0	0	0	0	0	256,391
Juvenile Court Clerk	55,956	0	0	0	0	0	55,956
Register	228,227	0	0	0	0	0	228,227
Sheriff	46,360	0	0	0	0	0	46,360
Trustee	727,816	0	0	0	0	0	727,816
Total Fees Received from County Officials	\$ 2,286,688	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,286,688
<u>State of Tennessee</u>							
<u>General Government Grants</u>							
Juvenile Services Program	\$ 4,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,500
Solid Waste Grants	0	31,822	0	0	0	0	31,822
<u>Public Safety Grants</u>							
Law Enforcement Training Programs	25,800	0	0	0	0	0	25,800
Other Public Safety Grants	56,695	0	0	0	0	0	56,695
<u>Health and Welfare Grants</u>							
Health Department Programs	314,173	0	0	0	0	0	314,173

(Continued)

Exhibit J-5

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

	Special Revenue Funds					Debt Service Fund		Total
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	Debt Service Fund			
					General	Debt Service		
<u>State of Tennessee (Cont.)</u>								
<u>Public Works Grants</u>								
Bridge Program	\$ 0	\$ 0	\$ 0	\$ 594,354	\$ 0	\$ 0	\$ 594,354	
State Aid Program	0	0	0	221,825	0	0	221,825	
Litter Program	36,441	0	0	0	0	0	36,441	
<u>Other State Revenues</u>								
Income Tax	47,673	0	0	0	0	0	47,673	
Beer Tax	17,806	0	0	0	0	0	17,806	
Vehicle Certificate of Title Fees	2,697	0	0	0	0	0	2,697	
Alcoholic Beverage Tax	91,187	0	0	0	0	0	91,187	
State Revenue Sharing - T.V.A.	0	818,315	0	0	0	0	818,315	
Board of Jurors	1,178	0	0	0	0	0	1,178	
Contracted Prisoner Boarding	249,812	0	0	0	0	0	249,812	
Gasoline and Motor Fuel Tax	0	0	0	1,941,858	0	0	1,941,858	
Petroleum Special Tax	0	0	0	44,073	0	0	44,073	
Reappraisal Program Reimbursement	750	0	0	0	0	0	750	
Registrar's Salary Supplement	15,164	0	0	0	0	0	15,164	
Other State Grants	88,658	0	0	0	0	0	88,658	
Other State Revenues	59,336	0	0	0	0	0	59,336	
Total State of Tennessee	\$ 1,011,870	\$ 850,137	\$ 0	\$ 2,802,110	\$ 0	\$ 0	\$ 4,664,117	
<u>Federal Government</u>								
<u>Federal Through State</u>								
Community Development	\$ 999	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 999	
Civil Defense Reimbursement	30,000	0	0	0	0	0	30,000	
Disaster Relief	0	0	0	159,919	0	0	159,919	
Homeland Security Grants	65,939	0	0	0	0	0	65,939	
Law Enforcement Grants	14,836	0	0	0	0	0	14,836	

(Continued)

Exhibit J-5

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

	Special Revenue Funds				Debt Service	
	General	Solid Waste / Sanitation	Drug Control	Highway / Public Works	General Debt	Service
<u>Federal Government (Cont.)</u>						
<u>Direct Federal Revenue</u>						
Asset Forfeiture Funds	0 \$	0 \$	33,977 \$	0 \$	0 \$	33,977
Other Direct Federal Revenue	31,508	0	0	0	0	31,508
Total Federal Government	<u>143,282 \$</u>	<u>0 \$</u>	<u>33,977 \$</u>	<u>159,919 \$</u>	<u>0 \$</u>	<u>337,178</u>
<u>Other Governments and Citizens Groups</u>						
<u>Other Governments</u>						
Contributions	132,562 \$	0 \$	0 \$	0 \$	600,000 \$	732,562
Contracted Services	163,313	0	0	0	0	163,313
<u>Other</u>						
Other	17,724	0	0	0	0	17,724
Total Other Governments and Citizens Groups	<u>313,599 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>0 \$</u>	<u>600,000 \$</u>	<u>913,599</u>
Total	<u>15,754,633 \$</u>	<u>1,231,069 \$</u>	<u>178,750 \$</u>	<u>5,378,925 \$</u>	<u>4,655,163 \$</u>	<u>27,198,540</u>

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

	Special Revenue Funds			Capital Projects Fund
	General Purpose School	School Federal Projects	Central Cafeteria	
				Total
<u>Local Taxes</u>				
<u>County Property Taxes</u>				
Current Property Tax	\$ 10,418,650	\$ 0	\$ 0	\$ 10,418,650
Trustee's Collections - Prior Year	297,931	0	0	297,931
Trustee's Collections - Bankruptcy	3,201	0	0	3,201
Circuit/Clerk & Master Collections - Prior Years	192,760	0	0	192,760
Interest and Penalty	55,794	0	0	55,794
Payments in-Lieu-of Taxes - Other	384,425	0	0	384,425
<u>County Local Option Taxes</u>				
Local Option Sales Tax	4,261,428	0	0	4,261,428
Business Tax	167,192	0	0	167,192
Mixed Drink Tax	23,005	0	0	23,005
<u>Statutory Local Taxes</u>				
Interstate Telecommunications Tax	5,279	0	0	5,279
Total Local Taxes	\$ 15,809,665	\$ 0	\$ 0	\$ 15,809,665
<u>Licenses and Permits</u>				
<u>Licenses</u>				
Marriage Licenses	\$ 3,857	\$ 0	\$ 0	\$ 3,857
<u>Permits</u>				
Other Permits	900	0	0	900
Total Licenses and Permits	\$ 4,757	\$ 0	\$ 0	\$ 4,757
<u>Fines, Forfeitures, and Penalties</u>				
<u>Juvenile Court</u>				
Fines	\$ 4,503	\$ 0	\$ 0	\$ 4,503
Total Fines, Forfeitures, and Penalties	\$ 4,503	\$ 0	\$ 0	\$ 4,503

(Continued)

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

	General Purpose School	Special Revenue Funds			Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects		
<u>Charges for Current Services</u>						
<u>Education Charges</u>						
Tuition - Regular Day Students	\$ 16,250	\$ 0	\$ 0	\$ 0	\$ 0	16,250
Tuition - Summer School	850	0	0	0	0	850
Tuition - Other	890,379	0	0	0	0	890,379
Lunch Payments - Children	0	0	806,531	0	0	806,531
Lunch Payments - Adults	0	0	99,862	0	0	99,862
Income from Breakfast	0	0	82,692	0	0	82,692
A la carte Sales	0	0	291,617	0	0	291,617
Receipts from Individual Schools	133,854	0	0	0	0	133,854
TBI Criminal Background Fees	4,293	0	0	0	0	4,293
Other Charges for Services	0	0	1,693	0	0	1,693
Total Charges for Current Services	\$ 1,045,626	\$ 0	\$ 1,282,395	\$ 0	\$ 0	2,328,021
<u>Other Local Revenues</u>						
<u>Recurring Items</u>						
Investment Income	\$ 0	\$ 0	\$ 7,971	\$ 0	\$ 0	7,971
Lease/Rentals	18,050	0	0	0	0	18,050
Refund of Telecommunication & Internet Fees (E-Rate)	75,620	0	0	0	0	75,620
Miscellaneous Refunds	25,910	0	0	0	0	25,910
<u>Nonrecurring Items</u>						
Sale of Equipment	14,230	0	0	0	0	14,230
Sale of Property	1,676	0	0	0	0	1,676
Damages Recovered from Individuals	2,387	0	0	0	0	2,387
Total Other Local Revenues	\$ 137,873	\$ 0	\$ 7,971	\$ 0	\$ 0	145,844

(Continued)

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

	General Purpose School	Special Revenue Funds			Capital Projects Fund	Total
		School Federal Projects	Central Cafeteria	Education Capital Projects		
<u>State of Tennessee</u>						
<u>General Government Grants</u>						
On-behalf Contributions for OPEB	\$ 193,873	\$ 0	\$ 0	\$ 0	\$ 193,873	
<u>State Education Funds</u>						
Basic Education Program	58,159,002	0	0	0	58,159,002	
Early Childhood Education	1,031,300	0	0	0	1,031,300	
School Food Service	58,255	0	0	0	58,255	
Energy Efficient School Initiative	30,105	0	0	0	30,105	
Driver Education	5,070	0	0	0	5,070	
Other State Education Funds	320,609	0	0	10,069	330,678	
Career Ladder Program	297,903	0	0	0	297,903	
Career Ladder - Extended Contract	63,595	0	0	0	63,595	
<u>Other State Revenues</u>						
Other State Grants	474,136	0	0	0	474,136	
Other State Revenues	954,137	0	0	0	954,137	
Total State of Tennessee	\$ 61,587,985	\$ 0	\$ 0	\$ 10,069	\$ 61,598,054	
<u>Federal Government</u>						
<u>Federal Through State</u>						
USDA School Lunch Program	0	0	2,673,734	0	2,673,734	
USDA - Commodities	0	0	400,868	0	400,868	
Breakfast	0	0	800,857	0	800,857	
USDA - Other	0	0	550,438	0	550,438	
Vocational Education - Basic Grants to States	0	142,341	0	0	142,341	
Title I Grants to Local Education Agencies	0	2,252,392	0	0	2,252,392	
Special Education - Grants to States	19,802	2,471,158	0	0	2,490,960	

(Continued)

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

	Special Revenue Funds			Capital Projects Fund		Total
	General Purpose School	School Federal Projects	Central Cafeteria	Education Capital Projects		
Federal Government (Cont.)						
Federal Through State (Cont.)						
Special Education Preschool Grants	\$ 0	\$ 114,196	\$ 0	\$ 0	\$ 114,196	
Safe and Drug-free Schools - State Grants	0	516,300	0	0	516,300	
Eisenhower Professional Development State Grants	0	516,195	0	0	516,195	
Homeland Security Grants	0	0	0	60,417	60,417	
Race-to-the-Top - ARRA	0	415,948	0	0	415,948	
Other Federal through State	0	456,459	0	0	456,459	
Total Federal Government	\$ 19,802	\$ 6,884,989	\$ 4,425,897	\$ 60,417	\$ 11,391,105	
Total	\$ 78,610,211	\$ 6,884,989	\$ 5,716,263	\$ 70,486	\$ 91,281,949	

Exhibit J-7

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

General Fund

General Government

County Commission

Board and Committee Members Fees	\$	71,100	
Social Security		5,439	
Audit Services		25,583	
Consultants		449	
Dues and Memberships		8,130	
Legal Services		39,839	
Legal Notices, Recording, and Court Costs		5,878	
Travel		1,363	
Liability Insurance		3,309	
Total County Commission	\$		161,090

Beer Board

Board and Committee Members Fees	\$	1,000	
Social Security		76	
Office Supplies		84	
Total Beer Board			1,160

County Mayor/Executive

County Official/Administrative Officer	\$	110,870	
Accountants/Bookkeepers		36,572	
Secretary(ies)		36,572	
Longevity Pay		1,100	
Social Security		13,049	
State Retirement		17,868	
Employee and Dependent Insurance		44,163	
Unemployment Compensation		180	
Communication		2,604	
Travel		9,941	
Other Contracted Services		778	
Office Supplies		2,186	
Utilities		4,087	
Other Supplies and Materials		400	
Building and Contents Insurance		767	
Liability Insurance		552	
Vehicle and Equipment Insurance		493	
Workers' Compensation Insurance		1,240	
Other Charges		861	
Office Equipment		2,315	
Total County Mayor/Executive			286,598

Election Commission

County Official/Administrative Officer	\$	68,031	
Secretary(ies)		37,309	
Clerical Personnel		17,575	
Part-time Personnel		576	
Longevity Pay		1,900	
Overtime Pay		686	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Election Commission (Cont.)

Election Commission	\$	9,000	
Election Workers		6,486	
Social Security		8,859	
State Retirement		10,295	
Employee and Dependent Insurance		31,422	
Unemployment Compensation		410	
Audit Services		2,645	
Communication		1,808	
Dues and Memberships		2,531	
Janitorial Services		4,000	
Legal Notices, Recording, and Court Costs		3,017	
Maintenance and Repair Services - Buildings		7,104	
Maintenance and Repair Services - Equipment		12,781	
Pest Control		160	
Postal Charges		6,983	
Printing, Stationery, and Forms		1,322	
Rentals		100	
Travel		3,517	
Custodial Supplies		689	
Office Supplies		4,143	
Utilities		7,471	
Building and Contents Insurance		591	
Liability Insurance		735	
Workers' Compensation Insurance		556	
Other Charges		347	
Data Processing Equipment		10,394	
Office Equipment		926	
Voting Machines		88,658	
Total Election Commission			\$ 353,027

Register of Deeds

County Official/Administrative Officer	\$	77,665	
Clerical Personnel		107,532	
Longevity Pay		2,150	
Social Security		13,494	
State Retirement		17,983	
Employee and Dependent Insurance		33,982	
Unemployment Compensation		270	
Communication		1,346	
Dues and Memberships		135	
Travel		3,112	
Office Supplies		3,709	
Utilities		5,963	
Building and Contents Insurance		711	
Liability Insurance		735	
Workers' Compensation Insurance		780	
Data Processing Equipment		42,484	
Furniture and Fixtures		2,864	
Total Register of Deeds			314,915

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Planning

Supervisor/Director	\$	58,265	
Clerical Personnel		34,958	
Longevity Pay		2,700	
Other Salaries and Wages		77,230	
Board and Committee Members Fees		8,200	
Social Security		13,235	
State Retirement		16,551	
Employee and Dependent Insurance		28,634	
Unemployment Compensation		360	
Communication		2,637	
Maintenance and Repair Services - Vehicles		1,264	
Travel		2,058	
Tuition		1,799	
Other Contracted Services		11,247	
Gasoline		6,006	
Office Supplies		3,680	
Utilities		3,500	
Building and Contents Insurance		843	
Liability Insurance		292	
Vehicle and Equipment Insurance		1,085	
Workers' Compensation Insurance		2,830	
Other Charges		2,875	
Data Processing Equipment		1,484	
Total Planning			\$ 281,733

Building

Custodial Personnel	\$	60,000
Maintenance Personnel		75,467
Longevity Pay		2,850
Social Security		9,970
State Retirement		12,785
Employee and Dependent Insurance		24,270
Unemployment Compensation		360
Communication		2,459
Contracts with Private Agencies		4,875
Janitorial Services		12,275
Maintenance and Repair Services - Buildings		6,559
Maintenance and Repair Services - Vehicles		6,515
Pest Control		270
Custodial Supplies		9,481
Gasoline		11,799
Small Tools		4,531
Uniforms		7,248
Utilities		11,551
Building and Contents Insurance		464
Liability Insurance		292
Vehicle and Equipment Insurance		1,871

(Continued)

Exhibit J-7

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

General Fund (Cont.)

General Government (Cont.)

Building (Cont.)

Workers' Compensation Insurance	\$	7,706	
Maintenance Equipment		804	
Motor Vehicles		39,364	
Total Building			\$ 313,766

Codes Compliance

Other Salaries and Wages	\$	9,999	
Social Security		765	
State Retirement		971	
Unemployment Compensation		100	
Workers' Compensation Insurance		156	
Total Codes Compliance			11,991

Geographical Information Systems

Supervisor/Director	\$	52,822	
Part-time Personnel		12,105	
Longevity Pay		450	
Social Security		4,705	
State Retirement		5,129	
Employee and Dependent Insurance		15,519	
Unemployment Compensation		180	
Communication		1,262	
Dues and Memberships		465	
Maintenance and Repair Services - Office Equipment		12,095	
Maintenance and Repair Services - Vehicles		847	
Travel		1,329	
Other Contracted Services		43,860	
Gasoline		1,732	
Office Supplies		3,766	
Liability Insurance		73	
Vehicle and Equipment Insurance		412	
Workers' Compensation Insurance		220	
Data Processing Equipment		3,153	
Total Geographical Information Systems			160,124

County Buildings

Communication	\$	676	
Contracts with Private Agencies		10,000	
Janitorial Services		13,660	
Maintenance and Repair Services - Buildings		17,438	
Pest Control		420	
Other Contracted Services		10,377	
Custodial Supplies		2,348	
Utilities		534	
Building Improvements		23,859	
Total County Buildings			79,312

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance

Accounting and Budgeting

Supervisor/Director	\$	58,438	
Secretary(ies)		17,668	
Clerical Personnel		36,572	
Longevity Pay		700	
Social Security		8,536	
State Retirement		9,230	
Employee and Dependent Insurance		6,181	
Unemployment Compensation		347	
Communication		2,133	
Maintenance and Repair Services - Office Equipment		10,071	
Postal Charges		16,468	
Travel		4,560	
Office Supplies		3,826	
Utilities		4,596	
Building and Contents Insurance		739	
Liability Insurance		552	
Workers' Compensation Insurance		400	
Data Processing Equipment		2,221	
Office Equipment		483	
Total Accounting and Budgeting			\$ 183,721

Property Assessor's Office

County Official/Administrative Officer	\$	77,665	
Secretary(ies)		152,879	
Longevity Pay		3,250	
Other Salaries and Wages		3,650	
Social Security		16,725	
State Retirement		22,459	
Employee and Dependent Insurance		56,162	
Unemployment Compensation		360	
Communication		1,792	
Contracts with Private Agencies		29,995	
Data Processing Services		16,782	
Dues and Memberships		1,850	
Maintenance and Repair Services - Office Equipment		3,225	
Travel		825	
Tuition		2,275	
Duplicating Supplies		166	
Office Supplies		2,055	
Utilities		7,064	
Building and Contents Insurance		918	
Liability Insurance		919	
Workers' Compensation Insurance		972	
Data Processing Equipment		7,330	
Office Equipment		560	
Total Property Assessor's Office			409,878

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

Reappraisal Program

Longevity Pay	\$	1,150	
Other Salaries and Wages		24,905	
Social Security		1,993	
Unemployment Compensation		183	
Communication		362	
Data Processing Services		5,116	
Maintenance and Repair Services - Vehicles		61	
Postal Charges		11,185	
Gasoline		1,761	
Liability Insurance		368	
Vehicle and Equipment Insurance		682	
Workers' Compensation Insurance		208	
Total Reappraisal Program			\$ 47,974

County Trustee's Office

County Official/Administrative Officer	\$	77,665	
Clerical Personnel		128,515	
Longevity Pay		2,750	
In-Service Training		420	
Social Security		15,195	
State Retirement		20,020	
Employee and Dependent Insurance		36,936	
Unemployment Compensation		360	
Advertising		449	
Communication		1,128	
Dues and Memberships		250	
Maintenance and Repair Services - Office Equipment		6,812	
Travel		3,549	
Other Contracted Services		13,382	
Office Supplies		3,727	
Utilities		6,130	
Building and Contents Insurance		744	
Liability Insurance		919	
Workers' Compensation Insurance		920	
Data Processing Equipment		11,747	
Total County Trustee's Office			331,618

County Clerk's Office

County Official/Administrative Officer	\$	77,665
Clerical Personnel		225,772
Longevity Pay		4,000
Social Security		22,454
State Retirement		27,939
Employee and Dependent Insurance		48,412
Unemployment Compensation		620
Communication		3,015
Dues and Memberships		456

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Finance (Cont.)

County Clerk's Office (Cont.)

Maintenance and Repair Services - Office Equipment	\$	11,511	
Postal Charges		15,729	
Printing, Stationery, and Forms		1,514	
Travel		3,536	
Data Processing Supplies		3,395	
Duplicating Supplies		1,482	
Office Supplies		5,216	
Utilities		3,958	
Building and Contents Insurance		930	
Liability Insurance		1,471	
Workers' Compensation Insurance		1,256	
Building Improvements		3,000	
Data Processing Equipment		6,972	
Office Equipment		2,400	
Total County Clerk's Office			\$ 472,703

Administration of Justice

Circuit Court

County Official/Administrative Officer	\$	77,665	
Clerical Personnel		323,104	
Longevity Pay		7,550	
Other Salaries and Wages		335	
Jury and Witness Expense		24,175	
Social Security		28,960	
State Retirement		34,446	
Employee and Dependent Insurance		69,636	
Unemployment Compensation		1,057	
Communication		4,764	
Dues and Memberships		95	
Maintenance and Repair Services - Office Equipment		16,125	
Postal Charges		17,539	
Travel		3,649	
Office Supplies		14,578	
Utilities		2,000	
Building and Contents Insurance		1,852	
Liability Insurance		2,206	
Vehicle and Equipment Insurance		275	
Workers' Compensation Insurance		1,742	
Data Processing Equipment		11,059	
Furniture and Fixtures		150	
Office Equipment		385	
Total Circuit Court			643,347

Criminal Court

Supervisor/Director	\$	33,421	
Longevity Pay		350	
Social Security		2,426	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Criminal Court (Cont.)

State Retirement	\$	3,245	
Employee and Dependent Insurance		6,346	
Unemployment Compensation		90	
Communication		495	
Office Supplies		68	
Workers' Compensation Insurance		140	
Total Criminal Court			\$ 46,581

General Sessions Court

Judge(s)	\$	165,206	
Assistant(s)		53,560	
Longevity Pay		1,050	
Social Security		13,284	
State Retirement		21,242	
Employee and Dependent Insurance		31,422	
Unemployment Compensation		90	
Communication		5,034	
Dues and Memberships		895	
Travel		1,490	
Office Supplies		674	
Utilities		2,200	
Building and Contents Insurance		1,910	
Liability Insurance		552	
Workers' Compensation Insurance		900	
Data Processing Equipment		1,000	
Office Equipment		300	
Total General Sessions Court			300,809

Drug Court

Remittance of Revenue Collected	\$	10,772	
Total Drug Court			10,772

Chancery Court

County Official/Administrative Officer	\$	77,665	
Clerical Personnel		100,668	
Longevity Pay		2,100	
Social Security		13,088	
State Retirement		15,370	
Employee and Dependent Insurance		27,753	
Unemployment Compensation		350	
Communication		1,810	
Dues and Memberships		95	
Legal Notices, Recording, and Court Costs		3,723	
Maintenance and Repair Services - Office Equipment		6,894	
Travel		1,057	
Office Supplies		9,738	
Utilities		2,300	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Administration of Justice (Cont.)

Chancery Court (Cont.)

Building and Contents Insurance	\$	2,014	
Liability Insurance		919	
Workers' Compensation Insurance		896	
Data Processing Equipment		4,877	
Total Chancery Court			\$ 271,317

Juvenile Court

Youth Service Officer(s)	\$	45,320	
Clerical Personnel		20,054	
Part-time Personnel		10,000	
Longevity Pay		1,300	
Social Security		5,454	
State Retirement		4,401	
Employee and Dependent Insurance		6,166	
Unemployment Compensation		288	
Communication		3,158	
Dues and Memberships		595	
Maintenance and Repair Services - Office Equipment		110	
Maintenance and Repair Services - Vehicles		913	
Printing, Stationery, and Forms		605	
Travel		2,397	
Other Contracted Services		9,590	
Food Supplies		158	
Gasoline		109	
Office Supplies		3,815	
Utilities		500	
Building and Contents Insurance		378	
Liability Insurance		368	
Workers' Compensation Insurance		228	
Data Processing Equipment		3,750	
Law Enforcement Equipment		2,694	
Office Equipment		692	
Total Juvenile Court			123,043

Probate Court

Probation Officer(s)	\$	44,595	
Clerical Personnel		26,989	
Longevity Pay		2,250	
Social Security		5,290	
State Retirement		2,621	
Employee and Dependent Insurance		12,357	
Unemployment Compensation		180	
Communication		471	
Contracts with Other Public Agencies		3,600	
Office Supplies		1,838	
Utilities		450	
Building and Contents Insurance		378	

(Continued)

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

General Fund (Cont.)

Administration of Justice (Cont.)

Probate Court (Cont.)

Liability Insurance	\$	368	
Workers' Compensation Insurance		316	
Data Processing Equipment		1,680	
Total Probate Court			\$ 103,383

Other Administration of Justice

Communication	\$	1,167	
Janitorial Services		18,720	
Maintenance and Repair Services - Buildings		9,035	
Maintenance and Repair Services - Equipment		711	
Pest Control		540	
Custodial Supplies		1,607	
Utilities		3,840	
Building and Contents Insurance		925	
Total Other Administration of Justice			36,545

Victims Assistance Programs

Remittance of Revenue Collected	\$	30,630	
Total Victims Assistance Programs			30,630

Public Safety

Sheriff's Department

County Official/Administrative Officer	\$	85,430	
Assistant(s)		117,832	
Deputy(ies)		1,280,018	
Investigator(s)		356,162	
Captain(s)		53,560	
Lieutenant(s)		48,204	
Sergeant(s)		171,391	
Accountants/Bookkeepers		31,275	
Medical Personnel		102,482	
Salary Supplements		50,400	
Clerical Personnel		108,691	
Part-time Personnel		68,786	
Longevity Pay		21,500	
Overtime Pay		196,785	
Other Salaries and Wages		77,054	
In-Service Training		31,695	
Social Security		191,479	
State Retirement		243,646	
Employee and Dependent Insurance		523,110	
Unemployment Compensation		5,373	
Communication		29,243	
Confidential Drug Enforcement Payments		500	
Dues and Memberships		6,914	
Evaluation and Testing		1,974	
Maintenance and Repair Services - Equipment		3,949	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Sheriff's Department (Cont.)

Maintenance and Repair Services - Office Equipment	\$	3,292	
Maintenance and Repair Services - Vehicles		87,320	
Transportation - Other than Students		36	
Travel		4,153	
Gasoline		229,810	
Office Supplies		16,979	
Uniforms		41,278	
Utilities		2,999	
Other Supplies and Materials		8,138	
Building and Contents Insurance		4,303	
Liability Insurance		94,278	
Vehicle and Equipment Insurance		38,878	
Workers' Compensation Insurance		108,700	
Data Processing Equipment		39,572	
Law Enforcement Equipment		17,372	
Motor Vehicles		264,024	
Office Equipment		4,857	
Other Equipment		5,749	
Total Sheriff's Department			\$ 4,779,191

Administration of the Sexual Offender Registry

In-Service Training	\$	2,263	
Remittance of Revenue Collected		2,850	
Office Supplies		1,044	
Total Administration of the Sexual Offender Registry			6,157

Jail

Captain(s)	\$	10,400	
Lieutenant(s)		42,848	
Sergeant(s)		158,610	
Medical Personnel		43,458	
Guards		814,036	
Cafeteria Personnel		85,696	
Part-time Personnel		7,278	
Longevity Pay		7,750	
Overtime Pay		12,496	
Other Salaries and Wages		66,122	
In-Service Training		10,824	
Social Security		88,695	
State Retirement		112,841	
Employee and Dependent Insurance		308,308	
Unemployment Compensation		3,757	
Communication		3,421	
Dues and Memberships		5,920	
Maintenance and Repair Services - Equipment		18,767	
Maintenance and Repair Services - Office Equipment		2,048	
Transportation - Other than Students		2,794	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Jail (Cont.)

Travel	\$	95	
Custodial Supplies		22,617	
Drugs and Medical Supplies		94,145	
Food Supplies		110,287	
Office Supplies		7,999	
Prisoners Clothing		13,921	
Uniforms		16,884	
Utilities		165,000	
Testing		278	
Building and Contents Insurance		4,293	
Liability Insurance		54,814	
Vehicle and Equipment Insurance		2,270	
Workers' Compensation Insurance		65,012	
Data Processing Equipment		283	
Food Service Equipment		2,942	
Office Equipment		1,893	
Total Jail			\$ 2,368,802

Workhouse

Guards	\$	55,151	
Longevity Pay		2,400	
Other Salaries and Wages		8,960	
Social Security		4,160	
State Retirement		715	
Employee and Dependent Insurance		7,996	
Unemployment Compensation		357	
Communication		981	
Janitorial Services		33,360	
Maintenance and Repair Services - Buildings		53,961	
Maintenance and Repair Services - Equipment		26,316	
Pest Control		960	
Custodial Supplies		3,083	
Uniforms		1,800	
Liability Insurance		735	
Workers' Compensation Insurance		2,958	
Office Equipment		386	
Total Workhouse			204,279

Fire Prevention and Control

Salary Supplements	\$	2,500	
Communication		1,074	
Contributions		266,363	
Dues and Memberships		222	
Maintenance and Repair Services - Buildings		4,030	
Maintenance and Repair Services - Vehicles		236	
Travel		291	
Gasoline		3,427	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Safety (Cont.)

Fire Prevention and Control (Cont.)

Office Supplies	\$	473	
Uniforms		136	
Utilities		9,076	
Building and Contents Insurance		457	
Liability Insurance		184	
Vehicle and Equipment Insurance		929	
Workers' Compensation Insurance		1,392	
Other Equipment		997	
Total Fire Prevention and Control			\$ 291,787

Civil Defense

Supervisor/Director	\$	32,448	
Clerical Personnel		12,848	
Longevity Pay		900	
Other Salaries and Wages		44,562	
Social Security		6,701	
State Retirement		7,478	
Employee and Dependent Insurance		12,357	
Unemployment Compensation		185	
Communication		4,444	
Contracts with Other Public Agencies		8,800	
Dues and Memberships		65	
Maintenance and Repair Services - Equipment		2,896	
Maintenance and Repair Services - Office Equipment		300	
Maintenance and Repair Services - Vehicles		1,120	
Pest Control		360	
Travel		853	
Gasoline		3,032	
Office Supplies		266	
Liability Insurance		368	
Vehicle and Equipment Insurance		4,397	
Workers' Compensation Insurance		192	
Motor Vehicles		31,430	
Other Equipment		33,521	
Total Civil Defense			209,523

Other Emergency Management

Communication	\$	175,000	
Utilities		26,498	
Building and Contents Insurance		1,521	
Total Other Emergency Management			203,019

Public Health and Welfare

Local Health Center

Communication	\$	2,856	
Contracts with Government Agencies		21,917	
Janitorial Services		22,200	

(Continued)

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Local Health Center (Cont.)

Maintenance and Repair Services - Buildings	\$	14,422	
Pest Control		825	
Postal Charges		421	
Drugs and Medical Supplies		1,189	
Office Supplies		1,903	
Utilities		18,801	
Building and Contents Insurance		1,579	
Total Local Health Center			\$ 86,113

Rabies and Animal Control

Longevity Pay	\$	3,500	
Overtime Pay		12,651	
Other Salaries and Wages		155,822	
Social Security		12,352	
State Retirement		15,443	
Employee and Dependent Insurance		40,705	
Unemployment Compensation		562	
Communication		662	
Maintenance and Repair Services - Buildings		979	
Maintenance and Repair Services - Vehicles		3,185	
Pest Control		560	
Travel		2,437	
Veterinary Services		13,646	
Animal Food and Supplies		3,371	
Custodial Supplies		1,214	
Office Supplies		1,610	
Uniforms		2,872	
Utilities		10,870	
Other Supplies and Materials		2,044	
Building and Contents Insurance		272	
Liability Insurance		919	
Refunds		590	
Vehicle and Equipment Insurance		670	
Workers' Compensation Insurance		2,792	
Building Improvements		3,230	
Office Equipment		2,293	
Total Rabies and Animal Control			295,251

Ambulance/Emergency Medical Services

Contracts with Private Agencies	\$	134,331	
Maintenance and Repair Services - Buildings		143	
Total Ambulance/Emergency Medical Services			134,474

Dental Health Program

Medical Personnel	\$	120,410	
Clerical Personnel		118,088	
Longevity Pay		2,050	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Public Health and Welfare (Cont.)

Dental Health Program (Cont.)

Social Security	\$	17,530	
State Retirement		20,857	
Employee and Dependent Insurance		33,161	
Unemployment Compensation		643	
Travel		7,248	
Drugs and Medical Supplies		3,166	
Liability Insurance		3,275	
Workers' Compensation Insurance		1,197	
Total Dental Health Program			\$ 327,625

General Welfare Assistance

Bus Drivers	\$	14,000	
Dues and Memberships		9,162	
Total General Welfare Assistance			23,162

Sanitation Management

Supervisor/Director	\$	21,804	
Guards		32,136	
Part-time Personnel		85	
Longevity Pay		1,150	
Social Security		3,688	
State Retirement		5,246	
Employee and Dependent Insurance		27,876	
Unemployment Compensation		180	
Advertising		4,510	
Communication		516	
Contributions		2,596	
Dues and Memberships		842	
Maintenance and Repair Services - Vehicles		22	
Postal Charges		58	
Travel		1,025	
Gasoline		4,464	
Office Supplies		389	
Uniforms		250	
Utilities		458	
Other Supplies and Materials		1,974	
Liability Insurance		368	
Vehicle and Equipment Insurance		275	
Workers' Compensation Insurance		1,288	
Office Equipment		154	
Total Sanitation Management			111,354

Social, Cultural, and Recreational Services

Senior Citizens Assistance

Contributions	\$	48,000	
Dues and Memberships		7,000	
Other Contracted Services		7,000	
Total Senior Citizens Assistance			62,000

(Continued)

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

General Fund (Cont.)

Social, Cultural, and Recreational Services (Cont.)

Libraries

Assistant(s)	\$	30,416	
Supervisor/Director		27,575	
Accountants/Bookkeepers		2,782	
Librarians		65,353	
Custodial Personnel		3,640	
Longevity Pay		150	
Overtime Pay		728	
Social Security		9,807	
State Retirement		3,520	
Employee and Dependent Insurance		11,553	
Unemployment Compensation		707	
Communication		1,371	
Contributions		19,000	
Maintenance and Repair Services - Buildings		1,513	
Pest Control		375	
Postal Charges		482	
Rentals		17,000	
Travel		1,151	
Other Contracted Services		200	
Duplicating Supplies		1,800	
Library Books/Media		18,945	
Office Supplies		5,893	
Utilities		8,903	
Building and Contents Insurance		1,621	
Liability Insurance		2,022	
Workers' Compensation Insurance		608	
Office Equipment		572	
Other Equipment		4,028	
Total Libraries			\$ 241,715

Parks and Fair Boards

Contributions	\$	5,000	
Maintenance Agreements		13,357	
Total Parks and Fair Boards			18,357

Other Social, Cultural, and Recreational

Contributions	\$	53,500	
Total Other Social, Cultural, and Recreational			53,500

Agriculture and Natural Resources

Agriculture Extension Service

Salary Supplements	\$	49,825	
Other Fringe Benefits		11,478	
Communication		2,039	
Dues and Memberships		1,500	
Janitorial Services		4,160	
Maintenance and Repair Services - Buildings		2,561	

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Agriculture and Natural Resources (Cont.)

Agriculture Extension Service (Cont.)

Maintenance and Repair Services - Equipment	\$	931	
Pest Control		160	
Custodial Supplies		90	
Office Supplies		2,363	
Utilities		4,119	
Building and Contents Insurance		374	
Liability Insurance		184	
Office Equipment		2,000	
Total Agriculture Extension Service			\$ 81,784

Soil Conservation

Secretary(ies)	\$	33,712	
Other Salaries and Wages		17,097	
Other Per Diem and Fees		123	
Social Security		3,757	
State Retirement		4,934	
Employee and Dependent Insurance		8,460	
Unemployment Compensation		133	
Dues and Memberships		1,160	
Travel		852	
Office Supplies		214	
Building and Contents Insurance		29	
Liability Insurance		368	
Workers' Compensation Insurance		142	
Office Equipment		784	
Total Soil Conservation			71,765

Other Operations

Tourism

Contributions	\$	68,000	
Total Tourism			68,000

Industrial Development

Longevity Pay	\$	250	
Other Salaries and Wages		125,721	
Social Security		8,948	
State Retirement		12,208	
Employee and Dependent Insurance		15,519	
Unemployment Compensation		90	
Contributions		4,000	
Matching Share		13,321	
Other Contracted Services		80,880	
Liability Insurance		184	
Workers' Compensation Insurance		524	
Total Industrial Development			261,645

(Continued)

Exhibit J-7

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

General Fund (Cont.)

Other Operations (Cont.)

Veterans' Services

Clerical Personnel	\$	12,971	
Social Security		946	
Unemployment Compensation		105	
Advertising		222	
Communication		1,117	
Dues and Memberships		30	
Travel		236	
Office Supplies		609	
Utilities		742	
Liability Insurance		185	
Data Processing Equipment		399	
Total Veterans' Services			\$ 17,562

Employee Benefits

Employee and Dependent Insurance	\$	12,502	
Total Employee Benefits			12,502

Miscellaneous

Communication	\$	1,165	
Contributions		58,750	
Dues and Memberships		41,091	
Maintenance and Repair Services - Buildings		5,086	
Gasoline		2,545	
Testing		400	
Refunds		21,510	
Trustee's Commission		199,160	
Office Equipment		25,948	
Health Equipment		2,122	
Total Miscellaneous			<u>357,777</u>

Total General Fund \$ 15,263,381

Solid Waste/Sanitation Fund

Public Health and Welfare

Postclosure Care Costs

Contracts for Postclosure Care Costs	\$	28,106	
Total Postclosure Care Costs			\$ 28,106

Highways

Litter and Trash Collection

Foremen	\$	41,562	
Equipment Operators		161,202	
Laborers		76,444	
Part-time Personnel		3,675	
Longevity Pay		2,800	
Overtime Pay		9,660	
Social Security		21,632	

(Continued)

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

Solid Waste/Sanitation Fund (Cont.)

Highways (Cont.)

Litter and Trash Collection (Cont.)

State Retirement	\$	20,933	
Employee and Dependent Insurance		56,996	
Unemployment Compensation		710	
Other Fringe Benefits		584	
Advertising		317	
Communication		539	
Dues and Memberships		308	
Licenses		500	
Maintenance and Repair Services - Equipment		18,869	
Maintenance and Repair Services - Office Equipment		75	
Printing, Stationery, and Forms		2,000	
Towing Services		100	
Travel		314	
Disposal Fees		279,322	
Other Contracted Services		53,935	
Crushed Stone		4,240	
Diesel Fuel		45,364	
Electricity		3,274	
Equipment and Machinery Parts		17,153	
Fertilizer, Lime, and Seed		251	
Fuel Oil		81	
Lubricants		1,369	
Office Supplies		853	
Road Signs		500	
Small Tools		460	
Tires and Tubes		13,413	
Uniforms		3,811	
Water and Sewer		216	
Fencing		185	
Trustee's Commission		9,670	
Other Charges		899	
Office Equipment		159	
Site Development		65,850	
Solid Waste Equipment		11,748	
Other Equipment		299,955	
Total Litter and Trash Collection			\$ 1,231,928

Total Solid Waste/Sanitation Fund \$ 1,260,034

Drug Control Fund

Public Safety

Drug Enforcement

Communication	\$	1,863
Confidential Drug Enforcement Payments		18,000
Maintenance and Repair Services - Vehicles		661
Other Contracted Services		30,118
Office Supplies		723

(Continued)

Exhibit J-7

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

Drug Control Fund (Cont.)

Public Safety (Cont.)

Drug Enforcement (Cont.)

Utilities	\$	2,033	
Other Supplies and Materials		1,584	
Trustee's Commission		172	
Data Processing Equipment		864	
Law Enforcement Equipment		9,336	
Other Equipment		40,358	
Total Drug Enforcement			\$ 105,712

Total Drug Control Fund \$ 105,712

Highway/Public Works Fund

Highways

Administration

County Official/Administrative Officer	\$	99,500	
Supervisor/Director		54,960	
Accountants/Bookkeepers		16,627	
Secretary(ies)		38,909	
Clerical Personnel		32,612	
Custodial Personnel		26,734	
Temporary Personnel		4,145	
Overtime Pay		8,979	
Other Salaries and Wages		81,059	
Board and Committee Members Fees		10,300	
Advertising		1,384	
Communication		20,858	
Confidential Drug Enforcement Payments		1,252	
Dues and Memberships		38,283	
Freight Expenses		61	
Maintenance and Repair Services - Buildings		1,254	
Maintenance and Repair Services - Equipment		635	
Maintenance and Repair Services - Office Equipment		10,474	
Postal Charges		1,453	
Printing, Stationery, and Forms		970	
Rentals		500	
Travel		2,424	
Other Contracted Services		2,200	
Custodial Supplies		6,176	
Electricity		7,894	
Natural Gas		3,946	
Office Supplies		4,991	
Water and Sewer		661	
Other Charges		906	
Total Administration			\$ 480,147

Highway and Bridge Maintenance

Foremen	\$	188,059
Equipment Operators		110,304

(Continued)

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Highway and Bridge Maintenance (Cont.)

Equipment Operators - Light	\$	320,626	
Truck Drivers		188,704	
Laborers		190,172	
Overtime Pay		35,410	
Rentals		4,000	
Other Contracted Services		78,859	
Asphalt - Cold Mix		13,001	
Asphalt - Hot Mix		884,643	
Concrete		3,816	
Crushed Stone		365,163	
Fertilizer, Lime, and Seed		32,081	
General Construction Materials		28	
Other Road Supplies		50,028	
Pipe - Metal		61,383	
Road Signs		29,969	
Salt		4,745	
Small Tools		2,157	
Wood Products		8,679	
Gravel and Chert		12,665	
Other Supplies and Materials		1,799	
Total Highway and Bridge Maintenance			\$ 2,586,291

Operation and Maintenance of Equipment

Foremen	\$	48,097	
Mechanic(s)		138,889	
Overtime Pay		3,176	
Licenses		52	
Maintenance and Repair Services - Buildings		282	
Maintenance and Repair Services - Equipment		67,441	
Towing Services		60	
Diesel Fuel		178,296	
Equipment and Machinery Parts		92,009	
Garage Supplies		4,826	
Gasoline		59,649	
Lubricants		9,429	
Small Tools		3,997	
Tires and Tubes		39,831	
Other Charges		649	
Total Operation and Maintenance of Equipment			646,683

Other Charges

Building and Contents Insurance	\$	3,025	
Liability Insurance		5,867	
Trustee's Commission		51,093	
Vehicle and Equipment Insurance		26,754	
Workers' Compensation Insurance		182,044	
Fines, Assessments, and Penalties		2,582	
Total Other Charges			271,365

(Continued)

Exhibit J-7

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

Highway/Public Works Fund (Cont.)

Highways (Cont.)

Employee Benefits

Longevity Pay	\$	21,650	
Social Security		114,608	
State Retirement		148,782	
Employee and Dependent Insurance		444,263	
Unemployment Compensation		2,536	
Other Fringe Benefits		7,569	
Uniforms		18,976	
Total Employee Benefits			\$ 758,384

Capital Outlay

Bridge Construction	\$	497,545	
Building Improvements		478	
Communication Equipment		185	
Furniture and Fixtures		902	
Highway Equipment		8,572	
Maintenance Equipment		2,965	
Motor Vehicles		70,282	
Office Equipment		4,546	
State Aid Projects		838,607	
Total Capital Outlay			1,424,082

Total Highway/Public Works Fund \$ 6,166,952

General Debt Service Fund

Principal on Debt

General Government

Principal on Other Loans	\$	272,000	
Total General Government			\$ 272,000

Education

Principal on Bonds	\$	500,000	
Principal on Other Loans		3,169,300	
Total Education			3,669,300

Interest on Debt

General Government

Interest on Other Loans	\$	1,548	
Total General Government			1,548

Education

Interest on Bonds	\$	221,475	
Interest on Other Loans		55,050	
Total Education			276,525

Other Debt Service

General Government

Trustee's Commission	\$	74,951	
Other Debt Service		27,026	
Total General Government			101,977

(Continued)

Exhibit J-7

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

General Debt Service Fund (Cont.)

Other Debt Service (Cont.)

Education

Other Debt Issuance Charges	\$ 900	
Other Debt Service	132,993	
Total Education	<u>133,893</u>	\$ 133,893

Total General Debt Service Fund \$ 4,455,243

General Capital Projects Fund

Capital Projects

General Administration Projects

Building Construction	\$ 110,600	
Communication Equipment	134,240	
Law Enforcement Equipment	65,205	
Other Equipment	65,847	
Other Capital Outlay	<u>78,575</u>	
Total General Administration Projects		<u>\$ 454,467</u>

Total General Capital Projects Fund 454,467

Total Governmental Funds - Primary Government \$ 27,705,789

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

General Purpose School Fund

Instruction

Regular Instruction Program

Teachers	\$ 27,171,870	
Career Ladder Program	145,355	
Career Ladder Extended Contracts	20,400	
Homebound Teachers	164,889	
Educational Assistants	988,033	
Other Salaries and Wages	28,069	
Non-certified Substitute Teachers	255,653	
Social Security	1,705,928	
State Retirement	2,499,136	
Medical Insurance	4,212,990	
Unemployment Compensation	50,880	
Employer Medicare	399,187	
Travel	19,992	
Other Contracted Services	530,021	
Instructional Supplies and Materials	288,962	
Textbooks	842,977	
Other Supplies and Materials	141,691	
Fee Waivers	147,412	
Regular Instruction Equipment	1,410,612	
Total Regular Instruction Program		\$ 41,024,057

Alternative Instruction Program

Teachers	\$ 492,018	
Career Ladder Program	7,810	
Clerical Personnel	27,200	
Other Salaries and Wages	118,697	
Non-certified Substitute Teachers	240	
Social Security	36,798	
State Retirement	52,919	
Medical Insurance	80,594	
Unemployment Compensation	872	
Employer Medicare	9,027	
Travel	412	
Other Contracted Services	6,176	
Other Supplies and Materials	1,179	
Other Equipment	1,049	
Total Alternative Instruction Program		834,991

Special Education Program

Teachers	\$ 4,174,756	
Career Ladder Program	23,980	
Homebound Teachers	60,948	
Clerical Personnel	65,922	
Educational Assistants	866,355	
Speech Pathologist	683,576	
Other Salaries and Wages	20,532	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Instruction (Cont.)

Special Education Program (Cont.)

Non-certified Substitute Teachers	\$	34,860	
Social Security		350,193	
State Retirement		518,473	
Medical Insurance		929,197	
Unemployment Compensation		10,046	
Employer Medicare		81,977	
Travel		3,729	
Other Contracted Services		74,740	
Instructional Supplies and Materials		107,483	
Other Charges		10,285	
Special Education Equipment		27,320	
Total Special Education Program			\$ 8,044,372

Vocational Education Program

Teachers	\$	1,649,362	
Career Ladder Program		9,000	
Other Salaries and Wages		29,966	
Non-certified Substitute Teachers		30,180	
Social Security		98,844	
State Retirement		146,712	
Medical Insurance		261,289	
Unemployment Compensation		2,349	
Employer Medicare		23,488	
Travel		43,131	
Other Contracted Services		18,940	
Instructional Supplies and Materials		69,517	
Textbooks		8,379	
Other Supplies and Materials		442	
In Service/Staff Development		67	
Vocational Instruction Equipment		21,976	
Total Vocational Education Program			2,413,642

Support Services

Health Services

Other Salaries and Wages	\$	75,465	
Social Security		4,466	
State Retirement		7,390	
Medical Insurance		12,474	
Unemployment Compensation		131	
Employer Medicare		1,045	
Travel		5,579	
Other Contracted Services		552,108	
Other Supplies and Materials		25,898	
Other Charges		2,073	
Total Health Services			686,629

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Other Student Support

Career Ladder Program	\$	11,000	
Guidance Personnel		959,946	
Psychological Personnel		114,475	
School Resource Officer		7,200	
Other Salaries and Wages		96,362	
Social Security		71,513	
State Retirement		105,676	
Medical Insurance		100,679	
Unemployment Compensation		1,402	
Employer Medicare		16,739	
Contracts with Government Agencies		86,400	
Evaluation and Testing		50,525	
Travel		6,177	
Other Contracted Services		46	
Other Supplies and Materials		71	
Total Other Student Support			\$ 1,628,211

Regular Instruction Program

Supervisor/Director	\$	495,305	
Career Ladder Program		18,200	
Career Ladder Extended Contracts		12,200	
Librarians		747,764	
Materials Supervisor		25,109	
Instructional Computer Personnel		76,490	
Clerical Personnel		37,500	
Other Salaries and Wages		9,966	
Social Security		83,489	
State Retirement		125,097	
Medical Insurance		145,319	
Unemployment Compensation		1,550	
Employer Medicare		19,894	
Travel		29,268	
Library Books/Media		50,000	
Other Supplies and Materials		6,211	
In Service/Staff Development		9,667	
Total Regular Instruction Program			1,893,029

Special Education Program

Supervisor/Director	\$	167,963	
Career Ladder Program		2,000	
Social Security		10,255	
State Retirement		15,093	
Medical Insurance		15,527	
Unemployment Compensation		126	
Employer Medicare		2,398	
Travel		25,824	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

In Service/Staff Development	\$	15,312	
Other Charges		861	
Total Special Education Program			\$ 255,359

Vocational Education Program

Supervisor/Director	\$	76,150	
Career Ladder Program		3,000	
Career Ladder Extended Contracts		4,000	
Social Security		4,982	
State Retirement		7,384	
Medical Insurance		14,125	
Unemployment Compensation		63	
Employer Medicare		1,165	
Travel		2,242	
In Service/Staff Development		17,072	
Total Vocational Education Program			130,183

Other Programs

On-behalf Payments to OPEB	\$	193,873	
Total Other Programs			193,873

Board of Education

Board and Committee Members Fees	\$	16,350	
Life Insurance		30,000	
Audit Services		37,500	
Dues and Memberships		15,534	
Legal Services		32,898	
Travel		13,250	
Liability Insurance		243,292	
Trustee's Commission		355,400	
Total Board of Education			744,224

Director of Schools

County Official/Administrative Officer	\$	121,795	
Career Ladder Program		1,000	
Secretary(ies)		37,500	
Other Salaries and Wages		4,000	
Social Security		9,393	
State Retirement		14,901	
Medical Insurance		5,750	
Unemployment Compensation		126	
Employer Medicare		2,393	
Communication		40,283	
Dues and Memberships		150	
Postal Charges		6,500	
Travel		2,978	

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Director of Schools (Cont.)

Office Supplies	\$	5,836	
Other Supplies and Materials		13	
Total Director of Schools			\$ 252,618

Office of the Principal

Principals	\$	1,074,471	
Career Ladder Program		31,770	
Career Ladder Extended Contracts		15,800	
Assistant Principals		1,988,651	
Secretary(ies)		1,114,752	
Social Security		249,874	
State Retirement		379,977	
Medical Insurance		662,837	
Unemployment Compensation		5,624	
Employer Medicare		58,438	
Travel		32,770	
Other Contracted Services		3,307	
Office Supplies		3,921	
Other Supplies and Materials		3,014	
Other Charges		6,470	
Total Office of the Principal			5,631,676

Fiscal Services

Supervisor/Director	\$	51,851	
Accountants/Bookkeepers		117,165	
Secretary(ies)		163,414	
Social Security		17,952	
State Retirement		27,556	
Medical Insurance		30,744	
Unemployment Compensation		580	
Employer Medicare		4,731	
Travel		1,342	
Other Contracted Services		17,181	
Office Supplies		15,953	
Administration Equipment		1,993	
Total Fiscal Services			450,462

Operation of Plant

Laundry Service	\$	10,341	
Other Contracted Services		1,522,071	
Electricity		1,585,336	
Natural Gas		255,876	
Water and Sewer		174,659	
Other Supplies and Materials		1,209	
Building and Contents Insurance		198,559	
Total Operation of Plant			3,748,051

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Support Services (Cont.)

Maintenance of Plant

Supervisor/Director	\$	142,174	
Secretary(ies)		32,800	
Other Salaries and Wages		771,714	
Social Security		56,083	
State Retirement		85,692	
Medical Insurance		167,592	
Unemployment Compensation		1,626	
Employer Medicare		13,116	
Communication		8,243	
Maintenance and Repair Services - Equipment		17,203	
Other Contracted Services		32,384	
Other Supplies and Materials		75,749	
Other Charges		2,508	
Maintenance Equipment		1,829	
Total Maintenance of Plant			\$ 1,408,713

Transportation

Supervisor/Director	\$	107,786	
Mechanic(s)		440,196	
Bus Drivers		1,768,663	
Clerical Personnel		30,685	
Social Security		126,928	
State Retirement		208,962	
Medical Insurance		931,799	
Unemployment Compensation		9,804	
Employer Medicare		30,159	
Communication		7,400	
Laundry Service		15,023	
Maintenance and Repair Services - Vehicles		71,623	
Travel		3,959	
Other Contracted Services		68,901	
Gasoline		815,465	
Lubricants		21,866	
Tires and Tubes		87,272	
Vehicle Parts		336,134	
Other Supplies and Materials		18,115	
Vehicle and Equipment Insurance		132,954	
In Service/Staff Development		1,405	
Transportation Equipment		810,435	
Total Transportation			6,045,534

Operation of Non-instructional Services

Food Service

Supervisor/Director	\$	48,000
Accountants/Bookkeepers		37,500
Other Salaries and Wages		4,860

(Continued)

Exhibit J-8

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

General Purpose School Fund (Cont.)

Operation of Non-instructional Services (Cont.)

Food Service (Cont.)

Social Security	\$	5,217	
State Retirement		8,376	
Medical Insurance		17,733	
Unemployment Compensation		109	
Employer Medicare		1,220	
Transportation - Other than Students		40,340	
Other Supplies and Materials		235	
In Service/Staff Development		3,677	
Total Food Service			\$ 167,267

Community Services

Supervisor/Director	\$	66,744	
Other Salaries and Wages		610,700	
Social Security		41,000	
State Retirement		9,975	
Medical Insurance		21,592	
Unemployment Compensation		3,584	
Employer Medicare		9,653	
Travel		3,568	
Other Contracted Services		3,279	
Food Supplies		36,938	
Other Supplies and Materials		68,130	
Other Equipment		2,648	
Total Community Services			877,811

Early Childhood Education

Teachers	\$	462,861	
Educational Assistants		196,159	
Other Salaries and Wages		36,792	
Non-certified Substitute Teachers		4,920	
Social Security		41,161	
State Retirement		62,071	
Medical Insurance		139,806	
Unemployment Compensation		1,404	
Employer Medicare		9,626	
Travel		325	
Instructional Supplies and Materials		4,143	
Other Supplies and Materials		3,240	
Other Charges		63,215	
Other Equipment		5,576	
Total Early Childhood Education			1,031,299

Capital Outlay

Regular Capital Outlay

Other Salaries and Wages	\$	21,064	
Social Security		1,306	

(Continued)

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

General Purpose School Fund (Cont.)

Capital Outlay (Cont.)

Regular Capital Outlay (Cont.)

Unemployment Compensation	\$ 98	
Employer Medicare	305	
Building Improvements	139,049	
Total Regular Capital Outlay		\$ 161,822

Other Debt Service

Education

Debt Service Contribution to Primary Government	\$ 600,000	
Total Education		600,000

Total General Purpose School Fund \$ 78,223,823

School Federal Projects Fund

Instruction

Regular Instruction Program

Teachers	\$ 1,273,820	
Educational Assistants	155,978	
Other Salaries and Wages	987,261	
Non-certified Substitute Teachers	62,750	
Social Security	149,582	
State Retirement	212,427	
Medical Insurance	225,050	
Unemployment Compensation	5,892	
Employer Medicare	34,984	
Other Contracted Services	68,319	
Instructional Supplies and Materials	58,627	
Other Supplies and Materials	14,843	
Regular Instruction Equipment	115,078	
Total Regular Instruction Program		\$ 3,364,611

Special Education Program

Clerical Personnel	\$ 27,020	
Educational Assistants	1,191,536	
Other Salaries and Wages	12,580	
Social Security	70,626	
State Retirement	109,603	
Medical Insurance	315,747	
Unemployment Compensation	4,248	
Employer Medicare	16,518	
Other Contracted Services	275,457	
Instructional Supplies and Materials	14,308	
Other Charges	71,400	
Special Education Equipment	68,752	
Total Special Education Program		2,177,795

(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Instruction (Cont.)

Vocational Education Program

Other Salaries and Wages	\$	42,657	
Social Security		2,566	
State Retirement		4,142	
Medical Insurance		5,747	
Unemployment Compensation		144	
Employer Medicare		600	
Instructional Supplies and Materials		29,378	
Vocational Instruction Equipment		10,947	
Total Vocational Education Program			\$ 96,181

Support Services

Health Services

Other Salaries and Wages	\$	41,956	
Social Security		2,601	
State Retirement		70	
Unemployment Compensation		67	
Employer Medicare		608	
Other Contracted Services		134,633	
Total Health Services			179,935

Other Student Support

Travel	\$	27,904	
Other Contracted Services		8,404	
Other Supplies and Materials		7,352	
In Service/Staff Development		15,440	
Total Other Student Support			59,100

Regular Instruction Program

Supervisor/Director	\$	117,784	
Secretary(ies)		24,600	
Educational Assistants		16,496	
Other Salaries and Wages		300,449	
Non-certified Substitute Teachers		1,230	
Social Security		27,940	
State Retirement		41,137	
Medical Insurance		29,625	
Unemployment Compensation		1,416	
Employer Medicare		6,535	
Travel		17,017	
Other Contracted Services		19,795	
Other Supplies and Materials		3,230	
In Service/Staff Development		159,779	
Total Regular Instruction Program			767,033

Special Education Program

Operating Lease Payments	\$	67,433	
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(Continued)

Exhibit J-8

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

School Federal Projects Fund (Cont.)

Support Services (Cont.)

Special Education Program (Cont.)

Other Supplies and Materials	\$ 11,999	
In Service/Staff Development	3,230	
Total Special Education Program		\$ 82,662

Vocational Education Program

Travel	\$ 2,817	
Total Vocational Education Program		2,817

Office of the Principal

Assistant Principals	\$ 23,955	
Social Security	1,385	
State Retirement	2,127	
Medical Insurance	4,860	
Unemployment Compensation	63	
Employer Medicare	324	
Total Office of the Principal		32,714

Transportation

Other Salaries and Wages	\$ 19,655	
Social Security	1,219	
State Retirement	1,909	
Unemployment Compensation	138	
Employer Medicare	285	
Other Contracted Services	38,990	
Transportation Equipment	131,593	
Total Transportation		193,789

Total School Federal Projects Fund \$ 6,956,637

Central Cafeteria Fund

Operation of Non-instructional Services

Food Service

Cafeteria Personnel	\$ 1,874,453	
Other Salaries and Wages	34,277	
Social Security	109,281	
State Retirement	161,627	
Medical Insurance	545,307	
Unemployment Compensation	6,866	
Employer Medicare	25,558	
Travel	5,558	
Other Contracted Services	58,993	
Food Supplies	2,161,721	
Uniforms	6,677	
USDA - Commodities	400,868	
Other Supplies and Materials	247,295	
Trustee's Commission	78	
Food Service Equipment	60,372	
Total Food Service		\$ 5,698,931

Total Central Cafeteria Fund 5,698,931

(Continued)

Exhibit J-8

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

<u>Education Capital Projects Fund</u>		
<u>Capital Projects</u>		
<u>Education Capital Projects</u>		
Architects	\$ 9,556	
Engineering Services	637	
Building Construction	48,041	
Building Improvements	<u>22,536</u>	
Total Education Capital Projects		\$ <u>80,770</u>
Total Education Capital Projects Fund		\$ <u>80,770</u>
Total Governmental Funds - Tipton County School Department		\$ <u>90,960,161</u>

Exhibit J-9

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

	<u>Cities - Sales Tax Fund</u>
<u>Cash Receipts</u>	
Local Option Sales Tax	\$ 3,785,539
Total Cash Receipts	<u>\$ 3,785,539</u>
<u>Cash Disbursements</u>	
Remittance of Revenue Collected	\$ 3,747,023
Trustee's Commission	38,516
Total Cash Disbursements	<u>\$ 3,785,539</u>
Excess of Cash Receipts Over (Under)	
Cash Disbursements	\$ 0
Cash Balance, July 1, 2013	<u>0</u>
Cash Balance, June 30, 2014	<u><u>\$ 0</u></u>

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## **SINGLE AUDIT SECTION**

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

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

Independent Auditor's Report

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

To the County Executive and Board of County Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tipton County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Tipton County's basic financial statements, and have issued our report thereon dated October 8, 2014.

**Internal Control Over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements

will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

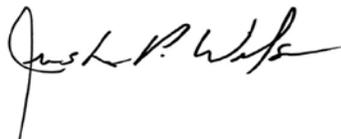
### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Tipton 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(A,B).

### **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 Tipton County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 8, 2014

JPW/yu



STATE OF TENNESSEE  
**COMPTROLLER OF THE TREASURY**  
DEPARTMENT OF AUDIT  
DIVISION OF LOCAL GOVERNMENT AUDIT  
SUITE 1500  
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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

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

To the County Executive and Board of County Commissioners:

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

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

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

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

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

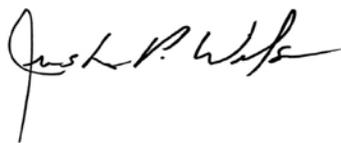
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any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

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

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

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tipton County, Tennessee, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Tipton County's basic financial statements. We issued our report thereon dated October 8, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Very truly yours,



Justin P. Wilson  
Comptroller of the Treasury  
Nashville, Tennessee

October 8, 2014

JPW/yu

Tipton 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	\$ 800,857
National School Lunch Program	10.555	N/A	3,224,172 (3)
Passed-through State Department of Agriculture:			
National School Lunch Program (Commodities - Noncash Assistance)	10.555	N/A	400,868 (3)
Total U.S. Department of Agriculture			\$ 4,425,897
U.S. Department of the Interior:			
Direct Program:			
Payments in-lieu-of Taxes	15.226	N/A	\$ 279
Total U.S. Department of the Interior			\$ 279
U.S. Department of Justice:			
Passed-through State Commission on Children and Youth:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	(2)	\$ 4,500
Passed through State Office of Criminal Justice Programs:			
Bulletproof Vest Partnership Program	16.607	(2)	14,850
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2013DJBX0174	14,836
Direct Program:			
Federal Asset Forfeiture Program	16.xxx	(2)	33,977
Total U.S. Department of Justice			\$ 68,163
U.S. Department of Labor:			
Passed-through Dyersburg State Community College:			
WIA Youth Activities	17.259	(2)	\$ 21,781
Total U.S. Department of Labor			\$ 21,781
U.S. Department of Transportation:			
Passed-through State Department of Transportation:			
National Highway Traffic Safety Administration (NHTSA)			
Discretionary Safety Grants	20.614	(2)	\$ 56,695
Total U.S. Department of Transportation			\$ 56,695
U.S. Department of Education:			
Passed through State Department of Education:			
Title I Grants to Local Educational Agencies	84.010	N/A	\$ 2,255,205
Special Education Cluster:			
Special Education - Grants to States	84.027	N/A	2,596,597
Special Education - Preschool Grants	84.173	N/A	114,605
Career and Technical Education - Basic Grants to States	84.048	N/A	142,341
Twenty-first Century Community Learning Centers	84.287	N/A	516,300

(Continued)

Tipton 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. Department of Education (Cont.):			
Passed through State Department of Education (Cont.):			
Improving Teacher Quality State Grants	84.367	N/A	\$ 516,195
Teacher Incentive Fund	84.374	N/A	456,459
State Fiscal Stabilization Fund (SFSF) - Race-to-the-Top Incentive Grants, Recovery Act	84.395	N/A	415,948
Total U.S. Department of Education			\$ 7,013,650
U.S. Delta Regional Authority:			
Direct Program:			
Delta Area Economic Development	90.201	(2)	\$ 999
Total U.S. Delta Regional Authority			\$ 999
U.S. Department of Homeland Security:			
Passed-through State Department of Military:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	(2)	\$ 159,919
Hazard Mitigation Grant	97.039	(2)	60,417
Emergency Management Performance Grants	97.042	(2)	30,000
Homeland Security Grant Program	97.067	(2)	65,939
Total U.S. Department of Homeland Security			\$ 316,275
Total Expenditures of Federal Awards			\$ 11,903,739

		Contract Number	
State Grants:			
Waste Tire Options Grant - State Department of Environment and Conservation	N/A	(2)	\$ 31,822
Preventive Health and Human Services - State Department of Health	N/A	(2)	314,173
Litter Program - State Department of Transportation	N/A	(2)	36,441
Election Commission Grant - Tennessee Secretary of State	N/A	(2)	88,658
Hazard Mitigation Grant - State Department of Military	N/A	(2)	10,069
Family Resource Center - State Department of Education	N/A	(2)	59,223
Coordinated School Health - State Department of Education	N/A	(2)	141,168
ACT/EXP - State Department of Education	N/A	(2)	16,057
ConnecTenn - State Department of Education	N/A	(2)	33,361
Children in State Custody - State Department of Children's Services	N/A	(2)	343,970
Early Childhood Education - State Department of Education	N/A	(2)	1,031,300
Energy Efficient School Initiative - State Department of Education	N/A	(2)	30,105
Art Student Ticket Subsidy - State Department of Education	N/A	(2)	6,470
Safe Schools - State Department of Education	N/A	(2)	70,800
Total State Grants			\$ 2,213,617

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 CFDA No. 10.555 is \$3,625,040.

Tipton 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 is a finding from the Annual Financial Report for Tipton County, Tennessee, for the year ended June 30, 2013, which has not been corrected.

**OFFICE OF DIRECTOR OF SCHOOLS**

Finding Number	Page Number	Subject
2013-002	145	The office had deficiencies in budget operations

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**TIPTON COUNTY, TENNESSEE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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

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

1. Our report on the financial statements of Tipton County is unmodified.
2. The audit of the financial statements of Tipton County disclosed one significant deficiency in internal control. This deficiency was not considered to be a material weakness.
3. The audit disclosed no instances of noncompliance that are material to the financial statements of Tipton County.
4. The audit disclosed no significant deficiencies in internal control over major programs.
5. An unmodified opinion was issued on compliance for major programs.
6. The audit revealed no findings that are required to be reported under Section 510(a) of OMB Circular A-133.
7. The Child Nutrition Cluster: School Breakfast Program and National School Lunch Program (CFDA Nos. 10.553 and 10.555), 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 \$357,112 threshold was used to distinguish between Type A and Type B federal programs.
9. Tipton County did not qualify as a low-risk auditee.

## PART II, FINDINGS RELATING TO THE FINANCIAL STATEMENTS

A finding and recommendation, as a result of our examination, is presented below. We reviewed this finding and recommendation with management to provide an opportunity for their response; however, management did not provide a response for inclusion in this report.

### OFFICE OF DIRECTOR OF SCHOOLS

#### FINDING 2014-001

#### **THE OFFICE HAD DEFICIENCIES IN BUDGET OPERATIONS**

(A. and B. – Noncompliance Under *Government Auditing Standards*; C. – Internal Control – Significant Deficiency Under *Government Auditing Standards*)

The following deficiencies were noted in budget operations:

- A. Expenditures exceeded appropriations approved by the County Commission in one of 25 major appropriation categories (the legal level of control) of the General Purpose School Fund: Instruction – Special Education Program by \$10,372. Section 5-9-401, *Tennessee Code Annotated*, states that “All funds from whatever source derived, including, but not limited to taxes, county aid funds, federal funds, and fines, that are to be used in the operation and respective programs of the various departments, commissions, institutions, boards, offices and agencies of county governments shall be appropriated to such use by the county legislative bodies.” This deficiency exists because management failed to stay within the spending limits authorized by the County Commission, which resulted in unauthorized expenditures, and management failed to correct the finding noted in the prior-year audit report.
- B. The budget and subsequent amendments approved by the County Commission for the School Federal Projects Fund resulted in appropriations exceeding estimated available funding by \$96,655. Sound budgetary principles dictate that appropriations be held within estimated available funding. This deficiency was the result of a lack of management oversight.
- C. The bookkeeper inappropriately posted several general journal entries totaling \$88,500 to various line items at year-end in an attempt to keep expenditures from exceeding appropriations in the General Purpose School Fund instead of requesting budget amendments from the County Commission. Many of these journal entries resulted in expenditures being coded to accounts that did not reflect the true nature of the expenditure. Sound budgetary principles require expenditures to be coded to accounts that reflect the true nature of the expenditures. Misclassifying expenditures diminishes the usefulness of the accounting records as a management tool. This deficiency is the result of the failure of management to correct the finding noted in the prior-year audit report. Audit adjustments were posted to reverse these improper journal entries to properly present the financial statements in this report.

## RECOMMENDATION

Expenditures should be held within appropriations approved by the County Commission. Appropriations that exceed estimated available funding should not be submitted to the County Commission, and the County Commission should not approve such appropriations. When necessary, budget amendments should be submitted to the County Commission for their consideration. Expenditures should be coded to accounts that most appropriately reflect the true nature of the transactions.

**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 Tipton County.

### **TIPTON COUNTY SHOULD ADOPT A CENTRAL SYSTEM OF ACCOUNTING, BUDGETING, AND PURCHASING**

Tipton 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.

**TIPTON 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.